

ANNUAL REPORT

2010/2011



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



TABLE OF CONTENTS

1. GENERAL INFORMATION	3
Vision and Mission	3
Organisational Structure	4
Legislative Mandate	4
Entities reporting to the Minister of Mineral Resources	5
Minister's Statement	10
Accounting Officer's Overview	12
Publications	14
2. PROGRAMME PERFORMANCE	15
Voted Funds	15
Aim of vote	15
Summary of Programmes	15
Key Strategic Objectives	15
Overview of the service delivery environment for 2010/11	16
Key policy developments and legislative changes	18
Departmental receipts and payments	18
Summary of expenditure per Programme	19
Transfer payments	20
• Programme performance	21
• Programme 1: Administration	22
• Programme 2: Promotion of Mine Health and Safety	60
• Programme 3: Mineral Regulation	77
• Programme 4: Mineral Policy and Promotion	87

3. ANNUAL FINANCIAL STATEMENTS	98
Report of The Audit committee	99
Report of the Accounting officer	101
Report of the Auditor-General	110
Appropriation Statement	114
Notes to the Appropriation Statement	134
Statement of Financial Performance	136
Cash Flow statement	138
Accounting Policies	139
Notes of the Annual Financial Statements	145
Disclosure notes to the Annual Financial Statements	175
Annexures	176
4. HUMAN RESOURCE MANAGEMENT	187

Vision 2014

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

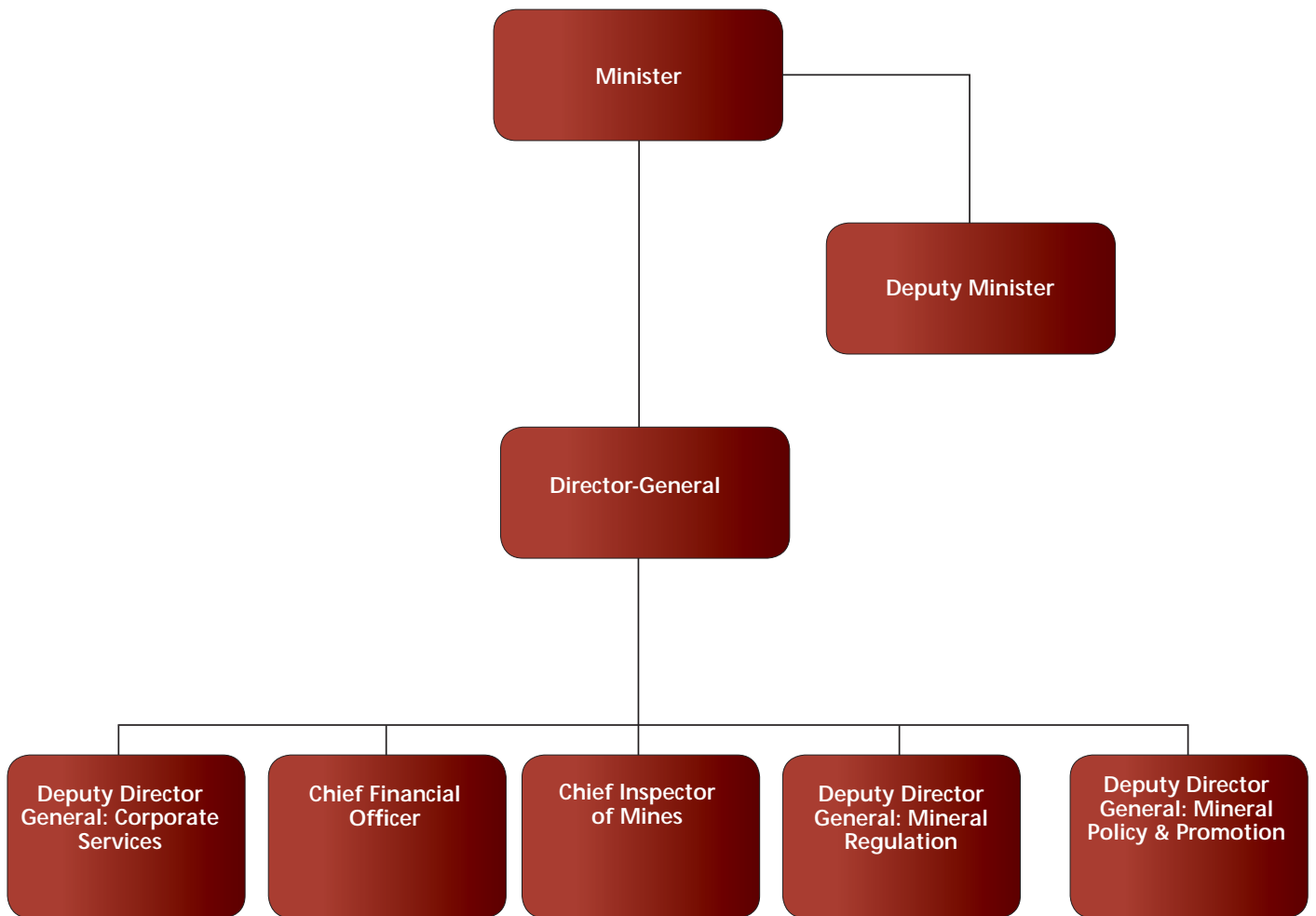
Vision 2025

A leader in the transformation of South Africa through economic growth and sustainable development by 2025.

Mission

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

Organisational Structure



Legislative Mandate

The Minerals and Petroleum Resources Development Act, No. 28 of 2002, provides the regulatory framework for equitable access to and sustainable development of the nation's mineral resources and related matters.

Public Entities Reporting to the Minister of Mineral Resources

Each of the entities reporting to the Minister of Mineral Resources submits its own annual report to the Minister, which are then tabled together with the DMR's annual report. The following is a summary of the highlights and performance of these entities for the year under review:

i. Mine Health and Safety Council

The Mine Health and Safety Council (MHSC) was established in terms of Section 42(1) of the Mine Health and Safety Act, No. 29 of 1996. The Council has the responsibility of advising the Minister of Mineral Resources on occupational health and safety (OHS) issues at mines and promoting a culture of health and safety in the mining industry. It does so through the development of OHS research programmes and the development and review of regulations, standards, occupational health and safety policies and procedures; in order to minimise the occupational health and safety risk in the sector.

MHSC Research Highlights

In the year under review, the focus of research programmes remained similar to that of the previous year, namely on the achievement of the OHS Summit milestones. The MHSC, through the research identification process, determined that research was needed in the following areas:

Rock related research

The increase in seismicity in platinum mines was of concern and required a programme of work to truly understand this risk. As such, a project was undertaken to evaluate what would be needed to mitigate the risk of seismicity. The work in this project focuses on establishing some of the fundamentals of the problems, since the platinum sector is relatively "young" when compared to gold mining operations.

Further to this, the MHSC commissioned a project through the Council for Geoscience to investigate the manner in which the national seismic network could be integrated with the mines' local-seismic networks.

Silicosis

On the issue of the eradication of silicosis, the MHSC continued funding the long term programme of work already commissioned. The focus for the year was on the finalisation of the engineering controls that could be implemented by mines to eradicate this major problem.

The MHSC also undertook to determine how previous research outcomes could be enhanced to add greater value to the sector. Part of this effort was an investigation into how the research auditing tool used in SIM 06 06 01 can be further refined and made electronically available for use by all relevant parties.

Medical Surveillance Programme

The need for accurate health data was well documented at all levels of the MHSC. As an initiative towards achieving this, the Council approved a project to investigate a model for a real-time health data system to capture occupational diseases with the long term goal of tracking trends.

Summit Action Plan and Presidential Audit Outcomes

In addition to the research initiatives, the Summit Action Plan and the outcomes of the Presidential Audit remained a key focus area for the MHSC. Each of the themes had a set of identifiable actions and outcomes.

For the year 2010/11, efforts were focussed on the development of strategies towards the various themes, with particular focus on the finalisation of a culture transformation framework. The Changing Minds, Changing Mines project is based on a survey that indicated that OHS culture in the industry was significantly more negative than international comparisons. At a workshop in February 2010, stakeholders developed the final document which was later submitted to the MHSC stakeholders for approval.

ii. The Council for Mineral Technology Research (Mintek)

Mintek was established in terms of the Mineral Technology Act, No. 30 of 1989. It provides research, development and technology that foster the development of businesses in the mineral and mineral products industries.

The effects of the global financial crisis, which were somewhat delayed in the case of Mintek, resulted in the organisation experiencing a loss, for the first time since 2007, of R2.7 million in the year under review. The main cause of the loss was the successful conclusion of the ConRoast demonstration phase as there was no major contract that could replace the Jubilee toll treatment. Further, 46 positions associated with demonstration facility became redundant. Taking this into account, as well as the financial position of the organisation and the lack of work due to the economic slump, Mintek had to enter into formal retrenchment consultations with the National Union of Mineworkers. A decision to retrench 39 staff members was inevitably reached at the conclusion of the negotiations. Mintek continues to pursue other toll treatment avenues that could result in the re-employment of the retrenched staff. The effects of the meltdown have now started to diminish and with the renewed interest in exploration and related activities, as well as various internal cost-cutting measures instituted, the organisation's financial position is expected to improve.

The recent focus on the acid mine drainage (AMD) legacy of mining in South Africa has necessitated Mintek's re-evaluation of its SAVMIN process, a technology which the organisation developed in the 1990s to treat AMD. Mintek re-engineered the technology and, together with Veolia Water Solutions and Technologies, an international water and waste water management company, the organisation will conduct feasibility studies for a cost comparison with other treatment options before a planned demonstration plant is developed.

Mintek successfully commissioned a demonstration plant at Harmony Gold Mine's No 1 plant near Welkom in the Free State to demonstrate its MetRIX continuous resin-in-pulp (RIP) technology for the direct recovery of uranium from dense slurries. Preliminary feasibility studies showed that this technology is more cost-effective than conventional methods. The MetRIX RIP process also offers environmental benefits as it is capable of treating uranium from low grade ores, such as from existing gold slimes dams, thereby reducing the uncontrolled leaching of uranium into the environment.

Samples of iron, uranium and manganese ores were tested using sensor-based ore sorting with the aim of demonstrating the technology's capability to reduce water and energy consumption in plant flow sheets by dry waste rejection before further processing. The sorting units, sourced from Commodas/Ultrastort and RADOS, have generated significant commercial interest.

A project, which was funded by the DMR and managed by Mintek, to rehabilitate derelict and ownerless mines across the country was concluded at old asbestos mine at Prieska in the Northern Cape Province. Similar asbestos mine projects are ongoing at Penge, Lusikisiki, Osizweni and Heuningvlei, and an additional five sites have been identified for rehabilitation.

Through Mintek's second economy interventions 86 people, some living with disabilities, were trained and received certificates at eight pottery projects in the North West Province. Eighty-nine people from historically disadvantaged communities were also trained in modules of small scale mining in the Free State, Mpumalanga, the Western Cape and KwaZulu Natal.

Mintek's quality, environment, safety and health (QESH) have been re-certified by independent auditors to meet the requirements of quality (ISO 9001:2008), environment (ISO 14001:2004), and safety and health (OHSAS 18001:2007) after its QESH management systems underwent a combined surveillance audit. Laboratories in the Hydrometallurgy and Analytical Services divisions were also audited against the requirements of ISO17025 for testing and calibration laboratories, and retained their accreditation.

iii. The Council for Geoscience

The Council for Geoscience (CGS), established in terms of the Geoscience Act, No. 100 of 1993, is the national agency that is tasked with the systematic development and maintenance of the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environment of South Africa.

Geoscience Amendment Act

Amendments to the Geoscience Act were passed by Parliament and signed by the President in December 2010. The Council for Geoscience is currently compiling the Act's regulations, which will be finalised in the new financial year. The Act with its regulations contains important procedures to better manage the sustainable development on dolomitic land that is susceptible to sinkholes and subsidences. The amended Act also stipulates procedures for the submission of relevant geoscientific data to the Council for Geoscience to ensure that this information will be used to enhance other geoscientific research programmes and mineral investment and exploration in the country.

Acid Mine Drainage

The Council for Geoscience led and coordinated the compilation of team of experts' report to the Inter- Ministerial Committee on Acid Mine Drainage, from which a series of important recommendations were made to address acid mine drainage for the gold-producing regions of the Witwatersrand. The Council for Geoscience will continue to focus on research to reduce the impact of acid mine drainage, not only in the Witwatersrand but also in the coal-producing areas of the country. In this regard, the Council for Geoscience, along with partners from a number of European and Asian countries are undertaking research studies in South Africa, the Czech Republic and Kyrgyzstan to enhance understanding of acid mine drainage in various geological terrains.

Rehabilitation of derelict and ownerless mines: Coal mines in Mpumalanga

During 2011 the Council for Geoscience intends to begin developing rehabilitation plans for a number of derelict and ownerless mines, with the initial focus being on coal mines in Mpumalanga. Most of these sites have related acid mine drainage problems and the proper management and mitigation of these impacts will form an important component of the project.

Seismic Activities on Mines - Mine Safety Research Programme

The Council for Geoscience, in collaboration with the Mine Health and Safety Council, has made significant progress in a project aimed at reducing the injuries and mining fatalities associated with seismic activity on our deep gold mining operations. The initial phase involves the integration of the mining seismic network with the Council for Geoscience's national network. This will assist in assessing earthquake-related hazards in our mines, which in turn will reduce the associated injuries and loss of life.

Coal Resources of South Africa

The Council for Geoscience is undertaking an assessment of the coal resources and reserves of South Africa in collaboration with Eskom, which is set for completion by end of 2011. This significant study will indicate the localities and magnitude of the remaining resources and reserves, which is of great importance for the planning of infrastructure for future exploitation of these reserves. The results will inform planning of power stations, industrial complexes, town planning, water supply, roads and railway lines. The study will also be of paramount importance in ensuring that the country does not run out of this important commodity. The last comprehensive study and assessment of South Africa's coal resources was conducted in the 1970s and the lack of scientifically derived resource figures has made management and planning of this resource difficult.

Mineral Exploration in South Africa

As part of its contribution to attract investment and grow the South African exploration and mining sector, the Council for Geoscience embarked on a number of research programmes. One such programme was the investigation of the availability of the strategically important metals such as rare earth metals. These metals have a number of significant uses, including use in permanent magnets in computers, wind turbines, mobile phones and batteries for hybrid cars. The programme is being undertaken in collaboration with counterparts from Japan and will continue in the 2011/12 financial year.

The Council for Geoscience has also embarked on an ambitious programme to review the geochemical data for the entire Bushveld Complex with the view of identifying further potential mineral targets. This programme is expected to be almost completed by the end of the 2011/12 financial year.

Sustainable utilisation of coal and gas and addressing global warming

The Council for Geoscience was a lead party in producing the Atlas on the Geological Storage Potential of South Africa, which was released to the public in September 2010. It explains South Africa's energy economy, the requirements for the safe storage

of carbon dioxide and where South Africa's storage potential lies. The atlas is intended for a broad public readership and captures fundamental knowledge on the topic of the potential for geological storage of carbon dioxide in the country.

The Council for Geoscience is also currently involved in three important climate change projects to examine the past changes of palaeoclimate in order to understand future climate change forecasts. One of the projects is particularly important, as it uses geological records from the Kalkkop Crater Lake near Graaf Reinet showing high resolution seasonal variations of various climatic indices.

A DMR task team has been set up to assess the potential of extracting gas from shales in the Karoo Basin. It is expected that the Council for Geoscience will contribute significantly to the geological understanding of this gas resource as well as the environmental aspects in respect of its potential extraction.

Geological Mapping of South Africa's Offshore Territories

The Council for Geoscience has almost completed a business case analysis for South Africa to implement a national offshore mapping programme. Knowledge of the seabed in South Africa's current territory of 1.54 m km² is extremely low and this territory could potentially be extended to 3.42 m km² through the UN Commission on the Limits of the Continental Shelf.

Our offshore region is becoming increasingly important for a host of activities and resource exploitation including mineral exploration and extraction, energy resources (renewable and non-renewable), commercial and recreational fishing, coastal engineering, environmental conservation, transport and navigation, microbial resources and academic research. These sectors require detailed knowledge of the seabed, a need which the proposed offshore programme would address.

iv. The South African Diamond and Precious Metals Regulator

The South African Diamond and Precious Metals Regulator (SADPMR) was established in terms of the Diamonds Act 1986 as amended and the Precious Metals Act, No. 37 of 2005. The South African Diamond Board ceased to exist on 30 June 2007 and the South African Diamond and Precious Metals Regulator came into effect on 1 July 2007. The Regulator took over the mandate, functions, staff and all assets and liabilities of the Diamond Board. The Regulator is now responsible for the regulation of the South African diamond, platinum and gold sectors. It is funded, in terms of Act, through a state grant, as opposed to the Board which generated its own funding from levies and licence fees of site holders.

Diamond Beneficiation

Relative to calendar year 2009, in which crisis in the industry was most felt, diamond beneficiation in South Africa recorded a 30 percent growth in 2010. An estimated 280 000 carats of rough diamond (valued at an estimated US \$350 million) were subject to cutting and polishing during the year, compared with 210 000 carats of rough diamonds (valued at an estimated US \$290 million) in 2009.

Polished diamond exports are estimated to have grown from around 134 900 carats (valued at an estimated US \$600 million) in 2009 to an estimated 159 000 carats (valued at an estimated US \$460 million) in 2010.

However, according to statistics from the Bargaining Council for the Diamond Cutting Industry, employment in diamond cutting remained at some 1200 in 2010.

v. The State Diamond Trader

The State Diamond Trader was established in terms of the Diamond Act, No. 56 of 1986, as amended, to fulfil the following main functions: to promote equitable access to and beneficiation of diamond resources, to address distortions in the diamond industry and correct historical market failures, and to develop and grow South Africa's diamond cutting and polishing industry. The State Diamond Trader commenced its operations in September 2007.

Highlights

As the diamond markets emerged from the global economic recession of 2008/09, the State Diamond Trader (SDT) was able to capitalise on the spurts of growth that took place and strengthened its trading ability throughout the financial year. A heightened reaction was employed by the SDT through its Interim Sales Strategy, yielding a number of positive results.

In terms of purchasing, the SDT increased the purchasing of rough diamonds using its own revenue, saving significant costs related to loan funding and managed to purchase 9% by volume (carats) and value. On the sales side, a total of 60 clients made purchases from the SDT, compared to 34 who in the previous year, which contributed to an increase in turnover from R300 million last year to R810 million, with a R36 million gross profit.

In addition, the SDT facilitated business management training for some of its small clients and held client information sessions where clients were able to interact with Board members on any matter pertaining to their relationship with the SDT.

The SDT also made improvements to its operational efficiency. Operational expenditure was streamlined, contributing to the increased profit return, and a Stock Holding Policy was developed, with targeted turnaround time of stock being achieved. The existing producers supplying rough to the SDT were maintained with improved compliance.

Four (4) Diamond Trainees who were jointly employed with the DMR were trained throughout the year and four more trainees will be trained in the coming financial year. The seconded personnel from both DMR and De Beers continued to provide invaluable contribution to the operations of the SDT.

Challenges

The lack of state funding and the finalisation of its own funding model remain significant challenges. The other challenge that continues to pose itself is the purchasing of rough diamonds on a run of mine (ROM) basis, which demands proactive and innovative selling measures on the part of the SDT.



Minister Susan Shabangu

It gives me great pleasure to present the Department of Mineral Resources Annual Report for the 2010/11 financial year.

The year under review has been monumental for the Department. With the DME split that established us as a separate department now behind us, the DMR set about redefining the way it does business so as to make a positive contribution to the transformation and development of the mining industry.

Perhaps the highlight of the year was the implementation of the improved cadastre online system which replaced the outdated National Mining Promotion System. This exercise was key to addressing operational shortfalls and improving efficiencies, which was a major focus of the year under review.

As part of this effort, we imposed a moratorium on new applications for prospecting rights while a new system was developed. This gave us time to take stock of our progress since the promulgation of the Minerals, Petroleum Resources Development Act in 2004.

The period of the moratorium, which ended on 31 March 2011, throughout our country, except Mpumalanga provided the time needed to get a clearer picture of our operational and systems shortfalls. For this I would like to thank the Director General who championed this project with zeal and dedication, as always. He put together a formidable team to work on this challenge, and the expertise of the team members has been greatly enhanced through this project.

During the moratorium period, the Mineral Regulation Branch was able to conduct inspections on all issued Prospecting Rights with 3266 inspections conducted from a planned 3507.

The Department has now become committed to more stringent monitoring and enforcement of compliance. The provisions of Sections 47 and 93 of the Act are being used more effectively and any mines contravening the terms and conditions of their rights will have their licences suspended or even cancelled.

As a result of the inspections, 434 Section 47 statutory notices, or notices of intention to cancel rights, were issued to rights holders who have failed to commence with prospecting activities within the legislated 120 days. The reason given was generally the lack of access to financial resources needed to commence with prospecting activities. In the diamond sector, we have found rights holders who have been utilising prospecting rights to mine with/without section 20(2) of the MPRDA permissions with the intention of avoiding the implementation of social and labour plans.

A total of 713 Section 93 statutory orders were issued to rights holders who were found to be operating outside of their approved environmental management plans and prospecting work programmes; who did not review or make adequate financial provision to remedy environmental degradation; who had not submitted annual performance information; or who had not paid prospecting fees.

I had indicated the intention to reduce the time it takes to apply for prospecting rights as well as mining rights. Through the improvement of the system, this is now a reality. The system was inundated in the first few hours of going back online, and we continue to learn and improve it to make it easier for potential investors to take part in our mining industry.

I have also been humbled by the spirit of trust we have engendered among our key partners, labour and organised business, with whom we spent countless hours in meetings sharing our expertise in order to enhance the industry and the role it plays in our economy.

With our Mining Industry Growth, Development and Employment Task Team (MIGDETT) partners, we engaged in international roadshows and presented one voice to sometimes sceptical investors who had heard unfavourable stories about our business model. I am pleased to report that even though it was an uphill battle we managed to give a healthy picture of the opportunities and benefits of doing business in this country and that the seeds we planted found some fertile ground.

We believe that the Department continues to create an enabling environment for our country to take advantage of the commodities boom currently underway.

One of the other notable achievements for the Department was the development and ultimate endorsement of the beneficiation strategy by Cabinet. The strategy provides a framework for the orderly development of the country's mineral value chain. This strategy will support the New Growth Path and National Industrialisation Policy Framework, both of which seek to put the country on a production-based, labour-absorptive growth trajectory.

Other critical areas that remain high on the agenda include the mining sector strategy, the migration of the state-owned mining company into DMR and the finalisation of the strategy to deal with small-scale miners.

We have given an undertaking to improve the construct of the MPRDA and other legislation within our ambit. While these pieces of legislation are robust, the principal Act has presented areas of ambiguity which have led to different interpretations. The objectives of the amendment are to improve the current construct of the Act to remove ambiguities, make provision for a comprehensive consultation process, make provision for enhanced punitive measures, streamline the licensing processes and provide for a single regulatory authority.

Parallel to the strategy adoption process, work has begun on developing a steel value chain intervention plan that will mitigate the value chain specific and cross cutting constraints identified in the strategy.

Work on rehabilitation of ownerless and derelict mines continues unabated. These mines pose significant environmental, health and safety risks to neighbouring communities, as they, among other things, pollute ground and river water systems. The primary aim of rehabilitation is permanently to eliminate the environmental damage by restoring the land impacted by the mining activity to a sustainable usable condition.

This includes the concept of minimising loss of land use capability and provides tangible benefit to our society. The secondary aim is to return the disturbed area to an ecologically stable environment which is in equilibrium with its immediate surroundings and, to this end, five derelict and ownerless mine sites were rehabilitated in the 2010/11 financial year.

Turning to the issue of mine health and safety, I am still very gravely concerned about the continued carnage on our mines. It appears that most of these fatalities are related to increased production in the gold and platinum sectors which is being compounded by the lack of improvement in cases of TB, silicosis, as well as noise induced diseases.

Accordingly we are currently reviewing the Mine Health and Safety Act in order to strengthen enforcement of safety in our mines whilst removing any ambiguities.

As we did this past year, we have set ourselves what many may consider steep targets for the financial year to come, but we believe they are attainable.

Again, I would like to thank the team under the astute stewardship of Advocate Sandile Nogxina for their immense contribution to the attainment of the targets we had set for ourselves. The future looks bright because of their good work.

This annual report is tabled for your consideration.



Ms Susan Shabangu, MP

Minister of Mineral Resources

It is my pleasure to present the Annual Report of the Department of Mineral Resources for the 2010/2011 financial year.

The performance of the mining industry for the period 2010 demonstrated significant recovery from the preceding implosion caused by the global economic and financial crisis. In this regard, the aggregated extraction rate grew at a phenomenal 5.8% relative to a contraction experienced in the preceding year. This performance confirms our view that recovery is now well underway and that the next commodities boom has begun in earnest.

Simultaneously, employment in the mining industry shrunk by 5.1% in 2009, although in the same period employment of women grew by a staggering 11%. The employment of women in the sector started from a low base, indicating that efforts to diversify the workforce are beginning to bear fruit. In 2010, total employment grew by 1.2%, with women employment growing by a further 15.6%. Total employment in mining reached 498 055, falling marginally short of the threshold of half a million jobs.

Employment in mining continued to grow during the year, and will continue to do so in the future, given the current interventions. These are aimed at positioning this industry along a sustainable growth trajectory resulting in the further creation of decent jobs, in line with the national developmental priorities. These interventions include the development of a national mining sector strategy, the **Beneficiation Strategy** as well as the revised **Mining Charter**.

The management of **derelict and ownerless mines** is a key deliverable of the Department given the serious challenges that the country is facing from such mines. An important milestone in the evolution of addressing this legacy has been the development and approval of a strategy for the rehabilitation of these derelict and ownerless mines. This strategy makes provision for a policy framework for the management and amelioration of the negative environmental and health impact of these mines.

This plan presents a programme of work to be undertaken on an annual basis with identified activities which are buttressed by the funding requirements propelled by a clear risk profile. Employing the limited financial resources available, the Department rehabilitated five sites during the 2010/11 financial year, creating a total of 221 employment opportunities. Ten sites have been prioritised for the next financial year and work is currently already underway to give priority to sites that are posing high risks to communities as well as those that are likely to have a negative impact on the surrounding ecosystems.

Over and above the utilization of the funds allocated from the fiscus, the Department is working towards concluding a strategic partnership agreement with the Department of Public Works. This will be executed through the Expanded Public Works Programme (EPWP) with a specific focus on the environment and the Culture Sector Incentive Programme. This is being done in a bid to ensure that, as we eradicate the environmental blight, we simultaneously contribute to job creation as well as to tap into other financial resources that are available within the public sector to achieve the outcomes of this programme.

During the 2010/11 financial year one of the objectives of the Department was to grant 27 mining rights to historically disadvantaged South Africans (HDSAs) and we eventually granted, to these groups, 117 mining rights. In the case of women-led entities, 30 rights were granted compared with the initial target of 18. 32 MPRDA workshops were held, against a planned target of 10, and this was done in order to engage and promote interaction with stakeholders which assisted in promoting the objective of the **MPRDA**.

South African Mineral Resources Administration System (SAMRAD)

The process of developing an integrated electronic system commenced during the 2010/11 financial year. The system allows for the integrated management of information and has consequently improved the management of the administrative process underpinning our licensing regime. Due to the limitations of the National Mining Promotion System, a decision was consequently taken to expand the new electronic management system within the Department, starting with the Mineral Regulation branch.

The mandate was for the Mineral Regulation Branch firstly to develop a transparent online application system that makes it possible for the public to freely view the spatial locality of applications in terms of the Mineral and Petroleum Resources Development Act, "MPRDA" (Act 28 of 2002). This would enable applicants to check the status of their applications. Secondly the branch was to develop a system that eliminates the risk of spatial errors; and, thirdly, to ensure that uniform standards and procedures are implemented when processing applications. The system was developed and subsequently launched in the first half of 2011.

The Department conducted 189 Mining Charter compliance inspections against the initial target of 140. This was necessitated by the deliberate decision of the Department to shift the strategic focus to monitor the compliance of holders of rights. In the area of environmental management, the Branch conducted 3006 compliance inspections against the initial target of 1380. This figure includes inspections that were conducted during the period of the moratorium.

During the year under review we recorded the lowest number of fatalities in the history of the mining industry. A total of 127 persons lost their lives compared to 168 of the previous year. Although there has been marginal improvement, the Department is still concerned about the continued loss of life at our mines.

It is a matter of fact that there are more deaths in the mining industry as a result of occupational health diseases rather than occupational injuries.

The Department will continue to take a hard stance against unsafe working conditions. Accordingly heads of these institutions will be engaged to ensure that appropriate steps are taken to improve safety in their operations.

CONCLUSION

I would like to thank, most sincerely, all members of staff who have made an invaluable contribution to the excellent manner in which we have executed our responsibilities during the financial year covered by this report. We have no doubt that our efforts to improve the working conditions of our employees will continue to reward us as we face an exciting and yet challenging future.



Mr E Ragimana

Acting Director General

Reviews

- 27th Edition of South Africa's Mineral Industry (SAMI) 2009/2010

Information Circulars

- MB Bulletin Trimester Vol. 23 Issue 1 of 3 2010
- Vol. 23 Issue 2 of 3 2010
- Vol. 23 Issue 3 of 3 2010

Directories

- D1/2011: Operating mines and quarries and mineral processing plants in the Republic of South Africa
- D6/2010: Platinum-group metal mines in SA
- D7/2010: SA diamond hand book and operating diamond mines directory
- D11/2010: Producers of industrial mineral commodities in South Africa
- D12/2010: Operating and developing Black Economic Empowerment mining companies

Statistics

- Minerals - South Africa: Statistical Tables 1988 – 2009
- Mineral Production and Sales Statistics (Monthly and Annually)

Bulletins/ Reports

- R1/2010 Information on how to start a mine
- R59/2010 An analysis of SA's mining contribution to the national economy
- R39/2009 Investment in a selection of South Africa's mineral sector
- R85/2010 Lime industry in South Africa
- R86/2010 Chromium industry developments
- R87/2010 Ceramic industry in South Africa
- R88/2011 Overview of the cobalt industry in South Africa 2000-2009
- R89/2010 Refractory clays industry in the Republic of South Africa

PROGRAMME PERFORMANCE: OVERALL PERFORMANCE

2.1 Overall Performance

2.1.1 Voted Funds (2010/11)

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
	1,030,016	995,842	994,697	1,145
Responsible Minister	Minister of Mineral Resources			
Administering Department	Department of Mineral Resources			
Accounting Officer	Director-General of Mineral Resources			

2.1.2 Aim of the Vote

The aim of the Department of Mineral Resources is to promote and regulate the minerals and mining sector for transformation, growth and development and ensure that all South Africans derive sustainable benefit from the country's mineral wealth.

2.1.3 Summary of Programmes

Programme 1: Administration

Purpose: Strategic support and management services to the ministry and department.

Programme 2: Promotion of Mine Safety and Health

Purpose: Ensure the safe mining of minerals under healthy working conditions.

Programme 3: Mineral Regulation

Purpose: Regulate the minerals and mining sector to promote economic development, employment and ensure transformation and environmental compliance.

Programme 4: Mineral Policy and Promotion

Purpose: Develop relevant mineral policies that promote South Africa's mining and minerals industry in order to attract investment.

2.1.4 Key Strategic objectives

At the 2010/11 annual strategic planning session, the Department developed the following strategic objectives in support of the revised mission and vision. The session was also used to anchor the mission, vision and strategies to broad government imperatives of poverty eradication, transformation of our economy and society, social justice, reconstruction and development.

1. Actively contribute to sustainable development - promote sustainable resource management and contribute to skills development and the creation of meaningful and sustainable jobs.

2. Promote and transform the minerals sector

- i. Promote and facilitate value addition to mineral resources extracted in the Republic.
- ii. Redress past imbalances through promoting investment, broader participation in the minerals sector, direct intervention in communities, and increased BEE and SMME participation inclusive of women, youth and the disabled.

3. Regulate the minerals sector - developing new policies, reviewing of existing policies and amending legislation to make them current to evolving an environment and achieving transformation in the minerals and mining industry.

- 4. Promote health and safety in the minerals sector** - provide clear policy and regulatory framework to manage health and safety risks and promote best practice in the mining sector.
- 5. Protect the environment** – promote the reduction of the impact of mining activities on the environment and public health through management of rehabilitation of ownerless and derelict mines, research and development in mine environmental management and development of mine environmental policies.
- 6. Efficient and effective service delivery** - develop and review internal processes, understand stakeholder needs and improve turn-around times.
- 7. Enhance DMR culture, systems and people** - attract, develop and retain appropriate skills, promote good organisational culture and make the Department an employer of choice.
- 8. Ensure long term financial stewardship** – ensure optimal utilisation of resources, manage budgets effectively, implement risk management strategies and promote corporate governance.

2.1.5 Overview of the service delivery environment for 2010/11

Following the split of the Department of Minerals and Energy into two Departments, namely the Department of Mineral Resources and the Department of Energy, and the subsequent internal restructuring of the two departments, the Department of Mineral Resources is pleased to confirm that the process went smoothly, with only minor challenges. All the line and support services functions have settled well and have established systems that have continued to align service delivery with the electoral mandate and strategic priorities.

In January 2011, following the Cabinet Lekgotla, the President made a call to all national departments to fill vacant funded posts by June 2011. The Department heeded the call and can safely confirm that it has made significant progress in this regard.

Mine Health and Safety

The safety track record in the South African mining industry continues to be a matter of great concern to the Department, although the mining industry has in the last year managed to record a year-on-year reduction in fatalities due to mine accidents. A total of 127 mine employees died in 2010, compared with 168 fatalities in 2009. Fall of Ground (FOG) accidents remains the largest accident category and the predominant cause of fatalities, followed by transportation and machinery categories respectively.

Occupational health impacts are not immediate and hence difficult to quantify. Silicosis remains a major cause of premature retirement and death at South African mines, due to excessive dust exposure. On the other hand, tuberculosis (TB) continues to be a serious challenge for the mining industry and this is exacerbated by HIV and AIDS. Noise Induced Hearing Loss (NIHL) is also a significant health hazard due to exposure to high levels of noise in workplaces.

Disaster-type Accidents

An underground fire was detected at Harmony's, Phakisa Mine in the Free State and two proto teams were sent down to investigate. An explosion took place in which three members of the proto teams were fatally injured and another two members subsequently died from their injuries. During May 2010 a FOG accident killed three mineworkers at Simmer & Jack, #5 Shaft in the Stilfontein vicinity. Another massive FOG was responsible for the death of five mineworkers at Aquarius, Marikana Mine close to Rustenburg.

HIV/AIDS and Occupational Health

A new Chief Directorate was established within the Inspectorate to focus on occupational health, as more people are dying from occupational diseases than from occupational injuries within the South African mining industry. Silicosis is still of major concern, especially in the gold mining sector. Research conducted through the Mine Health and Safety Council (MHSC) is focused on ways of reducing excessive exposure to silica dust to prevent silicosis.

Tuberculosis (TB) remains the main occupational health challenge within the South African mining industry. This picture has not changed over many years and the situation has been aggravated by HIV-infections. The Department has commissioned the National Institute of Occupational Health (NIOH) to conduct a study on HIV and TB in the mining industry in terms of prevalence and incidence. The final report has been completed and will be discussed during an HIV/TB Summit to be held during 2011.

Mineral Regulation

On 31 August 2010, the Department, after having invited and considered representations from relevant stakeholders, imposed a moratorium under section 49(1) of the Mineral and Petroleum Resources Development Act, on new applications for prospecting rights in terms of section 16 of the MPRDA, for a period of six months with effect from 1 September 2010 until 28 February 2011. This moratorium did not affect the processing of existing prospecting rights applications received before 01 September 2010, or the renewals thereof.

The primary objective of the moratorium was to allow the Department to:

- a) Conduct a thorough audit on all granted and issued prospecting rights to verify all prospecting activities per right through compliance inspections.
- b) Audit how many of the 3507 applications for prospecting rights received and processed in fact graduated into impactful mining rights.
- c) Conduct verification on all prospecting rights that have lapsed, in order to ensure whether closure certificates were issued.
- d) Clean up the backlog in respect of all applications on the system.
- e) Clean up the National Mining Promotion System (NMPS) to ensure accuracy and reliability of information on the system, prior to its migration to SAMRAD.
- f) Align the reduction of newly set timeframes with SAMSHA in order to comply with the MIDGETT commitments.
- g) Align the above processes with the mining charter review process.

After a period of six months, the Department amended the initial moratorium period of six months to add another month in respect of eight regions, with the exception of the Mpumalanga Region. In respect of Mpumalanga Region, the moratorium was extended until 30 September 2011 in order to allow the Department to fully fulfil the objectives of the moratorium.

Mineral Policy and Promotion

During the 2010/11 financial year, two Directorates – the Mine Occupational Safety Policy and Mine Occupational Health Policy – were moved from the Mine Health and Safety Inspectorate to Mining and Mineral Policy Development. The move was intended to ensure that all policy development and related work is located within one section of the Department.

The International Coordination Directorate also shifted from the Corporate Services Branch to the Mineral Policy And Promotion Branch during the latter part of the financial year. This move was designed to reinforce the promotional aspect of the Department in terms of encouraging investments from strategic countries that South Africa has established partnerships with.

2.1.6 Key policy developments and legislative changes for the 2010/11 financial year

Amendments of both the Mineral and Petroleum Resources Development Act (MPRDA) and the Mine Health and Safety Act (MHSA) will be undertaken during 2011/12.

The review of the MPRDA seeks to improve the current construct of the Act, remove ambiguities, make provision for clarity for consultation processes, enhance punitive measures of the law and streamline the licensing processes including making provisions for the regulation of the environment in respect of minerals and mining.

The MHSA is being reviewed to strengthen enforcement provisions, simplify the administrative system for issuing of fines, increase penalties for offences, substitute and remove ambiguities and effect certain amendments for consistency with the MPRDA.

A comprehensive assessment of the outcomes of the Mining Charter as reported in our previous annual report revealed a lack of compliance by the mining industry with the implementation of the objectives outlined therein. To overcome the inadequacies, the Mining Charter was subsequently amended and gazetted late last year. The mining industry will have to comply with the requirements of this document and the first compliance reports from mining companies following the Charter review are due at the end of June of the next reporting period.

We had reported the tabling of the Geoscience Amendment Bill Act, No. 16 of 2010 in our last report. This piece of legislation was assented to and signed by the President at the end of last year.

Several strategies and guidelines relating to environmental management have been drafted and are awaiting approval. They will assist to streamline environmental management in the Department and place the Department in a more positive light with regard to clear environmental direction. These include the Mine Environmental management series which contains guidelines for EIAs, monitoring and closure as well as the regional mine Closure Strategies to provide guidance on the management of water at a regional scale in the different mining areas.

2.1.7 Departmental receipts and payments

DEPARTMENTAL RECEIPTS	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11	Deviation from Target R'000
	Actual R'000	Actual R'000	Actual R'000	Actual R'000	Target R'000	Actual R'000	
	Sales of goods and services	1,812	3,362	5,638	5,512	2,739	
Transfers received	466,511	-	-	-	-	-	-
Fines, penalties, forfeits	458	218	112	382	470	531	61
Interests, dividends, rent	88,515	244,126	256,089	210,791	95,055	26,978	-65,256
Financial transactions	242	20,599	2,808	459	769	626	-143
TOTALS	657,538	268,305	264,647	217,144	99,033	30,302	68,731

2.1.8 Summary of Expenditure per Programme

MINERAL RESOURCES Programmes (Branches)	Original Budget (ENE)	Roll-over of funds	Virement After AENE	shifting AENE	Shifting of funds (after AENE)	Unavoidable Surrender	TOTAL Budget	Actual expenditure	Variance	Variance %
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1 Administration	239,042	0	1,217	-15,343	2,949	0	227,865	226,727	1,138	0.50%
Minister	1,816	0	132	-8	0	0	1,940	1,904	36	1.86%
Deputy Minister	0	0	691	0	0	0	691	769	-78	-11.29%
Management	25,839	0	-5,277	-1,286	2,949	0	22,225	21,738	487	2.19%
Corporate services	188,737	0	5,674	-14,049	0	0	180,362	184,343	3,981	2.21%
Office accommodation Public Works	22,650	0	0	0	0	0	22,650	17,973	4,677	20.65%
2 Promotion of Mine Health And Safety	145,865	0	-4,975	-3,795	0	0	137,095	137,092	3	0%
Governance Policy and Oversight	46,904	0	10,481	-1,220	-4,159	0	52,006	52,073	-67	-0.13%
Mine Health and safety Regions	98,961	0	-15,456	-2,575	4,159	0	85,089	85,019	70	0.08%
3 Mineral Regulation	215,925	5,000	6,257	-8,571	-30,000	0	188,611	188,608	3	0.00%
Management	5,788	0	2,699	-287	750	0	8,950	8,950	0	0.00%
Mineral Regulation and Administration	169,494	5,000	3,558	-8,284	-30,750	0	139,018	139,015	3	0.00%
South African Diamond and Precious Metal	40,643	0	0	0	0	0	40,643	40,643	0	0.00%
4 Mineral Policy and Promotion	429,184	0	-2,499	-11,465	27,051	0	442,271	442,270	1	0.00%
Management	16,629	0	7,573	-3,518	-3,255	0	17,429	17,428	1	10.01%
Mineral Policy	9,061	0	-4,430	-1,953	2,230	0	4,908	4,908	0	0.00%
Mineral Promotion	55,875	0	-4,352	-3,634	1,025	0	48,911	48,911	10	10.00%
Economic Advisory Services	4,628	0	-610	-1,069	-2,949	0	0	0	0	0.00%
Mine Environmental Management	4,975	0	-680	-1,291	3	0	3,007	3,007	0	0.00%
Council for Geoscience	136,505	0	0	0	32,671	0	169,176	169,176	0	0.00%
Assistance to Mines	35,671	0	0	0	-32,671	0	3,000	3,000	0	0.00%
Council for Mineral Technology	165,840	0	0	0	30,000	0	195,840	195,840	0	0.00%
5 Theft and Losses	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	1,030,016	5,000	0	-39,174	0	0	995,842	994,697	1,145	0.12%

2.1.9 Transfer Payments

MTEF transfers to the state owned entities (SOEs) reporting to the Minister of Mineral Resources:

Name of Institution	Amount Transferred R'000
Council for Mineral Technology (MINTEK)	165,840
Council for Geoscience (CGS)	136,505
Mine Health and Safety Council (MHSC)	5,358
South African Diamond and Precious Metals Regulator (SADPMR)	40,643
Totals	348,346

Other transfers to SOE'S reporting to the Minister of Mineral Resources:

Name of Institution	Reason for Transfer	Amount Transferred R'000
Industrial Development Corporation of South Africa	Small Scale Mining	23,609
Council for Mineral Technology (MINTEK)	Rehabilitation of Ownerless and Derelict Mines	30,000
Council for Geoscience (CGS)	Implementation of the Water Ingress programme	32,671
Totals		86,280

Transfers to other organisations:

Name of Institution	Project	Amount Transferred R'000
Grootvlei Proprietary Mines		3,000
Totals		3,000

2.2 Programme Performance

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

Programme 1: Administration

Programme 2: Promotion of Mine Health and Safety

Programme 3: Mineral Regulation

Programme 4: Mineral Policy and Promotion

PROGRAMME 1: ADMINISTRATION

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

Corporate Services Branch

Headed by the Deputy Director-General: Corporate Services, the Branch consists of five Chief Directorates:

- Human Resources Management;
- Communication and International Co-ordination;
- Special Projects and Programmes;
- Strategy, Risk and Monitoring; and
- The Ministry (administrative support).

Service Delivery: Achievements, Objectives and Indicators

The President's announcement of the split of the Department of Minerals and Energy into two independent departments came soon after the finalisation of the DME's 2010/11 strategic plan. Among the decisions taken were the restructuring of Corporate Services and the repositioning of Human Resources as a priority focus area to address capacity challenges accumulated over a number of years as the size of the Department increased. The government-wide restructuring process focused on the use of internal resources and used minimal internal capacity to restructure and reposition these critical functions.

Some of the planned projects were put on hold until the finalisation of the split (as indicated in the tables below). By the end of the 2010/11 financial year, the split of the Department of Minerals and Energy into two independent departments, namely the Department of Energy and the Department of Mineral Resources, had been completed. The two new departments became operational on 1 April 2010, each with its own budget, budget vote, personnel and accommodation. In light of the above, Corporate Services has managed the transition fairly well with only minor hiccups. All systems that were put in place have had a positive impact in the smooth running of the Department.

i Chief Directorate: Human Resource Management Services

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

Organisational Development

The main purpose of this Directorate is to provide a comprehensive organisational development service to the Department. The Directorate has successfully managed change that resulted from the split of the former Department of Minerals and Energy. The Directorate has also successfully finalised the re-alignment of the organisational structure project for all line function branches. With regards to job evaluation, out of the six branches of the Department, job evaluations for three branches have been finalised.

Human Resource Planning and Policy

This is a newly created Directorate resulting from the restructuring and repositioning of the Directorate: Human Resources in the Department. The focus of this Directorate is to manage all the human resource related activities, including human resource planning, systems, functions, branding, marketing and policies within the Department. In this regard the Directorate developed an Integrated Human Resource Plan as well as the Employment Equity Plan for the Department.

Human Resource Administration and Practices

The main purpose of this Directorate is to manage relationships with mineral resources business unit's partners on human resources matters and administration. This entails recruitment and selection, facilitating competency-based assessments and individual performance evaluations through the Performance Management and Development System (PMDS), managing service conditions and the implementation of Policy and Procedure Incapacity Leave and Ill-health Retirement (PILIR). Following the Department split, considerable effort was applied to match and place all employees into the new structures. In addition, the performance bonuses and pay progressions for all staff below SMS level were implemented during the second quarter of the 2010/11 financial year.

Human Resource Development

The mandate of the Human Resource Development Directorate in terms of the Skills Development Act (SDA), the National Human Resource Development Strategy (NHRDS), the National Skills Development Strategy (NSDS) and the Departmental HRD Implementation Plan is to address skills challenges through training and development programmes that can ensure that there is a supply of employees with the required skills set (i.e. scarce/critical skills), to meet the Departmental strategic needs as well as the needs of the South Africa economy. This is essential in ensuring that the economy as a whole achieves improved performance to enhance service delivery.

To deliver on its mandate, the Directorate is responsible for the development and implementation of the Departmental HRD strategy and Workplace Skills Plan.

Highlights in this regard included a number of generic and technical programmes, ranging from mass inductions, middle management development, executive development programme, and government certificate of competency (GCC). The Directorate also successfully administered the bursary schemes (both internally and externally focused), international sponsorships as well as internship and learnership programmes for Mineral Policy and Promotion, Mineral Regulation and Mine Health and Safety.

The challenges facing the Directorate include the shortfall on operational budget allocated and an inability to retain staff due to the high salary packages offered by the mining industry. In order to source funding to meet the budget shortfall, the Department has entered into a memorandum of understanding with the Mining Qualification Authority, and the MQA has agreed to fund 60 bursaries and 10 learnerships / internships.

Employee Relations Management

This is also a newly created Directorate aimed at managing employee relations, collective bargaining and employee wellness. The Directorate was able to establish a Departmental Bargaining Chamber within the prescribed timeframe. In addition, the employment relations sub-directorate finalised all disciplinary and grievance cases within the prescribed timeframes. Three arbitrations were handled, with two cases being ruled in favour of the Department, while one is still with the Labour Court.

In terms of wellness, flu vaccination and health risk assessments were carried out in all regional offices.

Security Risk Management

The main purpose of this Directorate is to ensure effective security risk management services, the focus being on vetting and security operations. The main achievement of the Directorate was the full implementation and functionality of the Vetting strategy in the Department. Ninety percent (90%) of EXCO members have been security cleared, with the other 10% still in progress at the time of reporting.

The Directorate also observed a decline in the number of security breaches since the beginning of the financial year with only one case reported as opposed to six reported in the previous year.

Legal Services

The Directorate: Legal Services focuses on ensuring the provision of professional legal support and advisory services to the Ministry and the Department.

Legal Services provides the Department with comprehensive legal support services, including legal opinions and advice, assistance with legal drafting, litigation, and assisting with and monitoring the implementation of the Promotion of Access to Information Act (PAIA), No. 2 of 2000 and the Promotion of Administrative Justice Act, No. 3 of 2000. The Directorate also assists in the determination of culpability of officials in cases of lost or damaged property, assists the Minister in handling appeals against the Department's administrative decisions, and facilitates the signing of international agreements between the Department and third parties.

ii Chief Directorate: Communication and International Co-ordination

The objective of the Chief Directorate: Communications is to develop, implement and manage communication strategies for the Department for both internal and external stakeholders, including the media. Its core mandate entails rendering efficient and effective communication services in line with the DMR's mandate, mission, vision and values, whilst bearing in mind the context and environment of the mining industry. The role of the Directorate is critical to the success of the Department.

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

Since the split of the DME, the Chief Directorate has embarked on a project of restructuring the Directorate: Communications to ensure that it is appropriately capacitated to provide communications services. The restructuring will further consolidate the unit and reasserts communication as central to all of DMR's programmes and policies. Such an approach will also apply to international communication and the marketing of the Department abroad.

Communication objectives

The Department's communication is driven by the need to:

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

Presidential Hotline

The Chief Directorate: Communications also hosts the function of public liaison services, dealing with Presidential Hotline queries received that are applicable to the Department. The queries or suggestions that have relevance to the Department are received at the Chief Directorate, and are then disseminated through the Department. All the responses received are also returned to the Presidency by end of March 2011 the Department had a 99% success rate in resolving Presidential Hotline queries.

International Co-Ordination

The international Co-Ordination Directorate participated in a number of forums and meetings to advance the DMR agenda in the Mining and Minerals sector.

International Agreements

The department started the process of reviewing all international agreements signed by end of March 2011 to determine the status, validity and alignment of these agreements with the country's strategic objectives and to guide future agreements. Forging relations with different countries is a dynamic process and has evolved since the attainment of democracy in 1994. National interests will always determine the social, political and economic developmental strategic milieu for our interaction with foreign nations.

During the forthcoming financial year, we will finalise this process and ensure that our plans of foreign engagement are aligned with national needs, including the conclusion of a number of bilateral agreements and establishing new strategic relationships within the mining industry. The evaluation of these agreements ensured the promotion of the Department's agenda in multilateral fora and through bilateral relations and structured bilateral meetings.

iii Chief Directorate: Special Projects and Programmes

The Chief Directorate: Special Projects is tasked with the implementation of transformation imperatives of vulnerable groups and disadvantaged communities. The Department's strategy in this regard is to mainstream gender and youth empowerment and facilitate the participation of these groups and communities through sector groups and outreach programmes.

During the year under review the Chief Directorate implemented its outreach programmes in four provinces, namely Gauteng, Limpopo, Eastern Cape and KwaZulu Natal. Information sessions were presented that offered career guidance to encourage learners to pursue careers in the mining related fields. These programmes are undertaken in partnership with mining stakeholders. The Chief Directorate also provided targeted institutions with computers and furniture as a contribution towards education and community development.

During the 2010 Women's Month the Minister hosted a "Women in Mining" Ingxoxo (dialogue) with the view of addressing challenges experienced by women in mining. The mining Ingxoxo was attended by more than 300 women who are involved in mining as owners, shareholders, executives or similar positions. During the Ingxoxo, the Minister made a call to established mining houses to pledge their support to adopt girl learners and provide bursaries to study towards mining and related fields. To date, 17 girl learners will be enrolled at various tertiary institutions for the 2012 academic year through the contributions of private sector companies who have pledged their support to the initiative.

A successful Mandela Day was hosted by supporting a retirement home in Vosloorus. Food, blankets and other necessities were provided to the centre, including the renovating of two houses for the elderly in the area. The Chief Directorate also hosted a successful event for 16 days of activism against women abuse in Rustenburg.

Following a bilateral agreement between the South African and Chinese governments in 2006, the Department entered into an agreement with Michael Diamond Company to train young South African women in beneficiation in China. The Special Projects and Beneficiation Components facilitated the selection and travel arrangements of the selected young women to be trained in jewellery making.

Some of these young women have since come together and established a jewellery company namely, Umtha Welanga Jewellers which was launched on 4 March 2011.

iv Chief Directorate: Strategy, Risk and Monitoring (the Compliance Office)

This Chief Directorate is the Department's focal point on corporate governance and is responsible for co-ordinating strategic planning, risk management, fraud prevention, quarterly and annual reporting, and compliance monitoring (by the Department and its public entities). It exercises oversight, in conjunction with line function branches, of the activities of state-owned entities

reporting to the Ministers of Mineral Resources.

The Minister tabled the 2009/10 Annual Report of the Department and its state-owned entities, as well as its 2010–2013 Strategic Plan, in Parliament on time. This office and the state-owned entities have ensured compliance with the administrative, financial and legal requirements of the PFMA and Treasury Regulations, founding Acts of the respective entities and the Companies' Act (where applicable).

A Service Delivery Improvement Plan was developed as required by the Public Service Regulations and in line with the Cabinet decision to revitalise Batho Pele. The plan was submitted to DPSA and implemented with effect from 1 April 2010.

Corporate Governance

State-owned entities reporting to the Minister of Mineral Resources are governed by, inter alia:





- i) the Public Finance Management Act, government's broader strategy to improve financial management and governance in the public sector;
- ii) the Protocol on Corporate Governance in the Public Sector, government's guideline on how state-owned entities need to implement corporate governance; and
- iii) the King III Report on Corporate Governance for South Africa.

Corporate governance is integral to creating an environment of good conduct, improved internal controls, risk management and better corporate culture.

The Boards of the individual entities have the responsibility to set strategic direction that is aligned with that of the Department, oversee and guide the entity and instil good governance. Transparency of conduct ensures that the Minister as shareholder can hold the Boards to account.

The public entities' annual strategic plans, business plans, shareholder compacts and their budget proposals were reviewed and approved by the Minister. Delays in the approval of some of the documentation were due to ongoing discussions between the Department and the entities concerned to ensure strategic alignment with government priorities.

*** The legend below guides the interpretation of all performance information tables**

	BELOW PLAN
	MEETING OR EXCEEDING THE PLAN
	PARTIALLY ACHIEVED
	NOT YET DUE

PROGRAMME 1: CORPORATE SERVICES

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	STATUS	PERFORMANCE COMMENTS	RECOMMENDATION
Contribute to Skills Development	Number career guidance activities undertaken	3	2	1	G	Achieved: Verification source: Mamelodi career guidance (attendance register); Learners Focus Week (report, DVD) Eshowe Career Guidance (attendance register, report)	
	Number of skills development initiatives	17	5	12	G	Achieved: There were better donations than what was expected. Verification source: Letters of commitment from mining companies. 17 Bursaries secured for Learners donated by mining companies.	
Develop Strategic Partnership	Annual submission of Mineral Resources priorities to Department of International Relations and Cooperation	0	1	-1	R	Not achieved: Priority countries identified but not submitted to DIRCO.	Liaise with DIRCO as to modalities of identifying anchor states.
	Approved international relations strategy	0	1	-1	R	Not achieved: Strategy needs to be incorporated into the investment promotion strategy.	Investment promotion strategy to be approved in 2011/12.
	Number of bilateral and multilateral agreements reviewed	0	3	-3	R	Not achieved. Partial human resource capacity due to split of the DME.	Human capacity has been addressed. All Mineral Resources specific agreement will be reviewed in 2011/12.
Drive Transformation Policies	Youth in mining sector strategy	1	1	0	G	Target of securing buy in secured, NYDA.	To obtain buy in from the Minister and KEXCO.

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	STATUS	PERFORMANCE COMMENTS	RECOMMENDATION
Educate and communicate with Stakeholders	% of presidential hotline queries processed	86	90	-4	Y	Verification source: Weekly hotline reports, Regional offices do not respond on time, calls remain open for longer than anticipated periods. Investigations often need to take place on site, while these mines are not always in the near vicinity of the Regional offices.	To improve the performance, firstly the Regional Offices to regard Presidential Hotline calls with the necessary urgency and secondly the Chief Directors. Mineral Regulation should become more actively involved and approve the closure of calls as per the amended internal procedures.
	Approve communication strategy	1	1	0	G	Verification Source: Approved Communication Strategy and EXCO Minutes.	
	Number of media briefings	10	4	6	G	Verification source: Media statements, media coverage, media releases, media advisory, media registration list. Media and stakeholder briefing held to update on the Monatorium at Sheraton Hotel, media briefing held to announce the new licensing system, media briefing at the Mining Indaba, briefing on the lifting of the moratorium and launch of the new licensing system.	
	Number of stakeholder engagements held	7	4	3	G	Through MIGDETT the department meets with all its stakeholders, Verification Source: MIGDETT Minutes, DMR/Merrill Lynch Roundtable, Mining Indaba.	
	Number of targeted communication on strategies and plans developed	11	3	8	G	All events hosted media plans where developed and implemented. Verification Source: MIGDETT Minutes., Ingxoxo women in mining, ADPA, Mandela Day celebration, Career guidance awareness, 16 Day of Activism against the abuse of women and children in mining communities, Nombuso, Motloto.	

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	STATUS	PERFORMANCE COMMENTS	RECOMMENDATION
Enhance awareness of DMR	number of customer service satisfaction survey conducted	0	1	-1	R	The department was in consultation with GCIS.	Survey will be implemented in 2011/2012.
	Number of hits on the DMR website	37276	1000	36276	G	Verification source: IT hit counter report.	
	Number of internal and external newsletter and promotional material developed for DMR	11	6	5	G	Verification sources: Flipper Banners, Monthly Planner Boards, Shutter frames, Printed and framed principal photos, Monthly Planner, Port Elizabeth Branding, Development of promotional for KZN office, Pictures for Executive Management for the Cape Town DMR parliamentary offices, Information posters containing the DMR, mission, vision and contact details of all regional offices and Head Office was designed, printed and distributed, signage and CI of the Head Office was done. Verification Source: Posters and inspection of the buildings.	
	Number of press alerts/releases distributed	34	10	24	G	Verification Sources: McCloskey South African Coal Exports Conference, DMR rejects Sishen case on 03 February 2011, Mining Indaba, Minister launched Burnstone mine, Balfour, President launches state owned mining company, Minister extended Moratorium for new prospecting rights, Statement of the DMR responding affidavit on the Sishen case media statement on the update of the functionality of the SAMRAD system, statement on the moratorium on new tracking licenses.	
	Number of published articles/broadcast	2972	1200	1772	G	Verification sources: DMR and GCIS media monitoring clippings and system generated outcome. Under achieved because the target included both DMR and Media articles.	Target for 2011/2012 will be based on DMR initiated articles.

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	STATUS	PERFORMANCE COMMENTS	RECOMMENDATION
Greater awareness of DMR policies and programmes	Opinion pieces placed with the media	6	1	5	G	Verification Source: Media Clippings of articles placed in the City Press and Sunday Times about SAMDA and the Regulatory Framework.	
	Number information sessions	4	5	-1	Y	Not achieved. Verification Source: Reports, attendance register and economic opportunities for post matriculants in Eshowe KZN. Attendance registers regarding pre-disabled information session towards the end of 2010 in KZN. Follow up information session for disabled in Beneficiation with the participation of Mintek. Report and attendance register. Mamelodi consisted of an information session for Military veterans. Attendance register.	To facilitate the 5th information session in June 2011 on the role of a Co-operatives at Engcobo on brick making.
Promote Social and Labour plan	Number of projects established through Social and Labour Plan to benefit vulnerable groups in mining communities monitored	6	2	4	G	Achieved Nombuso High School report (KZN), Science Laboratory Computers and Furniture) Umthatha Welanga Jewellery project, Programme for the Launch (Gauteng) Mofolo Home Based Care for the disabled (Computers and Furniture) Gauteng. National Peace Accord Trust Labour sending area supported with furniture and support for HIV- AIDS project) KZN MKVA support with computers for skills development and furniture two revamped houses for the elderly in Ekurhuleni by Anglo American (Gauteng).	
		0	140	-140	R	Not achieved: Due to lack of capacity.	This function will be carried by Mineral Regulation going forward.

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	STATUS	PERFORMANCE COMMENTS	RECOMMENDATION
Sustainable development of all vulnerable groups	Number of economic projects undertaken in sector groups	2	2	0	G	Achieved: Verification Source: Report on brick making project at Engcobo, Eastern Cape. DMR with the support of Xstrata facilitated the assistance of a Youth Company in identifying a Green Field mine (Ventona) in Mpumalanga Evidence: Company profile.	
	% implementation of HRD strategy	87.5	50	37.5	G	87.5% achieved i.e. 7 out of 8 programmes implemented.	
Attract and Retain Staff	% implementation of Talent Management Strategy	0	20	-20	R	Not achieved, The implementation did not take place because the strategy was only developed during 2010/2011 financial year.	The Strategy will be implemented during the 2011/2012 financial year.
	% reduction in vacancy rate	0	1	-1	R	Not achieved, More vacancies because of funding of some of vacancies. 1st Quarter 16%, 2nd Quarter 13%, 3rd Quarter 15% and currently 17%.	Fast tracking filling of positions.
	% reduction Staff Turnover rate	15.9	1	14.9	R	Not achieved: Verification source: PERSAL Report	No comparative figures from 2009/10 because the department was combined with Department of Energy. The department will continue to monitor the staff turnover rate
	Number of career/development initiatives (career opportunities, skills initiatives, etc.) implemented	6	6	0	G	Verification Source: Presentations on DMR careers, attendance registers. Central University of Technology, North West University (Potchefstroom Campus), North West University (Mmabatho), University of Limpopo, Durban University of Technology, University of Kwazulu Natal (Durban).	
	% Management Completed the Leadership/Management Courses	27	50	-23	Y	Not achieved: 27% is made up of 20 out of 75 X 100 completed the AMDP.	EDP has been implemented in the last quarter of the 2010/11 financial year and overlaps into the 2011/12 financial year.
Improve Leadership and Management	% return on investment on training and development	0	0	0	B	Tool was not developed to calculate investment on training and development	Training of Managers will take place in 2011/2012.

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	STATUS	PERFORMANCE COMMENTS	RECOMMENDATION
Promote Core Values	Number of climate surveys/client satisfaction survey (focusing on core values)conducted (Internal and External)	0	1	-1	R	Not achieved: The department was in consultation with GCIS.	Survey will be implemented in 2011/12.
	Number of Core Values Workshops Conducted	2	1	1	G	Verification Source: Attendance Register	
	Number of Service Delivery Improvement Plans Developed	1	1	0	G	Verification Source: Strategic Plan document 2010/2011.	
Align budget to strategy	% Budget Aligned to Strategy	100	95	5	G	The Budget is aligned to the Strategy. Spending Plans compiled.	
	% execution of Fraud prevention and ERM implementation plans	0	100	-100	R	Risk assessment were performed and risk management committee met during the year. Risk champion forum was constituted during the year.	Risk champions will actively address risk treatment actions plans during 2011/12 .
Ensure compliance	Comply with PFMA	97.5	100	-2.5	G	Achieved:Verification Source: Compliance Certificate. February period:100%+100%+100+90%/4=97.5,	
	Comply with PSA	100	100	0	G	The Department is compliant with the relevant policies: Verification Source: HR Policies.	
	Number of repeat findings on internal audit follow up report	8	0	8	G	Out of 12 findings 8 have not been implemented. Verification source: Internal Audit Reports	Enhance monitoring mechanisms for internal audit findings. To include internal findings as a standing item in the agenda of Management meetings.
	Unqualified Audit Report	0	0	0	Y	Progress on unqualified audit report is pending AG report	Any issues arising from the Audit Report will be addressed in the 2011/12 financial year.

OBJECTIVE	MEASURE	ACTUAL	TARGETS	VARIANCE	STATUS	PERFORMANCE COMMENTS	RECOMMENDATION
Manage cost effectively	% Variance on Allocated Budget for goods and services	12	5	7	R	Verification Source: Budget and Expenditure Control., The branch has overspend on goods and services by 37,04%. Appropriation was R48,910 million against Actual expenditure of R67,025 million.	
	Reduction in Wasteful, fruitless and irregular expenditure	71	60	11	G	The total wasteful, fruitless and irregular expenditure incurred by the Branch was reduced by R482 446.70 which represents 71% of the previous years total of R679 416.11 to R196 969.41.	

Directorate: Security Risk Management				
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD (2010/11)	
Develop and implement Physical and Intellectual Risk Plan	DMR personnel and visitors	Quantity Ensure implementation of minimum information Security Standards (MISS). Physical Security Personnel Security Communication Security	Quantity Standardised security as per SAPS and NIA security recommendation	PROGRESS AS AT 31 MARCH 2010/2011 DMR security was 90% standardised as per SAPS and NIA security recommendations. The Department is represented by Security Manager at National Departments Security Managers Forum. SAPS and SSA are part of the forum where all security issues affecting the departments are addressed.
		Quality High level of uncertainty	Quality Reduction of risk	Risks to the Department were significantly reduced
		Consultation National Intelligence Agency and South African Police Services	Consultation National Intelligence Agency and South African Police Services	Consultations with SSA and SAPS were improved, which had a positive impact on turnaround times such as personnel suitability checks by SSA and Security Audits by SAPS.
		Access Presentations of security awareness	Access Officials taking security as their responsibility	Significant progress with officials taking responsibility for their security, such as fewer unlocked offices after hours and during the day when officials are not in their offices or in their work station in the new open-plan setup.
		Openness and transparency Most officials understand security only at access control measures	Openness and transparency Total understanding of MISS	MISS document summarised for all employees to read and familiarise themselves with the content. Will be posted on the Intranet.
		Information Security policy on the intranet	Information Security guidelines and procedures on the intranet	Security Policy due for review, once the process is completed it will be posted back to DMR intranet.
		Redress Chief Directorate give EXCO reports during directorates meetings	Redress Marketing security at Chief Directorate meetings	Information sessions to promote security held with the Mineral Regulations, CFO and Corporate Services Branch as well as all regional managers.
		Value for money Less security breaches	Value for money Protection of information	Security breaches were minimised. One incident of security breach reported.
		Cost Compensation of employee as per budget	Cost Compensation of employee as per budget	Permanent employees were compensated according to budget and three contract employees were absorbed permanently by DMR while the remaining 17 were absorbed by Dept. of Energy during the split of the DME.

Directorate: Special Projects/Programmes				PROGRESS AS AT 31 MARCH 2010/2011	
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD (2010/11)		PROGRESS AS AT 31 MARCH 2010/2011
Redress the past imbalances and create access for the vulnerable groups to benefit from the minerals Sector	All designated vulnerable groups resident in areas in and around mining industry operations i.e. women, youth disabled, children and the aged	Quantity	According to South African demographics	Quantity	According to South African demographics as contained in the policy
		Quality	Give high standards of service delivery as per demographics (equity)	Quality	As per policy
		Consultation	All stakeholder organisations and vulnerable groups	Consultation	All provinces to be reached
		Access	Create access to the opportunities in the Minerals sector	Access	Ensure information dissemination to all vulnerable groups through workshops, information sessions and consultations
		Courtesy	Respect and value all our clients	Courtesy	Ensure no discrimination on the basis of age, race, gender and disability
		Openness and transparency	Ensure openness in dealing with legislation and all opportunities	Openness and transparency	Interpret all enquiries sent to the Department in a fair and transparent manner
		Information	Reach out to all the vulnerable groups through advocacy work	Information	Continue with information sessions as per plan of action
		Redress	Ensure equity in line with targets	Redress	Monitor equity through surveys and data collection
		Value for money	Use all resources provided to benefit the vulnerable groups equally	Value for money	Use all resources provided to benefit the vulnerable groups equally and efficiently

Directorate: Communications		PROGRESS AS AT 31 MARCH 2010/2011	
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD (2010/11)
Provide an efficient External and Internal communication service to both the DMR and Ministry (cont)	South African Public, DMR stakeholders and Internal staff (cont)	<p>Ensure implementation of the Media/Marketing Plans within the Communication Strategy</p> <p>Quantity</p>	<p>Streamline all DMR external events</p> <p>Revamp all service related publications</p> <p>Strengthen internal communications</p> <p>Embark on at least three marketing campaigns</p> <p>Host more contact driven IZimbizo/public liaison events</p>
		<p>Public liaison and media engagement is being done but not extremely content driven</p> <p>Publications available but outdated</p> <p>Quantity</p>	<p>Updated and new publications developed</p> <p>More stakeholder and public liaison events to be hosted</p> <p>Internal communications events held more frequently</p> <p>Marketing campaigns rolled out</p>
		<p>Engage media players</p> <p>Line function branches for strategic communications on internal matters</p> <p>Engage HR and CFO's office more especially those that provide a presentation on what communications is there for and what it is required to do as government function</p> <p>Consultation</p> <p>Access</p>	<p>Office of the Director-General and Ministry</p> <p>Consultation</p> <p>Access</p>
			<p>The sub directorate is currently working on a project plan to update DMR publications. The unit is currently working on an internal newsletter titled Ezasemgodini. The section does not have proper software to produce updated publications, but is working on a project to procure proper desktop computer equipment including design programs etc. to enable it to produce good quality publications. The unit is also working on project to secure funding for the outsourcing of an effective media monitoring service.</p> <p>External Stakeholder survey: The unit is working on project plan to conduct a stakeholder survey. A meeting was held with GCIS Research unit on this matter on Thursday, 19 May 2011, at GCIS, as they would assist with their vast expertise. They have the necessary tools and capacity to conduct surveys on behalf of government departments. A questionnaire has already been received from them. Undertaking this important activity which forms part of Communications key performance deliverables, will inform the DMR's stakeholder engagement plan.</p> <p>Re-establishing the Library: The Unit is working on a project plan to re-establish DMR library. Funding for the library has been set aside. A project plan is being developed on setting up the library. The challenge is still the space allocation. Re-establishment of the library would also immensely contribute in the getting latest updated publications.</p> <p>The unit is preparing to hold a Chief Directorate: Communications strategic plan workshop where a communication strategy would be reviewed in line with DMR strategic plan in order to improve on our service delivery mandate.</p> <p>The unit is preparing to hold a Chief Directorate: Communications strategic plan workshop where a communication strategy would be reviewed in line with DMR strategic plan in order to improve on our service delivery mandate.</p> <p>The unit compiles quarterly monthly reports to the office of the DDG; Corporate Services. The Chief Director and the Director: Communications attend Corporate Services branch meetings where they give feedback on the status of project by the Chief Directorate.</p> <p>The Chief Director and the Director also attend weekly meetings at Government Communication Services (GCIS) where media issues affecting all government departments are deliberated. They also attend meetings with DDG's of various branches to discuss communication support/ needs for their programmes.</p>

Directorate: Communications				
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD (2010/11)	PROGRESS AS AT 31 MARCH 2010/2011
Provide an efficient External and Internal communication service to both the DMR and Ministry (cont)	South African Public, DMR stakeholders and Internal staff (cont)	Courtesy (cont)	Courtesy (cont)	<p>The Chief Director and the Director continuously engage branches to submit their plans/ programmes in order to plan on time and also to give advice on the kind of communications to be applied including the required budget for the projects i.e marketing campaigns, media briefings, etc.</p> <p>Internal Communications support plans: The Unit acknowledges that employees play a crucial role in building a Department's reputation. Whether they are frontline staff or officers representing the DMR externally, the way they behave and how they talk about the Department can have a huge impact. Good internal communications is therefore very important in helping the Department to achieve its objectives.</p> <p>Cascade information session team briefings</p> <ul style="list-style-type: none"> • Staff communications on important issues will be face-to-face with their managers. • There will be regular information session briefings by branch managers to improve relationships and help staff feel involved and informed about developments that affect them. • Cascade team briefings can quickly disseminate key messages throughout the organisation. This will be very effective at quashing grapevine rumours <p>Internal staff information session events:</p> <p>Methods to be applied in for communicating with staff using internal events Organising internal staff events (year end awards ceremony) will help communicate cultural change programmes or departments achievements or priorities. They bring staff together who may not have much contact normally and raising the visibility of senior managers.</p> <p>Some of the planned events to be organised:</p> <ul style="list-style-type: none"> • Information sessions on topical issues • Regional office visits by the unit staff • Meet the Director-General sessions • Annual address by the Minister and the Deputy- Minister
		Continuous unheeded requests for line function plans/ programmes that need Communication support (cont)	Proactive line function submission of their plans/programmes each year by November of the current year (cont)	

Directorate: Communications		PROGRESS AS AT 31 MARCH 2010/2011	
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD (2010/11)
Provide an efficient External and Internal communication service to both the DMR and Ministry	South African Public, DMR stakeholders and Internal staff	Courtesy Continuous unheeded requests for line function plans/programmes that need communication support	Proactive line function submission of their plans/programmes each year by November of the current year Courtesy
		Openness and transparency	Continuous interaction and consultations on the changing needs of line function branches
		Openness and transparency	Openness and transparency
		Communication Strategy is available to all EXCO and other staff members	Communication is engaging all DMR branches to give us their planned events/ programmes as part of its ongoing consultations on the changing needs of line function branches. The unit is currently working with HRD on the development of DMR corporate video to be played during orientation workshops for new employees. The Unit is also assisting HRD in developing and printing of their promotional materials, which includes Orientation brochure, posters, pamphlets etc.

Staff suggestion online webpage (website based in conjunction with IT/IM)

- Suggestion online DMR webpage in conjunction with IT/IM will be established to get employees to post their suggestions and ideas
- Staff suggestion schemes will encourage ideas and the best ideas can be singled out for praise in the staff newsletter or at Communication to facilitate staff surveys every two years
- To achieve high participation, the surveys need to be confidential. So it is a good idea to use an external agency to conduct the survey and monitor the results
- Participation will also be encouraged through posters, the staff newsletter and intranet. Posters, the newsletter and intranet will also be used to feed back to staff the main findings from the survey and any actions arising from them
- Surveys will give valuable quantitative feedback on questions relating to staff satisfaction, motivation, priorities, views and perceptions and preferences
- Focus groups will add qualitative feedback into the research and help give a fuller picture.
- Again will be conducted by an external agency (GCIS to assist DMR) to give greater credibility to the confidentiality factor.

Establishing and launching DMR internal Staff newsletter

- Quarterly published newsletter for staff will play a vital role in internal communications – especially at a time of change – by:
- promoting key messages and information
 - celebrating staff and DMR achievements
 - profiling individual staff or teams
 - providing 'softer' information, for example about starters and leavers.

Directorate: Communications				PROGRESS AS AT 31 MARCH 2010/2011	
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD (2010/11)	Information	Information
Provide an efficient External and Internal communication service to both the DMR and Ministry	South African Public, DMR stakeholders and Internal staff	Communication policy on the intranet	Information	All DMR policies and guidelines and procedures available on the intranet	The Unit through its Website Committee, chaired by the Director: Communication ensures that members who were appointed by the DG, representing all branches continue to submit their policies and guidelines. It is the responsibilities of Website committee members to constantly monitor the website to ensure updated policies pertaining to their branches are on the DMR website.
		Chief Directorate give EXCO reports during directorate meetings	Redress	Report on all media coverage related to the DMR and mining industry to the EXCO meetings	The Unit continues to monitor news coverage (print and electronic) on daily basis. A media analysis report is prepared for EXCO on issues that require intervention or that appraise them on the news coverage pertaining to mining and minerals sector globally.
		All communications services are being offered within the 'value for money' concept, but this is not always possible as requests come in very late, reducing time on getting value for the money used	Value for money	Value for money	The unit has managed to improve its procurement processes ensuring that we tighten our budgets. We have a dedicated official who has a Supply Chain Management background.
			Value for money	Properly procured services to ensure value for money	The pre-qualification for service providers to render various services when required by the Department of Mineral Resources for period of 12 months. The aim is to ensure procurement procedures are followed when sourcing services. This will also assist in maintaining high standard of quality assurance in the work and support services that we render to our clients. This will result in getting value for money.
		As per budget allocation	Cost	More proactive involvement in the budgeting process to ensure allocation is streamlined with priorities	The continuing of filling of the vacant posts within will also improve our service delivery ensuring the service we offer is of value for money. A constraint is that the current financial allocation for the Directorate is inadequate. The Unit interacts with Expenditure management and Finance on a weekly basis. The Admin Officer undertakes an expenditure analysis on a weekly basis to ensure processing of all invoices. All budget items are being monitored on a weekly basis to ensure that there is no over/under expenditure.

PROGRAMME 1.1: CHIEF FINANCIAL OFFICE

Purpose: The purpose of the Branch: Chief Financial Office is to provide strategic and administrative support services to the Ministry and the Department. Headed by the Chief Financial Officer, the branch consists of the following components:

- **Supply Chain Management** which is primarily responsible for providing procurement, logistics and asset management service to the Department;
- **Information and Communications Technology** which provides Information technology (infrastructure and networks) services as well as the development and maintenance of application systems;
- **Financial Planning and Management Accounting** which is responsible for coordinating the budget process, revenue management and reporting on all financial matters, including annual financial statements expenditure reports prescribed in the PFMA;
- **Expenditure Management** responsible for ensuring that all payments to service providers and departmental employees are done on time and within a controlled environment to ensure compliance; and
- **Transport, Facilities and Records Management** which is responsible for the provision of adequate facilities, including accommodation, transport and records management services to the Department.

Achievements

Budget and expenditure

The Department recorded a 0.12% under-spending on allocated budget for 2010/11 which is far below the 5% threshold set by National Treasury. This was realised through effective and continuous monitoring processes that were implemented during the year.

The process of compiling the 2011/12 budget and ENE chapter for the Department was also completed during the year under review. All branches have compiled and submitted their spending plans which were used as a basis for projecting the monthly expenditure.

Policies and procedures

In the pursuit for consistency and to eliminate non-compliance, various policies were approved and implemented during the year. Parallel to the development of these policies, procedures were also developed.

Service delivery/turnaround times

The Branch has completed the process of developing a service catalogue which defines the standard turnaround time for each service rendered within the Branch. This will form the basis for monitoring actual turnaround times on a monthly basis. Ten (10) service level agreements were also concluded with various vendors and implemented during 2010/11.

Compliance matters

In an effort to eliminate cases of non-compliance with the procurement procedure that has seen significant increase in irregular expenditure incurred during 2010/2011, the following measures have been put in place:

- Improved liaison with the National Treasury Supply Chain Management Norms and Standard Component
- Consistent reporting of suspected irregular expenditure to Managers for investigation and for taking necessary disciplinary measures against the transgressor.
- Quarterly reporting of performance against the irregular expenditure measures to Programme Managers.
- The Accounting Officer granting condonation of irregular expenditure only after the Responsibility Manager has reported the corrective measure taken against the transgressor

The medium to long term vision for the department in this regard is to eliminate the non-compliance entirely.

The Department continued to compile a monthly compliance certificate as required by the National Treasury. The level of compliance against a target of 100% was recorded at 98%.

Facilities

During the year under review, the Department of Mineral Resources relocated its head office to new premises in order to improve the morale of staff and improve the overall image of the Department. The relocation had become a necessity due to the appalling condition of the previous head office building.

Information and Communication Technology

The entire ICT infrastructure was also upgraded in order to improve efficiency in the work of the Department. This has resulted in increased capacity as well as improved security around the DMR network.

PROGRAMME 1.1: CHIEF FINANCIAL OFFICE

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Drive Transformation Policies	% Compliance with Employment Equity Targets	97	90	7	G	Verification source: EE stats from HR. National Target Calculations Nationality Gender Ability African White Coloured Indian TOTAL Male Female TOTAL Disabled Abled TOTAL National Targets 79.4 9.2 8.8 2.6 100 48.7 51.3 100 2.98 100 Actual 93.7 0 0 100 37.63 100 0 98.98 Variance 13.6 -2.2 -8.8 -2.6 0.00 -11.7 11.7 0 -2 0 -2 DEPARTMENTAL TOTAL ACHIEVED 99.33333 DEPARTMENTAL TOTAL VARIANCE -2.00 DEPARTMENTAL GRAND TOTAL ACHIEVED 97.33 Branch Targets Calculations Nationality Gender Ability African White Coloured Indian TOTAL Male Female TOTAL Disabled Abled TOTAL Branch Targets 79.4 9.2 8.8 2.6 100 48.7 51.3 100 2.98 100 Actual 93.7 0 0 100 37.63 100 0 98.98 Variance 0 -2.2 -8.8 -2.6 -13.60 -11.7 0 -11.7 -2 0 -2 BRANCH TOTAL ACHIEVED 99.33333 BRANCH TOTAL VARIANCE -27.30 BRANCH GRAND TOTAL ACHIEVED 72.03	
	% Procurement spend on targeted groups	37.9	40	-2.1	Y	Verification Source: BEE Spend Report. Much of departmental spend is on IT and Consultation related services wherein there is lack of BEE companies participation	To encourage joint ventures between BEE and non BEE companies on IT and consultation services.
Educate and Communicate with Stakeholders	% Increase in the Number of HDSA participating in Departmental Procurement	12	10	2	G	39/337*100=12% Verification Source: Report on registered suppliers	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	Number of Guidelines Reviewed	0	0	0	B		
	Number of Internal Processes Identified for Review	14	5	9	G	Verification Source: SCM: Improvement on procurement process, Asset Management process; FPMA: Revenue Administration and Cell phone administration processes; TFRM: Transport Management Process and Facilities Management process; EM: S&T process, Payment process, Payroll & Allowance process and Treatment of unauthorised, irregular, fruitless and wasteful expenditure. IT: Helpdesk, Change Control and IT Equipment Acquisition processes; SDM: Change Management Process	
Develop and Review Internal Processes	Number of Internal Processes Implemented	13	5	8	G	SCM: Improvement on procurement, Asset Management process; FPMA: Revenue Administration and Cell phone Administration processes; TFRM: Transport Management Process and Facilities Management process; EM: S&T process, Payment, Payroll, Allowance and Treatment of unauthorised, irregular, fruitless and wasteful expenditure; IT: Helpdesk and Change Control, SDM: Change Management Process	
	Number of Internal Processes Reviewed	13	5	8	G	Verification Source: SCM: Improvement on procurement, Asset Management process; FPMA: Revenue Administration and Cell phone administration process; TFRM: Transport Management process and Facilities Management Process; EM: S&T process, Payment, Payroll & Allowance and Treatment of unauthorised, irregular & fruitless wasteful expenditure.	
	Number of Guidelines/ Procedures Developed	4	4	0	G	Verification Source: Records Management procedure manual, URS guideline, ICT change management procedure manual and SDM procedure manual.	
Implement Policies and Guidelines	Number of Policies Developed	4	4	0	G	Verification Source: Records Management Policy, Supply Chain Management Policy, Budget management and Financial Provisioning for Rehabilitation.	
	Number of Policies Reviewed	12	10	2	G	Verification Sources: SCM: Procurement Policy, TFRM: Mail Management, Facilities Management and Transport Management; SDM: ICT Usage Management; EM: Payment Policy and Salaries and Allowance Policy, FPMA: Cellular phone management, Telkom fixed line phone management, External debt management, Cash Collection and Petty Cash Policy.	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Implement Service Level Agreements	% Adherence to SLA's	0	100	-100	R	Although 12 SLA's were signed and implemented, there was no formal monitoring tool in place to measure percentage adherence.	The Branch will develop monitoring tools in the next financial year.
	Number of SLA Implemented	10	12	-2	Y	Verification Source: EM: x4 SLAs; TFRM: x1 SLA; IT: x5 SLAs Some SLAs could not be implemented due to lack of capacity.	The Branch will implement other SLAs in the next financial year.
	% Adherence to Prescribed Time Frames (SLA's) (OLA)	47.14	100	-52.86	R	Verification Source: Service Catalogue Formula: Total No. of Processes Achieved (33)/Total No. of Processes (70) * 100 Some of the processes were not monitored in terms of turn around times	Turnaround time on process will be monitored on a monthly basis in the next financial year
Attract, Develop and retain Skills	% of Staff with PDP's	67	80	-13	Y	Verification source: Training Needs Submitted to HRD. Calculations: Number of Staff Submitted Training Needs (86) / Total number of staff complement at end of quarter (129) * 100 = 66.6 (rounded off to 67)	
	% Staff Turnover from level 7	13	20	-7	Y	Verification Source: Turnover rate from level 7 report from HR	
	Average length of Time to Fill Vacancies	5	3	2	R	Verification source: Spread sheet on filling of vacant posts Formula: Total No. of Months taken to fill Posts (158) / Total No. of Posts (32) = 4.93 (Rounded off to 5) Delay in finalisation of budget due to the split.	The Branch will fill vacant positions by June 2011.
	Turnaround times on filling Vacant posts	5	3	2	R	Verification source: Spread sheet on filling of vacant posts Formula: =158 (total No. of months taken to fill positions) ÷ 32 (total No. of positions) Delay in finalisation of budget due to split.	The Branch will fill vacant positions by June 2011.
Drive Innovation	Number of Processes Improved	13	6	7	G	EM: Improved reporting on liability for foreign Trips, Reduced misallocation due to journal processes and Correct Allowance Codes on Claims; FPMA: Drawings informed by Signed Spending plans ; SCM: Improved reconciliation of asset during Relocation process. Easy identification of Disposed asset, Reduced misallocations on journals, improved recording of Losses, Improved records on Leased equipment, Bid Process: Improved contract management through introduction of Legal services to minimise possible litigations, Improved turnaround time through elimination of BAC submission; IT: Improved IT security through user deactivation process & Improved records and tracking of loaned IT equipment	
	Value of Cost Savings	17	5	12	G	R139,255.55 was charged for printing papers in 2009/10 while R115431.25 for 2010/11 i.e. R139 255.55 - R115 341 = 23 824.30 / 139 255.55 * 100 = 17.1 %	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Implement Effective Systems	% Reduction in the Number of ICT Related Complaints	0	30	-30	R	Unavailability of Helpdesk/incident reports.	Enhance service desk Environment to generate accurate and adequate incidents reported by June 2011
	Increase the Availability of Systems	0	90	-90	R	Lack of monitoring tools due to changes in the licenses.	Process of appointing a service provider to do network assessment have commenced and will be completed in the next financial year.
	Number of Awareness Initiatives Introduced	3	3	0	G	Verification Source: Memo on ICT approved policies, Use of Memory Sticks and Internet Connection	
Improve Management and leadership Capabilities	% Management Completed the Management Courses	11.42	80	-68.58	R	7 managers registered, 4 already completed and 3 will complete the course in the 2011/12 financial year. No. of Managers completed the course (4) / Total Number of Managers within CFO Branch * 100 = 11.42 %	The programme has since started and should be completed in the 2011/12 financial year.
	% of PDP's Aligned to Management Requirements	100	100	0	G	Verification Source: Signed work plans/Performance Agreement	
	Number of 360 degree of Assessments Completed	0	6	-6	R	Capacity Constraints.	The Branch will conduct 360 degree assessment in the 2011/12 financial year.
Promote Core Values	% of identified critical positions security cleared	11	100	-89	R	Not-Achieved. Vetting Process only commenced in September 2010. 6 (Total number of identified critical positions security cleared) / 57 (Total number of identified critical positions) * 100 = 11%	The remainder of the critical positions identified will be vetted in the 2011/12 financial year, in consultation with Security Risk Management.
	Number of Core Values Workshops Conducted	7	6	1	G	verification source: Minutes and Core Values	
	Number of Service Delivery Improvement Initiatives Implemented	6	6	0	G	Verification source: Service Delivery Improvement Plan	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Align Budget to Strategy	% Budget Aligned to Strategy	100	95	5	G	Verification source: Schedule on detailed spending plan and ENE 2011	
	% Variance on Allocated Budget for goods and Services	0.12	5	-4.88	G	Department at 0.12% underspending.	
Manage Costs effectively	Reduction in Wasteful, fruitless and irregular Expenditure	95.90	60	35.9	R	Verification source: Irregular Expenditure Report R 7,974,065 current irregular R 4070371.45 previous year average R7,974,065./ R4,070,371.45*100%=195.90 % - 100% = 95.9%	As per response that will be received from National Treasury.
	% Reduction in the Number of Assets Disposed prior to the End Lifespan	1	1	0	G	Baseline Established. Progress will be reported in the next financial year. The total value of the Loss R121,946 in 2010/11	
Promote corporate governance	% execution of Fraud prevention and ERM implementation plans	0	100	-100	R	Risk assessment were performed and risk management committee met during the year. Risk champion forum was constituted during the year.	Risk champions will actively address risk treatment actions plans during 2011/12.
	Comply with PFMA	97.5	100	-2.5	Y	February period: 100%+100%+100%+90%/4=97.5% Verification Source: Compliance Certificate	
	Comply with PSA	100	100	0	G	The Department is compliant with relevant policies: Verification source: HR Policies	
	Number of repeat findings on internal audit follow up report	19	0	19	R	Helpdesk and Software recommendations not fully implemented due to shortage of staff and relocation to Trevenna Campus.	An action plan to address repeat finding has been developed.
	Unqualified Audit Report	0	0	0	Y	Progress on unqualified audit report is pending AG report.	Any issues arising from the Audit Report will be addressed in the 2011/12 financial year.

EXPENDITURE MANAGEMENT		PROGRESS AS AT 31 MARCH 2011				
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)	Quantity	Quality	
Pay creditors invoices with 30 days on receipt of invoice	External and internal stakeholders	Quantity	30 days	Quantity	21 days	
		Quality	<7% rejection due to incorrect loaded bank details and verification	Quality	< 3% rejection due to incorrect loaded bank details and verification	
		Consultation	Reactive: telephone and e-mails	Consultation	Informative: circulars, memos, letters, telephones, e-mails and physical contact	
		Access	Manual and electronic invoice and book out register	Access	Integrated registers on S.Drive	
		Courtesy	Reasons for delayed payment provided inconsistently	Courtesy	Reasons for delayed payment provided consistently	
		Openness and transparency	Reactive: delays explained on enquiry	Openness and transparency	Proactive: delays explained on identification	
		Information	Remittance advice/payment stubs	Information	Policy and procedures, templates, remittance advice/payment stubs	
		Redress	Complaints and enquiries made in ad hoc manner	Redress	Establish complaints and enquiries centre	
		Value for money	Timely payments that do not attract finance charges	Value for money	Timely payments that do not attract finance charges	
		Time	By March 2011	Time	By March 2012	
		Cost	Budget	Cost	Remuneration for additional cost	
						All payments generated from the Expenditure Management were processed within the defined time frame
						No rejections due to wrongly captured information
				Memos on S&T, salaries and IRP5 certificate circulated. Confirmation of balances letters were sent to various departments on quarterly basis.		
				Integrated payment register for sundry and order payments updated on monthly basis on S.Drive.		
				Internal and external clients are informed of the reasons for delays consistently.		
				Payments/claims/forms are sent back for corrections within five days of receipt		
				Payment stubs are faxed to the beneficiary with three days of disbursement and the payslips are sent to the internal client before payment date.		
				Individual query logs developed since 2009 serving as complaints register.		
				All payments effected on time and no interest charged due to delays.		
				On track		
				All funded posts were filled		

EXPENDITURE MANAGEMENT		PROGRESS AS AT 31 MARCH 2011			
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)		DESIRED STANDARD (2011/12)	
		Quantity	Quality	Quantity	Quality
Reconcile Payments	External and internal stakeholders	90% of payments reconciled	Quantity	100% of payments reconciled	Integrated registers for all quarters were properly reconciled and reviewed
		Origin of all payments is verified	Quality	Payments not originated from DMR is prevented	Physical batches verified on daily basis with disbursement report
		Reactive: anomalies identified upon enquiry	Consultation	Proactive: daily reconciliations enable the anomalies to be picked up before EFT is effected	No anomalies picked up while performing daily reconciliation
		Ticked disbursement list	Access	Reconciliation statement on S.Drive	Integrated registers reconciled are on S.Drive and hard copies are filed
		Reasons for un-reconciled items is provided regularly	Courtesy	Reasons for un-reconciled items are provided daily upon reconciliation	All payments were reconciled with physical batch and disbursement reports.
		Report on exception only	Openness and transparency	Inclusive and compulsory reporting	Integrated registers inclusive of all invoices received for processing together with turnaround time are kept.
		Disbursement reports	Information	Reconciled disbursement and statement	All daily reconciled disbursement reports done and readily available
		Invalid transactions identified after disbursement	Redress	Invalid transactions identified and blocked before funds are disbursed	No invalid transactions passed
		Portion of money is recoverable	Value for money	The whole is recovered and the funds are transferred to valid beneficiaries only	All funds were transferred to the valid beneficiaries
		Within the same month of payment and ongoing	Time	Within a day of payment run and ongoing	No transfers of funds to invalid beneficiaries took place
		Investigations costs on fraudulent cases	Cost	Remuneration of official to implement control measures	All funded posts were filled

EXPENDITURE MANAGEMENT		PROGRESS AS AT 31 MARCH 2011			
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)		DESIRED STANDARD (2011/12)	
		Quantity	Quality	Quantity	Quality
Improve turnaround time	External and internal stakeholders	Quantity	All processes	Quantity	All processes
		Quality	Average turnaround time per month is exceeded by not more than 7%	Quality	Average turnaround time per month is exceeded by not more than 5%
		Consultation	Reactive: on enquiry and on compilation of monthly reports	Consultation	Proactive: weekly review and feedback sessions, roadshow and workshops
		Access	SMS, e-mails, standard letters and telephone	Access	SMS, e-mail, standard letters and telephone
		Courtesy	Reasons for delayed responses are provided inconsistently	Courtesy	Reasons for delayed responses are provided consistently
		Openness and transparency	Payment stubs, reports, statistics and SMS	Openness and transparency	Payment stubs, reports, statistics and SMS
		Information	Monthly reports, statistics	Information	Book out register on S.Drive, monthly reports, statistics, integrated reports
		Redress	Poor response time to clients queries	Redress	Prompt feedback to clients is provided
		Value for money	More time spent on responding to queries	Value for money	Compliance, increase production and less queries
		Time	By 31 March 2011	Time	By 31 March 2012
Cost	Budget	Cost	Remuneration for additional staff		
					All internal processes were followed on all the processed transaction
					Annual average turnaround time not exceeded
					Book out registers were updated on daily basis and reviewed on a weekly basis, SARS workshop conducted during the year. Roadshow was not conducted due to delays on approval of the reviewed policies.
					SMS, e-mail, standard letters and telephone
					Reasons for delays are sent to clients consistently and the incorrect batches are sent back immediately.
					Payment stubs and report on statistics were sent on monthly basis and SMS's were sent on weekly basis.
					Book out registers, monthly reports, statistics and integrated reports saved on S.Drive.
					Feedback was provided to our clients timorously as per our enquiry reports
					No formal complaints were lodged due to non achievement on turnaround time.
					On track
					All funded posts were filled

SUPPLY CHAIN MANAGEMENT		CURRENT STANDARD (2010/11)		DESIRED STANDARD (2011/12)		PROGRESS AS AT 31 MARCH 2011
KEY SERVICE	SERVICE BENEFICIARY					
Supplier Management	Service Providers DME Users	Quantity	Quantity			
		Quality	Un-qualified service providers registered	Quality	Credible/prequalified service providers readily available per strategic commodity	Invitation of suppliers to register in our database was done in November 2010 and registration process completed in March 2011.
		Consultation	Inputs request was ad hoc	Consultation	Commodities identified from Procurement plans	Commodities requested were identified from the Procurement plans.
		Access	Forms on internet, intranet and reception	Access	Forms on internet, intranet and reception	Registration forms were available on the internet, intranet and at the reception.
		Courtesy	Users and service providers treated with respect	Courtesy	Users and service providers treated with respect	Users and Service providers were treated with respect.
		Openness and transparency	Advert placed on newspapers, tender bulletin and internet	Openness and transparency	Advert placed on newspapers, tender bulletin and internet	Advert was placed on newspapers, tender bulletin and internet.
		Information	Inconsistent feedback given	Information	Structured template for feedback to users and service providers	Template was structured for the users.
		Redress	Unavailability of service providers/Delayed payments due to verification process	Redress	Vetted supplier available	SRM could not vet suppliers due to capacity constraints.
		Value for money	Limited suppliers to quote	Value for money	Enough suppliers to promote cost effectiveness through quote comparison	Exercise to update suppliers' bank details for verification at NT started in February 2011. This will enable sourcing from a wide range of suppliers.
		Time	No clear timeframes set	Time	End of June 2010	Delayed due to extended audit scope that ran up to September 2010.
Cost	Allocated budget	Cost	Within allocated budget	Budget utilised as allocated.		

SUPPLY CHAIN MANAGEMENT				PROGRESS AS AT 31 MARCH 2011															
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)	Quantity	Quality	Consultation	Access												
Bid and Contract Administration	Service Providers DME Users DME Management National Treasury	Quantity	Quantity	Correct bid information advertised	ToR's were scrutinised before placing the adverts.	Appointment of BSC was delayed due to capacity constraints as efforts were directed at the extended audit.	Bids documents were available on various modes of media.	Users and Service providers were treated with respect.	Bids were advertised on the same mode. Bids were opened in public on request. BAC charter was made available.	BAC members were trained in 2010.	BEE spend was 37.9% due to large amount spent on ITC consulting services where companies have no or limited BEE components.	Registration on our database increased by 14% in 2010.	Remains at 8 weeks of bidding closure.	Budget utilised as allocated					
		Quality	Ambiguous TOR/ specs are sometimes advertised	Quality	Reactive with bid adverts	Bid adverts and documents available on the internet and Tender Bulletin	Users and service providers treated with respect	Openness and transparency	Information	Limited service providers bidding for technical bids.	45% of bids awarded to SMMEs	Poor project management on contracts	Limited supplier to bid	2 months from bid closure	Allocated budget				
		Consultation	Reactive with bid adverts	Consultation	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost			
		Access	Bid adverts and documents available on the internet and Tender Bulletin	Access	Openness and transparency	Information	Limited service providers bidding for technical bids.	45% of bids awarded to SMMEs	Poor project management on contracts	Limited supplier to bid	2 months from bid closure	Allocated budget	Value for money	Time	Cost	Value for money	Time	Cost	
		Courtesy	Users and service providers treated with respect	Courtesy	Information	Limited service providers bidding for technical bids.	45% of bids awarded to SMMEs	Poor project management on contracts	Limited supplier to bid	2 months from bid closure	Allocated budget	Value for money	Time	Cost	Value for money	Time	Cost		
		Openness and transparency	Bid award advertised on the same advert mode. Public opening of bids upon request	Openness and transparency	Information	Limited service providers bidding for technical bids.	45% of bids awarded to SMMEs	Poor project management on contracts	Limited supplier to bid	2 months from bid closure	Allocated budget	Value for money	Time	Cost	Value for money	Time	Cost		
		Information	Reporting as and when required. BAC members trained on appointment	Information	Limited service providers bidding for technical bids.	45% of bids awarded to SMMEs	Poor project management on contracts	Limited supplier to bid	2 months from bid closure	Allocated budget	Value for money	Time	Cost	Value for money	Time	Cost			
		Redress	Limited service providers bidding for technical bids.	Redress	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost			
		Value for money	45% of bids awarded to SMMEs	Redress	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost			
		Time	Poor project management on contracts	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	
		Cost	Limited supplier to bid	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost		
		Value for money	2 months from bid closure	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost	Value for money	Time	Cost

SUPPLY CHAIN MANAGEMENT		PROGRESS AS AT 31 MARCH 2011				
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)	PROGRESS AS AT 31 MARCH 2011		
Logistics Management: Prompts delivery of goods and service	Service Providers DME Users	Quantity	Quantity	Orders expedited upon placing to ensure prompt delivery.	Turnaround times for delivery of inventory items were adhered to. Expediting of orders picked up late in the year due to capacity constraints.	
		Quality	Quality	Re-active process in order management and non adherence to timelines for delivery of inventory items	Strict adherence to the turnaround times for delivery of inventory items	
		Consultation	Consultation	Minimal consultation with Service Provider for delivery	Constant follow up on outstanding orders	Constant follow up on outstanding orders picked up in the last quarter.
		Access	Access	No clear defined contact centres	Clearly defined contact centres for users and service provides	Contact details defined and published on the Service Catalogue.
		Courtesy	Courtesy	Attend to queries upon request	Avoid queries	Regional office report to enable regional offices to raise their queries was developed, queries addressed and report updated monthly from mid-year. H/O queries were attended to as well.
		Openness and transparency	Openness and transparency	Users unaware of the turnaround times	Turnaround times published Inventory items published	Turnaround times published in the Service Catalogue. Inventory items were reviewed added and stock level reviewed/set.
		Information	Information	Insufficient description on orders	Description on orders linked to quotation	Alignment of item descriptions to the Standard Chart of Accounts (SCOA) was enforced in full in the last quarter.
		Redress	Redress	Late delivery	Delivery according to agreed lead time	Delivery lead time was adhered to.
		Value for money	Value for money	Unavailability of goods and services decreasing productivity	Increased productivity	Goods and services were availed on time thereby increasing productivity.
		Time	Time	Throughout 2009/10 financial year	Throughout 2010/11 financial year	
		Cost	Cost	Budget	Within allocated budget	Budget utilised as allocated

TRANSPORT, FACILITIES AND RECORDS MANAGEMENT						
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)	PROGRESS AS AT 31 MARCH 2011		
Applications for access to information	External and internal stakeholders	Quantity	Quantity	450	Done	
		Quality	Files opened and delivered to Deputy Information Officers (DIOs)	Quality	Files opened and delivered to Deputy Information Officers (DIOs)	Ongoing - 387 files opened and forwarded to DIO's 45 files were returned for filing
		Consultation	Liaise with line functions and public	Consultation	Liaise with line functions and public	Ongoing
		Access	Internet and Telephone	Access	Electronic access	Ongoing - forms available on Intranet; telephone requests received regularly
		Courtesy	Reason for delay is provided inconsistently	Courtesy	Reason for delay is provided consistently and regularly	Ongoing - all delayed applications are forwarded to legal services to ensure timely response
		Openness and transparency	Monthly reports provided	Openness and transparency	Monthly reports and statistics to be provided	Done
		Information	Report and statistics	Information	Report and statistics	Done
		Redress	Delay in response to the public	Redress	Prompt feedback	Ongoing - engagement with applications forwarded to legal services to ensure timely response
		Value for money	Fewer complaints from line functions and the public	Value for money	Value for money	Ongoing - engagement with legal services to identify better and timely response to fasttrack response times
		Time	Within 30 days	Time	Time	Done
		Cost	Budget	Cost	Cost	Budget utilised as allocated

TRANSPORT, FACILITIES AND RECORDS MANAGEMENT				PROGRESS AS AT 31 MARCH 2011		
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)			
Processing correspondence (letters) from the public	External and internal stakeholders	Quantity	Quantity	1,100		
		Quality	Quality	Letter distributed to users	Letter distributed daily	Done - letters received registered, distributed and signed daily by all recipients.
		Consultation	Consultation	Liaise with users and Post Office	Liaise with users and Post Office	Done - daily collection/delivery of mail to/from Post Office; users constantly informed on delays or incorrect address.
		Access	Access	Telephone	Telephone and mail	Done - service accessible telephonically, by email or visiting our offices.
		Courtesy	Courtesy	Reasons inconsistent for delay in delivery of mail	Reason for delay provided regularly	Done - regular feedback to customers about delay, e.g. courier service delay.
		Openness and transparency	Openness and transparency	Registers and monthly reports	Register mail regularly	Done - registers for different registered items updated daily.
		Information	Information	Registers and reports	Provide statistics according to categories	Done - different registers for different items updated to provide statistics.
		Redress	Redress	Lost mail	Minimise lost mail	Done - all letters registered
		Value for money	Value for money	Complaints from users	Minimise complaints from users	Done
		Time	Time	Within a day	Within a day	
		Cost	Cost	Budget	Allocated budget	Budget utilised as allocated

FINANCIAL PLANNING AND MANAGEMENT ACCOUNTING						
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)	PROGRESS AS AT 31 MARCH 2011		
Re-funding of rehabilitation (EMP) cash provisions	Permit/license holders	Quantity	Quantity	Quantity	All applications received processes	
		Quality	Reduction in queries	Quality	Reduction in queries owing to introduction of checklist	Done
		Consultation	Liaise with beneficiaries telephonically where necessary	Consultation	Liaise with beneficiaries telephonically where necessary	Done
		Access	Offices open until 16h30 and client feedback is satisfactory	Access	Offices open week days between 8h30 -17h00	Done
		Courtesy	Advice on status of refund application; issue proof of payment	Courtesy	Advice on status of refund application; issue proof of payment	Done
		Openness and transparency	Annual Financial Statements	Openness and transparency	Annual Financial Statements	Done
		Information	Document refund process flow	Information	Document refund process flow	
		Redress	Provide client feedback for unfavourable applications	Redress	Provide client feedback for unfavourable applications	Done
		Value for money	None	Value for money	None	None
		Time	Refunds processed within seven days due to shuttling of documents between two campuses	Time	Process refunds within five days	Refunds processed within five days
		Cost	Monthly salary of staff	Cost	Monthly salary of staff	Budget utilised as allocated

FINANCIAL PLANNING AND MANAGEMENT ACCOUNTING					PROGRESS AS AT 31 MARCH 2011	
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)			
Process cash/cheque for DMR services	Applicants (information and mining licences) Debtors	Quantity	Average of 76 receipts per month	Quantity	Average of 80 receipts per month	Done
		Quality	System generated receipts	Quality	System generated receipts	Done
		Consultation	Issue receipt	Consultation	Issue receipt	Done
		Access	Offices open week days between 7:30 – 16:30	Access	Offices open week days between 8:00 -16:30	Done
		Courtesy	Statement of balances provided regularly	Courtesy	Statement of balances provided regularly	Done
		Openness and transparency	Annual Financial Statement	Openness and transparency	Annual Financial Statement	Done
		Information		Information		
		Redress	None	Redress	None	
		Value for money	None	Value for money	None	
		Time	Issue receipt within five minutes of cash/cheque receipt	Time	Issue receipt within five minutes of cash/cheque receipt	Done
Cost	Monthly salary of staff	Cost	Monthly salary of staff	Budget utilised as allocated		

INFORMATION TECHNOLOGY		PROGRESS AS AT 31 MARCH 2011			
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)	PROGRESS AS AT 31 MARCH 2011	
Network optimisation	External and internal stakeholders	Quantity	Quantity	95% uptime	
		Quality	Quality	Bandwidth management	Achieved - QOS implemented
		Consultation	Consultation	Liaise with Change Control and Website Committees	Achieved - ICT committee implemented
		Access	Access	24/7 reachability	Achieved - Senior Managers allocated mobility access (3G)
		Courtesy	Courtesy	Advise on status and have a dedicated resource	Not achieved, resource/capacity challenges
		Openness and transparency	Openness and transparency	Provide performance statistics	Not achieved - monitoring tools not acquired
		Information	Information	Informative communiqué	Four help hints circulated, including approved policies
		Redress	Redress	Establish service evaluation analysis	Not achieved, resource challenges
		Value for money	Value for money	Within budget	Achieved, no overspending at IT
		Time	Time	Financial Year 2009/10	Achieved
		Cost	Quantity	Negotiate cost reduction	Budget utilised as allocated

SYSTEMS DEVELOPMENT AND MAINTENANCE				
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)	PROGRESS AS AT 31 MARCH 2011
Logistic Management : Prompts Delivery of goods and services	Service Providers DMR Users	Quality All licence types are currently issued by the system Couple of modules yet to be added.	Quality All licence are currently issued by the system Few modules yet to be added.	Achieved Achieved - SAMRAD has replaced the modules that needed to be developed
		Consultation Change control is held on monthly basis for all enhancements requested	Consultation Change control is held on monthly basis for all enhancements requested	Achieved - ICT committee has been established and change control is a sub-committee
		Access Electronic access provided user code and password are given	Access Electronic access provided user code and password are given	Achieved - SAMRAD has user code and password
		Courtesy Change control is held on monthly basis for all enhancements requested	Courtesy Change control is held on monthly basis for all enhancements requested	ICT committee sits on a regular base and matter relating to Change Control and website committees are delegated
		Openness and transparency System audited from time to time and AG report issued	Openness and transparency System audited from time to time and AG report issued	Achieved - audit report is available and repeat findings can be identified
		Information Queries and reports available from the system	Information Queries and reports available from the system	ICT Com mittee meeting minutes are available
		Redress Continuous change control on enhancements requested are done with help of GISCOE	Redress Established complaints centre	Achieved - SAMRAD has replaced NMIPS
		Value for money Fewer complaint from the users about the system errors	Value for money Fewer complaint from the users about the system errors	User's complaints are dealt with in the ICT Committee
		Time By March 2010	Time By March 2011	The ICT committee was formulated by the set target and had already convened.
		Cost Budget	Cost Allocated budget	Budget utilised as allocated

SYSTEMS DEVELOPMENT AND MAINTENANCE						
KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2010/11)	DESIRED STANDARD (2011/12)	PROGRESS AS AT 31 MARCH 2011		
Logistics Management: Prompts delivery of goods and service	Service Providers DMR Users	Quantity	8 Systems	Quantity	8 Systems	
		Quality	Reports and levies are generated as when required	Quality	Reports and levies are generated as when required	
		Consultation	Change Control minutes	Consultation	Change Control minutes	
		Access	Electronic access	Access	Electronic access	
		Courtesy	Enhance processed through change control	Courtesy	Enhance processed through change control	
		Openness and transparency	Reports and Queries from the system	Openness and transparency	Reports and Queries from the system	
		Information	Data and Reports	Information	Data and Reports	
		Redress	Poor response time as a result of IT infrastructure	Redress	Poor response time as a result of IT infrastructure	
		Value for money	Queries, reports and levies generated from the system	Value for money	Queries, reports and levies generated from the system	
		Time	As and when required	Time	As and when required	
		Cost	Budget	Cost	Allocated budget	
						Achieved - Samsha has replaced the Samrass levies
						Achieved - ICT Committee in place and minutes are available
				Achieved - Intranet and Electronic Document Management system are making info available (electronically)		
				ICT Committee meets regularly		
				Achieved - Samrad reports are available		
				ICT minutes and reports are available		
				Partially achieved - system downtime reduced since December 2010		
				Less system downtimes		
				On track		
				Budget utilised as allocated		

PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY

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

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

Service Delivery

Staffing

The establishment of the Inspectorate provides for 297 posts of which 233 are currently filled and 64 posts are vacant. The demographics of the Inspectorate as on 31 March 2011 was as follows:

Gender	African	White	Asian	Coloured	Total
Male	98	49	0	1	148
Female	64	18	0	3	85

Human Resource Development

During the reporting period, the Inspectorate continued to develop the skills and knowledge base of its staff as follows:

- Eighty-three officials attended WITS training on the following modules:
 - Inspection, audits and investigation methods
 - Mine Health and Safety Act Legal Enforcement Part I
 - Mine Health and Safety Act Legal Enforcement Part II
 - Principles of Occupational Health and Hygiene Part I

This training will continue during the next financial year, with the training schedule as set-out for the rest of the year.

- Thirty four staff members attended other administrative and technical courses.

A total number of 19 Learner Inspectors are currently undergoing practical training at various regional offices of the Department. Objective of the Training programme was for the Learner Inspectors to obtain their Government Certificate of Competency.

TABLE 1: Actual Fatalities and Rates (per million hours worked) per Region

	2009		2010*		Rates
	Fatalities	Fatality rates	Fatalities	Fatality rates	% change
All mines	168	0.16	127	0.12	-25.00
Western Cape	3	0.19	0	0	-100.00
Northern Cape	4	0.07	4	0.06	-14.29
Free State	22	0.23	22	0.27	17.39
Eastern Cape	0	0	0	0	0.00
KwaZulu-Natal	9	0.36	3	0.12	-66.67
Mpumalanga	25	0.16	13	0.08	-50.00
Limpopo	5	0.05	11	0.11	120.00
Gauteng	44	0.20	29	0.14	-30.00
North West	56	0.14	45	0.12	-14.29

Provisional figures () because statistics may change due to late reporting of accidents and subsequent deaths*

A negative (-) figure denotes a decrease in frequency rate

Table 1 indicates that there has been a 25% reduction of the fatality rates at all mines for the period under review. There were two regions that succeeded to have a fatal free year, namely Western Cape and Eastern Cape. Two other regions managed to maintain the same number of fatalities Northern Cape and Free State. The Free State had an increase in fatality rates (17.39%) while Northern Cape had a reduction in the fatality rates (1.29%) and this is related to the decrease in the labour at work in the Free State region while the Northern Cape has had an increase in the labour at work.

TABLE 2: Actual Reportable Injuries and Rates (per million hours worked) per Region

	2009		2010*		Rates
	Injuries	Injury rates	Injuries	injury rates	% change
All mines	3650	3.43	3419	3.22	-6.76
Western Cape	15	0.93	13	0.96	3.23
Northern Cape	56	0.94	63	0.92	-2.13
Free State	399	4.43	385	4.69	5.86
Eastern Cape	8	2.01	2	0.52	-74.13
KwaZulu-Natal	54	2.18	28	1.1	-49.54
Mpumalanga	419	2.66	304	1.85	-30.45
Limpopo	202	1.98	254	2.43	22.73
Gauteng	760	3.52	614	2.87	-18.47
North West	1737	4.42	1756	4.59	3.85

Provisional figures () because statistics may change due to late reporting of accidents and subsequent deaths*

A negative (-) figure denotes a decrease in frequency rate

Table 2 shows that there has been an improvement of about 8% on injury rates show that there has been an increase in injuries in the Limpopo Region while all the other regions show a decrease.

TABLE 3: Actual Fatalities and Rates (per million hours worked) per Commodity

	2009		2010*		Rates
	Fatalities	Fatality rate	Fatalities	Fatality rate	% change
All mines	168	0.16	127	0.12	-25.00
Gold	81	0.25	62	0.20	-20.00
Platinum	41	0.11	34	0.09	-18.18
Coal	18	0.12	12	0.08	-33.33
Diamonds	3	0.11	4	0.16	45.45
Copper	1	0.14	1	0.14	0.00
Chrome	3	0.13	3	0.10	-23.08
Iron ore	3	0.10	3	0.07	-30.00
Manganese	1	0.09	1	0.08	-11.11
Other	17	0.15	7	0.07	-53.33

Provisional figures () because statistics may change due to late reporting of accidents and subsequent deaths*

A negative (-) figure denotes a decrease in frequency rate

In terms of the major commodities the gold, platinum and coal sectors have registering a reduction in fatality rates of 20%, 18% and 33% respectively during the period under review. However, it is of concern that the diamond sector had an increase in fatality rates of about 45%.

TABLE 4: Actual Reportable Injuries and Rates (per million hours worked) per Commodity

	2009		2010*		Rates
	Injuries	Injury rates	Injuries	Injury rates	% change
All mines	3650	3.43	3419	3.22	-6.76
Gold	1756	5.36	1375	4.35	-18.84
Platinum	1299	3.50	1505	4.06	16.00
Coal	295	1.97	272	1.71	-13.20
Diamonds	46	1.66	50	2.04	22.89
Copper	19	2.59	19	2.61	0.77
Chrome	60	2.00	81	2.68	34.00
Iron ore	15	0.49	18	0.44	-10.20
Manganese	11	1.03	17	1.36	32.03
Other	149	1.30	82	0.83	-36.15

Provisional figures () because statistics may change due to late reporting of accidents and subsequent deaths*

A negative (-) figure denotes a decrease in frequency rate

Whilst reportable injury rates in gold (18%), coal (13%), iron (10%) and other mines (36%), rates dropped substantially, it is of concern that other commodities registered increases.

TABLE 5: Number of Fatalities for all mines per casualty classification: 2009 to 2010

Number of separate accidents, number of deaths and number of persons incapacitated in terms of Regulation 25.1.1 (c), (d) and (f)

CLASSIFICATION	2009 Fatalities	2010* Fatalities	% change
FALL OF GROUND	65	48	-26.15
MACHINERY	8	3	-62.50
TRANSPORTATION/MINING	47	37	-21.28
GENERAL	32	20	-37.50
CONVEYANCE ACCIDENTS	2	1	-50.00
ELECTRICITY	5	3	-40.00
FIRES		5	100.00
EXPLOSIVES	4	5	25.00
HEAT SICKNESS	4	2	-50.00
MISCELLANEOUS	1	3	200.00
TOTAL	168	127	-24.40

Provisional figures () because statistics may change due to late reporting of accidents and subsequent deaths*

A negative (-) figure denotes a decrease in frequency rate

There has been a 26% improvement regarding fall of ground fatalities, from 65 in 2009 to 48 during 2010. Also, there has been a reduction with the machinery, general transportation and mining fatalities of about 63%, 38% and 21% recorded during the period under review. Although the abovementioned improvements have been achieved, the fall of ground, general, transportation and mining still remain the major contributors to fatalities within the mining sector. This is an indication that there has to be more attention given to the areas which lead to the potential of these accidents to occur in the mining industry.

PROGRAMME 2 MINE HEALTH AND SAFETY INSPECTORATE

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	Participation in MQA Structures	100	100	0	G	Verification source: Minutes and attendance registers of Board Meetings.	
	Percentage of Applications for Certificates of Competencies Processed	100	100	0	G	Verification source: Examination records. A total of 3173 applications were received and all of them were processed.	
Contribute to Skills Development	Percentage of certificates of Competency issued	17	20	-3	Y	Not achieved: Poor preparation by candidates for the examinations.	Engage with MQA and other stakeholder to ensure proper accreditation of service providers. Also will drafted and implementing Action Plan to improve pass rate during the 2011/12 financial year.

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Ensure Compliance and Monitoring	Audit and Inspection monitoring Tools developed	100	100	0	G	Verification Source: The following Audit and Inspection tools were developed: Blair Winder, Conveyor, Conveyor Man Riding, Double Drum Winder, Hydraulic Lift, Incline Shaft, Koepe Winder, Pre-sink using a crane, Racklift, Rope lift, Single Drum Winder, Vertical Shaft, Board and Pillar.	
	Enforcement Guideline developed	100	100	0	G	The Mine Health and Safety Inspectorate Enforcement Guideline was drafted and training was completed.	
	Reduction in complaints Relating to Procedural Inconsistencies	10	10	0	G	Verification Source: Complaints Registers. There were no complaints received relating to Procedural Inconsistencies.	

PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	Percentage Reduction in Occupational Ill Health	0	10	-10	R	Ill Health cases being reported 2009=8134, 2010=8170 (8170-8134)/8134*100 = 0%	Inspectorate will implement Strat Plan and Health and Safety Strategy to ensure that there is a reduction in number of ill Health cases.
Manage Health and Safety Risks	Percentage Reduction in Occupational injuries and fatalities	16	10	6	G	Verification source: SAMRASS. Occupational Injuries and Fatalities reported on calendar year. Fatalities 24% reduction and injuries 7% reduction. (24%+7%)/2 = 16% * Provisional Figures	
	Percentage Reduction in Occupational Non Casualties	1	10	-9	R	Not achieved: Non Casualties being reported 2009 = 392 and 2010 = 389 (389-392)/392*100 = 1%	Inspectorate will implement Strat Plan and Health and Safety Strategy to ensure that there is a reduction in the number of Non Casualties.
Promote Best practice	% of Expo's and Seminars organised and attended	82	100	-18	Y	Verification source: Expo Calendar and DMR exhibitions. Planned for period under review = 17. Actual for period under review = 14 (14/17)*100 = 82%	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Promote Health and Safety	% Improvement in Compliance to H&S Regulations	0	10	-10	R	Inspections and audits were done but due to a lack of a system the improvement in compliance could not be measured.	SAMSHA system was finalised and will be utilised in the 2011/2012 financial year.
	Guideline Developed for Small Scale Mining	1	1	0	G	Verification Source: Draft Guideline has been completed.	
	Health and Safety Information Disseminated	100	100	0	G	Verification source: Monthly fatality report and Regional Newsletters.	
	Occupational Health Strategy Developed	1	1	0	G	Verification Source: Mine Health Safety Strategy developed.	
	% of Policies studies finalised	71	100	-29	Y	2 Policy studies were not completed due to capacity constraints. % Policy studies finalised = Policy studies completed/Policy studies planned. $(5/7) * 100 = 71\%$	The review and implementation of standardised policies and procedures will enhance the execution of tasks timeously and the filling of vacant posts.
Provide Clear Policies and Regulatory Framework							

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	% Reduction in Identified Policy and Regulatory Gaps(ILO 176)	0	60	-60	R	Not achieved. 6 Policy gaps were identified and currently being addressed through the review and amendment of the Mine Health and Safety Act (MHSA) which commenced in September 2010. The Policy gaps will be reduced when the Act is approved by Cabinet.	6 Policy gaps were identified and are currently being addressed through the review and amendment of the Mine Health and Safety Act (MHSA) which commenced in September 2010.
	Number of Guidelines Developed	0	100	-100	R	No new Guidelines were developed during the period under review.	
Provide Policies and Guidelines	Number of Guidelines Reviewed	100	100	0	G	Verification Source: Admin Fine and Enforcement Guideline Reviewed	
	Number of Policies Developed	0	100	-100	R	Not achieved. No new Policies were developed during the period under review.	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	Number of Policies Reviewed	100	100	0	G	Verification Source: The Amendment of the Mine Health and Safety Act (Act 29 of 1996) (MHSA) is underway. Consultations with affected parties were done during the 2010/2011 financial year and further consultations will continue until 2012. It is envisaged that the amendments will be adopted and approved during the 2011/2012 financial year.	
Develop and Review internal processes	Number of Internal Processes Developed	100	100	0	G	Verification source: Administrative Fine and Enforcement policy and procedures developed. Also, the prevention of Rockfall accidents in the platinum Mine form developed.	
	Number of Internal Processes Identified	100	100	0	G	Verification Source: Administrative Fine and Enforcement policy and procedures. Also, prevention of Rock Fall accidents in the Platinum Mines Audit form identified.	
	Number of Internal Processes Implemented	100	100	0	G	Verification Source: Administrative Fine and Enforcement policies and procedures. Also, prevention of Rock Fall accidents in the Platinum Mines Audit form implemented.	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Implement Service Level Agreement	% Adherence to SLA's	100	100	0	G	Verification Source: Attendance Registers. 161 Inspectors attended Wits Training and 8 Bursary holders were placed at Goldfields.	
	Number of SLA Implemented	100	100	0	G	Verification source: Goldfields and Wits SLA's.	
Improve turnaround	% Adherence to Prescribed Time Frames (SLA's)	100	100	0	G	Verification source: Goldfields and Wits payments	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Attract and Retain Staff	% implementation of HRD strategy	94	50	44	G	Verification Source: HRD Implementation Plan. Attendance registers and Copies of Certificates. There are 8 areas and the MHSI attended to 7.5 areas. Note that bursaries are split into 2 areas e.g. internal and external bursaries where MHSI attended only to one side of it. $(7.5/8) * 100 = 94\%$	
	% implementation of Talent Management Strategy	0	20	-20	R	Could not implement the DMR Talent Management Strategy as it is still in a draft format.	DMR Talent Management Strategy to be sent for approval.
	% reduction in vacancy rate	0	1	-1	R	Not achieved: There are more vacancies because of funding of some of vacancies. 1st Quarter 16%, 2nd Quarter 13%, 3rd Quarter 15% and currently 17%.	Fast tracking filling of positions.
	% reduction Staff Turnover rate	15.9	1	14.9	G	Not achieved. Verification source. Persal report	No comparative figures from 2009/10 because the department was combined with Department of Energy. The department will continue to monitor the staff turnover rate.
	% Review HR Plan	100	100	0	G	Achieved: Verification source HR Plan	
	Number of career/development initiatives (career opportunities, skills initiatives, etc.) implemented	6	6	0	G	Achieved: Verification source: Presentations on DMR careers, Attendance registers. Central University of Technology, North West University (Potchefstroom Campus), North West University (Mmabatho), University of Limpopo, Durban University of Technology, University of KwaZulu Natal (Durban).	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Improve Leadership and Management	% Management Completed the Leadership/Management Courses	2.86	70	-67.14	R	A total of 2 MHSI officials attended the Advanced Management Development Programme (AMDP) out of 70 officials in the branch. 2/70*100 = 2.86%. The Executive Development Programme (EDP) commenced late in 2010/11 financial year. 10 MHSI managers attended the first session.	Executive Development Programme (EDP) commenced in the last quarter of the 2010/22 financial year and overlaps into the 2011/12 financial year.
	% return on investment on training and development	0	65	-65	R	Tool was not developed to calculate investment on training and development	Training of Managers will take place in 2011/2012
Promote Core Values	Number of Core Values Workshops Conducted	10	5	5	G	Verification Source: Attendance Registers. Workshops were conducted in Head Office and Regions (Gauteng, Western Cape, KZN, Eastern Cape, North West, Limpopo, Mpumalanga, Free State, and Northern Cape).	
	Number of Service Delivery Improvement Plans Developed	1	1	0	G	Verification Source: DMR Strategic Plan	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Align Budget to Strategy	% Budget Aligned to Strategy	100	95	5	G	Verification Source: Spending Plans	
Manage Cost Effectively	% Variance on Allocated Budget for goods and Services	18.9	5	13.9	G	<p>Verification Source: Analysis of Budget and Expenditure Report. 18.9 % Saving is due to vacancies. Budget = R25447 000, Spend = R29133 000, Overspent = R3686 000 R8494 926 for lease payment on behalf of Programme</p> <p>1 Calculation: $R3686\ 000 - R8494\ 926 = R4808\ 926$ (saving) $(4808\ 926/25447\ 000)*100 = 18.9\%$</p> <p>Underspending as a result of reduced S&T costs as a result of vacancies.</p>	The MHSI recently held interviews and are in the process of filling some of the vacant posts. 15 Posts to be filled. S&T cost will increase as vacant posts are filled.

PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Promote Good Governance	Reduction in Wasteful, fruitless and irregular Expenditure	1073.7	60	1013.7	R	Verification Source: Fruitless, wasteful and irregular expenditure registers. R26886.31 (2010/11 financial year)/ R2504 (2009/10 financial year) *100 = 1073.7% R2896.01 Irregular expenditure was due to additional attendance of 4 persons at the workshop held at the Premier Hotel. R18090.30 irregular expenditure was due to longer than planned time period it took to take statements for the Impala Inquiry, which was beyond our control.	A written warning was issued to the relevant official regarding the first two irregular expenditure cases.
	% execution of Fraud prevention and ERM implementation plans	100	100	0	G	Risk assessment were performed and risk management committee met during the year. Risk champion forum was constituted during the year.	Risk champions will actively address risk treatment actions plans during 2011/12 .
	Comply with PFMA	97.5	100	-2.5	Y	Achieved: Verification Source: Compliance Certificate February period: 100%+100%+100%+90%/4=97.5%	
	Comply with PSA	100	100	0	G	The department is compliant with the relevant policies: Verification source: HR Policies	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	Number of repeat findings on internal audit follow up report	0	0	0	G	Achieved: No reports of repeat findings were received during the period under review.	
	Unqualified Audit Report	0	0	0	Y	Not achieved: Progress on unqualified audit report is pending AG report.	Any issues arising from the Audit Report will be addressed in the 2011/12 financial year.

Service Delivery Improvement Plan
Mine Health and Safety Inspectorate

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2009/10)	DESIRED STANDARD (2010/11)	Progress as at 31 March 2011
Address health and safety risks in mining through: <ul style="list-style-type: none"> • Number of Audits conducted • Number of Inspections conducted • Number of Investigations conducted • Number of Inquiries completed 	Mining Operations	100% of planned audits as per capacity 100 % of planned inspection as per capacity 80% of planned investigations as per capacity 80 % of planned inquiries as per capacity	100% of planned audits as per capacity 100% of planned inspections as per capacity 100% of planned investigations as per capacity 100% of planned inquiries as per capacity	Address health and safety risks in mining through: <ul style="list-style-type: none"> • Number of Audits conducted • Number of Inspections conducted • Number of Investigations conducted • Number of Inquiries completed
		Quantity	Quantity	Achieved
		Quality	Quality	Achieved
		Consultation	Consultation	Achieved
		Openness and transparency	Openness and transparency	Achieved
		Information	Information	Achieved
		Value for money	Value for money	Achieved
		Implementation and compliance to standardised Policies and Procedures	Implementation and compliance to standardised Policies and Procedures	Achieved
		Quarterly consultation with mining operations	Monthly consultation with mining operations	Achieved
		Policies and Procedures is public documents	Policies and Procedures is public documents	Achieved
Information is shared on a monthly basis with mines	Information is shared on a monthly basis with mines and an electronic management system would improve the availability of information	Achieved		
Ensure the optimum utilisation of voted funds	Ensure the optimum utilisation of voted funds	Achieved		

PROGRAMME 3: MINERAL REGULATION

Purpose: Regulate the minerals and mining sector to ensure economic development, employment and ensure transformation and environmental compliance.

Programme Objective: To transform the minerals and mining sector into one that competitively contributes to the sustainable development in the country.

The Mineral Regulation Branch has now completed its fifth year since inception. The 2010/11 financial year was marked by significant dynamics that impacted on the mining industry and will be deliberated upon. The primary function of the Branch is processing, finalisation of applications, monitoring and evaluation of rights under the Mineral and Petroleum Resources Development Act, 2002 (MPRDA).

The Department, through Mineral Regulation Branch, initiated the revision of internal business processes for applications in terms of the MPRDA to enhance internal processes and improve service delivery.

The Branch commenced a process of addressing cases of double grantings or overlaps. This took the form of high level visits to the Regional offices and working through all the cases with the right holders. In addressing these cases, applicants were involved with a view to demonstrating that there was no malicious intent. The process was conducted in a transparent, accountable manner. Identified cases of double granting that were attended to (including unregistrable rights) were less than 120, out of a total of 26 000 applications that were processed since the implementation of the MPRDA, representing less than 1%.

Some of the errors were occasioned by consultants to applicants who submitted sketch plans with incorrect polygons leading to overlaps. Regrettably departmental officials were blamed when these matters were detected or reported. In other instances, changes in property descriptions, inability of the National Mining Promotion System (NMPS) to effectively detect and manage competing applications, gaps between appeals process and processing of applications have also contributed to these problems.

The Branch conducted compliance inspections during the moratorium period the results of which indicate the following:

- Non compliance on the part of right holders with regard to failure to commence with prospecting activities within 120 days as stipulated in the contract.
- Cases of suspected fronting by some right holders, wherein misleading information was submitted leading to unsustainable mining transactions.
- Overuse of consultants by applicants to a disempowering extent. Some right holders could not be contacted because the entire data was lost when the consultants' services were discontinued.
- Applicants who have not complied with their prospecting work programmes by engaging in extensive drilling, without amending their work programmes and financial provision for rehabilitation thus increasing the state's exposure to risk.
- Illegal drilling in some areas leading to increased hazards to communities, land owners, etc.
- Right-holders whose companies have been de-registered or liquidated and the Department (regulator) was not informed
- Holders of rights who cannot be traced or located.
- Diamond producers not registered with the South African Diamond and Precious Metals Regulator resulting in incompleteness of information on diamonds mined and sold legally
- Disposal of Rights without Ministerial consent in terms of Section 11 of the MPRDA

- The BEE partners failing to attend pre-arranged site visits without valid reasons.
- Right holders continuously postponed inspection dates scheduled by Regional Offices to the extent that officials started making inspection notices a directive; which yielded positive results.
- Documents such as Environmental Management Programmes, Prospecting Works Programmes, and Annual progress / performance reports not on site during visits.
- Financial provision and performance assessment reports were not submitted annually by some mining companies and right holders.
- In some cases, right holders were operating without approved Environmental Management Plans (EMPs)
- Some right holders failed to apply for closure certificates
- Challenges with denial of access to right holders by land owners.

Procedurally, all cases of non compliance were followed by the issuance of Section 93 notices as well as section 47 (notices) which relate to the procedure to remedy failures or the cancellation of the Right respectively. Due to the Departments zero tolerance attitude towards non compliance, those who were found to have transgressed were and are being dealt with in the appropriate manner.

The South African Mineral Resources Administration System (SAMRAD)

The process of developing an integrated electronic system commenced during the 2009/10 financial year. The system allows for a process of an integrated management of information and improved management of the mining industry. Due to the NMPS system limitations, a decision was taken to expand the new SAMRAD system within the Department, starting with the Mineral Regulation branch.

The mandate was for the Mineral Regulation Branch to firstly develop a transparent online application system that makes it possible for the public to freely view the spatial locality of the applications in terms of the Mineral and Petroleum Resources Development Act "MPRDA" (Act 28 of 2002), for them to check the status of their own applications. Secondly, to develop a system that eliminates the risk of spatial error, and thirdly, ensures uniform standards and procedures when processing applications.

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Contribute to Skills Development	Number of employees attending and complete ABET within the mining sector	17580	5000	12580	G	Achieved: Verification Sources: Annual Reports of mining companies or Inspection Reports.	The annual target has been exceeded as mining companies identified a need to train more employees and community members, in order to address both their production needs and their corporate social responsibilities.
	Number of HDSA undergoing management related mining	372	300	72	G	Achieved: Verification sources: Annual Reports of mining companies or Inspection Reports	The annual target has been exceeded as mining companies identified a need to train more people than planned in order to address their production needs.
	Number of HDSA undergoing mining related courses	2160	1000	1160	G	Achieved: Verification source: Annual reports of mining companies or Inspection Reports.	The annual target has been exceeded as mining companies identifies a need to train more people than planned in order to address their production needs.
	Number of internships	1100	200	900	G	Achieved: Verification sources: Annual reports of mining companies or Inspection Reports	The annual target has been exceeded as mining companies identifies a need to train more interns than planned in order to address their production needs, and also as part of their corporate social responsibilities.
	Number of learnerships granted	2234	1000	1234	G	Achieved: Verification source: Annual reports of mining companies or Inspection Reports	The annual target has been exceeded as mining companies identified a need to train more people than planned in order to address their production needs and also as part of their corporate social responsibilities.
	Number of scholarships and bursaries granted by the mining industry	1441	500	941	G	Achieved: Verification source: Annual Reports of mining companies or Inspection Reports	The annual target has been exceeded as mining companies identified a need to train more people than planned in order to address their production needs and also as part of their corporate social responsibilities.
	Number of women undergoing management related courses	236	100	136	G	Achieved: Verification source: Annual reports of mining companies or Inspection Reports	The annual target has been exceeded as mining companies identified a need to train more women than planned.
	Number of women undergoing mining related courses	372	500	-128	Y	Not Achieved: This is due to the fact that women employees are few in the mining industry (mining companies do not have enough women employees to undergo mining related courses.) Verification source: Annual reports of mining companies	The Branch plans to request mining companies to develop a women recruitment strategy in the 2011/12 financial year

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Educate and Communicate with Stakeholders	Number of workshops conducted with mineral and mining industry stakeholders	32	10	22	G	Achieved: Verification source: Invitations, attendance registers or agendas. Circumstances demanded an increase in workshops with stakeholders.	
	Promote Job Creation	208	100	108	G	Achieved: Annual Reports of mining companies or Inspection Reports.	
Promote Sustainable Resource Management	Number of income generating projects through SLP	63	18	45	G	Achieved: Verification sources: Annual Reports of mining companies or Inspection Reports.	The Branch planned a minimum target of 18. However, mining companies identified a need to implement more income generating projects in communities within which they operate and these projects include labour sending areas.
	Number of SMME Development Projects	61	27	34	G	Achieved: Verification sources: Annual Reports of mining companies	The Branch planned a minimum target of 27 (3 per region). However, some mining companies implemented more SMME development projects as a result of community needs.
	Additional Jobs created through 1 – 3 above	3527	100	3427	G	Achieved: Verification sources: Annual Reports of mining companies	The number of jobs created through created LED projects exceeded the annual target of 100 as mining companies required more workers to implement additional LED projects.
	Number of Infrastructural Development Projects through Social & Labour Plans (SLP)	95	100	-5	Y	Not Achieved: Verification sources: Annual Reports of mining companies	Mining companies did not deliver 100% on set target. Branch to intensify inspections and community engagement.

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Regulate mineral and mining sector to achieve transformation	Level of company compliance with skills development requirements	100	100	0	G	Achieved: Verification source: SLP and its ROD. SLP's are not approved without the requirements being met at the time of adjudication.	
	Extent of company compliance with 10% women in mining	100	100	0	G	Achieved: Verification sources: Approved SLP and its ROD. SLP's are not approved without the requirements being met at the time of adjudication.	
	Extent of company compliance with 40% HDSA in management	100	100	0	G	Achieved: Approved SLP and its ROD. SLP's are not approved without the requirements being met at the time of adjudication.	
	Number of rights granted to HDSA's	117	27	90	G	Achieved: Verification sources: Shareholders agreements or shareholders certificates; ID documents and Granted rights. Though the target was 27, the department does not have control over the number of applications being submitted.	
	Number of women led companies licensed	30	18	12	G	Achieved: Verification sources: Shareholders agreements, Shareholder Certificates, ID documents or Granted rights.	The Branch to create more awareness on women participation in mining in the next financial year.
	Number of youth led companies/entities licensed	8	27	-19	R	Not achieved: The branch did not receive applications by youth led companies as expected. Verification source: Shareholders agreements or shareholders certificates, ID documents and Granted rights.	The branch is planning to create more awareness on youth participation in mining during 2011/12 financial year.
	Approved guideline on consultation process	0	1	-1	R	Not achieved: The guideline is at editing stage and being aligned to the Samrad system.	The guideline will be approved during the 2011/12 financial year.
	Approved guideline on registration of rights	1	1	0	G	Achieved: Verification source: Approved guideline	
	Review of internal business process	1	0	1	G	Achieved: Verification sources: Samrad system	
	Reviewed MWP and PWP guideline	2	1	1	G	Achieved: Verification sources: Approved guidelines	
Develop and Review Internal Processes	Reviewed SLP guideline	1	0	1	G	Achieved: Verification sources: Approved guidelines	
	% Adherence to Prescribed Time Frames	36.5	90	-53.5	R	Not Achieved. Verification source: NMPS. 1387 / 3798 = 36.5%. Formula: # of Applications received processed on time / Total # of applications = %	The Branch will implement reviewed business processes and the online application system to improve efficiency.

PROGRAMME 3: MINERAL REGULATION

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION	
Monitor and enforce compliance	Level of compliance with regulatory requirements	75	100	-25	Y	Not Achieved: Verification source: Section 93 and 47 notices issued (1272) . Formula: 3808 / 5105 = 75% # of Compliant Inspections / Total # Application = %	The Branch will capacitate the component and also increase awareness on regulatory requirements.	
	Number of Environmental Management Plan (EMP) inspections	2853	1380	1473	G	Achieved: Verification sources: Inspection reports	The Branch over achieved on inspections due to moratorium audits.	
	Number of mining charter & legal compliance inspections	1585	140	1445	G	Achieved: Verification source: Inspection reports	The Branch over achieved on inspections due to moratorium audits.	
	Number of Mining Work Programme (MWP)/ Prospecting Work Programme (PWP) inspections	464	302	162	G	Achieved: Verification source: Inspection reports	The branch over-achieved on this measure due to moratorium inspections.	
	Number of social and labour plan inspections	200	140	60	G	Achieved: Verification source: Inspection reports	The Branch over achieved on this measure due to moratorium inspections	
	% of closing mines without residual state liability.	100	100	0	G	Achieved: Verification source: Closure submissions signed by Chief Director. Calculation: All 157 issued closures are compliant		
	% of fully funded environmental liabilities	37.3	70	-32.7	Y	Not achieved: 585 / 1568 = 37.3% Calculation: # of mines who revised in the preceding 1year period / # of mines due to revise their FP x 100 = %	The Branch will accelerate inspections and issue notices.	
	Identified and prioritized unrehabilitated and unsafe Mining impact	10	1	9	G	Achieved: List of identified sites in Limpopo,NC,EC, KZN and MP	Projects to be implemented in the next financial year.	
	Reduce State environmental liability	Number of Identified Derelict and ownerless Rehabilitation projects implemented	5	7	-2	Y	Not achieved: Five rehabilitation projects were completed in 2010/11. Verifications source: Contracts with service providers and Minutes of Rehabilitation Oversight Committee (ROC) meetings. Names: 1) Jebolo 2) Strelley 3) Owendalle and 4) Prieska Rehabilitation Project 5) Prieska Wall Construction	Remainder of projects to be implemented in the 2011/12 financial year

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Attract and Retain Staff	% implementation of HRD strategy	62.5	50	12.5	G	Achieved: Verification source: HRD strategy report Calculation: $5 / 8 \times 100 = 62.5\%$ (Branch HRD initiatives implemented) / (Total HRD initiatives) x 100=62.5%	
	% implementation of Talent Management Strategy	0	20	-20	R	Not achieved: The implementation did not take place because the strategy was only developed during 2010/2011 financial year	The strategy will be implemented during the 2011/2012 financial year
	% reduction in vacancy rate	0	1	-1	R	Not achieved More vacancies because of funding of some of vacancies. 1st Quarter 16%, 2nd Quarter 13%, 3rd Quarter 15% and currently 17%.	Fast tracking filling of positions
	% reduction Staff Turnover rate	15.9	1	14.9	R	Not achieved. Verification source: Peral report	No comparative figures from 2009/10 because the department was combined with Department of Energy. The department will continue to monitor the staff turnover rate
Improve Leadership and Management	% Review of HR Plan	100	100	0	G	Achieved: Verification source: HR Plan	
	Number of career/development initiatives (career opportunities, skills initiatives, etc.) implemented	6	6	0	G	Achieved: Verification source: Presentations on DMR careers, Attendance registers. Central University of Technology, North West University (Potchefstroom Campus), North West University (Mmabatho), University of Limpopo, Durban University of Technology, University of KwaZulu Natal (Durban).	
	% Management Completed the Leadership/Management Courses	12	70	-58	R	Not achieved: EDP implemented in last quarter and will overlap into 2011 / 12 financial year. Calculation: $5(\text{managers attended}) / 59(\text{managers}) \times 100 = 8.47\%$	The branch will report on this measure during 2011/12 as the programme was commenced at the end of the fourth quarter 2010 / 11.
Promote Core Values	% return on investment on training and development	0	65	-65	R	Tool was not developed to calculate investment on training and development	Training of Managers will take place in 2011/2012
	Number of Core Values Workshops Conducted	7	5	2	G	Achieved: Core value workshops attendance registers. Conducted in: GP, KZN, FS, EC, NC, WC, Mpumalanga & Head Office.	
	Number of Service Delivery Improvement Plans Developed	1	1	0	G	Verification source: Strategic planning 2010/11	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Align Budget to Strategy	% Budget Aligned to Strategy	100	95	5	G	Achieved: Verification source: Spending Plans 2010/11	
	% Variance on Allocated Budget for goods and Services	-87	5	-92	R	Not achieved: This was due to the unplanned moratorium inspections. Verification source: Budget and Expenditure Statement for 2010/11. Calculation: 1687 / 1940 x 100 = 87% [Budget 1940, Actual Budget 3627 = Overspend 1687]	Compliance audit budget will be budgeted for in future budget allocations.
Manage Costs effectively	Reduction in Wasteful, fruitless and irregular Expenditure	78	60	18	G	Achieved: Verification sources: Irregular expenditure register. Calculation: 215140.50 - 45856.20 / 215140.50 x 100 = 78% Formula: 2009/10 - 2010/11 divide by 2009/10 x 100 = %	
	% execution of Fraud prevention and ERM implementation plans	0	100	-100	R	Risk assessment were performed and risk management committee met during the year. Risk champion forum was constituted during the year.	Risk champions will actively address risk treatment actions plans during 2011/12 .
Promote corporate governance	Comply with PFMA	97.5	100	-2.5	Y	Achieved: Verification Source: Compliance Certificate February period: 100%+100%+100%+90%+4=97.5%	
	Comply with PSA	100	100	0	G	The department is compliant with the relevant policies: Verification source: HR Policies	
	Number of repeat findings on internal audit follow up report	35	0	35	R	Not achieved: Financial Provision: 9 (6: partially completed & 3: not done); Social Labour Plan 25 (14: partially done & 3: not done). Verification Source: Internal Audit Report	The Branch will address the challenges in the first and second quarters of the 2011/12 financial year.
	Unqualified Audit Report	0	0	0	Y	Progress on unqualified audit report is pending AG report.	Any issues arising from the Audit Report will be addressed in the 2011/12 financial year.

SERVICE DELIVERY IMPROVEMENT PLANS
MINERAL REGULATION

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2009/10)		DESIRED STANDARD (2010/11)		PROGRESS (as of 31 March 2011)
		Quantity	Quality	Quantity:	Quality:	
Increased Number of HDSA's and Women participation in the Mining Industry	HDSA's (blacks, coloureds and Indians)	Quantity	45 rights granted to HDSA	Quantity:	63 rights granted to HDSA	117 rights granted to HDSA's as at 31 st March 2011
		Quality	Audited	Quality:	Audited	Not yet audited (un-audited by branch)
		Consultation	Meetings and workshops with communities and mining industry	Consultation	Meetings and workshops with communities and mining industry	32 Workshops conducted as at 31 st March 2011
		Access	Communication – DMR website, telephonic and written	Access	Communication – DMR website, telephonic and written	DMR is accessible to applicants, public and other stake holders through meetings, website, telephones and written correspondence
		Courtesy	Help desk, Workshops, Meetings	Courtesy	Help desk, Workshops, Meetings	Help desk facilities (SAMRAD helpdesk) exist. Interactions through Workshops and Meetings
		Openness and Transparency	Clearly defined and displayed business processes	Openness and Transparency	Clearly defined and displayed business processes	Intranet, Internet and Website. Business processes according to SAMRAD on website. Release of statistics and detail through reporting
		Information	Guidelines, Information workshops, application procedures in the DMR website	Information	Guidelines, Information workshops, application procedures in the DMR website	Guidelines, Information workshops, application procedures in the DMR website
		Redress	Feedback meetings, corrective actions	Redress	Feedback meetings, corrective actions	Investigations, reporting, feedback meetings, correspondence and corrective action
		Value for money	Acquisition of shares and ownership in the mining industry	Value for money	Acquisition of shares and ownership in the mining industry	Decisions on enquiries and requests, issued rights and good service delivery
		Time	Six months for Prospecting Rights and Mining Permits, Twelve months for Mining Rights	Time	Six months for Prospecting Rights and Mining Permits, Twelve months for Mining Rights	Six months for Prospecting Rights and Mining Permits, Twelve months for Mining Rights
		Cost	Prospecting fees and Rehabilitation / financial provision	Cost	Prospecting fees and Rehabilitation / financial provision	Application fees, prospecting fees, registration fees, fees for access to information and rehabilitation financial provision

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD (2009/10)	DESIRED STANDARD (2010/11)	PROGRESS (as of 31 March 2011)
Consistent turnaround times in processing prospecting and mining rights applications	Mining industry, Players in the industry	Quantity:	Quantity:	90% of applications submitted have been finalised. Formula: Applications received divided by decisions taken * 100= (i.e granted or refused)
		Quality:	Quality:	Un- Audited(by branch) and finalised applications
		Consultation	Consultation	DWAF,DEAT,DLA, communities, Local Authorities, National Parks Boards
		Access	Access	Communication - DMR website, email, telephonic and written
		Courtesy	Courtesy	Help desk, Industry assessment work-shops, access to NMPS
		Openness and transparency	Openness and transparency	Clearly defined and displayed business processes, better access to the DMR websites/NMPS
		Information	Information	Industry workshops on business processes, application procedures in the DMR website, Guidelines/ NMPS
		Redress	Redress	Feedback meetings, corrective actions
		Value for money	Value for money	Transformed industry
		Time	Time	Six months for Prospecting Rights and Mining Permits, Twelve months for Mining Rights
Cost	Cost	Prospecting fees and Rehabilitation / financial provision	Application fees, prospecting fees, registration fees, fees for access to information and rehabilitation financial provision	

PROGRAMME 4: THE MINERAL POLICY AND PROMOTION

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

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

Service delivery objectives and indicators:

The performance of the mining industry for the period 2010 demonstrated significant recovery from the preceding implosion of the global economic and financial crisis. To this extent, the aggregated extraction rate grew at a phenomenal 5.8% relative to a contraction experienced in the preceding year. This performance confirms our view that recovery is now well underway and that the next commodities boom has begun in earnest.

Synchronously, employment in the mining industry shrunk by 5.1% in 2009, although employment of women grew by a staggering 11% in the same year. The employment of women in the sector started from a low base, indicating that efforts to diversify the workforce are beginning to bear fruits. In 2010, total employment grew by 1.2%, with women employment growing by a further 15.6%. Total employment in mining reached 498 055, falling marginally short of breaking through the half a million threshold. Employment in mining continued to grow during the year, and will continue to do so in the future, given the current interventions that are aimed at positioning this industry along a sustainable growth trajectory resulting in further creation of decent jobs, in line with the national developmental priorities. These interventions include the development of a national mining sector strategy, the beneficiation strategy as well as the reviewed Mining Charter.

The Branch successfully led the development of a "strategy for the sustainable growth and meaningful transformation of South Africa's mining industry", which recognises that the country missed an opportunity to leverage from the previous commodities boom due to a number of binding constraints to growth. This strategy identifies a set of modalities of mitigating against such constraints and further emphasises the mutual inclusivity of competitiveness and transformation. The strategy is currently serving before Cabinet processes and should be approved in the course of 2011.

The mineral beneficiation strategy was presented to the Inter-Ministerial Committee on Economic development, Employment and Infrastructure, at which we were directed to consult relevant economic departments as part of expediting the process of finalising the document. Such consultations have been done and the document will be ready to serve before Cabinet during the second quarter of the financial year.

A Cabinet approval was sought to use the African Exploration, Mining and Financing (Pty) Ltd (AEMFC) as a nucleus for the establishment of State Owned Mining Company. The work on hiving off the AEMFC from its current wholly owned status by the Central energy Fund is already at the advanced stage and will culminate into establishment of the AEMFC as a standalone entity.

The management of derelict and ownerless mines is a key deliverable of the Department given the serious challenges that the country faces from such mines, especially as it includes problems related to acid mine drainage. Following the Minister's approval of the strategy for the management and rehabilitation of mines, the Branch has since developed a rehabilitation procedure manual which will be approved in 2011. As part of the rehabilitation programme, five sites were successfully rehabilitated during the 2010/11 financial year, creating a total number of 221 employment opportunities. 10 sites have been prioritised for 2011/12 financial year and work in this regard is already underway.

PROGRAM 4 : MINERAL POLICY AND PROMOTION

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	% improvement on stakeholder engagements	55	5	50	G	Achieved. 34 engagements with different stakeholders 2009/10=22 stakeholders engagements (baseline) 2010/11=34 engagements Difference between 34 and 22=12 % increase = 55% Target exceeded by 50% Verification Source: Reports and minutes of engagements	
Build Strategic Partnerships	Number of strategic partnerships established	5	5	0	G	Raw Material Group Data subscriptions - Bureau for Economic Research subscription – CRU Group subscription - Ryan's notes subscription - Metal Bulletin subscription The verification source is the contract signed for access to the subscriptions	
Contribute to Skills Development	Contribute to the UNCSD reporting (the mining thematic area)	Present 1st report	Present 1st report	0	G	Verification Sources: UNCSD report and attendance report from meeting in New York	
	Facilitate skills development in mining through an effective regulatory framework	Establish baseline target	Establish baseline target	0	G	Verification Source: Baseline of skills facilitation defined in the reviewed Mining Charter document	
	Number of careers in mining workshops	1	2	-1	Y	The scheduled Science Unlimited Expo s postponed due to lack funds Verification Source: Report on the Learners Focus Week	The next Expo will be held in August 2011 and DMR will participate
	Number of sustainable DMR supported SMMEs	82	35	47	G	Achieved. 16 Beneficiation Projects; 66 SSM Projects . Verification Source: Monitoring and evaluation reports on the projects	
Drive Transformation Policies	Transformation level in mining sector	8.9	15% BEE ownership	-6.1	Y	Not achieved: Failure by the mining sector to meet the required targets Verification Source: Mining industry assessment report (Page 20)	Strengthening of the Mining Charter and the Principal Act (MPRDA). The Mining Charter requires mining companies to report progress annually.

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Educate and Communicate with Stakeholders	Number of stakeholder engagement activities	35	15	20	G	Achieved. 20 MIGDETT meetings - diamond strategy meetings - Chrome workshop - Meeting with MGA to facilitate support for jewellery projects - Meeting with CCIG on the Autocat value chain - 4 x SSM Stakeholder engagement (Meeting reports) - Nko-mati Nickel Mine Visit; Meeting with the International Lead and Zinc Study Group - Sammri Launch report -National Treasury filing for 18K Due Diligence compilation for the mining and minerals sector - SARB Round Table of professional economists - Centre for Policy Research in conjunction with Xstrata. Participation at BEE Coal JVs conference. Verification Sources: Reports and meetings on the engagements.	
	Number of Bilateral Agreements Implemented	6	2	4	G	Achieved: 3 bilaterals implemented - Joint Committee with Chinese, Joint Committee with the Angolans and Joint Committee with the Indians. 3 multilaterals implemented - Association of Diamond Producing Countries(ADPA), Pan African Mining Development Corporation (PAMDC), Benguela Current Commission. Verification Sources: Reports on implementation of the agreements.	At planning stage focus was on bilateral agreements, but this later changed during implementation to include multi lateral agreements.
Promote Investment in the Mineral Sector	% Increase in Levels of Local Beneficiation and Small Scale Mining Projects	26%	10%	16%	G	Achieved. DMR supported projects increased from 65 in Q4 2009/10 to 82 Q4 2010/11 Calculations for percentage increase from 82-65 /65 = 26%. Verification Sources: Branch annual performance report for 2009/10 and Beneficiation and Small scale mining projects monitoring and evaluation reports.	The target was exceeded as there were more aspirant entrepreneurs than expected as a result of the various information sessions held by DMR.
	Incremental growth in investment in the mining sector	-2.5	3.8 GDP+1	-6.3	R	Not Achieved. The measure of investment growth in mining is below the target of GDP growth rate of 2.8%+1% = 3.8%. Gross fixed capital formation growth in 2010 = -2.5%. (Gross Fixed Capital Formation in 2009 was R64, 9 billion and in 2010 was R63,3 billion, giving negative of growth of 2.5%. GDP for 2009 was R1, 78 trillion and for 2010 was R1, 834 trillion which gave growth of 2.8%. The 2.8% growth plus 1% gives the 3.8% target). The global economy is recovering erratically from the global economic crisis, resulting in the corresponding erratic performance in mining investment. The figures reported are one quarter in arrears (December 2010), as there's a lag in the publishing of the figures and the nature of the target, measures and corrective interventions are long term by nature. Verification source: gross fixed capital formation - information sources from StatsSA and Reserve Bank.	A mining sector strategy has been developed to encourage growth in investment of the sector and implementation will be over the short to long term period (1 - 10 years)

PROGRAMME 4: THE MINERAL POLICY AND PROMOTION

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	Number of planned Mineral Promotional Activities implemented	26	15	11	G	Verification Sources: 9 x Small-scale mining workshops (reports) - Directory of Industrial Mineral Producers - MB Bulletin Vol 23, Issue 1, 2 and 3, Issue 2, Bulletin B1: - Minerals: Statistical Tables 1988-2009 - Directory of Platinum group Metal Mines in SA - Limestone Report - South African Diamond Handbook and Operating Diamond Mines Directory) - Overview of the Cobalt Industry in RSA, 2000-2009 - B1-Minerals Statistical Tables, 1988-2009 - D1-Operating Mines, Quarries and Mineral Processing Plants in the Republic of South Africa, 2011 - Refractory Clays Report -South Africa's Mining Industry Seminar held during PDAC, 7 March 2011 -Participation and exhibition at the Mining Indaba - Newsflash on economic indicators -Report on mining contribution to the national economy -Investment in the minerals sector (RSA)	
Promote Job Creation	Number of counter-cyclical interventions intended for creation and preservation of decent jobs in the sector	4	4	0	G	Verification Sources: Mining Sector Strategy, Declaration document, Reviewed Mining Charter, formation of the MIGDETT Job creation Task Team - report of workshop held	
Promote Mineral Beneficiation	% Increase in Levels of Local Beneficiation	1%	2%	-1%	Y	Partially achieved. % local sales (2009) for top 10 commodities=31% - baseline % local sales (2010) for top 10 commodities=32% % increase=1% Verification source: DMR local sales and production statistics received from mining companies Recession led to closure and stoppage of some beneficiation projects hence the slight increase in the local sales and this, combined with the delay in the formal adoption of the beneficiation strategy, has created uncertainty in the beneficiation industry.	The approval of the beneficiation strategy during 2011/12 will improve the level of beneficiation when the global economy fully recovers.
	Number of DMR supported Beneficiation Projects	16	12	4	G	Achieved. 16 beneficiation projects supported. Verification sources: monitoring and evaluation reports and minutes/ reports of meetings with stakeholders	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Promote Sustainable Resource Use and Management	Number of Mineral intelligence projects implemented	2	2	0	G	Achieved. Two reports completed. Verification Sources: Report on the Rare Earth Elements (REE) and Report made in Preparation to respond to the submission made by the South African Ferrochrome Industry to the Department of Mineral Resources.	
	Number of sustainable DMR supported SMMEs	82	35	47	G	Achieved. 16 Beneficiation Projects; 66 SSM Projects. Verification Sources: Monitoring and evaluation reports on the projects.	
Develop Effective Environmental Policies	Number of effective environmental policy instruments	1	1	0	G	Achieved. Verification source: Sustainable Development Strategy for the Mining Sector	
Enforce Compliance and Monitoring of Compliance	Facilitate increased % of Companies Complying with the relevant section of the MPRDA	71%	70%	1%	G	Achieved. The "Total Compliance Percentage for 2010/11 is at 71%" and this is the average of the "Compliance Percentage" of ten data coders. The "Compliance Percentage" of each data coder is the percentage of the mines that the data coder is responsible for, that are up to date with their submission of returns in terms of section 28(2) of the MPRDA. Calculation = Average Compliance percentage per month x 12/ 12. Verification sources: the calculations from the company data captured. The SAMINDEX database is being upgraded, and going according to plan and will assist in avoiding the challenges faced.	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
	% Standardisation of documents and internal processes	60%	85%	-25%	Y	Only 60% achieved. Verification sources: Documents from 3 Directorates -Economic Advisory Services; Mineral Policy Development and Mine Environment were reviewed (3/5 = 0.6 = 60% achieved). The Baseline: 6 documents x 85% = 5.1 documents. From 6 existing internal documents, all excluding the one for Small Scale Mining had to be reviewed; namely - Economic Advisory Services; Mineral Policy Development; Mine Environmental Research and Sustainable Development; Beneficiation Economics and Mineral Economics.	Outstanding documents will be reviewed during the 2011/12 financial year.
Implement Service Level Agreements	%Adherence to service level agreements	100%	100%	0%	G	Achieved: All four MOUs were implemented. 100% compliance = compliance to all 4 service level agreements. Verification sources: MoU with CGS on Strategic water management research programme, MoU with Mintek on the rehab of D&O mines, MoU with Wits University on training and development on environmental management and MOA with IDC on SSM funds management	
Improve Turnaround Time	Acknowledgement of queries	within 3 working days	within 3 working days	0	G	Verification sources: documents on responses to queries. Measurement of target and actual is in days, therefore 3 days.	
	Response time to query	within 7 working days	within 7 working days	0	G	Verification sources: correspondence registers. The target and actual are measured by days, therefore 7 days.	
Provide Clear policies and Regulatory Framework work	% Reduction in identified policy and regulatory gaps	70%	70%	0%	G	Achieved. The target was for the 7 out of 10 areas of concern to be addressed in the 2010/11 financial year - these are (i) Gaps in the MPRDA, (ii) Rehabilitation progress and (iii) West Rand mine closure strategy; (iv). Central Rand mine closure strategy; (v). Far Western mine closure strategy; (vi). Kosh mine closure strategy and (vii). Eastern mine closure strategy. Verification sources: (a) Inputs report into the MPRDA, (b) Rehabilitation programme report, (c) 5 x Regional mine closure strategies.	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Provide Policies and Guidelines	Number of approved policies and guidelines	1	2	-1	Y	Only 1 Act was approved - New processes were introduced, which delayed the introduction of the MPRDA Bill to Cabinet. Verification sources: Copy of the Geoscience Amendment Act	The MPRDA Bill will be introduced to Cabinet during the 2011/12 financial year.
	Develop best environmental practices in the mining sector	1	2	-1	Y	1 achieved due to lack of human resources. Verification Sources: Mine water research progress report	Issues of human capacity will be addressed by filling all vacant posts by June 2011. A draft Strategy for Sustainable Development in Mining has been developed and will be approved in 2011/12.
Attract and Retain Staff	% implementation of Talent Management Strategy	0	20%	-20%	R	Not achieved - the implementation did not take place because the strategy was only developed during 2010/11 financial year.	The strategy will be implemented during the 2011/12 financial year
	% reduction in vacancy rate	0%	1%	-1	R	Not achieved More vacancies because of funding of some of vacancies. 1st Quarter 16%, 2nd Quarter 13%, 3rd Quarter 15% and currently 17%.	Fast tracking filing of positions
	% implementation of HRD strategy Programmes	63%	50%	13%	G	Achieved. 5 out of the 8 HRD plan initiatives were concluded. 5/8 x 100 = 63%	
	% reduction Staff Turnover rate	15,9%	1%	14,9%	R	Not achieved. Verification source. Pearsal report	No comparative figures from 2009/10 because the department was combined with Department of Energy. The department will continue to monitor the staff turnover rate
	% Review of HR Plan	100	100	0	G	Verification source: HR Plan	
	Number of career/development initiatives (career opportunities, skills initiatives, etc.) implemented	6	6	0	G	Achieved: Verification Source: Presentations on DMR careers, attendance registers. Central University of Technology, North West University (Potchefstroom Campus), North West University (Mmabatho), University of Limpopo, Durban University of Technology, University of KwaZulu Natal (Durban).	

PROGRAMME 4: THE MINERAL POLICY AND PROMOTION

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Improve Leadership and Management	% Management Completed the Leadership/Management Courses	7.7%	70%	-62.3	R	Not Achieved: A total of 8 MMS officials attended the Advanced Management Development Programme (AMDP) out of 52 officials on MMS level in Branch. 8/52 x 100/2 = 7.7%	The Executive Development Programme (EDP) commenced in the last quarter of the 2010/11 financial year and overlaps into the 2011/12 financial year.
	% return on investment on training and development	0	65%	-65%	R	Tool was not developed to calculate investment on training and development	Training of Managers will take place in 2011/2012
Promote Core Values	Number of Core Values Workshops Conducted	2	2	0	G	Verification Source: Core value workshops attendance registers	
	Number of Service Delivery Improvement Plans Developed	1	1	0	G	Verification source: DMR Strategic Plan 2010/11 financial year	
Align Budget to Strategy	% Budget Aligned to Strategy	100%	95%	5%	G	Verification source: Branch spending plans	
Manage Costs effectively	% Variance on Allocated Budget for goods and Services	0.33%	5%	-4.67%	G	The Branch expenditure for the year is at 99.7%. Verification Source: Budget and Expenditure Analysis report as at 31 March 2011	
	Reduction in Wasteful, fruitless and irregular Expenditure	100%	60%	40%	G	The Branch had no irregular expenditure for the year 2010/11 Verification Source: Irregular Expenditure Report Current irregular expenditure R 0 previous year was R 58, 643.89	

OBJECTIVE	MEASURE	ACTUAL	TARGET	VARIANCE	STATUS	PERFORMANCE COMMENTS	CORRECTIVE ACTION
Promote corporate governance	% execution of Fraud prevention and ERM implementation plans	0%	100%	-100%	R	Risk assessment were performed and risk management committee met during the year. Risk champion forum was constituted during the year.	Risk champions will actively address risk treatment actions plans during 2011/12
	Comply with PFMA	97,5%	100%	-2,5%	Y	Achieved: Verification Source: Compliance Certificate February period: 100%+100%+100%+90%/4=97.5%	
	Comply with PSA	100%	100%	0%	G	The Department is compliant with the relevant policies: Verification source: HR Policies	
	Number of repeat findings on internal audit follow up report	0	0	0	G	Verification Source: Internal audit reports. Two internal audit reports were received and no repeat findings were identified.	
	Unqualified Audit Report	0	0	0	Y	Progress on unqualified audit report is pending AG report.	Any issues arising from the Audit Report will be addressed in the 2011/12 financial year.

Service Delivery Improvement Plans
Mineral Policy and Promotion Branch

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD	DESIRED STANDARD	PROGRESS FOR 2010/11		
Promote the mining and mineral industry of South Africa	The public, government departments, DMR, DMR associated institutions, mining industry and prospective investors	Quantity:	Quantity:	19 publications 26 mineral promotional activities achieved 1 policy amended (Geoscience Amendment Act)		
		Quality:	Quality:	Disseminated information that is credible and accessible through the publications and promotional events		
		Consultation	Consultation	Meaningful stakeholder engagements held Advocacy mainly under the auspices Mining Industry Growth Development and Employment Task Team (MIGDETT)		
		Access	Access	All methods of access to the Branch were utilised.		
		Courtesy	Courtesy	Batho Pele Principles are applied		
		Openness and transparency	Openness and transparency	Open and transparent approach in engaging stakeholders.		
		Information	Information	Publications are available on website and workshops have been held with stakeholders nationally.		
		Redress	Redress	All comments and inputs received were considered in amending the MPRDA		
		Value for money	Value for money	Projects were re-prioritised in light of the reduced budget.		
		Time	Time	Annually		
		Cost	Cost	99.7% of allocation spent		

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENTS OF MINERAL RESOURCES

For the year ended
31 March 2011

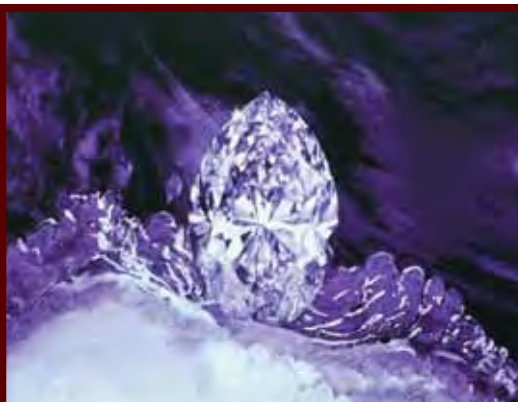


TABLE OF CONTENTS

Report of the Audit Committee	99
Report of the Accounting Officer	101
Report of the Auditor-General	110
Appropriation Statement	114
Notes to the Appropriation Statement	134
Statement of Financial Performance	136
Cash Flow Statement	138
Accounting Policies	139
Notes to the Annual Financial Statements (including Accounting policies)	145
Disclosures Notes to the Annual Financial Statements	175
Annexures	176

HUMAN RESOURCE MANAGEMENT **187**

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee Members and Attendance:

All the Audit Committee members of the former Department of Minerals and Energy as well as one (1) new member were appointed as members of the Department of Mineral Resources on 1 September 2010. The Audit Committee, whose members are listed hereunder, meets at least four (4) times per annum as per its approved charter. During the current year four (4) meetings were held. The attendance of the meetings was as follows:

Name of Member	Number of meetings held	Number of meetings attended
Mr. S Sithole (Chairperson)	4	4
Ms EH Heyns	3	*0
Dr DP van der Nest	4	4
Ms Z Musamirapamwe	#2	1

**Due to ill-health and subsequently passing on in December 2010.*

Appointed 1 September 2010

Audit Committee Responsibility

The Audit Committee reports that it has, during the year under review, adopted the reviewed Audit Committee Charter in line with the requirements of Sections 38(1) (a) and 77 of the Public Finance Management Act, Act no. 1 of 1999 and Treasury Regulation 3.1. The Audit Committee further reports that it has satisfied its responsibilities for the year and has conducted its affairs in compliance with its charter.

The effectiveness of internal control

The department has designed the system of internal control to provide cost effective assurance that the department's goals will be economically, effectively, and efficiently achieved. In line with the requirements of the PFMA, the International Standards for the Professional Practice of Internal Auditing issued by the Institute and Internal Auditors, and the King III Report on Corporate Governance, Internal Audit provided the Audit Committee and management with assurance that the internal controls are appropriate and effective. This was achieved by means the provision of both the assurance and consulting services on the risk management, governance, and control processes. From the various reports of the internal auditors, recommendations were made to management to address issues as reported. The Audit Committee has also reviewed the activities of the Compliance Office which, amongst others, include risk management. The Audit Committee was also satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer during the year under review.

Accordingly, with the exception of the reported deficiencies and deviations, we can report that the system of internal control over financial reporting for the period under review was adequate, effective and efficient.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed the department's compliance with legal and regulatory provisions;
- Reviewed significant adjustments resulting from the audit;
- Reviewed the department's Half-yearly Financial Statements;
- Reviewed the department's state of readiness report for the annual regularity audit; and
- Reviewed the department's Annual Financial Statements.

Internal Audit

The Audit Committee reviewed and approved the department's Internal Audit Charter, which adequately establishes Internal Audit's purpose, authority, and responsibility.

The Audit Committee reviewed the quarterly reports of internal auditors to ensure the internal audit activity's effectiveness. The Audit Committee is satisfied that, although there was lack of capacity due to the split process, the internal audit function operated effectively and that it addressed the risks pertinent to the department in its audits.

Auditor-General

The Audit Committee reviewed the Auditor-General's report and management letter and further met with the Auditor-General to ensure that there are no unresolved issues. The Committee has taken notice of the deficiencies in the system of internal control reported by the Auditor-General. These matters have been referred to the Accounting Officer for resolution.



Chairperson

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

1. General review of the state of financial affairs

During this reporting period, the department engaged in a process of re-defining and realigning its internal and administrative processes, policies and procedures for effectively responding to its focused mandate and good progress has been made in this arena. The focus was also on filling the gaps created as a result of the split in order to strengthen the human capacity within the support services function.

In its efforts to improve and integrate its services as well as introducing a long-term solution to the issues reported by the Auditor- General on revenue administration, the department made a good investment and acquired a system for automating the administration of the mineral resources. The first module has been completed while the remaining ones (including revenue management) will be finalised in 2011/12.

Subsequent to the split of Department of Minerals and Energy (DME), the Department of Mineral Resources assumed the role of a transferring department and drew up a Memorandum of Agreement (MoA) for splitting the assets and liabilities of the DME as set out in section 42 of the Public Finance Management Act. The Financial Accounting and Reporting guide on Transfer of functions issued by National Treasury during 2010 was followed as well as the MoA both Accounting Officers signed during the transition period (2009/10 financial year) was taken into account. The MoA was presented to the Department of Energy and discussions were held in order to agree on the entire inventory list. The DMR Accounting Officer has since signed the final MoA and it has been sent to Department of Energy.

During the year under review, an amount of R7,974 million has been reported as irregular expenditure. Off the total report R7,224 million was picked up during the audit process and has therefore not been condoned. R3,125 million of that amount relates to the restructuring of an operating lease to finance lease while R3,701 million was incurred as a result of acquiring goods and services without following proper procurement procedures. The matter has been referred to National Treasury for investigation.

In an effort to eliminate cases of non-compliance with the departmental procurement policy and procedures, the following measures have been implemented:

- A monthly report on suspected irregular expenditure is drafted and circulated to all responsibility managers by the Finance component.
- Responsibility managers report back to Finance indicating disciplinary measures taken against the transgressors
- The Accounting Officer only grants condonation based on the corrective measures taken by the Responsibility Manager.

Spending outlook

The department was appropriated a total budget of R995.842 million. An amount of R326,505 million was allocated towards Compensation of Employees, R210,311 million towards acquisition of goods and services, R438.781 million for transfer to Public and Private Corporations,

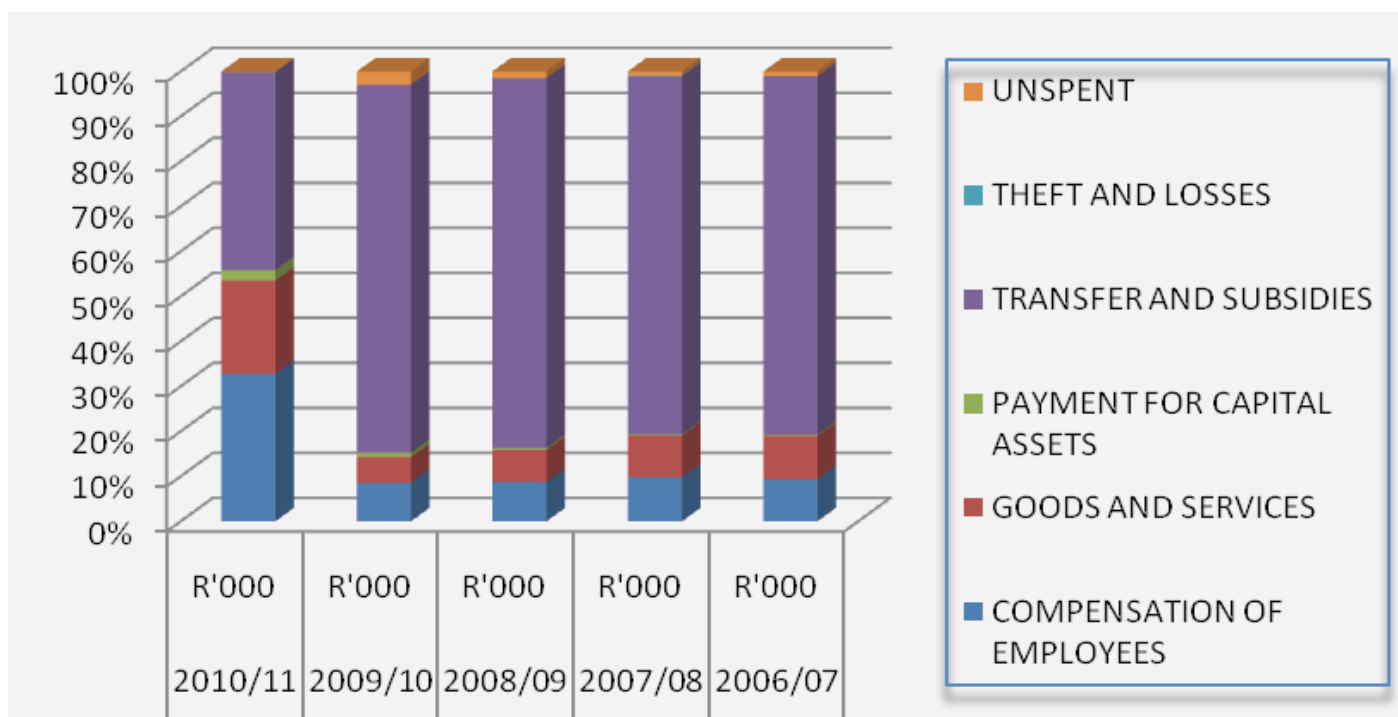
Departmental Agencies and Households, R20.194 million for the acquisition of capital assets and R50 thousand on writing off of losses.

The table below illustrates the utilization of voted funds per economic classification from 2006/7 to 2010/11.

Table and graph for voted funds:

UTILISATION OF VOTED FUNDS					
	2010/11	2009/10	2008/09	2007/08	2006/07
	R'000	R'000	R'000	R'000	R'000
COMPENSATION OF EMPLOYEES	326,457	403,323	330,089	290,561	246,154
GOODS AND SERVICES	206,504	263,475	269,408	277,222	254,665
PAYMENT FOR CAPITAL ASSETS	23,566	48,690	18,855	7,470	6,804
TRANSFER AND SUBSIDIES	438,120	3,828,303	3,111,061	2,366,512	2,099,917
THEFT AND LOSSES	50	925	593	5,602	135
UNSPENT	1,145	137,288	56,235	27,570	27,425
TOTALS (BUDGET)	995,842	4,682,004	3,786,241	2,974,937	2,635,100
% UNDER SPENDING OF VOTE	0.11%	2.90%	0.98%	0.93%	1.04%

UTILISATION OF VOTED FUNDS



The department's budget was fairly shared by the public entities under the control of the ministry and the departmental programmes and translated into R 437.626 (44 %) and R558.216 (56 %) respectively.

While the department had allocated R326,505 million of the total budget to Compensation of Employees, R326.457 million was utilized for the reporting period. The spending not only relates to the employees currently on the establishment but costs associated with contractual employees, interns and learners.

An amount of R206.504 million was used against a budget of R210,311 million to defray cost of goods and services acquired for the realization of departmental programmes during 2010/11. The costs relating to computer services registered an amount of R21million while consultants and contractors costs amounted to R17 million. The costs that are driven by personnel such as travelling, inventory etc recorded spending in relation with the personnel numbers. The venues and facilities, catering and administrative costs recorded at low levels owing to the cost containment measures that remain in force.

Table for analysis of unspent funds 2010/11

ANALYSIS OF UNSPENT FUNDS 2010/11		
	2010/11	2010/11
	R'000	%
COMPENSATION OF EMPLOYEES	48	0.01%
GOODS AND SERVICES	3,807	1.81%
FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES	1	1.96%
PAYMENT FOR CAPITAL ASSETS	(3,372)	(60.64)%
TRANSFER AND SUBSIDIES	661	57.23%
TOTAL UNSPENT	1,145	0.11%

The department recorded a 0.11% under spending which is attributable to commitments made within goods and services for consulting services for systems development and other IT services which were not finalised /delivered by year-end.

Virement:

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

Shift funds from	R'000	Motivation
Programme 2: Promotion of Mine Safety and Health	4,975	The under spending was due to vacancies in respect of inspectorate posts as a result of shortage of skills.
Programme 4: Mineral Policy and Promotion	2,499	Under-spending associated with the postponement of the of the Acid Mine Drainage and Derelict and Ownerless mines to next Financial year.
TOTAL	7,474	

Shift funds to	R'000	Motivation
Programme 1: Administration	1,217	Major spending pressures within the branch relating to centralised services rendered on behalf of the whole department.
Programme 3: Mineral Regulation	6,257	Spending associated with the compliance audit projected the branch embarked on during the financial year.
TOTAL	7,474	

2. Service rendered by the department

2.1 The mission

The mission of the Department of Mineral Resources is to promote and regulate the Mineral and Mining energy sector for transformation, growth, development and ensure that All South Africans derive sustainable benefit from the country's wealth. In order to achieve the above mission the department is split into four key programmes, which are responsible for; amongst other things:

- ensuring safe mining of minerals under healthy working conditions – Promotion of Mine Health and Safety
- regulating the minerals and mining sector to promote economic growth, employment, transformation and sustainable development – Mineral Regulation
- Formulating mineral related policies and promote the mining and minerals industry of South Africa thus making it attractive to investors – Mineral Policy and Promotion
- Support services mainly focus on providing support service to the department

2.2 Tariff policy

Historically, the tariffs used to be levied in terms of the Minerals Act, 1991 (Act 50 of 1991), for State owned Mineral Rights. The tariffs were and are predetermined and approved by National Treasury. Prospecting fees and royalties are globally competitive and do not inhibit the initiation of new mining industry projects.

Exploration fees

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

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

Exploitation fees (Royalties)

Until the Royalty Bill which came into effect 1 March 2010, any new mining rights granted from 1 May 2004 carry no royalties, the royalties payable were 1% of gross revenue for all minerals and 5% of gross revenue for diamonds for existing rights.

Minimum royalties

Minimum royalties were payable, as a “deposit”, in advance whether mining takes place or not in any specific year, the State would receive a measure of a return for any “mining permission” granted. Minimum royalties, as always, may be offset against actual royalties payable. The general formula for the determination of minimum royalties has been levied at “ten” percent of the average annual royalties payable in terms of the business plan submitted. The collection of royalties has since the implementation of the Royalties Act moved to SARS. The Department is however finalising the collection of outstanding fees that were receivable prior to 1st March 2010.

2.3 Free services

This does not apply to the department.

3. Capacity constraints

During the period under review, the department experienced serious and diverse capacity challenges especially in both support services and service deliver programmes. With regards to Support services, securing funding and timely recruiting and filling positions that resulted from the split of Department of Minerals and Energy was the major challenge, while the line function battled with loss of human capital as a result of inability to retain the professional staff, especially Inspectors and Mineral Economists. The implementation of Resolution 3 of 2009 also aggravated this challenge and it also created structural problems in relation to reporting lines.

In addressing some of the capacity constraints, the department managed to implement a number of training programmes as identified in the Workplace Skills Plan namely the Secretarial Development Programme, Project Management for Middle Management, Advance Management Development Programme and the Emerging Management Development Programme, Executive Development programme. The department also implemented a coaching and mentoring programmes, as well talent management strategy.

4. Utilisation of donor funds

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

5. Trading entities and public entities

The department continues to monitor the performance of the entities under its control with specific reference to governance and financial management. The table below illustrates the performance of the entities reporting to the Minister of Mineral Resources in relation to the Auditor General's report for 2009/10 financial year. It is clear from this report that the financial controls and monitoring systems put in place are beginning to bear fruits. During 2010/11 the department continued with its oversight over these entities. Although the Auditor-General's report for 2010/11 will only be finalised in July 2011, it is expected that the entities will continue in this path.

ENTITY	SOURCE OF FUNDUNG	AUDIT OPINION	
		2009 / 10	2008 / 09
Council for Mineral Technology and Research (Mintek)	Own and government grant	Unqualified	Unqualified
South African Diamond and Precious Metals Regulator	Own and government grant	Unqualified	Unqualified
Mine Health and Safety Council (MHSC)	Own and government grant	Unqualified	Unqualified
Council for Geoscience (CGS)	Own and government grant	Unqualified	Unqualified
State Diamond Trader (SDT)	Own (bail out during 2009/10)	Unqualified	Unqualified

6. Organisations to whom transfer payments have been made

Recipient	2010/11	
	Actual transfer	Purpose of transfer payment
	R'000	
SBT Trust and Council for Geoscience	35,671	Assistance to marginal mines in the form of pumping subsidies (R3m) and research to prevent ingress of water into underground holdings (CGS:R32.7m)
Council for Geoscience	136,505	Core funding in terms of establishing act
Council for Mineral Technology Research	195,840	R165.8 million -Core funding in terms of establishing act and R30 million - Mine Rehabilitation projects
South African Diamond and Precious Metals Regulator	40,643	Core funding in terms of establishing act
Mine Health and Safety Council	5,358	Core funding in terms of establishing act
Industrial Development Corporation of SA (Small scale mining)	23,609	Small scale mining projects

7. Public Private partnerships (PPP)

The department has not engaged in public private partnership arrangements.

8. Corporate governance arrangements

The department has continued to strengthen its checks and balance mechanisms so as to ensure compliance with the relevant legislation, efficiency, governance, risk management, and internal control processes.

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

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

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

- The department has established an Audit Committee in terms of Section 77 of the PFMA. Four (4) members were appointed into the Department's Audit Committee, which included all the three (3) members that constituted the former Department of Minerals and Energy's Committee. The members of the Audit Committee have the requisite knowledge and competence to deal with financial, risk management, governance, ethical and other matters that pertain to its responsibility. The Committee operated in line with its Charter, which was reviewed and approved in the reporting period. During the financial period under review, the Committee met four (4) times. The matters tabled for consideration by the Committee included the review of financial statements, the Auditor-General's management letters, reports and activities of the Internal Audit Activity and the Risk Management Office, and matters that relate to compliance with laws, regulations and policies.

The department continues to minimise risks that it is exposed to by ensuring that all major risks are proactively identified, assessed and managed to acceptable levels. The Department's risk committee continued in its oversight role of risk management activities in the department. A strategic risk assessment workshop was conducted in order to identify the array of risks the department is exposed to. As a result of this exercise all branch risk profiles were developed and responsibilities for managing these risks were assigned to management and staff. Risk profiles developed from the assessment process are used to inform the department's internal audit plans. The department continued to implement its fraud prevention and anti corruption strategy which is in line with minimum anti corruption capacity requirements.

During the year the accounting officer was compliant with the general and reporting responsibilities respectively detailed in sections 38 and 40 of the Public Finance Management Act 1 of 1999 as amended. The department has also not had cases where conflict of interest was reported in its administrative processes.

9. Discontinued activities/activities to be discontinued

The split of the erstwhile Department of Minerals and Energy has resulted in the transfer to certain functions from the DMR to the Department of Energy. The affected functions are:

Hydrocarbons, Energy Planning and Cleaning programme – transfer to Department of Energy since 01 April 2010

The activities in relation to this programme included:

- Promoting sustainable use of energy resources through integrated energy planning, developing policies and regulations and
- Managing petroleum, coal and natural gas sectors

Electricity, Nuclear and Clean Energy Programme – transferred to Department of Energy since 01 April 2010

The activities in relation to this programme included:

- Developing, implementing and monitoring electricity policies and programs
- Improving the governance of the nuclear sector, specifically in relation to nuclear safety, nuclear non-proliferation and nuclear technology.
- Lastly, facilitating the implementation of renewal energy, energy efficient technology as well as regulating and promoting the clean development mechanism activities.

10. New/proposed activities

The department will continue with its current activities and no new activities will be added during 2011/12 financial year.

11. Asset management

All assets procured during the year have been captured on the assets register. The asset register has also been successfully reconciled with the financial accounting system of the department. The detail to this item is presented in notes 30 to 32 in the Annual Financial Statements.

12. Inventories

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

13. Events after the reporting date

There are no events after the reporting date noted for reporting.

14. Information on predetermined objectives

A Quarterly Monitoring Report (QMR) on Performance Information is submitted to the Director-General for approval on a quarterly basis.

These quarterly reports highlight areas of concern for noting while also presenting interventions already in pursuit. Each branch head submits performance information with a signed compliance declaration. The Strategy Risk & Monitoring (SRM/ Compliance Office) is responsible for analysis of performance information. This analysis examines performance across the

Department in line with the approved strategic plan document. The analysis concentrates on the completeness, reasonability and relevance of the reported information. The SRM then consolidates and forwards the report to Internal Audit for verification. At year-end, the consolidated report is made available to Auditor- General for audit purposes.

15. SCOPA resolutions

No resolutions were received from SCOPA in respect of the 2009/10 audit report.

16. Prior modifications to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Receivables for departmental revenue: Incompleteness, inconsistency and inaccuracy	2009/10	A system of monthly review of manual revenue registers from all regions was introduced since October 2010.
		With effect from 1 March 2011 capacity at the regional offices was increased.
		Engaged in process of developing a revenue management electronic system of which the user requirements have been signed off and the service provider has already been appointed.

17. Exemptions and deviations received from National Treasury

There were no exemptions and deviation approval requested from National Treasury during the reporting period.

18. Comparative figures

In line with the requirements of the guidelines on Transfer of functions issued by National Treasury during 2010, all amounts reflected under 2009/10 relate to the Department of Minerals and Energy.

19 Approval

The Annual Financial Statements set out on pages 101 to 188 have been approved by the Accounting Officer.



Mr. NE Ragimana
Accounting Officer

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO 31: DEPARTMENT OF MINERAL RESOURCES REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Mineral Resources, which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 139 to 186.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Reporting Framework prescribed by National Treasury and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines 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. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.
Basis for qualified opinion

Receivables for Departmental Revenue

7. Section 38 (1)(a)(i) of the PFMA requires that a department has and maintains effective, efficient and transparent systems of financial and risk management and internal control and section 38(1)(c) of the PFMA requires that an accounting officer of an department take effective and appropriate steps to collect all money due to the entity.
8. The receivables for departmental revenue balance of R72,2 million (2010: R72,5 million) included in disclosure note 24 to the financial statements, is misstated as a result of omissions in respect of payments received and not recorded, amounts due not being raised and incorrect interest calculations on outstanding balances. The department did not identify and correct all the errors that exist in the balance as a result the extent of the error cannot be determined. The department's records did not allow me to perform alternative audit procedures to satisfy me of the receivables for departmental revenue. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the existence, completeness, valuation and allocation of and rights pertaining to the receivables for departmental revenue balance.

Revenue

9. The department could not provide sufficient appropriate audit evidence to support journal entries of R50,4 million debited to revenue. The journal entries were based on total receipts from royalty debtors without reconciling the payments received to outstanding debt balances thereby understating the revenue amount. Further, the credit entries in the revenue account include receipts from prospecting fees that have not been appropriately reconciled to outstanding receivables balances. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all revenue was properly recorded. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the completeness, accuracy and classification of revenue of R30,3 million.

Payables

10. Due to the limitations identified in the paragraph above I am also unable to conclude on the existence, completeness, valuation and allocation of and obligations pertaining to the payables balance to the amount of R53,5 million. The department's records did not permit the application of alternative audit procedures regarding the payables balance.

Provisions

11. Included in note 29, impairments and other provisions, to the financial statements are receivables for departmental revenue debt balances that are outstanding for longer than three years amounting to R36,3 million (2010: R36,5 million), which the department impairs in accordance with its policy on impairments. I am unable to obtain sufficient appropriate audit evidence to conclude on the existence, completeness, valuation and allocation and obligations of the other provisions balance due to the limitation reported in paragraphs 7 and 8 above on receivables for departmental revenue debt balance,.

Contingent liabilities

12. The contingent liabilities, as disclosed in note 19 to the financial statements, include the department's obligations in respect of abandoned mines. The department is and has been conducting rehabilitation activities in respect of the abandoned mines in accordance with the National Strategy for the Management of Derelict and Ownerless Mines in South Africa. The department is still in the process of establishing a financial estimate of the liability with the result that management has taken a decision not to disclose a provision in this regard. The department's records did not permit the application of alternative audit procedures regarding the department's obligation in respect of abandoned mines. Consequently I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the existence, completeness and valuation of the contingent liabilities and the corresponding impact on the provisions balance.

Qualified opinion

13. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Mineral Resources as at 31 March 2011 and its financial performance and cash flows for the year ended, in accordance with Departmental Reporting Framework prescribed by National Treasury and the requirements of PFMA.

Emphasis of matters

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

Restatement of corresponding figures

15. As disclosed in notes 23, 24, 29 to the financial statements, the corresponding figures for 31 March 2010 have been restated as a result of an error discovered during 2011 in the financial statements of the Department of Mineral Resources at, and for the year ended, 31 March 2010.

Material losses

16. Material losses to the amount of R5,8 million were incurred as a result of the assets that could not be verified during the asset verification process conducted for the financial year ended 31 March 2011.

Accruals

17. Accruals which exceed the payment term of 30 days as detailed in the Treasury Regulation 8.2.3 amount to R41,1 million. This amount, in turn, exceeds the voted funds to be surrendered of R1,1 million as per the statement of financial performance by R40 million. The amount of R40 million would therefore have constituted unauthorised expenditure had the amount due been paid in time.

Additional matters

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

Unaudited supplementary schedules

19. The supplementary information set out on pages 175 to 186 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

20. Section 20(2)(a) of the PAA requires me to express an opinion on the fair presentation of the financial statements of the Department of Mineral Resources. As the financial reporting framework applied by the department is a compliance framework, this would have resulted in my opinion stating that the financial statements were prepared, in all material respects, in accordance with the applicable financial reporting framework, but for this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

21. In accordance with the PAA and in terms of General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages 27 to 96 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

22. There were no material findings on the annual performance report concerning the presentation, usefulness and reliability of the information.
Compliance with laws and regulations

Annual financial statements, performance and annual report

23. The accounting officer submitted financial statements for auditing that were not prepared in all material aspects in accordance with generally recognised accounting practice and supported by full and proper records as required by section 40(1) (a) and) (b) of the PFMA. Certain material misstatements identified by the Auditor-General South Africa with regards to various account balances and disclosure notes were subsequently corrected, however the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion in contravention of section 40(3)(a).

Revenue Management

24. The accounting officer did not develop and implement appropriate processes that provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue to ensure that all money due to the department is collected as per the requirements of section 38(1)(c)(ii) of the PFMA and Treasury Regulation 7.2.1.

Expenditure Management

25. The accounting officer did not take effective steps to prevent irregular expenditure, as per the requirements of section 38(1) (c)(ii) of the PFMA.
26. The accounting officer did not immediately upon the discovery of irregular expenditure report it to the relevant treasury as per the requirements of section 38(1)(g) of the PFMA.
27. Payments due to creditors were not always settled within 30 days from receipt of an invoice as per the requirements of section 38(1)(f) of the PFMA and TR 8.2.3.

INTERNAL CONTROL

28. In accordance with the PAA and in terms of General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for qualified opinion and the findings on compliance with laws and regulations included in this report.

- Leadership

Ongoing monitoring and supervision undertaken to enable management to determine whether internal controls over financial reporting is present and functioning were not adequate which led to the material uncorrected and corrected misstatements on the financial statements and non compliance with laws and regulations.

The uncorrected misstatements that form the basis for the qualified audit opinion are as a result of management not implementing timely corrective action to address internal control deficiencies.

- Financial and performance management

There is inadequate record keeping as a result complete and accurate information is not accessible and available to support financial reporting. The department does not have appropriate systems of internal control relevant to the nature of the operations, as a result appropriate estimates for provisions could not be determined.

There are inadequate controls over the daily and monthly reporting processing and reconciling of transactions.

Although the department has extended significant effort to address the root causes that resulted in the previous year's audit qualification on the receivables for departmental revenue financial statements balance, the lack of an appropriate debtors' management system still proved a challenge in the current year resulting in an audit qualification in the current financial year.

Auditor General!

Pretoria

19 September 2011

Appropriation per programme									
2010/11								2009/10	
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme 1									
Current payment	212,905	24	(4,595)	208,334	204,555	3,779	98.2%	224,546	223,325
Transfers and subsidies	1,095	60	(27)	1,128	467	661	41.4%	784	450
Payment for capital assets	9,699	2,865	5,818	18,382	21,685	(3,303)	118.0%	24,135	24,727
Payment for financial assets	-	-	21	21	20	1	95.2%	751	751
	223,699	2,949	1,217	227,865	226,727	1,138		250,216	249,253
2. Programme 2									
Current payment	136,233	(131)	(4,467)	131,635	131,702	(67)	100.1%	129,031	128,894
Transfers and subsidies	5,358	-	3	5,361	5,361	-	100.0%	5,125	5,125
Payment for capital assets	479	131	(526)	84	15	69	17.9%	4,443	4,406
Payment for financial assets	-	-	15	15	14	1	93.3%	118	118
	142,070	-	(4,975)	137,095	137,092	3		138,717	138,543
3. Programme 3									
Current payment	171,687	(30,162)	4,697	146,222	146,079	143	99.9%	143,375	135,890
Transfers and subsidies	40,643	-	24	40,667	40,667	-	100.0%	39,449	39,447
Payment for capital assets	24	162	1526	1,712	1,852	(140)	108.2%	14,742	14,659
Payment for financial assets	-	-	10	10	10	-	100.0%	12	12
	212,354	(30,000)	6,257	188,611	188,608	3		158,164	190,008
4. Programme 4									
Current payment	56,094	(2,965)	(2,504)	50,625	50,625	-	100.0%	43,591	43,539
Transfers and subsidies	361,625	30,000	-	391,625	391,625	-	100.0%	26,058	26,058
Payment for capital assets	-	16	-	16	15	1	93.8%	4,127	4,127
Payment for financial assets	-	-	5	5	5	-	100.0%	-	-

Appropriation per programme									
2010/11								2009/10	
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	417,719	27,051	(2,499)	442,271	442,270	1		73,776	73,724
5. Programme 5									
Current payment								56,271	56,154
Payment for capital assets								702	771
Payment for financial assets								-	-
								56,973	56,925
6. Programme 6									
Current payment								73,783	79,039
Transfers and subsidies								265,153	255,031
Payment for capital assets								-	-
								338,936	334,070
7. Programme 7									
Transfers and subsidies								3,665,222	3,541,605
								3,665,222	3,541,605
TOTAL	995,842	-	-	995,842	994,697	1,145	99.9%	4,682,004	45,841,28

	2010/11		2009/10	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	30,302		217,144	
Direct Exchequer receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	1,026,144		4,899,148	
ADD				
Aid assistance				5,849
Direct Exchequer payments				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		994,697		4,550,565

Appropriation per economic classification									
2010/11								2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	344,142	(3,459)	(14,178)	326,505	326,457	48	100,0%	395,590	403,323
Goods and services	232,777	(29,775)	7,309	210,311	206,504	3,807	98,2%	274,962	263,475
Transfers and subsidies									
Provinces and municipalities								1,107,957	1,074,553
Departmental agencies and accounts	182,506	32,671	-	215,177	215,177	-	100,0%	291,816	291,814
Public corporations and private enterprises	225,120	(2,671)	-	222,449	222,449	-	100,0%	2,561,778	2,461,445
Households	1,095	60	-	1,155	494	661	42,8%	826	491
Payments for capital assets									
Buildings and other fixed structures	-	342	7,268	7,610	17,059	(9,449)	224,2%	22,960	22,879
Machinery and equipment	10,202	2,551	(1,450)	11,303	5,367	5,936	47,5%	23,898	24,505
Software and other intangible assets	-	281	1,000	1,281	1,140	141	89,0%	1,291	1,306
Payments for financial assets	-	-	51	51	50	1	98,0%	926	924
Total	995,842	-	-	995,842	994,697	1,145	99,9%	4,682,004	4,544,716

2010/11								2009/10	
Programme 1 Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Ministry									
Current payment	1,808		823	2,631	2,672	(41)	101,6%	3,450	2,240
1.2 Management									
Current payment	24,522	1,033	(4,938)	20,617	20,574	43	99,8%	21,987	22,257
Transfers and subsidies		60	-	60	-	60			
Payment for capital assets	31	1,856	(342)	1,545	1,165	380	75,4%	2,220	1,990
Payment for financial assets				-		-		21	21
1.3 Corporate Services									
Current payment	163,925	(1,009)	(480)	162,436	163,336	(900)	100,6%	172,173	198,791
Transfers and subsidies	1,095		(27)	1,068	467	601	43,7%	784	450
Payment for capital assets	9,668	1,009	6,160	16,837	20,520	(3,683)	121,9%	21,915	22,737
Payment for financial assets			21	21	20	1	95,2%	730	730
1.4 Office Accommodation									
Current payment	22,650	-	-	22,650	17,973	4,677	79,4%	26,936	37
Total	223,699	2,949	1,217	227,865	226,727	1,138	99,5%	250,216	249,253

Statutory Appropriation per economic classification									
2010/11								2009/10	
Program 1 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	104,432	1,985	(15,624)	90,793	90,745	48	99.9%	102,731	109,782
Goods and services	108,473	(1,961)	11,029	117,541	113,810	3,731	96.8%	121,815	113,542
Transfers and subsidies									
Households	1,095	60	(27)	1,128	467	661	41.4%	784	451
Payments for capital assets									
Buildings and other fixed structures		342	7,268	7,610	17,059	(9,449)	224.2%	5,283	5,283
Machinery and equipment	9,699	2,242	(1,450)	10,491	4,625	5,866	44.1%	17,561	18,138
Software and other intangible assets		281		281		281		1,291	1,306
Payments for financial assets			21	21	21	-	100.0%	751	751
Total	223,699	2,949	1,217	227,865	226,727	1,138	99.5%	250,216	249,253

2010/11								2009/10	
Programme 2 Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Governance Policy and Over- sight									
Current payment	40,117	(4,208)	10,736	46,645	46,712	(67)	100.1%	51,761	51,759
Transfers and subsidies	5,358		3	5,361	5,361	-	100.0%	5,120	5,120
Payment for capital assets	209	49	(258)	-	-	-		4,406	4,406
Payment for finan- cial assets				-	-	-		66	66
2.2 Mine Health and Safety (Re- gions)									
Current payment	96,116	4,077	(15,203)	84,990	84,990	-	100.0%	77,270	77,135
Transfers and subsidies				-	-	-		5	5
Payment for capital assets	270	82	(268)	84	15	69	17.9%	37	-
Payment for finan- cial assets			15	15	14	1	93.3%	52	52
Total	142,070	-	(4,975)	137,095	137,092	3	100.0%	138,717	138,543

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

2010/11								2009/10	
Programme 2 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	113,294	(2,639)	(8,093)	102,562	102,561	1	100.0%	94,182	94,046
Goods and services	22,939	2,508	3,626	29,073	29,141	(68)	100.2%	34,849	34,849
Transfers and subsidies to:									
Departmental agencies and accounts	5,358		-	5,358	5,358	-	100.0%	5,118	5,118
Households			3	3	3	-	100.0%	7	6
Payment for capital assets									
Buildings and other fixed structures				-		-		4,387	4,406
Machinery and equipment	479	131	(526)	84	15	69	17.9%	56	-
Payments for financial assets			15	15	14	1	93.3%	118	118
Total	142,070	-	(4,975)	137,095	137,092	3	100.0%	138,717	138,543

2010/11								2009/10	
Programme 3	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Detail per sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Management									
Current payment	5,501	734	2,699	8,934	8,935	(1)	100.0%	17,826	13,925
Payment for capital assets		16		16	15	1	93.8%	6,991	6,891
3.2 Mineral Regulation and Administration									
Current payment	166,186	(30,896)	1,998	137,288	137,144	144	99.9%	125,549	121,965
Transfers and subsidies			24	24	24	-	100.0%	35	35
Payment for capital assets	24	146	1,526	1,696	1,837	(141)	108.3%	7,751	7,768
Payment for financial assets			10	10	10	-	100.0%	12	12
3.3 South African Diamond and Precious Metal Regulator									
Transfers and subsidies	40,643			40,643	40,643	-	100.0%	-	-
Total	212,354	(30,000)	6,257	188,611	188,608	3	100.0%	158,164	150,596

2010/11								2009/10	
Programme 3 Per Economic classification	Adjust- ed Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expendi- ture	Variance	Expendi- ture as % of final ap- propriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	90,448		7,947	98,395	98,396	(1)	100,0%	90,424	91,292
Goods and services	81,239	(30,162)	(3,250)	47,827	47,683	144	99,7%	52,951	44,598
Transfers and subsidies to:									
Departmental agencies and accounts	40,643			40,643	40,643	-	100,0%	-	-
Households			24	24	24	-	100,0%	39,447	39,447
Payment for capital assets									
Buildings and other fixed structures				-	-	-		9,163	9,063
Machinery and equipment	24	162	526	712	712	-	100,0%	5,579	5,596
Software & other intangible assets			1,000	1,000	1,140	140	114,0%	-	-
Payments for financial assets			10	10	10	-	100,0%	12	12
Total	212,354	(30,000)	6,257	188,611	188,608	3	100,0%	158,164	150,596

2010/11								2009/10	
Programme 4 Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Management									
Current payment	13,111	(3,271)	7,573	17,413	17,413	-	100,0%	11,933	11,932
Transfers and subsidies				-		-		1,000	1,000
Payment for capital assets		16		16	15	1	93,8%	4,127	4,127
Payment for financial assets				-		-		-	-
4.2 Mineral Policy									
Current payment	7,108	2,230	(4,431)	4,907	4,907	-	100,0%	10,519	10,510
Payment for financial assets			1	1	1	-	100,0%	-	-
4.3 Mineral Promotion									
Current payment	28,632	1,022	(4,356)	25,298	25,298	-	100,0%	21,139	21,097
Transfers and subsidies	23,609			23,609	23,609	-	100,0%	25,058	25,058
Payment for financial assets			4	4	4	-	100,0%	-	-
4.4 Assistance to Mines									

2010/11								2009/10	
Programme 4 Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	35,671	(32,671)	-	3,000	3,000	-	100.0%	-	-
4.5 Council for Geoscience									
Transfers and subsidies	136,505	32,671		169,176	169,176	-	100.0%	-	-
4.6 Council for Mineral Technology									
Transfers and subsidies	165,840	30,000		195,840	195,840	-	100.0%	-	-
4.7 Economic Advisory services									
Current payment	3,559	(2,949)	(610)	-	-	-		-	-
4.8 Mine Environmental Management									
Current payment	3,684	3	(680)	3,007	3,007	-	100.0%	-	-
Total	417,719	27,051	(2,499)	442,271	442,270	1	100.0%	73,776	73,724

2010/11								2009/10	
Programme 4 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Vire- ment	Final Appropriation	Actual Expenditure	Variance	Expen- diture as % of final ap- propriation	Final Appropriation	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current pay- ments									
Compensation of employees	35,968	(2,805)	1,592	34,755	34,755	-	100.0%	30,456	30,455
Goods and services	20,126	(160)	(4,096)	15,870	15,870	-	100.0%	13,121	13,070
Transfers and subsidies to:									
Departmental agencies and accounts	136,505	32,671		169,176	169,176	-	100.0%	1,000	1,000
Public corpora- tions and private enter- prises	225,120	(2,671)		222,449	222,449	-	100.0%	25,058	25,058
Payment for capital assets									
Buildings and other fixed structures				-				4,127	4,127
Machinery and equipment		16		16	15	1	93.8%		
Payments for financial assets			5	5	5	-	100.0%	14	14
Total	417,719	27,051	(2,499)	442,271	442,270	1	100.0%	73,776	73,724

2010/11								2009/10	
Programme 5 Detail per sub-pro- gramme	Adjusted Appropriation	Shifting of Funds	Vire- ment	Final Appropriation	Actual Expendi- ture	Variance	Expen- diture as % of final ap- propriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Energy Planning									
Current payment								5,133	5,010
5.2 Hydro- carbons									
Current payment								38,671	38,669
Transfers and sub- sidies									
5.3 Hydro- carbons and Energy Planning Manage- ment									
Current payment								12,467	12,475
Pay- ment for capital assets								702	771
Total								56,973	56,925

2010/11								2009/10	
Programme 5 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Vari- ance	Expendi- ture as % of final appro- priation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current pay- ments									
Compensation of employees								40,357	40,311
Goods and services								15,903	15,833
Payment for capital assets									
Buildings and other fixed structures								702	771
Machinery and equipment									
Payments for financial assets								11	10
Total								56,973	56,925

2010/11								2009/10	
Programme 6 Detail per sub-pro- gramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expendi- ture as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Clean Energy									
Current payment								11,644	11,391
Transfers and subsidies								265,153	255,031
6.2 Electricity									
Current payment								36,234	36,099
6.3 Electricity and Nuclear Management									
Current payment								11,701	17,600
6.4 Nuclear									
Current payment								14,204	13,949
Total								338,936	334,070

2010/11								2009/10	
Programme 6 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees								37,440	37,437
Goods and services								36,323	41,583
Transfers and subsidies to:									
Provinces and Municipalities								175,000	175,000
Public corporations and private enterprises								90,153	80,031
Payments for financial assets								20	19
Total								338,936	334,070

2010/11								2009/10	
Programme 7 Detail per sub-programme	Ad- justed Appro- priation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Ex- pendi- ture	Vari- ance	Expendi- ture as % of final ap- propria- tion	Final Appro- priation	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Assistance to Mines									
Transfers and subsidies								38,600	31,100
7.2 Council for Geoscience									
Transfers and subsidies								132,677	132,677
7.3 Council for Mineral Technol- ogy									
Transfers and subsidies								161,108	161,108
7.4 Electricity Distribution Indus- try Holdings Company									
Transfers and subsidies								72,214	72,214
7.5 National Electrification Pro- gramme									
Transfers and subsidies								2,633,272	2,517,157
7.6 National Nuclear Regulator									
Transfers and subsidies								23,793	23,793

2010/11								2009/10	
7.7 South African Diamond and Precious Metal Regulator									
Transfers and subsidies									
7.8 South African Nuclear Energy Corporation									
Transfers and subsidies								564,144	564,144
Total								3,665,222	3,541,605

2010/11								2009/10	
Programme 7 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies to:									
Provinces and Municipalities								932,957	899,553
Departmental agencies and accounts								285,698	285,696
Public corporations and private enterprises								2,446,567	2,356,356
Total								3,665,222	3,541,605

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-F) to the Annual Financial Statements.

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

There were no specifically and exclusively appropriated amounts voted (after Virement) as indicated 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):

3.1	Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	Programme 1: Administration	227,865	226,727	1,138	0.50
	Programme 2: Promotion of Mine Safety and Health	137,095	137,092	3	0.00
	Programme 3: Mineral Regulation	188,611	188,608	3	0.00
	Programme 4: Mineral Policy and Promotion	442,271	442,270	1	0.00
	Total	995,842	994,697	1,145	0.11

3.2	Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	Current payments				
	Compensation of employees	326,505	326,457	48	0,01
	Goods and services	210,311	206,504	3,807	1,81
	Transfers and subsidies				
	Departmental agencies and accounts	215,177	215,177	0	0,00
	Public corporations and private enterprises	222,449	222,449	0	0,00
	Households	1,155	494	661	57,23

3.2	Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	Payments for capital assets				
	Buildings and other fixed structures	7,610	17,059	(9,449)	(124,17)
	Machinery and equipment	11,303	5,367	5,936	52,52
	Software and other intangible assets	1,281	1,140	141	11,01
	Payments for financial assets	51	50	1	1,96
	Total	995,842	994,697	1,145	0,11

Programme 1: Administration

The under-spending of R1.1 million under programme 1 relates to the procurement of goods and services in cases where orders were placed but for which expenditure is pending due to delays in delivery, late receipt of invoices and consequent delay in processing of payments. The item goods and services consequently reflects an under-spending of R3.8 million. The over-spending of R3.4 million under the item Payments for capital assets is due to office refurbishments that were conducted during the financial year.

Programme 2: Promotion of Mine Health and Safety

Mine Health Safety Inspectorate budget is personnel driven due to the nature of inspections, monitoring, and reporting functions performed. The programme disbursed R137 million which represents 100 percent of its total budget of R137 million. An amount of R4.9 million was reallocated to other branches to cater for over expenditure.

Programme 3: Mineral Regulation

On the 31 March 2011 Mineral Regulation Branch disbursed R188.6 million which represents 100 percent of its total budget of R188.6 million. An amount of R6.2 million was reallocated to this branch from other branches to cater for higher than anticipated expenditure.

Programme 4: Mineral Policy and Promotion

Mineral Policy and Promotion Branch disbursed R442.2 million which represents 100 percent of its total budget of R442.2 million. An amount of R2 million was reallocated to other branches for higher than anticipated expenditure.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011

<i>PERFORMANCE</i>	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	995,842	4,682,004
Departmental revenue	2	30,302	217,144
TOTAL REVENUE		1,026,144	4,899,148
EXPENDITURE			
Current expenditure			
Compensation of employees	4	326,457	403,323
Goods and services	5	199,678	263,475
Aid assistance	3	-	5,849
Interest and rent on land	6	1,789	-
Total current expenditure		527,924	672,647
Transfers and subsidies			
Transfers and subsidies	8	438,120	3,828,303
Total transfers and subsidies		438,120	3,828,303
Expenditure for capital assets			
Tangible capital assets	9	27,463	47,384
Software and other intangible assets	9	1,140	1,306
Total expenditure for capital assets		28,603	48,690
Payments for financial assets	7	50	925
TOTAL EXPENDITURE		994,697	4550,565
SURPLUS/(DEFICIT) FOR THE YEAR		31,447	348,583
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		1,145	137,288
Departmental revenue and NRF Receipts	15	30,302	217,144
Aid assistance	3	-	(5,849)
SURPLUS/(DEFICIT) FOR THE YEAR		31,447	348,583

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2011

<i>POSITION</i>	<i>Note</i>	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		58,196	212,761
Cash and cash equivalents	10	37,493	192,279
Prepayments and advances	11	40	5,902
Receivables	12	20,663	14,580
Non-current assets		-	2,205
Investments	13	-	2,205
TOTAL ASSETS		58,196	214,966
LIABILITIES			
Current liabilities		57,144	211,699
Voted funds to be surrendered to the Revenue Fund	14	1,145	137,288
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	2,482	74,344
Payables	16	53,517	4
Aid assistance unutilised	3	-	63
TOTAL LIABILITIES		57,144	211,699
		1,052	3,267
NET ASSETS			
	<i>Note</i>	2010/11 R'000	2009/10 R'000
Represented by:			
Capitalisation reserve		-	2,205
Recoverable revenue		1,052	1,062
TOTAL		1,052	3,267

STATEMENT OF NET ASSETS

for the year ended 31 March 2011

NET ASSETS	<i>Note</i>	2010/11 R'000	2009/10 R'000
Capitalisation Reserves			
Opening balance		2,205	2,205
Transfers:			
Movement in Equity		(2,205)	-
Closing balance		-	2,205
Recoverable revenue			
Opening balance		1,062	844
Transfers:		(10)	218
Debts revised		(10)	218
Closing balance		1,052	1,062
TOTAL		1,052	3,267

CASH FLOW STATEMENT

for the year ended 31 March 2011

<i>CASH FLOW</i>	<i>Note</i>	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,026,144	4,899,148
Annual appropriated funds received	1.1	995,842	4,682,004
Departmental revenue received	2	30,302	217,144
Net (increase)/decrease in working capital		53,292	28,316
Surrendered to Revenue Fund		(239,452)	(312,063)
Surrendered to RDP Fund/Donor		(63)	-
Current payments		(527,924)	(672,647)
Payments for financial assets		(50)	(925)
Transfers and subsidies paid		(438,120)	(3,828,303)
Net cash flow available from operating activities	17	(126,173)	113,526
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(28,603)	(48,690)
(Increase)/decrease in investments		2,205	-
Net cash flows from investing activities		(26,398)	(48,690)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(2,215)	218
Net cash flows from financing activities		(2,215)	218
Net increase/(decrease) in cash and cash equivalents		(154,786)	65,054
Cash and cash equivalents at beginning of period		192,279	127,225
Cash and cash equivalents at end of period	18	37,493	192,279

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, 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

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

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

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

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

2.2 Departmental revenue

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

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

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

2.3 Direct Exchequer receipts

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

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

2.4 Direct Exchequer payments

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

2.5 Aid assistance

Aids 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.

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

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

3. Expenditure**3.1 Compensation of employees****3.1.1 Salaries and wages**

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of 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 costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of 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 National Revenue Fund and not in the financial statements of the employer department.

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

3.2 Goods and services

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

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.

4.6 Loans

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

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

4.7 Inventory

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

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

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

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

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

Subsequent recognition

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

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

4.8.2 Immovable assets**Initial recognition**

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

Subsequent recognition

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

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

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 probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee benefits

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

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 statement.

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

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

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

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):

	2010/11	2009/10
	Funds not requested/ not received	Appropriation received
Programmes	R'000	R'000
Administration	227,865	226,727
Promotion of mine health and safety	137,095	137,092
Mineral Regulation	188,611	188,608
Mineral Policy and Promotion	442,271	442,270
Hydrocarbons and Energy Planning	-	-
Electricity, Nuclear, and Clean Energy	-	-
Associated Services	-	-
Total	995,842	994,697

No earmarked funds appropriated during this reporting period.

2. Departmental revenue

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	2,167	5,512
Fines, penalties and forfeits	2.2	531	382
Interest, dividends and rent on land	2.3	26,978	210,791
Transactions in financial assets and liabilities	2.4	626	459
Total revenue collected		30,302	217,144
Departmental revenue collected		30,302	217,144

2.1 Sales of goods and services other than capital assets

	2010/11 R'000	2009/10 R'000
Sales of goods and services produced by the department	2,159	5,485
Sales by market establishment	309	89
Administrative fees	1,353	5,063
Other sales	497	333
Sales of scrap, waste and other used current goods	8	27
Total	2,167	5,512

2.2 Fines, penalties and forfeits

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Penalties		531	382
Total		531	382

2.3 Interest, dividends and rent on land

	2010/11 R'000	2009/10 R'000
Interest	170	515
Rent on land	26,808	210,276
Total	26,978	210,791

2.4 Transactions in financial assets and liabilities

	2010/11 R'000	2009/10 R'000
Receivables	382	254
Other Receipts including Recoverable Revenue	244	205
Total	626	459

3. Aid assistance

3.1 Aid assistance received in cash from RDP

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Foreign			
Opening Balance		63	5,912
Expenditure		-	(5,849)
Current		-	(5,849)
Prepayments			
Surrendered to the RDP		(63)	
Closing Balance		-	63

3.2 Total assistance

		2010/11 R'000	2009/10 R'000
Opening Balance		63	5,912
Expenditure		-	(5,849)
Current		-	(5,849)
Surrendered / Transferred to retained funds		(63)	-
Closing Balance		-	63

3.3 Analysis of balance

		2010/11 R'000	2009/10 R'000
Aid assistance unutilised		-	63
RDP			63
Closing balance		-	63

4. Compensation of employees

4.1 Salaries and Wages

	2010/11 R'000	2009/10 R'000
Basic salary	217,268	259,530
Performance award	23,608	9,474
Service Based	1,074	1,325
Compensative/circumstantial	7,211	7,662
Periodic payments	187	1,526
Other non-pensionable allowances	36,311	76,950
Total	285,659	356,467

4.2 Social contributions

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Employer contributions			
Pension		28,875	33,503
Medical		11,868	13,294
Bargaining council		55	59
Total		40,798	46,856
Total compensation of employees		326,457	403,323
Average number of employees		1,076	1,272

5. Goods and services

		2010/11 R'000	2009/10 R'000
Administrative fees		2,894	3,126
Advertising		1,661	2,829
Assets less than R5,000	5.1	862	4,958
Bursaries (employees)		2,118	2,148
Catering		855	2,263
Communication		11,181	19,874
Computer services	5.2	19,602	11,712
Consultants, contractors and agency/outsourced services	5.3	18,135	69,196
Entertainment		176	16
Audit cost – external	5.4	3,740	3,436
Inventory	5.5	9,003	9,276
Operating leases		64,147	34,231
Owned and leasehold property expenditure	5.6	3,406	2,740
Travel and subsistence	5.7	54,667	67,458
Venues and facilities		2,282	5,454
Training and staff development		1,790	7,325
Other operating expenditure	5.8	3,159	17,433
Total		199,678	263,475

5.1 Assets less than R5,000

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Tangible assets			
Machinery and equipment		850	4,956
Intangible assets			
		12	2
Total		862	4,958

5.2 Computer services

	2010/11	2009/10
	R'000	R'000
SITA computer services	8,197	3,379
External computer service providers	11,405	8,333
Total	19,602	11,712

5.3 Consultants, contractors and agency/outsourced services

	2010/11	2009/10
	R'000	R'000
Business and advisory services	6,522	32,166
Infrastructure and planning	5,835	18,665
Legal costs	3,861	7,724
Contractors	1,688	9,052
Agency and support/outsourced services	229	1,589
Total	18,135	69,196

5.4 Audit cost – External

	2010/11	2009/10
	R'000	R'000
Regularity audits	3,618	2,764
Performance audits	122	672
Total	3,740	3,436

5.5 Inventory

	2010/11	2009/10
	R'000	R'000
Learning and teaching support material	29	280
Fuel, oil and gas	48	13
Other consumable materials	1,112	1,070
Maintenance material	3,545	408
Stationery and printing	4,269	7,502
Medical supplies	-	3
Total	9,003	9,276

5.6 Property payments

	2010/11 R'000	2009/10 R'000
Municipal services	1,415	821
Other	1,991	1,919
Total	3,406	2,740

5.7 Travel and subsistence

	2010/11	2009/10
Local	47,171	57,872
Foreign	7,496	9,586
Total	54,667	67,458

5.8 Other operating expenditure

	2010/11 R'000	2009/10 R'000
Learnerships	8	-
Professional bodies, membership and subscription fees	650	12,675
Resettlement costs	1,609	2,350
Other	892	2,408
Total	3,159	17,433

6. Interest and Rent on Land

	2010/11 R'000	2009/10 R'000
Interest paid	1,789	-
Total	1,789	-

7. Payments for financial assets

	Note	2010/11 R'000	2009/10 R'000
Other material losses written off	7.1	15	174
Debts written off	7.2	35	751
Total		50	925

7.1 Other material losses written off

	2010/11 R'000	2009/10 R'000
Nature of losses		
Government Garage and Car Rental accidents	15	174
Total	15	174

7.2 Debts written off

	2010/11 R'000	2009/10 R'000
Nature of debts written off		
Transfer to debts written off		
Other Debts	35	751
Total	35	751

7.3 Assets written off

	2010/11 R'000	2009/10 R'000
Nature of assets written off		
Assets that could not be verified	2,070	-
Assets that could not be accounted for after the relocation	3,332	-
Assets that could not be moved (fixtures)	245	-
Leased assets	46	-
Reported losses	146	-
Total	5,839	-

8. Transfers and subsidies

		2010/11 R'000	2009/10 R'000
	<i>Note</i>		
Provinces and municipalities		-	1,074,553
Departmental agencies and accounts	Annex 1A	215,177	291,814
Public corporations and private enterprises	Annex 1B	222,449	2,461,447
Households	Annex 1C	494	489
Gifts, donations and sponsorships made		-	-
Total		438,120	3,828,303

9. Expenditure for capital assets

		2010/11 R'000	2009/10 R'000
Tangible assets		27,463	47,384
Buildings and other fixed structures	32.1	17,059	26,917
Machinery and equipment	30.1	10,404	20,467
Software and other intangible assets		1,140	1,306
Computer software	31	1,140	1,306
Total		28,603	48,690

9.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	27,463	-	27,463
Buildings and other fixed structures	17,059	-	17,059
Machinery and equipment	10,404	-	10,404
Software and other intangible assets	1,140	-	1,140
Computer software	1,140	-	1,140
Total	28,603	-	28,603

9.2 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	47,384	-	47,384
Buildings and other fixed structures	26,917	-	26,917
Machinery and equipment	20,467	-	20,467
Software and other intangible assets	1,306	-	1,306
Computer software	1,306	-	1,306
Total	48,690	-	48,690

10. Cash and cash equivalents

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Consolidated Paymaster General Account		37,044	158,596
Disbursements		-	(28)
Cash on hand		71	100
Cash with commercial banks (Local)		378	33,611
Total		37,493	192,279

11. Prepayments and advances

	2010/11	2009/10
	R'000	R'000
Travel and subsistence	40	67
Advances paid to other entities	-	5,835
Total	40	5,902

12. Receivables

		R'000	R'000	R'000	2010/11	2009/10
		R'000	R'000	R'000	R'000	R'000
	<i>Note</i>	Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	12.1 Annex 3	9,410	-	-	9,410	18
Recoverable expenditure	12.2	27	8,541	186	8,754	12,354
Staff debt	12.3	947	867	685	2,499	2,208
Total		10,384	9,408	871	20,663	14,580

12.1 Claims recoverable

	<i>Note</i>	2010/11 R'000	2009/10 R'000
National departments		9,410	18
Total		9,410	18

12.2 Recoverable expenditure (disallowance accounts)

		2010/11 R'000	2009/10 R'000
Disallowance Damages and Losses		7,676	7,612
Sal: Recoverable			86
Sal: Tax Debt		53	7
Sal: Income Tax		1,018	1,068
Disallowance Miscellaneous		-	3,487
Salary: Deduction Disallowance Acc: CA		7	94
Total		8,754	12,354

12.3 Staff debt

		2010/11 R'000	2009/10 R'000
Cell phones		28	7
Contract – State Guarantees		68	71
Disallowance		1,430	1,160
Study debt		369	625
		492	300
Subsidised vehicle		112	45
Telephone			
Total		2,499	2,208

13. Investments

	2010/11 R'000	2009/10 R'000
Non-Current		
Shares and other equity		
Shares and other equity	-	2,205
Total non-current	-	2,205

	<i>Note</i> 2010/11 R'000	2009/10 R'000
Analysis of non current investments		
Opening balance	2,205	2,205
Non-cash movements	(2,205)	-
Closing balance	-	2,205

14. Voted funds to be surrendered to the Revenue Fund

	2010/11 R'000	2009/10 R'000
Opening balance	137,288	54,105
Transfer from statement of financial performance	1,145	137,288
Paid during the year	(137,288)	(54,105)
Closing balance	1,145	137,288

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

	2010/11 R'000	2009/10 R'000
Opening balance	74,344	115,158
Transfer from Statement of Financial Performance	30,302	217,144
Paid during the year	(102,164)	(257,958)
Closing balance	2,482	74,344

16. Payables – current

		2010/11	2009/10
		Total	Total
Clearing accounts	16.1	2	4
Other payables	16.2	53,515	-
Total		53,517	4

16.1 Clearing accounts

	<i>Note</i>	2010/11	2009/10
Description		R'000	R'000
Salary: Pension Funds		1	4
Salary: Medical Aid		1	-
Total		2	4

16.2 Other payables

		2010/11	2009/10
Description		R'000	R'000
Disallowance Miscellaneous		53,481	-
Salary reversal control		34	-
Total		53,515	-

17. Net cash flow available from operating activities

	2010/11	2009/10
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	31,447	348,583
Add back non cash/cash movements not deemed operating activities	(157,620)	(235,057)
(Increase)/decrease in receivables – current	(6,083)	15,094
(Increase)/decrease in prepayments and advances	5,862	13,231
Increase/(decrease) in payables – current	53,513	(9)
Expenditure on capital assets	28,603	48,690
Surrenders to Revenue Fund	(239,452)	(312,063)
Surrenders to RDP Fund/Donor	(63)	-
Net cash flow generated by operating activities	(126,173)	113,526

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

	2010/11	2009/10
	R'000	R'000
Consolidated Paymaster General account	37,044	158,596
Disbursements	-	(28)
Cash on hand	71	100
Cash with commercial banks (Local)	378	33,611
Total	37,493	192,279

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

		<i>Note</i>	2010/11	2009/10
			R'000	R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 2A	-	118
Housing loan guarantees	Employees	Annex 2A	-	143
Other guarantees				38,937
Claims against the department		Annex 2B	#41,773	299,961
Other departments (interdepartmental unconfirmed balances)		Annex 4	1,021	8,345
Other		Annex 2B	31,520	19,970
Total			74,314	367,474

#Cases contained herein relate to claims for expropriation of mineral rights and claims for alleged underpayment of contractual consideration for services rendered.

19.2 Contingent liabilities in respect of Rehabilitation of ownerless and derelict mines

Potential Liabilities in respect of the environmental rehabilitation comprises of two scenarios: potential liabilities arising from derelict and ownerless mines, where no provision was made by the miner for the rehabilitation of the environment. The responsibility for rehabilitation of these sites reverts to the state. During 2007/8, the department finalised the process of quantifying the State's potential liability for derelict and ownerless mines. Owing to the fact that it has not been possible to do a detailed assessment of the environmental and safety conditions of all thousands of entries in the database of D&O Mines, and also for the fact that it would not be practical to obtain a detailed cost estimate for rehabilitation of these mines, a number of assumptions had to be made to enable the estimation of the rehabilitation costs. Potential alternatives to rehabilitation such as:

- development of abandoned mines into tourist attractions,
- productive non-mining land use on mine sites,
- re-issuance of mining permit or rights etc,

were as well not explored and such developments on these mines may change the potential liability by the state and hence the amount of this obligation could not be measured with sufficient reliability. The other scenario relates to potential liabilities arising from the Miner's inability to restore the environment back to its original state subsequent to mining activities – where provision was made either through a trust fund, bank guarantees or cash guarantees.

20. Commitments

	Note	2010/11 R'000	2009/10 R'000
Current expenditure			
Approved and contracted		70,728	40,525
		<u>70,728</u>	<u>40,525</u>
Capital expenditure			
Approved and contracted		2,784	58,477
		<u>2,784</u>	<u>58,477</u>
Total Commitments		<u>73,512</u>	<u>99,002</u>

21. Accruals

			2010/11 R'000	2009/10 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	27,027	10,711	37,738	19,637
Interest and rent on land				
Transfers and subsidies				
Capital assets	385	-	385	400
Other				
Total	<u>27,412</u>	<u>10,711</u>	<u>38,123</u>	<u>20,037</u>

	Note	2010/11 R'000	2009/10 R'000
Listed by programme level			
Administration		34,449	17,112
Promotion of Mine Safety and Health		491	1,880
Mineral Regulation		1,780	55
Mineral Policy and Promotion		1,403	894
Hydrocarbons and Energy Planning		-	59
Electricity, Nuclear and Clean Energy		-	37
Total		<u>38,123</u>	<u>20,037</u>

		2010/11 R'000	2009/10 R'000
Confirmed balances with other departments	Annex 4	32,407	20,488
Total		<u>32,407</u>	<u>20,488</u>

22. Employee benefits

	Note	2010/11	2009/10
		R'000	R'000
Leave entitlement		7,423	14,699
Service bonus (Thirteenth cheque)		8,564	10,543
Performance awards		4,898	5,934
Capped leave commitments		8,899	11,025
Total		29,784	42,201

An amount of R1, 234 million is owed to the department by employees in terms of 997.64 days taken without adequate leave credits.

23. Lease commitments

23.1 Operating leases expenditure

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year			48,695	521	49,216
Later than 1 year and not later than 5 years			137,353	304	137,657
Total lease commitments			186,048	825	186,873

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year		-	68,704	746	69,450
Later than 1 year and not later than 5 years		-	272,374	662	273,036
Total lease commitments			341,078	1,408	342,486

#the prior year figures for Building and other fixed structures were restated.

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Rental earned on lease sub-leased assets	2	309	89
Total		309	89

23.2 Finance leases expenditure

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	9,846	9,846
Later than 1 year and not later than 5 years	-	-	-	23,469	23,469
Total lease commitments	-	-	-	33,315	33,315
LESS: finance costs	-	-	-	5,810	5,810
Total present value of lease liabilities	-	-	-	27,505	27,505

24. Receivables for departmental revenue

	2010/11	2009/10
	R'000	R'000
Interest, dividends and rent on land	71,832	72,596
Sales of capital assets	393	-
Total	72,225	72,596

#the prior year figures for Receivables for Departmental Revenue were restated.

24.1 Analysis of receivables for departmental revenue

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Opening balance		72,596	57,466
Less: amounts received		42,982	-
Add: amounts recognised		42,218	15,130
Closing balance		71,832	72,596

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	2010/11	2009/10
	R'000	R'000
Opening balance	-	-
Add: Irregular expenditure – relating to current year	7,974	4,203
Less: Amounts condoned	(619)	(4,203)
Less: Amounts recoverable (not condoned)	(131)	-
Irregular expenditure awaiting condonation	7,224	-

25.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Approval not obtained prior delivery of goods/ service	Warning	191
Approval not obtained prior delivery of goods/ service	No sanction: Officials resigned	428
Approval not obtained prior delivery of goods/ service	Recovery	131
Approval not obtained prior delivery of goods/ service	Under investigation	398
Procurement procedures not followed	Awaiting condonation	3,701
Restructuring of operating lease to finance lease	Under investigation	3,125
Total		7,974

25.3 Details of irregular expenditure condoned

Incident	Condoned by Accounting Officer	2010/11
		R'000
Approval not obtained prior delivery of goods/ service	Warning	191
Approval not obtained prior delivery of goods/ service	No sanction: Officials resigned	428
		619

25.4 Details of irregular expenditure recoverable (not condoned)

Incident	2010/11
	R'000
Approval not obtained prior delivery of goods/ service	131
Total	131

25.5 Details of irregular expenditures under investigation

Incident	2010/11
	R'000
Approval not obtained prior delivery of goods/ service	398
Restructuring of operating lease to finance lease	3,125
Procurement processes not followed *	3,701
Total	7,224

*This matter relates to an audit adjustment and has been referred to National Treasury for investigation.

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Opening balance			
Fruitless and wasteful expenditure – relating to current year		4	-
Less: Amounts transferred to receivables for recovery		(4)	-
Fruitless and wasteful expenditure awaiting condonement		-	-

26.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2010/11
		R'000
No Show Cost	Amount recovered from officials	4
Total		4

27. Related party transactions

Payments made	2010/11	2009/10
	R'000	R'000
Transfers	62,671	17,600
Total	62,671	17,600

Entity	Nature of Relationship	Type of Transaction	Amount Transferred R'000
Mintek	An entity under the control of Minister	Mine rehabilitation projects	30,000
Council for Geoscience	An entity under the control of Minister	Grootvlei mine	15,000
Council for Geoscience	An entity under the control of Minister	Witwatersrand water ingress project	17,671

28. Key management personnel

	No. of Individuals	2010/11	2009/10
		R'000	R'000
Political office bearers			
Officials:	2	2,427	-
Level 15 to 16	7	6,798	6,038
Level 14 (incl. CFO if at a lower level)	18	14,393	27,339
Total		23,618	33,377

29. Impairment and other provisions

	Note	2010/11	2009/10
		R'000	R'000
Other provisions			
Debtors		685	394
Interest, Dividends, Rent on Land		35,596	36108
		-	-
Total		36,281	36,502

#the prior year figures for Other Provisions were restated.

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	52,472	-992	5,815	(27,840)	29,455
Transport assets	1,990	-	-	(790)	1,200
Computer equipment	26,949	78	3,490	(12,989)	17,528
Furniture and office equipment	20,743	(1,396)	2,307	(12,547)	9,107
Other machinery and equipment	2,790	326	18	(1,514)	1,620
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	52,472	-992	5,815	(27,840)	29,455

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	10,404	25	-5,037	423	5,815
Computer equipment	6,279	25	-3,179	365	3,490
Furniture and office equipment	4,113	-	-1,858	52	2,307
Other machinery and equipment	12	-	-	6	18
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	10,404	25	-5,037	423	5,815

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	5,524	22,316	27,840	
Transport assets	-	790	790	
Computer equipment	-	12,989	12,989	
Furniture and office equipment	5,524	7,023	12,547	
Other machinery and equipment		1,514	1,514	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	5,524	22,316	27,840	

The assets were sold but no payment received

30.3 Movement for 2009/10

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	33,664	20,621	(1,813)	52,472
Transport assets	-	1,990	-	1,990
Computer equipment	18,932	9,128	(1,111)	26,949
Furniture and office equipment	14,699	6,746	(702)	20,743
Other machinery and equipment	33	2,757	-	2,790
TOTAL MOVABLE TANGIBLE ASSETS	33,664	20,621	(1,813)	52,472

30.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2011

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening Balance				21,621		21,621
Current Year Adjustments to				2,328		2,328
Prior Year Balances						
Additions						
Disposals				815		815
				(11,839)		(11,839)
TOTAL				12,925		12,925

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Minor assets	-	-	-	21,621	-	21,621
TOTAL	-	-	-	21,621	-	21,621

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	6,733	-	1,140	(2,622)	5,251
OTHER INTANGIBLES	199	-	-	-	199
TOTAL INTANGIBLE CAPITAL ASSETS	6,932	-	1,140	(2,622)	5,450

31.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED

31 MARCH 2011

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,140	-	-	-	1,140
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	1,140	-	-	-	1,140

31.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
COMPUTER SOFTWARE	-	#2,622	2,622	
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	2,622	2,622	-

This figure represents intangible assets that were acquired in support of the functions of Department of Energy.

31.3 Movement for 2009/10

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	5,427	1,306	-	6,733
OTHER INTANGIBLES	199	-	-	199
TOTAL INTANGIBLE CAPITAL ASSETS	5,626	1,306	-	6,932

32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2,829	-	43,980	-	46,809
Other fixed structures	2,829		43,980	-	46,809
LAND AND SUBSOIL ASSETS	228	-	-	(228)	-
Land	228		-	(228)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	3,057	-	43,980	(228)	46,809

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	17,059	26,921	-	-	43,980
Other fixed structures	17,059	26,921	-	-	43,980
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	17,059	26,921	-	-	43,980

32.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	
Other fixed structures	-	228	228	
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	228	228	

32.3 Movement for 2009/10

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES		2,829		2,829
Other fixed structures	-		-	
	-	2,829	-	2,829
LAND AND SUBSOIL ASSETS	228	-	-	228
Land	228	-	-	228
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL IMMOVABLE TANGIBLE ASSETS	228	2,829	-	3,057

33. Transfer of functions

The split of the erstwhile Department of Minerals and Energy has resulted in the transfer to certain functions from the DMR To The Department Of Energy. The Affected Functions Are:

Hydrocarbons, Energy Planning and Cleaning programme – transfer to Department of Energy since 01 April 2010

The activities in relation to this programme included:

- Promoting sustainable use of energy resources through integrated energy planning, developing policies and regulations and
- Managing petroleum, coal and natural gas sectors

Electricity, Nuclear and Clean Energy Programme – transferred to Department of Energy since 01 April 2010

The activities in relation to this programme included:

- Developing, implementing and monitoring electricity policies and programs
- Improving the governance of the nuclear sector, specifically in relation to nuclear safety, nuclear non-proliferation and nuclear technology.
- Lastly, facilitating the implementation of renewal energy, energy efficient technology as well as regulating and promoting the clean development mechanism activities.

33.1 Statement of Financial Position

	Bal per dept 2009/10 AFS before transfer 2009/10 R'000	Functions per dept transferred) / received 2009/10 R'000	Functions per dept transferred) / received 2009/10 R'000	Functions per dept (transferred) / received 2009/10 R'000	2009/10 Bal after transfer 2009/10 R'000
<i>Note</i>					
ASSETS					
Current Assets	212,761	(6)	(4,037)	(218)	208,500
Cash and cash equivalents	192,279	-	-	-	192,279
Other financial assets	-	-	-	-	-
Prepayments and advances	5,902	-	-	-	5,902
Receivables	14,580	(6)	(4,037)	(218)	10,319
Non-Current Assets	2,205	(2,205)	-	-	-
Investments	2,205	(2,205)	-	-	-
TOTAL ASSETS	214,966	(2,211)	(4037)	(218)	208,500
LIABILITIES					
Current Liabilities	211,699				211,699
Voted funds to be surrendered to the Revenue Fund	137,288	-	-	-	137,288
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	74,344	-	-	-	74,344
Direct Exchequer receipts to be surrendered to the Revenue Fund	-	-	-	-	-
Bank Overdraft	-	-	-	-	-
Payables	4	-	-	-	4
Aid assistance repayable	-	-	-	-	-
Aid assistance unutilised	63	-	-	-	63
Non-Current Liabilities	-	-	-	-	-
Payables	-	-	-	-	-
TOTAL LIABILITIES	211,699	-	-	-	211,699
NET ASSETS	3,267	(2,210)	(4,037)	(218)	(3,198)

33.2 Disclosure Notes

	Bal per dept 2009/10 AFS before transfer 2009/10 R'000	Functions per dept transferred) / received 2009/10 R'000	Functions per dept transferred) / received 2009/10 R'000	Functions per dept (transferred) / received 2009/10 R'000	2009/10 Bal after transfer 2009/10 R'000
Contingent liabilities	367,474	(41,544)	-	-	325,930
Contingent assets	5,900	(5,900)	-	-	-
Commitments	99,002	(69,004)	-	-	29,998
Accruals	20,067	(243)	-	-	19,824
Employee benefits	42,201	(10,551)	-	-	31,650
Lease commitments – Operating lease	368,526	(126,886)	-	-	241,640
Lease commitments – Operating lease revenue	89	-	-	-	89
Receivables for departmental revenue	25,567	-	-	-	25,567
Movable tangible capital assets	74,093	(16,822)	-	-	57,271
Immovable tangible capital assets	3,057	(724)	-	-	2,333
Intangible capital assets	6932	(2,622)	-	-	4,310

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

33.3 Action taken to ensure compliance with PFMA s42

The inventory lists of all the assets and liabilities were drawn up and files and substantiating records as per the provision of section 42 of the PFMA. Owing to the need to verify physical assets in all the various regions by both departments, this process was finalised in May 2011. It should be noted that Auditor-General (SA) audited all other aspects of the transfer, except the part of the assets.

Subsequent to the split of Department of Minerals and Energy (DME), the Department of Mineral Resources assumed the role of a transferring department and drew up a Memorandum of Agreement (MoA) for splitting the assets and liabilities of the DME as set out in section 42 of the Public Finance Management Act. The Financial Accounting and Reporting guide on Transfer of functions issued by National Treasury during 2010 was followed as well as the MoA both Accounting Officers signed during the transition period (2009/10 financial year) was taken into account. The MoA was presented to the Department of Energy and discussions were held in order to agree on the entire inventory list. The DMR Accounting Officer has since signed the final MoA and it has been sent to Department of Energy.

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND
ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Council For Geoscience National Nuclear Regulator	136,505		32,671	169,176	169,176	100%	150,277
Electricity Distri- bution Industry	-			-			23,793
Mine Health and Safety Council	-			5,358	-		72,214
South African Diamond and Precious Metals Regulator	5,358 40,643			40,643	5,358 40,643	100% 100%	39,414 1,000
State Diamond Trader							
	182,506	-	32,671	215,177	215,177		291,816

ANNEXURE 1B STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTER- PRISE	TRANSFER ALLOCATION				EXPENDITURE				2009/10
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Trans- ferred	Capita- tal	Cur- rent	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Cor- porations									
Transfers									
	-			-					
Eskom									
South African Nuclear Energy Corporation	-			-	-				1,616,315
Council for Mineral Technology	195,840			195,840	-				564,144
Industrial Develop- ment Cor- poration	23,609			23,609	195,840	100%			161,108
Mining Companies	35,671		(32,671)	3,000	23,609	100%			25,058
					3,000	100%			-
Total	255,120	-	(32,671)	222,449	222,449		-	-	2,366,625

Private Enterprises
Transfers

Eskom									74,475
Solar Vision (Pty) Ltd									1,290

Subsidies

East Rand Proprietary Mines									21,000
Grootvlei Proprietary Mines									310
Ethekwini Municipality									5,247

Total	-	-	-	-	-	-	-	-	102,322
TOTAL	255,120	-	(32,671)	222,449	222,449	-	-	-	2,468,947

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Ap-propriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000

Transfers

H/H: Employee Benefits

471 471 471 100% 1,284

H/H: Claims against the state

3 3 3 100% -

20 20 20 100% -

H/H: Donations & Gifts

Total 494 - - 494 494 1,284

ANNEXURE 1D STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Received in cash		-	-
Subtotal		-	-
Received in kind			
Xstrata	Youth Day Event	-	70
Sekoko Mining (Pty) Ltd	Soccer Kit	-	2
Department of Sports and Recreation	Assistive Device System	39	
Subtotal		39	72
TOTAL		39	72

ANNEXURE 1E
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
Received in cash					
Danish Government	Cabaree (REFSO) Support	63	-	63	
Subtotal		63	-	63	
TOTAL		63	-	63	

**ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND
REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

	2010/11	2009/10
NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	R'000	R'000
Made in kind		
Donation: Venues and Facilities for Mr Rocha Farewell	-	11
Donations made to Institutions under the auspices of the Department of Education (Western Cape North West and Free State)		
Furniture and Office Equipment	-	
Donations made to Unemployed Against Poverty Organisation in Mbizana (Computers)	-	1,039
Donation to Department of Basic Education		2
Furnisher and office equipment	30	
Computers	1,027	
Subtotal	1,057	1,052
Remissions, refunds, and payments made as an act of grace		
Payments made as an act of grace to households	20	25
Payments made as an act of grace	19	51
Subtotal	39	76
TOTAL	1,096	1,128

**ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 –
LOCAL**

Guaran- tor institu- tion	Guaran- tee in respect of	Original guaranteed capital amount	Opening balance 1 April 2010	Guaran- tees draw downs during the year	Guarantees repay- ments/ cancelled/ reduced/ released during the year	Revalua- tions	Closing balance 31 March 2011	Guar- anteed interest for year ended 31 March 2011	Realised losses not recover- able i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
Stannic	Motor vehicles	320	48		48	-	-	-	-
	Subtotal	320	48	-	48	-	-	-	-
	Housing								
Ithala	Housing	11	11		11		-		
Old Mutual	Housing	22	22		22		-		
Standard Bank	Housing	33	33		33		-		
	Subtotal	66	66	-	66	-	-	-	-
	TOTAL	386	114	-	114	-	-	-	-

**ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011**

Nature of Liability	Opening Balance 1 April 2010 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2011 R'000
Claims against the department	299,961	41,772	(297,888)	(2,072)	41,773
Subtotal	299,961	41,772	(297,888)	(2,072)	41,773
Other					
Simrac Contracts	19,970	11,550			31,520
Subtotal	19,970	11,550	-	-	31,520
TOTAL	319,931	53,322	(297,888)	(2,072)	73,293

ANNEXURE 3 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000

Department

Department of Agriculture (Pietermaritzburg)			57			
Department of Education (Gauteng)			15			
Department of Public, Works, Roads and Transport (Mmabatho)			20		57	-
Department of Energy			8,994			
Mine Health & Safety Council			314			
Government Communications		546	-			546
Department of Water Affairs			10	1	10	1
South African Police Services			-	8	-	8
Department of Health and Social Development (Limpopo)			-	17	-	17
Gauteng Provincial Government			-			
Total		546	9,410	36	67	582

ANNEXURE 4 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000

DEPARTMENTS

Current

Department of Justice	1,547			788	1,547	788
Department of Public Works	30,442	20,488		5,298	30,442	25,786
Department of Public Service & Administration				34		34
Department of Energy			1,021		1,021	
Parliament of South Africa				2	-	2
Government Motor Transport (Western Cape)					77	77
Office of the premier (Kwa-Zulu Natal)					2,100	2,100
Office of the premier (Northern Cape)				46	-	46
Department of Public Transport, Roads & Works	394				394	
Office of the presidency	24				24	
Total	32,407	20,488	1,021	8,345	33,428	28,833

ANNEXURE 5 INVENTORY

Inventory	Note	Quantity	2010/11	Quantity	2009/10
			R'000		R'000
Opening balance		72,769	3,493	91,105	856
Add/(Less): Adjustments to prior year balance		(7)	(10)	-	-
Add: Additions/Purchases - Cash		125,963	3,756	372,262	8,940
Add: Additions - Non-cash		35,942	-	7,311	-
(Less): Disposals		(26,417)	(296)	-	-
(Less): Issues		(100,209)	(3,186)	(372,434)	9,172
Add/(Less): Adjustments		(1,160)	(47)	-	-
Closing balance		106,881	3,710	98,244	624

HR OVERSIGHT - APRIL 2010 TO MARCH 2011

1. Expenditure

TABLE 1.1 - Personnel Costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percentage of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	227,514	90,745	1,681	4,862	39.9	84	1031
Mineral Policy and Promotion	442,269	34,755	92	1,339	7.9	32	1031
Mineral Regulation	187,706	98,395	11	-	52.4	91	1031
Promotion of Mine Safety and Health	137,093	102,561	5	320	74.8	95	1031
Total as on Financial Systems (BAS)	994,582	326,456	1,789	6,521	32.8	303	1031

TABLE 1.2 - Personnel Costs by Salary Band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total personnel cost for Department including goods and transfers (R'000)	Number of Employees
Skilled (Levels 3-5)	31,734	4.6	145,569	347,520	218
Highly skilled production (Levels 6-8)	56,780	16.3	211,078	347,520	269
Highly skilled supervision (Levels 9-12)	152,952	44	406,787	347,520	376
Senior management (Levels 13-16)	55,692	16	762,904	347,520	73
Contract (Levels 1-2)	1,679	0.5	37,311	347,520	45
Contract (Levels 3-5)	4,693	1.4	195,542	347,520	24
Contract (Levels 6-8)	4,525	1.3	238,158	347,520	19
Contract (Levels 9-12)	14,185	4.1	289,490	347,520	49
Contract (Levels 13-16)	1,839	0.5	613,000	347,520	3
Periodical Remuneration	173	0	2,836	347,520	61
Abnormal Appointment	2,427	0.7	15,863	347,520	153
TOTAL	326,679	94	253,240	347,520	1290

TABLE 1.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration	58081	64	2641	2.9	2637	2.9	3654	4	90745
Promotion of Mine Health and Safety	69087	67.4	40	0	1856	1.8	2754	2.7	102561
Mineral Regulation	66534	67.6	842	0.9	2444	2.5	4220	4.3	98395
Mineral Policy and Promotion	23566	67.8	167	0.5	1128	3.2	1241	3.6	34755
TOTAL	217268	66.6	3690	1.1	8065	2.5	11869	3.6	326456

TABLE 1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Skilled (Levels 3-5)	20817	64.4	947	2.9	1781	5.5	2835	8.8	32307
Highly skilled production (Levels 6-8)	39951	68.4	1052	1.8	1859	3.2	3253	5.6	58448
Highly skilled supervision (Levels 9-12)	114686	69.6	869	0.5	2549	1.5	4290	2.6	164673
Senior management (Levels 13-16)	44696	75.2	0	0	1491	2.5	850	1.4	59445
Contract (Levels 1-2)	1641	85.7	8	0.4	6	0.3	0	0	1914
Contract (Levels 3-5)	3094	65.3	653	13.8	219	4.6	177	3.7	4737
Contract (Levels 6-8)	3438	72	195	4.1	94	2	110	2.3	4776
Contract (Levels 9-12)	11962	72.4	17	0.1	119	0.7	290	1.8	16527
Contract (Levels 13-16)	1601	83.7	0	0	0	0	0	0	1912
Periodical Remuneration	0	0	0	0	0	0	0	0	333
Abnormal Appointment	2275	93	0	0	0	0	0	0	2447
TOTAL	244161	70.3	3741	1.1	8118	2.3	11805	3.4	347519

2. Employment

TABLE 2.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Mineral Policy and Promotion, permanent	133	117	12	6
Mineral Regulation, permanent	370	331	10.5	6
Programme 1 Admin, permanent	433	334	22.9	45
Programme 1 Admin, temporary	1	1	0	1
Promotion of Mine Safety and Health, permanent	315	247	21.6	10
Promotion of Mine Safety and Health, temporary	1	1	0	0
TOTAL	1253	1031	17.7	68

TABLE 2.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Skilled (Levels 3-5), permanent	269	218	19	8
Highly skilled production (Levels 6-8), permanent	322	269	16.5	14
Highly skilled supervision (Levels 9-12), permanent	476	375	21.2	7
Highly skilled supervision (Levels 9-12), temporary	1	1	0	0
Senior management (Levels 13-16), permanent	89	72	19.1	0
Senior management (Levels 13-16), temporary	1	1	0	1
Contract (Levels 3-5), permanent	24	24	0	21
Contract (Levels 6-8), permanent	19	19	0	14
Contract (Levels 9-12), permanent	49	49	0	2
Contract (Levels 13-16), permanent	3	3	0	1
TOTAL	1253	1031	17.7	68

TABLE 2.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, permanent	127	101	20.5	6
Administrative related, temporary	1	1	0	1
Biologists, botanists, zoologists and related professional, permanent	79	77	2.5	1
Cartographers and surveyors, permanent	3	2	33.3	0
Cleaners in offices workshops hospitals etc., permanent	16	15	6.3	0
Client info clerks(switchboard, reception, info clerks), permanent	12	11	8.3	0
Communication and information related, permanent	11	8	27.3	0
Economists, permanent	48	43	10.4	0
Engineering sciences related, permanent	5	2	60	0
Finance and economics related, permanent	13	11	15.4	0
Financial and related professionals, permanent	28	25	10.7	10
Financial clerks and credit controllers, permanent	19	14	26.3	4
Food services aids and waiters, permanent	4	3	25	0
Head of department/chief executive officer, permanent	1	1	0	0
Human resources and organisational dev and related prof, permanent	34	26	23.5	0
Human resources clerks, permanent	24	18	25	11
Human resources related, permanent	5	4	20	0
Information technology related, permanent	12	6	50	0
Language practitioners interpreters and other comm, permanent	5	3	40	0
Legal related, permanent	8	5	37.5	0
Librarians and related professionals, permanent	3	3	0	0
Library mail and related clerks, permanent	61	53	13.1	7
Logistical support personnel, permanent	15	14	6.7	0
Material-recording and transport clerks, permanent	39	27	30.8	2
Messengers porters and deliverers, permanent	12	12	0	0
Other administration and related clerks and organisers, permanent	102	91	10.8	7
Other administrative policy and related officers, permanent	68	60	11.8	0
Other information technology personnel, permanent	19	14	26.3	1
Other machine operators, permanent	2	2	0	0
Other occupations, permanent	15	7	53.3	5
Risk management and security services, permanent	14	5	64.3	0
Safety health and quality inspectors, permanent	204	153	25	7
Safety health and quality inspectors, temporary	1	1	0	0
Secretaries and other keyboard operating clerks, permanent	91	79	13.2	4
Security officers, permanent	51	49	3.9	1
Senior managers, permanent	82	67	18.3	1
Trade/industry advisers and other related profession, permanent	19	18	5.3	0
TOTAL	1253	1031	17.7	68

3. EVALUATION

TABLE 3.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Contract (Levels 3-5)	24	1	4.2	0	0	0	0
Contract (Levels 6-8)	19	1	5.3	2	200	0	0
Contract (Levels 9-12)	49	0	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Contract (Band B)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	269	115	42.8	5	4.3	0	0
Highly skilled production (Levels 6-8)	322	109	33.9	12	11	1	0.9
Highly skilled supervision (Levels 9-12)	477	152	31.9	0	0	0	0
Senior Management Service Band A	60	26	43.3	1	3.8	0	0
Senior Management Service Band B	21	4	19	0	0	0	0
Senior Management Service Band C	6	3	50	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
TOTAL	1253	411	32.8	20	4.9	1	0.2

TABLE 3.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	40	0	6	2	48
Male	10	0	0	0	10
TOTAL	50	0	6	2	58
Employees with a Disability	0	0	0	0	0

TABLE 3.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o. PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Financial clerks and credit controllers	1	6	8	Retention	14
Logistical support personnel	1	8	9	Retention	14
TOTAL	2				28
Percentage of Total Employment	0.1				0

TABLE 3.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	0	0	0	0	0
TOTAL	2	0	0	0	2
Employees with a Disability	0	0	0	0	0

4. Employee Changes

TABLE 4.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	*Appointments	*Terminations	Turnover Rate
Skilled (Levels 3-5), permanent	213	28	22	10.3
Highly skilled production (Levels 6-8), permanent	254	20	36	14.2
Highly skilled supervision (Levels 9-12), permanent	376	16	38	10.1
Highly skilled supervision (Levels 9-12), temporary	1	0	8	800
Senior Management Service Band A, permanent	53	2	6	11.3
Senior Management Service Band B, permanent	13	0	3	23.1
Senior Management Service Band B, temporary	1	0	1	100
Senior Management Service Band C, permanent	2	1	1	50
Senior Management Service Band D, permanent	2	1	0	0
Contract (Levels 1-2), permanent	0	0	0	0
Contract (Levels 3-5), permanent	40	27	34	85
Contract (Levels 6-8), permanent	19	22	9	47.4
Contract (Levels 9-12), permanent	44	17	4	9.1
Contract (Band A), permanent	0	1	0	0
Contract (Band B), permanent	2	1	0	0
TOTAL	1020	136	162	15.9

TABLE 4.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	*Appoint-ments	*Termi-nations	Turnover Rate
Administrative related, permanent	99	7	16	16.2
Administrative related, temporary	1	0	0	0
Agriculture, animal, oceanography, forestry and other sciences, permanent	3	0	0	0
Biologists botanists zoologists and related prof, permanent	69	5	0	0
Cartographers and surveyors, permanent	2	0	0	0
Cleaners in offices workshops hospitals etc., permanent	17	0	4	23.5
Client info clerks(switchboard, reception, info clerks), permanent	11	3	1	9.1
Communication and information related, permanent	10	1	0	0
Economists, permanent	39	4	4	10.3
Engineering sciences related, permanent	2	1	0	0
Finance and economics related, permanent	7	0	0	0
Financial and related professionals, permanent	11	20	1	9.1
Financial clerks and credit controllers, permanent	17	10	9	52.9
Food services aids and waiters, permanent	1	1	0	0
General legal administration and rel. professionals, permanent	3	0	0	0
Head of department/chief executive officer, permanent	1	0	0	0
Human resources and organisational dev and related prof, permanent	27	1	5	18.5
Human resources clerks, permanent	20	2	6	30
Information technology related, permanent	6	0	4	66.7
Language practitioners interpreters and other comm, permanent	5	0	0	0
Legal related, permanent	3	0	0	0
Librarians and related professionals, permanent	3	0	0	0
Library mail and related clerks, permanent	56	8	3	5.4
Logistical support personnel, permanent	8	0	0	0
Material-recording and transport clerks, permanent	25	3	3	12
Messengers porters and deliverers, permanent	11	1	2	18.2
Other administration and related clerks and organisers, permanent	87	8	12	13.8
Other administrative policy and related officers, permanent	60	6	20	33.3
Other information technology personnel, permanent	15	3	0	0
Other machine operators, permanent	2	0	0	0
Other occupations, permanent	1	21	0	0
Risk management and security services, permanent	12	0	0	0
Safety health and quality inspectors, permanent	167	13	27	16.2
Safety health and quality inspectors, temporary	1	0	0	0
Secretaries and other keyboard operating clerks, permanent	73	12	5	6.8
Security officers, permanent	67	1	30	44.8
Senior managers, permanent	60	3	8	13.3
Senior managers, temporary	0	0	1	0
Trade/industry advisers and other related profession, permanent	18	2	1	5.6
TOTAL	1020	136	162	15.9
*Inclusive of transfers in out of the Department				

TABLE 4.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, permanent	8	4.9	0.8	162	1020
Resignation, permanent	50	30.9	4.9	162	1020
Expiry of contract, permanent	36	22.2	3.5	162	1020
Expiry of contract, temporary	1	0.6	0.1	162	1020
Transfers, permanent	50	30.9	4.9	162	1020
Discharged due to ill health, permanent	2	1.2	0.2	162	1020
Dismissal-misconduct, permanent	4	2.5	0.4	162	1020
Retirement, permanent	11	6.8	1.1	162	1020
TOTAL	162	100	15.9	162	1020

Resignations as % of Employment

5%

TABLE 4.4 - Granting of Employee Initiated Severance Packages

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by department
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13 and higher)	0	0	0	0
TOTAL	0	0	0	0

TABLE 4.5 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	100	15	15	53	53
Agriculture, animal, oceanography forestry and other sciences	3	0	0	1	33.3
Biologists botanists zoologists and related prof	69	4	5.8	40	58
Cartographers and surveyors	2	0	0	2	100
Cleaners in offices workshops hospitals etc.	17	0	0	16	94.1
Client inform clerks (switchboard, reception info clerks)	11	0	0	8	72.7
Communication and information related	10	0	0	5	50
Economists	39	7	17.9	15	38.5
Engineering sciences related	2	0	0	1	50
Finance and economics related	7	2	28.6	6	85.7
Financial and related professionals	11	7	63.6	5	45.5
Financial clerks and credit controllers	17	4	23.5	8	47.1
Food services aids and waiters	1	0	0	1	100
General legal administration and related professionals	3	0	0	1	33.3
Head of department/chief executive officer	1	1	100	0	0
Human resources and organisational dev and related prof	27	2	7.4	20	74.1
Human resources clerks	20	4	20	9	45
Information technology related	6	0	0	3	50
Language practitioners interpreters and other communication	5	0	0	2	40
Legal related	3	0	0	0	0
Librarians and related professionals	3	0	0	2	66.7
Library mail and related clerks	56	0	0	36	64.3
Logistical support personnel	8	7	87.5	5	62.5
Material-recording and transport clerks	25	3	12	14	56
Messengers porters and deliverers	11	0	0	8	72.7
Other administrative and related clerks and organisers	87	7	8	48	55.2
Other administrative policy and related officers	60	7	11.7	29	48.3
Other information technology personnel	15	2	13.3	4	26.7
Other machine operators	2	0	0	1	50
Other occupations	1	1	100	0	0
Risk management and security services	12	0	0	4	33.3
Safety health and quality inspectors	168	7	4.2	80	47.6
Secretaries and other keyboard operating clerks	73	2	2.7	37	50.7
Security officers	67	2	3	37	55.2
Senior managers	60	2	3.3	36	60
Trade/industry advisers and other related profession	18	1	5.6	12	66.7
TOTAL	1020	87	8.5	549	53.8

TABLE 4.6 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Skilled (Levels 3-5), permanent	213	9	4.2	197	92.5
Highly skilled production (Levels 6-8), permanent	254	21	8.3	117	46.1
Highly skilled supervision (Levels 9-12), permanent	376	46	12.2	184	48.9
Highly skilled supervision (Levels 9-12), temporary	1	0	0	1	100
Senior management (Levels 13-16), permanent	70	5	7.1	38	54.3
Senior management (Levels 13-16), temporary	1	0	0	0	0
Contract (Levels 3-5), permanent	40	0	0	0	0
Contract (Levels 6-8), permanent	19	2	10.5	2	10.5
Contract (Levels 9-12), permanent	44	4	9.1	9	20.5
Contract (Levels 13-16), permanent	2	0	0	1	50
TOTAL	1020	87	8.5	549	53.8

5. Employment Equity

TABLE 5.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male					Female					Total
	African	Colour-ed	Indian	Total Blacks	White	African	Colour-ed	Indian	Total Blacks	White	
Legislators, senior officials and managers, permanent	32	1	0	33	9	20	0	0	20	1	63
Professionals, permanent	102	0	2	104	10	121	1	0	122	9	245
Technicians and associate professionals, permanent	153	3	0	156	57	102	4	0	106	10	329
Technicians and associate professionals, temporary	0	0	0	0	2	0	0	0	0	0	2
Clerks, permanent	79	3	0	82	2	176	16	0	192	26	302
Service and sales workers, permanent	31	2	0	33	4	14	0	0	14	1	52
Plant and machine operators and assemblers, permanent	1	0	0	1	0	0	0	0	0	0	1

Elementary occupations, permanent	17	1	0	18	0	18	0	0	18	0	36
Other, permanent	1	0	0	1	0	0	0	0	0	0	1
TOTAL	416	10	2	428	84	451	21	0	472	47	1031

	Male					Female					Total
	African	Colour-ed	Indian	Total Blacks	White	African	Colour-ed	Indian	Total Blacks	White	
Employees with disabilities	3	0	0	3	2	1	0	0	1	0	6

TABLE 5.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, permanent	4	0	0	4	0	3	0	0	3	0	7
Senior Management, permanent	31	1	0	32	9	23	0	0	23	1	65
Senior Management, temporary	0	0	0	0	1	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, permanent	162	3	2	167	55	136	2	0	138	15	375
Professionally qualified and experienced specialists and mid-management, temporary	0	0	0	0	1	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	77	3	0	80	4	146	10	0	156	29	269
Semi-skilled and discretionary decision making, Permanent	84	3	0	87	4	117	7	0	124	2	217
Unskilled and defined decision making, permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management), permanent	3	0	0	3	0	0	0	0	0	0	3
Contract (Professionally qualified), permanent	32	0	0	32	10	6	1	0	7	0	49
Contract (Skilled technical), permanent	9	0	0	9	0	10	0	0	10	0	19
Contract (Semi-skilled), permanent	13	0	0	13	0	10	1	0	11	0	24
TOTAL	416	10	2	428	84	451	21	0	472	47	1031

TABLE 5.3 - Recruitment

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Top Management, permanent	1	0	0	1	0	1	0	0	1	0	2
Senior Management, permanent	3	0	0	3	0	3	0	0	3	0	6
Professionally qualified and experienced specialists and mid-management, permanent	13	0	0	13	0	11	0	0	11	1	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	20	0	0	20	4	17	1	0	17	0	42
Semi-skilled and discretionary decision making, permanent	11	0	0	11	2	10	0	0	10	1	0
Unskilled and defined decision making, permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management), permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), permanent	6	0	0	6	3	0	1	0	0	0	10
Contract (Skilled technical), permanent	5	0	0	5	0	5	0	0	5	0	10
Contract (Semi-skilled), permanent	10	0	0	10	0	5	1	0	5	0	16
Contract (Unskilled), permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	70	0	0	70	9	52	3	0	52	2	136

Employees with disabilities	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
1	0	0	0	1	0	0	0	0	0	0	1

TABLE 5.4 - Promotions

Occupational Bands	Male						Female						Total			
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	African	Coloured		Indian	Total Blacks	White
Top Management, permanent	1	0	0	1	0	0	0	0	1	0	0	0	0	0	0	1
Senior Management, permanent	1	0	0	1	0	3	0	0	1	0	3	0	0	3	0	4
Professionally qualified and experienced specialists and mid-management, permanent	24	1	0	24	2	19	0	0	19	2	19	0	0	19	0	46
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	7	0	0	7	0	13	1	0	14	0	13	1	0	14	0	21
Semi-skilled and discretionary decision making, permanent	3	0	0	3	0	6	0	0	6	0	6	0	0	6	0	9
Contract (Professionally qualified), permanent	4	0	0	4	0	0	0	0	4	0	0	0	0	0	0	4
Contract (Skilled Professional), permanent	1	0	0	1	0	1	0	0	1	0	1	0	0	1	0	2
TOTAL	41	1	0	41	2	42	1	0	43	2	42	1	0	43	0	87

Employees with disabilities	Male						Female						Total			
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	African	Coloured		Indian	Total Blacks	White
Employees with disabilities	2	0	0	2	2	1	0	0	1	2	1	0	0	1	0	5

TABLE 5.5 - Terminations

Occupational Bands	Male						Female						Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White			
Top Management, permanent	1	0	0	1	0	0	0	0	0	0	0	0	1
Senior Management, permanent	4	1	1	4	1	2	0	0	2	0	0	0	9
Professionally qualified and experienced specialists and mid-management, permanent	19	0	0	19	18	9	0	0	9	0	0	0	46
Professionally qualified and experienced specialists and mid-management, temporary	0	0	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	10	0	1	10	0	15	0	0	15	1	0	0	27
Semi-skilled and discretionary decision making, permanent	13	0	0	13	0	11	0	1	11	4	0	0	29
Unskilled and defined decision making, permanent	0	0	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management), permanent	1	0	0	1	0	0	0	0	0	0	0	0	1
Contract (Professionally qualified), permanent	5	0	0	5	2	0	0	0	0	0	0	0	7
Contract (Skilled technical), permanent	0	0	0	0	0	1	0	0	1	0	0	0	1
Contract (Semi-skilled), permanent	22	0	0	22	0	19	0	0	19	0	0	0	41
Contract (Unskilled), permanent	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	75	1	2	75	21	57	0	1	57	5	0	57	162

Table 5.6 - Disciplinary Action

Disciplinary action	Male					Female					Total	Not Available	
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White			
TOTAL	2	0	0	2	2	1	0	0	1	0	0	5	0

TABLE 5.7 - Skills Development

Occupational Categories	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Legislators, Senior Officials and Managers	10	0	0	10	1	2	0	0	2	1	14
Professionals	40	0	1	41	6	41	0	0	41	2	90
Technicians and Associate Professionals	13	0	0	13	0	16	0	0	16	0	29
Clerks	23	0	0	23	0	43	3	0	46	0	69
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	23	0	0	23	0	16	0	0	16	0	39
TOTAL	109	0	1	110	7	118	3	0	121	3	241
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

6. PERFORMANCE

TABLE 6.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	255	450	56.7	2,591	10,161
African, Male	202	413	48.9	2,788	13,802
Asian, Female	1	0	0	9	9,000
Asian, Male	1	2	50	22	22,000
Coloured, Female	15	21	71.4	108	7,200
Coloured, Male	7	10	70	70	10,000
Total Blacks, Female	271	471	57.5	2,708	9,993
Total Blacks, Male	210	425	49.4	2,880	13,714
White, Female	43	47	91.5	420	9,767
White, Male	67	82	81.7	1,605	23,955
Employees with a disability	5	6	83.3	69	13,800
TOTAL	591	1031	57.3	7,613	12,882

TABLE6.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	160	218	73.4	699	4,369
Highly skilled production (Levels 6-8)	157	269	58.4	1,121	7,140
Highly skilled supervision (Levels 9-12)	238	376	63.3	4,504	18,924
Contract (Levels 3-5)	0	24	0	0	0
Contract (Levels 6-8)	0	19	0	0	0
Contract (Levels 9-12)	9	49	18.4	184	20,444
Periodical Remuneration	0	61	0	0	0
Abnormal Appointment	0	153	0	0	0
TOTAL	564	1169	48.2	6,508	11,539

TABLE 6.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	63	102	61.8	1,076	17,079
Agriculture, animal, oceanography forestry and other sciences	1	2	50	8	8,000
Biologists botanists zoologists and related prof	36	76	47.4	575	15,972
Cartographers and surveyors	2	2	100	17	8,500
Cleaners in offices workshops hospitals etc.	16	16	100	56	3,500
Client inform clerks(switchboard, reception info clerks)	8	11	72.7	33	4,125
Communication and information related	6	8	75	98	16,333
Economists	20	42	47.6	417	20,850
Engineering sciences related	2	3	66.7	44	22,000
Finance and economics related	6	9	66.7	152	25,333
Financial and related professionals	8	24	33.3	100	12,500
Financial clerks and credit controllers	8	17	47.1	48	6,000
Food services aids and waiters	1	3	33.3	3	3,000
General legal administration and related professionals	2	3	66.7	34	17,000
Head of department/chief executive officer	1	2	50	92	92,000
Human resources and organisational dev and related prof	20	29	69	234	11,700
Human resources clerks	7	20	35	40	5,714
Information technology related	5	6	83.3	71	14,200
Language practitioners interpreters and other communication	3	3	100	21	7,000
Legal related	1	3	33.3	23	23,000
Librarians and related professionals	1	3	33.3	5	5,000
Library mail and related clerks	37	56	66.1	169	4,568
Logistical support personnel	5	14	35.7	40	8,000
Material-recording and transport clerks	16	24	66.7	80	5,000
Messengers porters and deliverers	8	12	66.7	30	3,750
Natural sciences related	0	1	0	0	0
Other administrative and related clerks and organisers	68	93	73.1	402	5,912
Other administrative policy and related officers	27	60	45	276	10,222

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Other information technology personnel	6	14	42,9	51	8,500
Other machine operators	2	1	200	7	3,500
Other occupations	0	7	0	0	0
Rank: Unknown	0	1	0	0	0
Risk management and security services	4	5	80	39	9,750
Safety health and quality inspectors	83	154	53,9	1,760	21,205
Secretaries and other keyboard operating clerks	41	81	50,6	250	6,098
Security officers	40	47	85,1	181	4,525
Senior managers	25	59	42,4	981	39,240
Trade/industry advisers and other related profession	12	18	66,7	190	15,833
TOTAL	591	1031	57,3	7,603	12,865

TABLE 6.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	20	53	37,7	768	3,840	2	38,367
Band B	6	16	37,5	246	4,100	1,5	16,275
Band C	0	4	0	0	0	0	2,520
Band D	1	3	33,3	92	9,200	2,2	4,195
TOTAL	27	76	35,5	1,106	4,096	1,8	61,357

7. Foreign Workers

TABLE 7.1 - Foreign Workers by Salary Band

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

TABLE 7.2 - Foreign Workers by Major Occupation

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

8. Leave

TABLE 8.1 - Sick Leave for Jan 2010 to Dec 2010

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Skilled (Levels 3-5)	1182	84.7	165	24.1	7	433	686	1001
Highly skilled production (Levels 6-8)	1447	82.5	200	29.2	7	912	686	1194
Highly skilled supervision (Levels 9-12)	1469	81.4	229	33.4	6	2,396	686	1196
Senior management (Levels 13-16)	281	89	43	6.3	7	1,010	686	250
Contract (Levels 1-2)	0	0	0	0	0	-	686	0
Contract (Levels 3-5)	81	71.6	18	2.6	5	27	686	58
Contract (Levels 6-8)	31	93.5	8	1.2	4	22	686	29
Contract (Levels 9-12)	100	99	21	3.1	5	110	686	99
Contract (Levels 13-16)	33	97	2	0.3	17	54	686	32
TOTAL	4624	83.5	686	100	7	4,964	686	3859

TABLE 8.2 - Disability Leave (Temporary and Permanent) for Jan 2010 to Dec 2010

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	77	100	1	20	77	22	77	5
Highly skilled production (Levels 6-8)	17	100	1	20	17	9	17	5
Highly skilled supervision (Levels 9-12)	18	0	1	20	18	20	18	5
Senior Management (Level 14)	145	100	1	20	145	191	145	5
Contract(levels 9-12)	4	100	1	20	4	6	4	5
TOTAL	261	100	5	100	52	248	261	5

TABLE 8.3 - Annual Leave for Jan 2010 to Dec 2010

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Skilled (Levels 3-5)	3491	16	225
Highly skilled production (Levels 6-8)	4115	16	250
Highly skilled supervision (Levels 9-12)	6731	20	338
Senior management (Levels 13-16)	1190	16	75
Contract (Levels 1-2)	0	0	0
Contract (Levels 3-5)	258	8	33
Contract (Levels 6-8)	82	9	9
Contract (Levels 9-12)	707	15	46
Contract (Levels 13-16)	30	10	3
TOTAL	16,604	17	979

TABLE 8.4 - Capped Leave for Jan 2010 to Dec 2010

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2010	Number of Employees as at 31 December 2010
Skilled (Levels 3-5)	27	4	25	7	1093	44
Highly skilled production (Levels 6-8)	52	10	16	5	1133	72
Highly skilled supervision (Levels 9-12)	119	7	40	16	4048	101
Senior management (Levels 13-16)	26	5	44	5	1319	30
*TOTAL	224	7	31	33	7593	247
*Inclusive of officials from the Department of Energy						

TABLE 8.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2010/11 due to non-utilisation of leave for the previous cycle	322	18	17889
Capped leave payouts on termination of service for 2010/11	1,020	67	15224
Current leave payout on termination of service for 2010/11	643	57	11281
TOTAL	1985	142	13979

9. HIV

TABLE 9.1 - Steps taken to reduce the risk of occupational exposure

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

TABLE 9.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
<p>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.</p>		No	
<p>2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees z z z ? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.</p>	Yes		<p>2 Assistant Directors and 1 Employee Wellness Practitioner reporting under Employment Relations. There is no annual budget specifically allocated for the programme, the programme is utilising the annual budget of Employment Relations</p>
<p>3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of the programme.</p>	Yes		<p>Services provided by EWP:</p> <ol style="list-style-type: none"> 1. Counselling services (Trauma, Debriefing, Crisis Management, Work-related and Personal Problems) 2. Health and Productivity Management (prevention, intervention, awareness, education, risk assessment and support) 3. Wellness Management (physical, social, emotional, spiritual and intellectual wellness of employees) 4. HIV and Aids and TB Management (prevention, treatment, care and support, human and legal rights) 5. SHERQ Management (occupational hygiene, special facilities, lighting, ventilation, sanitation and risk assessment). We have outsourced an EAP service provider which provide counselling for the Employees and their immediate families and also refer them if necessary to the relevant institution

Question	Yes	No	Details, if yes
			<p>Names of Committee Members:</p> <p>Lethlogolo Mokwena, Chris Makama</p> <p>Tefo Phahla</p> <p>Belinda Radise, Bonang Kesilwe</p> <p>Mduduzi Hlope, Audrey Matau, Piet Mashiyane, Loyt Mashinini</p> <p>Dipotso Mthunywa, Mpho Maphutha, Gabi Khanyile, Rhofohiwa Manenzhe</p> <p>Martha Muthathi, Mathapelo Mailula, Violet Bopape</p> <p>Julia Kgwele, Taole Masoko, Winnie Ramphele</p> <p>Nontsindiso Tolwana, Zimkhitha Tyala</p> <p>Natasha Williams</p> <p>Lungi Mondani, Khathu Mphaphuli</p> <p>Nikosazana Maseko, Sibonele Mkhize, Musa Zikhali</p>
<p>4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	<p>Yes</p>		<p>Representing employees employed at:</p> <p>Head Office</p> <p>Welkom Office</p> <p>Rustenburg Office</p> <p>Witbank Office</p> <p>Braamfontein Office</p> <p>Limpopo Office</p> <p>Keirksdorp Office</p> <p>Port Elizabeth Office</p> <p>Cape Town Office</p> <p>Kimberley Office</p> <p>KwaZulu Natal Office</p>
<p>5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	<p>Yes</p>		<p>We are currently busy reviewing the policy</p>

Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		HIV and Aids Policy Conduct awareness and workshops
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		We conduct VCT during March-April and September-October yearly and we have 202 employees who tested for HIV, 7 have tested positive and 1 test was inconclusive in March-April 2011.
8. Has the department developed measures/ indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		Health screenings (Health Risk Assessment, Flu-Vaccination and VCT) are conducted twice in a year Conduct awareness Conduct workshops

10. Labour Relations

TABLE 10.1 - Collective Agreements

Subject Matter	Date
ITC Usage Policy	11/02/2011
Transport Policy	11/02/2011
Employment Equity Plan	11/02/2011
Talent Management Strategy	11/02/2011
SandT Policy	11/02/2011
Mail Management Policy	11/02/2011

TABLE 10.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Finalised	14	48%	29
Pending	15	52%	29
TOTAL	29	100%	29

TABLE 10.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Assault	1	50%	2
Absenteeism	1	100%	1
Theft	0	0%	1
Poor Work Performance	0	0%	2
Misuse of GG petrol card	0	0%	1
Failure to follow procedure	3	50%	6
Non submission of log sheet	2	100%	2
Corruption/ Fraud	0	0%	3
Failure to follow instructions	2	100%	2
Disclosure of classified information	0	0%	1
Being intoxicated on duty	1	50%	2
Unprofessional conduct	2	50%	4
unlawful access of information	1	100%	1
withdrawal of subsidies vehicle from scheme	1	100%	1
TOTAL	14	48.3	29

TABLE 10.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
Finalised	17	68%	25
Pending	8	32%	25
TOTAL	25	100%	25

TABLE 10.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	4	100
TOTAL	4	100

TABLE 10.6 - Strike Actions

Strike Actions	
Total number of person working days lost	9
Total cost(R'000) of working days lost	(The cost will not be fact estimated due to the fact only 13 deductions we made)
Amount (R'000) recovered as a result of no work no pay	R 7,113.81

TABLE 10.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	5
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	668
Cost (R'000) of suspensions	R 2,590,317

11. Skills Development

TABLE 11.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	17	0	17
	Male	0	0	30	0	30
Professionals	Female	0	0	78	0	78
	Male	0	0	73	0	73
Technicians and associate professionals	Female	0	0	81	0	81
	Male	0	0	115	0	115
Clerks	Female	0	0	144	0	144
	Male	0	0	48	0	48
Service and sales workers	Female	0	0	14	0	14
	Male	0	0	26	0	26
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	1	0	1
	Male	0	0	4	0	4
Gender sub totals	Female	0	0	335	0	335
	Male	0	0	296	0	296
TOTAL		0	0	631	0	631

TABLE 11.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	1	2	3
	Male	0	0	7	4	11
Professionals	Female	0	0	34	9	43
	Male	0	0	34	13	47
Technicians and associate professionals	Female	0	0	8	8	16
	Male	0	0	4	9	13
Clerks	Female	0	0	23	23	46
	Male	0	0	7	16	23
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	16	16
	Male	0	0	0	23	23
Gender sub totals	Female	0	0	66	58	124
	Male	0	0	52	65	117
Total		0	0	118	123	241

12. Injuries

TABLE 12.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	1	100
Permanent Disablement	0	0
Fatal	0	0
Total	1	0

13. Consultants

TABLE 13.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Appointment of Magix Integration provider for the enhancements of the Samindex database system in the Department of Mineral Resources	1	200	R 795,800.00
Appointment of service provider to provide journal subscription for the Department of Mineral Resources for a period of two years	1	480	R 101,435.00
Appointment of IRCA PTY to expand the scope of the project of developing the Mine Health and Safety Inspectorate Integrated Management System to include Mineral Regulation processes flows and modules	5	120	R 3,420,000.00
Procurement of a service level agreement (SLA) for the technical support of the DMR virtual environment.	2	240	R 787,750.00
Appointment of Human Communication for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years	1	480	% discount on advert placed
Appointment of Ultimate Recruitment Solutions for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years	1	480	% discount on advert placed
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
6	10	1520	R 4,317,235.00

TABLE 13.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Appointment of Magix Integration provider for the enhancements of the Samindex database system in the Department of Mineral Resources	0%	0%	0
Appointment of service provider to provide journal subscription for the Department of Mineral Resources for a period of two years	90%	90%	1
Appointment of IRCA PTY to expand the scope of the project of developing the Mine Health and Safety Inspectorate Integrated Management System to include Mineral Regulation processes flows and modules	0%	0%	3
Procurement of a service level agreement (SLA) for the technical support of the DMR virtual environment.	40%	40%	0
Appointment of Human Communication for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years	51%	51%	1
Appointment of Ultimate Recruitment Solutions for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years	100%	100%	1

TABLE 13.3 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
0	0	0	0
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
0	0	0	0

TABLE 13.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
0	0	0	0



**DEPARTMENT OF MINERAL RESOURCES
PRIVATE BAG X59
ARCADIA 0007**

**TEL 012 444 3217/8
FAX 021 444 3160**

This Report Has Been Printed On Recycled Paper

**RP59/2011
ISBN: 978-0-621-40021-2**