



100  
years of Nelson Mandela  
& Albertina Sisulu

THE PRESIDENCY

ANNUAL REPORT

2017/2018



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA



## VOTE NO. I



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA

### SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

To the President of the Republic of South Africa, His Excellency President Cyril Ramaphosa, I have the honour of submitting to you, in terms of Section 40 of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), the Annual Report of The Presidency for the period 1 April 2017 to 31 March 2018.

**Ms Lusanda Mxenge**  
Acting Chief Operations Officer





## TABLE OF CONTENTS

<b>PART A: GENERAL INFORMATION</b>	<b>4</b>
DEPARTMENT GENERAL INFORMATION	4
INTRODUCTION BY THE MINISTER	4
FOREWORD BY THE DIRECTOR-GENERAL	7
OVERVIEW BY THE ACCOUNTING OFFICER	10
REPORT OF THE ACCOUNTING OFFICER	15
STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	23
STRATEGIC OVERVIEW	25
ORGANISATIONAL STRUCTURE	28
<b>PART B: PERFORMANCE INFORMATION</b>	<b>31</b>
AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	31
OVERVIEW OF DEPARTMENTAL PERFORMANCE	31
STRATEGIC OUTCOMES ORIENTED GOALS	34
PERFORMANCE INFORMATION BY PROGRAMME	47
Programme 1: Administration	47
Programme 2: Executive Support	57
<b>PART C: GOVERNANCE</b>	<b>63</b>
INTRODUCTION	63
RISK MANAGEMENT	63
FRAUD AND CORRUPTION	64
MINIMISING CONFLICT OF INTEREST	64
CODE OF CONDUCT	65
HEALTH SAFETY AND ENVIRONMENTAL ISSUES	65
PRIOR MODIFICATIONS TO AUDIT REPORTS	66
INTERNAL CONTROL UNIT	67
INTERNAL AUDIT AND AUDIT COMMITTEES	67
AUDIT COMMITTEE REPORT	68
<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	<b>71</b>
OVERVIEW OF HUMAN RESOURCES	71
HUMAN RESOURCES OVERSIGHT STATISTICS	73
<b>PART E: FINANCIAL INFORMATION</b>	<b>89</b>
REPORT OF THE AUDITOR-GENERAL	89
ANNUAL FINANCIAL STATEMENTS	95
LIST OF ABBREVIATIONS/ACRONYMS	143







**Dr Nkosazana Dlamini Zuma**  
Minister in The Presidency for Planning,  
Monitoring and Evaluation

## INTRODUCTION BY THE MINISTER

South Africa recently marked the 5<sup>th</sup> anniversary of the launch of the National Development Plan (NDP). The plan has been our consistent touchstone as we navigate the difficult global economic environment, delivering economic stability and favourable conditions for foreign and domestic investment. We are more confident that in the medium to long term, the citizenry will reap sustained economic benefits.

The success of the NDP and other government interventions is premised to a large extent on active citizenry and the direct involvement of people from all sectors of society, for which we are humbled and grateful. At the same time, government believes that the consistent attention given to the building of a capable developmental state is fundamental to the execution of the mandate given to it by the electorate. Yet, of equal importance is the global and regional environment and domestic policy certainty.

For these reasons, much effort has gone into aligning our own national plans to the United Nation's 2030 Agenda for Sustainable Development and the African Union's Agenda 2063 - "The Africa we want" - which is its plan for African renewal.

It is therefore no surprise that South Africa participates actively in continental efforts to silence the guns and end all conflicts by 2020. Peace is a fundamental requirement for growth and development for us, as it is for all of Africa. Accordingly, South Africa is involved in peace-keeping, mediation and peace-negotiations in its sister nations, such as South Sudan, Lesotho, the Central African Republic, the DRC, and Mali.

South Africa's aims of combatting inequality, eradicating poverty and addressing unemployment through sustainable and inclusive economic growth embodied in our NDP and our Vision 2030, permeates the AU's Agenda 2063 and the UN's 2030 Agenda for Sustainable Development. Through South Africa's participation in UN processes to finalise the Sustainable Development Goals (SDG's) of the UN's 2030 Agenda for Sustainable Development - primarily in the capacity as Co-chair of the Group of 77 with China - the country was able to lead and protect the interests of its citizens and that of the developing world. To a large extent, the current global policy environment is thus favourably aligned with our national priorities.

One of the major developments in the 2017/18 financial year was the launch of the Africa Regional Centre (ARC) of the New Development Bank (NDB) in South Africa. The launch of the BRICS's ARC further demonstrates government's commitment to providing access to capital for infrastructure projects in Africa and other developing countries. Government is of the view that the NDB must be responsive to emerging and developing markets and to Africa in particular, and assist in taking forward the



## PART A: GENERAL INFORMATION INTRODUCTION BY THE MINISTER

developmental agenda of the continent. Areas in which it would like to see infrastructure investment include energy, transport, water and other productive sectors where deficiencies currently impede competitiveness in the broader global landscape.

On the domestic front, government is making significant progress in achieving policy certainty and consistency in the interest of creating a favourable investment environment. To this end, consultation on the revised Mining Charter is at an advanced stage. Government has paid particular attention to engagements with affected communities across the country, convinced that consensus and collaboration are crucial for the growth and development of this industry. Once finalised, the Charter will balance the need for meaningful transformation in the sector with the need to increase investment, employment and sustainability in the industry.

Cabinet introduced a total of 33 bills to Parliament, the majority of which pertained to the economy, transport, finance, labour, education, registration of deeds, telecommunications, science and technology, and rural development.

In terms of the promotion of small businesses and cooperatives – which government believes can be a major force for job-creation - the National Treasury gazetted new regulations on preferential procurement in January 2017 to ensure that 30% of all government procurement goes to these enterprises. Government will give further attention to ensuring that small businesses and cooperatives are not strangled by government regulations or red tape or by undue delays in being paid by government departments. The Black Economic Empowerment Advisory Council (BEEAC) advises the President and government on general broad-based economic empowerment interventions to further level the playing field and facilitate entry into all sectors of the economy. At the same time government is contending with the practise of fronting, which impedes the gains of transformation, through the BBBEE Commission.

At programme level, government launched the Youth Employment Service (YES) in March 2018. This programme aims to bridge the critical gap between education and the workplace through work experience for young people. At the time of the launch, already twenty 'early adopter' companies committed to providing 22 000 work experience opportunities, with a further 18 companies on the brink of unlocking a further 21 000 opportunities. This initiative will significantly increase the chances of potentially hundreds of thousands of participants finding permanent work after their first year.

The Presidential Infrastructure Coordinating Commission (PICC) brings together the leadership of the three spheres of government to discuss the planning and implementation of infrastructure programmes across the country. The President launched the People's Train in Tshwane in March 2017, which boasts both comfort and safety for rail passengers, and the Trans Africa locomotive in April.

Subsequent to the Heher Commission on Higher Education Funding - which was established by the President after student protests in favour of free higher education - presenting its report, government paid the fee increase, which was capped at 8%, for all qualifying registered students (i.e. those with a gross combined family income of up to R600 000 per annum for the 2017 academic year). Government also made arrangements through the National Student Financial Aid Scheme (NSFAS) for the payment of the upfront registration fees payable by NSFAS-funded students at universities and TVET colleges. It is appropriate that in this year of Nelson Mandela and Albertina Sisulu, both of whom put much store on education, that government should reach another milestone on the path to universal free education.

The Deputy President leads government's efforts in the fight against HIV and AIDS as Chairperson of the South African National AIDS Council (SANAC). Government can continue to report the significant progress being made in saving the lives and ensuring a better life for those living with HIV through its education and treatment programmes. It is through these interventions that the South African HIV and Aids infection rate has been declining year by year from 1.77% in 2002 to 1.27% in 2016.

Although under difficult fiscal conditions, government is working to consolidate fiscal debt and rein in public expenditure through careful consideration of expenditure and spending patterns and priorities. It has initiated measures to set the economy on a new path of growth, employment and transformation. With approximately R50 billion budget deficit as reported by the South African Revenue Service (SARS), inflation estimated to be 4.6% (by June 2018), the rate of economic growth seemingly slackening, and the rate of unemployment remaining stubbornly high, the challenges faced by government are substantial. Yet, under the leadership of the President and his cabinet, government has moved rapidly to restore confidence and stabilise its finances. It has taken decisive steps to improve the operational performance and governance of state owned enterprises by, in the first instance, replacing non-performing Boards of Directors, and taking steps to recapitalise enterprises by focusing on core operational functions.



PART A: GENERAL INFORMATION

## INTRODUCTION BY THE MINISTER

I take this opportunity to thank the Director-General and Secretary to Cabinet in The Presidency, Dr Cassius Reginald Lubisi, the former Chief Operations Officer Ms Lakela Kaunda, current acting Chief Operations Officer, Ms Lusanda Mxenge, and the management and all staff of The Presidency for their contribution in moving the work of The Presidency and the country forward.

I am pleased to present the 2017/18 Annual Report, which complies with all statutory reporting requirements, particularly Section 40(1) of the Public Finance Management Act (PFMA), 1999, and paragraph 18 of the National Treasury Regulations.



**Dr Nkosazana Dlamini Zuma**

Minister in The Presidency for Planning,  
Monitoring and Evaluation



**R Cassius Lubisi, PhD**  
Director-General in The Presidency  
and Secretary of the Cabinet

## FOREWORD BY THE DIRECTOR-GENERAL

The past financial year has been a period of significant achievements for the Department, and it is with a great sense of honour and humility that we report on how we have progressed and measured against the goals that we have set. The achievements of the Department, as summarised in this report, reflect our commitment to achieving greater organisational effectiveness in carrying out our mandate.

The fundamental purpose of The Presidency remains the provision of high quality support to the President, and the Deputy President, in the execution of his duties. The Department implemented an Annual Performance Plan (APP), which has at its core the provision of efficient and enhanced support activities. These support activities include defined support provided to the President in his constitutional role of nation-building and promoting national unity, managing the processes of government, facilitating government's programme and priorities, and managing the international and domestic programmes of the President (and Deputy President).

The 2017/18 financial year was the centenary of the birth of Oliver Reginald Tambo, a towering giant in the history of liberation in South Africa. It was to be expected that government would celebrate this national icon, and accordingly executed a year-long programme to remember and commemorate his life and legacy, both as a fitting tribute to his life of sacrifice but also as an inspiration to the nation.

By exemplifying the life of OR Tambo, the President and government aimed to spur on the nation-building project by encouraging South Africans to explore what it means to be South African and to be reminded of what unites citizens as South Africans. In this manner government reaffirmed its vision of building a non-racial society in which all citizens, black and white, have a sense of belonging and feel vested in society. On the day of the centenary of his birth, 27 October 2017, the nation paid homage to OR Tambo in celebrations around the country. At the place of his birth in Mbizana in the Eastern Cape, the President led the commemoration celebrations. The President also unveiled a statue of OR Tambo at the OR Tambo International Airport on 19 October 2017. On 1 October 2017, a new R5 coin commemorating the centenary entered into circulation.

In 2018, the country will mark the centenary of the birth of former President Nelson Mandela and Albertina Sisulu, and all South Africans are encouraged to join in the year-long celebration as we pay tribute to one of Africa's greatest sons and to a fearless female leader and activist who dedicated her life to the service of her people. The centenary of the birth of Nelson Mandela and Albertina Sisulu is an opportunity for renewal and rebuilding.

PART A: GENERAL INFORMATION

## FOREWORD BY THE DIRECTOR-GENERAL

During the year under review, the Cabinet Office of The Presidency coordinated 22 Cabinet meetings, 5 special Cabinet meetings and 69 Cabinet Committees meetings. The Forum of South African Directors-General (FOSAD) convened 2 FOSAD Workshops, 8 FOSAD management committee (Manco) meetings and 46 FOSAD Cluster (i.e. groups of DG's of government departments) meetings during 2017/18.

Cabinet Office approved and introduced into the Cabinet process a total of 33 bills. Altogether Cabinet approved 32 Bills, which the Cabinet Office processed for submission to Parliament during the year.

For government, the 2017/2018 year has been eventful with much progress being made in the fight against the legacy of apartheid-poverty, inequality and unemployment.

Five years have passed since the adoption by Parliament of the National Development Plan: Vision 2030 (NDP), now yielding positive results. For The Presidency, the NDP continued to focus government's efforts to tackle the core challenges and obstacles on the path to attaining a just and prosperous society. The Plan provides for a coordinated and consistent steer for government's programmes and interventions based on measurable evidence. The periodic reports produced by the NDP Commission show that there is progress despite the challenges faced in certain areas.

As part of government's attempts to facilitate the growth of business by improving the ease of doing business, the President, together with the Department of Trade and Industry, launched InvestSA One-Stop-Shops in KwaZulu-Natal, Gauteng and the Western Cape. The One-Stop-Shop concept will create a point of contact for investors to obtain all services to fast-track projects and reduce government red-tape when establishing a business. The One-Stop-Shop will provide services offered by key departments such as Home Affairs, Labour, Environmental Affairs, Trade and Industry and agencies such as the Companies and Intellectual Property Commission, South African Revenue Service and Visa Facilitation Service Centres, amongst others.

In the year under review, the Black Industrialists Programme was launched to kick-start greater participation of Black South Africans in the industrial sector. Government has thus far supported 46 projects that have attracted R3.7 billion of private-sector investment and created 19 859 jobs to date. To support localisation, 21 products and sectors have been designated for local production. This year also saw the launch of the refurbished Babelegi Industrial Park in Hammanskraal as part of government's plan to accelerate economic development and job creation.

In relation to The Presidency's Operation Phakisa Programme, significant progress has been made in the implementation of the Ideal Clinic Realisation and Maintenance Programme, which is a systematic intervention designed by government to improve the quality of care at Primary Health Care facilities. In terms of the Ideal Clinic Realisation and Maintenance programme, an ideal clinic is a clinic with good infrastructure, adequate staff, adequate medicine and supplies, good administrative processes and sufficient bulk supplies that use applicable clinical policies, protocols and guidelines. Clinics should also have stakeholder support to ensure the provision of quality health services to the community. Such an ideal clinic fosters community ownership and pride. By the end of June 2017, a total of 1 108 clinics in the public sector had achieved ideal status. This performance translates to 30% of the existing stock of 3 477 Public Health Clinic facilities. The target set for March 2019 is for 2 823 Public Health Clinic facilities to become ideal.

Through the Imbizo programme, The President continued to ensure that people have direct and unmediated access to government in collective solutions-driven engagements at which local and provincial politicians and senior civil servants are present. In 2017 the President and Deputy President undertook two Izimbizo's: one at Vuwani in Limpopo and one at Elsie River in Cape Town.

The dedication to the goal of responsive government was further supported by the Siyahlola Presidential Monitoring Programme. Siyahlola is designed for the President to assess, first-hand, the progress made in targeted government priority areas and in line with the outcome-based approach to government.

A major part of the work of The Presidency is to organise the diary and events of The President, a key part being the effecting of the President's international programme, which is executed in the interests of South Africa. To this end, the President attended the Fifth Summit of the African Union-European Union, which was held under the theme: "Harnessing the Demographic Dividend through Investments in Youth". This summit emphasised the importance of youth in the two regions' socio-economic development programmes and focused on supporting the objectives of the African Union's Agenda 2063 and its flagship projects.

The Deputy President led a high-level government, business and labour delegation to the 2018 World Economic Forum Annual meeting scheduled between 23-26 January 2018. The event was held under the theme, "Creating a Shared Future in a Fractured World". The theme was aimed at mobilising global leadership to develop responses to trends, including the rise of isolationism and extremism that undermine efforts by the



global community to foster openness, tolerance, integration and shared opportunity. The Forum presented South Africa with various platforms to outline the country's efforts to secure sustainable and inclusive economic growth, address governance weaknesses in the public and private sectors, and to contribute positively to the development of solutions to global challenges.

The President in turn, led the South African delegation to the World Economic Forum in Africa which was held between 3-5 May 2017 in Durban, under the theme "Achieving inclusive growth: responsive and responsible leadership." The President also attended the General Debate of the 72<sup>nd</sup> Session of the UN General Assembly (UNGA 72), which was held between 19-25 September 2017. During that time, the President also signed the Treaty on the Prohibition of Nuclear Weapons on 20 September 2017. His signing of the Treaty reflects South Africa's continued commitment towards the achievement of a world free from the threat posed by nuclear weapons, and ensuring that nuclear energy is used for peaceful purposes only.

I wish to express my gratitude to the Minister in The Presidency for Planning, Monitoring and Evaluation, Dr Nkosazana Dlamini Zuma, the former Chief Operations Officer Ms Lakela Kaunda, the Acting Chief Operations Officer Ms Lusanda Mxenge, senior management and all staff of The Presidency for their hard work and accomplishments during the past year.

**R Cassius Lubisi, PhD**

Director-General in The Presidency  
and Secretary of the Cabinet



**Lusanda Mxenge**  
Acting Chief Operations Officer

## OVERVIEW BY THE ACCOUNTING OFFICER

The 2017/18 financial year has proven to be politically fraught, with the potential to unsettle The Presidency as an institution. However, The Presidency has proven its mettle, sailing through the rough waters with appropriate composure to ensure continuity of government and government programmes.

Government had declared the year for South Africa to celebrate the centenary of the birth of the iconic leader and a founding father of our freedom struggle, Oliver Reginald Tambo.

As part of the year-long tribute to the stalwart, and in recognition of his ideals, The Presidency officiated over and participated in a series of befitting activities. As a glimpse of the range of activities that The Presidency staff supported over the past year, we herewith mention the following.

On 27 October 2017, President Zuma visited the Ludeke Village where he symbolically switched on electricity in the household of the Nyameni family, who benefitted from the extension of electrification in Mbizana in the Eastern Cape as part of the broader government rural electrification programme.

As part of the Africa Month 2017 theme of “The Year of OR Tambo: Building a Better Africa and a Better World”, The Presidency hosted the national Africa Day celebration on 25 May to mark the formation of the Organisation of African Unity (OAU) on that day in 1963 and the African Union (AU) in 2002. Fifteen years after the formation of the African Union (AU), President Zuma used the day to reaffirm government’s support for the African Union’s Agenda 2063 and the country’s commitment to play its role within the AU to ensure the successful implementation of the vision and plan to build a better Africa.

In October 2017, The Presidency took part in the Department of Transport’s Shova Kalula programme, which distributes bicycles to learners who would ordinarily walk more than three kilometres to school. The Presidency participated in the donation of computers to learners in the Vukuzenzele Special School for children with disabilities, as well as the unveiling of a statue of O.R Tambo in honour of the struggle icon at the Oliver Tambo International Airport.

Yet, the principal function of The Presidency is to provide support to the President and Deputy President in leading the Executive and supervising government. To this end, The Presidency was fully engaged throughout the year with the business of organising government, and especially its aim of achieving the National Development Plan goals. This business included organising Cabinet, Cabinet working groups, the Presidential Councils, and various



## PART A: GENERAL INFORMATION OVERVIEW BY THE ACCOUNTING OFFICER

other strategic platforms such as the service delivery oversight programmes, as well as the Principals' international programme - which is aimed at advancing the country's national interest in the region, continent and in the international arena.

In the context of the government-wide fiscal consolidation strategy and the operational environment of the organisation, great emphasis was placed on the continued identification of more cost efficient and effective ways to deliver on the organisation's mandate.

In this regard, in the past year an important decision was taken by the Top Management of The Presidency to reduce the costs of non-core items. A key decision taken in the year under review was to rationalise the expenses resulting from having a Pretoria back-office operation based at off-site leased premises at Johannes Ramokhoase Street. The satellite office was therefore closed down and staff previously operating from these premises were migrated back to the Union Buildings. The resulting savings in operational costs were reprioritised to fund the ICT Infrastructure upgrade project of the organisation, specifically the upgrading of the outdated data storage devices of the organisation at all sites.

Another key focus area for the organisation in the past year was to vigorously and systematically address the challenges in the supply chain environment of the organisation further to weaknesses pointed out by the Audit Committee and the Auditor-General.

The Presidency commissioned an independent performance assessment from the Specialised Audit Services (SAS) Unit of National Treasury to investigate and identify the root causes of the significant challenges in supply chain management (SCM). The SAS Unit is the locus of government's capacity for performance auditing and investigation in the supply chain management of public procurement across all spheres of government. It also allows for investigation and auditing of a broad range of financial management and internal control systems. Pursuant to the performance assessment, The Presidency developed and implemented a comprehensive SCM Turnaround Strategy to address the identified gaps so as to reduce the potential for a negative audit outcome in the future.

The SCM Turnaround Strategy focused on seven pillars, of which the key ones were: 1. Bringing about improvements in planning and governance within the SCM; 2. Ensuring that the unit is well-resourced and capacitated to function optimally; 3. To enhance the communication between the SCM unit with its client base; 4. Improving document management within the

unit; 5. Effectively addressing all audit findings; and 6. Addressing fraud and corruption.

President Zuma resigned, as the President of the Republic of South Africa in the final quarter of the financial year on 14 February 2018, an event which was not totally unanticipated, but sudden nevertheless. President Cyril Ramaphosa was elected as the new president of the country after he was elected unopposed in the National Assembly on 15 February 2018. Within a short space of time, it became evident to The Presidency that the new thinking and different strategic focus for government and the country being ushered in by President Ramaphosa would have an impact on the organisation. In his inaugural State of the Nation Address, President Ramaphosa outlined various priorities:

- Providing leadership and coordination of efforts to support investment, growth and job creation.
- Providing leadership and coordination of an executive system that advances and promotes the political and strategic agenda.
- Providing leadership and coordination of efforts to improve governance and service delivery in all three tiers of government.
- Providing leadership and coordination of efforts to mobilise society to support the strategic agenda of government.
- Providing leadership in building a better Africa, and a better world by advancing North-South and South-South relations, through multilateral and bilateral engagements.

Inevitably, new priorities outlined would have necessitated a strategic review of the organisation. It has required the organisation to re-consider its strategic direction and operating model in response to the question: Is The Presidency fit-for-purpose and operationally aligned to adequately address the expectations and tasks as reflected in the thinking of the President? The Presidency will be reviewing its 5-year strategic plan and conduct an organisational review in order to respond to these questions.

In this, the last year of the national electoral cycle, The Presidency is seized with the task of preparing for the transition to the sixth administration consequent to the national elections to be held in 2019.

As a result of the political transition, there were a number of changes in the personnel in the Top Management of the organisation. I assumed duties on the 16<sup>th</sup> March 2018 in an acting capacity.

PART A: GENERAL INFORMATION

## OVERVIEW BY THE ACCOUNTING OFFICER

I would like to take this opportunity to thank Ms Lakela Kaunda, The Presidency's former Chief Operations Officer (COO), who diligently held the fort so ably over the period of her tenure, which started in 2015. I would also like to express my gratitude to Top Management, the Senior Management Service (SMS) and all Presidency staff under the leadership of Director-General and Secretary to the Cabinet, Dr Cassius Reginald Lubisi for their unstinting support given to both Ms Kaunda and myself.

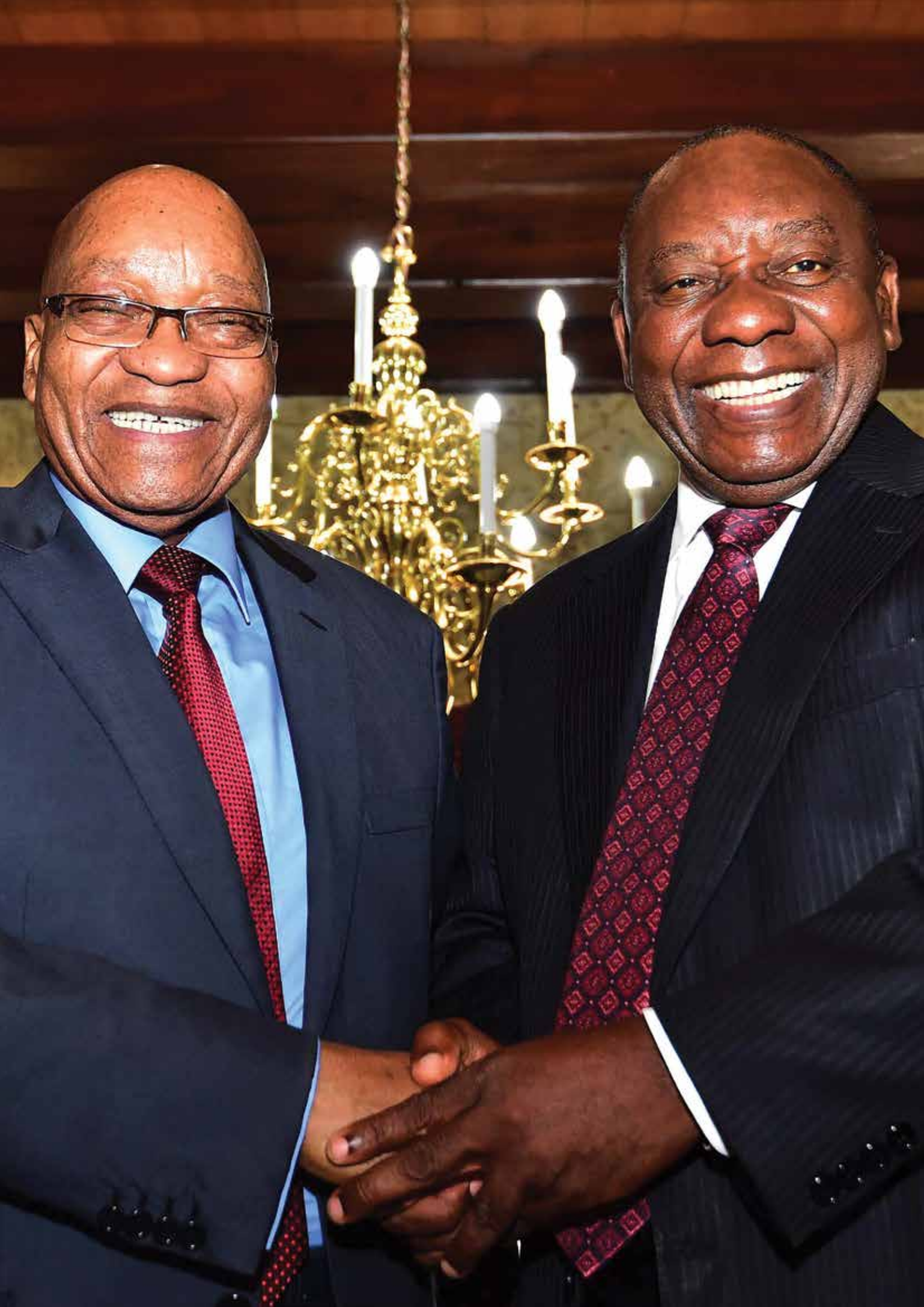
The performance of the organisation for the financial year under review is reflected in greater detail on pages 47 to 61 of this Annual Report.



**Ms Lusanda Mxenge**  
Acting Chief Operations Officer









## PART A: GENERAL INFORMATION

# REPORT OF THE ACCOUNTING OFFICER

The Presidency's Annual Report is prepared and presented here to comply with legislative requirements but it is in line with 'living' the key public service values on access to information and promoting an open and transparent administration. The report allows us to account to Parliament, to citizens and other stakeholders and to provide assurances that The Presidency carries out the functions it is meant to within the prescripts of the law, government policy and the constitution.

As we reflect on some of our achievements below, we are also conscious of the challenges which still lie ahead towards making a positive impact on the lives of ordinary South Africans. This report therefore reflects on our performance in terms of mandatory reporting items as well as the goals set out by The Presidency.

### Overview of the operations of the department:

- The department has over the past twelve months continued to implement key programmes linked to its constitutional mandate, and in terms of its long term goals of supporting the President and Deputy-President to lead integrated planning, coordination and performance monitoring and oversight of government's policies and programme;
- Promote national unity and social cohesion; and
- Advance the interest of South Africa in the region and in the international arena through the facilitation and coordination of their respective International Relations programmes.

### Support the President and Deputy President to lead integrated planning and policy coherence in government

#### Cabinet Office

The Cabinet Office of The Presidency successfully implemented its Cabinet and Cabinet Committee Programme as planned. Twenty-two (22) Cabinet and 69 Cabinet Committees meetings were coordinated during the 2017/18 financial year. Eighteen (18) Cabinet Committee meetings were cancelled. The Forum of South African Directors-General (FOSAD) convened 2 FOSAD Workshops, 8 FOSAD Manco and 46 FOSAD Cluster meetings during 2017/18. Thirteen (13) Cluster meetings were cancelled.

Furthermore, the Cabinet Office arranged for training and briefing sessions for the relevant senior management of all ministries so that departments are better prepared to engage with and understand the cabinet system, thus promoting the efficiencies in the operations of the cabinet system.

The Cabinet Office has continued with the pilot of the e-Cabinet system, with a focus on establishing the Cabinet phase of the system. Progress was made on the process of vetting the system as a secure IT system. The E-Cabinet Security Policy 2014 and the E-Cabinet Training Manual are under review and received positive and supporting feedback from the State Security Agency thus far.

### Monitoring and Oversight Programmes

The President visited the Steve Biko Academic Hospital in Pretoria, one of the best performing public hospitals in the country, to monitor the delivery of healthcare services as part of the Presidential Siyahlola Monitoring Programme. The hospital, which is named after the late liberation struggle hero and a former medical student at the University of Natal, Mr Steve Bantu Biko, is a tertiary healthcare institution that render specialised and highly specialised services to medically referred patients. Due to its remarkable performance and sound management, the Steve Biko Academic Hospital was declared the best managed public hospital in the country by the Office of Health Standards Compliance, which is the watchdog for the standard of health in the country. During the visit, former President Zuma undertook a walkabout at various departments of the hospital to monitor the services provided to the public and to interact with staff and patients to receive first-hand information regarding the challenges faced by the hospital for purposes of further improving its services.

As part of his tour in the hospital, the President also visited the hospital pharmacy where he was shown the locally developed automated medical dispensary which automatically dispenses a wide range of medicines of up to 120 prescriptions per hour.

The President also conducted a Siyahlola Presidential Monitoring visit to Lusikisiki with the emphasis on building safer communities and the improvement of service delivery in the area. The President began his visit by taking a guided tour of the new Lusikisiki Police Station, which he remarked was modern and had sufficient facilities to tackle the challenge of crime head-on. He then proceeded to the community engagement part of his visit where community members voiced their grievances and also provided suggestions. Some of the challenges raised were unemployment and poor delivery of essential services to the community.

The President met the people of Elsie's River in Cape Town and the surroundings during the Fight against Crime Imbizo. This was part of Government's intensified programme of combating crime and building safer communities. The Imbizo came a few weeks after the President visited the Pieter's family

## PART A: GENERAL INFORMATION

# REPORT OF THE ACCOUNTING OFFICER

in their home in Cape Town, following the tragic murder of their 3 year old. Former President Zuma returned to the area to look into the many challenges of crime and murder, and how law enforcement authorities would improve their services to the community.

The visit also formed part of Government's activities for the National Child Protection Week campaign that is observed annually to raise awareness for the rights of children and mobilise all sectors of society to care for and protect children. The residents of Elsie's River interacted with the President and the Ministers, pleading with Government to create jobs and find some constructive activities for their youth.

The Presidential Youth Working Group, which is chaired by the President, brings together government and youth organisations to promote youth participation in governance and policy making. The Presidential Youth Working Group met to discuss progress made in youth development and the challenges faced by youth, such as violence against women and children. They further looked at ways of ensuring meaningful economic participation by young people in the radical socio-economic transformation programme of the country. The work streams of the Working Group also did work on the implementation of the five pillars of the National Youth Policy 2015-2020, as proposed by young people.

In terms of the education work stream of the Youth Working Group, various Sector Education and Training Authorities (SETAs) have begun the training of young people and exposing them to the world of work. Over 27 071 students have benefitted through the Manufacturing, Engineering and Related Services Sector Education and Training Authority's (merSETA) support and funding of various TVET colleges and schools, and of bursaries and incentive funding for training. merSETA spent over R1.7 billion on education programmes between 2013/14 and the third quarter of 2016/17. In June 2017 former President Zuma further encouraged young people to take advantage of Government's programmes aimed at supporting young entrepreneurs and cooperatives to ensure the full participation of young people in the mainstream economy.

The President met with the President's Coordinating Council (PCC) to discuss several important issues aimed at promoting coherence and efficiency in the delivery of services between the three spheres of government. Among other issues, the meeting discussed the drought and water crisis engulfing the Western Cape Province, for which the Province had asked for assistance. The meeting also received a feedback report on the constitutional, systemic and structural challenges relating to Eskom and municipalities on electricity reticulation. A progress

report was also received on the Presidential War on Leaks Programme, which former President Zuma spearhead and which aims to fight water leakages while providing the youth with skills in plumbing and various artisan trades.

The Black Economic Empowerment Advisory Council (BEEAC) of the President convened a workshop attended by members of the BEE Advisory Council, Ministers and Deputy Ministers, Senior Government officials, Chairpersons and CEOs of major organs of State, as well as experts on the subject matter. These parties convened to examine the systematic and structural implementation challenges of the Broad-Based Black Economic Empowerment Act and the proposed recommendations to realise Government's objectives for radical socio-economic transformation.

### Infrastructure Projects

The Presidency can confidently report progress made to improve performance in six areas of Operation Phakisa, which are the Oceans Economy, Scaling up the Ideal Clinic Realisation and Maintenance Programme, Leveraging Information Communication Technology in Basic Education, Galvanising Growth, Investment and Employment Creation along the Mining Value Chain and Mining and Related Communities, Biodiversity, as well as Agriculture, Land Reform and Rural Development.

Since the launch of the Oceans Economy segment of Operation Phakisa, the investments that have been unlocked are worth about R25 billion, with a government contribution of R15 billion. Over 6 500 jobs have been created in the various sectors. Over 30% of these jobs are taken up by women, youth and persons with disability. The largest contribution to the total investment in the Oceans Economy was for infrastructure development facilitated through government incentives, mainly in our ports, manufacturing, boat building, aquaculture and scientific surveys in the oil and gas sector. Skills development is a core component of the Oceans Economy in which women and youth are prioritised, especially in the Marine Transport and Marine Manufacturing sectors.

The tugboat manufacturing project unlocked a R1.4 billion investment by the Transnet National Ports Authority in the Port of Durban. An amount of R700 million was earmarked for supplier development, which aims to empower suppliers, youth and graduates. In the Oil and Gas sector, six production rights and 14 exploration rights were issued, while two technical co-operation permits were issued to two companies that are 100% owned by black people. More rural and local economic opportunities are planned for Qolorha in the Eastern Cape and Amatikulu in KwaZulu-Natal and other inland and coastal areas.



### Labour market stability and national minimum wage

Deputy President Ramaphosa, addressed the 22<sup>nd</sup> Annual Summit of NEDLAC (the National Economic Development and Labour Council) on 8<sup>th</sup> September 2017 under the theme the “Restoring integrity by combating corruption through good governance”. Through the workshop, NEDLAC sought to address the challenges of creating sustainable economic growth as a driver of employment opportunities, increased economic participation, greater social equity, poverty alleviation, and cooperation towards wealth production and its equitable distribution. NEDLAC also organised its annual labour school under the theme, “Building Worker Power to advance good and clean governance to stimulate inclusive economic growth and decent jobs”. The labour school was attended by representatives of the labour federations, Cosatu, Fedusa and Nactu, including the Deputy President, whose presentation focused on how best the South African economy can be reengineered in such a way that it begins to benefit all the people of our country.

### Combating HIV and Tuberculosis

On 31 March 2017, former SANAC Chairperson, President Ramaphosa, launched the National Strategic Plan for HIV, TB and STIs 2017 – 2022 (NSP). The NSP serves as a roadmap for the next stage of the country’s journey towards a future where HIV, TB and STIs are no longer public health challenges. The NSP sets out goals and establishes landmarks in the form of specific measurable objectives. The NSP is a key pillar towards achieving universal health care, driven, as it is, by the long-term vision reflected in the National Development Plan of a healthier, stronger and more equitable nation.

South Africa commemorated World AIDS Day on 1 December 2017 under the theme, “It is my right to know my status. Prevention is my responsibility”. The theme encouraged South Africans to make their actions count and to take personal and collective responsibility to prevent new HIV and TB infections. President Ramaphosa remarked that the day commemorates those whom we have lost to the twin epidemics of AIDS and Tuberculosis. He further said that it was also a time to reflect on the extraordinary progress that we have made as a nation in the fight against AIDS and TB, and also to recommit ourselves to the achievement of an AIDS-free generation. President Ramaphosa also addressed 2000 delegates at the 8<sup>th</sup> Annual SA Aids Conference on the 15<sup>th</sup> of June in Durban, under the theme, “The Long Walk to Prevention: Every Voice Counts”.

In his former capacity as Chairperson of the South African National AIDS Council (SANAC), President Ramaphosa addressed the 6<sup>th</sup> Annual Congress of the Treatment Action

Campaign. The Congress discussed, inter alia, the state of the public health care system, the state of HIV and TB response, as well as the implementation of National Health Insurance.

### Human Resource Development

President Ramaphosa, in his former capacity as Chairperson of the Human Resource Development Council (HRDC), chaired a successful 18<sup>th</sup> meeting of the Council at the CSIR Knowledge Commons. The 18<sup>th</sup> HRDC meeting was preceded by a guided tour to various Science and Technology Research Stations at the CSIR, where the Deputy President, together with council members, had the opportunity to witness high level research and development opportunities offered at the nano technology centre. Furthermore, the Deputy President and council members received a progress report on the work of the CSIR in relation to their funding, research, innovation and human capital development. Council approved the Terms of Reference of the Standing Committee on Maths and Science. The Committee is responsible for developing strategies to address the current challenges faced in terms of schooling outcomes and the training of Science and Maths teachers.

With regard to the support and funding model for the poor and the “missing middle” students, the Council received progress reports from the Department of Higher Education and Training on the alternative financing and operating models for funding. Meaningful consideration will be given to clarifying the legislative framework based on public policy findings and the recommendations of the Presidential and Ministerial Task Team.

### Public Employment Programme

In his capacity as Chairperson of the Public Employment Programme (PEP) Inter-Ministerial Committee (IMC), the Deputy President conducted his 5<sup>th</sup> PEP Antipoverty site visits to Expanded Public Works Programme (EPWP) projects in the Enoch Mgijima Local Municipality in Whittlesea (Hewu) in the Eastern Cape. The visit was aimed at interacting with the participants of various Expanded Public Works Programmes and visiting the programme’s sites to assess their impact in terms of alleviating poverty and providing employment to the people of the Eastern Cape. The visit was also aimed at inspiring hope in the lives of both the participants of the PEPs and the communities who benefit from them.

## PART A: GENERAL INFORMATION REPORT OF THE ACCOUNTING OFFICER

### Supporting the President and Deputy President to advance nation building and social cohesion

Key anniversaries and commemorative events were celebrated in the 2017/18 financial year, which required planning, oversight and coordination by The Presidency in support of the President and Deputy President, namely:

- *The year of Oliver Reginald Tambo:* 2017 marked the centenary celebration of Oliver Reginald Tambo, the longest serving president of the African National Congress who steered the anti-Apartheid struggle through thirty years of exile. Oliver Tambo was also a lawyer, co-founder of the ANC Youth League, Secretary General and Deputy President of the ANC, and Head of the ANC's Mission in Exile. Communities across South Africa celebrated the year of O.R Tambo through a number of special events and activities.

As part of the centenary celebrations, the President officiated over improvement projects, including the hand-over of the Ludeke Dam in Mbizana, which was built as part of the Greater Mbizana Regional Bulk Water Supply Scheme. There was also a visit to the Nyameni family in Ludeke Village, where the President switched on electricity as part of the broader government rural electrification programme in Mbizana and the surrounding areas. Bicycles were distributed to learners at O.R Tambo Technical High School as part of the Department of Transport's Shova Kalula programme, which supports learners who walk more than three kilometres to school. The President also oversaw the donation of computers to learners in the Vukuzenzele Special School for children with disabilities.

The Oliver Tambo International Airport unveiled a 2.5 metre statue of O.R Tambo in honour of the struggle icon. A sculpture of Oliver Tambo also stands at the forefront of *The Long March to Freedom* procession at Fountains Valley in Pretoria alongside stalwarts Nelson Mandela and Walter Sisulu. This indeed is a befitting and timely tribute to such a giant in the struggle for freedom.

- *The 40-year commemoration of the killing of Steve Bantu Biko:* The President led the national commemoration of Human Rights Day in King Williams Town. This celebrated the country's human rights tradition and honoured those who sacrificed immensely for the achievement of liberation and democracy. The highlight of the 2017 commemoration honoured the Black Consciousness leader, Mr Bantu Steve Biko. This year marked 40 years since the brutal murder of Mr Biko by the apartheid state. The President joined Mrs Nontsikelelo Biko and family at his home town in Ginsberg

to unveil the grave site and memorial of Mr Biko. This was done in celebration of his contribution to the struggle for liberation and human rights for all in the country.

- It has been 15 years since the formation of the African Union (AU): The Presidency hosted the national 2017 Africa Day celebration in Pretoria. Africa Day is celebrated annually on 25 May within the African continent to mark the formation of the Organisation of African Unity (OAU) on that day in 1963, and the African Union (AU) in 2002. This also charts the progress made by the continent since then to advance democracy, peace, stability and socio-economic development. The theme for Africa Month 2017 was "The Year of OR Tambo: Building a Better Africa and a Better World". South Africa used the day to reaffirm support for the African Union's Agenda 2063, and to commit the country to playing its role within the AU to ensure the successful implementation of the vision and plan to build a better Africa. Africa Day was also used to mark the celebration of 23 years since the country's reintegration into the OAU/AU and the international community, following the dawn of freedom and democracy in 1994.

The President, as the Grand Patron of the National Orders, bestowed the 2017 National Orders Awards on distinguished local citizens and eminent foreign nationals who played a significant role in building a free democratic South Africa and improving the lives of South Africans in various ways.

Among the responsibilities delegated to the Deputy President by the President is the championing of social cohesion and moral regeneration in the country, in partnership with various sectors of society. The Deputy President participated in a National Day of Prayer hosted by the Motsepe Foundation and various religious and faith-based organisations. Religious and faith-based organisations have, at various times in the history of South Africa, prayed and brought South Africans together to deal with the serious and grave challenges and problems of the time

### Supporting the President and Deputy President to advance South Africa's role in the regional, continental and international arena.

The Presidency provided support to the President and Deputy President to engage in multilateral and bilateral meetings, state visits, international obligations and peace-making in the continent. In his international relations activities and duties as Head of State, The President was supported in a total of 39 incoming and outgoing international state, working, and official visits. Some of the International engagements were unplanned.



While these were of critical importance, such unplanned engagements had a negative impact on the domestic programme of the President.

The delegated international relations programme of the Deputy President has been successfully implemented, focusing on bilateral and multilateral engagements, such as the World Economic Forum, China and Sweden and his role as SADC mediator in Lesotho.

## Departmental receipts

DEPARTMENTAL RECEIPTS	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	0	0	0	0	0	0
Casino taxes	0	0	0	0	0	0
Horse racing taxes	0	0	0	0	0	0
Liquor licences	0	0	0	0	0	0
Motor vehicle licences	0	0	0	0	0	0
Sale of goods and services other than capital assets	326	301	25	367	350	17
Transfers received	0	0	0	0	0	0
Fines, penalties and forfeits				0	0	0
Interest, dividends and rent on land	25	28	-3	10	59	-49
Sale of capital assets	100	0	100	0	107	-107
Financial transactions in assets and liabilities	595	569	26	75	827	-752
<b>TOTAL</b>	<b>1 046</b>	<b>898</b>	<b>148</b>	<b>452</b>	<b>1 343</b>	<b>-891</b>

The Presidency is not a revenue generating department. The revenue collected in The Presidency includes: Bus fare, rental for accommodation in Cape Town, parking, commission on garnishee, and insurance and fees received in terms of the Promotion of Access to Information, Act, (PAIA). In addition to the above, the revenue report includes the Financial Transaction in Assets and Liabilities, which emanates from the recovery of previous year expenditure.

The Presidency did not meet the target by 14%. The decrease in revenue collection is due to the deferral of disposal of assets.

## Determination of tariffs:

- Rental dwellings – The rental dwelling tariffs are determined by the Department of Public Works,
- Transport fee (Bus) – The tariff is agreed upon by the employer (The Presidency) and the unions representing the bus users in The Presidency,
- Parking fee – The parking fee tariff is determined by the Department of Public Works,
- Access to information Act – The tariffs are determined by The Presidency in line with the Promotion of Access to Information Act, 2000 (Act 2 of 2000),
- Commission Insurance and Garnishee – The tariff is determined by the National Treasury.

## Programme Expenditure

PROGRAMME NAME	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	454 324	440 124	14 200	455 041	447 709	7 332
Executive Support	46 845	41 401	5 444	34 734	27 624	7 110
Sub-total	501 169	481 525	19 644	489 775	475 333	14 442
Direct Charges	6 373	5 712	661	6 035	5 713	322
<b>TOTAL</b>	<b>507 542</b>	<b>487 237</b>	<b>20 305</b>	<b>495 810</b>	<b>481 046</b>	<b>14 764</b>

## PART A: GENERAL INFORMATION

# REPORT OF THE ACCOUNTING OFFICER

Under-spending on Programme 1 was mainly in terms of the compensation of employees due to posts that were vacated during the year and which could not be filled as a result of anticipated funding constraints in the future.

In goods and services, the under-spending was due to:

- A reduction of the size of travelling delegations;
- A change in administration, which resulted in reduction of travelling and other administrative costs;
- Implementation of the National Treasury's RT/transversal contract on cell phones, which resulted in a reduction of communication costs (airtime and data); and
- Some of the savings were reprioritised to fund IT projects.

Under-spending on Programme 2 was mainly in terms of compensation of employees due to a post that is vacant and a secondment out of the department, which resulted in savings.

In goods and services the under-spending was due to:

- Officials alternating when travelling between Cape Town and Pretoria, which resulted in savings on travel and subsistence;
- Implementation of the National Treasury's RT/transversal contract on cell phones, which resulted in a reduction of communication costs (airtime and data); and
- The Forum of South African Directors General (FOSAD) bi-annual planning workshops being held at another government department, which resulted in savings on venues and facilities, as well as communication costs.

### Virements/roll-overs

A virement of R6 000 was processed from Programme 1: Administration, transfers and subsidies economic classification to defray excess expenditure on transfers and subsidies of Programme 2: Executive Support.

Six million Rand was rolled over for the payment of employee-initiated severance packages/early retirement.

### A description of the reasons for unauthorised expenditure

No unauthorised expenditure incurred in the 2017/18 financial year.

### Irregular fruitless and wasteful expenditure

An amount of R4.3 million irregular expenditure from prior years was de-recognised in the 2017/18 financial statements. The prior year's corporate management fees, non-compliance to supply chain management processes and the overtime

exceeding 30% to the amount of R9.907 million was disclosed as irregular expenditure. An amount of R1.095 million was de-recognised in the fruitless and wasteful expenditure disclosure notes for 2017/18.

### Future plans of the department

- The Presidency will continue to enhance the provision of essential support to the President and Deputy President in a more efficient and economic manner.
- To continue to champion and promote the Radical Economic Transformation Agenda, by leveraging the instruments at its disposal.
- To strengthen the focus on infrastructure development through the work of the PICC and infrastructure launches.
- To strengthen the public communication of government successes to inform the public of the good stories of government working with and for the people, stories which at times do not make it to the mainstream media.
- To enhance the implementation of initiatives that promote youth development.
- To support the reform of SOEs with a focus on the review of the funding model, changing the way in which boards are appointed and taking any role in procurement away from board members.
- To accelerate the land redistribution programmes and make more land available.

### Public Private Partnerships

The Presidency did not enter into any PPP contract in the year under review.

### Discontinued activities/activities to be discontinued

The Presidency did not discontinue any of its activities during the 2017/18 financial year.

### New or proposed activities

At the end of the 2017/18 financial year, The Presidency went through a political transition following the resignation of former President Zuma and the election of President Cyril Ramaphosa as the new president of South Africa.

Like any changeover, this process brings with it new thinking, ideas, emphasis and programmes. Thus inevitably, this also requires new working arrangements that may impact the expectations of an organisation.



Furthermore, the President has outlined the vision he has for taking the country forward in his SONA of February 2018.

These include, amongst others, to:

- Convene a Jobs Summit and an Investment Conference in the third quarter of the 2018/19 financial year.
- Launch a Youth Employment Service Initiative to place unemployed youth in paid internships in companies across the economy.
- Establish a Digital Industrial Revolution Commission and review the allocation of the spectrum to reduce barriers to entry to the ICT sector.
- Introduce the National Minimum Wage to benefit more than six million South Africans.
- Implement the National Health Insurance and HIV/Aids and TB Plan, including scaling up the testing and treatment campaign by initiating an additional two million people on antiretroviral treatment by December 2020.
- Ensure that fee-free higher education and training are available to first-year students from households with a gross combined annual income of up to R350 000.00.
- Strengthen support to black industrialists to build a new generation of black and female producers who are able to build enterprises of significant scale and capability.
- Convene a Social Sector Summit during the course of 2018/19 to recognise the critical role that the sector plays in society.
- Appoint a Presidential Economic Advisory Council to draw on the expertise and capabilities that reside in labour, business, civil society and academia.
- Implement the commitment to expropriate land without compensation, taking into account food security, agricultural production and growth of the sector, and to facilitate consultation on the modalities.

Inevitably, the imperatives thus envisaged have raised the question of whether The Presidency, as the apex governmental structure, is optimally structured to deliver on what is expected. Furthermore, the President has indicated his thinking along the lines of an integrated Presidency with shared services.

Accordingly, The Presidency has begun a process to review and re-think the institution, with the potential outcome of a re-conceptualised operational and organisational structure. This review will seek to address the question of whether we are operationally aligned to adequately address the expectations and tasks as reflected in the vision of the President and whether we are structurally fit-for-purpose. It is likely that changes will be made to the organisation of The Presidency, but the details thereof will only become clearer in the next few months.

## Supply chain management

In the past year, the results of an independent assessment of our Supply Chain Management environment conducted by the Internal Audit Unit, the National Treasury and the Auditor-General identified a number of challenges. Subsequently, The Presidency developed a turnaround strategy to address these key challenges. This strategy outlined specific interventions designed to transform the way in which the Unit works, speed up the procurement process, and ensure compliance with all relevant legislation regulations by the Unit.

- There is one unsolicited bid that The Presidency has considered during the year under review. This relates to the implementation of an effective workplace ethics programme. The programme also provides for efficient management of data for statistics relating to ethical issues and regulatory compliance of workplace ethics in an organisation.
- A checklist of all prescribed SCM requirements was developed to assist in ensuring that for all procurements, the prescripts are complied with, while all SCM officials have been trained to implement the checklist. The Department of Trade and Industry was involved in training all SCM officials on issues related to the procurement of commodities within certain designated sectors. A Contract Tracking Tool was developed to monitor the expiry of contracts and replacement or procurement of new service providers. The SCM policy has been reviewed and a Standard Operating Procedure was developed to provide a guide for all SCM activities.
- The challenges experienced in the SCM relate to a shortage of staff, as well as skills required. Contract workers were employed and the National School of Government has been engaged to conduct a skills audit, and further training will be conducted based on the skills audit findings.

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

In the 2017/18 financial year, The Presidency did not receive any gifts in kind. However, The Presidency offered the following contributions to the families of deceased employees as a gesture of goodwill:

Eullice Zandile Maseko (employee 1)	R10 000.00
Emily Mamoepa (employee 2)	R10 000.00
Aluwani Tshifaro (employee 3)	R10 000.00
Nelly Monama (employee 4)	R10 000.00



## PART A: GENERAL INFORMATION

# REPORT OF THE ACCOUNTING OFFICER

### Exemptions and deviations received from the National Treasury

In the year under review, there were no exemptions requested or granted by the Treasury for The Presidency.

### Events after the reporting date

Subsequent to the closure date of the 2016/2017 financial year, but before the finalisation and publishing of the financial statements for the same period, the following events emerged as part of Contingent Liabilities:

The North Gauteng High Court ruled in respect of case 91139/2016 that The Presidency is liable for the costs incurred by the parties with regard to the withdrawal of the application for leave to appeal granted by the court on 18 April 2018.

Irregular expenditure amount of R247 753.8 was condoned by National Treasury on 27 June 2018 because the procuring unit did not act negligently, as they were complying with the departmental policy issued by the Accounting Officer.

### Other

The accommodation at Johannes Ramokhoase in Arcadia Pretoria, and the building located on 8<sup>th</sup> Street, Houghton, Johannesburg are provided by Public Works free of charge.

I would like to express my wholehearted gratitude to the political principals, management, and all staff for their invaluable support and contribution to our success during this reporting period.



**Ms Lusanda Mxenge**  
Acting Accounting Officer: The Presidency



PART A: GENERAL INFORMATION

## STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2018.

Yours faithfully

**Acting Accounting Officer**

**Ms Lusanda Mxenge**

The Presidency

31 August 2018





## PART A: GENERAL INFORMATION STRATEGIC OVERVIEW

### VISION

In support of our aim, the revised Presidency Strategic Plan reflects the vision of The Presidency as:

**Excellence in governance and in providing leadership to the state and society**

### MISSION

In achieving the above vision, The Presidency describes its mission as follows:

**To provide support to the President in the execution of his Constitutional responsibilities and the electoral mandate, supported by the Deputy President.**

### VALUES

The values and principles that underpin The Presidency's pursuit of its vision and mission are predicated on the principles of Batho-Pele and aligned to the values and principals presented in Section 195 of the Constitution, as follows:

PRESIDENCY VALUE	WHAT IT MEANS IN PRACTICE
<b>Dedication</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Demonstrate commitment;</li> <li>- Do what is needed to get the work done; and</li> <li>- Be selfless, resolute, purposeful and steadfast.</li> </ul>
<b>Discipline</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Exercise self-control and work with decorum;</li> <li>- Display punctuality, reliability, dependability and a commitment to meet deadlines;</li> <li>- Work with courtesy and respect; and</li> <li>- Make all stakeholders feel valued.</li> </ul>
<b>Integrity</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Value openness, honesty, consistency and fairness;</li> <li>- Act in good faith in all day to day activities and display humility;</li> <li>- Have a commitment to ethics, and focus on justice and fairness; and</li> <li>- Exercise care not to disclose confidential information.</li> </ul>
<b>Accountability</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Take responsibility and act in a transparent manner; and</li> <li>- Create communication channels for stakeholder engagement.</li> </ul>
<b>Service Excellence</b>	Living this value means that The Presidency will seek to: <ul style="list-style-type: none"> <li>- Be results-oriented and cost effective in its work;</li> <li>- Understand customer needs, respond timeously, efficiently and effectively to customer queries and requests; and</li> <li>- Strive for quality and high performance.</li> </ul>

### LEGISLATIVE AND OTHER MANDATES

The following are the specific constitutional and legislative mandates and policy directives that define the parameters within which The Presidency operates and from which the institution derives its mandate:

### CONSTITUTIONAL MANDATES

- The Constitution of the Republic of South Africa, Act 108 of 1996, as amended, is the supreme law of the Republic. Along with the Bill of Rights, the Constitution forms the legal foundation of a democratic South Africa and sets out the rights and duties of its citizens and defines the structure of the government. The Presidency houses the President and the Deputy President of the Republic, and is therefore a unique institution in the Public Service. It is in this constitutional context that the broad parameters of the role and responsibilities of The Presidency are defined.
- The Presidency exists to service the President and the Deputy President in the execution of their constitutional responsibilities and duties, as articulated in Chapter 5 of the Constitution. Chapter 5 of the Constitution defines the President as the Head of State and Head of the National Executive. His primary responsibility is to uphold, defend and respect the Constitution as the supreme law of the Republic as well as to promote the unity of the nation and that which will advance it.
- The Section 85 of the Constitution confers the executive authority of the Republic on the President. The Presidency's strategic posture should as a result reflect these functions of the President and the National Executive he leads.
- The reconfiguration of the Macro-Structure of National Government, in line with the President's directive enacted under Proclamation No. 44, 2009 in terms of section 97 of the Constitution, impacts on the mandate of The Presidency, as it has brought about the change in the configuration of The Presidency and the service delivery model of the organisation.

The National Macro Organisation Project changed the macro organisation of government in order to give administrative effect to the President's new Cabinet portfolios and to ensure alignment between the new portfolios and the administrative structures in support of Ministers responsible for these portfolios.

## PART A: GENERAL INFORMATION STRATEGIC OVERVIEW

The impact of the new Cabinet portfolios on The Presidency resulted in key legislation previously administered by The Presidency being administered by the new Department of Planning, Monitoring and Evaluation (DPME). Certain functions and concomitant resources were also transferred, with effect from 1 October 2014, from The Presidency to the DPME, including:

- National Planning Secretariat
- Directorate: Youth Desk and the National Youth Development Agency

### LEGISLATIVE MANDATES

A number of Acts then further expand the specific roles and functions of The Presidency and inform its approach to the implementation of its Constitutional mandate, namely:

Acts administered by The Presidency

- Independent Commission for the Remuneration of Public Office-Bearers Act, 1997 (Act 92 of 1997).
- The Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998, as amended) provides a framework for determining the salaries, benefits and allowances of public office bearers, and the secretariat to the Independent Commission is located within The Presidency.
- Executive Members Ethics Act, 1998 (Act 82 of 1998), including the Executive Ethics Code.

Acts administered by others, but with a direct bearing on the work of The Presidency

- The Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) – the “IGR Act”, establishes a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations and to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes.
- The “IGR Act” further seeks to promote co-operative governance as espoused by Chapter 3 of the Constitution of South Africa and has informed the formation of the President’s Coordinating Council (PCC). The Cabinet Cluster System, the Forum of South African Director-Generals (FOSAD) and the formation of Inter-Ministerial Committees (IMCs) are also specifically aimed at enhancing coordination and integration across government.
- The legislation that governs formation and work of the Statutory Bodies, (e.g. Infrastructure Development Act (PICC), the BBBEE Act as amended (BBBEE Advisory Council), etc.)

### Good Governance Legislation, Regulations and Policy

The Presidency is informed and guided by the good governance framework and all applicable regulatory and legislative prescripts.

In addition, it is noted that most, if not all, Acts of Parliament reference Executive Acts required for their fulfilment. As a result, The Presidency plays a transversal and cross-cutting role in supporting the President and the Deputy President in dealing with legislation coming from Parliament.

### POLICY MANDATES

#### The National Development Plan, Vision 2030 (NDP)

The National Development Plan (NDP), Vision 2030, adopted by Cabinet in 2012, is the visionary blueprint of government, with business and society as collaborative partners. Seeking to eliminate poverty and sharply reduce inequality by 2030, the five key elements of the NDP are:

- 1) Inclusive social and economic development;
- 2) Sustainable investment and growth;
- 3) Decent jobs and sustainable livelihoods;
- 4) A capable development state; and
- 5) Expanding opportunities.

This long-term plan for the country, which cuts across all sectors of society, identifies the critical trade-offs and challenges to be addressed by the country over the period to 2030. The NDP aims to integrate planning and ensure greater policy coherence in government, thus building a common vision of what South Africa could look like in 2030.

Designed as a broad set of programmatic interventions, the NDP proposes a “virtuous cycle” of growth and development, while reducing poverty and inequality. The enablers are strong leadership throughout society, national consensus, social cohesion and a capable state. As the apex department of government and as custodian of the NDP, The Presidency plays a critical leadership and supervision role in galvanising the whole of government and indeed society towards the attainment of the vision of the NDP, Vision 2030.

Giving effect to the longer range planning period of the NDP is a series of 5-year Medium-Term Strategic Frameworks (MTSFs); the MTSF 2014 – 2019 being the first of three such Frameworks following the adoption of the NDP in 2012 and towards the 2030 vision.



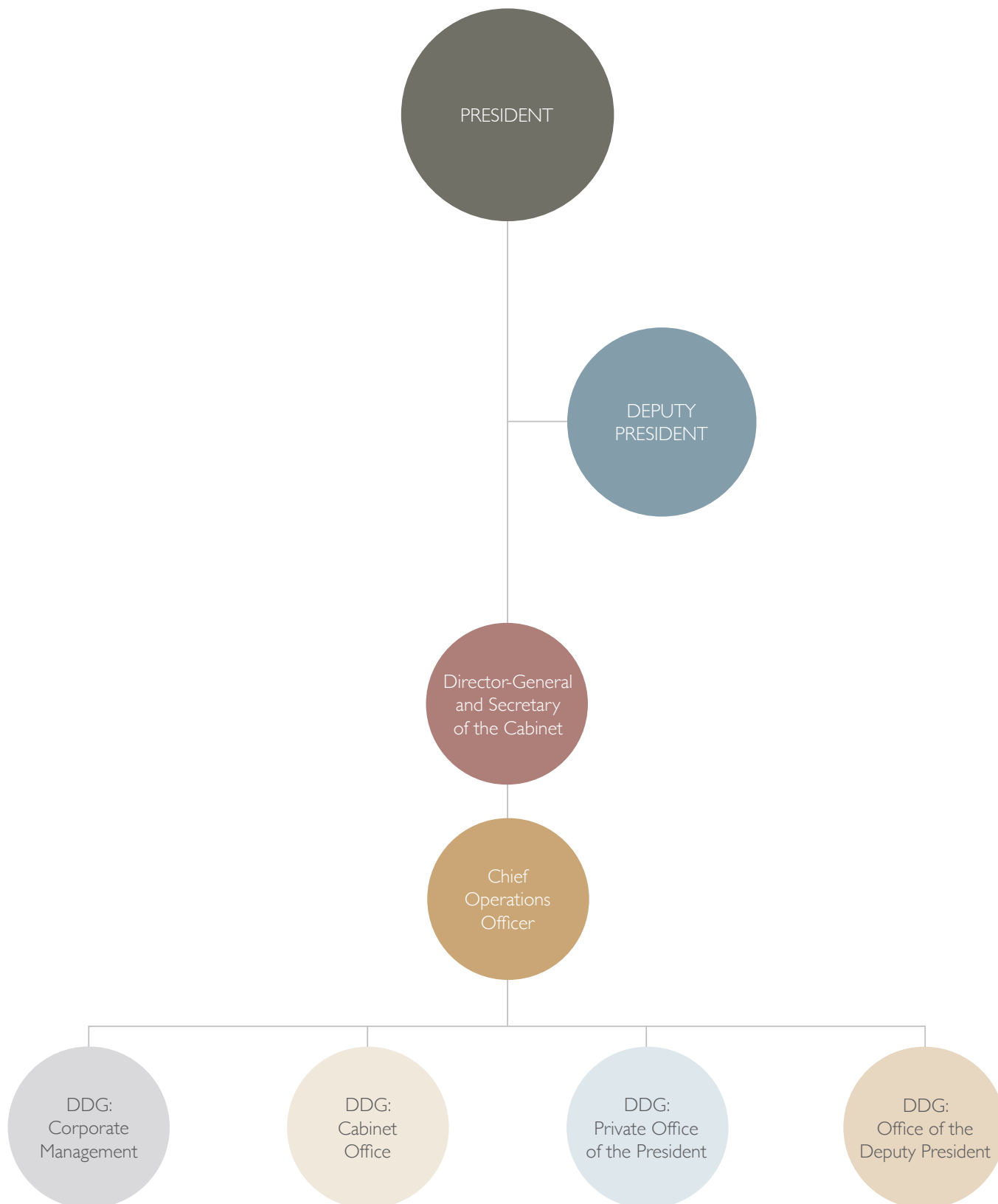
## Medium-Term Strategic Framework 2014 – 2019 and the 14 Government Outcomes

Aligned to the 15 chapters of the NDP, the MTSF 2014 – 2019 seeks to ensure that the medium-term and short-term planning of government is aligned to the NDP. The MTSF identifies the critical actions to be undertaken during 2014 – 2019 to put the country on a positive trajectory towards the achievement of the 2030 vision. It further identifies indicators and targets to be achieved in the period. Departmental strategic plans would then be developed to contain and unpack relevant MTSF commitments, as well as additional commitments not in the MTSF.

**The role of The Presidency in relation to the MTSF is twofold, namely:**

- 1) To lead the alignment and coordination of the implementation of the strategic agenda of government – all 14 outcomes - through mechanisms such as:
  - Formal coordination mechanisms – which should be used sparingly;
  - Playing a mediating role where other coordination mechanisms break down;
  - The provision of enhanced technical support to clusters;
  - Implementing the outcomes of the evaluation of coordinating structures; and,
  - Assessments of the performance of Ministers in delivering on their MTSF-aligned performance delivery agreements.
- 2) In addition to its oversight function, The Presidency contributes to the following MTSF outcomes directly:
  - Outcome 12: An efficient, effective and development orientated public service;
  - Outcome 14: Nation building and social cohesion;
  - The Presidency also contributes to the following MTSF outcomes indirectly;
  - Outcome 2: A long and healthy life for all South Africans;
  - Outcome 4: Decent employment through inclusive economic growth;
  - Outcome 5: A skilled and capable workforce to support an inclusive growth path;
  - Outcome 6: An efficient, competitive and responsive economic infrastructure network;
  - Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World.

PART A: GENERAL INFORMATION  
**ORGANISATIONAL STRUCTURE**





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YOUTH EMPLOYMENT  
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## PART B: PERFORMANCE INFORMATION

### I. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 90 of the Report of the Auditor-General, published as Part E: Financial Information.

### 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 2.1 Service Delivery Environment

During the period under review, The Presidency operated in a demanding and unpredictable service delivery environment that required government to respond frequently to changes in both the political policy environment as well as day-to-day issues arising from expectations from the country at large. Some of these expectations emanated from the Presidential Monitoring Programmes, such as Siyahloa and Izimbizo, as well as the use of the Presidential Hot-line, etc. These certainly impacted some programmes in The Presidency as it was imperative to respond to these interventions. These expectations were, however, addressed whilst the programmes still maintained their obligatory mandates of providing essential strategic, technical and operational support to the President and the Deputy President to lead and oversee the implementation of the government programme and ensure service delivery to the people of South Africa. Furthermore, numerous additional obligations and expectations were constantly added to The Presidency. This was due to its role of serving as a centre of strategic coordination, leadership and supervision of government in implementing the government programme, so as to ensure that all energies and efforts are properly aligned.

While the performance environment has not fundamentally shifted since the beginning of the current term of office in 2014, a number of contextual factors have been taken into account by the current administration in planning for the remaining year of office. Amongst others, this includes the unexpected transition of leadership which occurred in February 2018. South Africa's weak economic outlook places further constraints on government spending and points to the need to pay further attention to improving the impact of expenditure on government programmes. In addition to continued increases

in the country's population, low economic growth prospects tend to further increase social pressures, particularly on disadvantaged individuals, households and communities. This further leads to an increased demand for access to quality public services in the country.

South Africa's gross domestic product (GDP) growth rate declined by 2.2% in March 2018. The largest negative contributor to growth in the GDP was in the manufacturing industry, which decreased by 6.4% and contributed -0.8 of a percentage point to GDP growth. The mining and quarrying industry decreased by 9.9% and contributed -0.8 of a percentage point. The agriculture, forestry and fishing industry decreased by 24.2%, and contributed 0.7 of a percentage point to GDP growth. The trade, catering and accommodation industry decreased by 3.1%. Decreased economic activity was reported in the trade, catering and accommodation divisions. Finance, real estate and business services increased by 1.1% in the first quarter. Increased economic activity was reported for insurance and auxiliary activities and real estate activities. General government services increased by 1.8%, which was attributed to an increase in employment numbers. Employment has increased by 74 000 which is equivalent to 0.8% between March 2017 and March 2018.

South Africa has been under the spotlight in recent months due to a wave of protests, which brought about clashes between protesting residents and law enforcement authorities. A myriad of concerns have been recorded, many of which have been categorised as 'service delivery protests' against local authorities which have been accused of poor service delivery. Many of the protests have been marked by exceptionally high levels of violence and vandalism. One of the major prolonged service delivery protests that occurred in 2017 was in Vuwani, where violence led to the destruction of schools. Learning was severely compromised, exam preparatory lessons were suspended, and there were thousands of pupils stuck in a state of paralysis, not knowing when learning would resume. In some schools, the records of admission numbers and pupils' results were lost.

This necessitated The Presidency to continue prioritising the promotion of social cohesion and building national unity, with 2017 declared the year of Oliver Reginald Tambo, the longest serving president of the ANC (from 1967 to 1991), who would have turned 100 years old in 2017 had he lived. Apart from this celebration, specific attention was paid to strengthening programmes to promote nation-building and social cohesion. This included, giving concrete meaning to broad concepts such as moral regeneration, social cohesion and nation building, through specific and targeted campaigns led by the President and/or Deputy President.

## PART B: PERFORMANCE INFORMATION

### 2.2 Service Delivery Improvement Plan

The Presidency does not deliver services directly to citizens, but leads and supervises government departments in implementing the programme of action of government.

For the 2017-2021 period, The Presidency has, however, decided to focus on improvements to its policy coordination and advisory capability. Through coordination, The Presidency is intended to lead government towards improved performance across the chain of policy development and implementation. Coordination and monitoring are meant to enhance outcomes, particularly in terms of government's impact on society.

The disbandment of Policy Coordination and Advisory Services (PCAS) left a void in government in terms of policy support to the Principals as well as policy coordination across the whole of government. This is largely because DPME, which was at the time expected to play the role, plays a different role than that played by PCAS. The DPME has focused mainly on building capacity for effective monitoring primarily of the government outcomes (or the Programme of Action), while the NPC Secretariat's focus remains the mainstreaming of the NDP and the institutionalisation of planning.

The primary focus for The Presidency in 2017-2021 Service Delivery Improvement Plan (SDIP) was therefore the re-establishment and strengthening of the policy coordination capability of The Presidency to ensure that it is well positioned to achieve its strategic priorities.

The following extracted table reflects the main services and standards and the progress made in the implementation of the SDIP, approved by Top Management of The Presidency.



## MAIN SERVICES AND STANDARDS

MAIN SERVICES	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	PROGRESS MADE
Policy support and coordination services.	<ul style="list-style-type: none"> <li>- President</li> <li>- Deputy President</li> <li>- National Directors-General- through FOSAD</li> <li>- National Departments</li> <li>- Parliament</li> <li>- South African Public</li> <li>- Business, Organised Labour,</li> <li>- Stakeholder interface via Working Groups and Presidential councils</li> <li>- Designated groups aligned with the Radical Economic Transformation programme of government.</li> </ul>	<p>The Presidency supports the Principals to lead coordinating structures i.e. Presidential Councils, Working Groups set up. This is where the Principals provide strategic direction to government and ensure intergovernmental coordination (collective planning, resource mobilisation and service delivery). This is done through the harmonisation of government activities towards the realisation of the national development goals.</p>	<p>Re-establishment and operational policy unit:</p> <ul style="list-style-type: none"> <li>• Finalise all consultations for the re-establishment of the new policy unit.</li> <li>• Implement a phased approach to operationalising the policy unit.</li> </ul> <p>The Policy support Unit is intended to:</p> <ul style="list-style-type: none"> <li>• Working through the Cabinet Secretary, seeking to influence the agenda of Cabinet so that it is not dependent only on submissions but also on strategic matters that may not necessarily require immediate cabinet decisions.</li> <li>• Work with advisors of the President and Deputy President to advise the Principals on risks of making certain decisions.</li> <li>• Work with FOSAD clusters to guide the alignment of their programmes of action with priorities set in the SONA and the electorate mandate.</li> <li>• Work with the DPME to develop and deploy an early warning system.</li> <li>• Track policy contradictions and debates and relevant feedback through the cluster and cabinet system.</li> </ul>	<p>In the 2017/18 financial year, whilst The Presidency carried on with consultations regarding the conceptualisation of a Policy support Unit to support the Principals, the organisation continued to provide policy support to the Political Principals in The Presidency, using its established platforms and traditional approaches (though the effectiveness of this arrangement requires enhancements).</p> <p>Therefore The Presidency (in partnership with the DPME) wrote briefing/critical notes on memoranda submitted to Cabinet Committees and Cabinet, tracked policy contradictions and ensured policy coherence across government; facilitated policy coordination in government through the cluster system; and supported the Principals to lead and chair coordinating structures that ensure intergovernmental coordination.</p> <p>The following coordinating platforms were organised and convened in the financial year 2017/18:</p> <ul style="list-style-type: none"> <li>• 91 Cabinet structure meetings- 22 Cabinet and 69 Cabinet Committees.</li> <li>• 56 FOSAD structure meetings- 2 FOSAD Workshops, 8 FOSAD Manco and 46 FOSAD Cluster meetings.</li> <li>• 5 Presidential Councils: BEEAC - 2, PICC - 1, PCC - 2,</li> <li>• HRDC - 4</li> <li>• 11 SANAC IMC, Plenary and Sector Meetings -</li> <li>• NEDLAC – 4 meetings</li> <li>• 1 Youth Presidential Working Groups.</li> </ul>

## PART B: PERFORMANCE INFORMATION

### 2.3 Organisational environment

Since the 2016/17 financial year, The Presidency has implemented strategies such as early retirement, termination of short term contracts, and the un-funding of some posts that became vacant in order to stay within the allocated compensation of employees budget ceiling.

A decision to delay the filling of vacancies was taken so as to enable management to reconfigure identified structures within The Presidency and then embark on a matching and placing exercise with staff members that are not fully utilised. Each post vacated will only be filled once the COO has verified (approved) that it is a critical post.

Over the medium term, The Presidency has implemented the following strategies in order to reduce the deficit caused by the compensation of employees ceiling that is lower than the estimated cost of currently filled posts. The Human Resources Budget plan tool indicates a deficit after implementing all of the strategies. Below are challenges that the Department will continue to face over the MTEF:

- Being unable to fill critical posts, especially in Supply Chain Management, and Finance and Information Technology Units due to financial constraints;
- All posts being vacated automatically become unfunded due to the negative balance that the department started the year with;
- Failing to train in courses run by the NSG as the Office cannot meet the 20 course participants required by the NSG;
- Handling the transition as a result of the resignation from office of Mr JG Zuma in February;
- The appointment of Special Advisors and their support staff is putting more pressure on the Compensation of Employees budget as there is no limit on the number of Advisors that the two Principal can appoint; and
- The post of Deputy Director-General: Corporate Management was filled in an acting capacity for the full year of reporting.

### 2.4 Key policy developments and legislative changes

There were no major changes to policies and legislation that may have affected the operations of The Presidency during the period under review.

## 3. STRATEGIC OUTCOME ORIENTED GOALS

1. Integrated planning and policy coherence in government is supported, contributing to the realisation of Vision 2030.
2. Government's national unity and social cohesion programmes are promoted.
3. South Africa's role in the regional, continental and international arena is advanced.

## PROGRAMME OF ACTION IMPLEMENTATION TABLES

### CABINET AND CABINET COMMITTEE MEETINGS IN 2017/18

TYPE	NUMBER
Justice Crime Prevention and Security:	10
Governance and Administration:	13
Economic Sectors and Employment and for Infrastructure Development:	18
Social Protection, Community and Human Development:	14
International Cooperation, Trade and Security:	14
Joint meeting of all Cabinet committees	6
Cabinet (including extended planning meetings: Makgotla):	21
Special Cabinet Meetings	5
Treasury Committee meetings	1
<b>TOTAL</b>	<b>102</b>



#### FOSAD CLUSTER AND MANAGEMENT COMMITTEE MEETINGS IN 2017/18

TYPE	NUMBER
Justice Crime Prevention and Security	11
Governance and Administration	6
Economic Sectors and Employment and for Infrastructure Development	9
Social Protection and Community Development	10
International Cooperation, Trade and Security	10
FOSAD Manco	8
FOSAD planning workshops	2
<b>TOTAL</b>	<b>56</b>

#### EXECUTIVE ACTS OF THE PRESIDENT | APRIL 2017 – 31 MARCH 2018

##### PRESIDENTIAL ACTS PROCESSED IN 2017/18

TYPE	NUMBER
Official visits abroad by Ministers	303
Leave of absence by Ministers	35
Official visits abroad by Deputy Ministers	164
Leave of absence by Deputy Ministers	35
Acts of Parliament assented to	15
<b>TOTAL</b>	<b>552</b>

##### PRESIDENTIAL MINUTES PROCESSED IN 2017/18

TYPE	NUMBER
Proclamations	36
Normal pardons	56
International agreements	78
Appointments	207
Employment of members of the Defence Force	3
Commission of Inquiry	1
<b>TOTAL</b>	<b>381</b>





## PART B: PERFORMANCE INFORMATION

### BILLS INTRODUCED (1 APRIL 2017- 31 MARCH 2018)

NAME OF MINISTRY	NAME OF THE BILL	DATE OF SUBMISSION OF BILL TO CABINET
Basic Education	Basic Education Laws Amendment Bill, 2017	30 August 2017
Co-operative Governance and Traditional Affairs	Local Government Municipal Structures Amendment Bill, 2017	1 November 2017
	Customary Initiation Bill, 2018	28 February 2018
Defence and Military Veterans	Hydrographic Bill, 2018	14 March 2018
Economic Development	Competition Amendment Bill, 2017	1 November 2017
Finance	Carbon Tax Bill, 2017	16 August 2017
	Division of Revenue Amendment Bill, 2017	28 September 2017
	Division of Revenue Bill, 2018	31 January 2018
Higher Education	National Qualification Framework Amendment Bill, 2018	28 February 2018
Human Settlement	Property Practitioners Bill, 2017	6 December 2017
	Constitution Eighteenth Amendment Bill, 2017	15 November 2017
Justice and Correctional Services	International Crimes Bill, 2017	6 December 2017
	Prevention and Combating of Hate Crimes and Hate Speech Bill, 2018	14 March 2018
	National Minimum Wage Bill, 2017	1 November 2017
Labour	Basic Conditions of Employment Amendment Bill, 2017	1 November 2017
	Labour Relations Amendment Bill, 2017	1 November 2017
Public Enterprises	The Repeal of the Overvaal Resorts Limited Bill, 2017	30 August 2017
	Communal Land Tenure Bill, 2017	21 June 2017
Rural Development and Land Reform	Electronic Deeds Registration Systems Bill, 2017	1 November 2017
	Sectional Titles Amendment Bill, 2017	June 2017
	Deeds Registries Amendment Bill, 2017	1 August 2017
	Land Survey Amendment Bill, 2017	27 September 2017
	National Research Foundation (NRF) Amendment Bill, 2017	21 June 2017
Science and Technology	The Science and Technology Laws Amendment Bill, 2017	27 September 2017
	Social Assistance Amendment Bill, 2017	6 December 2017
Social Development	Postal Services Amendment Bill, 2017	1 November 2017
	Electronic Communications Amendment (ECA) Bill, 2017	1 November 2017
Telecommunications and Postal Services	Ikamva National E-Skills Institute ("iNeSI ") Bill, 2018	14 March 2018
	Airports Company Amendment Bill, 2017	10 May 2017
	Air Traffic and Navigation Services (ATNS) Amendment Bill, 2017	10 May 2017
Transport	The Civil Aviation Amendment Bill, 2017	21 June 2017
	Railway Safety Bill, 2018	20 February 2018
	Draft Economic Regulation of Transport Bill, 2018	20 February 2018

### ADVISORY SUPPORT SERVICES

#### ADVISORS TO THE PRESIDENT (1 APRIL 2017 – 31 MARCH 2018)

NAME	DESIGNATION
Dr Nonceba Mashalaba	Special Advisor: Economic
Adv Busi Makhene	Special Advisor: Legal
Dr Bheki Mfeka	Special Advisor: Economic
Mr Michael Hulley	Special Advisor: Legal
Mr Vuso Tshabalala	Special Advisor: Political
Mr Silas Zimu	Special Advisor: Energy

#### ADVISORS TO THE DEPUTY PRESIDENT (1 APRIL 2017 – 31 MARCH 2018)

NAME	DESIGNATION
Mr Steyn Speed	Political Advisor
Dr Princess Nothemba Simelela	Social Policy Advisor
Adv Nokukhanya Jele	Legal Advisor
Dr Gerhardus Willem Koornhof	Parliamentary Counsellor



## PART B: PERFORMANCE INFORMATION

### INCOMING AND OUTGOING INTERNATIONAL PRESIDENTIAL VISITS (1 APRIL 2017 – 31 MARCH 2018)

#### VISITS INVOLVING THE PRESIDENT (1 APRIL 2017 – 31 MARCH 2018)

DATE	PLACE	TYPE OF VISIT
<b>APRIL 2017</b>		
5 April 2017	Sefako Makgatho Presidential Guest House, Pretoria, Republic of South Africa.	Working visit by H.E. President Faustin Archange TOUADERA, President of the Central African Republic (CAR).
12 April 2017	Union Buildings, Pretoria, Republic of South Africa.	Incoming State visit by H.H. Sheikh Tamin Bin Hamad Al-Thani, Emir of the State of Qatar.
<b>MAY 2017</b>		
3-5 May 2017	Durban, Republic of South Africa.	World Economic Forum-Africa (WEFA).
11-12 May 2017	United Republic of Tanzania.	State visit and Bi- National Commission between South Africa and Tanzania.
<b>JUNE 2017</b>		
23 June 2017	Kingdom of Swaziland.	Southern Africa Customs Union (SACU ) Summit
25 June 2017	Sefako M Makgatho Presidential Guesthouse.	Bi- National Commission between South Africa and the Democratic Republic of Congo
<b>JULY 2017</b>		
6-8 July 2017	Hamburg, Germany.	Outgoing visit to Hamburg, Germany to attend the LOGB and BRICS Leaders' Summit.
8-9 July 2017	Addis Ababa, Federal Democratic Republic of Ethiopia.	29 <sup>th</sup> Ordinary Session of the Assembly of the African Union (AU). The Minister of DIRCO led the South African delegation to the Summit.
<b>AUGUST 2017</b>		
5 August 2017	Republic of Zambia.	The 91 <sup>st</sup> Zambia Agricultural and Commercial Show.
11 August 2017	Union Buildings, Pretoria, Republic of South Africa.	Liberia incoming State visit by H.E President Ellen Johnson Sirlleaf.
18 August 2017	DIRCO Building, Pretoria, Republic of South Africa.	SADC Double Troika Summit
19-20 August 2017	DIRCO Building, Pretoria, Republic of South Africa.	37 <sup>th</sup> Ordinary SADC Summit of Heads of State and Government.
25 August 2017	Maputo, Republic of Mozambique.	South Africa-Mozambique Bi-National Commission (BNC).
<b>SEPTEMBER 2017</b>		
3-5 September 2017	Xiamen, People's Republic of China.	9 <sup>th</sup> BRICS Summit in China (Xiamen).
9 September 2017	Republic of Congo Brazaville.	African Union (AU) High Level Committee Meeting on Libya.
15 September 2017	DIRCO Building, Pretoria, Republic of South Africa.	Extraordinary SADC Double Troika Summit on Lesotho.
16 September 2017	Mahlamba Ndlopfu, Pretoria, Republic of South Africa.	Meeting with His Excellency, Mr Edgar Chagwa Lungu, President of the Republic of Zambia.
18-21 September 2017	New York, United States of America.	United Nations General Assembly (UNGA72). Meeting of the Committee of African Heads of State and Government on Climate Change (CAHOSCC) at the United Nations (UN) Headquarters.
26 September 2017	Luanda, Republic of Angola.	Inauguration of the President Elect of Angola.
<b>OCTOBER 2017</b>		
3 October 2017	Sefako Makgatho Presidential Guest House, Pretoria, Republic of South Africa.	SA-Zimbabwe Bi-National Commission (BNC).
12-13 October 2017	Lusaka, Republic of Zambia.	Outgoing State visit to Zambia.
14 October 2017	Oweri, Republic of Nigeria.	Working visit to Nigeria.
15 October 2017	Kinshasa, Democratic Republic of Congo (DRC).	Working visit to the Democratic Republic of Congo (DRC).
20-21 October 2017	Manzini, Kingdom of Swaziland.	Working visit to Swaziland.
24 October 2017	Genadendal, Cape Town, Republic of South Africa.	Incoming State visit by H.E Macky Sall, President of the Republic of Senegal.
<b>NOVEMBER 2017</b>		
1 November 2017	Genadendal, Cape Town Republic of South Africa.	Meeting with H.E. President Hery Rajoanarimampianina of the Republic of Madagascar.
17 November 2017	Gaborone, Republic of Botswana.	4 <sup>th</sup> Bi-National Commission between the Republic of South Africa and the Republic of Botswana, Gaborone.
21 November 2017	Luanda, Republic of Angola.	Working visit to Angola for a SADC Double Troika Meeting.
24 November 2017	Union Buildings, Pretoria, Republic of South Africa.	Incoming State visit by H.E. President Lourenco of the Republic of Angola.
28-30 November 2017	Abidjan, Côte d'Ivoire.	5 <sup>th</sup> African Union European (AU-EU) Summit in Abidjan Côte d'Ivoire.



DATE	PLACE	TYPE OF VISIT
<b>DECEMBER 2017</b>		
21 December 2017	Mahlamba Ndlopfu, Pretoria, Republic of South Africa.	Courtesy visit by H.E. President Mnangagwa of the Republic of Zimbabwe.
<b>JANUARY 2018</b>		
11 January 2018	Dr John Dube, Durban, Republic of South Africa.	Incoming working visit by H.E President Uhuru Kenyatta of the Republic of Kenya
23-25 January 2018	Davos, Switzerland.	Outgoing Working Visit: World Economic Forum (WEF). Note: Deputy President led the South African Government Delegation.
28-29 January 2018	Addis Ababa, Republic of Ethiopia.	30 <sup>th</sup> Ordinary Session of the Assembly of the African Union (AU Summit).
<b>FEBRUARY 2018</b>		
<b>MARCH 2018</b>		
0 March 2018	Luanda, Republic of Angola.	Working visit to Angola as Chair of the Southern African Development Community (SADC).
2 March 2018	Windhoek, Republic of Namibia.	Working visit to Namibia to as Chair of the Southern African Development Community (SADC).
3 March 2018	Gaborone, Republic of Botswana.	Working visit to Botswana as Chair of the Southern African Development Community (SADC).
13 March 2018	OR Tambo House, Pretoria, Republic of South Africa.	Working visit by President Edgar Chagwa Lungu of the Republic of Zambia
17 March 2018	Maputo, Republic of Mozambique.	Working visit to Mozambique as Chair of the Southern African Development Community (SADC),
17 March 2018	Harare, Republic of Zimbabwe.	Working visit to the Republic of Zimbabwe as the Chair of the Southern African Development Community (SADC).
21-23 March 2018	Kigali, Republic of Rwanda.	10 <sup>th</sup> Extraordinary Summit of Heads of State and Government of the African Union (AU) in Kigali, Rwanda.





## PART B: PERFORMANCE INFORMATION

### VISITS INVOLVING THE DEPUTY PRESIDENT (1 APRIL 2017 – 31 MARCH 2018)

DATE	PLACE	TYPE OF VISIT
<b>APRIL 2017</b>		
<b>MAY 2017</b>		
3 May 2017	Tambo House, Pretoria, Republic of South Africa.	Courtesy Call by the Deputy Prime Minister of Singapore.
9 May 2017	Maseru, Kingdom of Lesotho.	Working visit to Lesotho as SADC Facilitator.
<b>JUNE 2017</b>		
16 June 2017	Maseru, Kingdom of Lesotho.	Working visit, Inauguration: Lesotho Prime Minister.
29 June 2017	Gaborone, Republic of Botswana.	Funeral of the Late former President Masire.
<b>JULY 2017</b>		
<b>AUGUST 2017</b>		
9 August 2017	Maseru, Kingdom of Lesotho.	Working visit to Lesotho as SADC Facilitator.
18 August 2017	Sefako Makgato Guest House, Pretoria, Republic of South Africa	SADC SUMMIT: as the Lesotho SADC Facilitator.
<b>SEPTEMBER 2017</b>		
24 September 2017	London, United Kingdom.	Working visit to London, United Kingdom.
<b>OCTOBER 2017</b>		
18 October 2017	Maseru, Kingdom of Lesotho.	Working visit to Kingdom of Lesotho, as SADC Facilitator.
24 October 2017	Taj Hotel, Cape Town.	Senegal incoming State visit: Courtesy Call from the Prime Minister of Senegal Dionne.
<b>NOVEMBER 2017</b>		
13 November 2017	London, United Kingdom.	Working visit to London, United Kingdom.
24 November 2017	Johnny Makhathini Diplomatic Guesthouse, Pretoria.	Angolan incoming State visit: Courtesy Call from President João Lourenço.
<b>DECEMBER 2017</b>		
<b>JANUARY 2018</b>		
22 January 2018	Davos, Switzerland.	World Economic Forum, Working visit to Switzerland.
<b>FEBRUARY 2018</b>		
<b>MARCH 2018</b>		

### LETTERS OF CREDENCE/COMMISSION PRESENTED (1 APRIL 2017 - 31 MARCH 2018)

COUNTRY	NAME OF HEAD OF MISSION
<b>8 JUNE 2017</b>	
Ambassador of the United Arab Emirates.	HE Mr Mahash Alhameli
Ambassador of the Republic of Turkey.	HE Mrs Elif Çomoğlu Ülgen
Ambassador of the Republic of Poland.	HE Mr Andrzej Kanthak
High Commissioner of the Kingdom of Swaziland.	HE Mrs Dumsile Thandi Sukati
Ambassador of the Kingdom of Saudi Arabia.	HE Mr Ghorm Said Malhan
Ambassador of the Republic of Benin.	HE Mr Eric Franck Michel A Saizonou
High Commissioner of the United Kingdom of Great Britain and Northern Ireland.	HE Mr Nigel Phillip Casey, MVO
High Commissioner of the United Republic of Tanzania.	HE Mr Sylvester Mwakinyuke Ambokile
Ambassador of the Hashemite Kingdom of Jordan.	HE Mr Ibrahim Mohammad Awawdeh
<b>24 AUGUST 2017</b>	
High Commissioner of the Islamic Republic of Pakistan.	HE Dr Sohail Khan
High Commissioner of the Republic of India.	HE Ms Ruchira Kamboj
Ambassador of the State of Israel.	HE Mr Lior Keinan
Ambassador of the Republic of Chile.	HE Mr Francisco Javier Berguño Hurtado
Ambassador of the People's Republic of China.	HE Mr Songtian Lin
High Commissioner of the Republic of Ghana.	HE Mr George Ayisi-Boateng
High Commissioner of the Republic of Uganda.	HE Ms Barbara Nekesa Oundo
<b>17 JANUARY 2018</b>	
Ambassador of the Kingdom of Spain.	HE Mr Carlos Enrique Fernández-Arias Minuesa
Ambassador of the Syrian Arab Republic.	HE Mr Mohamed Onfouan Naeb
High Commissioner of the Federal Republic of Nigeria.	HE Mr Ahmed Musa Ibeto

## PART B: PERFORMANCE INFORMATION

COUNTRY	NAME OF HEAD OF MISSION
Ambassador of the Republic of Chad.	HE Mr Sagour Youssof Mahamat Itno
Ambassador of the Federal Republic of Germany.	HE Dr Martin Schäfer
High Commissioner of the Kingdom of Lesotho.	HE Mr Ralechate Lincoln Mokose
Ambassador of the Federal Democratic Republic of Ethiopia.	HE Dr Shiferaw Teklemariam Menbacho
Ambassador of the Republic of Sudan.	HE Mr Mohamed Elhassan Ibrahim Alawad Hassan
Ambassador of the Republic of Cuba.	HE Mr Rodolfo Eliseo Benitez Verson
Ambassador of the Republic of Portugal.	HE Mr Manuel Maria Camacho Cansado Carvalho
Ambassador of the Republic of Lebanon.	HE Mr Kabalan Frangieh
Ambassador of the Republic of Belarus.	HE Mr Alexander Sidoruk
Ambassador of the Republic of the Gambia.	HE Mr Abdoulie Bojang

### CATEGORIES OF NATIONAL ORDERS

<b>The Order of Mendi for Bravery</b>	The Order of Mendi for Bravery is awarded to South African citizens who have distinguished themselves by displaying extraordinary acts of bravery in which their lives were endangered or lost, including by trying to save the life of another person or by saving property in or outside of the Republic of South Africa.
<b>The Order of Ikhamanga</b>	The Order of Ikhamanga is awarded to South African citizens who have excelled in the field of arts, culture, literature, music, journalism or sport.
<b>The Order of the Baobab</b>	The Order of the Baobab is awarded to South African citizens who have made exceptional and distinguished contributions in community service, business and the economy, science, medicine and technological innovation.
<b>The Order of Luthuli</b>	The Order of Luthuli is awarded to South African citizens in recognition of their outstanding contribution to the struggle for democracy, nation building, building democracy and human rights, justice and peace, and the resolution of conflict.
<b>The Order of Mapungubwe</b>	The Order of Mapungubwe is awarded to South African citizens who have accomplished excellence and exceptional achievements to the benefit of the Republic of South Africa and beyond.
<b>The Order of the Companions of OR Tambo</b>	The Order of The Companions of OR Tambo is awarded to eminent foreign nationals and those who have actively promoted the interests and aspirations of South Africa through excellent cooperation and active expression of solidarity and support.
<b>The Order of the Republic of South Africa</b>	The Order of the Republic of South Africa is awarded to foreign heads of state/government by the President of the Republic of South Africa as a reciprocal order.

### NATIONAL ORDERS AWARDED IN 2017/18

THE ORDER OF IKHAMANGA
<b>The order was bestowed in Gold on:</b>
<b>Mr Wayne van Niekerk:</b> For his exceptional contribution to the sporting field of track running. His performance against all odds broke standing records of international legends and brought immense national pride.
<b>The order was bestowed in Silver on:</b>
<b>Mr Matthew Brittain:</b> For his excellent contribution to the field of water sport and winning gold for South Africa in the 2012 Olympic Games. His strong determination is an inspiration to the young people of South Africa.
<b>Mr Khaba Mkhize (Posthumous):</b> For his excellent contribution to the field of journalism and the liberation struggle. Through his writings as a journalist, he bravely exposed many apartheid injustices and pricked the consciences of the unjust lawmakers of the time.
<b>Mr Sizwe Laurence Ndlovu:</b> For his excellent contribution to the field of water sport and winning gold for South Africa in the 2012 Olympic Games in London. He serves as a role model for the young ones who also aspire towards highest achievements in life.
<b>Mr Zinjiva Winston Nkondo (Posthumous):</b> For his excellent contribution to the struggle for the liberation of the people of South Africa and the creative use of his art as an orator and poet to prick the conscience of the apartheid government.
<b>Mr John Smith:</b> For his excellent contribution to the field of water sport and winning gold for South Africa in the 2012 Olympic Games. He does not rest on his laurels as he aims for the 2020 Olympic Games on a bigger challenge.
<b>Mr James Thompson:</b> For his excellent contribution to the field of water sport and winning gold for South Africa in the 2012 Olympic Games. He is undoubtedly the pride of the nation by raising South Africa's international standing.
<b>Prof Jeff Opland:</b> For his excellent contribution to the field of history and his impressive body of work in literature. His work exhumes stories of the dead and brings them to life so that the living can continue to learn.
<b>The order was bestowed in Bronze on:</b>
<b>Mr Arthur Nuthall Fula (Posthumous):</b> For his contribution to the field of literature and challenging stereotypes by writing in a third language, Afrikaans. His vivid imagination has inspired many readers and broadened the knowledge of our country.



#### THE ORDER OF THE BAOBAB

The order was bestowed in Silver on:

**Ms Nokutela Dube (Posthumous):** For her exceptional contribution to the upliftment of African communities who were faced with oppression and social injustice.

**Mr Milner Langa Kabane (Posthumous):** For his excellent contribution to the field of education and the upliftment of the black community during the struggle for liberation. He lived by the courage of his conviction in adverse conditions.

**Ms Getrude Ntlabathi (Posthumous):** For her contribution to the empowerment of women through education. Among others she produced students who grew up to become renowned leaders, such as the late former President Nelson Mandela.

The order was bestowed in Bronze on:

**Ms Pfarelo Rebecca Ramugondo:** For her outstanding contribution to community service and upliftment.

**Prof Olive Shisana:** For her outstanding contribution to the field of science and community service, particularly her tireless work in researching solutions to the scourges of HIV and AIDS.

#### THE ORDER OF LUTHULI

The order was bestowed in Silver on:

**Ms Miltha Mary "Mamou" Calata (Posthumous):** For her excellent contribution to the fight against apartheid and to poverty alleviation. She went beyond the call of duty to help alleviate the burden of poverty by encouraging self-reliance.

**Mr David Mbulelo "Spi" Grootboom (Posthumous):** For his excellent contribution to the fight for liberation and dignity for the people of South Africa. He believed in the equality of all citizens and challenged injustices to the hilt.

**Prof Fatima Meer (Posthumous):** For her excellent contribution to the struggle for liberation. Her gallant and steadfast opposition to social injustices for decades is commendable.

**Mr Collen Monde Mkunqwana (Posthumous):** For his contribution to the struggle for the liberation of the people of South Africa. He bravely sacrificed his own safety, waging resistance against a dangerous system that meted out maximum force to repress dissent.

**Ms Zodwa Mofokeng (Posthumous):** For her relentless fight against government's oppression in South Africa. She defied oppressive rule and advanced the cause of liberation and justice for all South Africans.

**"The 22 ANC Political Trialists of 1969":** For their brave fight against apartheid. They suffered but stood fiercely with the courage of their convictions regarding their freedom. Their names are: Ms Martha Dlamini; Mr Peter Sexforth Magubane; Mr Jackson Mahlaule; Ms Nondwe Mankahla; Ms Winnie Madikizela Mandela; Mr Paulos Matshaba; Ms Venus Thokozile Mngoma; Mr George Mokwebo; Mr Simon Mosikare; Mr David Motau; Mr Douglas Mtshetshe Mvemve; Ms Shantie Naidoo; Mr Samson Ratshivhanda Ndou, Mr Lawrence Ndzanga; Ms Rita Ndzanga; Mr Joseph Chamberlain Nobanda; Mr Samuel Solomon Pholoto; Mr Elliot Shabangu; Ms Joyce Sikhakhane; Mr David Dalton Tsotetsi; Mr Owen Vanqa; and Mr Joseph Zikalala.





## PART B: PERFORMANCE INFORMATION

### THE ORDER OF LUTHULI

#### The order was bestowed in Silver on:

**Mr Reginald “Reggie” Oliphant (Posthumous):** For his contribution to the fight against social injustices meted out against black people in South Africa. His steadfast belief in the equality of all citizens prompted him to confront the tyranny of apartheid.

**Mr Neville Rubin:** For his contribution to the fight for the rights of workers through involvement in workers' unions. He gallantly voiced his opposition in a period when it was a risk to one's life to speak up.

**Mr Zweli Lucas Sizani (Posthumous):** For his excellent contribution to the liberation movement and struggle for democracy. He selflessly put his life in danger for the freedom and equality of all South Africans.

### THE ORDER OF MAPUNGUBWE

#### The order was bestowed in Silver on:

**Prof Fulufhelo Nelwamondo:** For his excellent contribution to the field of science, particularly electrical engineering. He serves as an enormous inspiration to young people in South Africa.

**Mr Siyabulela Lethuxolo Xuza:** For his excellent contribution to scientific innovation at an early stage, proving to himself and others that through determination and hard work, one can achieve new career heights. His brilliance has attracted great international attention to his work.

### THE ORDER OF THE COMPANIONS OF OR TAMBO

#### The order was bestowed in Gold on:

**His Excellency, Kay Rala Xanana Gusmao:** For his exceptional contribution to the promotion of peace and resistance to social injustices. His selfless service of others bears witness and inspires many in the global community.

#### The order was bestowed in Silver on:

**Mr Maurice Bogatsu (Posthumous):** For his excellent contribution to the fight for liberation, carrying out dangerous missions between South Africa and Botswana with the members of Umkhonto we Sizwe (MK).

**Ms Euzhan Palcy:** For her excellent contribution to the liberation struggle by exposing South African social injustices through an international film that strengthened the revolution against apartheid.

## FUNERAL CATEGORIES FOR THE ANNUAL REPORT

NAME	DATE	PROVINCE	CATEGORY
Mr Phillip Kgosana	21 April 2017	Gauteng	Special Provincial Official Funeral
Mr Ray Phiri	17 July 2017	Mpumalanga	Special Provincial Official Funeral
Mr Ronnie Mamoepa	24 July 2017	Gauteng	Special Provincial Official Funeral
Ms Irene Mutsila	3 August 2017	Limpopo	Special Provincial Official Funeral
Mr GGT Matshayana	5 September 2017	Eastern Cape	Special Provincial Official Funeral
Dr Mochubela 'Wesi' Seekoe	23 November 2017	Free State	Special Provincial Official Funeral
Professor William Keorapetse Kgositsile	3 January 2018	Gauteng	Special Official Funeral
King Thokoana Mopeli	9 January 2018	Free State	Special Provincial Funeral







## PART B: PERFORMANCE INFORMATION



**Dr Bongani Ngqulunga**  
Former Deputy Director-General:  
Private Office of the President



**Busani Ngcaweni**  
Former Deputy Director-General:  
Office of the Deputy President



**Lusanda Mxenge**  
Deputy Director-General:  
Cabinet Office



**Thabiso Moloi**  
Acting Deputy Director-General:  
Corporate Management

### 4. PERFORMANCE INFORMATION BY PROGRAMME

#### 4.1 Programme I: Administration

##### Purpose of the programme

The programme is responsible for the provision of essential strategic, technical and operational support to The President and the Deputy President to lead and oversee the implementation of the government programme and electoral mandate and to ensure enhanced service delivery to the people of South Africa.

##### Sub-programmes

- 1. Support Services to the President:** To provide effective and efficient and personal support services to the President in the execution of his Constitutional responsibilities and to lead the work of government.
- 2. Support services to the Deputy President:** To provide support to the Deputy President in the execution of his delegated responsibilities towards the attainment of the electoral mandate and The Presidency's mission.

- 3. Management:** To provide leadership, strategic management and administrative support within The Presidency, in fulfilling of this mandate and mission.

##### Strategic objectives

**Strategic Objective 1.1:** The President is supported to lead integrated planning and policy coherence in government, towards the realisation of Vision 2030.

**Strategic Objective 1.2:** The Deputy President is supported to execute functions of government as delegated by the President, contributing to the realisation of Vision 2030.

**Strategic Objective 2.1:** The President is supported to exercise his constitutional responsibilities to promote national unity and social cohesion.

**Strategic Objective 2.2:** The Deputy President is supported to champion delegated national unity and social cohesion programmes.

**Strategic Objective 3.1:** The President is supported to advance the interests of South Africa in the region and the international arena.

**Strategic Objective 3.2:** The Deputy President is supported to advance the interests of South Africa in the region, continent and international arena.

## PART B: PERFORMANCE INFORMATION

### Strategic objectives:

PROGRAMME ADMINISTRATION					
STRATEGIC OBJECTIVES	Actual Achievement 2016/2017	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
The President is supported to lead Integrated planning and policy coherence In government, towards the realisation of Vision 2030.		Annual Domestic Programme of support for the President, signed off by COO, by Q4 for following financial year.	Approved 2018/19 Annual Domestic Programme by COO, by end of Q4 of 2017/18 financial year.	None.Target met.	None.Target met.
		Annual report on implementation of the Annual Domestic Programme, Submitted to the COO in Q4.	Annual report on implementation of the President's Annual Domestic Programme developed.	None.Target met.	None.Target met.
The Deputy President is supported to execute functions of Government as delegated by the President, contributing to the realisation of Vision 2030.		Annual Domestic Programme of support for the Deputy President, signed off by COO by Q4 for following financial year.	2018/19 Annual Domestic Programme not approved by the COO.	2018/19 Annual Domestic Programme not approved by the COO.	Annual Domestic Programme could not be concluded as targeted due to changes in political administration during the last quarter.
		Annual report on Implementation of the Annual Domestic Programme developed by Q4.	Annual report on the implementation of the 2017/18 Annual Domestic Programme developed.	None.Target met.	None.Target met.
The President is Supported to exercise his constitutional Responsibilities to promote national unity and social cohesion.		Annual social cohesion and nation building activities of the President included in the Annual Domestic Programme for the Following financial year.	Approved 2018/19 Annual Domestic Programme by COO, by end of Q4 of 2017/18 financial year.	None.Target met.	None.Target met.
The Deputy President is supported to champion delegated national unity and social cohesion programmes		2	1	The annual target was underachieved by 1.	The second campaign did not take place due to the sudden and unexpected transition that occurred in Quarter 4.
The President is supported to advance the interests of South Africa in the region and the international arena		Annual International Relations Programme of support for the President, signed off by COO by Q4 for following financial year.	Approved 2018/19 Annual International Relations Programme.	None.Target met.	None.Target met.
		Annual report on implementation of the President's Annual International Relations Programme developed by Q4.	Annual report on the International Relations Programme developed.	None.Target met.	None.Target met.



PROGRAMME ADMINISTRATION

STRATEGIC OBJECTIVES	Actual Achievement 2016/2017	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
The Deputy President is supported to advance the interests of South Africa in the region, continent and international arena.		Annual International Relations Programme of support for the Deputy President, signed off by COO by Q4 for following financial year.	2018/19 Annual International Programme not approved by the COO.	2018/19 Annual International Programme not approved by the COO.	Annual International Relations Programme could not be concluded as targeted due to changes in political administration during the last quarter.
		Annual report on Implementation of the Deputy President's Annual International Relations Programme developed by Q4.	Annual Report not developed by the due date.	Annual Report not developed by the due date.	Annual International report could not be concluded as targeted due to changes in political administration.





## PART B: PERFORMANCE INFORMATION

### Performance indicators:

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Annual Domestic Programme of the President developed and approved.	New indicator	New indicator	New indicator	2018/19 Annual Domestic Programme signed off by COO, by end of Q4 of 2017/18 financial year.	Approved 2018/19 Annual Domestic Programme by COO, by end of Q4 of 2017/18 financial year.	None. Target met.	None. Target met.
Annual report on the implementation of the Annual Domestic Programme of the President developed.	New indicator	New indicator	New indicator	Annual report on the implementation of the 2017/18 Annual Domestic Programme of the President developed in Q4 of 2017/18 financial year.	Annual report on the implementation of the 2017/18 President's Annual Domestic Programme developed.	None. Target met.	None. Target met.
Percentage of defined essential support rendered to the President in his Parliamentary responsibilities, achieved within agreed timeframe	New Indicator	37%	100%	100%	100%	None. Target met.	None. Target met.
Percentage of defined essential support rendered to the President in his activities for leading Operation Phakisa, achieved within agreed timeframe	New Indicator	75%	100%	100%	100%	None. Target met.	None. Target met.
Percentage of defined essential support rendered to the President in his activities for leading the Presidential Working Groups, achieved within agreed timeframe	New Indicator	91%	100%	100%	50%	The target was underachieved by 50%.	The second Presidential Working Group did not take place due to the sudden and unexpected transition that occurred in February 2018.
Percentage of defined essential support rendered to the President in his activities for leading the Statutory Bodies, achieved within agreed timeframe (Includes: NHTL, PICC, PCC, BEEAC.)	New Indicator	100%	75%	100%	79%	The target was underachieved by 21%.	The target was not achieved due to the non-submission of the briefing note to the DDG a day before the National House of Traditional Leaders sits.
Percentage of defined essential support rendered to the President in his activities for oversight of service delivery through the Siyahlola Programme, achieved within agreed timeframe	New Indicator	100%	100%	100%	100%	None. Target met.	None. Target met.

## PART B: PERFORMANCE INFORMATION

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Percentage of essential support rendered to the President in his activities for oversight of service delivery through the Izimbizo programme, achieved within agreed timeframe	New Indicator	75%	100%	100%	100%	None. Target met.	None. Target met.
Annual Domestic Programme of the Deputy President developed and approved	New Indicator	New indicator	New indicator	2018/19 Annual Domestic Programme signed off by COO by Q4 of 2017/18 financial year.	2018/19 Annual Domestic Programme not approved by the COO.	Annual Domestic Programme not approved by the COO.	Annual Domestic Programme could not be concluded as targeted due to changes in political administration during the last quarter.
Annual report on the implementation of the Annual Domestic Programme of the Deputy President developed	New indicator	New indicator	New indicator	Annual report on the implementation of the 2017/18 Annual Domestic Programme of the Deputy President developed in Q4 of 2017/18 financial year.	Annual report on the implementation of the 2017/18 Annual Domestic Programme developed.	None. Target met.	None. Target met.
Percentage of defined essential support rendered to the DP with regards to his duties as Member of Parliament, achieved within agreed timeframe	New Indicator	New Indicator	100%	100%	100%	None. Target met.	None. Target met.
Percentage of defined essential support rendered to the DP in his LOGB responsibilities, achieved within agreed timeframe	New Indicator	New Indicator	89%	100%	82%	The target was underachieved by 18%.	The target was not achieved due to the absence of LOGB reports for the Cabinet meetings of 1 August 2017, 14 and 28 February 2018.
Percentage of defined essential support rendered to the DP in his leadership of multi-stakeholder councils and interfaces, achieved within agreed timeframe (Includes: HRD, SANAC, NEDLAC engagements and Labour; Anti-Poverty, Programme)	New Indicator	New Indicator	84%	100%	95%	The target was underachieved by 5%.	The target was not achieved due to the absence of media release or post event report for the unplanned SANAC meetings of 19 October and 24 November 2017.



PROGRAMME/SUB-PROGRAMME: ADMINISTRATION

PERFORMANCE INDICATOR	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Percentage of defined essential support rendered to the President's in his activities to promote Nation Building and Social Cohesion, achieved within agreed timeframe (Includes: National Days, National Orders and special events)	New Indicator	67% (National Order)  96% (National and Special days)	100%	100%	94%	The annual target was underachieved by 6%.	The target was not achieved due to the non-submission of the speech to the DDG two working days before the Armed Forces day.
Percentage of essential support rendered to the DP in his social cohesion special projects, achieved within agreed timeframe (Includes: MRM, CRL, National Days and those for which the Deputy President is patron)	New Indicator	56%	100%	100%	100%	None. Target met.	None. Target met.
Number of campaigns to promote Social Cohesion and Nation Building by the DP	New indicator	New indicator	New indicator	2	1	The annual target was underachieved by 1.	The second campaign did not take place due to the sudden and unexpected transition that occurred in Quarter 4.







## PART B: PERFORMANCE INFORMATION

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Annual International Relations Programme of the President developed and approved	New indicator	New indicator	New indicator	2018/19 Annual International Relations Programme signed off by COO by the end of Q4 of 2017/18 financial year.	Approved 2018/19 Annual International Relations Programme.	None. Target met.	None. Target met.
Annual Report on the implementation of the Annual International Relations Programme of the President developed	New indicator	New indicator	New indicator	Annual report on the implementation of the President's 2017/18 Annual International Relations Programme developed by the end of Q4 of the 2017/18 financial year.	Annual report on the International Relations Programme developed.	None. Target met.	None. Target met.
Percentage of defined essential support rendered to the President in his International Relations activities, achieved within agreed timeframe	New Indicator	71%	93%	100%	96%	The annual target was underachieved by 4%.	The target was not achieved due to the absence of media release evidence for the Qatar and SADC visits.
Annual International Relations Programme of the Deputy President developed and approved	New indicator	New indicator	New indicator	2018/19 Annual International Relations Programme signed off by COO by the end of Q4 of 2017/18 financial year.	2018/19 Annual International Programme not approved by the COO.	2018/19 Annual International Programme not approved by the COO.	Annual International Relations Programme could not be concluded as targeted due to changes in political administration during the last quarter.
Annual Report on the implementation of the Annual International Relations Programme of the Deputy President developed	New indicator	New indicator	New indicator	Annual report on the implementation of the Deputy President's 2017/18 Annual International Relations Programme developed by the end of Q4 of the 2017/18 financial year.	Annual Report not developed by the due date.	Annual Report not developed by the due date.	Annual International report could not be concluded as targeted due to changes in political administration.

## PART B: PERFORMANCE INFORMATION

PROGRAMME/SUB-PROGRAMME: ADMINISTRATION							
PERFORMANCE INDICATOR	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Percentage of defined essential support rendered to the DP in his International Relations responsibilities, achieved within agreed timeframe	New Indicator	48%	70%	100%	42%	58%	The target was not achieved due to the absence of evidence regarding the postponement or cancellation of most of the proposed international visits.



#### Strategy to overcome areas of underperformance

The Presidency will ensure that all essential support is provided according to the agreed timeframes for all engagements to be undertaken.

#### Changes to planned targets

There were no changes to the planned targets during the period under review.

#### Linking performance with budget

##### Sub programme expenditure

SUB-PROGRAMME NAME	2017/2018			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	342 055	336 581	5 474	340 917	336 752	4 165
Support Services to President	59 535	57 068	2 467	64 736	62 986	1 750
Support Services to Deputy President	52 734	46 475	6 259	49 388	47 971	1 417
<b>Total Administration</b>	<b>454 324</b>	<b>440 124</b>	<b>14 200</b>	<b>455 041</b>	<b>447 709</b>	<b>7 332</b>

## 4.2 Programme 2: Executive Support

### Purpose of the programme

To provision of essential strategic and administrative support to enable the Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of the strategic agenda of government.



# WORLD AIDS DAY

LIVES COUNT

IT IS MY RIGHT TO KNOW MY STATUS,  
PREVENTION IS MY RESPONSIBILITY





## PART B: PERFORMANCE INFORMATION

### Sub-programmes

**I. Cabinet Services:** To provide strategic and administrative support to enable the Cabinet to foster accountability and policy coherence through integrated planning, policy coordination and the implementation of the strategic agenda of government.

### Strategic objectives

**Strategic Objective 1.3:** Essential support provided to the Cabinet and FOSAD structures to lead society and organs of state towards the realisation of Vision 2030.

### Strategic Objectives:

PROGRAMME EXECUTIVE SUPPORT					
STRATEGIC OBJECTIVES	Actual Achievement 2016/2017	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/18	Comment on deviations
Essential support provided to the Cabinet and FOSAD structures to lead society and organs of state towards the realisation of Vision 2030.		2018 Annual Cabinet and FOSAD Programme approved by Cabinet and FOSAD Workshop respectively (evidenced by signature of Director- General (DG) as the Secretary of Cabinet and Chairperson of FOSAD), by Q3 of 2017/18 financial year.	Approved 2018 Annual Cabinet and FOSAD Programme.	None.Target met.	None.Target met.
		Annual report on the implementation of the 2017 Annual Cabinet and FOSAD Programme, developed in Q4 of 2017/18 financial Year.	Annual report on the implementation of the 2017 Annual Cabinet and FOSAD programme developed.	None.Target met.	None.Target met.

### Performance Indicators:

Programme: Executive Support							
PERFORMANCE INDICATOR	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Annual Cabinet and FOSAD Programme of support tabled for approval by Cabinet and FOSAD Workshop respectively, by Q3 for the following calendar year.	New indicator	New indicator	New indicator	2018 Annual Cabinet and FOSAD Programme approved by Cabinet and FOSAD Workshop respectively (evidenced by signature of DG as the secretary of Cabinet and Chairperson of FOSAD) by Q3 of 2017/18 financial year.	Approved 2018 Annual Cabinet and FOSAD Programme.	None.Target met.	None.Target met.

## PART B: PERFORMANCE INFORMATION

Programme: Executive Support							
PERFORMANCE INDICATOR	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement 2017/18	Comment on deviations
Annual report on the implementation of the Annual Cabinet and FOSAD Programme developed	New indicator	New indicator	New indicator	Annual report on the implementation of the 2017 Annual Cabinet and FOSAD Programme, developed in Q4 of 2017/18 financial year.	Annual report on the implementation of the 2017 Annual Cabinet and FOSAD programme developed.	None. Target met.	None. Target met.
Percentage of defined essential support provided to Cabinet, achieved within agreed timeframe.	New Indicator	New Indicator	98%	100%	90%	The annual target was underachieved by 10%	The target was not achieved due to the lengthy process to be undertaken in finalising and distributing the minutes.
Percentage of defined essential support provided to Cabinet Committee, achieved within agreed timeframe.	New Indicator	New Indicator	New Indicator	100%	100%	None. Target met.	None. Target met.
Percentage of defined essential support provided to the Chairperson of FOSAD, achieved within agreed timeframes.	New Indicator	New Indicator	80%	100%	85%	The annual target was underachieved by 15%.	The target was not achieved because of the non-submission of some of the briefing notes and decision matrices not distributed accordingly.
Number of FOSAD Secretariat working sessions supporting the implementation of the Revised Improvement Plan	New Indicator	New indicator	New Indicator	4	2	The annual target was underachieved by 2.	The target was not achieved due to a Cabinet reshuffle, which resulted in new Coordinating Ministers with some new Cluster Secretariats. It was decided that the Secretariat Working session be convened in the next quarter when the new Secretariats are settled in their posts.

### Strategy to overcome areas of underperformance

The Presidency will ensure that all essential support is provided according to the agreed timeframes for all engagements to be undertaken.



## Changes to planned targets

There were no changes to the planned targets during the period under review.

## Linking performance with budgets

### Sub-programme expenditure

SUB-PROGRAMME NAME	2017/2018			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Cabinet Services	46 845	41 401	5 444	34 734	27 624	7 110
<b>Total for Cabinet Services</b>	<b>46 845</b>	<b>41 401</b>	<b>5 444</b>	<b>34 734</b>	<b>27 624</b>	<b>7 110</b>

## 5. TRANSFER PAYMENTS

None

### 5.1. Transfer payments to public entities

The Presidency does not have entities

### 5.2. Transfer payments to all organisations other than public entities

None

## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

The Presidency does not have conditional grants

### 6.2. Conditional grants and earmarked funds received

None

## 7. DONOR FUNDS

The Presidency does not have donor funds

### 7.1. Donor Funds Received

None

## 8. CAPITAL INVESTMENT

The Presidency does not have capital investment

### 8.1. Capital investment, maintenance and asset management plan

None







## PART C: GOVERNANCE

### I. INTRODUCTION

A total of twenty-six (26) committees, performing respective functions such as advisory, management and governance, have been established by Top Management to ensure inclusiveness and participatory governance processes. The committees support Top Management in the performance of its oversight role and the overall achievement of the strategic objectives of The Presidency.

The committees have established Charters which are reviewed every three years or as and when there is a change in legislation, prescript or standards. Top Management initiated a review of the functionality of the governance structures to ensure alignment with the principles of the King Code (King IV) on good governance.

Top Management continues to set the tone in ensuring that a culture of ethics, compliance and risk management pervades all strategic and operational activities of The Presidency within and across all branches.

The Chief Financial Officer provided independent, impartial and sound advice to Top Management on matters related to financial and management accounting, internal control, Supply Chain Management, asset management, and contract management. The Chief Financial Officer further ensured compliance with the PFMA, Treasury Regulations and all other related directives and prescripts issued by the National Treasury.

Internal Auditing is an important aspect of The Presidency governance framework as it provides an independent and objective assurance service to Top Management. The Chief Audit Executive ensured that a systematic and disciplined approach to the evaluation of the adequacy and effectiveness of governance, financial and operational controls throughout the organisation is in place.

The Chief Risk Officer ensured that a sustainable process was created and maintained to identify, assess and manage risks that might threaten the achievement of organisational objectives. In executing the ethics functions in line with the Public Service Regulations, PSR, 2016, the Chief Risk Officer ensured that a Fraud and Ethics Management Strategy was developed and that workshops on the new provisions of PSR, 2016, are being conducted across The Presidency in all the Branches.

### 2. RISK MANAGEMENT

During the period under review, the Enterprise-Risk Management Framework was reviewed and adopted by The Presidency's Risk Management Committee (RMC) for the next three years, or as and when there are changes in legislation, prescripts or standards.

The Framework set out key elements of risk management, as well as its benefits and limitations and roles and responsibilities of various role players within The Presidency. It also endeavours to provide all employees and managers with practical tools and techniques. These should be used by all Business Units in applying risk management methods, processes and procedures. The application of the Framework is intended to ensure an improved risk culture, improved decision-making, better allocation of resources and a risk-informed approach to management throughout The Presidency.

The Presidency's risk management processes were implemented in a manner consistent with the Risk Management Policy.

The strategic risk profile was reviewed twice during the course of the financial year under review. In the first quarter of the financial year, the strategic risk profile was reviewed to identify emerging risks and to re-evaluate the risks that were already on its strategic risk profile. In the third quarter, a process was initiated to review the identified risks to ensure alignment with the strategic objectives.

The Risk Management Committee (RMC) was functional and held four meetings as required in terms of its charter. In all instances, the committee was able to quorate and was therefore able to take decisions where required. As part of its core mandate, the committee evaluated the Strategic Risk Register, the adequacy and perceived control effectiveness of the Mitigation Action Plans formulated by Risk Owners. In executing its oversight role by providing assurance, the RMC monitored risks emanating from the Loss Control Committee, the Security Committee, the Occupational Health and Safety Committee, as well as the Information Technology Steering Committee. The Supply Chain Management plan became a standing item in all of the RMC meetings to monitor the implementation of the plan. The RMC provided input regarding the mitigation of the identified risk.

Some of the identified risks in the strategic risk profile have been mitigated and other identified risks remain high in terms of risk magnitude. This is due to a range of factors such as dependencies on third parties. The re-formulated mitigation

## PART C: GOVERNANCE

plans are designed to treat and reduce the risk magnitude to acceptable levels. This would be the key focus in the 2018/19 Financial Year.

The RMC Charter was reviewed in the last quarter of the financial year due to the initiative undertaken by Top Management to review the functionality of governance structures. The key aspect of the review of the Charter was to elevate the membership of the RMC from Director Level to Chief Director Level to prevent the likelihood of a conflict of interest. This is due to some Directors serving in the RMC also operating as Risk Owners. The committee was able to meet the targets that were outlined in its Annual Work Plan and advised management on the overall effectiveness of the system of risk management, especially the mitigation of unacceptable levels of risk.

The risk management report was a standing item on the agenda of the Risk Management Committee Audit Committee meetings. The committee advised the department on risk management and independently monitored the effectiveness of the system of risk management.

In terms of Business Continuity Management, a process was initiated to acquire a service provider to implement a business continuity management (BCM) and resilience programme in The Presidency. The process of contracting a service provider to implement the BCM programme was initiated in the 2017/18 Financial Year and is to be finalised in the 2018/19 Financial Year.

### 3. FRAUD AND CORRUPTION

The Public Service Regulations (PSR), 2016, which came into effect on 01 August 2016, compelled all government departments to establish an Ethics Infrastructure in all government departments. The Ethics Infrastructure consists of an Ethics Committee, to provide oversight on ethics management in the department. The Ethics Committee is to be chaired by a Deputy Director-General, who would also serve as the departmental Ethics Champion.

In line with the provisions of PSR, 2016, Top Management established the Ethics Committee chaired by Deputy Director-General, Ms Lusanda Mxenge. Furthermore, 2017/18 was the inaugural year of the Ethics Committee. In its first year of operation, the committee adopted the Fraud Prevention and Ethics Management Strategy. The strategy was implemented through the Ethics and Anti-Fraud Implementation Plan. This was monitored through quarterly progress reports presented to the Committee and submitted to the Accounting Officer for approval.

In ensuring compliance with PSR, 2016, the Committee quarterly monitored the register of employees engaged in work outside of the Public Service (Outside Remunerative Work) and the Gifts, Donations and Sponsorships Register.

These initiatives are part of the ongoing process of building an ethical organisational culture, which is essential to the success of the Fraud Prevention and Ethics Management Strategy.

In ensuring compliance with the Protected Disclosure Act, The Presidency strives to create a culture that facilitates the disclosure of information by employees relating to criminal and other irregular conduct in the workplace. This is done in a responsible manner by providing clear guidelines for the disclosure of such information and protection against reprisals as a result of such disclosure. The Whistle Blowing Policy is used as such a mechanism and was communicated throughout the reporting period. The policy provides various mechanisms for raising concerns/making a disclosure internally or externally. All reported cases were attended to in line with the provisions of the Whistle Blowing Policy.

The Committee also adopted the Fraud Risk Register and monitored the mitigation plans by Risk Owners to ensure that the propensity of fraud risk is minimised in The Presidency. Furthermore, a Fraud Log Register is reviewed by the Committee quarterly to monitor any cases of fraud reported through Whistle-Blowing, Internal Audit process, reporting by Supervisors (first line of defence), and the internal verification process (qualifications, specimen signatures to detect ghost workers). The Committee established a Whistle-Blowing Incident Reporting System where all cases could be registered and followed-up for completeness. The Incident Register does not provide personal details of the Whistle-Blower, only the case number and information on the progress of the reported cases.

There were no cases referred to The Presidency through the National Anti-Corruption Hotline during the period under review.

### 4. MINIMISING CONFLICT OF INTEREST

The Conflict of Interest Policy was implemented during the period under review. The review of the RMC Charter, SMS and Branch Heads Charters included provisions of the policy in the definition of Conflict of Interest (actual, perceived or potential). In line with the policy, officials serving in governance structures, recruitment and selection panels, tender evaluation panels etc. are required to declare actual or potential conflict of interest at the beginning of each specific meeting. Conflict of Interest was



also monitored when reviewing applications for remunerative work outside the public service as well as applications to retain gifts, donations and sponsorships received or donated by officials. The Gifts, Donations and Sponsorships Policy was the key instrument utilised to monitor any conflict of interest emanating from the acceptance or offering of gifts by Presidency officials. In terms of the policy, employees were required to declare receipt or non-receipt of gifts on a monthly basis. This was done to ensure that gifts, donations and sponsorships occurred in a controlled environment and to minimise risks and conflicts of interests. The Gift Register was maintained to record the voluntary declaration of gifts, donations and sponsorships received by officials and those received or offered on behalf of The Presidency, be it in cash or in-kind.

Financial disclosures in relation to the period 1 April 2016 to 31 March 2017 were completed successfully during the period 1 – 30 April 2017 by SMS, OSD, DDs, SCM and Financial Management staff. The department obtained 100% compliance as the report was also submitted to the Office of the Public Service Commission by the Executive Authority within the required time frame of 31 May 2017.

Workshops on the requirements of PSR, 2016, were conducted across The Presidency, to raise awareness. The key issues discussed were the Code of Conduct, Doing business with the State, Other Remunerative Work, Gift declarations and financial disclosures. In terms of the Outside Remunerative Work applications only one application was not approved due to a Conflict of Interest.

## 5. CODE OF CONDUCT

The Code of Conduct was communicated to all employees in the beginning of the Financial Year. This was done during the Ethics Awareness sessions where provisions of PSR, 2016, were discussed and during the Induction Workshop. Furthermore, all employees were required to acknowledge having read and understood the Code. A 100% acknowledgement scorecard was received as all officials indicated that they read and understood the contents of the Code.

Any breaches of code of conduct were dealt with in terms of the guidelines on labour relations and disciplinary procedures. Cases were investigated and a register of misconduct was maintained to track the reported cases that were under investigation.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Presidency complies with the Occupational Health and Safety Act 85 of 1993. The objectives of this act are:

- To provide for the health and safety of persons at work
- To provide for the health and safety of persons in connection with the use of plants and machinery
- The protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work
- To establish an advisory council for occupational health and safety

In order to be compliant with the above objectives, a health and safety programme exists made up of the following:

- Section 16.2 appointment
- Appointment of Health and Safety Representatives
- Health and Safety policy addressing SHERQ elements
- Health and Safety Committee
- Approved Health and Safety Charter
- Approved emergency plan
- Emergency evacuation drills and
- On-going refresher training

The above programme impacts on the organisation in the following ways;

- Hazard Identification and Risk Assessments are periodically conducted.
- Accidents at the work place are dealt with according to the Compensation for Occupational Injuries and Diseases Act, 130 of 1993; and
- The Employer is able to provide and maintain a safe working environment through conducting inspections and engaging external stakeholders such as the Department of Public Works, Department of Labour, and different divisions under the City of Tshwane Municipality.

## PART C: GOVERNANCE

### 7. 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
Restatement of corresponding figures as disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2016 financial year have been restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2017	2016/17	Management has enhanced controls in reviewing of financial statements. Management established a task team to review financial statements to improve financial reporting.
<b>Expenditure management</b>		
Effective steps were not taken to prevent irregular expenditure amounting to R16,913 million as disclosed in note 26 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.	2016/17	Preventative measures for reducing irregular expenditure have been put in place by management. Management has further developed checklists that will ensure that due processes are adhered to. Where there are transgressions, the AO put a register for offenders in place which will be submitted to her on quarterly basis to ensure consequence management. SCM unit maintains a register of units that have breached the legislations
Contractual obligations and/or money owed by the department were not met and/or settled within 30 days, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.	2016/17	Management has incorporated 30 days payment as a Key Performance Area in CFO's Performance Agreement and it has been cascaded to SCM and Finance officials to ensure compliance. The performance of payments is monitored by the AO and DG on a monthly basis. Management is of the view that elevating this to the highest level will improve performance in this area
<b>Procurement and contract management</b>		
Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.	2016/17	A turnaround strategy for improving Supply Chain performance was developed and implemented. The strategy contains a holistic view of matters that needed to be addressed to improve SCM performance. There are seven segments which have been reviewed in Supply Chain Management unit.
Quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1(d) and the Preferential Procurement Regulations.		SCM policy and all relevant areas have been clearly outlined to ensure role clarification. Management is committed to continuous training and mentoring of supervisors. Furthermore, segregation of duties has been adhered to, in order to improve grey areas in roles and responsibilities.
Quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.		
Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by Preferential Procurement Regulation 9(1).		
Allegations relating to potential collusive bidding between prospective service providers were investigated. The report confirmed the collusive bidding as well as fraudulent behaviour. Based on the recommendations of the report management is in the process to extend the scope of the investigation prior to further actions being implemented. It should be noted that the officials implicated are no longer in the service of the department. The department has confirmed that they intend to report the confirmed instance of collusive bidding to both National Treasury and the Competition Commissioner.	2016/17	Management implemented the recommendations cited in the collusive bidding investigation report. A criminal case was opened with SAPS to deal with colleagues that resigned. Management will implement the recommendations that will emanate from the extended investigation as soon as the investigation is finalised. Furthermore, The Presidency has registered a case with Competition Commissioner to deal with service providers that were involved in the matter. Management is committed to working with the Auditor-General of South Africa to ensure an outcome of clean administration for The Presidency and also enhance accountability on the effective and efficient use of the Public funds



## 8. INTERNAL CONTROL UNIT

The function of the Internal Control unit is to provide reasonable assurance to the office of the Chief Financial Officer regarding the reliability of reporting; the effectiveness and efficiency of operations and compliance with the applicable financial laws and regulations.

The Internal Control unit maintains a register for irregular, fruitless and wasteful expenditure. On identification of any irregular, fruitless and wasteful expenditure, Internal Control conducts an internal investigation to determine the root causes and completeness of the irregular, fruitless and wasteful expenditure. A report is provided to the Accounting Officer with recommendations regarding action to be taken.

The unit is responsible for co-ordination, consolidation and monitoring the action plans (Audit Matrix) that are designed to address audit findings provided by the office of the Auditor-General of South Africa on The Presidency management report. The audit matrix is a standing agenda item at management forums, to ensure monthly progress reports on the action plans.

## 9. INTERNAL AUDIT AND AUDIT COMMITTEES

The Presidency has an Internal Audit Unit which functions under the control and direction of an Audit Committee.

The Internal Audit Unit is independent and its work is managed in accordance with the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing (Standards). Recognition is hereby given to the Internal Audit Unit for the achievement of General Conformance in an independent external quality assurance review.

The Internal Audit Unit performed risk based audits and reviews. During the reporting period, the Internal Audit Unit performed its activities in line with the approved 2017/2018 Annual Audit Plan. With the approval of the Audit Committee, the Internal Audit Unit conducted ad hoc investigations in the year under review. Internal Audit Unit provides recommendations to management with regards to internal control, risk management and governance processes. In addition, Internal Audit Unit provides management advisory services across all business units of The Presidency when requested by management; and as and when necessary.

The Presidency has established an Audit Committee in line with Section 77 (c) of the PFMA of 1999. The Audit Committee provides oversight on the system of internal control, risk management and governance within The Presidency. The Audit Committee comprises of five independent members who collectively have sufficient qualifications and experience to fulfil their duties. The Audit Committee comprises of the members listed hereunder. A total of six (6) meetings were held in the financial year. See below in tabular form the attendance per member

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Cedric Boltman (Chairperson)	Master of Business Administration	External	Re-appointed on: 1 January 2017	N/A	6
Nelson Miya	Masters of Business Leadership	External	1 October 2015	N/A	5
Given Sibiyá	Chartered Accountant (CA)SA Executive Leadership Development Programme	External	1 January 2017	N/A	4
Ansia Daniel	Master of Business Leadership (MBL) Certified Internal Auditor (CIA) BCompt Honours	External	1 February 2017	N/A	5
Leah Khumalo	BA (Law) Bachelor of Law (LLB)	External	1 March 2017	N/A	4

## PART C: GOVERNANCE AUDIT COMMITTEE REPORT

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

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1) (a) (ii) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has an appropriate Audit Committee Charter, which is reviewed annually. It regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### The Effectiveness of Internal Control

The system of internal control was not entirely effective for the year under review. Deficiencies in the system of internal control and/or deviations were reported by the internal auditors and the Auditor-General South Africa. In certain instances, matters reported previously have not been fully and satisfactorily addressed. Management in some cases did not timeously and effectively address the findings reported by the internal audit unit and the Auditor-General. If internal control is to become more effective, the findings of the Auditor-General and internal audit require to be more rigorously addressed.

### Internal audit

The Audit Committee is satisfied that the internal audit function is operating in terms of the International Standards for the Professional Practice of internal auditing and applying a risk based approach informed by The Presidency's approved Risk Register. This has been confirmed by an independent external assessment in which a rating of general conformance was achieved.

The approved 2017/2018 internal audit operational plan, as well as ad-hoc investigations were completed during the year under review. At the request of Management certain additional projects were carried out, none of which were regarded as impairing the independence of the Internal Audit.

### In-Year Management and Monthly/Quarterly Report

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

### Evaluation of Financial Statements

The Audit Committee has:

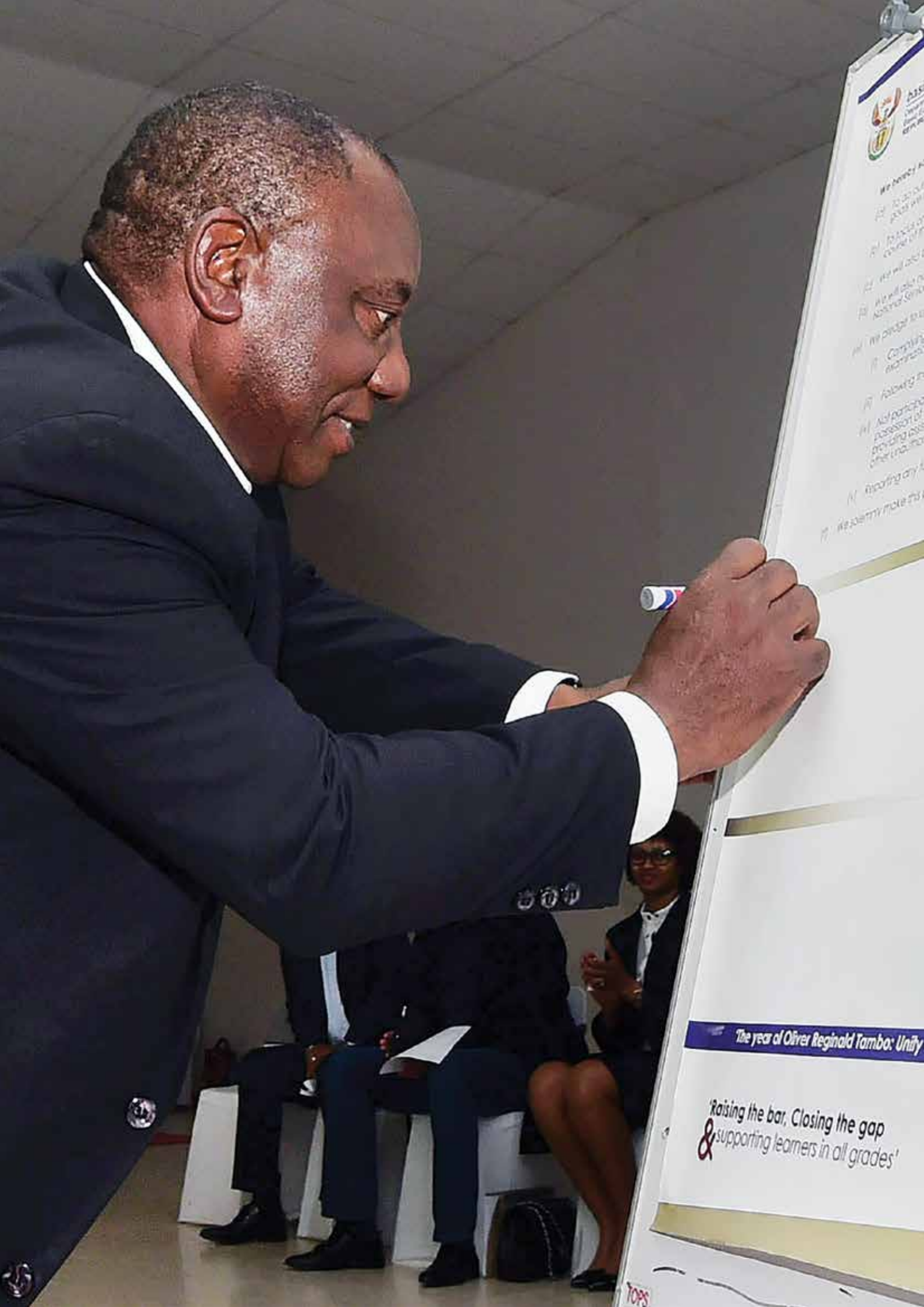
- Reviewed and discussed the annual financial statements to be included in the annual report, with the Auditor-General South Africa and the Accounting Officer;
- Reviewed the Auditor-General South Africa's management reports and management's response thereto;
- Not identified any changes in accounting policies and practices;
- Reviewed information on predetermined objectives to be included in the annual report;

The Audit Committee concurs and accepts the conclusions of the Auditor-General, on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



**Cedric Boltman**

Chairperson of the Audit Committee  
31 July 2018



We hereby...

- (i) To...
- (ii) To...
- (iii) To...
- (iv) To...
- (v) To...
- (vi) To...
- (vii) To...
- (viii) To...
- (ix) To...
- (x) To...

**The year of Oliver Reginald Tambo: Unity**

**'Raising the bar, Closing the gap  
& supporting learners in all grades'**

TOPS







## PART D: HUMAN RESOURCE MANAGEMENT OVERVIEW OF HUMAN RESOURCES

### I. OVERVIEW OF HUMAN RESOURCES

The number of posts on the establishment of The Presidency decreased in the 2016/2017 reporting year from 632 (2016/2017) to 614 in 2017/2018 (excluding the Principals), 548 of these were filled posts. This decrease is attributed to the implementation of the cost containment measures in that the department's compensation budget for the MTEF period has been cut, as announced by the National Treasury.

Table 3.1.1 shows that the Department spent 97.3% of the total voted expenditure for compensation. The largest percentage of personnel cost relates to the compensation of employees on salary levels 6 to 8 (Table 3.1.2).

As of 31 March 2018, The Presidency had a total of 51 posts additional to the establishment, of which 24 were interns (included in the total of 548 employees). The vacancy rate increased from 2.5% (2016/2017) to 10.7% in the reporting year (Table 3.2.1). If interns are excluded, the vacancy rate is reported as 11.2% (Table 3.2.2).

There were 73 posts out of a total of 577 posts subjected to job evaluation during the period under review; the majority of these jobs (37%) were on salary levels 3-5. One (1) post was downgraded in the occupational class: Information Technology and related staff due to the implementation of the Public Service Coordinating Bargaining Council (PSCBC) Resolution 3 of 2009 with respect to Assistant and Deputy Director jobs (Table 3.4.1). There was one (1) post upgraded in the reporting period, on salary levels 6-8.

The Presidency's staff turnover rate increased from 8.9% (2016/2017) to 24% in the reporting year (table 3.5.2). However, it must be noted that the percentage of 24% includes interns; the turnover rate is 19.6% if the interns are excluded, as compared to the 8.1% for the 2016/17 cycle (Table 3.5.1). Due to the cost containment measures, The Presidency had to prioritise the filling of critical vacancies in the 2017/2018 financial year to ensure that the filled posts are funded over the MTEF period. Therefore, the opportunities for internal "promotions" decreased significantly and only two (2) employees were appointed to higher posts, compared to the four (4) staff members in the 2016/2017 reporting year. One employee, being successful for a post on a higher salary level within the Department during the reporting period, was on salary levels 6-8 and the other one on salary level 9 - 12 (Table 3.5.5). Mention should be made that most of the recruitment during the reporting period were in the salary levels 3 - 5 category, followed by salary levels 9 - 12 (Table 3.5.1).

Of the total of 146 terminations (Table 3.5.3), 50% of the terminations were due to contract expiries (including internships), 30.1% were as a result of resignations and 10.3% were due to retirements. The turnover of Special Advisers (100%), Food Services Aids (33.3%) and Household Food and Laundry Services Related (30.5%) were the most affected by the terminations.

Although the significant increase in the vacancy rate can largely be contributed to the compensation budget cuts, the significant increase in the turnover rate can be attributed to the resignation of the President on 14 February 2018 and the consequent appointment of a new President on 15 February 2018. The employees who were appointed on contract, linked to the term of office of the President and Deputy President terminated during the months of February and March 2018.

In line with the guidelines for the MTEF received from the National Treasury in June 2016, the Department embarked on a drive to inform employees that their applications for early retirement would be considered favourably. A total of 16 employees retired in the reporting period, this included one (1) Employee Initiated Severance Package, eight (8) early retirements and seven (7) normal retirements – refer to Tables 3.5.3. The Employee Initiated Severance Package was approved in the previous reporting cycle, but only took effect in the current (2017/2018) cycle.

Table 3.6.1 reflects that the staff profile of The Presidency is as follows: 56% Black Female, 40.5% Black Male, 3% White Female and 0.5% White Male. The representativity of females at Senior Management level (L.13-16) is 50%, compared to the 45.3% in the previous reporting period. The Presidency embarked on a process of benchmarking on best practices regarding active disability programmes in other organisations. This exercise aimed to assist The Presidency to learn and adopt strategies that would add value to an internal disability empowerment programme and retention mechanisms for Disability Management and Diversity. The benchmarking exercise targeted organisations that have achieved or exceeded the national 2% target. Workshops were conducted to increase awareness of the different disabilities and to encourage voluntary disclosure by staff members. The department did not only meet the 2% national target, but at the end of the reporting period reports 3.8%, exceeding the target with 1.8%. This reflects a significant progress, if compared to the 1.78%, with a deficit of 0.22% reported in the 2016/2017 financial year.

Ninety eight percent of SMS members in the Department signed their performance agreements by 31 May 2017, as reflected in Table 3.7.1. The reason for not achieving 100%

## PART D: HUMAN RESOURCE MANAGEMENT OVERVIEW OF HUMAN RESOURCES

was due to one SMS exiting the Public Service on 30 April 2018 before the due date of the submission of performance agreements.

One hundred and thirty seven (137) employees in The Presidency received performance rewards for the performance cycle 2016/2017 compared to the 127 employees who received performance awards in the previous performance cycle (2015/16). The breakdown of the performance rewards were awarded as follows: 43.9% of staff members on salary level 2; 18.3% of staff members on salary levels 3-5, 25.3% of staff members on salary level 6-8, 23.8% of staff members on salary level 9-12, 14.3% of SMS members and 75% of Occupational Specific Dispensation (OSD): Legally Qualified Personnel (Tables 3.8.2 and 3.8.4).

For the period January 2017 to December 2017, a total of 3 485 days were utilised for sick leave, compared to the 4 339 days utilised for sick leave in the 2016 calendar year. The number of staff members that used sick leave came to 493 (Table 3.10.1) and reflects an average of 7 days sick leave per employee who used sick leave - compared to the average of 8 days sick leave per employee who used sick leave in the 2016/2017 reporting period.

It needs to be noted that 2017 is the second year of the three year sick leave cycle (2016-2018) and Table 3.10.2 reflects the number of employees who used incapacity leave as sixteen (16), using an average of 27 working days each. Most of the employees using incapacity leave during the reporting period were in the salary levels 3 - 5 category (75%).

During the 2017 leave cycle, a total of 13 344 working days annual leave were taken by 666 employees - with each employee averaging 20 days (Table 3.10.3), which is similar to the previous financial year (reporting 19 days on average per employee). There are 96 employees in the Department who have a total of 2 967 working days capped leave credits which is an average of 31 days per person. Capped leave refers to leave accrued prior to 1 July 2000, which employees can only utilise after exhausting their previous and current leave cycle's annual leave credits. Nine (9) employees' capped leave credits were paid out due to retirement and no employee's annual leave credits of the 2016 leave cycle was paid out due to not being able to use these credits as a result of operational requirements.

The eight (8) disciplinary cases reported were dealt with in the reporting period and four (4) were finalised during the reporting year (Tables 3.12.1 and 3.12.2). The other four (4) cases are still being dealt with.

In equipping our staff with skills, a total of 276 employees' training needs were identified (Table 3.13.1). The Presidency provided training throughout the year to a total of 48 individuals (Table 3.13.2). Fifty two percent (52%) of this training was presented to females employed in the Department compared to 48% of male employees.

Table 3.15.1 reflects that 42 consultants worked on five projects in the Department, with an increase in contract value from R3.4 million (2016/2017) to R4.4 million (2017/2018).



## PART D: HUMAN RESOURCE MANAGEMENT HUMAN RESOURCES OVERSIGHT STATISTICS

TABLE 3.1.1 - Personnel costs by Programme

PROGRAMME	Total Voted Expenditure (R'000) Actual	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment as at 31 March 2018 (including additional appointments)
DTP: Administration	440 124	290 135	1 036	0	65.9	549	528
DTP: Executive Support	41 401	13 314	0	0	32.2	666	20
Z=Total as on Financial Systems (BAS)	481 525	303 449	1 036	0	63	554	548

Note: Principals excluded

TABLE 3.1.2 - Personnel costs by Salary band

SALARY BANDS	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R'000)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees as at 31 March 2018
Interns	1 435	0.5	60	481 525	24
OSD	4 611	1.5	576	481 525	8
Lower skilled (Levels 1-2)	20 749	6.8	576	481 525	36
Skilled (Levels 3-5)	62 247	20.5	576	481 525	108
Highly skilled production (Levels 6-8)	102 593	33.8	576	481 525	178
Highly skilled supervision (Levels 9-12)	77 809	25.6	576	481 525	135
Senior management (Levels 13-16)	34 005	11.2	576	481 525	59
<b>TOTAL</b>	<b>303 449</b>	<b>100</b>	<b>579</b>	<b>481 525</b>	<b>548</b>

Note: Principals excluded and for the total average compensation cost per employee, interns were excluded.

TABLE 3.1.3 - Salaries Overtime Home Owners Allowance and Medical Aid by Programme

PROGRAMME	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
DPT: Administration	186 423	87.1	11 988	5.6	5 655	2.6	9 866	4.6	213 932
DPT: Executive Support	8 073	93.7	0	0	167	1.9	372	4.3	8 612
<b>TOTAL</b>	<b>194 496</b>	<b>87.4</b>	<b>11 988</b>	<b>5.4</b>	<b>5 822</b>	<b>2.6</b>	<b>10 238</b>	<b>4.6</b>	<b>222 544</b>

TABLE 3.1.4- Salaries Overtime Home Owners Allowance and Medical Aid by Salary Band

SALARY BANDS	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Interns	1 435	100	0	0	0	0	0	0	1 435
OSD	2 947	95.7	0	0	0	0	134	4.3	3 081
Lower skilled (Levels 1-2)	13 264	86	1 123	7.3	477	3.1	561	3.6	15 425
Skilled (Levels 3-5)	39 791	84.9	3 248	6.9	1 782	3.8	2 058	4.4	46 879
Highly skilled production (Levels 6-8)	65 582	86.2	4 571	6	2 418	3.2	3 475	4.6	76 045
Highly skilled supervision (Levels 9-12)	49 739	87.8	3 047	5.4	1 145	2	2 727	4.8	56 658
Senior management (Levels 13-16)	21 738	94.4	0	0	0	0	1 283	5.6	23 021
<b>TOTAL</b>	<b>194 496</b>	<b>87.4</b>	<b>11 988</b>	<b>5.4</b>	<b>5 822</b>	<b>2.6</b>	<b>10 238</b>	<b>4.6</b>	<b>222 544</b>

## PART D: HUMAN RESOURCE MANAGEMENT HUMAN RESOURCES OVERSIGHT STATISTICS

**TABLE 3.2.1 - Employment and Vacancies by Programme as on 31 March 2018**

PROGRAMME	Number of Posts as at 31 March 2018	Number of Posts Filled as at 31 March 2018	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
Administration	593	528	11	49
DTP: Executive support	21	20	4.8	2
<b>TOTAL</b>	<b>614</b>	<b>548</b>	<b>10.7</b>	<b>51</b>

Note: Principals Excluded 2

**TABLE 3.2.2- Employment and Vacancies by Salary Band as on 31 March 2018**

SALARY BAND	Number of Posts as at 31 March 2018	Number of Posts Filled as at 31 March 2018	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
OSD	8	8	0	0
Lower Skilled (Levels 1-2)	43	36	16.3	0
Skilled (Levels 3-5)	127	108	15	10
Highly Skilled Production (Levels 6-8)	190	178	6.3	3
Highly Skilled Supervision (Levels 9-12)	153	135	11.8	6
Senior Management (Levels 13-16)	69	59	14.5	8
<b>TOTAL</b>	<b>590</b>	<b>524</b>	<b>11.2</b>	<b>27</b>

Note: Principals Excluded 2

**TABLE 3.2.3 - Employment and Vacancies by Critical Occupation as on 31 March 2018**

CRITICAL OCCUPATIONS	Number of Posts as at 31 March 2018	Number of Posts Filled as at 31 March 2018	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
Administrative related	110	102	7.3	7
Cleaners in offices workshops hospitals	38	36	5.3	1
Client inform clerks (switchboard, receptionists, information clerks)	22	18	18.2	0
Communication and information related	18	16	11.1	0
Finance and economics related	2	2	0	0
Financial and related professionals	26	23	11.5	0
Financial clerks and credit controllers	9	8	11.1	0
Food services aids and waiters	36	28	22.2	0
Household food and laundry services related	61	49	19.7	4
Human resources & organisational development & related professionals	8	7	12.5	0
Human resources clerks	11	11	0	0
Human resources related	13	12	7.7	0
Information technology related	19	17	10.5	1
Interns	24	24	0	24
Legal related OSD	8	8	0	0
Librarians and related professionals	3	3	0	0
Library mail and related clerks	10	9	10	0
Logistical support personnel	28	27	3.6	0
Material-recording and transport clerks	3	3	0	0
Messengers porters and deliverers	5	4	20	0
Motor vehicle drivers	23	21	8.7	0
Other occupations (special adviser)	3	3	0	3
Secretaries & other keyboard operating clerks	62	55	11.3	0
Security guards	6	6	0	6
Senior managers	66	56	15.2	5
<b>TOTAL</b>	<b>614</b>	<b>548</b>	<b>10.7</b>	<b>51</b>

Note: Principals Excluded 2



TABLE 3.3.1 - SMS Posts information as on 31 March 2018

SMS LEVEL	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/HOD	1	1	100%	0	0%
Salary level 16 but not HOD	2	1	50%	1	50%
Salary level 15	5	4	80%	1	20%
Salary level 14	18	14	78%	4	22%
Salary level 13	40	36	90%	4	10%
<b>TOTAL</b>	<b>66</b>	<b>56</b>	<b>85%</b>	<b>10</b>	<b>15%</b>

Note: Excluding Principals and Special Advisers

TABLE 3.3.2 - SMS Posts information as on 30 September 2017

SMS LEVEL	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/HOD	1	1	100%	0	0%
Salary level 16 but not HOD	1	1	100%	0	0%
Salary level 15	5	4	80%	1	20%
Salary level 14	19	15	79%	4	21%
Salary level 13	40	36	90%	4	10%
<b>TOTAL</b>	<b>66</b>	<b>57</b>	<b>86%</b>	<b>9</b>	<b>14%</b>

Note: Excluding Principals and Special Advisers

TABLE 3.3.3 - Advertising and Filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS LEVEL	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/HOD	0	0	0
Salary level 16 but not HOD	0	0	0
Salary level 15	0	0	0
Salary level 14	1	0	0
Salary level 13	2	1	0
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>0</b>

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

**Reasons for vacancy not advertised within 6 months and not filled within 12 months:**

The level 14 CD: Legals post was initially advertised within six months of becoming vacant but a suitable candidate could not be identified and it was then re-advertised with 23 February 2018 as the closing date for receipt of applications.

The vacant level 13 Director: SCM post was advertised within 6 months of it being vacant and the recruitment process is in progress.

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

No disciplinary steps have been taken

## PART D: HUMAN RESOURCE MANAGEMENT HUMAN RESOURCES OVERSIGHT STATISTICS

**TABLE 3.4.1 - Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018**

SALARY BAND	Number of Posts as at 1 April 2017	Number of Posts Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower Skilled (Levels 1-2)	42	0	0	0	0	0	0
Skilled (Levels 3-5)	113	37	32.7	0	0	0	0
Highly Skilled Production (Levels 6-8)	198	23	11.6	1	4.3	0	0
Highly Skilled Supervision (Levels 9-12)	156	10	6.4	0	0	1	10
Senior Management Service Band A	40	2	5	0	0	0	0
Senior Management Service Band B	20	1	5	0	0	0	0
Senior Management Service Band C	6	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
<b>TOTAL</b>	<b>577</b>	<b>73</b>	<b>12.7</b>	<b>1</b>	<b>1.4</b>	<b>1</b>	<b>1.4</b>

Note: Principals Special Advisers OSD Interns excluded

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

BENEFICIARIES	African	Asian	Coloured	White	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a Disability	0	0	0	0	0

**TABLE 3.4.3 - Employees whose salary level exceed the grade determined by Job Evaluation (i.t.o PSR 44)**

OCCUPATION	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Department
None					

**TABLE 3.4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation (i.t.o PSR 44)**

BENEFICIARIES	African	Asian	Coloured	White	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a Disability	0	0	0	0	0

**TABLE 3.5.1 - Annual Turnover Rates by Salary Band for the period 1 April 2017 and 31 March 2018**

SALARY BAND	Employment at Beginning of Period 1 April 2017	Appointments	Terminations	Turnover Rate
OSD	8	0	0	0
Lower Skilled (Levels 1-2)	41	2	7	17.1
Skilled (Levels 3-5)	109	16	28	25.7
Highly Skilled Production (Levels 6-8)	194	9	29	14.9
Highly Skilled Supervision (Levels 9-12)	147	11	28	19
Senior Management Service Band A	38	1	8	21.1
Senior Management Service Band B	19	1	5	26.3
Senior Management Service Band C	7	0	4	57.1
Senior Management Service Band D	8	1	5	62.5
<b>TOTAL</b>	<b>571</b>	<b>41</b>	<b>114</b>	<b>20</b>

Note: Principals and Interns excluded



**TABLE 3.5.2 - Annual Turnover Rates by Critical Occupation for the period 1 April 2017 and 31 March 2018**

OCCUPATION	Employment at Beginning of Period 1 April 2017	Appointments	Terminations	Turnover Rate
Administrative related	107	10	22	20.6
Cleaners in offices workshops hospitals etc.	38	1	2	5.3
Client inform clerks (switchboard, receptionists, information clerks)	22	0	3	13.6
Communication and information related	19	1	4	21.1
Finance and economics related	2	0	0	0
Financial and related professionals	24	0	2	8.3
Financial clerks and credit controllers	9	0	1	11.1
Food services aids and waiters	33	2	11	33.3
Household food and laundry services related	59	5	18	30.5
Human resources & organisational development & related professionals	7	0	0	0
Human resources clerks	11	0	0	0
Human resources related	12	0	0	0
Information technology related	17	3	2	11.8
Interns	29	3	32	110.3
Legal related	8	0	0	0
Librarians and related professionals	3	0	0	0
Library mail and related clerks	10	0	1	10
Logistical support personnel	28	1	1	3.6
Material-recording and transport clerks	3	0	0	0
Messengers porters and deliverers	4	1	1	25
Motor vehicle drivers	23	2	3	13
Other occupations (special adviser)	9	1	9	100
Security guards	0	7	7	0
Secretaries & other keyboard operating clerks	60	5	14	23.3
Senior managers	63	2	13	20.6
<b>TOTAL</b>	<b>600</b>	<b>44</b>	<b>146</b>	<b>24.3</b>

Note: Principals excluded

**TABLE 3.5.3 - Reasons why staff are leaving the department for the period 1 April 2017 and 31 March 2018**

TERMINATION TYPE	Number	Percentage of Total Terminations	Percentage of Total Employment	TOTAL
Death	3	2.1	0.5	146
Resignation	44	30.1	7.3	146
Expiry of contract	73	50	12.2	146
Transfers	8	5.5	1.3	146
Dismissal-misconduct	2	1.4	0.3	146
Retirement	15	10.3	2.5	146
Severance Package	1	0.7	0.2	146
<b>TOTAL</b>	<b>146</b>	<b>100</b>	<b>24.3</b>	<b>146</b>

Note: Principals excluded

Resignations as % of Employment	7.33%
Total number of employees who left as % of total employment	24%



PART D: HUMAN RESOURCE MANAGEMENT  
**HUMAN RESOURCES OVERSIGHT STATISTICS**

**TABLE 3.5.4 - Promotions by Critical Occupation for the period 1 April 2017 and 31 March 2018**

OCCUPATION	Employment at Beginning of Period 1 April 2017	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level
Administrative related	107	1	0.9	60
Cleaners in offices workshops hospitals etc.	38	0	0	18
Client inform clerks (switchboard, receptionists, information clerks)	22	0	0	15
Communication and information related	19	0	0	13
Finance and economics related	2	0	0	2
Financial and related professionals	24	0	0	16
Financial clerks and credit controllers	9	0	0	7
Food services aids and waiters	33	0	0	19
Household food and laundry services related	59	0	0	34
Human resources & organisational development & related professionals	7	0	0	6
Human resources clerks	11	0	0	6
Human resources related	12	0	0	10
Information technology related	17	0	0	11
Legal related (OSD)	8	0	0	5
Librarians and related professionals	3	0	0	2
Library mail and related clerks	10	0	0	4
Logistical support personnel	28	0	0	25
Material-recording and transport clerks	3	0	0	2
Messengers porters and deliverers	4	0	0	1
Motor vehicle drivers	23	0	0	14
Secretaries & other keyboard operating clerks	60	1	1.7	30
Senior managers	63	0	0	30
<b>TOTAL</b>	<b>562</b>	<b>2</b>	<b>0.4</b>	<b>330</b>

*Note: Principals Special Advisers and Interns excluded*

**TABLE 3.5.5 - Promotions by Salary Band for the period 1 April 2017 and 31 March 2018**

SALARY BAND	Employment at Beginning of Period 1 April 2017	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level
OSD	8	0	0	5
Lower Skilled (Levels 1-2)	41	0	0	14
Skilled (Levels 3-5)	109	0	0	68
Highly Skilled Production (Levels 6-8)	194	1	0.5	119
Highly Skilled Supervision (Levels 9-12)	147	1	0.7	94
Senior Management (Levels 13-16)	63	0	0	30
<b>TOTAL</b>	<b>562</b>	<b>2</b>	<b>0.4</b>	<b>330</b>

*Note: Principals Special Advisers and Interns excluded*



**TABLE 3.6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)**

OCCUPATIONAL CATEGORIES	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female Total Blacks	Female White	TOTAL
Senior officials and managers (SMS)	23	5	0	28	0	20	2	2	24	4	56
Professionals (Levels 11-12)	33	3	1	37	3	38	3	4	45	5	90
Technicians and associate professionals (Levels 9-10)	15	1	1	17	0	26	0	0	26	2	45
Clerks (Levels 6-8)	60	3	1	64	0	96	11	2	109	5	178
Service shop and market sales workers (Levels 3-5)	41	5	0	46	0	56	6	0	62	0	108
Elementary occupations (Level 2)	13	0	0	13	0	21	2	0	23	0	36
OSD	4	0	0	4	0	3	1	0	4	0	8
Interns	12	0	0	12	0	12	0	0	12	0	24
<b>TOTAL</b>	<b>201</b>	<b>17</b>	<b>3</b>	<b>221</b>	<b>3</b>	<b>272</b>	<b>25</b>	<b>8</b>	<b>305</b>	<b>16</b>	<b>545</b>
<i>Note: Principals excluded</i>											
Employees with disabilities	6	2	0	8	1	10	0	1	11	1	21

**TABLE 3.6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands on 31 March 2018**

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 (Levels 15-16)	3	1	0	4	0	2	0	0	2	0	6
Senior Management (Levels 13-14)	20	4	0	24	0	18	2	2	22	4	50
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	48	4	2	54	3	64	3	4	71	7	135
Skilled technical and academically qualified workers junior management supervisors foremen (Levels 6-8)	60	3	1	64	0	96	11	2	109	5	178
Semi-skilled and discretionary decision making (Levels 3-5)	41	5	0	46	0	56	6	0	62	0	108
Unskilled and defined decision making (Level 2)	13	0	0	13	0	21	2	0	23	0	36
OSD	4	0	0	4	0	3	1	0	4	0	8
Interns	12	0	0	12	0	12	0	0	12	0	24
<b>TOTAL</b>	<b>201</b>	<b>17</b>	<b>3</b>	<b>221</b>	<b>3</b>	<b>272</b>	<b>25</b>	<b>8</b>	<b>305</b>	<b>16</b>	<b>545</b>
<i>Note: Principals excluded</i>											
Employees with disabilities	6	2	0	8	1	10	0	1	11	1	21

## PART D: HUMAN RESOURCE MANAGEMENT HUMAN RESOURCES OVERSIGHT STATISTICS

**TABLE 3.6.3 - Recruitment for the period 1 April 2017 and 31 March 2018**

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 (Levels 15-16)	0	0	0	0	0	1	0	0	1	0	1
Senior Management (Levels 13-14)	0	0	0	0	0	2	0	0	2	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	4	1	0	5	0	6	0	0	6	0	11
Skilled technical and academically qualified workers junior management supervisors foremen (Levels 6-8)	4	0	0	4	0	5	0	0	5	0	9
Semi-skilled and discretionary decision making (Levels 3-5)	10	0	0	10	0	6	0	0	6	0	16
Unskilled and defined decision making (Level 2)	1	0	0	1	0	1	0	0	1	0	2
Interns	1	0	0	1	0	2	0	0	2	0	3
OSD	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>20</b>	<b>1</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>44</b>
<i>Note: Principals excluded</i>											
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

**TABLE 3.6.4 - Promotions for the period 1 April 2017 and 31 March 2018**

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 (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior Management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	0	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers junior management supervisors foremen (Levels 6-8)	1	0	0	1	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Level 2)	0	0	0	0	0	0	0	0	0	0	0
OSD	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<i>Note: Principals Special Advisers and Interns excluded</i>											
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0



TABLE 3 6.5 - Terminations for the period | April 2017 to 31 March 2018

OCCUPATIONAL BANDS	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female African	Female Coloured	Female Inadian	Female Total Blacks	Female White	TOTAL
Top Management (Levels 15-16)	3	1	0	4	1	3	1	0	4	0	9
Senior Management (Levels 13-14)	8	1	0	9	0	3	1	0	4	0	13
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	8	2	0	10	0	17	0	0	17	1	28
Skilled technical and academically qualified workers junior management supervisors foremen (Levels 6-8)	9	0	0	9	0	20	0	0	20	0	29
Semi-skilled and discretionary decision making (Levels 3-5)	14	0	0	14	0	12	2	0	14	0	28
Unskilled and defined decision making (Level 2)	1	0	0	1	0	5	1	0	6	0	7
OSD	0	0	0	0	0	0	0	0	0	0	0
Interns	15	0	0	15	0	17	0	0	17	0	32
<b>TOTAL</b>	<b>58</b>	<b>4</b>	<b>0</b>	<b>62</b>	<b>1</b>	<b>77</b>	<b>5</b>	<b>0</b>	<b>82</b>	<b>1</b>	<b>146</b>
<i>Note: Principals excluded (includes 24 Interns and 28 contract workers whose contracts expired on 31 March 2018)</i>											
Employees with disabilities	1	1	0	2	0	0	0	0	0	0	2

TABLE 3.6.6 - Disciplinary Action for the period | April 2017 to 31 March 2018

DISCIPLINARY ACTION	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female African	Female Coloured	Female Inadian	Female Total Blacks	Female White	TOTAL
<b>TOTAL</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>8</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

TABLE 3 6.7 - Skills Development for the period | April 2017 to 31 March 2018

OCCUPATIONAL CATEGORIES	Male African	Male Coloured	Male Indian	Male Total Blacks	Male White	Female African	Female Coloured	Female Inadian	Female Total Blacks	Female White	TOTAL
Legislators Senior Officials and Managers (SMS)	6	1	0	7	0	4	0	0	4	2	13
Professionals (Levels 11-12)	5	1	0	6	0	7	0	1	8	1	15
Technicians and Associate Professionals (Levels 9-10)	4	0	0	4	0	1	0	0	1	0	5
Clerks (Levels 6-8)	6	0	0	6	0	8	1	0	9	0	15
Service and Sales Workers (Levels 3-5)	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations (Level 2)	0	0	0	0	0	0	0	0	0	0	0
OSD	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>21</b>	<b>2</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>20</b>	<b>1</b>	<b>1</b>	<b>22</b>	<b>3</b>	<b>48</b>
<i>Note: Principals Special Advisers and Interns excluded</i>											
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

## PART D: HUMAN RESOURCE MANAGEMENT HUMAN RESOURCES OVERSIGHT STATISTICS

**TABLE 3.7.1 - Signing of Performance Agreements by SMS Members as on 31 May 2017**

SMS LEVEL	Total number of funded SMS posts per level	Total number of SMS members per level	Total number of signed performance agreements per level	Signed performance agreements as % of total number of SMS members per level
Director-General/HOD	1	1	1	100%
Salary level 16 but not HOD	1	1	1	100%
Salary level 15	5	4	3	75%
Salary level 14	20	17	17	100%
Salary level 13	40	38	38	100%
<b>TOTAL</b>	<b>67</b>	<b>61</b>	<b>60</b>	<b>98%</b>

*Note: Principals and Special Advisers are Excluded in the above*

**TABLE 3.7.2 - Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2017**

Ms Mbonywa who was appointed at salary level 15 as a DDG had terminated her service on 30 April 2017 before the due date of the submission of Performance Agreements.

**TABLE 3.7.3 - Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2017**

Not applicable

**TABLE 3.8.1.- Performance Rewards by Race Gender and Disability for the period 1 April 2017 to 31 March 2018**

DEMOGRAPHICS	Number of Beneficiaries	Total Employment as at 1 April 2017	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African Female	66	281	23.5	2 011	30 470
African Male	48	204	23.5	1 526	31 792
Asian Female	2	8	25	119	59 500
Asian Male	1	3	33.3	27	27 000
Coloured Female	9	29	31	254	28 222
Coloured Male	4	18	22.2	195	48 750
Total Blacks Female	77	318	24.2	2 199	28 553
Total Blacks Male	53	225	23.6	1 827	34 475
White Female	6	16	37.5	298	49 667
White Male	1	3	33.3	59	59 000
Employees with a disability	7	9	77.8	198	28 247
<b>TOTAL</b>	<b>137</b>	<b>562</b>	<b>24.4</b>	<b>4 489</b>	<b>32 766</b>

*Note: Principals Special Advisers and Interns excluded*

**TABLE 3.8.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018**

SALARY BAND	Number of Beneficiaries	Total Employment as at 1 April 2017	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
OSD	6	8	75	424	70 667
Lower Skilled (Levels 1-2)	18	41	43.9	168	9 333
Skilled (Levels 3-5)	20	109	18.3	286	14 300
Highly Skilled Production (Levels 6-8)	49	194	25.3	1 181	24 102
Highly Skilled Supervision (Levels 9-12)	35	147	23.8	1 857	53 057
<b>TOTAL</b>	<b>128</b>	<b>499</b>	<b>25.7</b>	<b>3 916</b>	<b>30 594</b>



TABLE 3.8.3 - Performance Rewards by Critical Occupation for the period 1 April 2017 to 31 March 2018

CRITICAL OCCUPATIONS	Number of Beneficiaries	Total Employment as at 1 April 2017	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Financial clerks and credit controllers	2	9	22.2	32	16 000
Household food and laundry services related	9	59	15.3	301	33 444
Human resources clerks	5	11	45.5	103	20 600
Messengers porters and deliverers	3	4	75	26	8 667
Human resources & organisational development & related professionals	0	7	0	0	0
Logistical support personnel	7	28	25	211	30 143
Finance and economics related	0	2	0	0	0
Other occupations	0	0	0	0	0
Legal related (OSD)	6	8	75	424	70 667
Financial and related professionals	10	24	41.7	411	41 100
Administrative related	25	107	23.4	1 134	45 360
Communication and information related	4	19	21.1	173	43 250
Secretaries & other keyboard operating clerks	12	60	20	232	19 333
Cleaners in offices workshops hospitals etc.	16	38	42.1	169	10 563
Library mail and related clerks	2	10	20	39	19 500
Human resources related	5	12	41.7	208	41 600
Material-recording and transport clerks	2	3	66.7	45	22 500
Senior managers	9	63	14.3	573	63 667
Client inform clerks (switchboard, receptionists, information clerks)	4	22	18.2	85	21 250
Motor vehicle drivers	2	23	8.7	32	16 000
Security guards	0	0	0	0	0
Food services aids and waiters	10	33	30.3	121	12 100
Information technology related	2	17	11.8	72	36 000
Librarians and related professionals	2	3	66.7	90	45 000
<b>TOTAL</b>	<b>137</b>	<b>562</b>	<b>24.4</b>	<b>4 481</b>	<b>32 708</b>

Note: Principals Special Advisers and Interns excluded

TABLE 3.8.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service for the period 1 April 2017 to 31 March 2017

SMS BAND	Number of Beneficiaries	Total Employees as at 1 April 2017	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Band A	8	38	21.1	495	61 875
Band B	1	18	5.6	78	78 000
Band C	0	5	0	0	0
Band D	0	2	0	0	0
<b>TOTAL</b>	<b>9</b>	<b>63</b>	<b>14.3</b>	<b>573</b>	<b>63 667</b>

Note: Principals and Special Advisers excluded

TABLE 3.9.1 - Foreign Workers by Salary Band for the period 1 April 2017 and 31 March 2018

SALARY BAND	Employment at Beginning of Period 1 April 2017	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

TABLE 3.9.2 - Foreign Workers by Major Occupation for the period 1 April 2017 and 31 March 2018

MAJOR OCCUPATIONAL CLASS	Employment at Beginning of Period 1 April 2017	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

PART D: HUMAN RESOURCE MANAGEMENT  
**HUMAN RESOURCES OVERSIGHT STATISTICS**

**TABLE 3.10.1 - Sick Leave for the period 1 January 2017 to 31 December 2017**

SALARY BAND	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Interns	69	24.6	29	5.9	2	21	493	17
Lower skilled (Levels 1-2)	353	84.7	40	8.1	9	187	493	299
Skilled (Levels 3-5)	759	84.8	86	17.4	9	578	493	644
Highly skilled production (Levels 6-8)	1 229	76.4	176	35.7	7	1 585	493	939
Highly skilled supervision (Levels 9-12)	838	75.9	122	24.7	7	2 158	493	636
Senior management (Levels 13-16) including OSD	237	80.6	40	8.1	6	1 014	493	191
<b>TOTAL</b>	<b>3 485</b>	<b>78.2</b>	<b>493</b>	<b>100</b>	<b>7</b>	<b>5 543</b>	<b>493</b>	<b>2 726</b>

**TABLE 3.10.2 - Disability Leave (Temporary and Permanent) for the period 1 January 2017 to 31 December 2017**

SALARY BAND	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Interns	-	-	-	-	-	-	-	16
Lower skilled (Levels 1-2)	74	100	1	6.3	74	41	74	16
Skilled (Levels 3-5)	87	100	1	6.3	87	68	87	16
Highly skilled production (Levels 6-8)	251	100	12	75	21	320	251	16
Highly skilled supervision (Levels 9-12)	12	100	2	12.5	6	37	12	16
Senior management (Levels 13-16) including OSD	-	-	-	-	-	-	-	16
<b>TOTAL</b>	<b>424</b>	<b>100</b>	<b>16</b>	<b>100</b>	<b>27</b>	<b>466</b>	<b>424</b>	<b>16</b>

**TABLE 3.10.3 - Annual Leave for the period 1 January 2017 to 31 December 2017**

SALARY BAND	Total Days Taken	Average Days per Employee	Number of Employees who took leave
Interns	483	8	62
Lower skilled (Levels 1-2)	982	23	43
Skilled (Levels 3-5)	2 496	21	117
Highly skilled production (Levels 6-8)	4 532	21	215
Highly skilled supervision (Levels 9-12)	3 370	21	159
Senior management (Levels 13-16) including OSD	1 481	21	70
<b>TOTAL</b>	<b>13 344</b>	<b>20</b>	<b>666</b>

**TABLE 3.10.4 - Capped Leave for the period 1 January 2017 to 31 December 2017**

SALARY BAND	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2017	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2017	Number of Employees with capped leave, as at end of period (31 December 2017)
Interns	-	-	-	-	-	-
Lower skilled (Levels 1-2)	-	-	19	-	19.36	1
Skilled (Levels 3-5)	1	1	51	1	1 116.76	22
Highly skilled production (Levels 6-8)	1	1	17	1	372.21	22
Highly skilled supervision (Levels 9-12)	-	-	35	-	1 110.55	32
Senior management (Levels 13-16) including OSD	-	-	18	-	348.55	19
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>31</b>	<b>2</b>	<b>2 967.43</b>	<b>96</b>



**TABLE 3.10.5 - Leave Payouts for the period 1 April 2017 and 31 March 2018**

REASON	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout due to non-utilisation of leave for the 2016 leave cycle	-	-	-
Capped leave payouts on termination of service for 2017/2018	778	9	86 444
Current leave payout on termination of service for 2017/2018	1 618	51	31 725
<b>TOTAL</b>	<b>2 396</b>	<b>60</b>	<b>39 933</b>

**TABLE 3.11.1 - Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	Not Applicable

**TABLE 3.11.2 - Details of Health Promotion and HIV/AIDS Programmes**

QUESTION	YES	NO	DETAILS IF YES
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations 2001? If so provide her/his name and position.	X		Ms Mumsy Maake Director: Employee Health and Wellness and Gender Mainstreaming
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so indicate the number of employees who are involved in this task and the annual budget that is available.	X		Three (3). The allocated budget is R1 986 268.
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.	X		Yes The Presidency has established the Spiritual Support Group Aerobics and Fun Walk Club Athletics Club Netball Club Chess Club and Soccer Club. Health screening and HIV/AIDS and TB campaigns are conducted on a quarterly basis. Chronic Disease management programme Counseling and Group Dynamics interventions have been implemented.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations 2001? If so please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		I. M Maafe - Chairperson Members: 1. Mr R Nemaali; 2. Mr S Kgafela; 3. Ms Z Mvunge; 4. Ms M Smit; 5. Mr NTshishonga; 6. Ms G Luthuli; 7. Ms M James Paul; 8. Ms B Maluleke; 9. Ms M Alexander; 10. Mr A Mbali; 11. Mr S Mbalo; 12. Mr M Mrwetyana; 13. Mr W Mdovu; 14. Mr R Mankanyi; 15. Mr J Manaiwa; 16. Ms J De Beer; 17. Mr A Mothwa; 18. Mr N Magudulela (EHW Specialist); 19. Ms N Mvubu (OHS Specialist-Ex Officio).
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.	X		The following policies were reviewed to ensure HIV/AIDS STI & TB mainstreaming: Departmental policy on Official working hours and overtime Recruitment and Selection Salary Advance Dress Code Resettlement Performance Management and Development System Secondment Information Security and Special Leave policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so list the key elements of these measures.	X		There are Departmental initiatives that are being implemented as part of the Operational Plan such as Diversity management. Counseling is also provided for employees who are HIV positive through the appointed external service provide and the on site Occupational Clinic.
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so list the results that you have achieved.	X		A total number of 204 employees (141 females & 63 males) tested for HIV.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so list these measures/indicators.	X		The Department conduct an annual assessment to monitor & evaluate the health promotions through the System Monitoring Tool (SMT) which is used as the basis for planning and implementation of the health promotion programme for the subsequent financial year. The EHW quarterly meetings are used as a platform to receive feedback on programme implementation and improvement.

**TABLE 3.12.1 - Collective Agreements for the period 1 April 2017 to 31 March 2018**

Number of collective agreements	None
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**TABLE 3.12.2 - Misconduct and Discipline Hearings Finalised for the period 1 April 2017 and 31 March 2018**

Outcomes of disciplinary hearings	Number
Total number of Disciplinary hearings finalised	4



## PART D: HUMAN RESOURCE MANAGEMENT HUMAN RESOURCES OVERSIGHT STATISTICS

TYPE OF MISCONDUCT	Number	Percentage of Total
Insubordination	2	20
Dishonesty/fraud/misrepresentation	3	30
Insolence	1	10
Absenteeism	3	30
Dereliction of duties	1	10
<b>TOTAL</b>	<b>10</b>	<b>100</b>

GRIEVANCES	Number	Percentage of Total
Number of grievances resolved	9	75
Number of grievances not resolved	3	25
Number of grievance logged	12	100

DISPUTES	Number	Percentage of Total
Number of disputes pending	1	25
Number of disputes dismissed	2	50
Number of disputes upheld	0	0
Number of disputes unresolved	1	25
Number of disputes lodged	4	100

STRIKEACTIONS	Number
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

PRECAUTIONARY SUSPENSIONS	Number
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	74
Cost of suspension	R 42 345

OCCUPATIONAL CATEGORIES	Gender	Employment as at 1 April 2017	Learnerships	Skills Programmes & other short courses	Other forms of training	TOTAL
Legislators senior officials and managers (SMS)	Female	29	0	10	0	10
	Male	34	0	15	0	15
Professionals (Levels 11-12)	Female	52	0	26	0	26
	Male	42	0	21	0	21
Technicians and associate professionals (Levels 9-10)	Female	33	0	17	0	17
	Male	20	0	15	0	15
Clerks (Levels 6-8)	Female	123	0	60	0	60
	Male	71	0	35	0	35
Service and sales workers (Levels 3-5)	Female	65	0	33	0	33
	Male	44	0	22	0	22
Elementary occupations (Level 2)	Female	28	0	14	0	14
	Male	13	0	8	0	8
OSD	Female	4	0	0	0	0
	Male	4	0	0	0	0
Gender sub totals	Female	334	0	160	0	160
Gender sub totals	Male	228	0	116	0	116
<b>TOTAL</b>		<b>562</b>	<b>0</b>	<b>276</b>	<b>0</b>	<b>276</b>

Note: Principals Special Advisors and Interns excluded



TABLE 3.13.2 - Training Provided for the period 1 April 2017 and 31 March 2018

OCCUPATIONAL CATEGORIES	Gender	Employment as at 1 April 2017	Learnerships	Skills Programmes & other short courses	Other forms of training	TOTAL
Legislators senior officials and managers (SMS)	Female	29	0	6	0	6
	Male	34	0	4	3	7
Professionals (Levels 11-12)	Female	52	0	9	0	9
	Male	42	0	5	1	6
Technicians and associate professionals (Levels 9-10)	Female	33	0	1	0	1
	Male	20	0	4	0	4
Clerks (Levels 6-8)	Female	123	0	8	1	9
	Male	71	0	6	0	6
Service and sales workers (Levels 3-5)	Female	65	0	0	0	0
	Male	44	0	0	0	0
Elementary occupations (Level 2)	Female	28	0	0	0	0
	Male	13	0	0	0	0
OSD	Female	4	0	0	0	0
	Male	4	0	0	0	0
Gender sub totals	Female	334	0	24	1	25
Gender sub totals	Male	228	0	19	4	23
<b>TOTAL</b>		<b>562</b>	<b>0</b>	<b>43</b>	<b>5</b>	<b>48</b>

Note: Principals Special Advisors and Interns excluded

TABLE 3.14.1 - Injury on Duty for the period 1 April 2017 to March 2018

NATURE OF INJURY ON DUTY	Number	% of Total
Required basic medical attention only	5	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>TOTAL</b>	<b>5</b>	<b>100</b>

TABLE 3.15.1 - Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018

PROJECT TITLE	Total number of consultant who worked on project	Duration: work days	Contract value in Rand
Editing of Annual Report 2016/17	-	-	26 614
Facilitation and Development of The Presidency APP for the 2019/20 financial year - Phase 1 2 3	9	60	483 987
Internal Audit Co-sourced Partner (NEXIA SAB&T)	14	401	2 430 619
External Quality Assurance Review - KPMG	3	41	250 515
Verification 2016/17 and 2017/18 assets monthly support and maintenance- TAT I-CHAIN	16	144	1 279 401
Total number of projects	Total individual Consultants	Total Duration: Work days	Total Contract Value in Rands
5	42	646	4 471 135

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

PROJECT TITLE	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Editing of Annual Report 2016/17	-	-	-
Facilitation and Development of The Presidency APP for the 2019/20 financial year - Phase 1 2 3	Exempted Micro Enterprise (EME)		2
Internal Audit Co-sourced Partner (NEXIA SAB&T)	79%	79%	11
External Quality Assurance Review - KPMG	33%	33%	1
Verification 2016/17 and 2017/18 assets monthly support and maintenance - TAT I-CHAIN	51%	90%	14

**TABLE 3.15.3 - Report on consultant appointments using Donor funds for the period of 1 April 2017 and 31 March 2018**

PROJECT TITLE	Total number of consultants that worked on the project	Duration:Work days	Donor and Contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration:Work days	Total contract value in Rand
None			

**TABLE 3.15.4 - Analysis of consultant appointments using Donor funds i.t.o. HDIs for the period of 1 April 2017 and 31 March 2018**

PROJECT TITLE	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None			

**TABLE 3.16.1 - Granting of Employee Initiated Severance Packages for the period of 1 April 2017 and 31 March 2018**

CATEGORY	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by department
OSD	0	0	0	0
Lower Skilled (Salary Level 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 - 16)	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## PART E: FINANCIAL INFORMATION REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 1: THE PRESIDENCY

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

1. I have audited the financial statements of The Presidency set out on pages 96 to 131, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of The Presidency as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for opinion

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

#### Emphasis of matter

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

#### Uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 18 to the financial statements, there are a number of cases that might give rise to possible obligations for The Presidency, but the cases have not yet been finalised. If the state is not successful, The Presidency could become responsible for paying the legal costs of the applicants. The amounts in question are determined by the taxing master and cannot be reliably estimated at this point in time.

#### Other matter

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

#### Unaudited supplementary schedules

9. The supplementary information set out on pages 132 to 142 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 on them.

#### Responsibilities of the accounting officer for the financial statements

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

#### Auditor-General's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion.

## PART E: FINANCIAL INFORMATION REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 1: THE PRESIDENCY

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

#### Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 1 – Administration
- Programme 2 – Executive support

#### Other matter

19. I draw attention to the matter below.

#### Achievement of planned targets

20. Refer to the annual performance report on pages 47 to 61 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a number of targets.

### REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION INTRODUCTION AND SCOPE

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. The material findings on compliance with specific matters in key legislations are as follows.

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 1 – Administration	47-57
Programme 2 – Executive support	57-61



### Expenditure management

23. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R33 581 562, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-adherence to treasury instruction no. 02 of 2017/2018 pertaining to implementation of national travel policy framework.
24. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R27 869 789, as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure disclosed in the financial statements was due to inadequate implementation of Cabinet decisions pertaining to e-Cabinet.
25. Some payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

### Procurement and contract management

26. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by treasury regulation 16A6.1 and 16A6.4.
27. Some of the bid documentation for procurement of commodities designated for local content and production did not meet the stipulated the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8 (2). Similar non-compliance was also reported in the prior year.

### Consequence management

28. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

29. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

### OTHER INFORMATION

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
31. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
32. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

### INTERNAL CONTROL DEFICIENCIES

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

PART E: FINANCIAL INFORMATION  
**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON  
VOTE NO. 1: THE PRESIDENCY**

**Leadership**

35. Leadership, in some instances, did not exercise effective oversight with regard to financial reporting and compliance as well as related internal controls.
36. Leadership did not implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place pertaining to the contract management unit.
37. Leadership was not effective in ensuring that established policies and procedures are timeously updated and communicated to enable and support the understanding and execution of internal control objectives, processes and responsibilities.

**Financial and performance management**

38. The review and monitoring of compliance with applicable laws and regulations were ineffective in certain instances.

**OTHER REPORTS**

39. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
40. Collusive bidding confirmed through an investigation conducted in the prior year has been reported to the Competition Commissioner. The matter can only be reported to the National Treasury once the department received a report from the Competition Commissioner.

*Auditor - General*

Pretoria  
31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## PART E: FINANCIAL INFORMATION

# ANNEXURE: AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

### Financial statements

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

### Communication with those charged with governance

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







PART E: FINANCIAL INFORMATION  
**ANNUAL FINANCIAL STATEMENTS**

APPROPRIATION STATEMENT	96
NOTES TO THE APPROPRIATION STATEMENT	103
STATEMENT OF FINANCIAL PERFORMANCE	104
STATEMENT OF FINANCIAL POSITION	105
STATEMENT OF CHANGES IN NET ASSETS	106
CASH FLOW STATEMENT	107
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (INCLUDING ACCOUNTING POLICIES)	113
ANNEXURES	132

PART E: FINANCIAL INFORMATION  
**APPROPRIATION STATEMENT**  
FOR THE YEAR ENDED 31 MARCH 2018

APPROPRIATION PER PROGRAMME									
	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	454 330	-	(6)	454 324	440 124	14 200	96.9%	455 041	447 709
2. Executive Support	46 839	-	6	46 845	41 401	5 444	88.4%	34 734	27 624
Subtotal	501 169	-	-	501 169	481 525	19 644	96.1%	489 775	475 333
Statutory Appropriation	6 373	-	-	6 373	5 712	661	89.6%	6 035	5 713
President and Deputy President salary	6 373	-	-	6 373	5 712	661	89.6%	6 035	5 713
<b>TOTAL</b>	<b>507 542</b>	<b>-</b>	<b>-</b>	<b>507 542</b>	<b>487 237</b>	<b>20 305</b>	<b>96.0%</b>	<b>495 810</b>	<b>481 046</b>

	2017/18		2016/17	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	507 542	487 237	495 810	481 046
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	898		1 343	
Actual amounts per statement of financial performance (total revenue)	508 440		497 153	
Actual amounts per statement of financial performance (total expenditure)		487 237		481 046



PART E: FINANCIAL INFORMATION  
**APPROPRIATION STATEMENT**  
FOR THE YEAR ENDED 31 MARCH 2018

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>487 033</b>	<b>(5 552)</b>	<b>-</b>	<b>481 481</b>	<b>462 755</b>	<b>18 726</b>	<b>96.1%</b>	<b>477 579</b>	<b>464 765</b>
Compensation of employees	318 234	-	-	318 234	309 162	9 072	97.1%	313 798	308 728
Salaries and wages	283 808	845	-	284 653	275 814	8 839	96.9%	279 288	275 461
Social contributions	34 426	(845)	-	33 581	33 348	233	99.3%	34 510	33 267
Goods and services	168 799	(5 552)	-	163 247	153 593	9 654	94.1%	163 735	155 991
Administrative fees	1 015	2 260	-	3 275	3 275	-	100.0%	3 052	3 052
Advertising	1 084	(552)	-	532	422	110	79.3%	546	447
Minor assets	3 316	(2 430)	-	886	561	325	63.3%	1 165	776
Audit costs: External	6 013	(407)	-	5 606	5 606	-	100.0%	4 618	4 618
Bursaries: Employees	1 446	(144)	-	1 302	1 302	-	100.0%	1 421	1 421
Catering: Departmental activities	3 336	156	-	3 492	3 043	449	87.1%	2 870	2 724
Communication	15 199	(6 590)	-	8 609	7 435	1 174	86.4%	11 678	11 170
Computer services	45 137	(11 463)	-	33 674	33 033	641	98.1%	27 223	23 833
Consultants: Business and advisory services	8 685	(5 910)	-	2 775	2 648	127	95.4%	3 546	3 397
Legal services	5 277	13 637	-	18 914	18 914	-	100.0%	12 259	12 259
Contractors	4 884	(1 528)	-	3 356	3 171	185	94.5%	4 221	4 012
Agency and support/outsourced services	5 040	578	-	5 618	5 618	-	100.0%	4 177	3 489
Entertainment	167	(137)	-	30	-	30	-	84	1
Fleet services	924	1 809	-	2 733	2 721	12	99.6%	2 927	2 926
Consumable supplies	4 443	(1 359)	-	3 084	2 961	123	96.0%	4 081	3 928
Consumable: Stationery, printing and office supplies	4 759	(439)	-	4 320	3 925	395	90.9%	5 311	5 079
Operating leases	2 189	2 978	-	5 167	5 111	56	98.9%	5 529	5 529
Property payments	92	297	-	389	389	-	100.0%	823	823
Travel and subsistence	47 883	7 010	-	54 893	49 796	5 097	90.7%	59 887	59 232
Training and development	3 156	(2 120)	-	1 036	1 036	-	100.0%	3 501	3 501
Operating payments	2 984	(452)	-	2 532	2 147	385	84.8%	2 628	2 224
Venues and facilities	1 285	(507)	-	778	336	442	43.2%	1 614	1 236
Rental and hiring	485	(239)	-	246	143	103	58.1%	574	314
Interest and rent on land	-	-	-	-	-	-	-	46	46
Interest	-	-	-	-	-	-	-	46	46
<b>Transfers and subsidies</b>	<b>6 191</b>	<b>-</b>	<b>-</b>	<b>6 191</b>	<b>6 157</b>	<b>34</b>	<b>99.5%</b>	<b>3 243</b>	<b>3 243</b>
Provinces and municipalities	5	5	-	10	10	-	100.0%	3	3
Municipalities	5	5	-	10	10	-	100.0%	3	3
Municipal bank accounts	5	5	-	10	10	-	100.0%	3	3
Departmental agencies and accounts	36	(36)	-	-	-	-	-	-	-
Departmental agencies	36	(36)	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	42	42
Private enterprises	-	-	-	-	-	-	-	42	42
Other transfers to private enterprises	-	-	-	-	-	-	-	42	42
Households	6 150	31	-	6 181	6 147	34	99.4%	3 198	3 198
Social benefits	6 150	(9)	-	6 141	6 107	34	99.4%	2 994	2 994
Other transfers to households	-	40	-	40	40	-	100.0%	204	204
<b>Payments for capital assets</b>	<b>14 318</b>	<b>4 380</b>	<b>-</b>	<b>18 698</b>	<b>17 153</b>	<b>1 545</b>	<b>91.7%</b>	<b>14 002</b>	<b>12 052</b>
Machinery and equipment	14 318	4 236	-	18 554	17 009	1 545	91.7%	14 002	12 052
Transport equipment	1 185	(1 185)	-	-	-	-	-	1 120	821
Other machinery and equipment	13 133	5 421	-	18 554	17 009	1 545	91.7%	12 882	11 231
Intangible assets	-	144	-	144	144	-	100.0%	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>1 172</b>	<b>-</b>	<b>1 172</b>	<b>1 172</b>	<b>-</b>	<b>100.0%</b>	<b>986</b>	<b>986</b>
<b>TOTAL</b>	<b>507 542</b>	<b>-</b>	<b>-</b>	<b>507 542</b>	<b>487 237</b>	<b>20 305</b>	<b>96.0%</b>	<b>495 810</b>	<b>481 046</b>

PART E: FINANCIAL INFORMATION  
**APPROPRIATION STATEMENT**  
FOR THE YEAR ENDED 31 MARCH 2018

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
Current payments	6 373	-	-	6 373	5 712	661	89.6%	6 035	5 713
Compensation of employees	6 373	-	-	6 373	5 712	661	89.6%	6 035	5 713
<b>TOTAL</b>	<b>6 373</b>	<b>-</b>	<b>-</b>	<b>6 373</b>	<b>5 712</b>	<b>661</b>	<b>89.6%</b>	<b>6 035</b>	<b>5 713</b>



PART E: FINANCIAL INFORMATION  
**APPROPRIATION STATEMENT**  
FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME I: ADMINISTRATION									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management	339 715	2 340	-	342 055	336 581	5 474	98.4%	340 917	336 752
2. Support services to President	61 795	(2 260)	-	59 535	57 068	2 467	95.9%	64 736	62 986
3. Support services to Deputy President	52 820	(80)	(6)	52 734	46 475	6 259	88.1%	49 388	47 971
<b>Total for sub programmes</b>	<b>454 330</b>	<b>-</b>	<b>(6)</b>	<b>454 324</b>	<b>440 124</b>	<b>14 200</b>	<b>96.9%</b>	<b>455 041</b>	<b>447 709</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>436 258</b>	<b>(5 270)</b>	<b>-</b>	<b>430 988</b>	<b>417 353</b>	<b>13 635</b>	<b>96.8%</b>	<b>438 542</b>	<b>432 431</b>
Compensation of employees	295 718	-	-	295 718	290 136	5 582	98.1%	291 960	288 728
Salaries and wages	263 256	845	-	264 101	258 627	5 474	97.9%	259 335	257 349
Social contributions	32 462	(845)	-	31 617	31 509	108	99.7%	32 625	31 379
Goods and services	140 540	(5 270)	-	135 270	127 217	8 053	94.0%	146 536	143 657
Administrative fees	1 015	2 152	-	3 167	3 167	-	100.0%	2 971	2 971
Advertising	1 084	(552)	-	532	422	110	79.3%	546	447
Minor assets	3 313	(2 434)	-	879	554	325	63.0%	1 147	767
Audit costs: External	6 013	(407)	-	5 606	5 606	-	100.0%	4 618	4 618
Bursaries: Employees	1 446	(144)	-	1 302	1 302	-	100.0%	1 421	1 421
Catering: Departmental activities	1 964	(445)	-	1 519	1 070	449	70.4%	1 398	1 252
Communication	15 074	(6 590)	-	8 484	7 410	1 074	87.3%	11 539	11 092
Computer services	22 407	(11 463)	-	10 944	10 944	-	100.0%	15 345	15 345
Consultants: Business and advisory services	8 685	(5 910)	-	2 775	2 648	127	95.4%	3 546	3 397
Legal services	5 277	13 637	-	18 914	18 914	-	100.0%	12 259	12 259
Contractors	4 834	(1 491)	-	3 343	3 169	174	94.8%	4 156	3 986
Agency and support/outsourced services	5 040	578	-	5 618	5 618	-	100.0%	4 177	3 489
Entertainment	167	(137)	-	30	-	30	-	74	1
Fleet services	924	1 776	-	2 700	2 688	12	99.6%	2 887	2 886
Consumable supplies	4 416	(1 359)	-	3 057	2 954	103	96.6%	4 052	3 920
Consumable: Stationery, printing and office supplies	4 614	(331)	-	4 283	3 914	369	91.4%	5 134	4 957
Operating leases	2 187	2 712	-	4 899	4 843	56	98.9%	5 397	5 397
Property payments	92	297	-	389	389	-	100.0%	823	823
Travel and subsistence	45 009	7 877	-	52 886	48 271	4 615	91.3%	57 645	57 645
Training and development	3 156	(2 120)	-	1 036	1 036	-	100.0%	3 501	3 501
Operating payments	2 560	(452)	-	2 108	1 879	229	89.1%	1 968	1 968
Venues and facilities	841	(225)	-	616	336	280	54.5%	1 422	1 236
Rental and hiring	422	(239)	-	183	83	100	45.4%	510	279
Interest and rent on land	-	-	-	-	-	-	-	46	46
Interest	-	-	-	-	-	-	-	46	46
<b>Transfers and subsidies</b>	<b>4 871</b>	<b>-</b>	<b>(6)</b>	<b>4 865</b>	<b>4 831</b>	<b>34</b>	<b>99.3%</b>	<b>2 652</b>	<b>2 652</b>
Provinces and municipalities	5	5	-	10	10	-	100.0%	3	3
Municipalities	5	5	-	10	10	-	100.0%	3	3
Municipal bank accounts	5	5	-	10	10	-	100.0%	3	3
Departmental agencies and accounts	36	(36)	-	-	-	-	-	-	-
Departmental agencies	36	(36)	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	42	42
Private enterprises	-	-	-	-	-	-	-	42	42
Other transfers to private enterprises	-	-	-	-	-	-	-	42	42
Households	4 830	31	(6)	4 855	4 821	34	99.3%	2 607	2 607
Social benefits	4 830	(9)	(6)	4 815	4 781	34	99.3%	2 403	2 403
Other transfers to households	-	40	-	40	40	-	100.0%	204	204

PART E: FINANCIAL INFORMATION  
**APPROPRIATION STATEMENT**  
FOR THE YEAR ENDED 31 MARCH 2018

PROGRAMME I: ADMINISTRATION									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Payments for capital assets</b>	<b>13 201</b>	<b>4 380</b>	-	<b>17 581</b>	<b>17 050</b>	<b>531</b>	<b>97.0%</b>	<b>12 866</b>	<b>11 645</b>
Machinery and equipment	13 201	4 236	-	17 437	16 906	531	97.0%	12 866	11 645
Transport equipment	1 185	(1 185)	-	-	-	-	-	1 120	821
Other machinery and equipment	12 016	5 421	-	17 437	16 906	531	97.0%	11 746	10 824
Intangible assets	-	144	-	144	144	-	100.0%	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>890</b>	-	<b>890</b>	<b>890</b>	<b>-</b>	<b>100.0%</b>	<b>981</b>	<b>981</b>
<b>TOTAL</b>	<b>454 330</b>	<b>-</b>	<b>(6)</b>	<b>454 324</b>	<b>440 124</b>	<b>14 200</b>	<b>96.9%</b>	<b>455 041</b>	<b>447 709</b>

I.1 MANAGEMENT									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>325 003</b>	<b>(3 421)</b>	-	<b>321 582</b>	<b>316 108</b>	<b>5 474</b>	<b>98.3%</b>	<b>326 509</b>	<b>323 277</b>
Compensation of employees	220 293	(824)	-	219 469	213 995	5 474	97.5%	213 107	209 875
Goods and services	104 710	(2 597)	-	102 113	102 113	-	100.0%	113 356	113 356
Interest and rent on land	-	-	-	-	-	-	-	46	46
<b>Transfers and subsidies</b>	<b>3 196</b>	<b>284</b>	-	<b>3 480</b>	<b>3 480</b>	<b>-</b>	<b>100.0%</b>	<b>2 489</b>	<b>2 489</b>
Provinces and municipalities	5	5	-	10	10	-	100.0%	3	3
Departmental agencies and accounts	36	(36)	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	42	42
Households	3 155	315	-	3 470	3 470	-	100.0%	2 444	2 444
<b>Payments for capital assets</b>	<b>11 516</b>	<b>4 694</b>	-	<b>16 210</b>	<b>16 210</b>	<b>-</b>	<b>100.0%</b>	<b>11 120</b>	<b>10 187</b>
Machinery and equipment	11 516	4 550	-	16 066	16 066	-	100.0%	11 120	10 187
Intangible assets	-	144	-	144	144	-	100.0%	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>783</b>	-	<b>783</b>	<b>783</b>	<b>-</b>	<b>100.0%</b>	<b>799</b>	<b>799</b>
<b>TOTAL</b>	<b>339 715</b>	<b>2 340</b>	<b>-</b>	<b>342 055</b>	<b>336 581</b>	<b>5 474</b>	<b>98.4%</b>	<b>340 917</b>	<b>336 752</b>

I.2 SUPPORT SERVICES PRESIDENT									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>60 484</b>	<b>(1 835)</b>	-	<b>58 649</b>	<b>56 182</b>	<b>2 467</b>	<b>95.8%</b>	<b>63 597</b>	<b>61 922</b>
Compensation of employees	39 288	824	-	40 112	40 112	-	100.0%	42 628	42 628
Goods and services	21 196	(2 659)	-	18 537	16 070	2 467	86.7%	20 969	19 294
<b>Transfers and subsidies</b>	<b>460</b>	<b>(204)</b>	-	<b>256</b>	<b>256</b>	<b>-</b>	<b>100.0%</b>	<b>43</b>	<b>43</b>
Households	460	(204)	-	256	256	-	100.0%	43	43
<b>Payments for capital assets</b>	<b>851</b>	<b>(314)</b>	-	<b>537</b>	<b>537</b>	<b>-</b>	<b>100.0%</b>	<b>950</b>	<b>875</b>
Machinery and equipment	851	(314)	-	537	537	-	100.0%	950	875
<b>Payments for financial assets</b>	<b>-</b>	<b>93</b>	-	<b>93</b>	<b>93</b>	<b>-</b>	<b>100.0%</b>	<b>146</b>	<b>146</b>
<b>TOTAL</b>	<b>61 795</b>	<b>(2 260)</b>	<b>-</b>	<b>59 535</b>	<b>57 068</b>	<b>2 467</b>	<b>95.9%</b>	<b>64 736</b>	<b>62 986</b>



PART E: FINANCIAL INFORMATION  
**APPROPRIATION STATEMENT**  
FOR THE YEAR ENDED 31 MARCH 2018

I.3 SUPPORT SERVICES DEPUTY PRESIDENT									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>50 771</b>	<b>(14)</b>	<b>-</b>	<b>50 757</b>	<b>45 063</b>	<b>5 694</b>	<b>88.8%</b>	<b>48 436</b>	<b>47 232</b>
Compensation of employees	36 137	-	-	36 137	36 029	108	99.7%	36 225	36 225
Goods and services	14 634	(14)	-	14 620	9 034	5 586	61.8%	12 211	11 007
<b>Transfers and subsidies</b>	<b>1 215</b>	<b>(80)</b>	<b>(6)</b>	<b>1 129</b>	<b>1 095</b>	<b>34</b>	<b>97.0%</b>	<b>120</b>	<b>120</b>
Households	1 215	(80)	(6)	1 129	1 095	34	97.0%	120	120
<b>Payments for capital assets</b>	<b>834</b>	<b>-</b>	<b>-</b>	<b>834</b>	<b>303</b>	<b>531</b>	<b>36.3%</b>	<b>796</b>	<b>583</b>
Machinery and equipment	834	-	-	834	303	531	36.3%	796	583
<b>Payments for financial assets</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>100.0%</b>	<b>36</b>	<b>36</b>
<b>TOTAL</b>	<b>52 820</b>	<b>(80)</b>	<b>(6)</b>	<b>52 734</b>	<b>46 475</b>	<b>6 259</b>	<b>88.1%</b>	<b>49 388</b>	<b>47 971</b>
<b>PROGRAMME 2: EXECUTIVE SUPPORT</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Cabinet Services	46 839	-	6	46 845	41 401	5 444	88.4%	34 734	27 624
<b>Total for sub programmes</b>	<b>46 839</b>	<b>-</b>	<b>6</b>	<b>46 845</b>	<b>41 401</b>	<b>5 444</b>	<b>88.4%</b>	<b>34 734</b>	<b>27 624</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>44 402</b>	<b>(282)</b>	<b>-</b>	<b>44 120</b>	<b>39 690</b>	<b>4 430</b>	<b>90.0%</b>	<b>33 002</b>	<b>26 621</b>
Compensation of employees	16 143	-	-	16 143	13 314	2 829	82.5%	15 803	14 287
Salaries and wages	14 179	-	-	14 179	11 890	2 289	83.9%	13 918	12 766
Social contributions	1 964	-	-	1 964	1 424	540	72.5%	1 885	1 521
Goods and services	28 259	(282)	-	27 977	26 376	1 601	94.3%	17 199	12 334
Administrative fees	-	108	-	108	108	-	100.0%	81	81
Minor assets	3	4	-	7	7	-	100.0%	18	9
Catering: Departmental activities	1 372	601	-	1 973	1 973	-	100.0%	1 472	1 472
Communication	125	-	-	125	25	100	20.0%	139	78
Computer services	22 730	-	-	22 730	22 089	641	97.2%	11 878	8 488
Contractors	50	(37)	-	13	2	11	15.4%	65	26
Entertainment	-	-	-	-	-	-	-	10	-
Fleet services	-	33	-	33	33	-	100.0%	40	40
Consumable supplies	27	-	-	27	7	20	25.9%	29	8
Consumable: Stationery, printing and office supplies	145	(108)	-	37	11	26	29.7%	177	122
Operating leases	2	266	-	268	268	-	100.0%	132	132
Travel and subsistence	2 874	(867)	-	2 007	1 525	482	76.0%	2 242	1 587
Operating payments	424	-	-	424	268	156	63.2%	660	256
Venues and facilities	444	(282)	-	162	-	162	-	192	-
Rental and hiring	63	-	-	63	60	3	95.2%	64	35
<b>Transfers and subsidies</b>	<b>1 320</b>	<b>-</b>	<b>6</b>	<b>1 326</b>	<b>1 326</b>	<b>-</b>	<b>100.0%</b>	<b>591</b>	<b>591</b>
Households	1 320	-	6	1 326	1 326	-	100.0%	591	591
Social benefits	1 320	-	6	1 326	1 326	-	100.0%	591	591
<b>Payments for capital assets</b>	<b>1 117</b>	<b>-</b>	<b>-</b>	<b>1 117</b>	<b>103</b>	<b>1 014</b>	<b>9.2%</b>	<b>1 136</b>	<b>407</b>
Machinery and equipment	1 117	-	-	1 117	103	1 014	9.2%	1 136	407
Other machinery and equipment	1 117	-	-	1 117	103	1 014	9.2%	1 136	407
<b>Payments for financial assets</b>	<b>-</b>	<b>282</b>	<b>-</b>	<b>282</b>	<b>282</b>	<b>-</b>	<b>100.0%</b>	<b>5</b>	<b>5</b>
<b>TOTAL</b>	<b>46 839</b>	<b>-</b>	<b>6</b>	<b>46 845</b>	<b>41 401</b>	<b>5 444</b>	<b>88.4%</b>	<b>34 734</b>	<b>27 624</b>



PART E: FINANCIAL INFORMATION  
**APPROPRIATION STATEMENT**  
FOR THE YEAR ENDED 31 MARCH 2018

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	44 402	(282)	-	44 120	39 690	4 430	90.0%	33 002	26 621
Compensation of employees	16 143	-	-	16 143	13 314	2 829	82.5%	15 803	14 287
Goods and services	28 259	(282)	-	27 977	26 376	1 601	94.3%	17 199	12 334
<b>Transfers and subsidies</b>	1 320	-	6	1 326	1 326	-	100.0%	591	591
Households	1 320	-	6	1 326	1 326	-	100.0%	591	591
<b>Payments for capital assets</b>	1 117	-	-	1 117	103	1 014	9.2%	1 136	407
Machinery and equipment	1 117	-	-	1 117	103	1 014	9.2%	1 136	407
<b>Payments for financial assets</b>	-	282	-	282	282	-	100.0%	5	5
<b>TOTAL</b>	<b>46 839</b>	<b>-</b>	<b>6</b>	<b>46 845</b>	<b>41 401</b>	<b>5 444</b>	<b>88.4%</b>	<b>34 734</b>	<b>27 624</b>



## PART E: FINANCIAL INFORMATION

# NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

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

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

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

### 3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of
	R'000	R'000	R'000	Final Appropriation
Administration	454 324	440 124	14 200	3%
Executive Support	46 845	41 401	5 444	12%
Statutory Appropriation	6 373	5 712	661	10%

*Underspending in Programme 1: Administration is due to posts that were vacated during the year and were not filled to curb anticipated funding constraints over the medium term., reduced number of delegates when travelling and the implementation of National Treasury transversal contract on cellphones which resulted in reduction in communication costs (airtime and data).Change in administration also resulted in reduction on travelling and other administrative costs. Some of the savings were reprioritised to fund IT projects.*

*Underspending on Programme 2: Executive Support is mainly due to a post that is vacant and an official that was seconded out of the department. Delay in billing by service providers, the implementation of National Treasury transversal contract on cellphones and the Forum of South African Directors General (FOSAD) bi-annual planning workshops which were held at another government department also resulted in savings.*

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of
	R'000	R'000	R'000	Final Appropriation
<b>Current payments</b>	<b>481 481</b>	<b>462 755</b>	<b>18 726</b>	<b>4%</b>
Compensation of employees	318 234	309 162	9 072	3%
Goods and services	163 247	153 593	9 654	6%
<b>Transfers and subsidies</b>	<b>6 191</b>	<b>6 157</b>	<b>34</b>	<b>1%</b>
Provinces and municipalities	10	10	-	0%
Households	6 181	6 147	34	1%
<b>Payments for capital assets</b>	<b>18 698</b>	<b>17 153</b>	<b>1 545</b>	<b>8%</b>
Machinery and equipment	18 554	17 009	1 545	8%
Intangible assets	144	144	-	0%
<b>Payments for financial assets</b>	<b>1 172</b>	<b>1 172</b>	<b>-</b>	<b>0%</b>

*Underspending on compensation of employees is due to posts that were vacated during the year and were not filled to curb anticipated funding constraints over the medium term.*

*Goods and Services savings were due to reduced number of delegates when travelling and the implementation of National Treasury transversal contract on cellphones which resulted in reduction in communication costs (airtime and data).The department also realised savings due to change in administration.The Forum of South African Directors General (FOSAD) bi-annual planning workshops which was held at another government department also resulted in savings. Some of the savings were reprioritised to fund IT projects.*

PART E: FINANCIAL INFORMATION  
**STATEMENT ON FINANCIAL PERFORMANCE**  
FOR THE YEAR ENDED 31 MARCH 2018

PERFORMANCE			
	Note	2017/18	2016/17
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	501 169	489 775
Statutory appropriation	2	6 373	6 035
Departmental revenue	3	898	1 343
<b>TOTAL REVENUE</b>		<b>508 440</b>	<b>497 153</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	309 162	308 728
Goods and services	5	153 593	155 992
Interest and rent on land	6	-	46
<b>Total current expenditure</b>		<b>462 755</b>	<b>464 766</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	6 157	3 242
<b>Total transfers and subsidies</b>		<b>6 157</b>	<b>3 242</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	17 010	12 051
Intangible assets	9	144	-
<b>Total expenditure for capital assets</b>		<b>17 154</b>	<b>12 051</b>
Payments for financial assets	7	1 171	987
<b>TOTAL EXPENDITURE</b>		<b>487 237</b>	<b>481 046</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>21 203</b>	<b>16 107</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		20 305	14 764
Annual appropriation		20 305	14 764
Departmental revenue and NRF Receipts	14	898	1 343
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>21 203</b>	<b>16 107</b>



PART E: FINANCIAL INFORMATION  
**STATEMENT ON FINANCIAL POSITION**  
AS AT 31 MARCH 2018

POSITION			
	Note	2017/18	2016/17
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>22 821</b>	<b>15 283</b>
Cash and cash equivalents	<u>10</u>	13 268	11 016
Prepayments and advances	<u>11</u>	5 709	1 561
Receivables	<u>12</u>	3 844	2 706
<b>Non-current assets</b>		<b>246</b>	<b>242</b>
Receivables	<u>12</u>	246	242
<b>TOTAL ASSETS</b>		<b>23 067</b>	<b>15 525</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>20 798</b>	<b>15 083</b>
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	20 305	14 764
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	265	157
Payables	<u>15</u>	228	162
<b>TOTAL LIABILITIES</b>		<b>20 798</b>	<b>15 083</b>
<b>NET ASSETS</b>		<b>2 269</b>	<b>442</b>
	Note	2017/18	2016/17
		R'000	R'000
<b>Represented by:</b>			
Recoverable revenue		2 269	442
<b>TOTAL</b>		<b>2 269</b>	<b>442</b>

PART E: FINANCIAL INFORMATION  
**STATEMENT OF CHANGES IN NET ASSETS**  
FOR THE YEAR ENDED 31 MARCH 2018

NET ASSETS			
	Note	2017/18	2016/17
		R'000	R'000
<b>RECOVERABLE REVENUE</b>			
Opening balance		442	337
Transfers:		1 827	105
Debts raised		1 827	105
Closing balance		<u>2 269</u>	<u>442</u>
<b>TOTAL</b>		<u>2 269</u>	<u>442</u>



PART E: FINANCIAL INFORMATION  
**CASH FLOW STATEMENT**  
FOR THE YEAR ENDED 31 MARCH 2018

<b>CASH FLOW</b>			
	Note	2017/18	2016/17
		R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		508 440	497 046
Annual appropriated funds received	<u>1.1</u>	501 169	489 775
Statutory appropriated funds received	<u>2</u>	6 373	6 035
Departmental revenue received	<u>3</u>	870	1 177
Interest received	<u>3.2</u>	28	59
Net (increase)/decrease in working capital		(5 224)	1 270
Surrendered to Revenue Fund		(15 554)	(8 036)
Current payments		(462 755)	(464 720)
Interest paid	<u>6</u>	-	(46)
Payments for financial assets		(1 171)	(987)
Transfers and subsidies paid		(6 157)	(3 242)
<b>Net cash flow available from operating activities</b>	<u>1.6</u>	<u>17 579</u>	<u>21 285</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>9</u>	(17 154)	(12 051)
Proceeds from sale of capital assets	<u>3.3</u>	-	107
<b>Net cash flows from investing activities</b>		<u>(17 154)</u>	<u>(11 944)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		1 827	105
<b>Net cash flows from financing activities</b>		<u>1 827</u>	<u>105</u>
Net increase/(decrease) in cash and cash equivalents		2 252	9 446
Cash and cash equivalents at beginning of period		11 016	1 570
<b>Cash and cash equivalents at end of period</b>	<u>1.7</u>	<u>13 268</u>	<u>11 016</u>

## PART E: FINANCIAL INFORMATION

# ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 MARCH 2018

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#### Summary of significant accounting policies

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

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

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

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#### 1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

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#### 2 Going concern

The financial statements have been prepared on a going concern basis.

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#### 3 Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

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#### 4 Rounding

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

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#### 5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

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#### 6 Comparative information

##### 6.1 Prior period comparative information

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.

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##### 6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

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#### 7 Revenue

##### 7.1 Appropriated funds

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

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

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

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##### 7.2 Departmental revenue

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

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

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## PART E: FINANCIAL INFORMATION

# ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 MARCH 2018

#### 7.3 Accrued departmental revenue

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

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

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

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

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

#### 8 Expenditure

##### 8.1 Compensation of employees

###### 8.1.1 Salaries and wages

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

###### 8.1.2 Social contributions

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

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

##### 8.2 Other expenditure

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

##### 8.3 Accruals and payables not recognised

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

##### 8.4 Leases

###### 8.4.1 Operating leases

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

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

###### 8.4.2 Finance leases

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

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

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

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

#### 9 Cash and cash equivalents

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

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

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

#### 10 Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.



PART E: FINANCIAL INFORMATION  
**ACCOUNTING POLICIES**  
FOR THE YEAR ENDED 31 MARCH 2018

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**11 Loans and receivables**

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

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**12 Financial assets**

**12.1 Financial assets (not covered elsewhere)**

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

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

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**12.2 Impairment of financial assets**

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

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**13 Payables**

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

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**14 Capital Assets**

**14.1 Movable capital assets**

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

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

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

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

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

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**14.2 Intangible assets**

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

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

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

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

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

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

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**14.3 Project Costs: Work-in-progress**

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

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

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

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**15 Provisions and Contingents**

**15.1 Provisions**

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

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## PART E: FINANCIAL INFORMATION

# ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 15.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

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#### 15.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

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#### 15.4 Commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

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#### 16 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

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#### 17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

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#### 18 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

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## PART E: FINANCIAL INFORMATION

# ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 19 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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#### 20 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

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#### 21 Principal-Agent arrangements

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal/agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

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#### 22 Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.

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#### 23 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 underlying asset is disposed and the related funds are received.

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#### 24 Recoverable revenue

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

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#### 25 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

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#### 26 Inventories

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

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

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

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

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#### 27 Employee benefits

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

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PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**1. ANNUAL APPROPRIATION**

**1.1 Annual Appropriation**

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

	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	454 324	454 324	-	455 041	455 041
Executive Support	46 845	46 845	-	34 734	34 734
<b>TOTAL</b>	<b>501 169</b>	<b>501 169</b>	<b>-</b>	<b>489 775</b>	<b>489 775</b>

**2. STATUTORY APPROPRIATION**

	2017/18	2016/17
	R'000	R'000
President and Deputy President salaries	6 373	6 035
<b>TOTAL</b>	<b>6 373</b>	<b>6 035</b>

Actual Statutory Appropriation received

6 373                      6 035

**3. DEPARTMENTAL REVENUE**

	Note	2017/18	2016/17
		R'000	R'000
Sales of goods and services other than capital assets	3.1	301	350
Interest, dividends and rent on land	3.2	28	59
Sales of capital assets	3.3	-	107
Transactions in financial assets and liabilities	3.4	569	827
Total revenue collected		<b>898</b>	<b>1 343</b>
<b>Departmental revenue collected</b>		<b>898</b>	<b>1 343</b>

The variance is due to no sale of assets and less recovery of prior year's expenditure (Transactions in financial assets and liabilities) in 2017/18.

**3.1 Sales of goods and services other than capital assets**

	Note	2017/18	2016/17
	3	R'000	R'000
Sales of goods and services produced by the department		<b>301</b>	<b>350</b>
Sales by market establishment		135	176
Other sales		166	174
<b>TOTAL</b>		<b>301</b>	<b>350</b>

**3.2 Interest, dividends and rent on land**

	Note	2017/18	2016/17
	3	R'000	R'000
Interest		28	59
<b>TOTAL</b>		<b>28</b>	<b>59</b>

PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

3.3 Sale of capital assets

	Note	2017/18	2016/17
	3	R'000	R'000
<b>Tangible assets</b>		-	107
Machinery and equipment	27	-	107
<b>TOTAL</b>		-	107

No capital assets sold for cash in 2017/18 financial year

3.4 Transactions in financial assets and liabilities

	Note	2017/18	2016/17
	3	R'000	R'000
Other Receipts including Recoverable Revenue		569	827
<b>TOTAL</b>		<b>569</b>	<b>827</b>

The variance is due to less recovery of prior year's expenditure in 2017/18 financial than in the 2016/17 financial year

4. COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

	Note	2017/18	2016/17
		R'000	R'000
Basic salary		197 923	198 622
Performance award		4 786	4 226
Service Based		384	237
Compensative/circumstantial		21 537	21 270
Other non-pensionable allowances		51 185	51 107
<b>TOTAL</b>		<b>275 815</b>	<b>275 462</b>

4.2 Social contributions

	Note	2017/18	2016/17
		R'000	R'000
<b>Employer contributions</b>			
Pension		23 063	22 833
Medical		10 239	10 389
Bargaining council		45	44
<b>TOTAL</b>		<b>33 347</b>	<b>33 266</b>
<b>Total compensation of employees</b>		<b>309 162</b>	<b>308 728</b>
Average number of employees		582	637



PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

5. GOODS AND SERVICES

	Note	2017/18	2016/17
		R'000	R'000
Administrative fees		3 274	3 052
Advertising		422	447
Minor assets	5.1	563	775
Bursaries (employees)		1 302	1 421
Catering		3 042	2 725
Communication		7 435	11 170
Computer services	5.2	33 031	23 833
Consultants: Business and advisory services		2 648	3 397
Legal services		18 914	12 259
Contractors		3 171	4 012
Agency and support/outsourced services		5 618	3 489
Entertainment		-	1
Audit cost – external	5.3	5 606	4 618
Fleet services		2 719	2 926
Consumables	5.4	6 887	9 007
Operating leases		5 110	5 529
Property payments	5.5	389	823
Rental and hiring		143	315
Travel and subsistence	5.6	49 800	59 232
Venues and facilities		336	1 236
Training and development		1 036	3 501
Other operating expenditure	5.7	2 147	2 224
<b>TOTAL</b>		<b>153 593</b>	<b>155 992</b>

5.1 Minor assets

	Note	2017/18	2016/17
	5	R'000	R'000
<b>Tangible assets</b>		<b>563</b>	<b>775</b>
Machinery and equipment		563	775
<b>TOTAL</b>		<b>563</b>	<b>775</b>

Less minor assets procured in the 2017/18 financial year than the previous year.

5.2 Computer services

	Note	2017/18	2016/17
	5	R'000	R'000
SITA computer services		25 724	14 914
External computer service providers		7 307	8 919
<b>TOTAL</b>		<b>33 031</b>	<b>23 833</b>

Increase in expenditure due to more expenditure relating to E-Cabinet as compared to less expenditure incurred in the previous year.

5.3 Audit cost – External

	Note	2017/18	2016/17
	5	R'000	R'000
Regularity audits		5 606	4 618
<b>TOTAL</b>		<b>5 606</b>	<b>4 618</b>

PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

5.4 Consumables

	Note	2017/18	2016/17
	5	R'000	R'000
Consumable supplies		2 962	3 928
Uniform and clothing		574	1 179
Household supplies		2 184	2 575
Building material and supplies		-	72
Communication accessories		39	25
IT consumables		41	47
Other consumables		124	30
Stationery, printing and office supplies		3 925	5 079
<b>TOTAL</b>		<b>6 887</b>	<b>9 007</b>

The decrease in expenditure in 2017/18 is due to decrease in demand for stationary by users.

5.5 Property payments

	Note	2017/18	2016/17
	5	R'000	R'000
Other		389	823
<b>TOTAL</b>		<b>389</b>	<b>823</b>

The decrease in expenditure is due to the security services that were no longer required by the department as a result of office relocation.

5.6 Travel and subsistence

	Note	2017/18	2016/17
	5	R'000	R'000
Local		25 883	34 222
Foreign		23 917	25 010
<b>TOTAL</b>		<b>49 800</b>	<b>59 232</b>

Reduced number of trip delegations and slowing down of expenditure as a result of change in administration.

5.7 Other operating expenditure

	Note	2017/18	2016/17
	5	R'000	R'000
Professional bodies, membership and subscription fees		574	352
Resettlement costs		164	236
Other		1 409	1 636
<b>TOTAL</b>		<b>2 147</b>	<b>2 224</b>

6. INTEREST AND RENT ON LAND

	Note	2017/18	2016/17
		R'000	R'000
Interest paid		-	46
<b>TOTAL</b>		<b>-</b>	<b>46</b>

7. PAYMENTS FOR FINANCIAL ASSETS

	Note	2017/18	2016/17
		R'000	R'000
Other material losses written off	7.1	837	786
Debts written off	7.2	332	198
Forex losses	7.3	2	3
<b>TOTAL</b>		<b>1 171</b>	<b>987</b>

The variance is due to increase in approved debt write offs



## PART E: FINANCIAL INFORMATION

# NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 7.1 Other material losses written off

	Note	2017/18	2016/17
	7	R'000	R'000
<b>Nature of losses</b>			
Damages and losses		837	786
<b>TOTAL</b>		<b>837</b>	<b>786</b>

### 7.2 Debts written off

	Note	2017/18	2016/17
	7	R'000	R'000
<b>Nature of debts written off</b>			
Recoverable revenue written off			
Debt account		251	-
<b>TOTAL</b>		<b>251</b>	<b>-</b>
Other debt written off			
Staff debt		81	198
<b>TOTAL</b>		<b>81</b>	<b>198</b>
<b>Total debt written off</b>		<b>332</b>	<b>198</b>

### 7.3 Forex losses

	Note	2017/18	2016/17
	7	R'000	R'000
<b>Nature of losses</b>			
Damages and losses		2	3
<b>TOTAL</b>		<b>2</b>	<b>3</b>

## 8. TRANSFERS AND SUBSIDIES

		2017/18	2016/17
		R'000	R'000
	Note		
Provinces and municipalities	30	10	3
Public corporations and private enterprises	Annex 1C	-	42
Households	Annex 1D	6 147	3 197
<b>TOTAL</b>		<b>6 157</b>	<b>3 242</b>

The increase in expenditure on transfers is due to more staff taking early retirement.

## 9. EXPENDITURE FOR CAPITAL ASSETS

	Note	2017/18	2016/17
		R'000	R'000
<b>Tangible assets</b>		<b>17 010</b>	<b>12 051</b>
Machinery and equipment	27	17 010	12 051
<b>Intangible assets</b>		<b>144</b>	<b>-</b>
Software	28	144	-
<b>TOTAL</b>		<b>17 154</b>	<b>12 051</b>

The increase in expenditure for capital assets is due to data storage project and enhancement of existing intangible assets.



PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>17 010</b>	<b>-</b>	<b>17 010</b>
Machinery and equipment	17 010	-	17 010
<b>Intangible assets</b>	<b>144</b>	<b>-</b>	<b>144</b>
Software	144	-	144
<b>TOTAL</b>	<b>17 154</b>	<b>-</b>	<b>17 154</b>

The increase in expenditure for capital assets is due to data storage project and enhancement of existing intangible assets.

9.2 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>12 051</b>	<b>-</b>	<b>12 051</b>
Machinery and equipment	12 051	-	12 051
<b>TOTAL</b>	<b>12 051</b>	<b>-</b>	<b>12 051</b>

9.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2017/18	2016/17
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment		4 224	5 842
<b>TOTAL</b>		<b>4 224</b>	<b>5 842</b>

10. CASH AND CASH EQUIVALENTS

	Note	2017/18	2016/17
		R'000	R'000
Consolidated Paymaster General Account		13 164	10 912
Cash on hand		104	104
<b>TOTAL</b>		<b>13 268</b>	<b>11 016</b>

11. PREPAYMENTS AND ADVANCES

	Note	2017/18	2016/17
		R'000	R'000
Travel and subsistence		21	21
Prepayments (Not expensed)	11.2	5 567	1 420
Advances paid (Not expensed)	11.1	121	120
<b>TOTAL</b>		<b>5 709</b>	<b>1 561</b>

The material increase on Prepayments not expensed is due to more software licences purchased in March 2018 for the 2018/19 financial year.

11.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2018
		R'000	R'000	R'000	R'000
National departments	11	120	-	1	121
<b>TOTAL</b>		<b>120</b>	<b>-</b>	<b>1</b>	<b>121</b>



PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

11.2 Prepayments (Not expensed)

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2018
	11	R'000	R'000	R'000	R'000
Goods and services		1 420	1 399	5 545	5 566
Transfers and subsidies		-	-	1	1
<b>TOTAL</b>		<b>1 420</b>	<b>1 399</b>	<b>5 546</b>	<b>5 567</b>

The material increase on Prepayments not expensed is due to more software licences purchased in March 2018 for the 2018/19 financial year.

11.3 Prepayments (Expensed)

	Note	Amount as at 1 April 2017	Less: Received in the current year	Add: Current Year prepayments	Amount as at 31 March 2018
		R'000	R'000	R'000	R'000
Goods and services		-	-	132	132
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>132</b>	<b>132</b>

11.4 Advances paid (Expensed)

	Note	Amount as at 1 April 2017	Less: Received in the current year	Add: Current Year prepayments	Amount as at 31 March 2018
		R'000	R'000	R'000	R'000
National departments		-	-	544	544
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>544</b>	<b>544</b>

12. RECEIVABLES

	Note	2017/18			2016/17		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	12.1	888	-	888	939	-	939
Staff debt	12.2	2 027	246	2 273	406	242	648
Fruitless and wasteful expenditure	12.4	183	-	183	2	-	2
Other debtors	12.3	746	-	746	1 359	-	1 359
<b>TOTAL</b>		<b>3 844</b>	<b>246</b>	<b>4 090</b>	<b>2 706</b>	<b>242</b>	<b>2 948</b>

12.1 Claims recoverable

	Note	2017/18 R'000	2016/17 R'000
National departments	12 and Annex 3	888	900
Private enterprises		-	39
<b>TOTAL</b>		<b>888</b>	<b>939</b>

12.2 Staff debt

	Note	2017/18 R'000	2016/17 R'000
Salary related	12	582	648
Debt Account		2 229	-
<b>TOTAL</b>		<b>2 273</b>	<b>648</b>

12.3 Other debtors

	Note	2017/18 R'000	2016/17 R'000
Dis-allowance damages and losses	12	746	1 359
<b>TOTAL</b>		<b>746</b>	<b>1 359</b>

## PART E: FINANCIAL INFORMATION

# NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 12.4 Fruitless and wasteful expenditure

	Note	2017/18	2016/17
	12	R'000	R'000
Opening balance		2	-
Less amounts recovered		(104)	-
Less amounts written off		(2)	-
Transfers from note 24 Fruitless and Wasteful Expenditure		284	2
Interest		3	-
<b>TOTAL</b>		<b>183</b>	<b>2</b>

The increase in receivables for fruitless and wasteful expenditure is due to salary overpayment that happened in 2016/17 and the debt was taken on in 2017/18 financial year.

### 12.5 Impairment of receivables

	Note	2017/18	2016/17
	12	R'000	R'000
Estimate of impairment of receivables		603	500
<b>TOTAL</b>		<b>603</b>	<b>500</b>

### 13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2017/18	2016/17
		R'000	R'000
Opening balance		14 764	6 731
Transfer from statement of financial performance (as restated)		20 305	14 764
Paid during the year		(14 764)	(6 731)
<b>Closing balance</b>		<b>20 305</b>	<b>14 764</b>

### 14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2017/18	2016/17
		R'000	R'000
Opening balance		157	119
Transfer from Statement of Financial Performance (as restated)		898	1 343
Paid during the year		(790)	(1 305)
<b>Closing balance</b>		<b>265</b>	<b>157</b>

#### 14.1 Prior period error

	Note	2016/17
	14	R'000
<b>Nature of prior period error</b>		
Relating to 2016/17		4
Overstatement of revenue paid out to the National Revenue Fund.		26
Overstatement of departmental revenue collected		(22)
<b>Total prior period errors</b>		<b>4</b>

The prior period error is due to overstated revenue collected and revenue paid out to the National Revenue fund in 2016/17 financial year.

### 15. PAYABLES – CURRENT

	Note	2017/18	2016/17
		R'000	R'000
Clearing accounts	15.1	227	160
Other payables	15.2	1	2
<b>TOTAL</b>		<b>228</b>	<b>162</b>



## PART E: FINANCIAL INFORMATION

# NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 15.1 Clearing accounts

	Note	2017/18	2016/17
	15	R'000	R'000
<b>Description</b>			
Salary deductions		227	160
<b>TOTAL</b>		<b>227</b>	<b>160</b>

### 15.2 Other payables

	Note	2017/18	2016/17
	15	R'000	R'000
<b>Description</b>			
Amount payable to previous employees		-	2
Other payables		1	-
<b>TOTAL</b>		<b>1</b>	<b>2</b>

## 16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2017/18	2016/17
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		21 203	16 107
Add back non cash/cash movements not deemed operating activities		(3 624)	5 178
(Increase)/decrease in receivables – current		(1 142)	2 399
(Increase)/decrease in prepayments and advances		(4 148)	(443)
Increase/(decrease) in payables – current		66	(686)
Proceeds from sale of capital assets		-	(107)
Expenditure on capital assets		17 154	12 051
Surrenders to Revenue Fund		(15 554)	(8 036)
<b>Net cash flow generated by operating activities</b>		<b>17 579</b>	<b>21 285</b>

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

	Note	2017/18	2016/17
		R'000	R'000
Consolidated Paymaster General account		13 164	10 912
Cash on hand		104	104
<b>TOTAL</b>		<b>13 268</b>	<b>11 016</b>

## 18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 18.1 Contingent liabilities

	Note	2017/18	2016/17
	18	R'000	R'000
<b>Liable to</b>			
<b>Nature</b>			
Claims against the department	Annex 2A	-	263
Intergovernmental payables (unconfirmed balances)	Annex 4	1 275	1 493
Other	Annex 2A	1 360	4 690
<b>TOTAL</b>		<b>2 635</b>	<b>6 446</b>

There are two categories of cases in this regard:

The first category relates to cases in which The Presidency is a respondent in court proceedings. These cases are not claims in monetary terms. However, if The Presidency is not successful in its opposition of these matters, The Presidency may be ordered to pay costs to the successful parties. The second category relates to cases in which the court has already ordered The Presidency to pay the legal costs of the successful parties. The amounts payable by The Presidency are yet to be determined by the Taxing Master. Rule 45(2) of the Uniform Rules of the High Court provides that "No process of execution shall issue for levying and raising costs awarded by the court to any party, until they have been taxed by the taxing master or agreed to in writing by the party concerned in a fixed sum"

PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

19. COMMITMENTS

	Note	2017/18	2016/17
	19	R'000	R'000
<b>Current expenditure</b>			
Approved and contracted		62 331	71 061
Approved but not yet contracted		-	1 584
		<u>62 331</u>	<u>72 645</u>
<b>Capital expenditure</b>			
Approved and contracted		264	191
		<u>264</u>	<u>191</u>
<b>Total Commitments</b>		<u><u>62 595</u></u>	<u><u>72 836</u></u>

13 contracts are longer than 1 year.

The reduction in commitments is due to expired contracts and the current year portion of e-Cabinet contract that was paid.

20. ACCRUALS AND PAYABLES NOT RECOGNISED

20.1 Accruals

	2017/18			2016/17
	R'000			R'000
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	3 122	2 955	6 077	5 817
Capital assets	490	41	531	447
Other	504	-	504	-
<b>TOTAL</b>	<u><u>4 116</u></u>	<u><u>2 996</u></u>	<u><u>7 112</u></u>	<u><u>6 264</u></u>

	Note	2017/18	2016/17
	20	R'000	R'000
<b>Listed by programme level</b>			
Administration		5 620	6 198
Executive Support		1 492	66
<b>TOTAL</b>		<u><u>7 112</u></u>	<u><u>6 264</u></u>

20.2 Payables not recognised

	2017/18			2016/17
	R'000			R'000
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	2 584	40	2 624	2 430
Capital assets	6	8	14	121
Other	45	-	45	-
<b>TOTAL</b>	<u><u>2 635</u></u>	<u><u>48</u></u>	<u><u>2 683</u></u>	<u><u>2 551</u></u>

	Note	2017/18	2016/17
		R'000	R'000
<b>Listed by programme level</b>			
Administration		2 682	2 511
Executive Support		1	40
<b>TOTAL</b>		<u><u>2 683</u></u>	<u><u>2 551</u></u>

	Note	2017/18	2016/17
		R'000	R'000
<i>Included in the above totals are the following:</i>			
Confirmed balances with other departments	Annex 4	2 338	3 749
<b>TOTAL</b>		<u><u>2 338</u></u>	<u><u>3 749</u></u>



PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

21. Employee benefits

	Note	2017/18	2016/17
		R'000	R'000
Leave entitlement		11 719	12 844
Service bonus (Thirteenth cheque)		6 327	6 339
Performance awards		4 678	4 629
Capped leave commitments		4 446	5 007
Other		198	228
<b>TOTAL</b>		<b>27 368</b>	<b>29 047</b>

Negative pro-rata leave credits: 159.62 days in the current leave cycle. Monetary value: R200 034.60.

22. LEASE COMMITMENTS

22.1 Operating leases

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	TOTAL
Not later than 1 year	-	-	-	3 764	3 764
Later than 1 year and not later than 5 years	-	-	-	2 133	2 133
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 897</b>	<b>5 897</b>

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	TOTAL
Not later than 1 year	-	-	-	3 723	3 723
Later than 1 year and not later than 5 years	-	-	-	4 466	4 466
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 189</b>	<b>8 189</b>

The Operating Lease Commitments mainly comprises of G-Fleet vehicles, Photocopiers and Cellphone contracts that run from month to month.

The decrease in operating lease commitments is due to contracts that are coming closer to expiry.

The department does not have any Operating sub-leased assets.

22.2 Finance leases

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	TOTAL
Not later than 1 year	-	-	-	5 789	5 789
Later than 1 year and not later than 5 years	-	-	-	3 124	3 124
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 913</b>	<b>8 913</b>

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	TOTAL
Not later than 1 year	-	-	-	2 268	2 268
Later than 1 year and not later than 5 years	-	-	-	1 726	1 726
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 994</b>	<b>3 994</b>

The Finance Lease Commitments mainly comprises of Cell Phone contracts, PABX telephone system and Photo Copiers. The Finance lease commitments have increased as new contracts have been entered into.

The department does not have any Finance sub-leased assets.

PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**23. IRREGULAR EXPENDITURE**

**23.1 Reconciliation of irregular expenditure**

	Note	2017/18	2016/17
		R'000	R'000
Opening balance		19 361	13 873
Prior period error		-	-
As restated		19 361	13 873
Add: Irregular expenditure – relating to prior year		9 907	8 396
Add: Irregular expenditure – relating to current year		14 650	8 517
Less: Prior year amounts condoned		(248)	(1 386)
Less: Amounts not condoned and not recoverable		(4 300)	(10 039)
<b>Closing balance</b>		<b>39 370</b>	<b>19 361</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		14 650	24 720
Prior years		29 463	10 844
<b>TOTAL</b>		<b>39 370</b>	<b>19 361</b>

An amount of R4,3 million for prior years was derecognised in 2017/18 financial year. The increase in irregular expenditure in 2017/18 is due to prior year irregular expenditure that was understated by R9,907 million for corporate management fees; other non-compliance with supply chain management processes not disclosed in 2015/16 and 2016/17 financial years; overtime exceeding 30%.

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

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Contract exceed 15% (Current)	Enquiry memo submitted to Responsible unit	60
Contract exceed 15% (Current)	Enquiry memo submitted to Responsible unit	128
Services rendered without a valid contract (Current)	Enquiry memo submitted to Responsible unit	423
Three quotation not obtained (Prior year)	Letter to request condonment sent to the National Treasury.	19
Contract exceed 15% (Prior year)	Enquiry memo submitted to Responsible unit	296
Contract exceed 15% (Prior year)	Enquiry memo submitted to Responsible unit	223
Services rendered without a valid contract (Prior year)	Enquiry memo submitted to Responsible unit	270
Services rendered without a valid contract.Traveling agency (Prior year)	Under investigation	5 041
Services rendered without a valid contract.Traveling agency (Current year)	Under investigation	2 743
Services rendered without a valid contract (Current year)	Under investigation	3 413
Local content not promoted (Current year)	Under investigation	69
Three quotation not obtained (Current year)	Under investigation	3
Three quotation not obtained (Current year)	Under investigation	18
Training services (Current year)	Under investigation	863
Order amount exceeded R500 000	Under investigation	851
Non-compliance with cost containment measures(Prior year)	Under investigation	1 420
Non-compliance with cost containment measures(Current year)	Under investigation	616
Deviation from SCM processes: Current	Under investigation	1 749
Overtime exceeding 30% threshold: Prior year	Under investigation	2 638
Overtime exceeding 30% threshold: Current year	Under investigation	3 714
<b>TOTAL</b>		<b>24 557</b>

**23.3 Details of irregular expenditure condoned**

Incident	Condoned by (condoning authority)	2017/18 R'000
Deviation from SCM processes	National Treasury	248
<b>TOTAL</b>		<b>248</b>

The irregular expenditure amounting to R248 thousand was condoned by National Treasury on the 27 June 2018.



## PART E: FINANCIAL INFORMATION

# NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 23.4 Details of irregular expenditure not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	2017/18 R'000
Non-compliance to Preferential Procurement Framework	Amount derecognised	4 300
<b>TOTAL</b>		<b>4 300</b>

### 23.5 Details of irregular expenditure under investigation (not included in the main note)

Incident		2017/18 R'000
Legal costs emanating from SCM processes not adhered to	Litigations and claims	9 023
<b>TOTAL</b>		<b>9 023</b>

Prior years irregular expenditure was understated by R9 023 million for legal costs emanating from SCM processes not adhered to.

## 24. FRUITLESS AND WASTEFUL EXPENDITURE

### 24.1 Reconciliation of fruitless and wasteful expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance		1 102	1 115
Prior period error		-	-
As restated		1 102	1 115
Fruitless and wasteful expenditure – relating to prior year		7 354	-
Fruitless and wasteful expenditure – relating to current year		20 514	92
Less: Amounts resolved		(1 673)	(103)
Less: Amounts transferred to receivables for recovery	12.4	(284)	(2)
<b>Closing balance</b>		<b>27 013</b>	<b>1 102</b>

The increase compared to prior year is due to E-Cabinet system not fully utilised.

### 24.2 Analysis of awaiting resolution per economic classification

	2017/18 R'000	2016/17 R'000
<b>Current</b>	27 013	1 102
<b>TOTAL</b>	<b>27 013</b>	<b>1 102</b>

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

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
No Show	Written off by Loss Control Committee	36
No Show	Referred to Loss Control Committee for consideration	1
Double payment	Refunded and under investigation	257
Erroneous payment	Refunded	13
No Show	Under investigation	41
System not utilised current and prior year	Under investigation	26 911
Three quotations not obtained	Under investigation	37
Cancelled trips	Under investigation	9
Salary overpayment	An amount of R270 thousand was written off and R130 thousand was transferred to receivables for recovery	400
Non pensionable allowance overpayment, salary overpayment and cancellation of trip (prior year)	Non pensionable allowance overpayment: Transferred to receivables, Salary overpayment and cancellation of trip written off by the Loss Control Committee.	163
<b>TOTAL</b>		<b>27 868</b>



PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

25. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2017/18	2016/17
		R'000	R'000
<b>Political office bearers (provide detail below)</b>			
Officials:	3	5 712	5 713
Level 15 to 16	21	30 453	30 414
Level 14 (incl. CFO if at a lower level)	20	20 687	21 940
<b>TOTAL</b>		<b>56 852</b>	<b>58 067</b>

26. PROVISIONS

	Note	2017/18	2016/17
		R'000	R'000
DA v President of RSA and EFF v President of RSA and Others		3 200	3 200
<b>TOTAL</b>		<b>3 200</b>	<b>3 200</b>

DA v President of RSA and EFF v President of RSA and Others

26.1 Reconciliation of movement in provisions – 2017/18

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	3 200	-	-	3 200
<b>Closing balance</b>	<b>3 200</b>	<b>-</b>	<b>-</b>	<b>3 200</b>

Reconciliation of movement in provisions – 2016/17

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	286	42	-	328
Increase in provision	56	-	3 200	3 256
Settlement of provision	(174)	(42)	-	(216)
Change in provision due to change in estimation of inputs	(168)	-	-	(168)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>3 200</b>	<b>3 200</b>

2016/17 Provision 1: Case was finalised and all affected employees paid. Provision 2: Case was finalised. Provision 3 is the Case of DA v President of RSA and EFF v President of RSA. 2017/18 Provision 1 is the case of DA v the President of the Republic of South Africa and the EFF v President of the Republic of South Africa and others.

27. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>
Heritage assets	16	-	-	-	16
<b>MACHINERY AND EQUIPMENT</b>	<b>88 894</b>	<b>-</b>	<b>6 711</b>	<b>4 226</b>	<b>91 379</b>
Transport assets	4 094	-	-	-	4 094
Computer equipment	60 137	-	2 073	2 341	59 869
Furniture and office equipment	19 200	-	4 557	1 627	22 130
Other machinery and equipment	5 463	-	81	258	5 286
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>88 910</b>	<b>-</b>	<b>6 711</b>	<b>4 226</b>	<b>91 395</b>

The additions for tangible assets have decreased as a result of the completion of an asset in the prior year which was brought into the asset register in 2016/17.



PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**MOVABLE TANGIBLE CAPITAL ASSETS UNDER INVESTIGATION**

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	150	1 994

The number pertains to assets still under investigations as at 31 March 2018 and there is ongoing project to address the matter.

**27.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>17 010</b>	<b>2 003</b>	<b>(12 301)</b>	<b>(1)</b>	<b>6 711</b>
Computer equipment	10 150	-	(8 077)	-	2 073
Furniture and office equipment	2 561	2 003	-	(7)	4 557
Other machinery and equipment	4 299	-	(4 224)	6	81
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>17 010</b>	<b>2 003</b>	<b>(12 301)</b>	<b>(1)</b>	<b>6 711</b>

Non cash additions pertains to assets transferred from the Department of Monitoring, Planning and Evaluation in terms of section 42 of the PFMA. The additions for tangible assets have decreased as a result of the completion of an asset in the prior year which was brought into the asset register in 2016/17.

**27.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>4 226</b>	<b>4 226</b>	<b>-</b>
Computer equipment	-	2 341	2 341	-
Furniture and office equipment	-	1 627	1 627	-
Other machinery and equipment	-	258	258	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>4 226</b>	<b>4 226</b>	<b>-</b>

Disposal mainly comprises of redundant computer equipment scrapped and donation of assets to schools/ Non -Governmental Organisations.

**27.3 Movement for 2016/17**

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>HERITAGE ASSETS</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>
Heritage assets	16	-	-	-	16
<b>MACHINERY AND EQUIPMENT</b>	<b>62 467</b>	<b>(161)</b>	<b>34 143</b>	<b>7 555</b>	<b>88 894</b>
Transport assets	3 496	-	821	223	4 094
Computer equipment	35 729	(191)	30 438	5 839	60 137
Furniture and office equipment	17 638	(4)	2 698	1 132	19 200
Other machinery and equipment	5 604	34	186	361	5 463
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>62 483</b>	<b>(161)</b>	<b>34 143</b>	<b>7 555</b>	<b>88 910</b>

PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

27.3.1 Prior period error

	Note	2016/17 R'000
Relating to 2016/17		(161)
Duplicated assets removed and cost adjustments		(88)
Prior disposals not removed		(73)
<b>TOTAL PRIOR PERIOD ERRORS</b>		<b>(161)</b>

The prior period error relates to duplicated assets and cost adjustments.

Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018					
	Note	Opening balance 1 April 2017 R'000	Current Year WIP R'000	Ready for use (Assets to the AR)/Contracts terminated R'000	Closing balance 31 March 2018 R'000
	Annexure 5				
Machinery and equipment		-	8 077	-	8 077
<b>TOTAL</b>		<b>-</b>	<b>8 077</b>	<b>-</b>	<b>8 077</b>

The capital work in progress relates to the data storage system that was not yet completed as at 31 March 2018.

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017						
	Note	Opening balance 1 April 2016 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR)/Contracts terminated R'000	Closing balance 31 March 2017 R'000
	Annexure 5					
Machinery and equipment		29 227	-	1 148	(30 375)	-
<b>TOTAL</b>		<b>29 227</b>	<b>-</b>	<b>1 148</b>	<b>(30 375)</b>	<b>-</b>

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018						
	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	TOTAL R'000
Opening balance	-	-	-	17 349	-	17 349
Additions	-	-	-	1 702	-	1 702
Disposals	-	-	-	(2 917)	-	(2 917)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16 134</b>	<b>-</b>	<b>16 134</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	TOTAL
Number of RI minor assets	-	-	-	345	-	345
Number of minor assets at cost	-	-	-	12 450	-	12 450
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 795</b>	<b>-</b>	<b>12 795</b>

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	425	404

The number and value pertains to assets still under investigations as at 31 March 2018.



PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017						
	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	-	-	-	18 910	-	18 910
Prior period error	-	-	-	9	-	9
Additions	-	-	-	715	-	715
Disposals	-	-	-	(2 285)	-	(2 285)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 349</b>	<b>-</b>	<b>17 349</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	TOTAL
Number of R1 minor assets	-	-	-	345	-	345
Number of minor assets at cost	-	-	-	13 022	-	13 022
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 367</b>	<b>-</b>	<b>13 367</b>

27.4.1 Prior period error

	Note	2016/17
		R'000
<b>Nature of prior period error</b>		
Relating to 2016/17		9
Duplicated assets removed, cost adjustment, fair market value valuations.		17
Prior disposal not removed		(8)
<b>TOTAL PRIOR PERIOD ERRORS</b>		<b>9</b>

The prior period error relates to duplicated assets and cost adjustments.

27.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	3 511	-	3 511
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 511</b>	<b>-</b>	<b>3 511</b>

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2017						
	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
Assets written off	-	-	-	9 618	-	9 618
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 618</b>	<b>-</b>	<b>9 618</b>

28. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 095	-	144	-	1 239

PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Cash	Non-Cash	(Development 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
SOFTWARE	144	-	-	-	144
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144</b>

Additions are due to enhancement of existing intangible assets.

28.2 Movement for 2016/17

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	837	-	258	-	1 095
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>837</b>	<b>-</b>	<b>258</b>	<b>-</b>	<b>1 095</b>

29. PRIOR PERIOD ERRORS

29.1 Correction of prior period errors

	Note	Amount before error correction	Prior period error	Restated Amount
		2016/17	2016/17	2016/17
		R'000	R'000	R'000
<b>Revenue:</b>				
Departmental revenue paid out to the National Revenue Fund overstated	14.1	(1 331)	26	(1 305)
Overstatement of Departmental revenue collected	3	1 365	(22)	1 343
<b>NET EFFECT</b>		<b>34</b>	<b>4</b>	<b>38</b>

Overstatement of departmental revenue paid out and collected in 2016/17 financial year

	Note	Amount before error correction	Prior period error	Restated Amount
		2016/17	2016/17	2016/17
		R'000	R'000	R'000
<b>Assets:</b>				
Computer equipment	27.3	35 729	(191)	35 538
Furniture and office equipment	27.3	17 638	(4)	17 634
Other machinery and equipment	27.3	5 604	34	5 638
Minor assets	27.4	18 910	9	18 919
Intangible capital assets: software	28	837	258	1 095
Cash and cash equivalent: Consolidated paymaster general account	10	10 908	4	10 912
<b>NET EFFECT</b>		<b>89 626</b>	<b>110</b>	<b>89 736</b>

The corrections were required due to duplicated assets removed. Prior disposals removed and adjustment of cost on affected assets. Consolidated Paymaster General account was understated in 2016/2017 financial year due to overstatement of departmental revenue paid out and collected in 2016/17 financial year. The prior period error on intangible assets is due to additions that were omitted in the prior year



PART E: FINANCIAL INFORMATION  
**NOTES ON THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Amount before error correction	Prior period error	Restated Amount
		2016/17	2016/17	2016/17
		R'000	R'000	R'000
<b>Liabilities:</b>				
<i>Employee benefits:</i>				
Leave entitlement	21	12 946	(102)	12 844
<b>NET EFFECT</b>		<b>12 946</b>	<b>(102)</b>	<b>12 844</b>

Correction is due to leave entitlement overstated in 2016/17 financial year as a result of leave that was captured after 31 March 2017.

30. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		Re-allocations by National Treasury or National Department
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	
	R'000	R'000	R'000	R'000	R'000	R'000	
City of Tshwane	-	-	10	10	10	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>-</b>

PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE IA**

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2016/17			
	Division of Revenue Act and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With-held	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	
City of Tshwane	-	-	10	10	10	-	-	-	-	-	-	-	3
<b>TOTAL</b>	-	-	<b>10</b>	<b>10</b>	<b>10</b>	-	-	-	-	-	-	-	<b>3</b>



PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE 1B**  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Com: Licenses	36	-	(36)	-	-	-	-
<b>TOTAL</b>	<b>36</b>	<b>-</b>	<b>(36)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

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

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Private Enterprises</b>									
Claims against the state	-	-	-	-	-	-	-	-	42
Transfers and subsidies	-	-	-	-	-	-	-	-	42
<b>TOTAL</b>	-	-	-	-	-	-	-	-	<b>42</b>



PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE ID**  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Leave Gratuity	2 214	-	-	2 214	2 623	118%	1 541
Claims Against State	-	-	-	-	-	-	205
Severance Package/Early retirement	3 936	-	(9)	3 927	3 484	89%	1 451
Other Transfers (PMT/Refund and Rem-ACT)	-	-	40	40	40	100%	-
	<b>6 150</b>	<b>-</b>	<b>31</b>	<b>6 181</b>	<b>6 147</b>	<b>-</b>	<b>3 197</b>
<b>TOTAL</b>	<b>6 150</b>	<b>-</b>	<b>31</b>	<b>6 181</b>	<b>6 147</b>	<b>-</b>	<b>3 197</b>

PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE IE**  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
<b>Received in kind</b>			
Pick n Pay Soshanguve	Food parcels	-	10
Cell C Foundation	50 school back packs/water bottles	-	2
PSM and Vukuzenzele	Free advertising for internship	-	64
<b>TOTAL</b>		<b>-</b>	<b>76</b>



PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE IF**  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2017/18 R'000	2016/17 R'000
<b>Made in kind</b>		
Pick n Pay Soshanguve (Donation of sanitary towels for school girls)	-	3
<b>Cash Contribution towards employees funeral:</b>		
Linda Manyane (employee 1)	-	10
Yandisa Gubayo (employee 2)	-	10
Keabetswe Dutch Mohale (employee 3)	-	10
Maria Pila (employee 4)	-	10
<b>Cash Contribution towards employees funeral:</b>		
Employee 1: Eulice Zandile Maseko	10	-
Employee 2: Emily Mamoepa	10	-
Employee 3: Aluwani Tshifuro	10	-
Employee 4: Nelly Monama	10	-
<b>Redundant Office Furniture &amp; Equipment donated to schools:</b>		
Bodubelo Primary School	-	343
Bud-Mbele Primary School	-	350
Bula-Dikgoro Primary School	-	181
Ikageng Primary School	-	453
Lesolang Primary School	-	365
Meetse-a-Bophelo Primary School	-	261
Tsuene High School	-	85
Rakale Primary School	-	95
Sipamandla High School	-	77
Children on the move	118	-
Ethafene Primary School	9	-
Ihlumelo Secondary School	8	-
North Gauteng Mental Health	121	-
Phadima Gape Organisation	116	-
Rata Special Services	102	-
Shalom Primary School	115	-
Tshwane Child Welfare	106	-
Youth for Survival	83	-
<b>TOTAL</b>	<b>818</b>	<b>2 253</b>

PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE 2A**  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

NATURE OF LIABILITY	Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2017				31 March 2018
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Employee vs The Presidency	263	-	(263)	-	-
<b>Subtotal</b>	<b>263</b>	<b>-</b>	<b>(263)</b>	<b>-</b>	<b>-</b>
<b>Other</b>					
Pending case : Disputed Invoices	1 270	-	(1 270)	-	-
Pending case : Disputed Invoices	368	-	(368)	-	-
Pending case : Disputed Invoices	191	-	(191)	-	-
Pending case : Disputed Invoices	676	2	(678)	-	-
Pending case : Disputed Invoices	2 185	-	(825)	-	1 360
<b>Subtotal</b>	<b>4 690</b>	<b>2</b>	<b>(3 332)</b>	<b>-</b>	<b>1 360</b>
<b>TOTAL</b>	<b>4 953</b>	<b>2</b>	<b>(3 595)</b>	<b>-</b>	<b>1 360</b>

There are two categories of cases in this regard:

The first category relates to cases in which The Presidency is a respondent in court proceedings. These cases are not claims in monetary terms. However, if The Presidency is not successful in its opposition of these matters, The Presidency may be ordered to pay costs to the successful parties.

The second category relates to cases in which the court has already ordered The Presidency to pay the legal costs of the successful parties. The amounts payable by The Presidency are yet to be determined by the Taxing Master. Rule 45(2) of the Uniform Rules of the High Court provides that "No process of execution shall issue for levying and raising costs awarded by the court to any party, until they have been taxed by the taxing master or agreed to in writing by the party concerned in a fixed sum"



PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE 3**  
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18 *	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
DIRCO	720	-	138	214	858	214	-	720
DPME	30	75	-	8	30	83	-	-
Home Affairs	-	7	-	-	-	7	-	-
DTI	-	240	-	4	-	244	-	-
GCS	-	108	-	-	-	108	-	-
Water and Sanitation	-	138	-	106	-	244	-	-
<b>TOTAL</b>	<b>750</b>	<b>568</b>	<b>138</b>	<b>332</b>	<b>888</b>	<b>900</b>	-	<b>720</b>

PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE 4**  
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18 *	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Higher Education and Training	-	17	-	-	-	17	-	-
Justice and Constitutional Development	1 789	3 732	463	1 380	2 252	5 112	-	-
Government Communications	123	-	-	-	123	-	-	-
Department of Home Affairs	-	-	-	113	-	113	-	-
Trade and Industry	45	-	-	-	45	-	-	45
International Relations	381	-	812	-	1 193	-	-	-
<b>TOTAL</b>	<b>2 338</b>	<b>3 749</b>	<b>1 275</b>	<b>1 493</b>	<b>3 613</b>	<b>5 242</b>	-	<b>45</b>



PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE 5**  
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Current Year Capital WIP	Ready for use (Asset register)/ Contract terminated	Closing balance	
	R'000	R'000	R'000	R'000	
<b>MACHINERY AND EQUIPMENT</b>	-	8 077	-	8 077	
Computer equipment	-	8 077	-	8 077	
<b>TOTAL</b>	-	8 077	-	8 077	

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017						
	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register)/ Contract terminated	Closing balance	
	R'000	R'000	R'000	R'000	R'000	
<b>MACHINERY AND EQUIPMENT</b>	29 227	-	1 148	(30 375)	-	
Computer equipment	28 274	-	1 148	(29 422)	-	
Furniture and office equipment	953	-	-	(953)	-	
<b>TOTAL</b>	29 227	-	1 148	(30 375)	-	



PART E: FINANCIAL INFORMATION  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 MARCH 2018

**ANNEXURE 6A**

INTER-ENTITY ADVANCES PAID (Note 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
International Relations	121	120	-	-	121	120
<b>TOTAL</b>	<b>121</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>120</b>



## PART E: FINANCIAL INFORMATION

### LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
APP	Annual Performance Plan
ARC	African Regional Centre
AU	African Union
B-BBEE	Broad-based Black Economic Empowerment
BEEAC	Black Economic Empowerment Advisory Council
BRICS	Brazil, Russia, India, China and South Africa
CFO	Chief Financial Officer
COO	Chief Operations Officer
DG	Director-General
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DIRCO	Department of International Relations and Cooperation
DRC	Democratic Republic of Congo
FOSAD	Forum of South African Directors-General
G20	Group of 20
GCIS	Government Communication and Information System
GDP	Gross Domestic Product
HOD	Head of Department
HRDC	Human Resource Development Council
IMC	Inter-Ministerial Committee
LOGB	Leader of Government Business
MPAT	Management Performance Assessment Tool
MPSA	Ministry of Public Service and Administration
MRM	Moral Regeneration Movement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDB	New Development Bank
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NHTL	National House of Traditional Leaders
NPC	National Planning Commission
NYDA	National Youth Development Agency
OAU	Organisation of African Unity
OSD	Occupation Specific Dispensation
PCC	President's Coordinating Council
PCAS	Policy Coordination and Advisory Services
PEP	Public Employment Programme
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Commission
PSR	Public Service Regulations
RMC	Risk Management Committees
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANAC	South African National AIDS Council
SARS	South African Revenue Service
SAS	Special Audit Services
SCM	Supply Chain Management
SDG	Sustainable Development Goals
SMS	Senior Management Service
SOEs	State-owned Enterprises
SOP	Standard Operating Procedure
SONA	State of the Nation Address
TB	Tuberculosis
TVET	Technical Vocational and Education Training
UN	United Nations
UNGA	United Nations General Assembly
YES	Youth Employment Services

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