

Annual Report

"Together we move South Africa forward"







DEPARTMENT OF DEFENCE

Annual Report

FY2018/19

Vote 19

"Together we move South Africa forward"

The Department of Defence Annual Report is available on the DOD website (www.dod.mil.za)

Annual Report Enquiries:

Head of Communication:

Mr S. Dlamini

Tel: +27 12 355 6365 Fax: +27 12 355 0118

E-mail: siphiwe.dlamini@dod.mil.za

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DEPARTMENT OF DEFENCE ANNUAL REPORT FOR THE FY2018/19

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

Dear Minister

THE DEPARTMENT OF DEFENCE ANNUAL REPORT FOR THE FY2018/19

I have the honour of submitting to you, in accordance with the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Department of Defence Annual Report for the reporting period 01 April 2018 to 31 March 2019.

(DR S.M. GULUBE)

SECRETARY FOR DEFENCE: DIRECTOR-GENERAL



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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 the National Treasury.
- The Annual Financial Statements 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 were 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, which ended on 31 March 2019.

Yours faithfully

(DR S.M. GULUBE)

SECRETARY FOR DEFENCE: DIRECTOR-GENERAL

TABLE OF CONTENTS

PART A: GENERAL INFORMATION				
Department of Defence General Information	3			
List of Abbreviations/Acronyms	4			
Foreword by the Executive Authority				
Strategic Statement by the Head of the Department	9			
Introduction by the Chief of the South African National Defence Force	12			
Strategic Overview	14			
Organisational and Legislative Mandates	15			
Organisational Structure	17			
Information on the Ministry	18			
PART B: PERFORMANCE INFORMATION				
South African Defence Review 2015 Implementation Status	25			
Background and Intention	25			
Strategic Defence Policy Options	25			
Implementation Milestones	26			
Focus Areas for Economic Growth and Development	26			
DOD 'Plan to Arrest the Decline'	27			
Presidential Engagement	28			
Financial Performance Information	29			
The Defence Vote	29			
Capital Investment, Maintenance and Asset Management Plan	32			
Non-Financial Performance Information	35			
Auditor-General's Report: Predetermined Objectives	35			
Strategic Outcome-Oriented Outputs	35			
Overview of Departmental Performance	41			
Performance Information by Programme	48			
Appendix A: Capital Investments, Maintenance and Asset Management Plan	95			
Appendix B: DOD Selected Performance Indicators, Targets and Actual Achievements	10			
Annendix C: DOD Performance Indicators Targets and Actual Achievements	10			

PART C: GOVERNANCE

137
137
139
141
142
142
143
143
144
146
153
153
187
199
209
385

TERMINOLOGY

For the purpose of this document, the term "the Minister" will at all times refer to the Minister of Defence and Military Veterans (MOD&MV), unless stated otherwise.

Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited or made available for audit.

2018/19 PART A General Information



DEPARTMENT OF DEFENCE GENERAL INFORMATION

Physical Address: Department of Defence

Defence Headquarters ARMSCOR Building

Corner of Delmas Road and Nossob Street

Erasmusrand Pretoria 0181

Postal Address: Department of Defence (Defence Headquarters)

Private Bag X910

Pretoria 0001

Telephone Number: +27 12 355 6200

Website Address: www.dod.mil.za

Annual Report Enquiries: Head of Communication

Mr S. Dlamini

Telephone: +27 12 355 6365

Fax: +27 12 347 0118

E-mail: siphiwe.dlamini@dod.mil.za

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Photography: Carine van den Berg

LIST OF ABBREVIATIONS/ACRONYMS

A AIDS Acquired Immunodeficiency Syndrome

AGSA Auditor-General of South Africa

APP Annual Performance Plan

ARMSCOR Armaments Corporation of South Africa SOC Ltd

ARV Antiretroviral Drugs

AU African Union

C CHATSEC Combating HIV/Aids through Spiritual and Ethical Conduct

CHA Comprehensive Health Assessment

CMIS Command and Management Information Systems

CoE Compensation of Employees

C SANDF Chief of the South African National Defence Force

CSS Core Service System

CSIR Council for Scientific and Industrial Research

D DA Defence Attaché

DFSC Defence Force Service Commission

DOD Department of Defence

DODI Department of Defence Instruction

DPBEC Departmental Programme and Budget Evaluation Committee

DPME Department of Planning, Monitoring and Evaluation
DPSA Department of Public Service and Administration

DRC Democratic Republic of the Congo

E EA Executive Authority

EISP Employer Initiated Severance Package

ENE Estimate of National Expenditure

Ex Exercise

F FMD Financial Management Division

FMS Financial Management System

FSE Force Structure Element

FY Financial Year

G GDA General Defence Account

GITO Government Information Technology Officer
GRAP Generally Recognised Accounting Practice

H HOA Home Owners Allowance

HIV Human Immunodeficiency Virus

HR Human Resources

HSRC Human Sciences Research Council

I ICT Information and Communication Technology

ICTS International Cooperation, Trade and Security

IDES Integrated Defence Enterprise System

IT Information Technology

J JCPS Justice, Crime Prevention and Security

JIIM Joint, Interdepartmental, Interagency and Multinational

K KPA Key Performance Area

M MAAC Military Attaché and Advisor Corps

MEM Mobility Exit Mechanism
MCS Modified Cash Standards

MOD&MV Minister of Defence and Military Veterans

MONUSCO United Nations Organisation Stabilisation Mission in the Democratic Republic of the

Congo

MOU Memorandum of Understanding

MPAT Management Performance Assessment Tool

MSDS Military Skills Development System

MTEF Medium Term Expenditure Framework

MTSF Medium Term Strategic Framework

N NA National Assembly

NACH National Anti-Corruption Hotline

NCOP National Council of Provinces

NDP National Development Plan

NDPW National Department of Public Works

NT National Treasury

NTBI National Telecommunication Backbone Infrastructure

O OCSLA Office of the Chief State Law Advisor

OHS Occupational Health and Safety
OSD Occupation Specific Dispensation

Op Operation
Par Paragraph

PFMA Public Finance Management Act, 1999 (Act No. 1 of 1999)

PMDS Performance Management and Development System

PSA Public Servants Association
PSAP Public Service Act Personnel
PSO Peace Support Operation
PSR Public Service Regulations

R RFC Reserve Force Council

RSA Republic of South Africa

S SA South Africa

SABC South African Broadcasting Corporation
SADC Southern African Development Community

SAMHS South African Military Health Service

SAMRO South African Music Rights Organisation

SANDF South African National Defence Force

SAPS South African Police Service

SAS South African Ship

SASSETA Safety and Security Sector Education and Training Authority

SCM Supply Chain Management SCoA Standard Chart of Accounts

SCOPA Standing Committee on Public Accounts

SDA Special Defence Account

SDIP Service Delivery Improvement Plan
SETA Sector Education Training Authority
SITA State Information Technology Agency

SLA Service Level Agreement

SMME Small, Medium and Micro-sized Enterprise

SMS Senior Management Service/System

STIs Sexually Transmitted Infections

T TB Tuberculosis

U UAMP User Assets Management Plan

UN United Nations

URS User Requirement Specification

V VIP Very Important Person

VVIP Very Very Important Person
VSP Voluntary Severance Package

W WIP Work In Progress

FOREWORD BY THE EXECUTIVE AUTHORITY

Ms N.N. Mapisa-Ngakula, MP

Honourable Minister of Defence and Military Veterans

This Annual Report reflects on the fundamental contribution Defence made to the sovereignty of South Africa and the authority of the State.

In fulfilling Madiba's vision, South Africa continues to promote peace, security and stability in the region and on the African Continent. In this regard Defence made vital contribution to these efforts. We remain a significant contributor to peacekeeping operations on the continent and have a substantial presence in the Democratic Republic of the Congo through MONUSCO and the Force Intervention Brigade.

On the humanitarian front, we continued to conduct search and rescue, disaster relief and humanitarian operations across the home front and in neighbouring countries, when called upon. Of importance is our response to the regional disaster caused by cyclone IDAI as far afield as Mozambique and Malawi. Air assets and medical staff of the Defence Force were deployed under Operation CHARIOT.

We continue with our efforts to ensure that we secure our territorial integrity by safeguarding of our borders thus preventing the flow of illicit goods, influx of illegal immigrants and cross border crime.

Furthermore, in the year under review we have:

- Intervened to stabilise the crisis at the Provincial Hospital in Mahikeng in the North West Province and rendered essential services through the deployment of health professionals.
- Intervened to contain the raw sewerage spillage into the Vaal River System through repairs of the sewage infrastructure in the Vaal River Project.
- Deployed engineers to assist the Ditsobotla Municipality in the North-West with regards to sewage system failure.
- Built bridges in those rural areas where there is an absence of infrastructure in isolated communities.
- Supported other institutions in fire fighting, mountain and maritime search and rescue operations.

Defence continued to contribute to poverty alleviation and economic growth. As example, in recent times we have:

- Expanded Project KOBA-TLALA to pursue the defence decentralised procurement of goods and services at a local level to be a catalyst for Small, Medium and Micro-sized Enterprise development and job creation.
- Supported the Department of Agriculture, Forestry and Fisheries in protecting South Africa's wildlife and marine resources.
- Supported the National Parks Board in the protection of rhinos and other wildlife against criminal syndicates.
- Contracted Damen Shipyards to build inshore patrol vessels and South Africa Shipyards in Durban to build a new hydrographic survey vessel in support of South Africa's international obligation to Safety of Life at Sea.

Over the last few years, the Department of Defence has been forced to continuously adjust its plans downwards in response to the declining budget. We are forced to adopt a short-term view with an increasingly constrained value proposition to South Africa and its people. Due to the severity of the budget cuts we have become a funding-driven defence force instead of a mandate-driven force. Defence can only perform to the extent that it is resourced and funded.

The significant reduction in the defence allocation has resulted in an ever-decreasing ability to execute ordered defence commitments. The rate of decline has accelerated beyond our ability to control and absorb these ongoing reductions. It is time that we need to discuss, as a country, the type of a defence force we need should the decrease in our budget continue beyond where we are now.

In conclusion, I need to thank the Portfolio Committee on Defence and Military Veterans, the Joint Standing Committee on Defence, the Secretary for Defence, the Chief of the South African National Defence Force, the Military Command and the Defence Secretariat for their support during the year under review.

We present the Annual Report as contained herein.

(MS N.N. MAPISA-NQAKULA)

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MINISTER OF DEFENCE AND MILITARY VETERANS: MP

STRATEGIC STATEMENT BY THE HEAD OF DEPARTMENT



Dr S.M. Gulube
Secretary for Defence: Director-General

It is indeed an honour and a privilege to provide my final *Strategic Statement* as Secretary for Defence in this Annual Report. It is incumbent on me to share the significant impact that Defence has had on our country, the Southern African Development Community region and the African continent over the last few years. As I bow out of the role that has defined the biggest part of my life for almost a decade, I look back at some of the highlights that have had a profound impact on me personally.

I joined the South African National Defence Force as medical doctor in the Military Health Service and served at 1 Military Hospital providing medical and surgical services to patients. This experience, coupled to my military background as a former member of *Umkhonto we Sizwe* during the struggle for the freedom of South Africa, enabled me to rapidly grasp operational matters in the Defence Force.

After a period away from Defence and during the time that I was part of the State Security Agency, I was appointed in 2011 to the Ministerial Defence Review Committee under the Chairmanship of Mr Roelf Meyer. I was thus part of the team responsible for the second national policy review of Defence for the democratic Republic of South Africa. This work culminated in the Cabinet approved and Parliamentary endorsed South African Defence Review 2015, which provides the national policy construct for the short, medium and long-term defence development trajectory of South Africa.

This was my first exposure to the Defence policy environment, which was to shape the next eight years of my life. During the final stages of the development and approval of the Defence Review my role changed. I was appointed as Secretary for Defence and so began an unimaginably steep learning curve.

As Head of Department and Accounting Officer for the Department I had the responsibility, not only to ensure governance and compliance to the regulatory framework and to ensure that the Department of Defence was enabled to function, but also to play a pivotal role in Government business as a member of the Forum of South African Directors General. More particularly, our participation in the Justice, Crime Prevention and Security Cluster and the International Cooperation, Trade and Security Cluster enabled meaningful contributions to the security and foreign policy domains of Government.

In line with the Defence Review 2015 policy pronouncements and for the last four years, I have focussed my efforts on the work required to 'Arrest the Decline' in the Department of Defence. Our plan consisted of both 'cost driven' and 'non-cost driven' interventions. The downturn of the South African economy has resulted in a reduced funding to Defence, making it impossible to fund the full implementation of the Defence Review as initially envisaged. Strategically this negates the approved level of defence ambition that can be pursued.

However, in the absence of additional funding, we focused on the non-cost driven aspects wherein we paid particular attention to, *inter alia*, improving efficiency, organisational restructuring, and improvement of operational support systems. These deliverables have been embedded in the main Defence Programmes ensuring continued programmatic implementation. The implementation of the South African Defence Review 2015 remains work in progress and the Department of Defence will continue to pursue this within the resources allocated to it by the National Treasury.

As part of these interventions, the procurement function was decentralised to various military units to optimise procurement throughout the country and enable Defence to spend locally, thereby providing a catalyst to Small, Medium and Micro-sized Enterprises and local economic growth. The downside of this has been a number of negative audit findings in the supply chain, mainly due to the lack of continuity and capacity of personnel in the procurement process.

More positively, and as we have pursued our diplomatic agenda, our relationships with the members of BRICS¹ have significantly improved over the last few years:

- We now have a collaboration with Russia that has resulted in Russian Helicopters, a manufacturer of civilian and military rotary wing aircraft, signing a deal with Denel for the establishment of an aircraft repair facility in Kempton Park to service helicopters from the continent of Africa.
- We facilitated the lift of the blacklisting of Denel, allowing it to participate in the military procurement programme of the Indian Minister of Defence.
- · We have matured Defence relations with China; and
- We are currently co-developing self-guided munitions with Brazil.

In line with the Defence Review, we established the National Defence Industry Council, which in turn has since delivered the South African Defence Industry Strategy, the Defence Broad-Based Black Economic Empowerment Sector Code and the Defence Industry Fund to ensure Small, Medium and Micro-sized Enterprise participation in the sector.

We ensured that the Defence Sector participated in the Public Private Growth Initiative of the Presidency, which aimed to attract \$100 billion worth of domestic and foreign investment into the South African economy. This is an exciting evolving sector-based collaboration between Government and Business across 24 sectors of the South African economy that will yield positive growth in our economy.

In addition, through bi-lateral collaborations with strategic countries, we have been able to grow South African Defence Matériel exports from R5 billion to R11 billion per annum over the last five years. We have been able to establish a 45% global market penetration.

We have focussed on and pursued specific defence technology programmes at Defence Research Institutes to enable operational capabilities that can be utilised as force multipliers and provide benefit and operational advantage to the Defence Force over the long-term.

¹ Brazil, Russia, India, China and South Africa.

We have endeavoured and indeed succeeded in improving our inter-governmental relations through formal cooperation with other departments, stakeholders and agencies.

Defence, as the appointed co-chair of the Justice, Crime Prevention and Security Cluster, has fostered and managed cooperative government and inter-governmental relations through the Cluster System. To this extent, the following critical priority combined objectives *inter alia* continue to be pursued:

- Fighting crime and corruption.
- Defended, protected, secured and well-managed borders.
- · Secured cyberspace.
- · Assured domestic stability.
- · Reducing corruption in the public and private sectors.

In closing, none of these highlights would have been possible without the leadership, support and guidance of the Minister of Defence and Military Veterans. My profound appreciation is also extended to the Portfolio and Joint Standing Committees on Defence and Military Veterans for their persistent and positive assistance and support during my time in office.

It is my privilege to present the Department of Defence Annual Report for the FY2018/19.

(DR S.M. GULUBE)

SECRETARY FOR DEFENCE: DIRECTOR-GENERAL

INTRODUCTION BY THE CHIEF OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE



General S.Z. Shoke

This Annual Report is provided at a time when the South African National Defence Force faces inadequate funding on its critical capabilities and a number of these capabilities may have to be disposed of, as they remain unfunded. The risks defined and listed in the Departmental Risk Register point to the constrained and declining ability of the South African National Defence Force to execute its ordered operational commitments. This is due to the fact that the Defence Force has become predominantly budget driven than being constitutionally mandate driven. However, the changing nature of the strategic environment and the complexities that arise thereto no longer afford any country the luxury of long lead times to prepare for counter measures against any such eventualities. It is for this reason that very careful consideration be given to the funding of the defence function. Further, we live in a world that has become too difficult and cumbersome to predict the likely future.

Despite resource constraints and in pursuance of ordered Defence Commitments, the Defence Force continued to play an essential role in the fulfilment of its Constitutional duties and the advancement of our foreign policy objectives by participating in the United Nations / African Union Peace Support Operation in the Democratic Republic of the Congo and the conduct of long range maritime patrols to the Mozambican Channel in counter piracy operations to ensure a safe and secured Southern African Development Community maritime environment.

With the strategic environment increasingly becoming unpredictable, the South African National Defence Force continued to fulfil outcome 3 of government to ensure that all people in South Africa are and feel safe by deploying our soldiers in the borderline for the purposes of border protection. Much more still needs to be done to mitigate the porousness of our borders and this given adequate resources will require an increase of soldiers in the borderline and the use of force multipliers that will enable a real time picture of our borders. To this effect, the South African National Defence Force has drafted and completed a Border Safeguarding and Sensor Strategies whose implementation plan if appropriately funded will considerably mitigate the porousness of the borderline.

In support of the People of South Africa, the Defence Force has continued to provide support for disaster relief, humanitarian assistance, as well as search and rescue missions. We have supported the North West Provincial Hospital and Municipalities through the Army Engineers. We have provided air assets in parts of the country for search and rescue missions and medical evacuation. Further, the Defence Force provided bridges

in rural communities including the purification project in the Vaal River. Disaster Relief assistance was also provided to Malawi and Mozambique as a result of cyclone IDAI which resulted in severe flooding.

The Defence Force's vision remains as "effective defence of a democratic South Africa", a vision that must be carried and inculcated to the next generation of soldiers in a patriotic manner.



(S.Z. SHOKE)

CHIEF OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE: GENERAL

STRATEGIC OVERVIEW

VISION

"Effective defence for a democratic South Africa."

MISSION

"To provide, manage, prepare and employ defence capabilities commensurate with the needs of South Africa as regulated by the Constitution, National Legislation and Parliamentary and Executive direction. The latter will be provided through the proper management, provision, preparedness and employment of defence capabilities, which are in line with the domestic and global needs of South Africa."

VALUES

Organisational Values

The Department of Defence (DOD) has committed itself to organisational values that are rooted in individual values, codes of conduct and unit cohesion. For the period under review, in delivering the defence mandate, the DOD pursued and adhered to the following organisational values, as informed by the DOD Strategic Plan 2015-2020:

- Accountability
- Consultation rooted in effective and efficient partnership and collaboration
- · Discipline
- · Ethics
- Excellence
- Openness and transparency
- People
- · Service standards
- Teamwork

Individual Values

The following individual values form the framework through which the individual values of DOD members were pursued in support of the organisational values:

- Professionalism
- · Human dignity
- Integrity
- Leadership
- Loyalty
- Patriotism

ORGANISATIONAL AND LEGISLATIVE MANDATES

CONSTITUTIONAL MANDATE

The DOD derives its mandate from the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). Schedule 6 Section 24(1), provides the following functions of the Defence Force, as originally established by the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993), as amended, continue in force as if the previous Constitution had not been repealed. The objectives of the DOD are:

- To provide for a structured and disciplined military force with the primary objective to defend and protect
 the Republic, its territorial integrity and its people in accordance with the Constitution and the principles of
 international law regulating the use of force.
- To provide for the political responsibility and employment of the Defence Force.

LEGISLATIVE MANDATE

The Minister of Defence and Military Veterans (MOD&MV), as a member of the Cabinet, is responsible for Defence (section 201 of the Constitution, 1996).

This mandate is given substance by the Defence Act, 2002 (Act No. 42 of 2002), the SA Defence Review 2015² and delegated legislation.

The DOD comprises of the Defence "Civilian" Secretariat, established in terms of Section 204 of the Constitution, and the South African National Defence Force (SANDF), established in terms of Section 202 of the Constitution.

The Constitutional and primary legislative mandates governing the DOD are reflected below:

- Defence Act, 2002 (Act No. 42 of 2002)
- Defence Amendment Act, 2010 (Act No. 22 of 2010)
- Public Service Act, 1994 (Act No. 103 of 1994)
- Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999)
- National Conventional Arms Control, 2002 (Act No. 41 of 2002)
- National Strategic Intelligence, 1994 (Act No. 39 of 1994)
- Defence Special Account Act, 1974 (Act No. 6 of 1974)
- Military Ombud Act, 2012 (Act No. 4 of 2012)
- Castle Management Act, 1993 (Act No. 207 of 1993)
- Armaments Corporation of South Africa SOC Ltd (ARMSCOR) Act, 2003 (Act No. 51 of 2003)
- Non-proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)
- Promotion of Access of Information Act, 2000 (Act No. 2 of 2000)

² The Defence Review 2014 was approved by Cabinet on 19 March 2014, endorsed by the NA on 04 June 2015 and the NCOP on 24 June 2015. The SA Defence Review 2015 (renamed) provides the national defence policy for South Africa that informs the defence trajectory to be pursued over multiple MTEFs.

The following progress regarding the Constitutional and legislative mandates are reported:

The Military Discipline Bill, 2019. The Constitution enjoins the State to maintain and structure the SANDF as a disciplined military force. The draft Bill seeks to achieve this Constitutional imperative by providing for the proper administration of the Military Justice System in a manner that achieves this main aim and promotes equality, fairness, transparency and accountability in the Defence Force.

On 16 August 2018, the draft Bill was presented to the Justice, Crime Prevention and Security Cabinet Committee, which recommended further processing of the draft Bill to the Cabinet Committee. On 22 August 2018, the Cabinet approved the draft Bill for introduction to the Parliament. On 01 October 2018, the DOD advised the Office of the Chief State Law Adviser of the Cabinet approval and requested the final certification of the Bill.

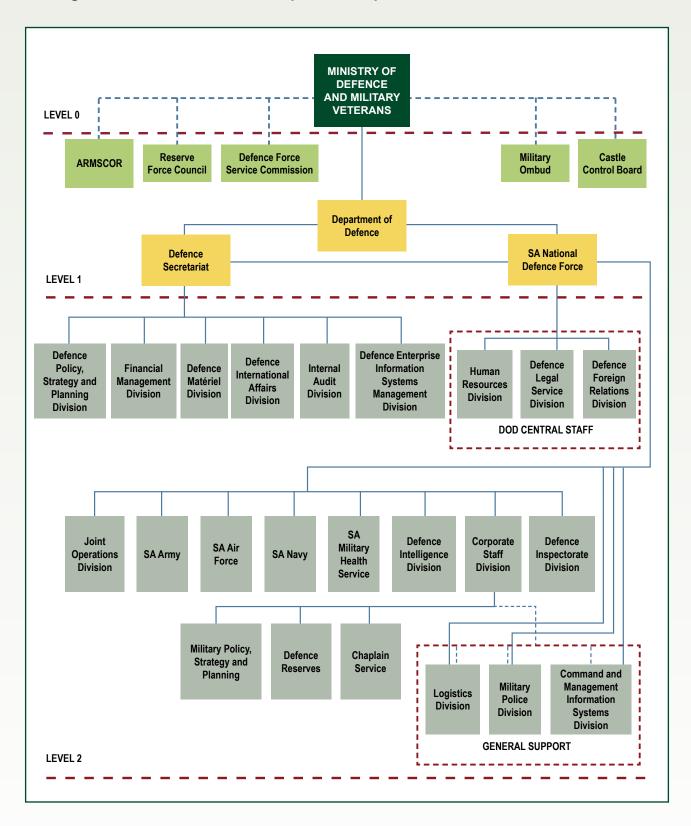
Hydrographic Bill (Bill No. 17 of 2018). The Bill seeks to recognise and grant legislative status to the Office of the Hydrographer, which has been in existence in the SA Navy since the inception of hydrographic services in South Africa. The Bill will enable the Hydrographer of the SA Navy to be recognised as the National Hydrographer and will ensure that the provision of hydrographic services is formalised and enacted into law.

On 01 June 2018, the MOD&MV introduced the draft Bill to Parliament, whereupon the draft Bill was referred to the Portfolio Committee on Defence and Military Veterans for further processing. The Department awaits an invite from the Portfolio Committee on Defence and Military Veterans for further engagements on the draft Bill. On 30 October 2018, the Bill appeared before Parliament for a second reading debate, whereupon it was fully supported and approved for submission to the National Council of Provinces for concurrence.

Defence Amendment Bill (Bill No. 18 of 2017). The Amendment Bill seeks to amend certain aspects in the Defence Act, 2002 (Act No. 42 of 2002). The Bill served before the Portfolio Committee on Defence and Military Veterans on 23 August 2018, whereby the Committee adopted the Bill to the Parliamentary Legal Advisers before processing it further and for public comments as part of further processing by Parliament. On 11 September 2018, the Bill was introduced by the Minister into the National Assembly and was forwarded for adoption by the National Council of Provinces.

ORGANISATIONAL STRUCTURE

The organisational structure of the Department is provided below.



INFORMATION ON THE MINISTRY

INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

Since the establishment of the Planning, Monitoring and Evaluation Community of Practice for Public Entities in 2015, the DOD Administration Programme provided an oversight function over the Public Entities and Organs of State (categorised within Schedules 2 and 3 of the PFMA) reporting and accountable to the Executive Authority to ensure alignment with the national and departmental imperatives and National regulatory framework in terms of planning, budgeting and reporting.

The following Public Entities report to the Executive Authority:

Armaments Corporation of South Africa SOC Ltd

Legislative Mandate

The ARMSCOR mandate is derived from the ARMSCOR Act (Act No. 51 of 2003). ARMSCOR is to meet:

- The Defence matériel requirements of the DOD effectively, efficiently and economically.
- The Defence technology, research development, analysis, test and evaluation requirements of the DOD effectively, efficiently and economically.

ARMSCOR is required to adhere to accepted corporate governance principles, best business practices and generally accepted accounting practices within a framework of established norms and standards that reflects fairness, equity, transparency, economy, efficiency, accountability and lawfulness.

Outputs

To manage the acquisition and technology projects, the following themes underpin the current focus:

- Financial turnaround and business re-orientation.
- · Acquisition excellence.
- · Technology advancement.
- Industry sustainability.
- Stakeholder engagement.

Castle Control Board

Legislative Mandate

The Castle Control Board as a public entity, under the PFMA Section 1, and the Castle Management Act, 1993 (Act No. 207 of 1993) has the mandate to manage and protect the Castle of Good Hope on behalf of the MOD&MV, who has the ultimate ownership responsibility for the Castle of Good Hope. The National Heritage Resources Act, 1999 (Act No. 25 of 1999) provides for the management of the Castle of Good Hope as a national heritage site.

Outputs

The Castle Control Board is responsible for the following:

- · Compliance with Regulatory Framework.
- Maintenance, preservation, interpretation and showcasing of the history of the Castle of Good Hope.
- Preserved and protected military and cultural heritage site.
- Optimised tourism potential of the Castle of Good Hope.
- Optimised accessibility to the Castle of Good Hope by the public.
- · Increased public profile and positive perception across all sectors of the community.

The following Organs of State report to the Executive Authority:

Office of the Military Ombud

Legislative Mandate³

The Office of the Military Ombud was established in terms of the Military Ombud Act, 2012 (Act No. 4 of 2012) to investigate and ensure that complaints submitted by members and former members, a member of the public regarding official conduct of a member or a person acting on behalf of a member with regard to their conditions of service are resolved in a fair, economical and expeditious manner.

Reserve Force Council

Legislative Mandate

The Reserve Force Council is a statutory body under Section 48 of the Defence Act. The Reserve Force Council is a consultative and advisory body and represents the Reserve Force to promote and maintain the force as an integral part of the Defence Force and must be consulted on any legislation, policy or administrative measures affecting the Reserve Force.

Defence Force Service Commission

Legislative Mandate⁴

The Defence Force Service Commission was established under Section 62 of the Defence Amendment Act, 2010 (Act No. 22 of 2010). The output of the Defence Force Service Commission is to make recommendations to the MOD&MV on improvements of salaries, service benefits, policies, and conditions of service as well as the effective and efficient implementation thereof.

Refer to The Military Ombud Annual Report for FY2018/19 for comprehensive Legislative Mandate and Nature of Operations.

⁴ Refer to The Defence Force Service Commission Annual Report for FY2018/19 for comprehensive Legislative Mandate and Nature of Operations.

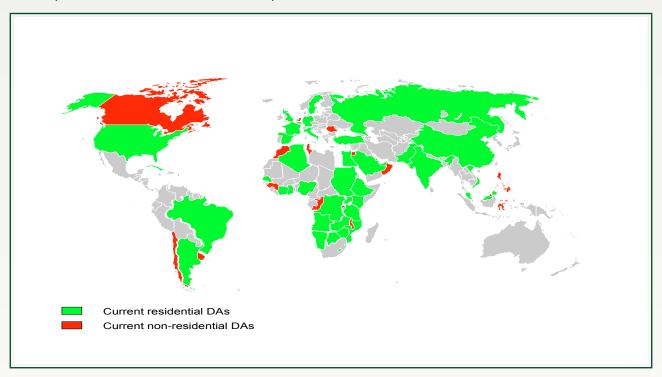
DEFENCE DIPLOMACY

Consistent with the international relations policy of Government, which emphasises the interconnectedness of South Africa with countries of the world, and in particular the African continent, the DOD kept true to its approach of a layered defence through a substantial footprint of Defence Attachés.

Diplomacy actions by the DOD varied between focussed efforts and indirect actions that had a defence diplomacy impact. Focussed efforts included defence representation abroad and bilateral and multilateral meetings. The DOD contributed indirectly through participation in functional and developmental training with foreign defence forces and attendance of conferences and seminars. The benefits of international military cooperation gave impetus to the defence diplomacy agenda of the DOD.

SANDF Defence Attaché Representation

The map below indicates the international representation of SANDF Defence Attachés for FY2018/19.



During the FY2018/19, the DOD were represented by means of residential Defence Attachés in the following 42 countries, the African Union and the United Nations:

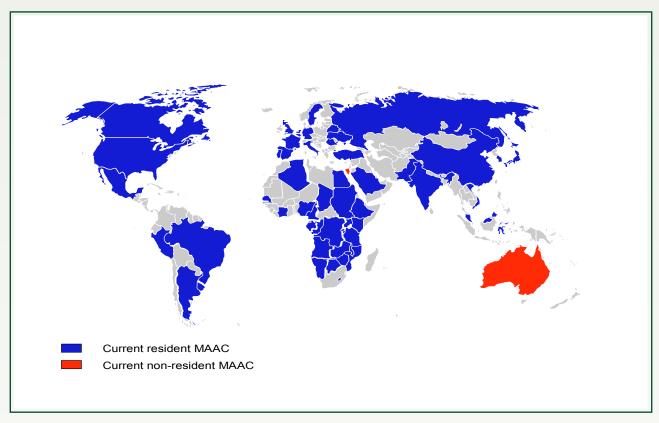
Algeria, Angola, Argentina, African Union, Belgium, Botswana, Brazil, Burundi, Côte d'Ivoire, Cuba, Democratic Republic of the Congo, Egypt, Eswatini, Ethiopia, France, Germany, Ghana, India, Italy, Kenya, Lesotho, Malaysia, Mozambique, Namibia, Nigeria, Pakistan, People's Republic of China, Russian Federation, Saudi Arabia, Senegal, Spain, South Sudan, Sudan, Sweden, Tanzania, Turkey, United Arab Emirates, Uganda, United Kingdom, United Nations, United States of America, Vietnam, Zambia and Zimbabwe.

During the FY2018/19, the DOD was represented by means of non-residential Defence Attachés in the following 20 countries and the European Union:

Bahrain, Brunei, Canada, Chile, European Union, Guinea, Indonesia, Jordan, Kuwait, Malawi, Mauritius, Morocco, Netherlands, Oman, Philippines, Qatar, Romania, Rwanda, Tanzania, Tunisia and Uruguay.

Military Attaché and Advisor Corps Representation

The map below indicates Military Attaché and Advisor Corps representation in South Africa for the FY2018/19.



During the FY2018/19, resident Military Attaché and Advisor Corps representation in South Africa were from the following 59 countries:

Algeria, Angola, Argentina, Belarus, Belgium, Botswana, Brazil, Burundi, Cameroon, Canada, China, Chad, Côte d'Ivoire, Democratic Republic of the Congo⁵, Ethiopia, Egypt, Equatorial Guinea, France, Gabon, Germany, India, Indonesia, Italy, Japan, Kenya, Korea, Lesotho, Malawi, Malaysia, Mexico, Mozambique, Namibia, Netherlands, Niger, Nigeria, Peru, Pakistan, Portugal, Romania, Russian Federation, Rwanda, Saudi Arabia, Senegal, Spain, South Sudan, Sweden, Tanzania, Thailand, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States of America, Uruguay, Vietnam, Zambia and Zimbabwe.

During the FY2018/19, non-resident Military Attaché and Advisor Corps representation in South Africa were from the following three countries:

Australia, Israel and Kuwait.

⁵ Double accredited to Congo-Brazzaville.

Bilateral and Multilateral Interaction

The Southern African Development Community as a region, together with the African continent as a whole, remained the main area of focus of the DOD for bilateral and multilateral interaction.

DOD Foreign Aid Assistance

Foreign aid assistance received/given to/by the DOD was mostly in kind and took the form of providing air tickets and/or messing/accommodation and/or a daily stipend during foreign visits/training. Foreign aid are provided by countries as a gesture of goodwill. Therefore, the actual cost to the donors cannot be determined and the Rand value is merely an estimate. No foreign aid was rendered or received for larger DOD projects/ programmes during the year under review.

2010 PART B Performance Information

SOUTH AFRICAN DEFENCE REVIEW 2015 IMPLEMENTATION STATUS

BACKGROUND AND INTENTION

The SA Defence Review 2015 was submitted to and approved by Cabinet on 20 March 2014. Cabinet directed that it be tabled in Parliament for public comment and endorsement. After a lengthy public consultation process, the National Assembly and the National Council of Provinces endorsed the SA Defence Review 2015 for implementation, with minor amendments on 04 June 2015 and 25 June 2015 respectively.

The SA Defence Review 2015 posits a defence policy position that is supportive of South Africa's national interest and foreign policy. This policy position recognises the important role that South Africa plays on the continent of Africa and the gravitas it has which allows it to shape the continental strategic agenda.

As Africa and its development are central to the future of South Africa, South Africa is significant to the future of Africa and as such has a significant continental role. This requires a defence capability that is commensurate with this relationship.

STRATEGIC DEFENCE POLICY OPTIONS

The SA Defence Review 2015 provides three Strategic Defence Policy Options to South Africa. These options articulate different levels of defence ambition that could be pursued. The option selected by Cabinet and endorsed by Parliament is considered to be the most appropriate level of defence ambition for South Africa to aspire to.

This option recommends that the DOD be developed over the next 20 years and focussed on ensuring the following national strategic outcomes:

- Influence the international and continental strategic agendas through optimised defence diplomacy engagements with the United Nations, African Union and the Southern African Development Community.
- Pursue bi-lateral and multi-lateral relationships in pursuit of South Africa's national interest and foreign policy objectives.
- Participate meaningfully to establishing peace and security on the continent through international peace keeping and peace enforcement operations.
- Create the capability to reach and intervene in support of African Union contingencies and peace processes on the continent.
- Enhance South Africa's sovereignty through effective safeguarding of its sea, land and air borders so as to protect its resources, economy and people.
- Be able to defend and protect South Africa and its people against any emerging or imminent threat.

The implementation of the SA Defence Review 2015 over time will bring about significant change to both the design and structure of the DOD, ensuring budget efficiency, effectiveness and economy whilst enabling combat readiness, operational sustainability and future relevance.

IMPLEMENTATION MILESTONES

The SA Defence Review 2015 pronounces on five planning, budgeting and implementation milestones, indicated below. The first four being the main policy focus over the next 20 years as those that are crucial to improving the defence capability in the absence of war.

- Milestone 1: Arrest the Decline.
- Milestone 2: Rebalance the Force.
- Milestone 3: Sustain Current Ordered Defence Commitments.
- Milestone 4: Capacitate to Meet any Emerging Threats.
- Milestone 5: Develop a War Force for a State of National Defence (Constitutional Mandate).

FOCUS AREAS FOR ECONOMIC GROWTH AND DEVELOPMENT

The SA Defence Review 2015 recognises the developmental challenges that face South Africa and thus recommends a significant contribution by the DOD to these challenges. In support of the implementation of the National Development Plan the SA Defence Review 2015 recommends that the DOD identifies focus areas that can add specific value to economic growth and the development of South Africa. These include inter alia:

- The value of the Defence contribution to the growth of the economy (Defence Economics).
- The value of the Defence contribution to skills development, job creation and social upliftment (developmental agenda).
- The value of the Defence contribution to the safeguarding and security of South Africa and its people.
- Specific attention is also given to inter alia the following aspects under the above themes:
 - The SANDF intervention to stabilise the crisis in the North West Province.
 - The SANDF intervention at Emfuleni Municipality to contain the raw sewerage spills into the Vaal River.
 - Specific interventions in support of communities with critical infrastructure such as bridges and water purification.
 - SANDF projects that link the defence-decentralised procurement of goods and services at a local level as a catalyst for Small, Medium and Macro-sized Enterprises development and job creation in support of the developmental agenda.
 - The SA Navy support to maritime security and the linkage to Project PHAKISA unlocking the Oceans economy.
 - Securing the Southern African Development Community maritime zones through maritime patrol allowing for free and safe trade routes in support of the RSA economy.
 - Continued efforts to enhance the safeguarding of the land borders and airspace and preventing the flows of illicit goods that compromise the RSA economy.
 - Combating illegal immigration.
 - Assisting the SA Police Service in the fight against crime.

DOD 'PLAN TO ARREST THE DECLINE'

The DOD has endured many significant budget cuts over the last 20 years leading to inadequate maintenance and repair of its prime mission equipment as well as the inability to renew obsolete equipment, resulting in the decline of its military capabilities.

In support of the implementation of the SA Defence Review 2015, the 'DOD Plan to Arrest the Decline' was developed. The purpose of the Plan was to intervene and stabilise declining defence capabilities so that the current ordered critical operational commitments could be met.

The 'DOD Plan to Arrest the Decline' sets out five work packages against the following themes:

- · Work Package 1: Efficiency Interventions.
- · Work Package 2: Organisational Restructuring.
- Work Package 3: Improvement of operational support systems.
- Work Package 4: Enhancements to selected operational capabilities.
- Work Package 5: Maintenance of comprehensive defence capabilities.

These Work Packages provide the firm baseline to grow defence capabilities that will ultimately achieve Government's Defence Ambition. The 'DOD Plan to Arrest the Decline' was approved by the Council on Defence on 07 March 2017.

The full funding requirement was determined and the year-on-year funding trajectory against the deliverables was specified for six years. In support of this work and with limited success, the DOD explored non-traditional sources of funding that would assist in closing the gap between the actual defence budget allocation and the required allocation.

The MOD&MV directed that the additional funding required to implement the Plan be the basis for engagement with the Portfolio Committee on Defence and Military Veterans, the Joint Standing Committee on Defence, the National Treasury, the Department of Planning, Monitoring and Evaluation as well as political decision makers.

On 12 May 2017 the 'DOD Plan to Arrest the Decline' was presented to the Joint Standing Committee on Defence in Parliament. The Joint Standing Committee on Defence accepted the Plan 'in principle' but expressed reservations on the ability of the National Treasury to fund the Plan.

An interdepartmental task team between the DOD and National Treasury was established to ensure a full understanding of the Plan and its deliverables and to confirm the funding trajectory. This process was concluded with the development of a comprehensive joint DOD and National Treasury report that was formally submitted by the Secretary for Defence to the Director-General of National Treasury for inclusion into the Government budgeting process.

On 06 April 2018, the Director-General of National Treasury informed the DOD that due to the constrained fiscal outlook, the National Treasury was unable to fund the implementation of the SA Defence Review 2015 over the Medium Term Expenditure Framework period.

Strategically, the funding allocation to the DOD effectively negates the SA Defence Review 2015 policy position and dramatically reduces the level of defence ambition that can be pursued. The consequent reduction in operational output introduces significant risks to South Africa's sovereignty and territorial integrity as well as the ability to sustain enduring support to the developmental agenda of South Africa.

The DOD and National Treasury were called to appear before a joint sitting of the Joint Standing Committee on Defence and the Portfolio Committee on Defence and Military Veterans on 09 November 2018 to make a joint presentation on the funding of the SA Defence Review 2015. The Joint Standing Committee on Defence and the Portfolio Committee on Defence and Military Veterans resolved to engage with the President of the RSA as well as to engage both the DOD and National Treasury on finding a solution to the funding of the implementation of the SA Defence Review 2015.

PRESIDENTIAL ENGAGEMENT

The President met with the DOD on 15 January 2019. The DOD had an opportunity to discuss a number of pressing issues, including the decline in the budget allocation, the inability to fund the implementation of the SA Defence Review 2015 and the consequences thereto.

During the engagement with the President a number of decisions were taken and specific guidance was given on the strategic focus for the defence function over the next few years. In addition, specific guidance was given on the approach to planning and budgeting for the DOD during this period of fiscal constraint and requested that a prioritised Intervention Plan be developed.

The DOD has responded with the further development and refinement of the 'Arrest the Decline Plan' that focuses on the immediate challenges to current operational commitments that must be resolved in the short-term. This 'Arrest the Decline Plan' not only addresses operational performance but also includes the required interventions that will assist the continued viability of the Defence Industry and the Defence Related Industries being crucial to the enablement of the defence function in the future.

The implementation of the SA Defence Review 2015 remains work in progress and the DOD will continue to pursue this within the resources allocated to it by the National Treasury.

FINANCIAL PERFORMANCE INFORMATION

THE DEFENCE VOTE

Aim of the Vote

To "Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force. Provide for military veterans' benefits".

Main Programmes

The Defence budget programme structure is indicated in the table below.

Defence Budget Programme Structure						
Programme		Purpose				
Programme 1	Administration	Provide strategic leadership, management and support services to the Department of Defence; and provide for military veterans' benefits through the Department of Military Veterans.				
Programme 2	Force Employment	Provide and employ defence capabilities, including an operational capability, to successfully conduct all operations as well as joint, interdepartmental, interagency and multinational military exercises.				
Programme 3	Landward Defence	Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.				
Programme 4	Air Defence	Provide prepared and supported air defence capabilities for the defence and protection of South Africa.				
Programme 5	Maritime Defence	Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.				
Programme 6	Military Health Support	Provide prepared and supported health capabilities and services for the defence and protection of South Africa.				
Programme 7	Defence Intelligence	Provide defence intelligence and counter-intelligence capabilities.				
Programme 8	General Support	Provide general support capabilities and services to the department.				

Defence Vote 19

The Defence Vote 19 summary of actual expenditure versus adjusted appropriation for current and prior years, is indicated in the table below.

Summary of Actual Expenditure versus Adjusted Appropriation for Current and Prior Years						
	FY2016/17	FY2017/18	FY2018/19			
	R'000	R'000	R'000			
Vote	47 236 465	48 999 560	48 496 235			
Expenditure	47 197 094	48 977 232	48 492 073			
Over expenditure	0	0	0			
Amount overspent as percentage of Vote	0	0	0			
Amount surrendered	39 371	22 328	4 162			
Amount surrendered as percentage of Vote	0.083%	0.046%	0.009%			

¹ As per the "Estimate of National Expenditure" 2018.

The Defence Vote 19 actual expenditure versus adjusted appropriation for current and prior years at programme level is indicated in the table below.

Actual Expenditure versus Adjusted Appropriation for Current and Prior Years at Programme Level							
		FY2018/19			FY2017/18		
Programme	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	5 692 748	5 692 748	0	5 506 480	5 505 415	1 065	
Force Employment	3 168 678	3 168 678	0	3 229 122	3 208 059	21 063	
Landward Defence	16 427 499	16 427 499	0	16 691 543	16 691 543	0	
Air Defence	6 261 057	6 257 443	3 614	6 753 411	6 753 411	0	
Maritime Defence	4 503 930	4 503 930	0	4 613 939	4 613 939	0	
Military Health Support	5 090 591	5 090 591	0	4 853 116	4 852 916	200	
Defence Intelligence	938 173	938 173	0	888 000	888 000	0	
General Support	6 413 559	6 413 011	548	6 463 949	6 463 949	0	
TOTAL	48 496 235	48 492 073	4 162	48 999 560	48 977 232	22 328	

Transfer Payments

During the period under review, the DOD provided transfer payments to the following institutions as indicated below:

- The Armaments Corporation of South Africa SOC Ltd to subsidise the mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of defence matériel, related products and services.
- The Safety and Security Sector Education and Training Authority, which acts as the Sector Education Training Authority for Defence, to subsidise their administrative expenditure in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).
- The Reserve Force Council to subsidise its mission to obtain and secure community and private sector support for the Reserves and to maintain a sound relationship and communication between the Reserves, the MOD&MV and the SANDF.
- The St John Ambulance Brigade to provide accreditation for training of Defence members and making its members and equipment available to be called-up by the SA Military Health Service during times of national disaster and emergency.
- The Special Defence Account to acquire, procure and develop armament and technology. Audited financial statements for FY2018/19 form part of the financial statements of the Department.
- To Defence members that are being separated from the Department through the Mobility Exit Mechanism
 for uniform members and the Employer Initiated Severance Package for non-uniform members in terms of
 the employment and social benefits due to them.
- To the Department of Military Veterans to provide national policy and standards on socio-economic support
 to military veterans and to their dependents, including benefits and entitlements. Payments are made
 according to the amount voted.

- To the South African Broadcasting Corporation and other licensing authorities such as the South African Music Rights Organisation for television and radio permits.
- To municipalities to cover the cost of payments made in terms of the law that requires all vehicles to be licensed annually.

Table: Transfer Payments to Public Entities and Organs of State.²

Transfer Payme	Transfer Payments to Public Entities and Organs of State for the period 01 April 2018 to 31 March 2019				
Name of Public	Services Rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Spent by the Public Entity		
Entity		(R'000)	(R'000)		
ARMSCOR	To subsidise ARMSCOR in its mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of defence matériel related products and services.	1 422 725	1 416 485		
RFC	To subsidise the RFC in its aim to secure community and private sector support for the Reserve Forces and to maintain a sound relationship and communication between the Reserve Forces, the MOD&MV and the SANDF.	8 326	8 326		

Table: Transfer Payments Made to Organisations other than Public Entities and Organs of State for the period 01 April 2018 to 31 March 2019

Transfer payme	Transfer payments made to Organisations other than Public Entities and Organs of State for the period 01 April 2018 to 31 March 2019				
Name of		Did the Department Comply with	Amount Transferred	Amount Spent	
Transferee	Purnose for which the Funds were Used		(R'000)	(R'000)	
Special Defence Account	To acquire, procure and develop armament and technology.	Yes	4 197 902	4 197 902	
Military Veterans Management	To provide national policy and standards on socio-economic support to military veterans and their dependants, including benefits and entitlements.	Yes	627 087	627 087	
Claims against the Department	To cover the cost of legitimate claims instituted against the Department by institutions or individuals.	Yes	203 848	203 300	
Households (Employer Social Benefits)	To cover the cost of employment benefits due to Defence members being separated from the Department through the MEM for uniform members and the EISP package for non-uniform members.	Yes	169 419	168 770	
SASSETA	To subsidise the administrative expenditure of the SASSETA, which acts as the SETA for Defence in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).	Yes	25 991	25 991	
St John Ambulance Brigade	To provide accreditation for training of Defence members and make their members and equipment available to be called up by the SAMHS during times of national disaster and emergency.	Yes	747	747	
Municipalities	To provide for the payment made to municipalities to ensure that all vehicles are licensed annually.	Yes	135	135	
Licence Fees	To provide for the annual payment made to licensing authorities such as the SABC and the SAMRO for television and radio licenses.	Yes	25	25	

² Refer to Annual Performance Reports of Public Entities and Organs of State for spending details.

Transfer Payments

All transfer payments budgeted for the period 01 April 2018 to 31 March 2019 were transferred to the relevant institutions.

Conditional Grants and Earmarked Funds

The DOD neither paid nor received any conditional grants during or for the period 01 April 2018 to 31 March 2019.

Donor Funds

The DOD did not receive any donor funds from external sources during or for the period 01 April 2018 to 31 March 2019.

Public/Private Partnerships

The DOD did not enter into any public/private partnerships during the period 01 April 2018 to 31 March 2019.

CAPITAL INVESTMENTS, MAINTENANCE AND ASSET MANAGEMENT PLAN

Progress Made on Implementing the Capital Investment and Asset Management Plan

During the year under review, various capital, refurbishment and maintenance projects were undertaken on facilities occupied by the DOD. The DOD submitted the User Immoveable Asset Management Plan for FY2019/20 to FY2022/23 to the National Department of Public Works (NDPW) and National Treasury during September 2018, for inclusion into the National Budgetary Programme.

The table below provides the financial performance information relating to the DOD Capital Investment, Maintenance and Asset Management Plan.

Financial Performance: Capital Investment, Maintenance and Asset Management Plan for FY2018/19						
		FY2018/19		FY2017/18		
Infrastructure Projects	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
New and Replacement Assets	41 585	39 123	2 462	75 208	35 619	39 589
Existing Infrastructure Assets	726 030	510 177	221 458	859 640	599 254	260 368
- Upgrades and Additions	77 093	142 414	(60 445)	180 982	161 064	19 918
- Rehabilitation, Renovations and Refurbishments	634 606	365 730	269 599	658 026	420 683	237 343
- Maintenance and Repairs	14 331	2 033	12 298	20 632	17 507	3 125
Infrastructure Transfer	-	-	-	-	-	-
- Current	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
TOTAL	767 615	549 300	223 920	934 848	634 873	299 975

Infrastructure Projects Completed during FY2018/19

Seven out of 53 planned capital infrastructure projects were completed during FY2018/19. An amount of Rm183,57, representing 138.02% of the planned expenditure, was spent on 41 out of the 67 planned capital infrastructure projects during the year under review. The over achievement in planned expenditure was mainly due to expenditure incurred on 12 projects, not originally planned for which were transferred from the discontinued Decentralised Programme.

Capital Infrastructure Projects in Process

Refer to Appendix A (Part B pages 95 to 104) for detailed information in tabular format of capital infrastructure projects in progress during FY2018/19.

Plans to Close Down or Downgrade Current Facilities

There are no plans to close down or downgrade any facilities indicated on the Immovable Asset Register of the DOD.

Progress Made on the Maintenance of Infrastructure

Refurbishment

Six of the 19 refurbishment projects³ planned for FY2018/19, were completed during the year under review. An amount of Rm365,73, representing 57.63% of the planned expenditure, was spent on 30 out of the planned 45 refurbishment projects during the period under review. The under achievement in planned expenditure was due to supply chain management challenges within the NDPW along with challenges experienced with a number of appointed contractors.

Developments Expected to have an Impact on Current Expenditure

An increase in infrastructure expenditure will occur as soon as the NDPW issues a mandate to the DOD to perform planned maintenance tasks and minor capital works on immovable assets utilised by the Department.

Changes in Immovable Assets Holdings

A new contract has been negotiated for auctioning in the DOD. The terms of reference is due to be presented for approval within the DOD approval forums, where after it will be approved for implementation.

A decision brief was presented to the functional logistic council on a revised disposal process for DOD category one and two equipment.⁴ The Department of Military Veterans will also take part in this disposal process, once approved.

³ Major Maintenance Projects.

⁴ Category 1 Matériel is material, components, product sub-systems and products that are configured into a military system that forms part of a defined military capability. Category 2 Matériel consists of commercial equipment, components, parts and supplies available on the open market and designed primarily for commercial use that can be used by the SANDF without any alteration.

DOD Asset Register

Specific measures were taken during the year under review to ensure that the DOD Asset Register remained up to date. The Immovable Asset Register, hosted by the Council for Scientific and Industrial Research (CSIR), has been updated throughout the year with information provided by the DOD to ensure adherence to the Government Immovable Asset Management Act. Service providers have been appointed by the CSIR to conduct performance assessments on a specific part of the DOD Facility Portfolio and, concurrently, the Regional Works Units have commenced conducting performance assessments on the resultant part of the DOD Facility Portfolio.

Current State of DOD Capital Assets

DOD facilities are generally in a fair state and the condition of these facilities should not impact negatively on the DOD service delivery mandate. These figures will be updated once the current performance assessment cycle is concluded in FY2019/20.

Major Maintenance (Refurbishment) Projects undertaken during FY2018/19

The Major Maintenance (Refurbishment) Projects are attached in a tabular format hereto as Appendix A to Part B.

Progress Made in Addressing the Maintenance Backlog

The maintenance backlog on DOD facilities is estimated at R6,5 billion. The maintenance backlog can be attributed to the low expenditure figure by NDPW in executing planned maintenance tasks on facilities utilised by the DOD. As a control measure, a clause was included in the Service Level Agreement between the DOD and the NDPW, to the effect that the Annual Planned Maintenance Programme must be signed off by the DOD, prior to execution. The latter will provide the DOD with an opportunity to peruse the contents of the Programme and provide inputs where applicable, before approval.

NON-FINANCIAL PERFORMANCE INFORMATION

AUDITOR-GENERAL'S REPORT ON PREDETERMINED OBJECTIVES

The Auditor-General of South Africa performs certain audit procedures on performance information to provide feedback for selected programmes⁵ audited.

The audit conclusion on the performance against predetermined objectives is included in the Report to Management, with material findings being reported under 'Predetermined Objectives' heading in the 'Report on other legal and regulatory requirements' section of the auditor's report, if applicable.

Refer to the Report of the Auditor-General, in Part E: Financial Information.

STRATEGIC OUTCOME-ORIENTATED OUTPUTS

Introduction

The DOD Annual Report for the FY2018/19 provides an analysis on the manner in which the DOD performed against its set targets in meeting ordered commitments, providing capabilities, ensuring sound administration and management of the DOD.

The Executive Authority provided Ministerial direction to the DOD, aimed at facilitating the overall management and administration of the DOD.

During the period under review, the DOD progressed in many areas against set priorities. In support of Government's national imperatives ("Creating a better South Africa and contributing to a better and safer Africa in a better World"), SANDF soldiers were deployed outside the borders of South Africa in a United Nations (UN) Peace Support Operation in the Democratic Republic of the Congo (DRC) and an Anti-Piracy Operation in the Mozambican Channel. The SANDF was also deployed inside the borders of South Africa in four internal operations ("All people in South Africa are and feel safe"). The aim of these internal operations was twofold; to safeguard our borders and to assist other Government departments in areas such as search and rescue, disaster aid and relief as well as safety and security support tasks.

Mandate

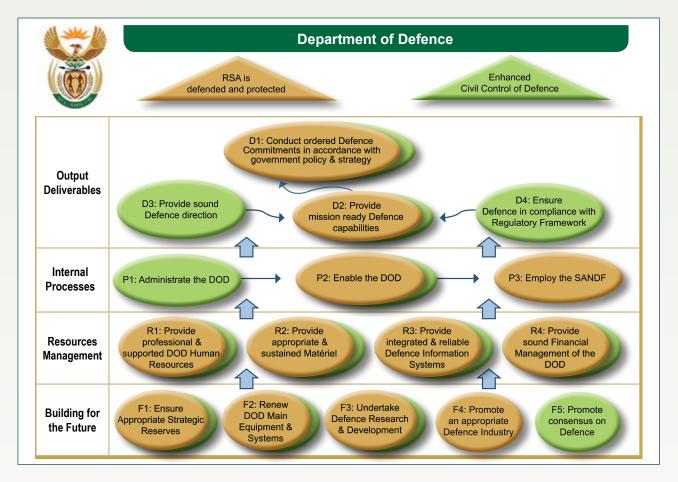
The DOD derives its mandate from Section 200(2) of the Constitution. The mandate is given substance by:

- · The Defence Act, 2002.
- The Defence Amendment Act, 2010.
- · The White Paper on Defence, 1996.
- The SA Defence Review 2015.
- Delegated Legislation.

⁵ Force Employment, Landward Defence and Air Defence Programmes.

The DOD executes its mandate "To provide, manage, prepare and employ defence capabilities commensurate with the needs of South Africa, as regulated by the Constitution, national legislation and Parliamentary and Executive direction. This will be provided through the proper management, provision, preparedness and employment of defence capabilities that are in line with the domestic and global needs of South Africa" within a constrained budget allocation.

The DOD Strategy Map⁶ is indicated below.



Outcomes

Defence outcomes are defined as "that which the DOD wishes to achieve" and are the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs and are directly related to/aligned with the Constitutional and legislative mandate of Defence.

Through the DOD Strategy Map, the DOD's mandate is translated into the following defence outcomes:

- · The RSA is defended and protected (SANDF).
- · Enhanced Civil Control of Defence (Defence Secretariat).

⁶ The "green" strategy map elements represent the Defence Secretariat responsibilities and the "light brown" the responsibilities of the SANDF.

Outputs

Defence outputs are defined as "what the DOD produces or delivers" and include the final products, goods and services produced for delivery.

In pursuance of its legislative mandate and utilising its inherent defence capabilities, the DOD supported the Government Medium-Term Strategic Framework (MTSF) outcomes, relevant to the Defence mandate, by means of the following output deliverables (sustained agenda):

· Conduct ordered Defence Commitments in accordance with Government policy and strategy.

According to the DOD Strategic Plan (2015-2020) the 5-year strategic target was set at 100%. At the end of FY2018/19 the progressive realisation against the 5-year strategic target was calculated at 81.79%. The deviation is mainly due to the non-achievement of the number of hours flown and the number of hours at sea, due to budget reductions and the availability of capabilities.

· Provide mission-ready Defence capabilities.

According the DOD Strategic Plan (2015-2020) the 5-year strategic target was set at 100%. At the end of the FY2018/19 the progressive realisation of the 5-year strategic target was calculated at 100%.

· Provide sound Defence direction.

According the DOD Strategic Plan (2015-2020) the 5-year strategic target was set at 100%. However, due amendments to the projected 5-year strategic targets, the target was adjusted to 95% by the end of the FY2018/19. At the end of the FY2018/19 the progressive realisation against the 5-year target was calculated at 78.12%. The non-achievement was mainly due to the delay in the approval of departmental policies and strategies and the non-compliance with the submission date of SMS financial disclosures and SMS performance agreements.

• Ensure Defence compliance with regulatory Framework.

According the DOD Strategic Plan (2015-2020) the 5-year strategic target was set at 96%. However, due to amendments to the projected 5-year strategic targets, the target was adjusted to 97.5% by the end of the FY2018/19. At the end of the FY2018/19, the progressive realisation against the 5-year strategic target was calculated at 66.26%. The non-achievement can mainly be attributed to the increase in departmental audit qualifications, the non-compliance to Regulatory Framework requirements and the budget allocation reduction of the Legal Services sub-programme, which adversely impacted efforts to reduce the number of cases of corruption and fraud prosecuted.

By achieving these outputs, the DOD contributed to the National Development Plan, Vision 2030 in the following areas, amongst others:

- · Envisaged reduction in Youth Unemployment.
- Provision of assistance in disaster aid and disaster relief.
- Support in the combatting of maritime piracy along the East Coast of Africa.
- · Strengthen the national research and development capacity.
- Build safer communities.
- · Build a capable and development State.
- Reduction in prevalent corruption and fraud.

By achieving these outputs, the DOD supported the following MTSF outcomes, amongst others:

- Outcome 3: "All people in South Africa are and feel safe".
- Outcome 11: "Creating a better South Africa and contributing to a better and safer Africa in a better World".

Medium-Term Strategic Framework Outcomes and Outputs derived from Government's National Imperatives (Strategic Outcomes) for the FY2018/19 to FY2019/20

In pursuance of its legislative mandate and utilising its inherent defence capabilities, the DOD continued to provide support to the Government's MTSF Outcomes, relevant to the Defence mandate. The MOD&MV is the Chairperson, and jointly responsible for the coordination of the Justice, Crime Prevention and Security (JCPS) Cluster and member of the Joint International Cooperation, Trade and Security (ICTS) Cluster for the MTSF Outcomes 3 and 11 respectively.

The DOD's contributions (directly and indirectly) to Government's MTSF outcomes are as follows:

Outcome 3: "All people in South Africa are and feel safe"

The SANDF returned to the borders to undertake border safeguarding in 2010 and at present the SANDF deploys 15 sub-units to execute resourced border safeguarding (Op CORONA) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces in an endeavour to safeguard and maintain the integrity of the country's borderline. During the FY2018/19, the SANDF recorded various operational successes during its internal deployments⁷.

During the period under review, three maritime patrols, in support of Op CORONA were conducted along the east and west coast of Africa as well as one deployment in support of Op PHAKISA.

Notwithstanding a decline in defence capabilities, the DOD was able to contribute to the RSA's national security by fulfilling its constitutional mandate. The SANDF provided the following support in this regard:

- Continuously supported the National Parks Board and the SA Police Service in the protection of rhinos and other wildlife against criminal syndicates.
- · Assisted in the supply of water to various communities to mitigate the results of drought.
- Conducted numerous search and rescue, disaster relief and humanitarian operations across the country and in neighbouring countries.
- Supported the SA Police Service with focussed crime fighting operations, specialist task teams and major events.
- Assisted other Government Departments with service delivery challenges and medical emergencies.

Whilst primarily driven by its legislative mandate, Defence is mindful of the pressing developmental challenges facing South Africa, and has always been responsive to circumstances where it can be of value in alleviating the plight of the people. The different SANDF Services indirectly contributed towards Outcome 3 as indicated below.

⁷ Refer to page 66 for detailed information on operational successes.

SA Army

- Water pollution is one of the major crises that affect millions of people who do not have access to clean drinking water. It will also increase the expectation that the SANDF must assist in the provision of clean water. The pollution of the Vaal River is an example of the types of manmade disasters that will increasingly need the intervention of the SANDF. Further to this, the SAArmy provided advice to the Lichtenburg Municipality in the North-West with regards to sewage system failure. The repairs of the sewage infrastructure in the VAAL RIVER Project is in progress and many of the pumps are in working condition.
- As part of Project KOBA-TLALA, SAArmy Reserve members have been trained in various aspects, including Community Development and Liaison Officers, Water Purification Specialists and Agri-Training Practitioners. The SA Army supported the Women in Agriculture and Development programme. The SA Army has also been instrumental in assisting the creation and development of four Agri-Cooperatives in the North West province, linking small-scale farmers into the Defence procurement system. The SA Army provided ongoing assistance to the Department of Rural Development and Land Reform and the Department of Social Development by presenting the Youth Leadership Development Program to significant numbers of learners. Situations where there is an absence of infra-structure like bridges that isolate communities will increase. In the past five years, the SA Army built a number of bridges in rural areas and specifically in the Eastern Cape, Limpopo, KwaZulu-Natal and in Gauteng.

SA Air Force

- The SA Air Force consistently rendered support to the Western and Eastern Cape Disaster Management
 Agencies in combating raging wild fires and has recently assisted in containing a high-rise building fire in
 the City of Johannesburg.
- It frequently supported provincial and local authorities in mountain search and rescue operations and the National Sea Rescue Institute for maritime search and rescue operations. The Air Force also maintained and delivered a youth development programme as part of its social responsibility effort.

SA Navy

- The SA Navy provided on-going assistance to the Department of Rural Development and Land Reform and the Department of Social Development by presenting the Youth Leadership Development Programme to significant numbers of learners at its SAS Saldanha training facility. It provided support to the Sea Cadet programme for youth interested in developing maritime-based careers. The SA Navy supported local authorities in the containment of wild fires in the Western Cape Peninsula. It supported the National Sea Rescue Institute in maritime search and rescue operations as well as conducted autonomous search and rescue missions in international waters.
- The SA Navy participated in Op PHAKISA in support of growing the Ocean's Economy. It actively
 participated in eight of the initiatives to grow this economic sector. It also supports the Department of
 Agriculture, Forestry and Fisheries in anti-poaching operations for the purpose of protecting South Africa's
 marine resources.
- In addition, the SA Navy has contracted the local SA Shipyards in Durban to build their required inshore
 and offshore patrol vessels and has also commissioned the build of a new hydrographic survey vessel in
 support of South Africa's international obligation to safety of life at sea.

SA Military Health Service

- In addition to its military health mandate, this capability supported a patient population of approximately 380 000 people who would otherwise be reliant on the public health system. This is largely due to the extended families of serving and retired members as well as the inclusion of military veterans from the Department of Military Veterans onto the list of beneficiaries.
- Through its collateral capacity, the Military Health Capability has consistently supported the Department
 of Health through a number of interventions inter alia: containing the mortuary crisis in Gauteng with
 emergency care practitioners and specialist medical practitioners; emergency care to the Knysna fire
 victims; and deployed health care practitioners to stabilise the Bophelong Provincial Hospital in Mahikeng
 in the North West Province and restore medical services to the community. These interventions have also
 been executed in other provinces over the last few years.

Outcome 11: "Creating a better South Africa and contributing to a better and safer Africa in a better world"

In support of its foreign policy, South Africa has taken part in a number of peace missions since 1994. South African troops have further served in UN and African Union (AU) missions on the continent. Of particular note has been South Africa's contribution to the Force Intervention Brigade under UN Resolution 2098 to neutralise, disarm and prevent the expansion of all armed groups in the eastern parts of the DRC.

During the period under review, the SANDF continued to participate in the UN Peace Support Operation in the DRC (Op MISTRAL) by providing Force Structure Elements. These included:

- · SANDF Specialist Contingent (SANDFSPECC).
- Force Intervention Battalion Group.
- Composite Helicopter Unit.

The SANDF Force took active steps to ensure that regional, continental and international peace and security structures were capacitated and strengthened by the appropriate deployment of South Africans into these structures, which include the South African Development Community (SADC) Planning Element, SADC Brigade as part of the AU Standby Force, the SADC Peace Mission Training Centre, AU Commission for Peace and Security and the UN Department of Peacekeeping.

The DOD took the lead in developing South Africa's Maritime Security Strategy and the SADC Maritime Security Strategy Action Plan and the conclusion of various Memoranda of Understanding to mitigate the continued threats posed to regional economic and social stability by acts of maritime piracy off the East Coast of Africa (Op COPPER). South Africa thus sustains long-range maritime and air patrols in the Mozambique Channel.

South Africa has continued to provide humanitarian support to a number of countries experiencing man-made and natural disasters. These included matters such as: intermittent flood relief in Mozambique, Zimbabwe and Malawi and many search and rescue missions in international waters.

South Africa's contribution to the prevention and resolution of conflict will be enhanced through an integration of its diplomatic, military and other efforts, in a complementary manner, and in instances supported by appropriate military capabilities, that strengthen South Africa's capacity to influence international developments. This requires a defence diplomacy capability whose strategy and main effort focus on those national priorities where defence can add the most value. Defence diplomacy efforts will further centre on fostering long-standing

relationships with key African states and other strategic partners. In this regard the DOD remains committed to have its Defence Attachés deployed to support Governmental objectives.

To this extend, the DOD deployed 10 Defence Attachés in the SADC. Defence Attachés were deployed in the following 10 SADC countries: Angola, Botswana, DRC, Lesotho, Mozambique, Namibia, Eswatini, Tanzania, Zambia and Zimbabwe.

It is clear that the SANDF provides for the first responsibility of government to secure its territory and ensure the safety of its citizens. It also contributes significantly to the protection as well as the growth of the oceans economy. It further contributes to the protection of the broader economy of South Africa through its border safeguarding operations.

The SANDF provided the main stability platform for the 'peace dividend' through peace support and peace enforcement missions that enhanced stability in the region and the continent, creating the space for South African business to expand, leading to significant potential future growth in Gross Domestic Product.

OVERVIEW OF DEPARTMENTAL PERFORMANCE

Organisational Environment

Minister of Defence and Military Veterans' Priorities for the FY2018/19 to FY2020/21

The Minister provides the DOD with strategic direction and sets out priorities to be pursued by the DOD over multiple MTSF and electoral periods. The execution of these priorities enhances the effective realisation of the Defence mandate. The Minister indicated that the focus of the DOD during FY2018/19 would be to ensure the continued execution of the five-year programme as set out in the DOD's Strategic Plan for 2015 to 2020.

The Minister's priorities for FY2018/19 were directly related to the SA Defence Review 2015 and gave impetus to the implementation of the SA Defence Review 2015⁸. The MOD&MV priorities for FY2018/19 were confirmed as follows:

- Defence Strategic Direction.
- · Strategic Resourcing Direction.
- Organisational Renewal Direction.
- Human Resources Renewal Direction.
- · Capability Sustainment Direction.
- Ordered Defence Commitments Direction.

These priorities were mainly realised through the Defence Administration Main Programme.9

Key Policy Developments and Legislative Changes

The approved SA Defence Review 2015 is the second policy review of this nature in the democratic South Africa and maps out the trajectory over the short, medium, and long-term defence will be taking over the next 20 to 30 years.

⁸ Refer page 25 to 28 for detailed implementation status

⁹ Refer page 48 to 50 for programme performance status

Service Delivery Environment

DOD Selected Performance Indicators

The DOD Selected Performance Indicators are derived from the Defence mandate and form the basis of the Department's budget allocation from National Treasury. These indicators represent the largest cost drivers in the DOD and are included in the Estimate of National Expenditure (ENE).

An analysis of the DOD's year-on-year performance against Selected Performance Indicators and Targets over the period 01 April 2015 to 31 March 2019 is reflected in Appendix B.

The table below provides an analysis of achievements of targets for the DOD Selected Performance Indicators for the FY2018/19.

Performance Indicator	Accountability / Reporting Responsibility	Analysis	
MTSF Outcome to which it o	ontributed: Outcome 11		
Total number of Defence Attaché Offices	Administration (Defence Foreign Relations)	Target 44	
		Actual 44	
		Comment SADC – 10 offices	
		Angola, Botswana, DRC, Lesotho, Mozambique, Namibia, Eswatini, Tanzania, Zambia and Zimbabwe.	
		The following SADC countries are served by non-residential Defence Attachés stationed in other countries: Malawi (non-residential Defence Attaché in Zambia), and Mauritius (non-residential Defence Attaché in Tanzania).	
		Rest of Africa – 13 offices	
		Algeria, AU, Burundi, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Kenya, Nigeria, Senegal South Sudan, Sudan, and Uganda.	
		Rest of the World – 21 offices	
		Argentina, Belgium, Brazil, Cuba, France, Germany, India, Italy, Malaysia, Pakistan, People's Republic of China, Russia, Saudi Arabia, Spain, Sweden, Turkey, United Arab Emirates, United Kingdom, UN, United States of America, and Vietnam.	

DOD Selected Performance I	ndicators for FY2018/19	
Performance Indicator	Accountability / Reporting Responsibility	Analysis
MTSF Outcome to which it co	ontributed: Outcome 5	
Number of military skills development members in the system per year Administration (Human Resources Services)		Target 3 568
., p. ,		Actual 3 554
		Deviation The underachievement of 14 members can mainly be attributed to higher than expected attrition.
		Comment The deviation from the planned target is within acceptable range.
MTSF Outcome to which it co	ontributed: Outcome 3	
Number of Reserve Force mandays	Administration (Human Resources Services)	Target 2 674 761
		Actual 2 574 127
		Deviation The difference between the planned and actual achievement is mainly due to exercising prudency in terms of the planned Reserve Force mandays considering the cost of the utilised mandays.
		Comment The deviation from the planned target is within acceptable range.
MTSF Outcome to which it co	ontributed: Outcome 11	
Percentage compliance with the Southern African	Force Employment	Target 100%
Development Community Standby Force Pledge		Actual 100%
		Comment The SANDF FSEs deployed in peace missions constituted part of the SANDF's contribution to the African Standby Force. These pledges were not additional to SANDF force requirements.
MTSF Outcome to which it co	ontributed: Outcome 11	
Percentage compliance with number of ordered commitments	Force Employment	Target 100%
(external operations) ¹⁰		Actual 100%
		Comment SANDF forces deployed in the following two external operations during FY2018/19: • Op MISTRAL (UN Peace Support Operation in DRC [MONUSCO]). • Op COPPER (Anti-Piracy Operation in support of the Mozambican Government).

The deployment of the SANDF by the President, as Commander-in-Chief, is in relation to the compliance with number of ordered commitments (external and internal operations). The MOD&MV has thus resolved to comply with all (100%) ordered commitments (external and internal operations).

DOD Selected Performance I	ndicators for FY2018/19	
Performance Indicator	Accountability / Reporting Responsibility	Analysis
MTSF Outcome to which it co	ontributed: Outcome 3	
Percentage compliance with number of ordered commitments	Force Employment	Target 100%
(internal operations) ¹¹		Actual 100%
		Comment SANDF forces deployed in the following four internal operations during FY2018/19: • Op PROSPER (Support to Government departments, mainly SAPS [i.e. Safety and Security Support]). • Op CHARIOT (Disaster Aid and Relief [Humanitarian Assistance]). • Op ARABELLA (Search and Rescue). • Op CORONA (Border Safeguarding).
MTSF Outcome to which it co	ontributed: Outcome 11	
Number of Joint, Interdepartmental, Interagency and Multinational military exercises conducted per year ¹²	Force Employment	Actual 3 Deviation The 5 year target was achieved by the end of FY2018/19 although the annual target was not achieved. Comment SANDF forces participated in the following three JIIM exercises during FY2018/19: • Ex ATLASUR. A Multinational maritime exercise between the Brazilian, Uruguayan and SA Naval Forces with the aim to maintain and promote maritime cooperation between the participants, was conducted over the period 27 Aug 2018 to 21 Sep 2018 in Simon's Town with SA as the host and lead nation. The aim of the exercise was to combat illegal trade (human, drugs and arms) in a combined manner between participating nations. • Ex IBSAMAR: A Multinational maritime exercise between the Indian, Brazilian and SA Naval Forces with the aim to maintain and promote maritime cooperation between participants. The theme for the exercise was "Partnership with Foreign Armed Forces to ensure a professional capability with proper exposure". Brazil was the lead nation and SA as the host nation and the exercise was conducted over the period 01 to 12 Oct 2018 in Simon's Town. • Ex NDLOVU. A Joint Interdepartmental and Inter-agency exercise to maintain and promote cooperation between state departments in Support to the People of the RSA and was executed from 29 Oct to 09 Nov 2018 at the NATJOINTS in Pretoria.

Internal operations include border safeguarding and operations in support of other Government departments (safety and security support, disaster aid and disaster relief and search and rescue)

¹² Refinement of the MTSF (2014 – 2019), in collaboration with the DPME, resulted in a decision that the DDD would only address the SANDF's participation on the higher level of SADC and interdepartmental/interagency exercises, since SA is not always the leading country during these exercises.

DOD Selected Performance	Indicators for FY2018/19	
Performance Indicator	Accountability / Reporting Responsibility	Analysis
MTSF Outcome to which it	contributed: Outcome 3	
Number of landward sub- units deployed on border		Target 15
safeguarding per year		Actual 15
		Comment The SANDF deployed 15 sub-units to execute Op CORONA (Border Safeguarding) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cap and North West Provinces.
MTSF Outcome to which it	contributed: Outcome 11	
Number of hours flown per year ¹³	Air Defence	Target 25 000
		Actual 17 870.20
		Deviation The 17 870.20 hours flown, represents 71.5% of the planned target. The number of hours flown are dependent on the number of serviceable aircraft and operational taskings received.
		The target related to the number of hours flown per year was adjusted to 17 200 hours in future planning instruments.
		Comment The following hours were flown: • 14 882.90 hours for force preparation • 2 441.60 hours for force employment • 545.70 VVIP hours
MTSF Outcome to which it	contributed: Outcome 11	
Number of hours at sea per year	Maritime Defence	Target 12 000
		Actual 7 704.13
		Deviation The 7 704.13 hours at sea represents 64.2% of the planned target as a result of the unavailability of vessels at the directed level of capability due to maintenance cycle delays.
		The target related to the number of hours at sea per year was adjusted to 10 000 in future planning instruments.
		Comment Hours at sea includes Force Employment as well as Force Preparation hours. • Force Employment: 4 545.00 • Force Preparation: 3 159.13

¹³ During FY2018/19 the Performance Indicator was amended from "Number of force employment hours flown per year". The Air Defence Programme have more control over the set target of 25 000 flying hours (inclusive of 5 000 Force Employment and 20 000 Force Preparation hours). For the FY2018/19 MTEF, the target for number of hours flown is thus set at 25 000 hours per year. Force employment hours include 1 000 VVIP hours and only hours generated through the utilisation of own aircraft, and thus excludes hours generated through chartered aircraft

Service Delivery Improvement Plan

Unlike most national departments, the DOD is not a classical service delivery department, as it provides security services to South Africa as mandated in the Constitution. For this reason, and since FY2015/16, the DOD concentrated on an internal approach in the development of its Service Delivery Improvement Plan (SDIP) to identify internal service delivery improvements in the DOD that will impact positively on and strengthen DOD operations.

The DOD SDIP locates itself within the Departmental vision "To provide, manage, prepare and employ Defence capabilities commensurate with the needs of South Africa as regulated by the Constitution, national legislation, parliamentary and executive direction".

The SDIP for the 2018/19 Medium Term Expenditure Framework (MTEF) was submitted to the Department of Public Service and Administration (DPSA) on 28 May 2018. The central theme of this Plan is to enhance governance and accountability arrangements within the DOD, with the focus of the Plan directed towards the following areas during FY2018/19:

- Information Technology Governance.
- Asset Management.
- Supplier Payments.

The table below highlights the Main Services and Improved Service Standards as at 31 March 2019.

Main Services and Improved Service Standards for FY2018/19			
Main Services	Improved Service Standard	Analysis	
Information Technology Governance	The utilisation of Enterprise Architecture as the preferred DOD management methodology.	Desired Standard of Service Corporate Governance of Information Communication Technology (CGICT) DODI. Actual Achievement	
		The CGICT DODI was recommended for approval.	
		Desired Standard of Service Governance Information and Communication (GICT) DODI.	
		Actual Achievement	
		The development of the GICT Policy Framework was initiated. This Framework, once approved, will guide the development of the GICT DODI.	
		Desired Standard of Service	
		Enterprise Architecture DODI.	
		Actual Achievement	
		The Enterprise Architecture Framework to guide the development of the Enterprise Architecture DODI was finalised and approved by the GITO on 04 Sep 2018".	
Asset Management	The management of all	Desired Standard of Service	
	types of DOD assets in a disciplined and prescribed	One day specific workshop – held bi-annually.	
	manner.	Actual Achievement	
		The bi-annual workshop was held over the period 22 - 26 Oct 2018. Services and Divisions addressed policy and strategy implementation issues pertaining to Asset Management on a monthly basis.	

Main Services and Impro	Main Services and Improved Service Standards for FY2018/19			
Main Services	Improved Service Standard	Analysis		
Supplier Payments	The payment of legitimate DOD supplier invoices within 30 days	Desired Standard of Service The Financial Management Division Integrated Financial Management System (IFMS) Forum confirms the Chief Financial Officer's strategy to obtain a new accounting system and implementation of the IFMS in order to ensure the payment of legitimate DOD supplier invoices within 30 days.		
		Actual Achievement Current management interventions implemented by the Chief Financial Officer includes an Invoice Tracking System and a "FMD Improvement Plan for 30 Day Payment to Service Providers" to ensure quick wins.		
		Enhancements were implemented by the SAMHS, to digitalise the Special Authorisation System from the 1st quarter of FY2018/19, with a view to improve the management and processing of invoices in support of the Patient Administration Medical Accounts Centre. The enhanced system will promote compliance with the PFMA.		
		The implementation of the FMD Improvement Plan, especially in the medical environment, contributed towards the 81.82% against a set target of 75% 30 day payment achievement for FY2018/19.		
		A total of 355,074 out of 433,974 legitimate invoices (81.82%) received were paid within a period of 30 days for FY2018/19.		

PERFORMANCE INFORMATION BY PROGRAMME

Programme 1: Administration¹⁴

Purpose

The purpose of the Administration programme is to provide strategic leadership, management and support services to the DOD and provide for military veterans' benefits through the Department of Military Veterans¹⁵.

Outputs

The outputs of the Administration programme are as follows:

- · To provide Ministerial direction.
- · To provide departmental direction.
- To provide defence policy advice.
- To provide departmental strategic direction.
- To provide corporate planning, budgeting and reporting.

The Defence Secretariat discharges its mandate to assist the Executive Authority in executing civil control over the SANDF through the following Administration Sub-programmes:

- · Ministry of Defence.
- Organs of State.
- · Departmental Direction.
- · Policy and Planning.
- · Military Policy, Strategy and Planning Office.
- Financial Services.
- Human Resources Support Services.¹⁶
- Legal Services.¹⁷
- Inspection and Audit Services.
- · Acquisition Services.
- · Communication Services.
- SANDF Command and Control.
- Religious Services.
- Defence Reserve Direction.
- Defence Foreign Relations¹⁸ and Defence International Affairs.
- · Office Accommodation.

¹⁴ The Administration Programme consists of both Defence Secretariat and SANDF sub-programmes.

¹⁵ This Administration Programme purpose is aligned with the ENE, as determined/standardised by NT for all national departments as from FY2015/16 onwards.

¹⁶ to 18 Central Staff.

Overview

This Administration programme is aimed at facilitating the overall management of the Department, by providing, amongst others, centralised Human Resources Support, Legal Services and Defence Foreign Relations support functions to the DOD. Furthermore, the Administration programme includes governance risks and compliance functions, the determination of working methods and procedures that improve internal controls, as well as the veracity of information provided.

Departmental Direction

During the period under review, the Secretary for Defence provided strategic direction to the DOD through various governance activities and interventions. These included timely decision-making on strategic and defence diplomacy matters, effective management and processing of official departmental documents, chairing of various DOD management bodies, as well as the attendance of Director-Generals' meetings, Cabinet Lekgotlas and Government Clusters.

The Secretary for Defence, ensured the fostering and the management of cooperative government and intergovernmental relations through the Cluster System. As a changed mandate, in its capacity as the JCPS and Inter-Ministerial Committee Secretariats, the DOD planned and convened several Cluster meetings to manage participation in the appropriate Clusters, as well as the fulfilment of the obligations of the DOD arising from its participation.

Defence Diplomacy

In the area of defence diplomacy, the DOD was able to ensure the 100% validity of the enabling bilateral international agreements mandating the conducting of bilateral engagements with Africa (i.e. DRC, Zimbabwe and Mozambique), Europe (i.e. Norway and the United Kingdom), as well as Asia and the Middle East (i.e. Indonesia and Vietnam). During the period under review, the DOD also participated in the multilateral engagements with the AU, UN, and the SADC.

Defence Sector Development

In order to promote the pace of transformation in the Defence Sector, the re-gazetting of the Defence Sector Code, in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Amendment Act was authorised by the Minister of Trade and Industry. During the past financial year, the process of development of the Defence Sector Code was made possible under the leadership of the MOD&MV and ARMSCOR in collaboration with the Defence Industry. Sector-specific guidelines for transformation were developed. The process to develop a Sector Code for the Defence Sector flows from the launch of the National Defence Industry Council. All entities operating in the SA Defence Industry, in its entirety, including national or provincial departments, state-owned and private enterprises will from the date of gazette of the Sector Code be measured according to its provisions. The MOD&MV launched the Defence Sector Code on 12 April 2019 at the CSIR.

As part of the Presidency's initiative to attract \$100 billion US Dollars' worth of domestic and foreign investment to SA, a Private Public Growth Initiative (PPGI) was launched. The PPGI is an evolving Sector-based collaboration between Government and business across 18 Sectors of the SA economy. The Defence Sector is a participant of this initiative.

Governance and Accountability

Through the Offices of the Chief Defence Policy, Strategy and Planning and the Chief Financial Officer, the DOD submitted all accountability documents (i.e. Planning Instruments, Annual Report, ENE, Financial Statements, etc.) in accordance with the regulatory framework and prescribed target dates.

In executing the responsibility of effective regulation of arms transfer in South Africa, administrative and secretariat support were provided to the National Conventional Arms Control Committee and 2 937 permits were issued during the period under review.

Through the Logistics Division, the DOD continued to manage the payment of "Accommodation charges, leases and municipal services", thereby providing appropriate and sustained facilities for the DOD.

Performance Status

The table below provides details of the Administration programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2018.

Administration Program	Dayfaymanaa Indiaatay	Analysis
Link to Strategy Map	Performance Indicator	Analysis
Administration Sub-pro	gramme: Ministry of Defence	
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents	Target
	(Annual Performance Plans and Corporate Plan tabled in Parliament)	Actual 100% (4)
	Percentage compliance with submission dates of DOD accountability documents	Target 100% (5)
	(Annual Reports tabled in Parliament)	Actual 100% (5)
Administration Sub-pro	gramme: The Military Ombud	
	Percentage compliance with submission dates of DOD accountability documents	Target 100% (1 APP submitted to the Executive Authority)
	(Military Ombud APP submitted to the Executive Authority)	Actual 100% (1 APP submitted to the Executive Authority)
	Percentage compliance with submission dates of DOD accountability documents (Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	Target 100% (1 Annual Report regarding Military Ombud Activities submitted to the Executive Authority) Actual 100% (1 Annual Report regarding Military Ombud Activities submitted to the Executive Authority)
Ensure Defence compliance with Regulatory Framework	Percentage of written complaints finalised within the Office of the Military Ombud	Target 75% Actual 47% ¹⁹ Deviation A total of 246 out of 525 complaints were assessed and finalised, whilst 279 cases were carried over to FY2019/20.

Refer to The Military Ombud Annual Report for FY2018/19 for detailed information on achievement.

Administration Program	nme Performance Status for FY2018/19	
Link to Strategy Map	Performance Indicator	Analysis
Administration Sub-pro	gramme: Reserve Force Council (RFC)	
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents (Reports on RFC Activities submitted to the Executive Authority)	Target 100% (2 Reports on RFC Activities submitted to the Executive Authority) Actual 100% (2 Reports on RFC Activities submitted to the Executive Authority)
Administration Sub-pro	gramme: Defence Force Service Commission (DFSC)	
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents (Annual Report regarding DFSC Activities and Findings submitted to the Executive Authority) Percentage compliance with submission dates of DOD accountability documents (Report on the DFSC Findings and Recommendations Gazetted)	Target 100% (1 Annual Report regarding DFSC Activities and Findings submitted to the Executive Authority) Actual 100% (1 Annual Report regarding DFSC Activities and Findings submitted to the Executive Authority) Target 100% (1 Report on the DFSC Findings and Recommendations Gazetted) ²⁰ Actual A report on the DFSC Findings and Recommendations could not be Gazetted during the period under review. Deviation The DFSC was not able to publish any reports on Findings and Recommendations. Four reports on findings and recommendations are currently under consideration to establish affordability within the Defence Vote.
Administration Sub-pro	gramme: Departmental Direction (Office of the Secretar	·
Administration Sub-pro Provide sound Defence direction	Percentage adherence to DOD governance promulgation schedule (SA Defence Review 2015 Implementation status)	Target 100% (Monitor implementation of the approved SA Defence Review 2015 Implementation Plan) Actual 100% (Implementation of the approved SA Defence Review 2015 Implementation Plan was monitored) Comment The monitoring of the implementation of non-resource driven deliverables was undertaken through the

An output of the DFSC, as pronounced in the Defence Amendment Act, is to table recommendations to the MOD&MV, on an annual basis, on improvements of salaries and service benefits of SANDF members.

	nme Performance Status for FY2018/19	
Link to Strategy Map	Performance Indicator	Analysis
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents	Target 100% (1 DOD APP submitted to the Executive Authority)
	(DOD APP submitted to the Executive Authority)	Actual 100% (1 DOD APP submitted to the Executive Authority)
		Comment The DOD APP for 2019 was approved by the Executive Authority on 27 Feb 2019.
	Percentage compliance with submission dates of DOD accountability documents (DOD Annual Report submitted to the Executive Authority)	Target 100% (1 DOD Annual Report submitted to the Executive Authority)
		Actual 100% (1 DOD Annual Report submitted to the Executive Authority)
		Comment The DOD Annual Report for FY2017/18 was submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 27 Sep 2018.
Ensure Defence compliance with Regulatory Framework	Status of external statutory responses to requests received	Target 100%
Regulatory Framework		Actual 100%
		Comment No requests from Chapter 9 Institutions were received during FY2018/19.
Administration Sub-pro	gramme: Departmental Direction (Defence Enterprise In	formation System Management (DEISM))
Provide sound Defence direction	Percentage adherence to DOD governance schedule (Defence Enterprise Architecture Capability established and integrated)	Target 25% ²¹ (Development and submission for approval of the Enterprise Architecture Capability framework)
	and mogratody	Actual 25% (Development and submission for approval of the Enterprise Architecture Capability framework)
		Comment A framework to guide the development of the Enterprise Architecture policy was finalised and approved by the GITO on 04 Sep 2018.

The process of developing and approving the Enterprise Architecture Framework comprises of three phases, namely: phase 1 – development of the Enterprise Architecture Framework (15%); phase 2 – quality assuring the Enterprise Architecture Framework (20%); phase 3 – obtaining corporate approval of the Enterprise Architecture Framework (25%).

Link to Strategy Map	Performance Indicator	Analysis
	gramme: Policy and Planning	, 6.0
Provide sound Defence direction	Percentage adherence to DOD governance schedule (Policy) ²²	Target 100%
	(Colloy)	Actual 70%
		Deviation The 30% underachievement pertains to one SANDF Order and 13 DODIs which are overdue on planned promulgation dates as a percentage in adherence to the DOD Master Record Index.
		Comment The achievement of targets on outstanding policies will be pursued in future planning instruments.
	Percentage adherence to DOD governance schedule	Target 100%
	(Strategy)	Actual 41.7%
		Deviation Five out of 12 targets set for DOD Strategies in FY2018/19 were achieved.
		Comment The achievement of targets on the seven outstanding strategies will be addressed in future planning instruments • Border Safeguarding Strategy • Joint Force Employment Strategy • Cyber Warfare Strategy • Sensor Strategy • Human Resources Strategy • Overarching Logistic Strategy • Military Strategy
	Percentage adherence to DOD governance schedule (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] status)	Target 100% (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] submitted for approval)
	- Securitaring endlogy] endlog	Actual 100% (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] submitted for approval)
		Comment The Defence Secretariat Strategy (Defence Governance and Accountability Strategy) was approved by the AO on 01 Mar 2019.

As from the FY2018/19, all departmental policies will be managed through the DOD Master Record Index, depicting their various stages of development. The latter will assist the DOD to provide quarterly reports to the PCD&MV at their direction in terms of the status of DOD Policies. All departmental policies and strategies are to adhere to the following phases, namely Phase 1 – Registration of the policy; Phase 2 – Development of the policy; Phase 3 – Functionally approved policy; Phase 4 – Corporate approved policy. All approved policies and strategies are implemented in the department through departmental instructions.

	nme Performance Status for FY2018/19	
Link to Strategy Map	Performance Indicator	Analysis
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents (DOD Annual Report submitted in line with National	Target 100% (1 DOD Annual Report submitted in line with National Prescripts)
	Prescripts) ²³	Actual 100% (1 DOD Annual Report submitted in line with National Prescripts)
		Comment The DOD Annual Report for FY2017/18 was submitted in line with National Prescripts and tabled in the National Assembly and National Council of Provinces on 27 Sep 2018.
	Percentage compliance with submission dates of DOD accountability documents (DOD APP submitted in line with National Prescripts) ²⁴	Target 100% (1 DOD APP submitted in line with National Prescripts)
	(SOB 7 ii 1 Submitted ii iiilo Witt Hattoriai 1 (Sobripto)	Actual 100% (1 DOD APP submitted in line with National Prescripts)
		Comment The DOD APP for 2019 was submitted in line with National Prescripts and approved by the Executive Authority on 27 Feb 2019.
	DOD Enterprise Risk Management maturity level achieved ²⁵	Target Level 5
		Actual
F D.f	DOD Management Desferonces Assessment Teal (MDAT)	Level 5 achieved
Ensure Defence compliance with	DOD Management Performance Assessment Tool (MPAT), assessment level achieved	Target Level 2.8
Regulatory Framewor		Actual
		Average score of Level 2.3 achieved
		Deviation
		Management interventions implemented along with regular monitoring of progress with the implementation of improvement plans, resulted in the percentage full compliance improving from 27% in the 2017 cycle, to 33% in the 2018 cycle and for most areas to stabilise year-on-year since the 2017 cycle.
		Comment APPs are to be revised to ensure the inclusion of MPAT management practises to be monitored ito compliance with legal and regulatory requirements through relevant Departmental Governance & Accountability bodies.

²³ The Performance Indicator target "submitted in line with National Prescripts" refers to the submission of the DOD APP and DOD Annual Report. to the Accounting Officer for approval and submission to AGSA, NT and DPME as required by National Regulatory Framework as well as departmental internal control processes.

²⁴ The Performance Indicator target "submitted in line with National Prescripts" refers to the submission of the DOD APP and DOD Annual Report to the Accounting Officer for approval and submission to AGSA, NT and DPME as required by National Regulatory Framework as well as departmental internal control processes.

25 The Enterprise Risk Management maturity is a requirement by NT and therefore included in the DOD APP. Assessed in terms of NT risk management questionnaire as part of the Financial

Management Capability Maturity Model.

Link to Strategy Map	Performance Indicator	Analysis
Administration Sub-programme: Military Policy, Strategy and Planning Office		
Provide sound Defence direction	Percentage adherence to DOD governance schedule (Military Strategy status)	Target Military Strategy Implementation Guidelines approved by the DOD Actual In process. The Military Strategy (Part 1) was approved and is awaiting promulgation. Deviation The Force Design and Force Structure (Part 2) has been developed and is awaiting departmental approval. The Implementation Plan (Part 3) of the Military Strategy was developed and will be finalised once Parts 1 and 2 has been promulgated. Target achievement are to be pursued in future planning instruments.
	Percentage compliance with submission dates of DOD accountability documents (SANDF quarterly reports submitted to the Executive Authority)	Target 100% (4 SANDF quarterly reports submitted to the Executive Authority) Actual 100% (4 SANDF quarterly reports submitted to the Executive Authority)
Ensure Defence compliance with Regulatory Framework	Percentage compliance with the progress of the establishment of the Military Strategic Direction Register ²⁶	Target 26.66% (4) Actual 20% (3) Deviation Three out of the four targets set against planned military strategic documents were achieved during FY2018/19. The Military Strategic Direction Process was not compiled since it is subject to the approval of the DOD Strategic Direction Process. Comment Most of the higher order strategic documents are dependent on the promulgation of the Military Strategy. Target achievement are to be pursued in future planning instruments.
Enable the DOD	Percentage of combat ready SANDF capabilities available ²⁷	Information Classified ²⁸

²⁶ This Performance Indicator measure the extent to which C SANDF contributes to the direction and guidance of the DOD's military component. The Military Strategic Direction Register consists of various strategic departmental products/documents which must be completed in a specific year. The number of strategic departmental products/documents will be reduced over the 2017 MTEF in line with the requirements stated within the SA Defence Review 2015.

²⁷ It is envisaged that a Combat Readiness Index Tool will be fully develop within the 2019 MTEF period. The promulgation of such a tool is dependent upon, inter alia, a promulgated SANDF Force Design and Force Structure, which is still under development.

²⁸ Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

Link to Strategy Map	Performance Indicator	Analysis
Administration Sub-pro	ogramme: Financial Services	
Provide sound Defence direction	Percentage adherence to DOD governance schedule (Defence Funding Model)	Target 100% (Defence Funding Model Implementation Policy) Actual 0% (The Defence Funding Model Implementation Policy was not drafted) Deviation The Development of the Funding Model was completed in 2017. This Model was presented to the functional environments within the DOD for implementation. The feasibility studies indicated that analysis and evaluation of both legal and socio-economic impact of the recommendation should be concluded before the Funding Model Implementation Policy could be drafted. Comment The implementation strategy was changed from a Funding Model Implementation Policy, to an approach of adding recommendations to exist the Market Policy and
	Percentage compliance with submission dates of DOD accountability documents (Percentage compliance with DOD financial management products)	processes and policies for future MTEF planning. Target 100% (37 Financial management products submitted in line with National Prescripts) Actual 100% (37 Financial management products submitted in line with National Prescripts)
Ensure Defence compliance with Regulatory Framework	Number of Audit Qualifications ²⁹	Target 0 Actual Qualified audit opinion on five areas received. Deviation The DOD received a qualified audit opinion from the AGS/for the FY2017/18 audit cycle in the following areas:

²⁹ This Performance Indicator relates to AGSA Audit Cycle of FY2017/18. The department strives to achieve an unqualified audit opinion by the AGSA on the last audit cycle.

Administration Programme Performance Status for FY2018/19			
Link to Strategy Map	Performance Indicator	Analysis	
Ensure Defence compliance with	Percentage payments within 30 days from receipt of legitimate invoices ³⁰	Target 75%	
Regulatory Framework		Actual 81.82%	
		Comment The Department paid 355 074 legitimate invoices out of the 433 974 invoices received during the FY2018/19, within a period of 30 days. Invoices not paid within 30 days were due to non-integration of legacy DOD Information systems.	
Provide sound Financial Management of the DOD	Percentage deviation from approved drawing schedule ³¹	Target <8%	
		Actual 0.009%	
Administration Sub-programme: Human Resources Support Services (DOD Central Staff)			
Provide sound Defence direction	Percentage adherence to DOD governance schedule (Human Resources Strategy status)	Target 100% (Human Resources Strategy developed in support of the Military Strategy) ³²	
		Actual 0% (The Human Resource Strategy awaits promulgation of the DOD Military Strategy [inclusive of the Force Design and Force Structure]).	
		Deviation The development of the Human Resource Strategy was halted, and further development is dependent on a promulgated Military Strategy.	
		Comment The target related to the development of the Human Resource Strategy was adjusted in future planning instruments.	
	Percentage adherence to DOD governance schedule (DOD Ethics Management status)	Target 100% (DOD Ethics Strategy submitted for approval by the DOD) ³³	
		Actual 100% (DOD Ethics Strategy submitted for approval by the DOD)	

³⁰ Treasury Regulation 8.2.3 states "Unless determine otherwise in a contract or other agreements, all payments due to creditors must be settled within 30 days from receipt of an invoice." The DOD confirms legitimate invoices as invoices that comply with the detail/specifications of the order placed against the supplier for goods and services and which adhere to the DOD prescripts for a legitimate payment.

³¹ This Performance Indicator monitors and reports on the departmental performance as required in terms of Section (40)(4)(1-c) of the PFMA. Compliance indicates the ability to control expenditure and revenue collection against the approved budget allocation for the year.

The development of the HR Strategy is dependent on the approval of the Military Strategy. This target includes the Capability Roadmap with regard to the DOD HR outputs and functions. The envisaged approval of the DOD Ethics Policy during the FY2016/17 has no impact on the intended target of the DOD Ethics Strategy approval during the FY2017/18. The DOD Ethics Policy was finalised during FY2017/18 and is ready to be presented for approval.

	Administration Programme Performance Status for FY2018/19		
Link to Strategy Map	Performance Indicator	Analysis	
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents	Target 100%	
	(SMS financial disclosures submitted)	Actual 98%	
		Deviation 279 out of 284 SMS financial disclosures were submitted.	
		Comment New processes and procedures are investigated in order to allow for easy access to the system for submission of financial disclosures.	
	Percentage compliance with submission dates of DOD accountability documents	Target 100%	
	(SMS performance agreements submitted)	Actual 88%	
		Deviation 250 out of 284 SMS performance agreements were submitted.	
		Comment Internal control measures are being reviewed to address non-compliance challenges.	
Administrate the DOD	Percentage of disciplinary cases in the DOD finalised within 90 days	Target 100%	
	(PSAP Disciplinary Cases)	Actual 59%	
		Deviation 38 out of 64 PSAP disciplinary cases received during FY2018/19 were finalised within 90 days. The remaining cases were all settled, albeit outside of the required 90 day timeframe.	
		Comment The complexity of some cases required more time for finalisation. Inadequate structures and lack of suitably qualified personnel to serve as chairpersons and departmental representatives, contributed to the under achievement of the set target.	

Administration Program	Administration Programme Performance Status for FY2018/19		
Link to Strategy Map	Performance Indicator	Analysis	
Administrate the DOD	Percentage collective grievances and disputes resolved	Target 85% Actual 47% Deviation Nine out of the 19 collective grievances received during FY2018/19 were resolved. Comment The nature and complexity of some collective grievances contributed to the under achievement. Outstanding cases currently under investigation, will be monitored and	
Enable the DOD	Percentage compliance with DOD training targets ³⁴ (Number of PSAP attending training programmes)	addressed. Target 80% (2 067) Actual 99.4% (2 568)	
Provide sound Defence direction	Number of positions filled against allocated quota for international institutions	Target 12 Actual 9 Deviation Only 11 positions were filled at the start of FY2018/19. Two AU members returned after their tour of duty ended and were not replaced. Comment The Department only monitors the number of positions filled, seeing that the filling of posts is based on UN/AU/SADC requirements, which is dependent on budget availability, as well as personnel profile requirements of the applicable post.	
Enable the DOD	Percentage compliance with DOD training targets (Non-combat professional military development courses) Percentage compliance with DOD training targets	Target 80% (1 360) Actual 91% (1 553) Target	
	(Re-skilling)	100% Actual 100% (351)	

³⁴ The Performance Indicator target of 80% set for all "Percentage compliance with DOD training targets", with the exclusion of "Re-skilling", which is set at 100%, measure only learners that successfully completed training programmes during the period under review.

Link to Strategy Map	Performance Indicator	Analysis
Provide professional	Number of military skills development members in the	Target
and supported DOD Human Resources	system per year	3 568
		Actual 3 554
		Deviation
		The underachievement of 14 members can mainly be attributed to higher than expected attrition.
		Comment The deviation from the planned target is within acceptable
		range.
	Number of Reserve Force mandays	Target 2 674 761
		Actual 2 574 127
		Deviation The difference between the planned and actual achievement is mainly due to exercising prudency in terms of the planned Reserve Force mandays considering the cost of the utilised mandays.
		·
		Comment The deviation from the planned target is within acceptable range.
	Percentage compliance with SANDF battle fitness requirements	Information Classified 35
Administration Sub-pro	gramme: Legal Services (DOD Central Staff)	
Administrate the DOD	Percentage litigation cases finalised in the best interest of the DOD	Target 50%
		Actual 71%
		Comment A total of 101 litigation cases were received and attended to during FY2018/19. 39 out of 55 litigation cases finalised were settled in the best interest of the DOD.
Ensure Defence compliance with	Percentage of cases of Corruption and Fraud prosecuted ³⁶	Target 25%
Regulatory Framework		Actual 50.34%
		Comment A total of 57 new cases were received. 74 out of 147 active cases of corruption and fraud were finalised during FY2018/19.

³⁵ Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

³⁶ The Performance Indicator "Percentage of cases of Corruption and Fraud prosecuted" includes cases referring to "Conviction rate of persons R5 million and over", relating to the MTSF Outcome 3 requirements.

Administration Progran	Administration Programme Performance Status for FY2018/19		
Link to Strategy Map	Performance Indicator	Analysis	
Administrate the DOD	Percentage reduction of military court cases outstanding (backlog)	Target 40%	
	(cashing)	Actual 61.65%	
		Comment A total of 1 019 out of the backlog of 1 653 outstanding military court cases were finalised by the end of the reporting period.	
	Percentage military court cases finalised (in-year)	Target 40%	
	(iii you)	Actual 71.96%	
		Comment A total of 1 460 out of the 2 029 military court cases received during FY2018/19 were finalised by the end of the reporting period.	
	Percentage of disciplinary cases in the DOD finalised within 90 days	Target 100%	
	(Military Disciplinary Cases)	Actual 74.91%	
		Deviation A total of 1 218 out of 1 626 military disciplinary cases received during FY2018/19 were finalised within 90 days.	
		Comment Military Disciplinary Cases are dealt with and completed at unit level and therefor the finalisation of these cases are not controlled by the Legal Division.	
		Continuous liaison will take place between the Legal Division and all Services and Divisions to ensure compliance with the Forum of SA Director Generals requirements in this regard.	

Administration Programme Performance Status for FY2018/19				
Link to Strategy Map	Performance Indicator	Analysis		
Administration Sub-programme: Inspection and Audit Services (Defence Inspectorate Division)				
Administrate the DOD	Number awareness activities on corruption and fraud	Target 48 Actual 55		
Provide professional and supported DOD Human Resources	Measure the level of DOD Morale	Target Positive Actual Neutral ³⁷ Deviation The DOD average mean score of 2.3 achieved was unchanged since the previous morale survey conducted and is within an acceptable range. Comment Attitudes and opinions of personnel of the DOD were determined in relation to factors such as: Top Management leadership, availability and quality of		
A desirable and Oak arrangement of the control of t	etiene en d'Annellé Ormaine e (lanteure et Annellé F	equipment, medical services, team spirit, etc.		
	ction and Audit Services (Internal Audit D			
Ensure Defence compliance with Regulatory Framework	Percentage of recommendations agreed to by management to address the internal control gaps identified in audit reports	Target 100% Actual 98% Deviation 450 out of the 458 recommendations made to address the internal control gaps identified in audit reports, were agreed to by management. Comment It remains a management prerogative to accept recommendations made by the Internal Audit Division.		
Administration Sub-programme: Acqui	sition Services			
Renew DOD Main Equipment and Systems	Percentage armament acquisition process compliance	Target ≥85% Actual 98% process compliance		
Undertake Defence Research and Development	Percentage technology development commitments approved	Target ≥85% Actual 99.57% commitments approved		
Promote an appropriate Defence Industry	Percentage of Capability and Technology programmes established with the defence industry	Target 100% Actual 100%		

³⁷ When a mean score falls between the parameter for a positive rating (2.8) and a negative rating (2.2), the reaction of the respondents can be regarded as moderate / neutral.

Administration Programme Performance Status for FY2018/19			
Link to Strategy Map	Performance Indicator	Analysis	
Administration Sub-programme: Com	munication Services		
Provide sound Defence direction	Percentage adherence to DOD governance schedule (Strategy) (Communication Strategy status)	Target 100% (Communication Strategy Monitor Implementation as approved by the DOD) Actual 100% (Communication Strategy Implementation as approved by the DOD monitored)	
Promote consensus on Defence	Status of Public Opinion of the DOD	Target 75% Actual 77.8%38	
Administration Sub-programme: SAN	DF Command and Control		
Provide sound Defence direction	Number of Strategic Activities per annum	Target 14 Actual 12 Deviation Two planned strategic activities could not be attended to due to unplanned engagements and higher order priorities.	
Administration Sub-programme: Relig	ious Services		
Administrate the DOD	Number of Covenantal relationships with Religious stakeholders (Religious Advisory Boards)	Target 5 Actual 5	
Administration Sub-programme: Defe	nce Reserve Direction		
Administrate the DOD	Number of marketing events to promote the Reserves	Target 36 Actual 28 Deviation The number of marketing events were reduced due to budget constraints.	

³⁸ Public opinion is measured every alternative/second year. The "Tabulation Report based on the 2017 South African Social Attitudes Survey round" dated 29 March 2018, prepared for the SANDF by the HSRC, was concluded during July 2018.

Administration Programme Performance Status for FY2018/19								
Link to Strategy Map	Performance Indicator	Analysis						
Administration Sub-programme: Defe								
Employ the SANDF	Total number of Defence Attaché Offices	Target 44						
		Actual 44						
		Comment SADC – 10 offices						
		Angola, Botswana, DRC, Lesotho, Mozambique, Namibia, Eswatini, Tanzania, Zambia and Zimbabwe.						
		The following SADC countries are served by non-residential Defence Attachés stationed in other countries: Malawi (non-residential Defence Attaché in Zambia), and Mauritius (non-residential Defence Attaché in Tanzania).						
		Rest of Africa – 13 offices						
		Algeria, AU, Burundi, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Kenya, Nigeria, Senegal, South Sudan, Sudan, and Uganda.						
		Rest of the World – 21 offices						
		Argentina, Belgium, Brazil, Cuba, France, Germany, India, Italy, Malaysia, Pakistan, People's Republic of China, Russia, Saudi Arabia, Spain, Sweden, Turkey, United Arab Emirates, United Kingdom, UN, United States of America, and Vietnam.						
Administration Sub-programme: Defe	nce International Affairs Division							
Ensure Defence compliance with Regulatory Framework	Percentage adherence to DOD governance schedule	Target Ensure 100% relevant, quality policy products						
	(Policy products in pursuit of Defence Diplomacy)	Actual 100% Relevant, quality policy products ensured.						
	Percentage external deployments including training exercises, where applicable, supported with appropriate legal instruments	Target 100% (Appropriate approved legal instrument to be in place)						
	1-2	Actual 100% (Appropriate approved legal instrument in place)						

Administration Programme Performance Status for FY2018/19								
Link to Strategy Map	Performance Indicator	Analysis						
Administration Sub-programme: Office Accommodation								
Provide appropriate and sustained Matériel	Percentage of expenditure in accordance with facilities plan (Payment of leases, accommodation	Target 100% Actual						
	charges and municipal services) ³⁹	94.31%						
		Deviation A total of R2 263 919 179 was spent against a budget of R2 400 257 000 during FY2018/19.						
		The expenditure on municipal services was well below expectation. This was mainly due to queries on the accuracy of municipal accounts. It became apparent that the cost of municipal services for the year will be lower than anticipated and for this reason funds were re-directed within the Accommodation Charges Portfolio.						
		Comment The municipal services budget will be reduced in line with the expected average expenditure.						

Linking Performance to Budget

The table below provides details of the Administration programme expenditure status as at 31 March 2019.

Sub-Programme	FY2018/19			FY2017/18		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	125 575	125 575	0	130 132	130 132	0
Departmental Direction	41 637	41 637	0	41 237	41 237	0
Policy and Planning	106 803	106 803	0	108 385	108 385	0
Financial Services	397 727	397 727	0	371 441	371 441	0
Human Resources Support Services	851 034	851 034	0	822 264	821 199	1 065
Legal Services	314 445	314 445	0	303 934	303 934	0
Inspection and Audit Services	123 710	123 710	0	123 877	123 877	0
Acquisition Services	206 938	206 938	0	152 026	152 026	0
Communication Services	107 497	107 497	0	116 325	116 325	0
SANDF Command and Control	166 267	166 267	0	153 257	153 257	0
Religious Services	14 949	14 949	0	19 207	19 207	0
Defence Reserve Direction	29 178	29 178	0	26 461	26 461	0
Defence Foreign Relations	315 982	315 982	0	264 961	264 961	0
Office Accommodation ⁴⁰	2 263 919	2 263 919	0	2 250 862	2 250 862	0
Military Veterans Management ⁴¹	627 087	627 087	0	622 111	622 111	0
TOTAL	5 692 748	5 692 748	0	5 506 480	5 505 415	1 065

³⁹ The Department continued to manage the payment of accommodation charges, leases and municipal services, thereby providing appropriate and sustained facilities in the DOD.

The Department continued to manage the payment of accommodation charges, leases and municipal services, thereby providing appropriate and sustained facilities in the DOD.

Refer to table on Transfer Payments made to organisations other than Public Entities and Organs of State for the period 01 April 2018 to 31 March 2019.

Programme 2: Force Employment

Purpose

The purpose of the Force Employment programme is to provide and employ defence capabilities, including an operational capability, to successfully conduct all operations, as well as joint, interdepartmental, interagency and multinational military exercises.

Outputs

The output of this programme is to ensure successful joint force employment over the medium term by:

- · Providing and employing a special operations capability in accordance with national requirements.
- Ensuring full participation in the number of peace missions as instructed by the President.
- Conducting eight joint, interdepartmental, interagency and multinational military force preparation exercises from the FY2018/19 to FY2020/21, excluding Special Forces exercises.
- Conducting four operations per year, protecting the territorial integrity and sovereignty of South Africa, supporting other Government departments and complying with international obligations on an ongoing basis.

Overview

The mandate for employment of joint forces is drawn from the Constitution and the Defence Act. In terms of these, the SANDF is mandated to be employed for the defence of the territorial integrity and sovereignty of the RSA. Not only does it refer to the employment of military capabilities during wartime, but also it entails the employment of military capabilities in a balanced manner throughout the total strategic period commencing during peacetime and transferring through to wartime.

Joint Operations pursued the Defence mandate and related priorities within the cluster framework, namely the JCPS Cluster of which the MOD&MV is the Chairperson and a member of the ICTS Cluster. Within these clusters the Joint Operations Division contributed to the Government's Medium Term Strategic Framework (MTSF) Outcomes 3 and 11, which relate to the sustained agenda of Defence. Military expertise and resources were availed in support of and contributing to Outcome 3, Sub-outcome 3: "South Africa's borders effectively defended and protected, secured and well managed" and to Outcome 11, Sub-outcome 3: "Political cohesion in Southern Africa to ensure a peaceful, secure and stable Southern African Region".

In support of Outcome 3, the SANDF continued to execute Border Safeguarding operations in terms of Sec 18(1)(d) of the Defence Act by deploying 15 sub-units to execute operations along the borders in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces. Operational successes included 48 weapons recovered, 12 953 illegal foreigners apprehended, 452 criminals arrested, 188 stolen vehicles recovered, 8 590kg dagga and 21 976kg dagga plants confiscated, 2 974 live-stock recovered, and contraband goods to the value of Rm42,52 confiscated.

In support to the people of South Africa, in the domains of humanitarian assistance, the SANDF responded by providing helicopter assistance to conduct medical evacuation in Cape Town, Lydenburg and Howick mountain ranges. Helicopters assisted in the fighting of field fires by delivering bambi buckets of water in the Tsitsikamma area, Eastern Cape, Western Cape (Hermanus, Betties Bay, Grabouw and Gordons Bay). Disaster relief assistance was provided by means of two A109 Augusta, two AS32 Oryx and a PC-12 Pilatus aircraft to

Malawi and Mozambique, as a result of cyclone IDAI floods. In support to other Government departments, the SANDF rendered medical and safety support to the North West Provincial Government, Department of Health, at the Bophelong Provincial Hospital, as well as to the Department of Water and Sanitation, by providing infrastructure support in order to maintain essential services in the Ditsobotla Local Municipality.

Search and rescue tasks were conducted during which casualty evacuations of the critically ill crew and a sick sailor were transported to nearby medical facilities from vessels in RSA territorial seas during two incidents. Search and rescue for a downed aircraft in the Richards Bay area, KwaZulu-Natal and the evacuation of a survivor of a light aircraft crash in the mountains near Makhado, Limpopo were also conducted.

In support of Outcome 11 the SANDF actively supported the attainment of the Government peace, security and stability mission in Africa. Members were deployed in the UN mandated Peace Support Operation in the DRC. In addition to the Peace Support Operation, the SANDF continued to be deployed in one general military assistance operation by providing support to the Mozambican Government to curb piracy in the Mozambique Channel. The SANDF also planned, coordinated and conducted three joint, interdepartmental, interagency and multinational military force preparation activities namely Ex ATLASUR, IBSAMAR and NDLOVU.

In support of the South African Government the DOD executed defence diplomacy activities which included the African Capacity for Immediate Response to Crises meeting, SADC Chiefs of Defence and Extra-ordinary Defence Sub-committee, UN Peacekeeping C34, Bi-National Commissions between the RSA/DRC as well as between RSA/Zimbabwe and Defence Committee meetings between the RSA/Russian Federation, RSA/United States of America, RSA/United Kingdom, RSA/France. The SANDF also provided Very Important Person protection tasks to foreign government visitors and military dignitaries from India, Pakistan, Iran, Nigeria, Brazil, China, Angola, Mozambique, Germany, and Thailand.

The Joint Operations Division ensured that South Africa (including its people, territory, interests, natural resources and critical infrastructure) is protected and defended by the employment of joint military capabilities in an interdepartmental, inter agency and/or multinational (regional) manner to maintain and ensure a condition of peace, safety, security and stability in a continuous and non-interruptive manner.

Performance Status

The table below provides details of the Force Employment programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2018.

Force Employment Programme Performance Status for FY2018/19						
Link to Strategy Map	Performance Indicator	Analysis				
Conduct ordered Defence commitments in accordance with Government policy and strategy	Percentage compliance with number of ordered commitments (external operations)	Target 100% Actual 100% Comment SANDF forces deployed in the following two external operations during FY2018/19: Op MISTRAL (UN PSO in DRC [MONUSCO]). Op COPPER (Anti-Piracy Operation in support of the Mozambican Government).				
	Percentage compliance with force levels for external operations	Information Classified ⁴²				

Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions.

This classified information was duly audited/made available for audit.

Force Employment Programme Perform	nance Status for FY2018/19	
Link to Strategy Map	Performance Indicator	Analysis
Conduct ordered Defence commitments in accordance with Government policy and strategy	Percentage compliance with serviceability of main equipment for external operations	Information Classified
	Percentage of the value of reimbursement by the UN/AU recognised	Information Classified
	Percentage compliance with self- sustainment of personnel	Information Classified
	Number of landward sub-units ⁴³ deployed on border safeguarding per year	Target 15 Actual 15
		Comment The SANDF deployed 15 sub-units to execute Op CORONA (Border Safeguarding) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces.44
	Percentage compliance with number of ordered commitments	Target 100%
	(internal operations)	Actual 100%
		Comment SANDF forces deployed in the following four internal operations during FY2018/19: • Op PROSPER (Support to Government departments, mainly SAPS [i.e. Safety and Security Support]). • Op CHARIOT (Disaster Aid and Relief [Humanitarian Assistance]). • Op ARABELLA (Search and Rescue). • Op CORONA (Border Safeguarding).
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced ⁴⁵	Information Classified
	Percentage compliance with the Southern African Development Community Standby Force Pledge	Target 100% Actual 100% Comment The SANDF FSEs deployed in peace missions constituted part of the SANDF's contribution to the African Standby

⁴³ A typical sub-unit consists of 170 members.

⁴⁴ Refer to detail on operational successes on page 66.

⁴⁵ Combat Readiness forms an essential part of the measurement on Joint Force Employment requirements as resourced. The DOD APP for 2018 addresses only the Joint Force Employment requirements as resourced, as provided by the Arms of Services (the SA Army, SA Air Force, SA Navy and SAMHS) by providing Combat Readiness Certificates. These certificates will not be published for the consumption of the public but will be managed through the appropriate mandated internal and external oversight institution. It is envisaged that a Combat Readiness Index Tool will be fully developed within the 2019 MTEF period. The promulgation of such a tool is dependent upon inter alia a promulgated SANDF Force Design and Force Structure, which is still under development and therefore a Performance Indicator will be developed as a "Classified" Performance Indicator.

Force Employment Programme Per		
Link to Strategy Map	Performance Indicator	Analysis
Provide sound Defence direction	Percentage adherence to DOD governance schedule	Target 100% (Sub-strategy submitted for approval)
	(Sub-strategy, to support overarching strategy by securing land, airspace and maritime borders [Border Safeguarding Strategy])	Actual 0% (A Draft Border Safeguarding Sub-Strategy was developed and is in the approval process) Deviation
		Approval and promulgation of the Border Safeguarding Sub-Strategy is pending and dependant on final alignment with the Overarching Border Management Strategy, once approved by Cabinet.
		The Border Management Authority (BMA) Sub-strategy can only be developed once the Overarching Strategy ito BMA Bill is developed and promulgated.
	Percentage adherence to DOD governance schedule (Joint Force Employment Strategy status)	Target 100% (Joint Force Employment Strategy approved and promulgated by the DOD)
		Actual 0% (The Draft Joint Force Employment Strategy was developed).
		Deviation The Draft Joint Force Employment Strategy can only be finalised upon approval and promulgation of the Military Strategy, the Force Design and the Force Structure.
		Comment Target achievement will be pursued in future planning instruments.

Force Employment Programme Perforn	nance Status for FY2018/19	
Link to Strategy Map	Performance Indicator	Analysis
		Aralysis Target 4 Actual 3 Deviation The 5 year target was achieved by the end of FY2018/19 although the annual target was not achieved. Comment SANDF forces participated in the following three JIIM exercises during FY2018/19: • Ex ATLASUR. A Multinational maritime exercise between the Brazilian, Uruguayan and SA Naval Forces with the aim to maintain and promote maritime cooperation between the participants, was conducted over the period 27 Aug 2018 to 21 Sep 2018 in Simon's Town with SA as the host and lead nation. The aim of the exercise was to combat illegal trade (human, drugs and arms) in a combined manner between participating nations. • Ex IBSAMAR: A Multinational maritime exercise between the Indian, Brazilian and SA Naval Forces with the aim to maintain and promote maritime cooperation between participants. The theme for the exercise was "Partnership with Foreign Armed Forces to ensure a professional capability with proper exposure". Brazil was the lead nation and SA as the host nation and the exercise was conducted over the period 01 to 12 Oct 2018 in Simon's Town.
		Ex NDLOVU. A Joint Interdepartmental and Inter-agency exercise to maintain and promote cooperation between state departments in Support to the People of the RSA and was executed from 29 Oct to 09 Nov 2018 at the NATJOINTS in Pretoria.

⁴⁶ Excluding Special Forces and SADC Standby Force exercises.

Joint, Interdepartmental, Interagency and Multinational Military Exercises

The table below provides details on Force Employment Joint, Interdepartmental, Interagency and Multinational military exercises for FY2018/19.

Exercise Name	Aim	Analysis				
Multinational Military Exercise						
Ex ATLASUR	The aim of the exercise was to combat illegal trade (human, drugs and arms) in a combined manner between participating nations.	Target 1 Actual 1 Comments A Multinational maritime exercise between the Brazilian, Uruguayan and SA Naval Forces with the aim to maintain and promote maritime cooperation between the participants, was conducted over the period 27 Aug 2018 to 21 Sep 2018 in Simon's Town with SA as the host and lead nation.				
Ex IBSAMAR	The aim of the exercise was to maintain and promote maritime cooperation between participating nations.	Target 1 Actual 1 Comments A Multinational maritime exercise between the Indian, Brazilian and SA Naval Forces with the aim to maintain and promote maritime cooperation between participants. The theme for the exercise was "Partnership with Foreign Armed Forces to ensure a professional capability with proper exposure". Brazil was the lead nation and SA as the host nation and the exercise was conducted over the period 01 to 12 Oct 2018 in Simon's Town.				
Interdepartmental Military Exercis	e					
Ex NDLOVU	The primary objective was to maintain and promote cooperation between state departments in Support of the People of the RSA.	Target 1 Actual 1 Comments A Joint Interdepartmental and Inter-agency exercise to maintain and promote cooperation between state departments in Support to the People of the RSA and was executed from 29 Oct to 09 Nov 2018 at the NATJOINTS in Pretoria.				

The table below provides details of the Force Employment programme expenditure status as at 31 March 2019.

Force Employment Programme Expenditure Status for FY2018/19							
		FY2018/19			FY2017/18		
Sub-Programme	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	
Strategic Direction	159 358	159 358	0	157 353	157 353	0	
Operational Direction	356 574	356 574	0	360 890	360 890	0	
Special Operations	834 281	834 281	0	848 340	848 340	0	
Regional Security	852 212	852 212	0	936 885	929 381	7 504	
Support to the People	966 253	966 253	0	925 654	912 095	13 559	
TOTAL	3 168 678	3 168 678	0	3 229 122	3 208 059	21 063	

Programme 3: Landward Defence

Purpose

The purpose of the Landward Defence programme is to provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

Outputs

The output of this programme is to defend and protect South Africa and its territory over the medium term by:

- Providing an infantry capability, including C SANDF Reaction Force, for external deployment and for internal safety and security, including border safeguarding.
- Exercising a tank and armoured car capability and providing a squadron for internal deployment per year.
- · Exercising a composite artillery capability and providing a battery for internal deployment per year.
- Exercising an air defence artillery capability and providing a battery for internal deployment per year.
- Providing a sustained composite engineer capability for external deployment, as well as for internal safety and security and exercising a field engineer capability per year.
- Providing a signal capability for external deployment and internal signal support and exercising a composite signal capability per year.
- Providing Strategic Direction by directing, orchestrating and controlling the South African Army to achieve its mission to prepare and provide supported landward capabilities per year.
- Providing an operational intelligence capability for external deployment, internal operational intelligence support and exercising one composite intelligence troop per year.
- Providing combat-ready tactical command and control capabilities for integrated forces during force preparation exercises and force employment per year.
- Providing a support capability for external and internal deployment through first, second and fourth-line support by two first and second-line maintenance units and two field workshops and fourth-line depots per year.
- Providing general training capabilities through basic military training, junior leader training, common landward training, command and management training, force preparation exercises and training courses per year.

Overview

The SA Army supported the MTSF Outcomes and the strategic intent of the DOD by providing prepared landward defence capabilities for the defence and protection of the RSA. The SA Army continued with its support to **Outcome 3**, "All people in South Africa are and feel safe" as follows:

 African Capacity for Immediate Response to Crises Command Post. The General Officer Commanding of 43 SA Brigade and selected members from Services and Divisions attended the Command Post Exercise Main Planning Conference in Kampala, Uganda over the period 03 April 2018 to 07 April 2018. The objectives of the Conference were to develop the exercise concept, exercise scenario, general and special ideas and logistic requirements.

- Humanitarian Aid and Disaster Relief (Op CHARIOT) assessment of Ministerial Pledge Bridges. The SA
 Army Engineer Formation assessed nine bridges in the Eastern Cape and submitted reports to the NDPW.
 The SA Army Engineer Formation completed two bridges at Nyosana and Matatiele and are preparing to
 commence with the preparations to erect the third, a pedestrian bridge, in Zazuwana near Port St Johns.
- Support to other Government Departments (Op PROSPER). The SA Army deployed one officer to Lichtenburg Municipality, North West Province, to give advice on infrastructure collapse (sewage system failure). The SA Army will execute Project VAAL RIVER, mainly in the Emfuleni Municipality, to improve the situation in terms of the current national disaster with regard to supporting sewerage management in the area. The repairs to the sewerage pumps are in progress and many of the pumps are in serviceable condition. The SA Army is actively taking part in the development of the Memorandum of Understanding for the Vaal River Water Purification Project with relevant stakeholders, including the Department of Water and Sanitation.

The SA Army continued with its support to **Outcome 5**: "Skilled and capable workforce to support an inclusive growth path". The contributions were as follows:

- The SA Army hosted the Walter Sisulu, Don Mattera and Father Smangaliso Mkhatshwa Child and Youth
 Care Centres over the period 03 May 2018 to 06 May 2018 in the 43 SA Brigade unit lines. The aim was to
 contribute to the development of young people from disadvantaged communities. Eighty-nine children and
 personnel attended the weekend.
- The SA Army presented the Youth Leadership Development Programme from 03 April 2018 to 20 July 2018. 781 Members (109 members at Thaba Nchu NARYSEC College, 273 members at Air Defence Artillery School and 399 members at 3 SA Infantry Battalion) were trained during the programme. The SA Army was responsible for command and control and presented the character-building phase, which included buddy aid, physical training, leadership, drill, survival skills, civic education and military security.
- The SA Army presented Youth Service Training Programmes over the period 28 February 2018 to 12 July 2018 at 6 SA Infantry Battalion, Grahamstown. 391 Members (229 women and 162 men) were trained. The SA Army was responsible for command and control and presented the character-building phase, which included buddy aid, physical training, leadership, drill, survival skills, civic education and military security.
- The SA Army hosted six youth camps in the Northern Cape, North West, Gauteng and KwaZulu-Natal. 2 210 Youths were exposed to training during the five camps presented by the SA Army.

The SA Army continued with its support to **Outcome 11**: "Creating a better South Africa and contributing to a better and safer Africa in a better world" by participating in various SADC Command Post exercises over the period under review.

Several milestones and the expectations of the development of "vibrant, equitable, sustainable rural communities" contribution towards food security in RSA" was achieved relating to Project KOBA-TLALA. Below are some of the main milestones achieved by this Project:

- The use of the military footprint in the rural and semi-rural areas gave effect to decentralised procurement and thereby embedding military units in rural local economies.
- Thirteen messes were commercialised in the SAArmy during the period under discussion resulting in huge amounts being spent locally in those geographical areas. The Project KOBA-TLALA team facilitated a process whereby small scale and emerging farmers and local Small, Medium and Micro-sized Enterprises that qualify, became part of the value chain.

- Assisted with the facilitation of a process whereby commercial farmers, small-scale and emerging farmers
 are able to join hands in co-operatives from which the DOD is able to procure agricultural and other products,
 goods, and services.
- Cooperation with several national, provincial and regional agricultural organisations was developed. Not
 only large, formal organisations are involved, but also particular progress was made regarding cooperation
 with the African Farmers Association of South Africa and the National Emergent Red Meat Producers
 Organisation. In addition, dozens of smaller cooperatives have already been established by project
 beneficiaries that already form part of the agricultural provisioning value system and Women in Agriculture
 and Rural Development.
- The re-skilling of predominantly unemployed Reserves in a variety of skills to enable their utilisation in local communities.
- Cooperation and engagement with the Department of Rural Development and Land Reform is to map
 the commercialised SA Army messes with their projects (involving small scale farmers) close to military
 installations.

The SA Army is making steady progress on the contributions to Project KOBA-TLALA initiatives aimed at the nine-point developmental agenda of Government, with particular focus on rural areas.

The SA Army made a significant investment in the building of the SA Army's image during the year under review. This will remain a critical requirement to ensure and maintain the support of the people of the country and boost confidence in the DOD.

The main focus areas of the SA Army in the next financial year will be directed towards Project VAAL RIVER, where the SA Army fulfilled an important role in influencing and uplifting the lives of civilian members living within the Umfuleni Municipal area, beleaguered by the sewerage problems in the area and the continuation assistance to the NDPW with the building of bridges in the Eastern Cape.

Performance Status

The table below provides details of the Landward Defence programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2018.

Landward Defence Programme Performance Status for FY2018/19						
Link to Strategy Map	Performance Indicator	Analysis				
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified ⁴⁷				
Enable the DOD	Percentage compliance with DOD training targets	Target 80% (3 681) Actual 56.35% (2 593) Deviation 2 634 Members reported on 30 learning programmes of which 2 593 were found competent. Comment The target was adjusted in future planning instruments to accommodate the reduced budget allocation. Measurement of actual achievement is performed in relation to a full population of 4 601.25 learners.				
	Number of SA Army unique force training exercises conducted	Target 2 Actual 2				

Linking Performance to Budget

The table below provides details of the Landward Defence programme expenditure status as at 31 March 2019.

Landward Defence Programme Expenditure Status for FY2018/19						
		FY2018/19		FY2017/18		
Sub-Programme	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
Strategic Direction	494 103	494 103	0	462 769	462 769	0
Infantry Capability	6 803 818	6 803 818	0	6 915 049	6 915 049	0
Armour Capability	504 904	504 904	0	480 913	480 913	0
Artillery Capability	498 453	498 453	0	509 675	509 675	0
Air Defence Artillery Capability	538 553	538 553	0	698 137	698 137	0
Engineering Capability	835 231	835 231	0	803 687	803 687	0
Operational Intelligence	215 686	215 686	0	204 557	204 557	0
Command and Control Capability	221 375	221 375	0	211 443	211 443	0
Support Capability	4 455 804	4 455 804	0	4 663 990	4 663 990	0
General Training Capability	415 040	415 040	0	382 299	382 299	0
Signal Capability	1 444 532	1 444 532	0	1 359 024	1 359 024	0
TOTAL	16 427 499	16 427 499	0	16 691 543	16 691 543	0

⁴⁷ Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

Programme 4: Air Defence

Purpose

The purpose of the Air Defence programme is to provide prepared and supported air defence capabilities for the defence and protection of South Africa.

Outputs

The output of this programme is to defend and protect South Africa and its airspace over the medium term by providing:

- · Four helicopter squadrons and one combat support squadron per year.
- Three medium transport squadrons which will include one VIP squadron, one maritime and transport squadron, one light transport squadron and nine reserve squadrons per year.
- · One air combat squadron per year.
- 24-hour air command and control capability.

Overview

The SA Air Force remained committed to its mandate to prepare, provide and support air defence capabilities for the defence and protection of the RSA, its territorial integrity and the people of South Africa.

During the period under review, the SA Air Force was involved in the planning, execution, controlling and monitoring of flights to promote local and regional security. To this end, 14 882.90 force preparation hours were flown, 2 441.60 force employment hours and 545.70 Very, Very Important Person hours were flown. An end-year total of 17 870.20 hours out of the planned target of 25 000 hours were flown.

Inadequate force levels at all aircraft systems are affecting training objectives and related operational requirements. Resource constraints resulted in an imbalance between force employment and force preparation hours allocated, leading to increased aviation safety risks.

Performance Status

The table below provides details of the Air Defence programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2018.

Air Defence Performance Status for FY	2018/19	
Link to Strategy Map	Performance Indicator	Analysis
Conduct ordered Defence commitments in accordance with Government policy	Number of hours flown per year ⁴⁸	Target 25 000
and strategy		Actual 17 870.20
		Deviation The 17 870.20 hours flown, represents 71.5% of the planned target. The number of hours flown are dependent on the number of serviceable aircraft and operational taskings received.
		The target related to the number of hours flown per year was adjusted to 17 200 hours in future planning instruments.
		Comment The following hours were flown: • 14 882.90 hours for force preparation • 2 441.60 hours for force employment
		• 545.70 VVIP hours
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified ⁴⁹
Enable the DOD	Percentage compliance with DOD training targets	Target 80% (682)
		Actual 82% (699)
		Comment The over-achievement is as a result of the training of an additional 17 learners.
		Measurement of actual achievement is performed in relation to a full population of 852.5 learners.
	Number of Air Force unique force training exercises conducted	Target
		Actual 1

⁴⁸ During the FY2018/19 the Performance Indicator was amended "Number of force employment hour flown per year" to read "Number of hours flown per year" as the Air Defence Programme have more control over the set target of 25 000 flying hours (inclusive of Force Employment [5 000 hours] and Force Preparation [20 000 hours]). Force Employment hours includes 1 000 hours for VVIP, and excludes hours generated through chartered aircraft and includes only hours generated through the utilisation of own aircraft.

⁴⁹ Where the report refers to "Information Classified", it means that the information was not published for public consumption managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

The table below provides details of the Air Defence programme expenditure status as at 31 March 2019.

Air Defence Programme Expenditure Status for FY2018/19						
		FY2018/19		FY2017/18		
Sub-Programme	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
Strategic Direction	19 294	19 294	0	19 383	19 383	0
Operational Direction	141 668	141 668	0	263 323	263 323	0
Helicopter Capability	928 251	928 251	0	1 099 855	1 099 855	0
Transport and Maritime Capability	568 722	565 757	2 965	521 842	521 842	0
Air Combat Capability	519 678	519 678	0	783 376	783 376	0
Operational Support and Intelligence Capability	354 463	354 463	0	342 954	342 954	0
Command and Control Capability	426 284	426 284	0	536 026	536 026	0
Base Support Capability	2 140 606	2 140 606	0	2 035 963	2 035 963	0
Command Post	65 517	65 517	0	67 180	67 180	0
Training Capability	463 652	463 652	0	487 343	487 343	0
Technical Support Services	632 922	632 273	649	596 166	596 166	0
TOTAL	6 261 057	6 257 443	3 614	6 753 411	6 753 411	0

Programme 5: Maritime Defence

Purpose

The purpose of the Maritime Defence programme is to provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

Outputs

The output of this programme is to defend and protect South Africa and its maritime zones over the medium term by providing:

- A surface combat and patrol capability of three frigates, one combat support vessel, two offshore patrol vessels and three inshore patrol vessels in each annual operational cycle.
- A sub-surface combat capability of two submarines in each annual operational cycle.
- A mine warfare capability of two vessels in each annual operational cycle to ensure safe access to South Africa's harbours and mine clearance where required⁵⁰.
- A maritime reaction squadron capability, comprising an Operational Boat Division, an Operational Diving Division and a Naval Reaction Division in each annual operational cycle.
- A hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

Overview

The SA Navy continued to prepare and support maritime defence capabilities necessary for the defence and protection of South Africa and therefore contributed towards the achievement of the MTSF Outcome 3 and 11, by providing prepared and supported maritime defence capabilities for the defence and protection of South Africa.

In support of **Outcome 3**, "All people in South Africa are and feel safe", the Offshore Patrol Vessel SAS MAKHANDA, with a Maritime Reaction Squadron contingent on board, contributed towards securing South Africa's maritime border and territorial integrity by participating in Op CORONA over the periods 16 June 2018 to 30 June 2018, 18 August 2018 to 03 September 2018 and from 07 January 2019 to 15 February 2019. From 01 November 2018 to 30 November 2018, the Maritime Reaction Squadron participated in Op CORONA on the Cape South Coast to deter poaching of marine resources. The conduct of Op CORONA served to support Op PHAKISA Initiative 5, "Enhanced and Coordinated Enforcement Programme" with naval deployments having been scheduled in maritime zone areas where a naval presence is required to act as a deterrent against illegal activities.

The SA Navy continued with its support to **Outcome 11**: "Creating a better South Africa and contributing to a better and safer Africa in a better world" in executing the SADC Maritime Security Strategy, the Offshore Patrol Vessel SAS GALESHEWE, sustained by the Hydrographic Survey Vessel SAS PROTEA, conducted an Op COPPER anti-piracy patrol off the coast of Mozambique over the period 02 July 2018 to 10 August 2018. This deployment was followed by the Combat Support Ship SAS DRAKENSBERG, conducting an Op COPPER anti-piracy patrol in the Mozambique Channel over the period 29 October 2018 to 30 November 2018. Maritime Reaction Squadron elements were embarked on all the patrols. Op COPPER deployments provided a visible presence of naval assets, which deterred maritime piracy in the Mozambique Channel.

⁵⁰ Currently there is no mine warfare capability.

The SA Navy's Force Preparation capacity was significantly enhanced through its participation in two major joint multinational exercises conducted in South African waters, namely Ex ATLASUR XI held from 10 September 2018 to 21 September 2018 and Ex IBSAMAR VI, held from 01 October 2018 to 12 October 2018. Besides various SA Navy vessels having participated in both exercises, Ex ATLASUR XI witnessed the participation of naval vessels from Brazil and Uruguay whilst the Brazilian and Indian navies participated in Ex IBSAMAR VI. Force preparation was further enhanced through participation in the Joint Ex NDLOVU, from 29 October 2018 to 09 November 2018.

During the reporting period, the SA Navy continued to lead the Department's participation in Op PHAKISA, specifically in respect of three Op PHAKISA initiatives. In respect of Initiative 5, "The Enhanced and Coordinated Enforcement Programme", the SA Navy executed maritime border safeguarding deployments under Op CORONA. Initiative 6 entails the "Operationalisation of the National Oceans and Coastal Information Management System"; this system was co-developed by the CSIR. On 31 May 2018 the National Oceans and Coastal Information Management System Integrated Vessel Management System was deployed to the SA Navy's Maritime Domain Awareness Centre West in Cape Town. The system is utilised to constantly monitor maritime activities within South Africa's 200 nautical mile Exclusive Economic Zone. With regard to Initiative 10, "The Marine Spatial Planning Process", the SA Navy's Hydrographic Office continued to provide the required marine spatial data for various Op PHAKISA activities.

The year under review continued to be challenging for the SA Navy due to significant resource constraints. The decline in the SA Navy's ability to prepare and support forces for deployment continued, as witnessed in terms of the Navy's inability to achieve the target of 12 000 hours at sea per year. To this extend, the SA Navy achieved 3 159.13 force preparation hours and only 4 545 force employment hours and at sea.

Performance Status

The table below provides details of the Maritime Defence programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2018.

Maritime Defence Programme Performance Status for FY2018/19						
Link to Strategy Map	Performance Indicator	Analysis				
Conduct ordered defence commitments in accordance with Government policy and strategy	Number of hours at sea per year	Target 12 000 Actual 7 704.13 Deviation The 7 704.13 hours at sea represents 64.2% of the planned target as a result of the unavailability of vessels at the directed level of capability due to maintenance cycle delays. The target related to the number of hours at sea per year was adjusted to 10 000 in future planning instruments. Comment Hours at sea includes Force Employment as well as Force Preparation hours. • Force Employment: 4 545.00 • Force Preparation: 3 159.13				
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified ⁶¹				

Mhere the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

Maritime Defence Programme Performance Status for FY2018/19						
Link to Strategy Map	Performance Indicator	Analysis				
Enable the DOD	Percentage compliance with DOD training targets	Target 80% (438)				
		Actual 102% (561)				
		Deviation The over-achievement is as a result of the training of an additional 123 learners.				
		Measurement of actual achievement is performed in relation to a full population of 547.5 learners.				
	Number of SA Navy unique force training exercises conducted	Target 1				
		Actual 1				

The table below provides details of the Maritime Defence programme expenditure status as at 31 March 2019.

Maritime Defence Programme Expenditure Status for FY2018/19						
	FY2018/19			FY2017/18		
Sub-Programme	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
Maritime Direction	657 449	657 449	0	657 134	657 134	0
Maritime Combat Capability	1 758 134	1 758 134	0	1 850 504	1 850 504	0
Maritime Logistic Support Capability	956 993	956 993	0	924 183	924 183	0
Maritime Human Resources and Training Capability	531 895	531 895	0	518 027	518 027	0
Base Support Capability	599 459	599 459	0	664 091	664 091	0
TOTAL	4 503 930	4 503 930	0	4 613 939	4 613 939	0

Programme 6: Military Health Support

Purpose

The purpose of the Military Health Support programme is to provide prepared and supported health capabilities and services for the defence and protection of South Africa.

Outputs

The output of this programme is to ensure prepared and supported health capabilities and services by providing:

A health support capability of five medical battalion groups, including one specialist medical battalion group, for deployed and contingency forces.

A comprehensive, multidisciplinary military health service to a projected patient population of 302 000 members per year.

Overview

During the year under review, the SA Military Health Service supported the MTSF **Outcome 2**: "A long and healthy life for all South Africans", by directing efforts towards the achievement of its dual mandate, namely, to support the SANDF by providing quality health services for the full range of military deployments (Force Health Protection) and to sustain the health of members of the armed forces, their families and others eligible for care by the SA Military Health Service (Force Health Sustainment).

The SA Military Health Service contributed to **Outcome 3**, "All people in South Africa are and feel safe" and **Outcome 11**: "Creating a better South Africa and contributing to a better and safer Africa in a better world", by providing the required military health elements to both internal deployments (Op CORONA) and external missions.

To ensure a healthy community, the SA Military Health Service continued to support the SA Army Engineers as part of the Vaal River Rehabilitation Project. In the second quarter of FY2018/19, the SA Military Health Service deployed health care practitioners to assist the Department of Water and Sanitation and the Emfuleni Local Municipality with this project. The SA Military Health Service also continued to provide medical support to the Engineering Formation in Lichtenburg, where assistance was provided with the restoration of water and sanitation services.

The SA Military Health Service rendered medical support to the 10th BRICS⁵² Summit that was held during the second quarter of FY2018/19 at the Sandton Convention Centre in Johannesburg. The SA Military Health Service's Chemical, Biological and Radiological Detection and Decontamination Team was placed on standby for the event.

When the Minister of Health approached the MOD&MV for assistance during the industrial action at the Bophelong Provincial Hospital in Mahikeng, the SA Military Health Service immediately deployed health care practitioners as part of Op PROSPER. Health care services at the hospital were immediately stabilised and sustained by rotating health care practitioners and support personnel until the end of July 2018.

The SA Military Health Service contributed to **Outcome 5**: "A skilled and capable workforce", through the Resilience Programme, directed towards members of the SANDF and their dependants. The programme consists of pre-deployment, deployment and organisational interventions, the latter focusing on family,

⁵² Brazil, India, China and South Africa.

retirement, health and financial resilience. This Resilience Programme contributed to force preparation and the operational readiness of the SANDF.

The SA Military Health Service furthermore contributed indirectly to Outcome 2: "A long and healthy life for all South Africans". Thirty-four members were deployed during December 2018 to provide critical forensic pathological services in state mortuaries of KwaZulu-Natal, due to the industrial action by members employed in the mortuaries.

The SA Military Health Service responded on short notice to provide health support, supplies in the form of clothes, blankets and food, to the people of Mozambique, Malawi and Zimbabwe, when cyclone IDAI occurred.

During the year under review the SA Military Health Service rendered health care services to eligible patients of the military community, in both static health care facilities and during military operations and exercises. The focus on health prevention and promotion activities continued. Contributions were made to improve the effectiveness of health systems, the serviceability of medical equipment, through the interventions of Op THUSANO, and the refurbishment of medical facilities.

Performance Status

The table below provides details of the Military Health Support programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2018.

Link to Strategy Map	Performance Indicator	Analysis
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified ⁵³
Enable the DOD	Broader SANDF health status	Information Classified
	Trend of deployable status on concurrent health assessments	Information Classified
	Number of health care activities per year ⁵⁴	Target 2 140 550 Actual 2 183 927 Comment
		This target is projected and based on historical trends of the demand for healthcare services.
	Percentage compliance with DOD training targets	Target 80% (648)
		Actual 80% (649)
		Comment Measurement of actual achievement is performed in relation to a full population of 810 learners.
Provide appropriate and sustained Matériel	Percentage availability of medical stock	Information Classified

⁵³ Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

The Performance Indicator reflects the total number of captured health care activities in the geographical health care facilities, plus the health care activities in the Tertiary/Specialist Military
Health facilities, as well as the health care activities in the internal and external mission areas per quarter. The target achievement is cumulatively calculated for the annual period against
the planned quarterly and annual targets as a reflection of the allocated budget versus the demands for health services. Health care activities relates to medical services rendered, such
as medical appointments, optometry, veterinarian services, etc.

The table below provides details of the Military Health Support programme expenditure status as at 31 March 2019.

Military Health Support Programme Expenditure Status for FY2018/19						
	FY2018/19			FY2017/18		
Sub-Programme	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
Strategic Direction	218 354	218 354	0	186 884	186 684	200
Mobile Military Health Support	163 380	163 380	0	140 310	140 310	0
Area Military Health Service	1 922 814	1 922 814	0	1 809 636	1 809 636	0
Specialist/Tertiary Health Service	2 045 766	2 045 766	0	1 884 454	1 884 454	0
Military Health Product Support Capability	192 111	192 111	0	181 271	181 271	0
Military Health Maintenance Capability	196 086	196 086	0	309 336	309 336	0
Military Health Training Capability	352 080	352 080	0	341 225	341 225	0
TOTAL	5 090 591	5 090 591	0	4 853 116	4 852 916	200

Programme 7: Defence Intelligence

Purpose

The purpose of the Defence Intelligence programme is to provide defence intelligence and counter-intelligence capabilities.

Outputs

The output of this programme is to ensure prepared and supported intelligence services by providing:

- · An Intelligence capability.
- · A Counter-Intelligence capability.
- · A Defence Foreign Relations capability.

Overview

During the period under review, Defence Intelligence conducted intelligence, counter-intelligence and collecting activities to provide decision-makers with intelligence and counter-intelligence capabilities.

The Division responded to intelligence requirements received from clients and strategic partners and disseminated intelligence products to decision-makers to provide timely information. Early warning reports were provided on emerging threats on the continent, and involvement in regional, continental and international meetings and engagements on SADC, AU and UN levels where participation ensured that South African military objectives and foreign policy was tabled, and where possible, adopted. Intelligence products were continuously re-evaluated through client feedback and constant reassessment of products, ensuring the quality management of intelligence products.

Defence Intelligence also provided security advice on SANDF projects, accreditation services to national and defence events in which the DOD participated, and engagements with departmental and governmental stakeholders to ensure higher levels of cooperation in the border protection initiatives is achieved.

Defence Intelligence ensured personnel integrity in the DOD, Department of Military Veterans and ARMSCOR by issuing security clearances through a comprehensive vetting and screening process.

Performance Status

The table below provides details of the Defence Intelligence programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2018.

Defence Intelligence Pro	gramme Performance Status for FY2018/19	
Link to Strategy Map	Performance Indicator	Analysis
Conduct ordered defence commitments	Percentage compliance with number of ordered commitments	Target 100%
in accordance with Government policy and strategy	(General Military Assistance) ⁵⁵	Actual 100%
Provide sound Defence	Percentage compliance with DOD governance schedule	Target
direction	(Cyber Warfare Strategy status)	100% (Cyber Warfare Strategy submitted for approval by the JCPS Cluster Ministers)
		Actual 0% (The Cyber Warfare Strategy is in the departmental approval process)
		Deviation Implementation of the Cyber Warfare Strategy will commence once it is approved.
	Percentage compliance with DOD governance schedule	Target
	(Sensor Strategy status)	100% (Sensor Strategy submitted for approval by the JCPS Cluster Ministers)
		Actual 0% (The Sensor Strategy is in the departmental approval process)
		Deviation Implementation of the Sensor Strategy will commence once it is approved.
Enable the DOD	Number of Defence Intelligence products ⁵⁶	Target 448
		Actual 597
		Comment African security dynamics resulted in increased intelligence requirements.
	Number of vetting decisions taken in accordance with requirements	Target 7 000
		Actual 3 453
		Deviation
		The underachievement on the number of vetting decisions taken can be attributed to staff shortages and inadequate staffing levels.
		Comment
		A turnaround strategy to address shortcomings is being implemented.

⁵⁵ The phrasing "General Military Assistance" refers to non-combat operations that provide military assistance, training and expertise over a wide range of activities i.e. support to peace building as well as post conflict reconstruction and development.

⁵⁶ Intelligence products produced ranges from intelligence reports, assessments, studies, digests, country profiles, technology reports, dossiers and briefings.

Link to Strategy Map	Performance Indicator	Analysis
	Level of Implementation of the Cyber Warfare Plan ⁵⁷	Target Phases 4 – 5
		Actual The Cyber Defence Action Plan (previously referred to as the Cyber Implementation Plan) in the departmental approval process.
		Phase 4 (Obtain Budget) and Phase 5 (Establish Capabilities) is in process. The Cyber Defence Action Plan (previously referred to as the Cyber Implementation Plan) is in the departmental approval process.
		 Phase 1 (Establish HQ) – planning was concluded, however, the full establishment of a Cyber Command Centre was not achieved due to financial constraints. Phase 2 (Finalise Functions) – planning in this regard was concluded, however, the finalisation of functions is dependent on the approval of the Cyber Warfare Plan. Phase 3 (Finalise Structures) – planning in this regard was concluded, however, the finalisation of structures is dependent on the approval of the Cyber Warfare Plan.
		Deviation The Cyber Warfare Plan is still in the departmental approval process (awaiting approval of the Cyber Strategy).

The table below provides details of the Defence Intelligence programme expenditure status as at 31 March 2019.

Defence Intelligence Programme Expenditure Status for FY2018/19							
	FY2018/19			FY2017/18			
Sub-Programme	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	
Strategic Direction	0	0	0	0	0	0	
Operations	478 467	478 467	0	459 946	459 946	0	
Defence Intelligence Support Services	459 706	459 706	0	428 054	428 054	0	
TOTAL	938 173	938 173	0	888 000	888 000	0	

⁵⁷ This will be conducted through a phase approach, which is as follows: Phase 1 – Establish HQ; Phase 2 – Finalise functions; Phase 3 – Finalise structures; Phase 4 – Obtain budget; Phase 5 – Establish capabilities; Phase 6 – Create cyber awareness program. Further Performance Indicators an targets will be developed during the MTSF (2015-2020) to address the DOD contribution to the MTSF Outcome 3 (Sub-outcome 4: Secure cyber space) establishment of a Cyber Command Centre, which must be fully operational by the FY2018/19, but will not materialise due to monetary constraints.

Programme 8: General Support

Purpose

The purpose of the General Support Programme is to provide general support capabilities and services to the Department.

This programme discharges its mandate through the Joint Logistics Services, Command and Management Information Services, and Military Police Capability Sub-programmes.

Joint Logistic Services Sub-programme

The purpose of the Joint Logistic Services Sub-programme is to provide logistic services to the DOD in terms of warehousing for ammunition, main equipment and stores. It also provides a Defence Works capability, the capital works programme and the Defence facility refurbishment programme.

Command and Management Information Systems Sub-programme

The purpose of the Command and Management Information Systems Sub-programme is to provide command and management information systems and related services to the DOD.

Military Police Capability Sub-programme

The purpose of the Military Police Capability Sub-programme is to provide military policing capability to the DOD.

Overview

During the period under review, the Logistics Division continued to provide logistic services to the DOD in terms of warehousing for ammunition, main equipment and stores. It also provided a Defence Works capability; a capital works programme and a Defence facility refurbishment programme. The Logistics Division sustained the management for the payment of accommodation charges, leases and municipal services on behalf of the DOD, thereby ensuring the provision of appropriate and sustained facilities for the DOD. Logistical support was provided to the SANDF in the participation and execution of defence ordered commitments.

The Logistics Division provided appropriate and sustained materiel in the areas of utilisation of endowment property and expenditure in accordance with the facilities plan.

During the period under review, the Command and Management Information Systems Division provided command and management information systems and related services to the DOD, and delivered modernised, sustainable DOD Information and Communication Technology Integrated Prime Systems Capabilities to the DOD.

The updated DOD Information Communication and Technology Strategy and the DOD Information Communication and Technology Capability Plan were approved and promulgated during the reporting period.

During the year under review, the Military Police Division managed to investigate 1 852 criminal cases from the backlog number of 2 128 criminal cases. The Division investigated 475 criminal cases from a total of 1 542 new criminal cases reported during FY2018/19. More deliberate crime prevention operations were conducted as a result of an increased effort to reduce crime and to reinforce discipline in the DOD. To this extent, 178 deliberate crime prevention operations were conducted during FY2018/19.

Performance Status

The table below provides details of the General Support Programme performance status, performance indicators and an analysis of target achievement in terms of the DOD Annual Performance Plan for 2018.

General Support Programme Perfor Link to Strategy Map	Performance Indicator	Analysis
•••		Alialysis
General Support Sub-programme:		
Provide sound Defence direction	Percentage adherence to DOD governance schedule	Target 100% (Overarching Logistic Strategy approved and promulgated by the DOD)
	(Overarching Logistic Strategy status)	Actual 75% (Finalisation of the Overarching Logistic Strategy is still in process)
		Deviation A second draft of the Overarching Logistic Strategy is in the DOD review process. Consultation has been finalised and the Strategy are planned to be submitted for approval during FY2019/20.
		Comment The achievement of this target will be pursued in future planning instruments.
Provide appropriate and sustained Matériel	Percentage procurement requests fully completed within 90 days from day of	Target 95%
	registration ⁵⁸	Actual 99.75%
		Comment A total of 9 208 out of 9 231 procurement requests were processed within 90 days from registration.
	Percentage utilisation of endowment property in the DOD	Target 90%
		Actual 94%
		Comment The Defence Endowment Property portfolio consists of 146 facilities situated throughout five provinces of which 136 facilities are utilised.
General Support Sub-programme:	Command and Management Information Sy	ystems
Provide integrated and reliable Defend Information Systems	DOD ICT Integrated Prime Systems	Target 98.87%
	Capabilities	Actual 102.77%
		Comment The over-achievement is attributed to the achievement of the project deliverables that was planned for the National Telecommunication Backbone Infrastructure, the DOD Information Systems Disaster Recovery Capability, the DOD Interoperability Development Centre and the ICT Strategy that was promulgated.

⁵⁸ Chief of Logistics changed the number of days from 60 to 90 days. This is in line with government imperatives.

General Support Programme Performance Status for FY2018/19							
Link to Strategy Map	Performance Indicator	Analysis					
General Support Sub-programme: Mi	litary Police Capability						
Administrate the DOD	Projected number of deliberate crime- prevention operations	Target 124					
		Actual 178					
		Comment More deliberate crime prevention operations were conducted as a result of an increased effort to reduce crime and to reinforce discipline in the DOD.					
	Percentage criminal cases investigated (backlog)	Target 40% Actual 87.03% Comment The Department investigated 1 852 criminal cases from					
	Percentage criminal cases investigated (in-year)	the backlog of 2 128 criminal cases. Target 25% Actual 30.80% Comment During FY2018/19, 1 542 new cases were received of which 475 cases were investigated.					

The table below provides details of the General Support programme expenditure status as at 31 March 2019.

General Support Programme Expenditure Status for FY2018/19							
	FY2018/19			FY2017/18			
Sub-Programme	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	
Joint Logistic Services	3 335 755	3 335 755	0	3 315 974	3 315 974	0	
Command and Management Information Systems	905 959	905 959	0	979 966	979 966	0	
Military Police	655 333	655 333	0	633 791	633 791	0	
Technology Development	296 838	296 838	0	441 123	441 123	0	
Departmental Support	1 219 674	1 219 126	548	1 093 095	1 093 095	0	
TOTAL	6 413 559	6 413 011	548	6 463 949	6 463 949	0	



APPENDICES A - C

Appendix A	
Capital Investments, Maintenance and Asset Management Plan	95
Appendix B	
OOD Selected Performance Indicators, Targets and Actual Achievements	105
Appendix C	
OOD Performance Indicators, Targets and Actual Achievements	107



CAPITAL INVESTMENTS, MAINTENANCE AND ASSET MANAGEMENT PLAN

Capital Infrastructure Projects in Process

Capital infrastructure projects in progress during FY2018/19 are indicated in the table below.

Project Description	Project Status ¹	Expected Completion Date
Alexander Bay	1 Tojour Status	Exposica Completion Date
Upgrading of kitchen equipment at Alexander Bay Signal Unit	Construction Stage	Expected to be completed in 2019
Bloemfontein		
3 Military Hospital (upgrading of existing Hospital and ground works)	Service Inactive	Completed
3 Military Hospital (Phase 3, new Main Hospital)	Final Delivery Stage	Expected to be completed in 2019
Upgrading of buildings 1175, 1176, 1178, 1179, 1181, 1182, 1184 and 1185 at DOD Mobilisation Centre	Construction Phase	Expected to be completed in 2019
Upgrade and refurbishment of Sickbay at Air Force Base Bloemspruit	First Delivery Stage	Expected to be completed in 2019
Upgrading of water reservoir at Air Force Base Bloemspruit	Construction Stage	Expected to be completed in 2020
Replacement of hot water storage vessels at 3 Military Hospital (Tempe)	Design Stage	Expected to be completed in 2020
Upgrading of kitchen equipment at 1 SA Tank Regiment	Design Stage	Expected to be completed in 2021
Upgrading of kitchen equipment at DOD Mobilisation Centre (De Brug)	Design Stage	Expected to be completed in 2021
Boekenhoutskloof		
Site clearance for the construction of a security fence at Boekenhoutskloof Military Base	Pre-design Planning	Expected to be completed in 2019
Camden		
Site clearance for the refurbishment of the waste water treatment plant at the Air Defence Artillery School	Pre-design Planning	Expected to be completed in 2020
Cape Town		
Upgrading of Finance Accounting Service at Air Force Base Ysterplaat	First Delivery Stage	Expected to be completed in 2019
Wynberg Military Base: construction of new high level security fence with main entrance canopy, guard house, equipped with biometric, perimeter lighting and Early Warning System	Construction Phase	Expected to be completed in 2019
Upgrading of kitchen equipment at Army Support Base Western Cape, Non-commissioned Officer Mess Wynberg	Construction Phase	Expected to be Completed in 201
Construction of security fence and guard house at Wynberg Military Base	First Delivery Stage	Expected to be completed in 2019
Installation of Heating, Ventilation, and Air conditioning systems to buildings 1, 10, 11 and 19 at 9 SA Infantry Battalion Sickbay	Design Stage	Expected to be completed in 2019
Upgrading of kitchen equipment at Army Support Base Western Cape, Officers Mess Wynberg	Tender Recommendation Stage	Expected to be completed in 2019
Upgrading of kitchen equipment at 9 SA Infantry Battalion	Construction Stage	Expected to be completed in 2019
Replacement of perimeter fence with palisade fence at SAS Wingfield	Tender Stage	Expected to be completed in 2019
Site clearance for the construction of a new medium level security fence with main entrance canopy and guard house equipped with a biometric access control system at the Wynberg Military Base (Area Military Health Unit Western Cape)	Pre-design Planning	Expected to be completed in 2019

Indicated statuses of projects: Status 3 - Pre-design stage, Status 3A - Pre-design planning, Status 3C - Service Inactive, Status 4 - Design stage, Status 4A - Funds approved stage, Status 4B - Tender stage, Status 4C – Design Stop, Status 5 - Tender recommendation stage, Status 5B - Construction stage, Status 6A - First delivery stage, Status 7 - Final delivery stage.

Capital Infrastructure Projects in Progress During FY2018/19		
Project Description	Project Status	Expected Completion Date
Dunnottar		
Request for site clearance for the construction of vehicle storage facilities (Project Pantile)	Service Inactive	Completed
SA Army Engineer Formation: construction of vehicle storage facilities (Project Pantile)	Pre-design Planning	Expected to be completed in 2021
Durban		
Refurbishment of main kitchen at SAS Salisbury Island	First Delivery Stage	Expected to be completed in 2019
Upgrading of kitchen equipment at Army Support Base KwaZulu-Natal Bluff Military Base	Design Stage	Expected to be completed in 2019
Request for site clearance for the construction of a Health Centre in Durban	Pre-design Planning	Expected to be completed in 2019
Construction of single quarters at Lords Grounds, Durban	Construction Stage	Expected to be completed in 2019
Upgrading of critical accommodation facilities at SAS Salisbury Island	Pre Site Handover stage	Expected to be completed in 2020
Eersterivier	, 	
Upgrading of Finance Accounting Service Centre at 9 SA Infantry Battalion	First Delivery Stage	Expected to be completed in 2019
Elandsfontein		
Upgrade facilities at the Works Training School	Pre-design Planning	Expected to be completed in 2020
Ermelo		
Upgrading of kitchen equipment at Camden Military Base	Final Delivery Stage	Completed
Fouriesburg		
Request for site clearance for the installation of re-deployable structures through own resources at Fouriesburg and Wepener operational bases: Op CORONA	Pre-design Planning	Expected to be completed in 2019
Heidelberg		
Upgrading of kitchen equipment at SA Army Gymnasium	Design Stage	Expected to be completed in 2021
Hoedspruit		
Site Clearance for the upgrade of the water and sewerage treatment plant at Air Force Base Hoedspruit	Pre-design Planning	Expected to be completed in 2020
Jan Kempdorp		
Site clearance for the construction of a security fence around 93 Ammunition Depot	Pre-design Planning	Expected to be completed in 2019
Johannesburg		
Upgrading of kitchen equipment at Army Support Base Johannesburg	First Delivery Stage	Expected to be completed in 2019
Purchase of a ten bedroom residential house for the Defence Intelligence Division (Defence Foreign Relations)	Planning Instruction Issued	Expected to be completed in 2019
Kensington		
Upgrading of power supply at 46 SA Army Brigade	Final Delivery Stage	Expected to be completed in 2019
Kimberley		
Re-surfacing and tarring of access road to Diskobolos Military Base Sickbay	Final Delivery Stage	Completed
Upgrading of kitchen and replacement of kitchen equipment at Henry Slegtkamp Combined Mess (building 200)	Construction Stage	Completed

	Capital Infrastructure Projects in Progress During FY2018/19			
Project Description	Project Status	Expected Completion Date		
Klipdrift	T			
Upgrade of the water supply at the School of Artillery	Design Stage	Expected to be completed in 2020		
Kroonstad				
Request for site clearance for the construction of an overhead power supply line to the water pump station at the Bossiespruit Training Base	Pre-design Planning	Expected to be completed in 2019		
Site clearance for the construction of a vehicle parking facility at School of Engineers (Project Pantile)	Pre-design Planning	Expected to be completed in 2019		
Construction of facilities for the advanced and specialist training wings at School of Engineers	Pre-design Planning	Expected to be completed in 2023		
Ladysmith	,			
Upgrading of kitchen equipment at 5 SA Infantry Battalion	Design Stage	Expected to be completed in 2020		
Langebaan				
Replacement of breakwater at Salamander Boat Park	Construction Completed	Completed		
Erection of security fence at 4 Special Forces Regiment Headquarters	First Delivery stage	Expected to be completed in 2019		
Replace existing security fence with palisade fencing at Mahonia, Donkergat	Construction Stage	Expected to be completed in 2019		
Erection of security fence at Ammunition Stores, Donkergat	Construction Stage	Expected to be completed in 2019		
Replacement of air-conditioning system in the Air Traffic Control Tower	Design Stage	Expected to be completed in 2019		
Re-surfacing of Donkergat Road at 4 Special Forces Regiment	First Delivery stage	Expected to be completed in 2019		
Upgrading of mess facilities at 4 Special Forces Regiment	Design Stage	Expected to be completed in 2019		
Erection of security fence at the 4 Special Forces Regiment Salamander complex (Donkergat)	Construction Stage	Expected to be completed in 2019		
Erection of a security fence at the 4 Special Forces Regiment ammunition stores (Donkergat)	Construction Stage	Expected to be completed in 2019		
Site clearance for the placement of park home at 4 Special Forces Regiment	Pre-design Planning	Expected to be completed in 2019		
Request for site clearance for the upgrading of the Donkergat and Flamingo jetties and slipway	Pre-design Planning	Expected to be completed in 2019		
Upgrading of high voltage electrical supply to the Donkergat Training Area: 4 Special Forces Regiment	Design Stage	Expected to be completed in 2020		
Site clearance for the construction of 20 married quarters at 4 Special Forces Regiment	Pre-design Planning	Expected to be completed in 2020		
Limpopo				
Site clearance for the upgrading of water reticulation systems at various military bases in Limpopo (i.e. Ellisras Command Post, Hangklip, Makhado, 523 Squadron and Ben Viljoen Training Areas)	Pre-design Planning	Expected to be Completed in 2020		
Lohatla				
Upgrading of Finance Accounting Service Centre at SA Army Combat Training Centre	Construction Stage	Expected to be completed in 2019		
Site Clearance for the refurbishment of the waste water treatment plant at the SA Army Combat Training Centre	Pre-design Planning	Expected to be completed in 2020		
Site Clearance for the drilling/equipping of boreholes and the building of dams/reservoirs at the SA Army Combat Training Centre	Pre-design Planning	Expected to be completed in 2020		

Capital Infrastructure Projects in Progress During FY2018/19		
Project Description	Project Status	Expected Completion Date
Madimbo / Limpopo		
Site clearance for the assessment of water reticulation systems at various bases in the Limpopo province (i.e. Ellisras Command Post, Hangklip, 523 Squadron, Makhado and Ben Viljoen Training Area)	Pre-design Planning	Expected to be completed in 2020
Fort Scorpio: upgrading of water and sanitation infrastructure	Pre-design Stage	Expected to be completed in 2021
Mafikeng		
Request for site clearance at the Mafikeng Border Safeguarding Base under Op CORONA	Pre-design Planning	Expected to be completed in 2019
Request for site clearance for the replacement of leaking sewerage system at 10 SA Infantry Battalion	Pre-design Planning	Expected to be completed in 2019
Site Clearance for the refurbishment of the waste treatment plant at 10 SA Infantry Battalion	Pre-design Planning	Expected to be completed in 2020
Makhado (Louis Trichardt)		
Site clearance for the upgrade of the sewer farm and sewer line at Air Force Base Makhado	Pre-design Planning	Expected to be completed in 2020
Maluti		
Maluti Base upgrading of water reticulation system	Tender Recommendation Stage	Expected to be completed in 2020
Middelburg		
Upgrading of buildings and construction of new Sickbay at 4 SA Infantry Battalion	Construction Stage	Expected to be completed in 2019
Mtubatuba		
Upgrading of the South African Forces Institute Building at 121 SA Infantry Battalion for use by Defence Legal Services Division	Design Stage	Expected to be completed in 2020
Murrayhill		
Request for site clearance for Phase 2 of the Master Plan for Special Forces School	Pre-design Planning	Expected to be completed in 2019
Musina		
Request for site clearance at the Mesina Border Safeguarding Base under Op CORONA	Pre-design Planning	Expected to be completed in 2019
Oudtshoorn		
Upgrading of kitchen equipment at Infantry School	Construction Stage	Expected to be completed in 2019
Phalaborwa		
Replacement of kitchen equipment at 7 SA Infantry Battalion	Design Stage	Expected to be completed in 2019
Upgrading of aquatic training facility at 5 Special Forces Regiment	Design Stage	Expected to be completed in 2019
Upgrading of kitchen equipment at 524 Signal Squadron	Construction Stage	Expected to be completed in 2019
Upgrading of kitchen equipment at 5 Special Forces Regiment	Tender Recommendation Stage	Expected to be completed in 2019
Polokwane		
Request for site clearance for the construction of a Health Centre in Polokwane	Pre-design Planning	Expected to be completed in 2019
Site clearance for the upgrading of the entire Karee Base in Polokwane	Pre-design Planning	Expected to be completed in 2020
Upgrading of kitchen equipment at Uitkoms Base Junior Ranks Mess	Design Stage	Expected to be completed in 2020
Rehabilitation of the entire Karee Military Base	Design Stage	Expected to be completed in 2022

Capital Infrastructure Projects in Progress During FY2018/19			
Project Description	Project Status	Expected Completion Date	
Pongola			
Request for site clearance for the Pongola Border Post: Op CORONA	Construction Completed	Completed	
Pontdrift			
Request for site clearance at the Pontdrift Border Safeguarding Base under Op CORONA	Service Inactive	Project Cancelled	
Potchefstroom			
Upgrading of pump station at 4 Artillery Regiment: request for site clearance	Pre-design Planning	Expected to be completed in 2019	
Upgrading of kitchen and kitchen equipment at Shamrock Mess	Construction Stage	Expected to be completed in 2019	
Upgrading of kitchen equipment at Constand Viljoen Mess	Design Stage	Expected to be completed in 2019	
Pretoria			
Upgrading of kitchen equipment at National Ceremonial Guard	Design Stopped	Completed	
Personnel Services School access facilities for disabled personnel	Final Delivery Stage	Expected to be completed in 2019	
Security installations on perimeter fence and stores at Northern Military Police Regional Headquarters	Final Delivery Stage	Expected to be completed in 2019	
Upgrade of mess and replacement of kitchen equipment at Army Support Base Wonderboom	First Delivery Stage	Expected to be completed in 2019	
Upgrade of main gate at Special Forces Headquarters (Swartkop Park)	Tender Stage	Expected to be completed in 2019	
Upgrading of kitchen equipment at SA Army Engineer Formation Combined Mess	Construction Stage	Expected to be completed in 2019	
Construction of inner security fence at Special Forces Headquarters (Swartkop Park)	Design Stage	Expected to be completed in 2019	
Request for site clearance for SA Defence Intelligence College	Pre-design Planning	Expected to be completed in 2019	
Replacement of Uninterrupted Power Supply batteries at Blenny and Loftus buildings	Construction Stage	Expected to be completed in 2019	
Construction of new Head Office Building for Defence Intelligence Division: Project SERETO (Old 91 Ammunition Depot)	Pre-design Planning	Expected to be completed in 2019	
Upgrading and installation of power supply to Defence Works Formation containerised office accommodation	First Delivery Stage	Expected to be completed in 2019	
Purchase of EXXARO Building	Planning Instruction issued	Expected to be completed in 2019	
Jpgrading of power supply at School of Signals	Construction Stage	Expected to be completed in 2019	
Jpgrade of power supply at 2 Signal Regiment	Construction Stage	Expected to be completed in 2020	
Refurbishment of Belmont House for use as accommodation	Pre-design Stage	Expected to be completed in 2020	
Jpgrade of infrastructure at SA Defence Intelligence College: Phase 1	Design Stage	Expected to be completed in 2020	
Jpgrading of security fencing at DOD Main Ordnance Depot	Design Stage	Expected to be completed in 2020	
Site clearance for the construction of eleven residential units/town houses	Pre-design Stage	Expected to be completed in 2020	
Replacement of two 400KVA Uninterrupted Power Supply Batteries	Planning Instruction Issued	Expected to be completed in 2020	
Site clearance for the refurbishment of the waste water treatment plant at Thaba Tshwane	Pre-design Planning	Expected to be completed in 2020	
Site clearance for the repair and renovation of the Military Police School	Pre-design Planning	Expected to be completed in 2020	
Site Clearance for the installation of a standby generator at the Defence Works Formation Headquarters	Pre-design Planning	Expected to be completed in 2020	

Project Description	Project Status	Expected Completion Date
Upgrading and refurbishment of SA Military Health Services Training Formation (Nurses College): Phase 2	Design Stage	Expected to be completed in 2022
Air Force Base Waterkloof: construction of new Fire Station and Air Traffic Control Tower	Design Stage	Expected to be completed in 2023
Port Elizabeth		
Site clearance for the erection of a security fence at the Cape Recife shooting range Army Support Base Eastern Cape	Pre-design Planning	Expected to be completed in 2019
Construction of Base Hospital and medical staff housing	Tender Recommendation Stage	Expected to be completed in 2024
Saldanha		
Replacement of fire alarm system at the Military Academy	Design Stage	Expected to be completed in 2020
Construction of new Sickbay at Saldanha Military Base	Design Stage	Expected to be completed in 2020
Simonstown		
Site clearance for the construction of a new security fence with main guard nouse equipped with a biometric access control system at the Signal School	Pre-design Planning	Expected to be completed in 2019
Replace existing security fence with palisade fence at SA Navy Signal School	Pre-design Planning	Expected to be completed in 2019
Replace existing security fence with palisade fence at Glencairn Sports Complex	Pre-design Planning	Expected to be completed in 2019
Replacement of air-conditioning system in the Maritime Warfare Building	Design Stage	Expected to be completed in 2019
Upgrading of water reticulation system at Naval Base Simonstown East Yard	First Delivery Stage	Expected to be completed in 2019
Swartwater		
Request for site clearance for the installation of a water purification unit at the Swartwater Border Safeguarding Base under Op CORONA	Service Inactive	Project Cancelled
Thaba Tshwane		
Upgrading of kitchen equipment at Joint Support Base Garrison, Gerbera Officers Mess	Fund Approved Stage	Expected to be completed in 2019
Upgrading of kitchen equipment at Joint Support Base Garrison, Kiepersol Officers Mess	Construction Stage	Expected to be completed in 2019
Upgrading of kitchen equipment at SA Army College	Construction Stage	Expected to be completed in 2021
SA Military Health Services Training Formation: construction of new requirements and repair maintenance and upgrade of Admin Building	Pre-design Planning	Expected to be completed in 2021
Thabazimbi		
Request for site clearance for the installation of a water purification unit at the Rooibokkraal Border Safeguarding Base under Op CORONA	Pre-design Stage	Expected to be completed in 2019
Thohoyandou		
Upgrading of kitchen equipment at 15 SA Infantry Battalion	Construction Stage	Expected to be completed in 2019
Umdloti		
Upgrading of kitchen equipment at Umdloti Signal Base	Design Stage	Expected to be completed in 2019

Capital Infrastructure Projects in Progress During FY2018/19			
Project Description	Project Status	Expected Completion Date	
Umtata			
Upgrading of Finance Accounting Service Centre at 14 SA Infantry Battalion	Construction Stage	Expected to be completed in 2019	
Vioolsdrift			
Request for site clearance for the installation of re-deployable structures through own resources at Vioolsdrift and Louisvale Operational Bases: Op CORONA	Pre-design Planning	Expected to be completed in 2019	
Wingfield			
Upgrading of water reticulation system at SAS Wingfield and Naval Stores Depot	Pre-design Planning	Expected to be completed in 2021	
Wynberg			
Facilities Management Contract at 2 Military Hospital: site clearance	Pre-design Planning	Expected to be completed in 2019	
Upgrading of Finance Accounting Service Centre at 2 Military Hospital	First Delivery Stage	Expected to be completed in 2019	
Installation of high level security thermal and radar perimeter intrusion management system at 2 Military Hospital	Design Stage	Expected to be completed in 2020	
Youngsfield			
Upgrading of Finance Accounting Service Centre at Youngsfield	First Delivery Stage	Expected to be completed in 2019	
Ysterplaat			
Upgrading of Finance Accounting Service Centre at Air Force Base Ysterplaat	First Delivery Stage	Expected to be completed in 2019	
Zeerust			
Assessment and costing of kitchen equipment at 2 SA Infantry Battalion	Design Stage	Expected to be completed in 2019	

Major Maintenance (Refurbishment) Projects undertaken during FY2018/19

The Major Maintenance (Refurbishment) Projects undertaken during FY2018/19 are indicated in the table below.

Project Description	Progress Status ²	Expected Completion date
Bethlehem		
Refurbishment of 2 Field Engineering Regiment	Final Delivery Stage	Completed
Bloemfontein		
Refurbishment of School of Armour	Final Delivery Stage	Completed
Refurbishment of 1 Parachute Battalion	Final Delivery Stage	Expected to be completed in 2019
Refurbishment of 1 Special Services Battalion	First Delivery Stage	Expected to be completed in 2019
Refurbishment of 1 SA Infantry Battalion	Design Stage	Expected to be completed in 2020
Refurbishment of 44 Parachute Regiment	Design Stage	Expected to be completed in 2020
Refurbishment of Military Health Training Satellite Bloemfontein	Design stage	Expected to be completed in 2021
Bloemspruit		
Refurbishment of Air Force Base Bloemspruit	Design Stage	Expected to be completed in 2022
Bredasdorp		
Refurbishment of Air Force Base Overberg sewer plant	First Delivery Stage	Expected to be completed in 2019
Refurbishment and upgrade of Sickbay complex at Air Force Base Overberg	Construction Stage	Expected to be completed in 2019
Refurbishment of Air Force Base Overberg	Construction Stage	Expected to be completed in 2020
Cape Town		
Refurbishment of 2 Military Hospital	Construction Stage	Expected to be completed in 2019
Durban		
Refurbishment of SAS Salisbury Island, Phase 2	Design Stage	Expected to be completed in 2021
Grahamstown		
Replacement of perimeter and internal security fencing	Funds Approved Stage	Expected to be completed in 2021
Refurbishment of 6 SA Infantry Battalion	Design Stage	Expected to be completed in 2022
Refurbishment and rehabilitation of infrastructure and buildings	Tender Stage	Expected to be completed in 2022
Hoedspruit		
Refurbishment of Air Force Base Hoedspruit (Base and flood damage)	First Delivery stage	Expected to be completed in 2019
Kroonstad		
Refurbishment of School of Engineers	Tender Recommendation Stage	Expected to be completed in 2021
Langebaan		
Refurbishment of Oesterskulp Duplex Flats	Final Delivery Stage	Completed
Lephalale		
Upgrading, repair and renovations of all offices and training accommodation, logistics facilities and kitchen complex	Design stage	Expected to be completed in 2022
Middelburg		
Repair and maintenance to civil infrastructure at 4 SA Infantry Battalion	Construction Completed	Completed
Multidisciplinary design and construction	Design Stage	Expected to be completed in 2020

² Indicated statuses of projects: Status 3 - Pre-design stage, Status 3A - Pre-design planning, Status 3C - Service Inactive, Status 4 - Design stage, Status 4A - Funds approved stage, Status 4B - Tender stage, Status 4C - Design Stop, Status 5 - Tender recommendation stage, Status 5B - Construction stage, Status 6A - First delivery stage, Status 7 - Final delivery stage.

Major Maintenance (Refurbishment) Projects Undertaken During FY201	3/19	
Project Description	Progress Status	Expected Completion date
Mmabatho		
Repair and maintenance of civil, building and wet services at 10 SA Infantry Battalion	Construction Stage	Expected to be completed in 2019
Muizenberg		
Refurbishment of SA Navy Staff College	Design Stage	Expected to be completed in 2020
Oudtshoorn		
Installation of centralised ventilation system at Oral Health Centre	First Delivery Stage	Expected to be completed in 2019
Potchefstroom		
Installation of new air conditioners at Constand Viljoen Officers Mess	Design Stage	Expected to be completed in 2020
Refurbishment of 1 Tactical Intelligence Regiment	Design Stage	Expected to be completed in 2021
Refurbishment of School of Artillery	Design Stage	Expected to be completed in 2021
Refurbishment of 4 Artillery Regiment	Design Stage	Expected to be completed in 2021
Pretoria		
Repair and maintenance of electrical infrastructure - Phase 1	Final Delivery Stage	Expected to be completed in 2019
Repair and maintenance of electrical infrastructure - Phase 2	Final Delivery Stage	Expected to be completed in 2019
Refurbishment of Military Health Centre (Institute for Aviation Medicine) next to Auction Centre	Design stage	Expected to be completed in 2020
Refurbishment of SA Military Health Services complex in Tek Base	Design stage	Expected to be completed in 2020
Refurbishment of Rooiwal Communication Facility	Design stage	Expected to be completed in 2021
Refurbishment of the single quarters at Air Force Base Waterkloof	Design Stage	Expected to be completed in 2021
Refurbishment of SA Army Office in Dequar Road	Design Stage	Expected to be completed in 2024
Refurbishment of SA Air Force Blenny Complex	Design Stage	Expected to be completed in 2024
Saldanha		
Refurbishment of Military Academy (including Malgaskop Demolitions)	Construction Completed	Completed
Simonstown		
Refurbishment and replacement of water distribution system	Construction stage	Expected to be completed in 2019
Refurbishment Pharmacy (Building 70) Institute for Maritime Medicine	Design Stage	Expected to be completed in 2020
Swartkop Park		
Re-surface 2km road Swartkop Park	Design stage	Expected to be completed in 2020
Thaba Tshwane		
Refurbishment of Joint Support Base Garrison Finance Office	Tender Recommendation Stage	Expected to be completed in 2019
Repair and maintenance of building work, civil infrastructure	Final Delivery	Expected to be completed in 2019
Refurbishment of Defence College	Design stage	Expected to be completed in 2020
Refurbishment of Thaba Tshwane B-Mess	Construction Stage	Expected to be completed in 2020
Refurbishment of A-Mess Thaba Tshwane	Design Stage	Expected to be completed in 2022
Repair and maintenance to civil infrastructure and fencing	Design Stage	Expected to be completed in 2024
Umtata		
Replacement of kitchen equipment at 14 SA Infantry Battalion	Construction Stage	Expected to be completed in 2019
Upington		
Major refurbishment of facilities and civil services at 8 SA Infantry Battalion	Construction Stage	Expected to be completed in 2019

Major Maintenance (Refurbishment) Projects Undertaken During FY2018/1	9	
Project Description	Progress Status	Expected Completion date
Ysterplaat		
Major refurbishment of Jack Frost Court at Air Force Base Ysterplaat: building 340	Design Stage	Expected to be completed in 2021
Zeerust		
Replacement of kitchen equipment and kitchen roof and ceiling	First Delivery Stage	Completed

DOD SELECTED PERFORMANCE INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The DOD's performance against Selected Performance Indicators and Targets for the period 01 April 2015 to 31 March 2019 is reflected in the table below.

Performance Indicator Total number of Defence Attaché Offices	Accountability / Reporting Responsibility Administration (Defence Foreign Relations)	FY2015/16 Target 45	dited / Actual Achiev FY2016/17 Target	rement FY2017/18	Pre-Audited Achievement
		Target		FY2017/18	
		_	Target		FY2018/19
			46	Target 44	Target 44
		Actual 44	Actual 44	Actual 44	Actual 44
Number of military skills development members in the system per year	Administration (HR Services)	Target 3 863	Target 4 001	Target 3 651	Target 3 568
		Actual 3 944	Actual 3 759	Actual 3 476	Actual 3 554
Number of reserve force mandays	Administration (HR Services)	Target 2 442 792	Target 2 701 681	Target 1 817 104	Target 2 674 761
		Actual 2 768 982	Actual 2 679 142	Actual 2 425 899	Actual 2 574 127
Percentage compliance with the Southern African Development Community standby force Pledge	Force Employment	Target 100% Actual 100%	Target 100% Actual 100%	Target 100% Actual 100%	Target 100% Actual 100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment	Target 100% Actual 100% (3)	Target 100% Actual 100% (2)	Target 100% Actual 100%	Target 100% Actual 100%
Percentage compliance with number of ordered commitments (internal operations)	Force Employment	Target 100% Actual 100% (4)	Target 100% Actual 100% (4)	Target 100% Actual 100%	Target 100% Actual 100%
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment	Target 5 Actual 6	Target 4 Actual 4	Target 3 Actual 3	Target 4 Actual 3
Number of landward sub- units deployed on border safeguarding per year	Force Employment	Target 13 Actual	Target 15 Actual	Target 15 Actual	Target 15 Actual

Reason(s) for deviation are provided under "Performance Information per Programme".

			Perf	ormance	
Performance Indicator	Accountability / Reporting Responsibility	Αι	idited / Actual Achie	vement	Pre-Audited Achievement ¹
		FY2015/16	FY2016/17	FY2017/18	FY2018/19
Number of force employment hours flown	Air Defence	Target 6 500	Target 5 000	Target 5 000	-
		Actual 4 785.18	Actual 4 032.40	Actual 4 125.50	-
Number of hours flown per year ²			New Indicator		Target 25 000 Actual 17 870.20
Number of hours at sea per year	Maritime Defence	Target 12 000	Target 12 000	Target 12 000	Target 12 000
		Actual 10 710.70	Actual 8 131.55	Actual 6 046.68	Actual 7 704.13

During FY2018/19 the Performance Indicator was amended from "Number of force employment hours flown per year". The Air Defence Programme have more control over the set target of 25 000 flying hours (inclusive of 5 000 Force Employment and 20 000 Force Preparation hours). For the FY2018/19 MTEF, the target for number of hours flown is thus set at 25 000 hours per year. Force employment hours include 1 000 VVIP hours and only hours generated through the utilisation of own aircraft, and thus excludes hours generated through chartered aircraft.

DOD PERFORMANCE INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS¹

The DOD's performance against its Performance Indicators and Targets for the period 01 April 2015 to 31 March 2019 is reflected in the table below.

DOD F	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	vements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/16	15/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator ²	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
Progra	Programme 1: Administration								
Admir	Administration Sub-programme: Ministry of Defence	nistry of Defence							
—	Percentage compliance with 100%	100%	100%	100%	100%	100%	100%	100%	100%
	submission dates of DOD accountability documents:	oled in	(4 APPs tabled on 11 Mar 16)	(4 APPs tabled in (4 APPs tabled in line with National	(4 APPs tabled in (4 APPs tabled in (4) line with National line with National	(4)	(4)	(4)	(4)
	(DOD APP tabled in Parliament)	Prescripts)		Prescripts)	Prescripts)				
	(ARMSCOR Corporate Plan tabled in Parliament)								
	(Castle Control Board APP tabled in Parliament)								
	(Military Ombud APP tabled in Parliament)								

The DOD is endeavouring to constantly improve on its performance information (indicators and targets) to ensure adherence to the "SMART" principles. Improvements in performance information resulted in amending some performance indicators and targets annually. The implementation of the SA Defence Review 2015 Milestone 1 deliverables (FY2016/17 onwards) necessitated amended performance information in some cases. FY2018/19 Performance Indicators are shaded in green.

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achi	evements over the	period 01 April 20°	15 to 31 March 201	G.			
		FY2015/1	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
Admin	Administration Sub-programme: The	The Military Ombud							
က	Percentage compliance with submission dates of DOD accountability documents (Military Ombud APP submitted to the Executive Authority)	100% (1 APP submitted in line with National Prescripts)	100% (1 APP submitted in line with National Prescripts)	100% (1 APP submitted to the Executive Authority)	100% (1 APP submitted to the Executive Authority)	100% (1 APP submitted to the Executive Authority)	100% (1 APP submitted to the Executive Authority)	100% (1) (APP submitted to the Executive Authority)	100% (1) (APP submitted to the Executive Authority
4	Percentage compliance with submission dates of DOD accountability documents (Military Ombud Annual Report submitted to the Executive Authority)	100% (1 Annual Report submitted in line with National Prescripts)	100% (1 Annual Report submitted in line with National Prescripts)	100% (1 Annual Report submitted to the Executive Authority)	100% (1 Annual Report submitted to the Executive Authority)	100% (1 Annual Report submitted to the Executive Authority)	100% (1 Annual Report submitted to the Executive Authority)		
S.	Percentage compliance with submission dates of DOD accountability documents (Annual Report regarding Military Ombud Activities submitted to the Executive Authority)					100% (1 Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	100% (1 Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	100% (1) (Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	100% (1) (Annual Report regarding Military Ombud Activities submitted to the Executive Authority)
ω	Percentage of written complaints finalised within the Office of the Military Ombud	%09	76% (365 out of 483 active complaints were assessed and finalised. 113 cases will be carried over to the next financial year)	%09	55% (236 out of 428 active complaints were assessed and finalised, 192 cases were carried over to FY2017/18)	70% finalised in-year and 80% finalised from previous year)	83% (664 out of the 799 active complaints for FY2017/18 were assessed and finalised, 135 cases were carried over to FY2018/19)	75%	47% (246 out of 525 complaints finalised)

DOD P	DOD Performance Indicators, Targets and Actual Achievem	ts and Actual Achie	evements over the	period 01 April 20	nents over the period 01 April 2015 to 31 March 2019	6			
		FY2015/16	15/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
Admin	Administration Sub-programme: Reserve Force Council (RFC)	serve Force Coun	cil (RFC)						
_	Percentage compliance with submission dates of DOD accountability documents (Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted in line with National Prescripts)	100% (2 Reports on RFC Activities submitted in line with National Prescripts)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2) (Reports on RFC Activities submitted to the Executive Authority)	100% (2) (Reports on RFC Activities submitted to the Executive Authority)
Admin	Administration Sub-programme: Defence Force Service Commission (DFSC)	efence Force Service	ce Commission (D	FSC)					
∞	Percentage compliance with submission dates of DOD accountability documents (Annual Report regarding DFSC Activities and Findings submitted to the Executive Authority)	100% (1 Annual Report on DFSC Activities submitted in line with National Prescripts)	100% (1 Annual Report on DFSC Activities submitted in line with National Prescripts)	100% (1 Annual Report regarding DFSC Activities submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities and Findings submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities and Findings submitted to the Executive Authority)	100% (1) (Annual Report regarding DFSC Activities and Findings submitted to the Executive Authority)	100% (1) (Annual Report regarding DFSC Activities and Findings submitted to the Executive Authority)
ത	Percentage compliance with submission dates of DOD accountability documents (Report on the DFSC Findings and Recommendations Gazetted)					100% (1 Report on the DFSC Findings and Recommen- dations Gazetted)	100% (2 Reports on DFSC Findings and Recommen- dations Gazetted)	100% (1) (Report on the DFSC Findings and Recommendations Gazetted)	No reports Gazetted

рор Р	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/1	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
Admin	Administration Sub-programme: Departmental Direction (Office of the Secretary for Defence)	spartmental Directive	on (Office of the So	scretary for Defend	(e)				
10	Percentage adherence to DOD governance promulgation schedule (SA Defence Review 2015 Implementation status)	Submission of the SA Defence Review Implementation Plan for MOD&MV approval	SA Defence Review Implementation Plan in progress	100% (Monitor implementation of the approved SA Defence Review 2015 Implementation Plan)	The SA Defence Review 2015 (DOD Plan to Arrest the Decline) was approved for implementation by the MOD&MV on 07 Mar 17. The monitoring of implementation of non-resource driven deliverables was undertaken through the departmental quarterly performance reporting process.	100% (Monitor implementation of the approved SA Defence Review 2015 Implementation Plan)	100% (Monitored implementation of the approved SA Defence Review 2015 Implementation Plan). The monitoring of the implementation of non-resource driven deliverables was undertaken through the departmental quarterly performance reporting process.	100% (Monitor implementation of the approved SA Defence Review Implementation Plan)	100% (Monitor implementation of the approved SA Defence Review Implementation Plan). The monitoring of the implementation of non-resource driven deliverables was undertaken through the departmental quarterly performance reporting process.
=	Percentage compliance with submission dates of DOD accountability documents (DOD APP submitted to the Executive Authority)	100% (1 DOD APP submitted in line with National Prescripts)	100% (1 DOD APP tabled on 11 Mar 16)	100% (1 DOD APP submitted to the Executive Authority)	100% (1 DOD APP for 2017 submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 16 Mar 17)	100% (1 DOD APP submitted to the Executive Authority)	100% (1 DOD APP for 2018 submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 12 Mar 18)	100% (1) (DOD APP submitted to the Executive Authority)	100% (1) (DOD APP for 2019 submitted to the Executive Authority)

		ınt		
	FY2018/19	Actual Achievement	100% (1) (DOD Annual Report for FY2017/18 submitted to the Executive Authority)	
	FY20	Annual Target as per APP	100% (1) (DOD Annual Report submitted to the Executive Authority)	
	FY2017/18	Actual Achievement	(1 DOD Annual Report for FY2016/17 submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 20 Nov 2017)	Policy Research Unit Concept document not approved
19	FY20	Annual Target as per APP	100% (1 DOD Annual Report submitted to the Executive Authority)	Policy Research Unit Concept document approved
115 to 31 March 20°	FY2016/17	Actual Achievement	(1 DOD Annual Report for FY2015/16 submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 26 Sep 16)	Not achieved, the Draft Policy Research Unit Concept document was completed for departmental consideration.
period 01 April 20	FY20	Annual Target as per APP	100% (1 DOD Annual Report submitted to the Executive Authority)	Policy Research Unit Concept document approved
evements over the	FY2015/16	Actual Achievement	100% (1 DOD Annual Report tabled on 29 Sep 15)	The DOD Strategic Research Capability will be incorporated into the structure and function of the Chief Defence Scientist. A position paper was compiled and submitted to the Defence Review Implementation Planning Team for inclusion in the Defence Review 2015 (Milestone 1) Implementation
ts and Actual Achi	FY20	Annual Target as per APP	100% (1 DOD Annual Report submitted in line with National Prescripts)	Policy Research Unit Concept document approved
DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019		Performance Indicator	Percentage compliance with submission dates of DOD accountability documents (DOD Annual Report submitted to the Executive Authority)	Established DOD strategic research capability status
DOD Pe		S/No	12	13

DOD F	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 201	15 to 31 March 201	6			
		FY2015/1	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
41	Status of external statutory responses to requests received	,100%	66% (61 requests received of which 40 requests were fully processed)	100%	100%	100%	100%	100%	100%
Admir	Administration Sub-programme: Departmental Direction (Defence Enterprise Information System Management [DEISM])	epartmental Directi	on (Defence Enter,	orise Information 5	system Manageme	nt [DEISM])			
15	Percentage adherence to DOD governance promulgation schedule	100% Monitor and Review	100% Monitored and Reviewed	100% (Monitor and Review)	100% (Monitored and reviewed)		1	ı	ı
	(Information and Communication Systems Policy Development Plan status)								
16	Percentage adherence to DOD governance promulgation schedule	100% Monitor and Review	100% Monitored and Reviewed	100% (Monitor and Review)	100% (Monitored and reviewed)		1	ı	1
	(Department of Defence Information Strategy status)								
7	Percentage adherence to DOD governance schedule (Compliance to the DOD Corporate Governance of ICT Policy status)		1	1	ı	100% (Development and submission for approval of the DOD Corporate Governance of	100% (DOD Corporate Governance of ICT Policy developed and submitted for approval)		
8	Percentage adherence to DOD governance schedule (Defence Enterprise Architecture Capability Established and Integrated)					25% (Development and submission for approval of the Enterprise Architecture Capability framework)	25% (Development and submission for approval of the Enterprise Architecture Capability framework)	25% (Development and submission for approval of the Enterprise Architecture Capability framework)	25% (The Enterprise Architecture Capability framework approved)

рор Р	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achi	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/1	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
Admin	Administration Sub-programme: Policy and Planning	olicy and Planning							
19	Percentage adherence to DOD governance schedule	100%	100%	ı	1	·		-	
50	Percentage adherence to DOD governance schedule (Policy)		1	100%	60% (3 out of 5 planned policies established and maintained)	100%	62.50% (5 out of 8 targets set for DOD Policies in FY2017/18 were achieved)	,100%	%02
21	Percentage adherence to DOD governance schedule (Strategy)	-		100%	44.44% (4 out of 9 strategies established and maintained)	100%	50% (6 out of 12 targets set for DOD strategies in FY2017/18 were achieved)	100%	41.7% (5 out of 12 targets set for DOD strategies in FY2018/19 achieved)
52	Percentage adherence to DOD governance schedule (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] status)					100% (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] developed)	The Defence Secretariat Strategy was partially developed.	100% (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] submitted for approval)	100% (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] was approved by the AO on 01 Mar 2019)
23	Percentage compliance with submission dates of DOD accountability documents	100% (1 DOD Annual Report and 1 DOD APP submitted in line with National Prescripts)	100% (1 DOD Annual Report and 1 DOD APP submitted in line with National Prescripts)	100% (1 DOD Annual Report and 1 DOD APP submitted in line with National Prescripts)	100% (1 DOD Annual Report and 1 DOD APP submitted in line with National Prescripts)			1	

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/16	15/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
24	Percentage compliance with submission dates of DOD accountability documents (DOD Annual Report submitted in line with National Prescripts)			1		100% (1 DOD Annual Report submitted in line with National Prescripts)	100% (1 DOD Annual Report submitted in line with National Prescripts)	100% (1) (DOD Annual Report submitted in line with National Prescripts)	100% (1) (DOD Annual Report submitted in line with National Prescripts)
25	Percentage compliance with submission dates of DOD accountability documents (DOD APP submitted in line with National Prescripts)					100% (1 DOD APP submitted in line with National Prescripts)	100% (1 DOD APP submitted in line with National Prescripts)	100% (1) (DOD APP submitted in line with National Prescripts)	100% (1) (DOD APP submitted in line with National Prescripts)
26	DOD Enterprise Risk Management maturity level achieved	Level 6	Level 5	Level 4	Level 5	Level 4	Level 5	Level 5	Level 5
27	DOD Management Performance Assessment Tool, assessment level achieved	Level 2.5	Level 2.7	Level 2.6	Level 2.5	Level 2.8	Level 2.3	Level 2.8	Level 2.3
Admini	Administration Sub-programme: Military Policy, Strategy	llitary Policy, Strate	egy and Planning Office	Office					
58	Percentage adherence to DOD governance schedule (Military Strategy status)	ı	1	1		Military Strategy approved and promulgated	The Military Strategy (Part 1) approved awaits promulgation. Parts 2 and 3 of the Military Strategy in the final stages of amendment and promulgation.	Military Strategy Implementation Guidelines approved by the DOD	In process

DOD Pe	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/16	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
59	Percentage compliance with submission dates of DOD accountability documents (SANDF quarterly reports submitted to the Executive Authority)	100% (4) Submitted in line with National Prescripts	(4)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4) (SANDF quarterly reports submitted to the Executive Authority)	100% (4) (SANDF quarterly reports submitted to the Executive Authority)
30	Percentage compliance with the progress of the establishment of the Military Strategic Direction Register	,		(17)	14% (5)	49% (19)	23%	26.66%	20%
31	Percentage combat ready SANDF capabilities available	1			ı	ı	-	Information Classified	Information Classified
Admini	Administration Sub-programme: Financial Services	nancial Services							
32	Percentage adherence to the DOD governance schedule (Defence Funding Model)		-				_	100% (Defence Funding Model Implementation Policy)	0% (Defence Funding Model Implementation Policy not drafted)
33	Percentage compliance with submission dates of DOD accountability documents (Percentage compliance with DOD financial management products)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37) (Financial management products submitted in line with National Prescripts)	100% (37) (Financial management products submitted in line with National Prescripts)
34	Number of audit findings	0	_	-	1	1	ı		
35	Number of Audit Qualifications			0	_	0	Qualified audit opinion on 6 areas received	0	Qualified audit opinion on 5 areas received

DOD F	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	vements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/1	15/16	FY20	FY2016/17	FY2017/18	17/18	FY2018/19	18/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
36	Percentage payments within 30 days from receipt of legitimate Invoices	75%	%60.08	75%	77%	75%	77.90%	75%	81.82%
37	Provide sound Financial Management of the DOD	%8>	1.4%	1	ı	1	-	-	
38	Percentage deviation from approved drawing schedule	-	_	%8>	0.1%	%8>	0.53%	%8>	%600.0
Admir	Administration Sub-programme: Hu	Human Resources Support Services (DOD Central Staff)	upport Services (D	OD Central Staff)					
39	Percentage adherence to DOD governance schedule		-	100% (Policy	100% (Policy	100% (Internship Policy	100% (Internship Policy	-	
	(Internship Policy status)			Development)	Development)	submitted for approval)	submitted for approval)		
40	Percentage adherence to DOD governance promulgation schedule	oved egy & ementation	The HRD Strategy & Implementation	1					
	(Human Resources Development Strategy status)	rian Tan	Plan was approved on 13 Apr 16						
14	Percentage adherence to DOD governance schedule				ı	100% (Human	The development of the Human		
	(Human Resources Development Policy status)					Resources Development Policy Developed)	Resource Development Policy was partially finalised.		
45	Percentage adherence to DOD governance schedule			100% (Implemented	100% (DOD Human Resource	100% (Human Recourses	The development of the Human	100% (Human Recourses	0% (Human Recourses
	(Human Resources Strategy status)			Olades V	Nessonce Development [HRD] Strategy & Strategic Implementation Plan [SIP] implemented)	Strategy Developed)	Strategy was not finalised.	Strategy developed in support of the Military Strategy)	Strategy awaits Promulgation of the DOD Military Strategy [inclusive of the Force Design and Force Structure])

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/16	15/16	FY20	FY2016/17	FY2017/18	17/18	FY2018/19	18/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
43	Percentage adherence to DOD governance schedule (DOD Ethics Management status)	DOD Ethics Policy Approved	Policy in progress	100% (DOD Ethics Policy Approved)	DOD Ethics Policy is in the development process	100% (DOD Ethics Strategy submitted for approval)	100% (DOD Ethics Strategy submitted for approval)	100% (DOD Ethics Strategy submitted for approval by the DOD)	100% (DOD Ethics Strategy submitted for approval by the DOD)
44	Percentage compliance with submission dates of DOD accountability documents (SMS financial disclosures submitted)	(294)	93% of 255 SMS members (as on 31 Mar 16) submitted	100%	100% (292 SMS financial disclosures submitted)	100%	100%	100%	98% (279 out of 284 financial disclosures submitted)
45	Percentage compliance with submission dates of DOD accountability documents (SMS performance agreements submitted)	(294)	84% of 255 SMS members (as on 31 Mar 16) submitted	100%	94% (273 out of 292 performance agreements submitted)	100%	86% (246 out of 286 SMS performance agreements submitted)	100%	88% (250 out of 284 SMS performance agreements submitted)
46	Percentage of disciplinary cases in the DOD finalised within 90 days (PSAP Disciplinary Cases)	39	20	100%	16% (9 out of 56 cases finalised within 90 days)	100%	22% (12 out of 54 cases finalised within 90 days)	100%	59% (38 out of 64 cases finalised)
47	Percentage collective grievances and disputes resolved	85%	71%	85%	64% (9 out of 14 grievances received in FY2016/17 were resolved)	85%	65% (11 out of the 17 collective grievances received in FY2017/18 were resolved)	85%	47% (9 out of 19 cases resolved)
48	Percentage compliance with DOD training targets (Number of PSAP attending training programmes)	(2 587)	(2 584)	(2 587)	100.5% (2 601)	(2 067)	(2 069)	(2 067)	(2 568)

оор н	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/	15/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
49	Percentage adherence to DOD governance promulgation schedule	Policy Approved and Promulgated	Policy discontinued		1	ı	1	1	1
	(National Youth Service Policy status)								
20	Percentage compliance with planned staffing of funded posts	100% (79 445)	96% (76 386)	100% (80 064)	95.7% (76 617)			,	1
51	Number of positions filled against allocated quota for international Institutions	12	8	12	14	12	11	12	6
52	Percentage compliance with DOD training targets	100% (1 934)	142% (2 744)	100% (3 000)	89.63% (2 689)	80% (1 360)	96% (1 634)	80% (1 360)	91% (1 553)
	(Non-combat professional military development courses)								
53	Percentage compliance with DOD training targets	70% (50)	174% (124)	70% (50)	273% (195)	100%	100%	100%	100%
	(Re-skilling)								
54	Percentage compliance with DOD training targets	100% (2 000)	68% (1 364)	100% (2 000)	234% (4 680)	ı	I	ı	ı
	(National Youth Service programme)								
55	Number of military skills development members in the system per year	3 863	3 944	4 001	3 759			ı	1
56	Number of military skills development members in the system	1		1	,	3 651	3 476	3 568	3 554
57	Number of reserve force mandays	2 442 792	2 768 982	2 701 681	2 679 142	1 817 104	2 425 899	2 674 761	2 574 127

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 201	15 to 31 March 201	6			
		FY2015/1	15/16	FY2016/17	16/17	FY20	FY2017/18	FY2018/19	18/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
28	Percentage compliance with SANDF Battle fitness requirements	85%	%0	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
Admin	Administration Sub-programme: Legal Services (DOD Central Staff)	gal Services (DOD	Central Staff)						
29	Percentage litigation cases finalised in the best interest of the DOD	%09	88.87% (24 out of 27 cases finalised)	20%	80% (32 out of 40 finalised cases settled in the best interest of the DOD)	50%	79.6% (Total of 116 litigation cases were received and attended to during FY2017/18. 39 out of 49 litigation cases finalised were settled in the best interest of the DOD).	%09	71% (39 out of 55 cases)
09	Percentage of cases of Corruption and Fraud prosecuted	40% (70)	(9)	40%	13%	40%	25.97%	25%	50.34%
61	Percentage of cases of corruption and fraud prosecuted (Conviction rate of persons R5 million and over)	0	0 (No cases of Rm5 and over were reported)	,	1				
62	Percentage reduction of military court cases outstanding (backlog)	%09	20%	%09	65%	%09	51.17%	40%	61.65%
63	Percentage military court cases finalised (in-year)	40%	3%	40%	63%	40%	66.11%	40%	71.96%

рор Р	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 2019	6			
		FY20	FY2015/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
64	Percentage of disciplinary cases in the	009	70	100%	36%	100%	67.58%	100%	74.91%
	DOD finalised within 90 days								
	(Military Disciplinary Cases)								
Admin	Administration Sub-programme: Inspection and Audit Services (Internal Audit Division)	spection and Audit	Services (Internal	Audit Division)					
65	Percentage of recommendations agreed to by management to address the internal control gaps identified in audit reports	1	ı	,00%	92.5% (298 out of 322 recommendations made were agreed to by management)	400%	75% (90 out of 119 recommendations made to address the internal control gaps identified in audit reports, were agreed to by management)	100%	98% (450 out of 458 recommendations made to address the internal control gaps identified in audit reports, were agreed to by management)
99	Percentage progress of DOD Annual Audit Plan	100%	32% (20 out of 63 audit activities)	,			1		1
Admin	Administration Sub-programme: Inspection and Audit Services (Defence Inspectorate Division)	spection and Audit	Services (Defence	Inspectorate Divis	sion)				
29	Number of detection investigations of corruption and fraud conducted	19	19		1		ı	-	ı
89	Percentage of Corruption and Fraud incidents detected for investigation			100%	100%	100%	100%	•	ı
69	Number of detected National Anti-corruption Hotline (NACH) Cases conducted	10	12				,		
02	Percentage of National Anti-corruption Hotline (NACH) Incidents detected for investigation	1		,100%	100%	,100%	100%		

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/16	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
71	Number of awareness activities on Corruption and Fraud	48	98	48	74	48	48	48	55
72	Level of communication in the DOD	Positive	Positive	-	1		-	•	-
73	Measure the level of DOD Morale	ı	-	Positive	Neutral	Positive	Neutral	Positive	Neutral
Admin	Administration Sub-programme: Acquisition Services	cquisition Services							
74	Percentage adherence to DOD governance schedule (Defence Intangible Assets Management Policy status)	A functioning Defence Intangible Capital Assets Management Organisation (Policy Implementation and Monitoring).	A policy has been implemented and is currently being reviewed to align with National Policy	100% (A functioning Defence ICA Management Organisation [Policy Implementation and Monitoring])	100%	100% (A functioning Defence IA Management Organisation [Policy Implementation and Monitoring])	50% A functioning Defence IA Management organisation was established. The Intangible Assets Policy is awaiting		1
75	Percentage adherence to DOD governance schedule (Policy) (Promulgated Acquisition of Armaments in the DOD Policy [DAP 1000] status)					100% (Implemen- tation of the Promulgated Acquisition of Armaments in the DOD Policy [DAP 1000])	100% (Promulgated Acquisition of Armaments in the DOD Policy [DAP 1000] implemented)	,	

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY20	FY2015/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
92	Percentage adherence to DOD governance schedule (Policy) (Technology Development in the DOD Policy [DAP 5000] status)					100% (Technology Development in the DOD Policy [DAP 5000] developed)	100% (Technology Development in the DOD Policy [DAP 5000] developed)		
77	Percentage armament acquisition commitments approved	≥75% by 31 Mar of each year	%86	≥75% by 31 Mar of each year	96% commitments approved	ı		ı	ı
78	Percentage Armament Acquisition Process compliance			ı	ī	>85%	87% process compliance	%98≥	%86
62	Percentage technology development commitments approved	85% - 100% by 31 Mar of each year	%86	85% - 100% by 31 Mar of each year	93% commitments approved	>85%	99% commitments approved	%98≥	99.57%
08	Percentage of Capability and Technology programmes established with the defence industry	-				100%	100%	100%	100% (Capability and Technology programmes are established and maintained with the defence industry)
Admini	Administration Sub-programme: Communication Services	ommunication Serv	rices						
81	Status of Public Opinion of the DOD	77%	72%	77%	72%	75%	77.8%	75%	77.8%
83	Percentage adherence to DOD governance schedule (Strategy) (Communication Strategy status)	-				100% (Communication Strategy implementation as approved by the DOD)	100% (Communication Strategy as approved by the DOD implemented)	100% (Communication Strategy Monitor Implementation as approved by the DOD)	100% (Communication Strategy Monitor Implementation as approved by the DOD)

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achi	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/10	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
Admin	Administration Sub-programme: S/	SANDF Command and Control	nd Control						
83	Number of Strategic Activities per annum	10	10	12	10	14	9	14	12
Admin	Administration Sub-programme: Religious Services	eligious Services							
84	Number of Covenantal relationships with Religious Stakeholders (Religious Advisory Boards)	2	വ	ಬ	S	5	7	2	വ
Admin	Administration Sub-programme: Defence Reserve Direction	efence Reserve Di	ection						
85	Number of marketing events to promote the Reserves	36	24	36	38	36	32	36	28
Admin	Administration Sub-programme: Defence Foreign Relations (DOD Central Staff)	efence Foreign Rel	ations (DOD Centr	al Staff)					
98	Total number of Defence Attaché Offices	45	44	46	44	44	44	44	44
Admin	Administration Sub-programme: Defence International Affairs Division	efence Internation	al Affairs Division						
87	Percentage adherence to DOD governance schedule (Policy Products in pursuit of Defence Diplomacy)	Ensure 100% relevant, quality policy products	Ensured 100% relevant, quality policy products	Ensure 100% relevant, quality policy products	100% relevant, quality policy products ensured	Ensure 100% relevant, quality policy products	100% relevant, quality policy products ensured	Ensure 100% relevant, quality policy products	100% relevant, quality policy products ensured
88	Percentage adherence to DOD governance promulgation schedule (Defence Foreign Relations Policy Status)	Policy Monitor Implementation	Policy in progress	-		ı	1		
68	Percentage adherence to DOD governance schedule (Defence International Affairs Policy Status)			100% (Monitor Policy Implementa- tion)	Not achieved, policy in progress	100% (Defence International Affairs Policy Promulgation and Implementation as approved by the DOD)	Defence International Affairs Policy not yet approved.		

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/1	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
06	Percentage external deployments including training exercises, where applicable, supported with appropriate legal instruments	100% (Appropriate Approved legal Instrument be in place)	100% Appropriate approved legal instrument in place.	100% (Appropriate approved legal instrument to be in place)	100% (Appropriate approved legal instrument in place)	100% (Appropriate approved legal instrument to be in place)	100% (Appropriate approved legal instrument in place)	100% (Appropriate approved legal instrument to be in place)	100% (Appropriate approved legal instrument in place)
Admin	Administration Sub-programme: Office Accommodation	fice Accommodati	on						
16	Percentage of expenditure in accordance with facilities plan (payment of leases)	100%	133%		1		1		
92	Percentage of expenditure in accordance with facilities plan (payment of municipal services)	100%	%26		,	-	1	1	
93	Percentage of expenditure in accordance with facilities plan (payment of accommodation charges)	100%	. 100%			1	1	-	
94	Percentage of expenditure in accordance with facilities plan (Payment of leases, accommodation charges and municipal services)			100%	105.64%	100%	99.21%	100%	94.31%

DOD Pe	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	vements over the	period 01 April 201	15 to 31 March 201	6			
		FY2015/16	15/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement						
Progra	Programme 2: Force Employment								
95	Percentage compliance with number of ordered commitments (external operations)	100%	,100%	100%	100% (2)	100%	100% (2)	100%	100%
96	Percentage compliance with force levels for external operations	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
26	Percentage compliance with serviceability of main equipment for external operations	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
86	Percentage of the value of reimbursement by the UN/AU recognised	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
66	Percentage compliance with self-sustainment of personnel	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
100	Number of landward sub- units deployed on border safeguarding			-		15	15	15	15
101	Number of landward sub- units deployed on border safeguarding per year	13	15	15	15 sub-units	-	•		ı
102	Percentage compliance with number of ordered commitments (internal operations)	100%	,100%	100%	100% (4)	100%	100% (4)	100%	100%
103	Percentage compliance with number of ordered commitments (Internal operations) (safety and security support)			100%	100% (1)		1		

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	s and Actual Achie	vements over the	period 01 April 20	15 to 31 March 201	G			
		FY2015/16	5/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
104	Percentage compliance with number of ordered commitments (internal operations) (disaster aid and disaster relief)	,100%	,00%	100%	100%		,		
105	Percentage compliance with number of ordered commitments (internal operations) (search and rescue)	100%	100%	100%	100% (1)		,	1	
106	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
107	Percentage compliance with the South African Development Community Standby Force Pledge	100%	100%		1				
108	Percentage compliance with the Southern African Development Community Standby Force Pledge	1	1	100%	100%	100%	100%	100%	100%
109	Percentage adherence to DOD governance promulgation schedule (Sub-strategy, to support overarching strategy by securing land, airspace and maritime borders [Border Safeguarding Strategy])			Sub-strategy approved	Framework developed to enable Sub- strategy approval	Sub-strategy approved	Development of the Draft Border Safeguarding Sub-Strategy was finalised	100% (Sub-strategy submitted for approval)	0% (Draft Sub- strategy developed and approval in process)

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY20	FY2015/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
110	Percentage adherence to DOD governance schedule (Joint Force Employment Strategy status)			-		Joint Force Employment Strategy developed	Development of the Joint Force Employment Strategy was finalised	100% (Joint Force Employment Strategy approved and promulgated by	0% (Draft Joint Force Employment Strategy developed)
=======================================	Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	വ	9	4	4	ന	೯	4	ന
Progra	Programme 3: Landward Defence								
112	Percentage compliance with number of ordered commitments (external operations)	100%	100%		ı		ı	1	
113	Percentage compliance with number of ordered commitments. (General Military Assistance)	1		100%	100% (2)	100%	%0		
114	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
115	Percentage compliance with DOD training targets	80% (3 146)	84% (3 315)	80% (2 214)	94.81% (2 624)	80% (2 302)	109% (3 144)	80% (3 681)	56.35% (2 593)
116	Number of SA Army unique force training exercise conducted	1			1		1	2	2

4 Inclusive of 5 000 Force Employment and 20 000 Force Preparation hours.

D P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	vements over the	period 01 April 201	15 to 31 March 201	6			
		FY2015/	15/16	FY20	FY2016/17	FY2017/18	17/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
	Trend of deployable status on concurrent health assessments	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
	Number of health care activities per year	2 140 550	2 257 785	2 140 550	2 215 561	2 140 550	2 139 053	2 140 550	2 183 927
	Percentage compliance with DOD training targets	80% (648)	102% (829)	80% (648)	76.30% (618)	80% (648)	98% (790)	80% (648)	80% (649)
	Trend of deployable status on concurrent health assessments			-			-	Information Classified	Information Classified
	Percentage availability of medical stock	%09	45%	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
12	Programme 7: Defence Intelligence								
	Percentage compliance with number of ordered commitments (external operations)	100%	100%					•	ı
	Percentage compliance with number of ordered commitments (General Military Assistance)		1	100%	100% (1)	100%	100%	100%	100%
	Percentage compliance with DOD governance schedule (Cyber Warfare Strategy status)	Approved Cyber Warfare Strategy	Strategy not approved	100% (Submit for approval by the JCPS Cluster Ministers)	Not achieved, draft Strategy developed	100% (Cyber warfare Strategy Submit for approval by the JCPS Cluster Ministers)	Development of the Cyber Warfare Capability structure was finalised and approval is awaited	100% (Cyber Warfare Strategy submitted for approval by the JCPS Cluster Ministers)	0% (Cyber Warfare Strategy not submitted for approval to JCPS Cluster Ministers)

рор Р	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 201	15 to 31 March 201	6			
		FY20	FY2015/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
136	Percentage compliance with DOD governance schedule (Sensor Strategy status)			Develop Strategy	Not achieved, draft Strategy developed	100% (Sensor Strategy Approved and Promulgated)	The Sensor Strategy was completed and is awaiting approval	100% (Sensor Strategy submitted for approval by the JCPS Cluster Ministers)	0% (Sensor Strategy not submitted for approval to JCPS Cluster Ministers)
137	Number of Defence Intelligence products	448	622	448	299	448	603	448	597
138	Number of vetting decisions taken in accordance with requirements	2 000	4 234	6 500	909 9	9 200	4 819	2 000	3 453
139	Level of Implementation of the Cyber Warfare plan	Partial implementation (establish Cyber Warfare Command Centre HQ)	Cyber Warfare Command Centre HQ not implemented but in process	Phases 2 – 3	In process.	Phase 2 – 3	In process.	Phases 4 – 5	Phases 4 – 5 in process.
Progra	Programme 8: General Support								
Genera	General Support Sub-programme: Joint Logistic Services	Joint Logistic Serv	ices						
140	Percentage adherence to DOD governance schedule (DOD Procurement Policy status)		-	100% (Submission of DOD Procurement Policy for approval)	Placed on hold	100% (Implementation of DOD Procurement Policy)	Finalisation of the Draft DOD Procurement Policy is still in process.	-	
141	Percentage adherence to DOD governance schedule (Overarching Logistic Strategy status)	Completed	Not completed	100% (Completed)	Not achieved	100% (Overarching Logistic Strategy Approved and Promulgated)	Finalisation of the Overarching Logistic Strategy is still in process.	100% (Overarching Logistic Strategy approved and promulgated by the DOD)	In process
142	Percentage procurement requests fully completed within 90 days from day of registration	100%	94%	%56	95.87%	%96	87.54%	%56	99.75%

DOD P	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 201	15 to 31 March 2019	3			
		FY20	FY2015/16	FY20	FY2016/17	FY2017/18	17/18	FY2018/19	18/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
143	Percentage utilisation of endowment property in the DOD			%06	96% (132 Defence Endowment [Portfolio] properties out of 137 facilities were utilised)	%06	93% (146 Defence Endowment [Portfolio] properties out of 136 facilities were utilised)	%06	94%
144	Level of strategic reserves (ammunition)	Information Classified	Information Classified	Information Classified	Information Classified		-	-	
145	Percentage compliance to the management process of strategic reserves (ammunition)	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
146	Percentage compliance with the DOD Refurbishment Programme Annual Schedule	100% (56)	57% (32)			1	1		
147	Percentage of approved Capital Works Plan projects completed as scheduled per year	70%	96% (11)				-	-	
148	Percentage compliance with DOD codification requirements	100%	64%						
149	Percentage requests approved for disposal versus requests received	100%	%68				-	-	,
150	Percentage ammunition disposed versus the number of disposed tonnes planned	100% (1 000)	197% (1 972)						

рор Р	DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2015 to 31 March 2019	ts and Actual Achie	evements over the	period 01 April 20	15 to 31 March 201	6			
		FY2015/16	15/16	FY20	FY2016/17	FY20	FY2017/18	FY20	FY2018/19
S/No	Performance Indicator	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
Genera	General Support Sub-programme:	Command and Management Information Systems	agement Informati	on Systems					
151	Percentage compliance with the DOD ICT portfolios of the Defence Enterprise Information System Master Plan	100%	256%	1	1		1		1
152	Percentage availability of the Defence Information and Communication Infrastructure at all times	%86	%86				-		
153	Percentage of modernised, sustainable DOD ICT Integrated Prime Systems Capabilities	1	1	92.45%	81.42%	97.54%	72.92%	98.87%	102.77%
Genera	General Support Sub-programme: Military Police Capability	Military Police Capa	ability						
154	Percentage of cases of Corruption and Fraud investigated	100% (80)	(53)	100%	100% (151)	100%	100% (77)	ı	1
155	Projected number of deliberate crime prevention operations	248	282	124	189	124	184	124	178
156	Percentage criminal cases investigated (backlog)	1	-	40%	66% (3 091 out of 4 682)	40%	56.14% (1 440 out of 2 565)	40%	87.03%
157	Percentage reduction of criminal cases finalised (backlog)	20%	20%		1	•	-	ı	
158	Percentage criminal cases investigated (in-year)	1	-	50%	29% (400 out of 1 373)	25%	22.73% (295 out of 1 298)	25%	30.80%
159	Percentage criminal cases finalised (in-year)	10%	36.55%		1				



2010 PART C Governance



GOVERNANCE AND ACCOUNTABILITY

The Department of Defence (DOD), through the leadership of the Accounting Officer, is committed to complying with legislation, regulations and best practices applicable to the organisation. The development and implementation of systems of good governance, risk management and effective control are pivotal in driving effective organisational performance. These systems are continuously reviewed to enhance responsibility and accountability with regards to execution of the primary mandates of the Department. An ethical culture that promotes values, outlined in the DOD Code of Conduct, are cultivated as the tone of the organisation's corporate stewardship.

MANAGEMENT PERFORMANCE ASSESSMENT TOOL

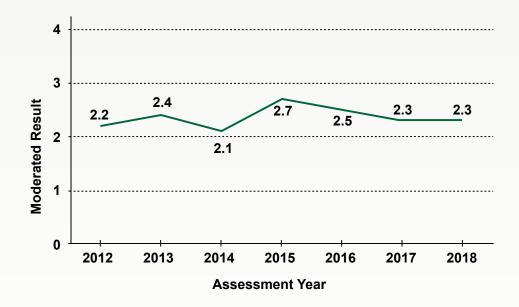
The Management Performance Assessment Tool (MPAT) is a collaborative initiative led by the Department of Planning, Monitoring and Evaluation (DPME) to promote and institutionalise the monitoring and assessment of the public service, over a variety of standards, towards improved service delivery.

The focus of assessments by the DPME shifted during the 2017 cycle to measure compliance towards the achievement of objectives of "an efficient and effective public service" (Medium-Term Strategic Framework Outcome 12) and a "capable and developmental state" as envisioned in the National Development Plan.

The DOD conducted its first MPAT self-assessment during the 2012 cycle, and from thereon utilised the MPAT results to improve on its internal controls to optimise governance and accountability arrangements throughout the DOD. On instruction of the Accounting Officer, the status of "non-compliant" and "partially compliant" standards with legal / regulatory requirements was monitored on a quarterly basis through the Accountability Management Committee.

The DOD submitted its self-assessment for the 2018 cycle to the DPME on 16 October 2018. The improved governance and accountability measures implemented by the Accounting Officer during the FY2018/19 ensured compliance with legal / regulatory requirements that interpreted to a stable DOD average MPAT 1.8 score of 2.3.

The figure below indicates the DOD's average scores obtained over a seven-year period, from 2012 to 2018.



It is noteworthy to mention that management interventions implemented as well as regular monitoring of progress with the implementation of improvement plans, resulted in an improved full compliance percentage from 27% in the 2017 cycle to 33% in the 2018 cycle.

The figure below provides an analysis from the 2012 cycle to date, of the number of standards assessed and the subsequent performance levels achieved.



The table below provides an analysis, per MPAT cycle, of the number of standards monitored and assessed per cycle with respect to compliance with legal / regulatory requirements. The percentage indicated in the last column of the table relates to full compliance (performance levels 3 and 4) with legal / regulatory requirements by the DOD.

MPAT Cycle	No of Standards	% Full Compliance
2012	30	40%
2013	32	50%
2014	31	35%
2015	34	50%
2016	34	47%
2017	22	27%
2018	21	33%

With the maturity and institutionalisation of management practices in the public service, the DPME will realign MPAT from a compliance tool to an analytical tool. The 2018 assessment was thus the final assessment utilised by the DPME to monitor compliance.

Moving forward, the Chiefs of DOD Services and Divisions and applicable functional areas should ensure that Annual Performance Plans are revised to include MPAT management practices¹. Monitoring of compliance with legal / regulatory requirements of these management practices will take place through applicable governance and accountability bodies.

¹ DS/DPSP/DPM&E/R/501/13/4 dated 23 April 2019.

RISK MANAGEMENT

The DOD's risk management approach and practices are consistent with the approved DOD Instruction 00099/2013 (Edition 2) "Policy, Process and Procedures for Risk Management in the Department of Defence", which is due for revision during FY2019/20.

Risk Management is institutionalised, embedded and aligned to the strategic management process of the DOD, thus striving towards the optimal achievement of the Department's outputs.

The transversal enterprise risks impacting the DOD from the strategic output and outcome perspective during the FY2018/19, continued to be subjected to regular monitoring and scrutiny by the Accountability Management Committee as a relevant Management and Command structure.

Notwithstanding continued budget cuts to the DOD's allocation that threaten the Department's ability to execute its Constitutional mandate by severely eroding the current Defence capabilities to protect the Republic, dedicated efforts and commitment by management were made towards an improved and effective risk management approach.

The table below provides the risk responses and progress made with DOD Enterprise Risks in line with the DOD Annual Performance Plan for 2018.

DOD Enterprise Risk Management and Mitigation for FY2018/19				
Risk Response	Progress and Intervention			
Enterprise Risk 1: Deteriorating DOD Facilities and Ir	frastructure			
Deteriorating DOD facilities and infrastructure may result	in:			
Non-compliance to legislation. Negative impact on morale. Compromised readiness. Tarnished image of the DOD.				
Promulgate and implement an Overarching Logistic Strategy which includes: Procurement Policy, Stock Level Policy, Strategy, Joint Support Concept	The Overarching Logistic Strategy has been developed and a 2 nd draft of the Strategy is currently in the DOD review process. Consultation has been finalised and the Strategy will be submitted for approval during FY2019/20.			
Develop the Defence Facilities Master Plan that addresses the Defence Facilities refurbishment and Maintenance	The Defence Facilities Master Plan (UAMP) which includes all existing, new accommodation, capital works and refurbishment requirements in the DOD for the medium term was implemented for the FY2018/19. The UAMP is submitted annually to NDPW and NT and the final UAMP for FY2020/21 to FY2023/24 will be submitted to the said institutions during FY2019/20.			
Develop an electronic DOD Immovable Asset register (DOD State owned and Defence Endowment Properties)	The Interim Facility Register System is work in progress and is envisaged to be completed during FY2019/20. The business service specification for the Facility Register as well as the design specifications for the geospatial platform have been finalised. The URS is long term and will be incorporated in the integrated log system.			
Devolvement of NDPW functions through development, approval and monitoring of an Implementation Plan for the Endowment Properties	The Minister of Public Works approved the Joint Task Team request to extend the MOA for six years with the MOD&MV for the devolvement process to be finalised. The Implementation Plan is not yet drafted. The DOD is not mandated to execute life cycle management on Endowment Properties until the transfer process is concluded.			
Enhance DOD Works Capability to execute defence facilities repair and maintenance programmes	The DOD Works Formation's capacitation is at 82.3% of the approved posts. A number of Own-Resource, Capital Works and Refurbishment Projects were completed during the FY2018/19.			

DOD Enterprise Risk Management and Mitigation for F	FY2018/19
Risk Response	Progress and Intervention
Enterprise Risk 2: Outdated and Non-integration of In	formation Communication Technology (ICT) Systems
The non-integration of ICT systems and non-availability of information.	source documentation may lead to unreliable DOD financial and non-financial
Develop the Enterprise Architecture Framework in the DOD	The DOD Enterprise Architecture Framework has been developed and approved by GITO on 04 Sept 2018.
Upgrade DOD Core Information Systems by means of the development, approval and the implementation of an Integrated Defence Enterprise System (IDES)	The funding requirements for the IDES will be discussed during the May/Jun 2019 Departmental Programme, Budget and Evaluation Committee. Funding remains a challenge.
Implement the DOD Corporate Governance of Information and Communication Technology Policy	The DOD Corporate Governance of Information and Communication Technology Policy was approved and is currently in the promulgation phase.
Develop the DOD Corporate Governance of Information and Communication Technology Strategy	The DOD ICT Strategy was promulgated on 13 Jun 2018.
Enterprise Risk 3: Prevalence in Fraud and Corruptio	n
Weaknesses in key internal controls increase the opporture	nity for fraud and corruption.
Promulgate and implement the DOD Corruption and Fraud Prevention Plan	The DOD Corruption and Fraud Prevention Plan was developed and is currently in the DOD consultation process. Approval and implementation is envisaged for the FY2019/20.
Fraud and corruption cases to be continuously monitored and reported on at the DOD Defence Anti-Corruption and Anti-Fraud (DACAF) Forum meetings	Fraud and Corruption cases continued to be reported and monitored during the reporting period through the DOD Corruption and Fraud Prevention Nodal Point Forum.
Renew a culture of good governance and ethics in the DOD through the monitoring, reviewing and reporting of Corruption and Fraud Awareness training conducted	Corruption and fraud awareness and prevention training, as an intervention to prevent re-occurrence and an increase in fraud and corruption, continued to be rolled-out. The evaluation of corruption and fraud prevention plans at unit level were concluded in all provinces during the FY2018/19. To date the results of the evaluation indicate that Managers/Commanders endeavour to produce appropriate corruption and fraud prevention plans within their areas of responsibilities.
Establish inter-divisional cooperation and multidisciplinary teams in order to expedite the process of combating fraud and corruption	Inter-divisional cooperation is maintained through regular informal meetings and discussions between stakeholders. The use of multi-disciplinary teams is determined by the scope of the investigation and specific guidelines from higher authority.
Maintain and monitor the Whistleblowing Hotline	The whistleblowing facilities are assisting the DOD in the identification of alleged incidents of corruption and fraud. Other whistleblowing reports continued to be reported through the NACH during the FY2018/19.
Enterprise Risk 4: High Prevalence of Litigation	
The DOD's inability to comply with applicable legislation, p	prescribed policy and procedures may result in costly litigation and losses to the DOD.
Inclusion of Consequence Management in relation to new and revised policies and procedures in the DOD	The Policy, Process and Procedures for the Development, Promulgation and Maintenance of Departmental-Level Policy in the DOD is currently in the departmental review process. Ongoing engagements and discussions on Consequence Management will continue during the FY2019/20 at the DOD Policy Board.
The relevant Monitoring and Reporting Mechanisms to be expanded and ensure that transgressors are held accountable and liable thereby institutionalising Consequence Management	The Policy on the Management of Litigation and Legal Advice is in the DOD approval process. This will continue to be monitored during the FY2019/20 in relation to aspects of Consequence Management across the Department.
Promulgate and Implement the Military Disciplinary Bill	The Military Discipline Bill was submitted to the OCSLA for final certification and will thereafter be introduced to Parliament by the MOD&MV.
Continuous Monitoring and reporting on the implementation of the approved Defence Legal Services Division Strategy	As part of the Defence Legal Services Division Strategy, the DOD is investigating the possibility of co-locating the Defence Legal Services Division in order to optimise legal support to the DOD.

DOD Enterprise Risk Management and Mitigation for FY2018/19					
Risk Response	Progress and Intervention				
Enterprise Risk 5: Emergence and prevalence of Cyb	er Warfare threats				
Escalation in cyber-attacks resulting in breakdown and co	mpromised critical and classified defence information.				
Establishment and Maintenance of a Cyber-capability in the DOD	The DOD Cyber Strategy has been approved, however, the Cyber Project inclusive of the structure, remains unfunded.				
The interim Cyber doctrine for the DOD approved and implemented	The DOD Cyber Strategy has been approved by the DOD and currently been submitted for Cluster approval. The doctrine will be included as part of the Cyber Implementation Plan. Notwithstanding the funding challenges, business, data and network vulnerability to possible cyber-attacks to the DOD remains.				
Develop the DOD Cyber Warfare Policy in line with the National Cyber Policy	The DOD Cyber Implementation Plan is currently being developed and costed since the DOD Cyber Strategy has been approved. The process will also ensure that the DOD Cyber Policy is developed.				
Enterprise Risk 6: Forfeited rights on DOD Property					
Possible land claims may result in loss of DOD facilities wandate.	hich may impact on readiness and deployment capabilities in support of the Defence				
Early warnings from Regional Land Claims Commissioner (RLCC) escalated to Command Forums by C Log, for appropriate action to ensure business continuity	Early warnings from the Regional Land Claims Commissioner regarding land claims on DOD properties was monitored by the Department during the FY2018/19. Implications of the current Parliamentary process on land expropriation as well as possible illegal land invasion and occupation will be monitored during the FY2019/20.				
Enterprise Risk 7: Compromised Defence Corporate	Governance				
This is mainly due to protracted policy development by fur	nctional authorities exacerbated by policy writing capacity constraints.				
Utilise skilled Reserve Force call-up for policy writing as an interim measure to address the shortage of skilled policy writers	an interim measure to address the shortage of skilled shortage of qualified policy writers owing to inadequate structures and capacity				
Decentralised and abbreviated training interventions provided to selected members responsible for DOD policy development in the Services and Divisions	Policy training and awareness interventions were rolled-out to target Policy Writers in the DOD during the reporting period.				
Manage status of departmental policies through the DOD Master Record Index	The DOD Master Record Index continued to be maintained during the FY2018/19. Reports and statistics are updated and presented monthly at the DOD Policy Board.				

FRAUD AND CORRUPTION

Directorate Anti-Corruption and Anti-Fraud provided anti-corruption and anti-fraud prevention services to the Department and served as a nodal point for the following matters:

• Fraud and Corruption Prevention Plan

Development of the Fraud and Corruption Prevention Plan, which included a whistleblowing hotline service, a detection service and an awareness education service within the DOD.

Reporting Mechanism

Management of the whistleblowing hotline service as a reporting mechanism.

Management Feedback

Directorate Anti-Corruption and Anti-Fraud completed 37 detection investigations of which 32 investigations were in response to whistleblowing reports and five were in response to National Anti-Corruption Hotline whistleblowing reports.

A total of 48 awareness education activities were held whilst awareness education was presented to the SANDF Military Skills Development System intake of 2019.

A total of 55 activities were held to focus on the implementation of fraud and corruption prevention plans at unit level.

MINIMISING CONFLICT OF INTEREST

The DOD acknowledges that conflict of interest is an impediment to good governance. Based on this premise, minimising conflict of interest is a prime factor in the culture of the DOD. Ethical values of responsibility, accountability, fairness, transparency and the moral duty to practice good governance find expression in the various tenets of the DOD. To warrant that the aforementioned are affected, the following is worth noting:

- More focus was drawn to the implementation of Chief Human Resources Instruction 93 of 2016: DOD
 Officials Conducting Business with Organs of State.
- For all awards, the status of company directors is verified through the Department of Public Service Administration to ensure that no award is done to state employees. Every award must be accompanied by the verification certificate for each director.
- Standard Bidding Document 4 as part of bidding documentation must be completed and submitted with bids. Non-submission invalidates the bid. Committee or Board members are required to declare their businesses interests and declaration of their status as Board of Directors where applicable, to ensure that there is no conflict of interests.
- Declaration of interests is part of Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. All members must declare their interests on the attendance list.
- Senior Management Service/System (SMS) members must disclose their financial interests on an annual basis as prescribed in the Public Service Act and SMS Handbook.
- An Instruction² signed by the Accounting Officer, C SANDF and Chief of Human Resources directing all SMS and other categories of designated members/employees to comply with disclosing their financial interest in compliance with the Public Service Regulations, 2016 was promulgated. Chiefs of Services and Divisions was delegated with the overall accountability for ensuring compliance with the DOD Instruction. The issued instruction clearly stated that any negligence and non-compliance found on the part of any official/s would be investigated and result in the necessary disciplinary action being taken.

CODE OF CONDUCT

The Public Service Code of Conduct, the Code of Conduct for members of the SANDF, as well as the SMS handbook for SMS, are applicable to all officials in the DOD. Failure to adhere to the said codes will result in disciplinary action being instituted against transgressors. Military members may be charged in terms of the Military Disciplinary Supplementary Measures Act whilst Public Service Act personnel may be subjected to the Public Service Coordinating Bargaining Council Resolution 1/2003 and SMS members are disciplined in terms of Chapter 7 of the SMS Handbook.

² CHR/CDHRSD&PDHRSS/R/106/19/1/P dated 27 March 2018.

The DOD committed itself to organisational values that are rooted in individual values, codes of conduct and unit cohesion. In delivering the defence mission, the DOD continued to pursue and adhere to the following organisational values:

- Accountability
- · Consultation rooted in effective and efficient partnership and collaboration
- · Discipline
- Ethics
- Excellence
- Openness and transparency
- People
- · Service standards
- Teamwork

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

During the year under review, a number of policies prescribing actions regarding occupational health and safety and environmental protection, were promulgated. The Occupational Health and Safety (OHS) Directorate visited 14 DOD entities, where the main issue identified related to the deterioration of DOD facilities, due to the lack of maintenance.

Throughout the year under review, OHS related performance was measured, which included:

- · Policy is implementation
- · Facilitation of OHS related training
- Monitoring of OHS compliance by means of visits to DOD entities
- · Facilitation of OHS Forums
- · Conducting OHS Work Sessions and courses.

PORTFOLIO COMMITTEES

Appearances before Parliamentary Committees

The DOD appeared on 17 occasions before the Portfolio Committee on Defence and Military Veterans and seven times before the Joint Standing Committee on Defence during the reporting period.

Parliamentary Questions

The Minister responded to 95 parliamentary questions from the National Assembly during the reporting period.

STANDING COMMITTEE ON PUBLIC ACCOUNTS RESOLUTIONS

Standing Committee on Public Accounts Appearances

The DOD was invited to appear before Standing Committee on Public Accounts (SCOPA) on 12 June 2018. SCOPA required the Department to make presentations on the following matters:

- Deviations and expansions above the threshold of 15% or R15 million, or 20% or R20 million, which were approved by the Accounting Officer;
- If applicable, reasons why deviations were carried out, despite permissions not having been granted by National Treasury.

The Department presented these cases to SCOPA and made commitments to reduce the incurrence of Irregular Expenditure and to fully comply and adhere to Procurement policies and Supply Chain Management prescripts. The Department developed action plans and rolled out procurement awareness and training programmes to supply chain practitioners. The aim of these programmes is to ensure that contracts awarded are adequately managed and monitored and that all contracts entered into and expenses incurred, are effective, efficient and economical.

The DOD was not invited to appear before SCOPA on the Annual Report for FY2017/18.

The table below provides details with respect to progress made in resolving the Auditor-General of South Africa (AGSA) FY2017/18 Audit Report matters.

Progress made in Resolving AGSA Audit Report Matters during the FY2017/18					
FY2017/18 AGSA Audit Report Reference	FY First Reported	Progress Made in Clearing / Resolving the Matter			
GENERAL DEFENCE ACCOUNT (GDA)					
Qualification: page 197, par 3 – Capital Assets WIP. I was unable to obtain sufficient appropriate audit evidence for capital assets as the department did not disclose capital work in progress for capital projects as required by the MCS on capital assets. I was unable to confirm the capital assets work in progress by alternative means. Consequently, I was unable to determine the full extent of the non-disclosure as it was impracticable to do so.	FY2016/17	The Department has a difference of opinion with the AGSA on where the Project WIP should be disclosed, due to the fact that the GDA can only account for assets when they are available for use. The Department is in discussions with NT to determine the best way to account and disclose WIP in order to ensure fair presentation.			
Qualification: page 197, par 4 – Tangible Capital Assets. I was unable to obtain sufficient appropriate audit evidence for tangible capital assets as the department did not have adequate systems in place to record the tangible capital assets as required by MCS on capital assets, resulting in a misstatement. Furthermore, I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the tangible capital assets stated at R59 119 651 in note 31 to the financial statements.	FY2016/17	Various communication protocols have been discussed with the AGSA, and internally within the DOD to ensure that the information as requested by AGSA is made available.			

Progress made in Resolving AGSA Audit Report Matters during	ng the FY201	7/18
FY2017/18 AGSA Audit Report Reference	FY First Reported	Progress Made in Clearing / Resolving the Matter
Qualification: page 197, par 5 –Intangible Capital Assets. The department did not account for intangible assets at appropriate values as required by the MCS on capital assets. This resulted in the intangible assets disclosed being overstated by an undeterminable amount. Consequently, I was unable to determine whether any further adjustments were necessary to the intangible assets stated at R3 461 115 000 in note 32 to the financial statements.	FY2016/17	Various initiatives were undertaken by the DOD to ensure that the intangible assets are accurate, complete and ready for audit by the end of the next financial year. These included regular reconciliations with the FMS and also a verification processes to confirm availability of these assets for audit.
Qualification: page 198, par 6 – Commitments. The department did not maintain accurate and complete records of the contractual information used to determine commitments. This resulted in commitments being understated by an undeterminable amount. In addition, I was unable to obtain sufficient appropriate evidence for amounts disclosed. I could not confirm commitments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to commitments stated at R4 490 899 000 in note 20 to the financial statements.	FY2016/17	The Department (C Log) undertook that the Tender Register will be validated against the FMS to ensure that all commitments were recorded. A Log Division Instruction 06/2019 dated 08 March 2019 as well as a FMD memorandum with reference CFO/DBC/R/106/1/B dated 13 Mar 2019 were issued to provide functional direction and the way forward in terms of the management of commitments. These documents were compiled in order to prevent any audit qualifications in future. During various Budget Control Workgroup meetings the issues of appropriate values and proper accounting for commitments were highlighted. Budget Managers were informed of the correct processes to follow when capturing commitments as well as to ensure that sufficient funds are budgeted for in the future years.
SPECIAL DEFENCE ACCOUNT (SDA)		
Qualification: page 396, par 3 – Sensitive Projects. The SDA accounts for non-sensitive and sensitive projects expenditure in connection with special defence activities as per section 2(2)(a) of the Defence Special Account Act, 1974 (Act No. 6 of 1974), as amended. I was unable to obtain sufficient appropriate audit evidence regarding sensitive projects expenditure and related financial assets due to the sensitivity of the environment and the circumstances under which the related transactions were incurred and recorded. In addition, due to the sensitive nature of the activities involved, the entity did not comply with the requirements of GRAP 6, Consolidated and Separate Financial Statements, and instead applied GRAP 104, Financial Instruments, which also did not result in fair presentation. I was unable to confirm the sensitive projects expenditure and financial assets by alternative means. Consequently, I was unable to determine whether any adjustments to sensitive projects expenditure stated at R357 930 000 (2017: R209 903 000) in note 13 to the financial statements and financial assets stated at R142 582 000 (2017: R103 163 000) in note 6 to the financial statements.	FY2014/15	Due to the sensitivity of the sensitive projects within the Special Defence Account, the DOD will not be in the position to fully comply with the prescripts of GRAP 6. The Standards do however allow the application of GRAP 104, which the DOD has adopted. The Department makes visible all transactions to the auditors that occur within the SDA environment where practically possible, but only to the extent where it does not compromise National Security. The Department is in discussions with NT, AGSA and Parliamentary Committees to find a lasting solution to the accounting and disclosure requirements without compromising the transactions incurred.

INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit

Key Activities and Objectives

The key activities of the Internal Audit relate to adding value by improving operations and reviewing different activities as a management control that functions by assessing the adequacy and effectiveness of other managerial controls. Internal Audit assisted the DOD by giving appropriate recommendations to management that embed the principles as provided in Section 195(1) and (2) and Section 215(1) of the Constitution, as provided in the following scope of work as designated by CARES³ objectives.

Internal Audit had the following five objectives for the FY2018/19:

- Provision of internal audit assurance services with recommendations to improve and enhance DOD systems, in compliance with the Standards for the Professional Practice of Internal Auditing (Standards) and leading practices in accordance with the approved Risk Based Internal Audit Plan to ensure achievement of DOD objectives.
- Provision of relevant consulting services intended to add value and to improve DOD's operations by continuously responding to emerging risks in compliance with the Standards for the Professional Practice of Internal Auditing (Standards) and leading practices in accordance with the approved Risk Based Internal Audit Plan.
- Provision of prevention and reduction of fraud and corruption services in accordance with the Association
 of Certified Fraud Examiners prescripts and DOD fraud prevention strategies in order to assist the DOD
 achieve fraud and corruption reduction objectives.
- Coordinate with other internal and external providers of assurance in order to ensure adequate coverage
 of risks; minimisation of overlap and duplication of efforts; and ultimately the reduction of DOD cost of
 assurance.
- Coordination and facilitation of Audit Committee activities according to the Treasury Regulations, Audit Committee Charter and leading governance practices and principles to ensure compliance with relevant prescripts.

Summary of Audit Work Done

The Internal Audit conducted audits and provided a number of recommendations to management with the intention of improving and enhancing internal controls within the Department. The table below indicates the number of recommendations made in different areas:

³ Compliance (with policies, rules, regulations and laws), Authorisation (proper review and approval), Reliability and Accuracy of Data (data is accurate, timely, useful, reliable and relevant), Effectiveness and Efficiency (operations are effective and efficient and add value; accomplishment and monitoring of goals), Safeguarding Assets (assets are protected from theft, misuse and/or destruction).

Summary of audit work done							
Description of Project	Number of Recommendations Made	Number of Recommendations Agreed To	Number of Recommendations Not Agreed To				
Assets	226	226	0				
Revenue	22	22	0				
Financial	77	77	0				
Human Resources	95	87	8				
Information Technology	7	7	0				
Consumables	31	31	0				
TOTAL	458	450	8				

Key Activities and Objectives of the Audit Committee

The Audit Committee plays an important role in overseeing the DOD in compliance with the Public Finance Management Act and Treasury Regulations, in accordance with its Terms of Reference. The Committee ensures that the Department functions in accordance with good governance principles, risks are adequately covered in the scopes of internal and external audits, assurance activities are well coordinated, risks are managed effectively across the Department, appropriate investigations are carried out and accounting and auditing concerns identified by both auditors as key assurance are addressed. In this regard, the Committee provides the Accounting Officer, with appropriate recommendations to address identified control weaknesses.

Attendance of Audit Committee Meetings by Audit Committee Members

The Audit Committee consists of independent non-executive members, bringing the following mixture of skills to the Committee, namely Financial, Asset Management, Monitoring and Evaluation, Information Technology Legal and Military skills (core business). The Department is finalising the recruitment of additional members in the areas of Finance and Asset Management in order to ensure a balanced mixture of skills.

The Committee met five times in the financial year to discuss matters pertaining to the Department as stipulated in the Audit Committee Charter and the Treasury Regulations. The table below indicates a list of members, qualifications and a record of attendance.

Information on the Audit Committee Members						
Name	Qualifications	Internal or External Member	If Internal, Position in the Department	Date Appointed	Date Resigned / Contract Ended	No of Meetings attended
Mr A. Amod	MBA, CIA, B Comm, CRMA, CGAP	External	N/A	01 Apr 2013	31 Mar 2019	5
Mr W. Huma	LLM, LLB, B Proc	External	N/A	01 Feb 2017	Current	3
R Adm A.G. Green (Retired)	ENSP, SA Navy Funct Courses, Gr 12	External	N/A	01 Nov 2015	Current	5
Dr (Ms) M.C. Peenze	PhD: Bus Adm, LLM: Human Rights, LLB B IURIS	External	N/A	01 Feb 2018	Current	5
Ms L.K. Ncoliwe	B Compt, N Dip Cost & Man Acc, ISACA Cert	External	N/A	01 Feb 2018	Current	5

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2019 to be submitted with the Annual Report of the Department.

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act (PFMA) and National Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of controls within the Department is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved by a risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

From our review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the Management Report of the Auditor-General of South Africa (AGSA), we can conclude that the system of internal control as applied over financial matters and enterprise risk management at the Department is unsatisfactory. The Committee has noted management's commitment to address the lack of control effectiveness. The Committee will be monitoring management's progress in resolving these issues on a quarterly basis.

INTERNAL AUDIT

We are concerned that the Internal Audit Division (IAD) has not operated optimally due to structural challenges and that it has not addressed all the risks on the risk register of the Department. However, they assisted the Department within their limited capacity with value added services.

The Audit Committee is pleased that the Internal Audit Division has completed 29 of the 32 planned internal audits for the year under review. The Audit Committee continued to engage the Department to resolve the challenges within the Internal Audit Division.

AUDIT FINDINGS

The AGSA has identified repeat findings as it relates to the misstatement of asset balances in the Annual Financial Statements as a result of incomplete and inaccurate Tangible and Intangible Asset Registers. The presence of consultants has not led to an improvement in the audit outcome. The Audit Committee also remains concerned with the control deficiencies within the Supply Chain environment.

QUALITY OF IN-YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORTS

The Committee has reviewed the quarterly financial and operational (performance information) reports tabled by the Accounting Officer at its meetings. The Committee is satisfied with the content and quality of the quarterly reports.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS (AFS)

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Accounting Officer;
- · reviewed the AGSA's Management Report and Management's response thereto;
- reviewed accounting policies and practices as reported in the Annual Financial Statements;
- · reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the Annual Report;
- reviewed adjustments resulting from the audit of the Department;
- reviewed, and where appropriate, recommended changes to the Annual Financial Statements as presented by the Department for the year ending 31 March 2019.

Auditor-General of South Africa

We have, on a quarterly basis, reviewed the Department's implementation plan for audit issues raised in the prior year. We have reviewed the AGSA's Management Report and Audit Report for the DOD General Defence Account combined with Special Defence Account.

We are not satisfied with the increase in the Department's qualified audit opinion. We have requested the Accounting Officer to conduct a detailed root cause analysis of the AGSA findings and present a roadmap to the Audit Committee.

CONCLUSION

We wish to place on record, our gratitude to the Minister and Deputy Minister for their leadership and guidance, the Secretary for Defence, the Chief of the South African National Defence Force, Management and staff for their support during the year, as well as AGSA and Internal Audit for their co-operation and information that they have provided to enable us to discharge our responsibilities.

W. HUMA

CHAIRPERSON OF THE AUDIT COMMITTEE

WEHuma

28 August 2019



2010 PART D Human Resources Management



OVERVIEW

The Department of Defence (DOD) endeavoured to pursue its strategic intent by aligning internal human resource processes to Government's human resource policies and strategies, to ensure the execution of the Department's mandated functions. In doing so, the DOD accomplished significant achievements in some areas whilst the most prominent challenge experienced related to the Compensation of Employees (CoE) budget allocation received.

The DOD planned and budgeted for an average personnel strength of 75 211 for the FY2018/19 at a cost of R30,3 billion. The National Treasury final letter of allocation allocated R27,1 billion towards the DOD's CoE for FY2018/19, which was significantly less than the DOD's planned figures. The DOD maintained an average strength of 74 343 during FY2018/19, which resulted in a CoE shortfall of R2,9 billion. In managing the projected CoE shortfall, the Department submitted various requests to NT, requesting approval to reprioritise its allocation internally, without exceeding the Defence Vote. The Department continues engagements in this regard, not only to resolve the FY2018/19 shortfall, but also to increase the CoE Medium Term Expenditure Framework allocation.

On a year-on-year basis, the average human resource strength reduced by 543 members from 75 053 in FY2017/18 to 74 510 in FY2018/19. The reduced human resource strength for the year under review was mainly due to natural attrition, of which the majority of personnel separated by means of resignation and retirement. This trajectory is foreseen to continue in the medium-term, given the prescribed cumbersome appointment processes to fill vacancies. The Department is determined to recruit in line with natural attrition in order to address the downward trajectory of its human resource complement.

Wellness programmes are presented throughout the DOD. These programmes contribute to force preparation, the social and psychological wellbeing of the forces and ultimately towards combat readiness of deployed forces. During deployments the DOD provides spiritual and ethical support to both the deployed members and their dependants.

During the reporting period, the Department embarked on an appreciation process to rejuvenate the workforce to meet Defence's Constitutional mandate. The strategic framework research was concluded and considerations were finalised in terms of the planning process. Progress made on the rejuvenation of the workforce will be reported on in future financial years.

HUMAN RESOURCES OVERSIGHT STATISTICS

The tables below provides the Human Resources Oversight Statistics of the DOD during the FY2018/19.

Macro-Personnel Strength

DOD Planned Average Strength for FY2018/19 and Actual Strength on 31 March 2019						
Budget Holder	Planned	Actual				
SA Army	38 301	38 217				
SA Air Force	9 918	9 836				
SA Navy	7 071	6 816				
SA Military Health Service	7 527	7 389				
Defence Legal Service Division	379	335				
Defence Corporate Communication	58	59				

Budget Holder	Planned	Actual
Defence Reserves	29	29
Defence Foreign Relations Division	147	155
Corporate Staff Division	466	415
Military Policy, Strategy and Planning	29	29
Human Resources Division	1 340	1 353
Ministry of Defence	64	58
Chief of the SANDF Office	21	19
Defence Inspectorate Division	126	117
Chaplain General	17	11
Defence Policy, Strategy and Planning Division	97	85
Financial Management Division	835	805
Defence Secretariat	33	32
Defence International Affairs	17	15
Defence Enterprise Information Systems Management Division	14	14
Logistics Division	3 940	3 938
Command and Management Information Systems Division	148	146
Military Police Division	1 590	1 541
Defence Intelligence Division	858	852
Military Ombudsman	63	60
Internal Audit Division	69	45
Joint Operations Division	1 969	2 059
Defence Matérial Division	85	78
TOTAL	75 211	74 508

Complaints Mechanisms	
Complaints Mechanism	Actual Achievements
DOD Grievance System	• 401 Grievances were finalised during FY2018/19 (76 lodged in FY2018/19 and 325 from previous years).
	• 47 Courses were presented over the period 01 Apr 2018 to 31 Mar 2019, with a total of 422 members trained on the Grievance IT System and grievance procedure.
	• Ten meetings were held to finalise grievances on the Grievance Board level.

Personnel Related Expenditure

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

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

Personnel Expenditure by Programme for the period 01 April 2018 to 31 March 2019 (TABLE 3.1.1)							
Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)	
Administration	5 692 748	2 082 306	39 206	9 334	36.58%	561	
Landward Defence	16 427 499	12 884 345	48 145	4 659	78.43%	337	
Air Defence	6 257 443	3 950 927	35 841	11 183	63.14%	402	
Maritime Defence	4 503 930	2 448 518	10 859	4 142	54.36%	359	
Military Health Support	5 090 591	3 800 464	7 102	462 493	74.66%	514	
Defence Intelligence	938 173	426 084	1 837	92	45.42%	500	
General Support	6 413 011	2 482 514	27 858	345 359	38.71%	441	
Force Employment	3 168 678	2 105 571	7 956	3 063	66.45%	1 023	
TOTAL	48 492 073	30 180 730	178 804	840 325	62.24%	405	

Note: Personnel expenditure includes payments to the value of Rm168 770 which were made to households in respect of attrition.

Personnel Costs by Salary Band for the period 01 April 2018 to 31 March 2019 (TABLE 3.1.2)										
Salary Band	Personnel Expenditure (R'000)	% of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R'000)						
Interns	0	0%	0	0						
MSDS	302 983	1%	3 501	87						
Lower Skilled (Levels 1-2)	454 489	2%	2 717	167						
Skilled (Levels 3-5)	10 333 589	34%	33 251	311						
Highly Skilled Production (Levels 6-8)	10 634 064	35%	24 627	432						
Highly Skilled Supervision (Levels 9-12)	7 576 154	25%	10 014	756						
Senior Professionals	319 689	1%	123	2 599						
Senior and Top Management (Levels 13-16)	390 992	1%	275	1 422						
TOTAL	30 011 960	100%	74 508	403						

Note: Personnel expenditure includes payments to the value of Rm168 770 which were made to households in respect of attrition.

Salaries, Overtime, Home Owners Allowance (HOA) and Medical Aid by Programme for the period 01 April 2018 to 31 March 2019 (TABLE 3.1.3)											
	Sala	Salaries		time	Home (Medical Aid				
Programme	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	HOA as a % of Personnel Costs	Amount (R'000)	Medical Aid as a % of Personnel Costs			
Administration	1 340 492	64%	7 047	0.3%	32 483	1.6%	28 518	1.4%			
Landward Defence	8 835 336	69%	98 615	0.8%	316 811	2.5%	64 386	0.5%			
Air Defence	2 666 362	67%	19 600	0.5%	78 903	2.0%	26 028	0.7%			
Maritime Defence	1 723 435	70%	41 123	1.7%	51 395	2.1%	19 673	0.8%			
Military Health Support	2 536 548	67%	271 446	7.1%	51 521	1.4%	14 347	0.4%			
Defence Intelligence	307 166	72%	800	0.2%	8 100	1.9%	1 265	0.3%			
General Support	1 626 575	66%	8 951	0.4%	51 437	2.1%	9 077	0.4%			
Force Employment	598 639	29%	3 581	0.2%	14 214	0.7%	3 672	0.2%			
TOTAL	19 634 553	65%	451 163	1.5%	604 866	2.0%	166 966	0.6%			

Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band for the period 01 April 2018 to 31 March 2019 (TABLE 3.1.4)										
	Sala	Salaries Over		rtime		Owners ce (HOA)	Medic	al Aid		
Salary Band	Amount (R'000)	Salaries as a % of Personnel Costs	Amount (R'000)	Overtime as a % of Personnel Costs	Amount (R'000)	HOA as a % of Personnel Costs	Amount (R'000)	Medical Aid as a % of Personnel Costs		
Interns	0	0%	0	0.0%	0	0.0%	0	0.0%		
MSDS	232 884	77%	4 309	1.4%	0	0.0%	0	0.0%		
Lower Skilled (Levels 1-2)	273 672	60%	3 008	0.7%	29 554	6.5%	44 875	9.9%		
Skilled (Levels 3-5)	6 728 281	65%	129 561	1.3%	276 946	2.7%	66 911	0.6%		
Highly Skilled Production (Levels 6-8)	7 085 807	67%	112 111	1.1%	221 445	2.1%	47 919	0.5%		
Highly Skilled Supervision (Levels 9-12)	4 930 706	65%	142 153	1.9%	76 919	1.0%	7 261	0.1%		
Senior Professionals	157 232	49%	60 018	18.8%	0	0.0%	0	0.0%		
Senior Management (Levels 13-16)	225 971	58%	3	0.0%	0	0.0%	0	0.0%		
TOTAL	19 634 553	65%	451 163	1.5%	604 864	2.0%	166 966	0.6%		

Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- · salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Employment and Vacancies by Programme on 31 March 2019 (TABLE 3.2.1)									
Programme	Number of Posts on Approved Establishment	Number of Post Filled	Vacancy Rate	Number of Employees additional to the Establishment					
Administration	4 937	3 714	25%	1 223					
Landward Defence	44 193	38 217	14%	5 976					
Air Defence	12 944	9 836	24%	3 108					
Maritime Defence	7 887	6 816	14%	1 071					
Military Health Support	9 934	7 389	26%	2 545					
Defence Intelligence	1 121	852	24%	269					
General Support	6 068	5 625	7%	443					
Force Employment	2 430	2 059	15%	371					
TOTAL	89 514	74 508	17%	15 006					

Note: Posts refer only to approved production posts captured on the post establishment of which only 75 211 were planned for in FY2018/19.

Employment and Vacancies by Salary Band as on 31 March 2019 (TABLE 3.2.2)									
Salary Band	Number of Posts on Approved Establishment	Number of Post Filled	Vacancy Rate	Number of Employees additional to the Establishment					
Lower Skilled (Levels 1-2)	10 872	2 717	75%	8 155					
Skilled (Levels 3-5)	35 697	36 752	-3%	-1 055					
Highly Skilled Production (Levels 6-8)	30 307	24 627	19%	5 680					
Highly Skilled Supervision (Levels 9-12)	12 021	10 014	17%	2 007					
Senior Professionals	324	123	62%	201					
Senior Management (Levels 13-16)	293	275	6%	18					
TOTAL	89 514	74 508	17%	15 006					

Note:

- Posts refer only to approved production posts captured on the post establishment. There are no designated MSDS posts as MSDS members are placed in training posts at the commencement of training and are only utilised in approved production posts after training. 3 501 MSDS members are included in the Skilled (Level 3-5) salary band.
- The DOD does not have members additional to the establishment. The 15 006 are the vacant posts within the DOD of which
 only 703 was funded.

Employment and Vacancies by Critical Occupation as on 31 March 2019 (TABLE 3.2.3)									
Critical Occupation	Number of Posts on Approved Establishment	Number of Post Filled	Vacancy Rate	Number of Employees additional to the Establishment					
Air Space Control	549	465	15%	84					
Aircrew	612	503	18%	109					
Anti-Aircraft	968	1 061	-10%	-93					
Artillery	1 289	1 555	-21%	-266					
Combat Navy	674	660	2%	14					
Engineer	181	96	47%	85					
Medical Professional*	1 668	1 489	11%	179					
Nursing	1 659	1 473	11%	186					
Technical	8 633	6 760	22%	1 873					
TOTAL	16 233	14 062	13%	2 171					

Note:

- *Occupations included in the Medical Professional category are Medical Practitioners, Pharmacists, Specialists and Ancillary Health.
- Posts refer only to approved production posts captured on the post establishment. 548 MSDS members were under training as at 31 Mar 2019, 126 of which in the Artillery Occupation resulting, in a figure of -266 members as additional to the establishment.

Notes

- The CORE classification, as prescribed by the DPSA, was used for completion of this table.
- · Critical occupations are defined as occupations or sub-categories within an occupation
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Filling of Senior Management Service/System Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service/System Posts (SMS) by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

SMS Post Information as on 31 March 2019 (TABLE 3.3.1)										
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant					
Director-General / Head of Department	1	1	100%	0	0%					
Salary Level 16	4	3	75%	1	25%					
Salary Level 15	16	13	81%	3	19%					
Salary Level 14	50	51	102%	-1	-2%					
Salary Level 13	214	201	94%	13	6%					
TOTAL	285	269	94%	16	6%					

SMS Post Information as on 30 September 2018 (TABLE 3.3.2)										
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant					
Director-General / Head of Department	1	1	100%	0	0%					
Salary Level 16	4	3	75%	1	25%					
Salary Level 15	16	13	81%	3	19%					
Salary Level 14	50	55	110%	-5	-10%					
Salary Level 13	214	192	90%	22	10%					
TOTAL	285	264	93%	21	7%					

Advertising and Filling of SMS Posts for the period 01 April 2018 to 31 March 2019 (TABLE 3.3.3)									
	Advertising	Filling o	of Posts						
SMS Level	Number of Vacancies per Level Advertised in 06 Months of Becoming Vacant	Number of Vacancies per Level Filled in 06 Months of Becoming Vacant	Number of Vacancies per Level not Filled in 06 Months but Filled in 12 Months						
Director-General/Head of Department	0	0	0						
Salary Level 16	0	0	0						
Salary Level 15	0	0	0						
Salary Level 14	0	0	0						
Salary Level 13	3	0	3						
TOTAL	3	0	3						

Reasons for not having Complied with the Filling of Funded Vacant SMS Posts - Advertised within 06 Months and Filled within 12 Months after becoming Vacant for the period 01 April 2018 to 31 March 2019 (TABLE 3.3.4)

Reasons for vacancies not advertised within six months

Lengthy appointment process

Reasons for vacancies not filled within twelve months

Lengthy appointment process

Disciplinary Steps Taken for not Complying with the Prescribed Timeframes for Filling SMS Posts within 12 Months for the period 01 April 2018 to 31 March 2019 (TABLE 3.3.5)

Reasons for vacancies not advertised within six months

None

Reasons for vacancies not filled within six months

None

Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Job Evaluation by Salary Band for the period 01 April 2018 to 31 March 2019 (TABLE 3.4.1)											
	Number of	Number	% of Posts	% of Posts U		Posts Downgraded					
Salary Band	Posts on Approved Establishment	of Jobs Evaluated	Evaluated by Salary Band	Number	% of Posts Evaluated	Number	% of Posts Evaluated				
Lower Skilled (Levels 1-2)	10 872	18	0.2%	0	0%	0	0%				
Skilled (Levels 3-5)	35 697	60	0.2%	0	0%	0	0%				
Highly Skilled Production (Levels 6-8)	30 307	55	0.2%	0	0%	0	0%				
Highly Skilled Supervision (Levels 9-12)	12 021	53	0.4%	0	0%	3	5.7%				
Senior Professionals	324	0	0.0%	0	0%	0	0%				
Senior Management Service Band A	211	0	0.0%	0	0%	0	0%				
Senior Management Service Band B	60	0	0.0%	0	0%	0	0%				
Senior Management Service Band C	17	0	0.0%	0	0%	0	0%				
Senior Management Service Band D	3	0	0.0%	0	0%	0	0%				
Minister / Deputy Minister	2	0	0.0%	0	0%	0	0%				
TOTAL	89 514	186	0.2%	0	0%	3	1.6%				

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

Profile of Employees whose Salary Positions were Upgraded due to their Posts being Upgraded for the period 01 April 2010 31 March 2019 (TABLE 3.4.2)									
Gender	African	Asian	Coloured	White	TOTAL				
Female	0	0	0	0	0				
Male	0	0	0	0	0				
TOTAL	0	0	0	0	0				
Employees with a Disability									

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

Employees with Salary Levels Higher than those Determined by Job Evaluation by Occupation for the period 01 April 2018 to 31 March 2019 (TABLE 3.4.3)									
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation					
Chief Financial Officer	1	15	16	Head hunted					
Chief Defence Matériel	1	15	16	Head hunted					
Total Number of Employees whose Salaries Exceeded to	2								
Percentage of Total Employed				0%					

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

Profile of Employees who have Salary Levels Higher than those Determined by Job Evaluation for the period 01 April 2018 to 31 March 2019 (TABLE 3.4.4)											
Gender	African	Asian	Coloured	White	TOTAL						
Female	0	0	0	0	0						
Male	2	0	0	0	2						
TOTAL	2	0	0	0	2						
Employees with a Disability	0	0	0	0	0						

Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Annual Tur	nover Rates by Salary Band for the peri	od 01 April 2018 to 31 Ma	rch 2019 (TABLE 3.5	.1)	
	Salary Band	Number of Employees at Beginning of period 01 April 2018	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Lower Skille	ed (Levels 1-2)	2 511	145	48	4%
Skilled (Lev	rels 3-5)	12 223	44	732	-6%
Highly Skille	ed Production (Levels 6-8)	13 905	26	577	-4%
Highly Skille	ed Supervision (Levels 9-12)	6 603	33	514	-7%
Senior Professionals		79	2	9	-9%
Senior Man	agement Service Band A	193	1	24	-12%
Senior Man	agement Service Band B	52	1	6	-10%
Senior Man	agement Service Band C	12	1	2	-8%
Senior Man	agement Service Band D	3	0	0	0%
Minister / D	eputy Minister	3	0	0	0%
Regular Co	ntracts	35 584	253	1 912	-5%
Contracts	MSDS	3 476	1 873	347	43.90%
	CSS	35 505	128	676	-1.54%
	PSAP (Levels 1-17)	486	162	155	1.44%
	Total	39 467	2 163	1 178	2%
TOTAL		75 051	2 416	3 090	-1%

Note:

- · Regular Contract personnel are included in the DOD headcount.
- Military Skills Development System (MSDS) refers to the first career stage of the SANDF's new service system and serves as the entry point for most new recruits who serve for a two-year period in the Regulars. This ensures a constant throughput of young and fit members for operational deployment purposes.
- Core Service System (CSS) refers to the second career stage of the SANDF's new service system and will eventually comprise the majority of the Regulars' middle-level command and management cadre, who will serve for pre-determined contract periods.
- PSAP Contract refers to DOD employees who are appointed in terms of the Public Service Act for a pre-determined contract period and these employees serve in a civilian capacity.

Annual Turnover Rates by Critical O	occupation for the period 01 A	pril 2018 to 31 March 20	19 (TABLE 3.5.2)	
Critical Occupation	Number of Employees at Beginning of period 01 April 2018	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Air Space Control	475	19	16	0.6%
Aircrew	464	50	18	6.9%
Anti-Aircraft	1 077	41	47	-0.6%
Artillery	1 519	72	29	2.8%
Combat Navy	685	0	37	-5.4%
Engineer	88	10	4	6.8%
Medical Professional	1 484	184	201	-1.1%
Nursing	1 475	3	66	-4.3%
Technical	6 817	136	298	-2.4%
TOTAL	14 084	515	716	-1.4%

Note: 292 MSDS members are included in the total appointment figure for all critical occupations.

Notes

- The CORE classification, as prescribed by the DPSA, was used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Reasons why Staff Left the Department over the period 01 April 2018 to 31 March 2019 (TABLE 3.5.3)	Reasons why Staff Left the Department over the period 01 April 2018 to 31 March 2019 (TABLE 3.5.3)									
Termination Type	Number	% of Total								
Death	395	13%								
Resignation	1 078	35%								
Expiry of Contract	420	14%								
Dismissal – Operational Requirements	1	0%								
Dismissal – Misconduct	172	6%								
Discharge due to III-Health	121	4%								
Retirement	833	27%								
Transfer to other Public Service Departments	26	1%								
MEM/EISP/VSP	44	1%								
Total Number of Employees who left as a % of the Total Employment as at 31 March 2019	3 090	4%								

Promotions by Critical Occupation	on for the period 01 A	pril 2018 to 31 March	1 2019 (TABLE 3.5.4)		
Occupation	Employees 01 April 2018	Promotions to another Salary Level Promotions as a % of Employees by Occupation 65 14%		Progressions to another Notch within a Salary Level	Notch Progressions as a % of Employees by Occupation
Air Space Control	475	65	14%	276	58%
Aircrew	464	133	29%	229	49%
Anti-Aircraft	1 077	103	10%	727	68%
Artillery	1 519	100	7%	1 054	69%
Combat Navy	685	73	11%	475	69%
Engineer	88	16	18%	49	56%
Medical Professional	1 484	225	15%	810	55%
Nursing	1 475	228	15%	402	27%
Technical	6 817	704	10%	4 090	60%
TOTAL	14 084	1 647	12%	8 112	58%

Promotions by Salary Band for the period	Promotions by Salary Band for the period 01 April 2018 to 31 March 2019 (TABLE 3.5.5)												
Salary Band	Employees 01 April 2018	Promotions to another Salary Level	Salary Band Promotions as a % of Employees by Salary Level	Progressions to Another Notch within a Salary Level	Notch Progressions as a % of Employees by Salary Band								
Lower Skilled (Levels 1-2)	2 635	0	0%	1 945	74%								
Skilled (Levels 3-5)	37 349	1 864	5%	21 962	59%								
Highly Skilled Production (Levels 6-8)	24 607	2 339	10%	16 662	68%								
Highly Skilled Supervision (Levels 9-12)	10 057	1 089	11%	6 270	62%								
Senior Professionals	118	25	21%	77	65%								
Senior Management (Levels 13-16)	285	5	2%	178	62%								
TOTAL	75 051	5 322	7%	47 094	63%								

Employment Equity

The DOD issued the revised Policy on Transformation Management on 23 August 2018 to ensure the DOD adheres to government policy on transformation targets.

Total Number of Employees (Including Emplo 31 March 2019 (TABLE 3.6.1)	Total Number of Employees (Including Employees with Disabilities) in each of the Following Occupational Categories as on 31 March 2019 (TABLE 3.6.1)										
Occurred to made October		Ma	le			Fem	ale		TOTAL		
Occupational Category	African	Coloured	Indian	White	African	Coloured	Indian	White	TOTAL		
Legislators, Senior Officials and Managers	1	0	0	0	1	0	0	0	2		
Professionals	844	64	124	300	826	81	209	447	2 895		
Technicians and Associate Professionals	3 272	73	395	901	1 879	55	291	438	7 304		
Clerks	5 437	106	1 224	789	4 448	84	776	1 389	14 253		
Service and Sales Workers	20 050	224	2 648	1 422	5 139	46	889	383	30 801		
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0		
Craft and Related Trades Workers	5 205	162	950	1 625	1 743	13	263	181	10 142		
Plant and Machine Operators and Assemblers	166	2	41	18	11	0	1	0	239		
Elementary Occupations	4 351	46	809	435	2 513	25	542	151	8 872		
TOTAL	39 326	677	6 191	5 490	16 560	304	2 971	2 989	74 508		
Employees with Disabilities	177	4	42	83	13	0	5	42	366		

Total Number of Employees (Including Employ 31 March 2019 (TABLE 3.6.2)	yees with	Disabilities)) in each c	of the Follo	owing Oc	cupational E	Bands as o	on	
Occumentional Bond	Male				Female				TOTAL
Occupational Band	African	Coloured	Indian	White	African	Coloured	Indian	White	TOTAL
Top Management	17	0	0	1	4	0	0	1	23
Senior Management	169	16	16	55	69	12	9	29	375
Professionally Qualified and Experienced Specialists and Mid-Management	3 552	169	931	2 183	1 695	111	350	1 023	10 014
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	11 796	241	2 557	2 405	4 961	88	942	1 637	24 627
Semi-Skilled and Discretionary Decision Making	21 059	163	2 302	676	7 533	58	1 235	225	33 251
Unskilled and Defined Decision Making	1 015	4	139	21	1 259	9	235	35	2 717
MSDS	1 718	84	246	149	1 039	26	200	39	3 501
Interns	0	0	0	0	0	0	0	0	0
TOTAL	39 326	677	6 191	5 490	16 560	304	2 971	2 989	74 508

Recruitment for the period 01 April 2018 to 31	March 20	19 (TABLE	3.6.3)						
Occupational Band	Male				Female				TOTAL
Occupational Band	African	Coloured	Indian	White	African	Coloured	Indian	White	IOIAL
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	3	0	0	0	0	0	0	1	4
Professionally Qualified and Experienced Specialists and Mid-Management	44	17	9	30	31	3	3	20	157
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	28	5	6	21	20	1	2	2	85
Semi-Skilled and Discretionary Decision Making	35	0	4	2	106	0	3	1	151
Unskilled and Defined Decision Making	62	0	7	1	67	1	3	4	145
MSDS	562	15	99	26	915	47	116	93	1 873
TOTAL	734	37	125	80	1 140	52	127	121	2 416
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Promotions for the period 01 April 2018 to 31	March 201	9 (TABLE 3	3.6.4)						
Occupational Band		Ma	le		Female				TOTAL
Occupational Band	African	Coloured	Indian	White	African	Coloured	Indian	White	IOIAL
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	12	1	0	5	5	2	1	4	30
Professionally Qualified and Experienced Specialists and Mid-Management	441	18	85	139	253	19	49	85	1 089
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	1 262	24	168	125	604	10	79	67	2 339
Semi-Skilled and Discretionary Decision Making	1 070	23	127	52	504	6	66	16	1 864
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
TOTAL	2 785	66	380	321	1 366	37	195	172	5 322
Employees with Disabilities	12	0	2	3	3	0	0	2	22

Terminations for the Period 01 April 2018 to 3	March 20)19 (TABLE	3.6.5)						
Occupational Band		Male				Fem	ale		TOTAL
Occupational Band	African	Coloured	Indian	White	African	Coloured	Indian	White	IOIAL
Top Management	1	0	0	0	2	0	0	0	3
Senior Management	14	2	2	16	3	2	1	3	43
Professionally Qualified and Experienced Specialists and Mid-Management	179	20	60	246	70	9	16	110	710
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	376	10	87	90	138	4	38	122	865
Semi-Skilled and Discretionary Decision Making	686	1	110	47	169	2	40	10	1 065
Unskilled and Defined Decision Making	26	0	8	1	13	0	8	1	57
MSDS	130	8	21	37	110	4	30	7	347
Interns	0	0	0	0	0	0	0	0	0
TOTAL	1 412	41	288	437	505	21	133	253	3 090
Employees with Disabilities	11	0	4	1	0	0	0	4	20

Dissiplinary Action		Male				Fema	ale		TOTAL
Disciplinary Action	African	Coloured	Indian	White	African	Coloured	Indian	White	TOTAL
Dismissal	3	1	0	0	0	0	0	0	4
Final Written Warning	10	0	0	0	9	0	0	0	19
Written Warning	10	1	0	0	11	0	0	0	22
Suspension Without Pay and Final Warning	2	0	0	0	0	1	0	0	3
Fine and Final Written Warning	0	0	0	0	1	0	0	0	1
Corrective Counselling and Written Warning	1	0	0	0	0	0	0	0	1
Not Guilty	0	0	0	0	2	0	0	0	2
Case Withdrawn	5	0	0	0	3	0	0	0	8
TOTAL	31	2	0	0	26	1	0	0	60

Skills Development for the period 01 April 2018 to 31 March 2019 (TABLE 3.6.7)									
Occupational Catagorica	Male			Female				TOTAL	
Occupational Categories	African	Coloured	Indian	White	African	Coloured	Indian	White	IOIAL
Legislators, Senior Officials and Managers	0	0	0	0	0	0	0	0	0
Professionals	227	36	6	38	221	56	11	66	661
Technicians and Associate Professionals	2 140	199	34	191	1 252	136	18	97	4 067
Clerks	2 592	451	58	181	2 542	384	52	191	6 451
Service and Sales Workers	9 587	1 516	184	687	3 350	637	56	144	16 161
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	2 395	319	41	320	1 021	147	5	49	4 297
Plant and Machine Operators and Assemblers	26	4	7	2	3	0	0	0	42
Elementary Occupations	1 645	310	42	191	832	158	23	39	3 240
TOTAL	18 612	2 835	372	1 610	9 221	1 518	165	586	34 919
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Signing of Performance Agreements by SMS members as on 31 May 2018 (TABLE 3.7.1[a])									
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS members	Total Number of Signed Performance Agreements	Signed Performance Agreements as % of Total Number of SMS Members					
Director-General / Head of Department	1	1	1	100%					
Salary Level 16	4	3	2	67%					
Salary Level 15	16	15	13	87%					
Salary Level 14	50	52	49	94%					
Salary Level 13	214	211	192	91%					
TOTAL	285	282	257	91%					

Notes: In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place.

Reasons for not having Concluded Performance Agreements for all SMS Members (TABLE 3.7.2)

Reasons for not having Concluded Performance Agreements for all SMS Members as on 31 March 2018

SMS Strength as on 31 May 2018 was 282. Six members were excluded from submitting Performance Agreements due to secondment or suspension. 276 Members had to submit their Performance Agreements by 31 May 2018.

54 Members have submitted their Performance Agreements by 31 May 2018. 203 Members submitted their Performance Agreements late bringing the total of submitted Performance Agreements for FY2018/19 up to 257.

- The main reason for the late submission of Performance Agreements was due to incomplete Performance Agreements that had to be returned.
- · Administrative challenges.
- Defence Attachés.
- 19 Performance Agreements were outstanding as at 31 Mar 2019.

Reasons for not having Concluded Performance Agreements for all SMS Members as on 31 March 2019

The due date for submission of FY2019/20 Performance Agreements is 31 Aug 2019 due to National Elections. The DPSA has revised the Performance Management and Development System (PMDS) management of SMS members which will be implemented within the DOD wef 01 Apr 2019.

Disciplinary Steps Taken against SMS Members for not having Concluded Performance Agreements (TABLE 3.7.3)

Disciplinary Steps Taken against SMS Members for not having Concluded Performance Agreements as on 31 March 2018

CD HR M reported on the status of non-compliance on a weekly, monthly and quarterly basis at several fora i.e. PDSC, AMC, HR Board etc.

As a disciplinary measure, the CHR Instruction 75/2017 on PMDS for SMS Members appointed in terms of the Public Service Act and the Defence Act in the DOD also states that members without concluded performance agreements may not qualify for performance bonuses and pay progression.

Disciplinary Steps Taken against SMS Members for not having Concluded Performance Agreements as on 31 March 2019

Not applicable as the due date for submission of Performance Agreements for the FY2019/20 is 31 Aug 2019 due to National Elections.

Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary band and critical occupations (see definition in notes below).

Performance Rewards by Race, Gender and Disability for the period 01 April 2018 to 31 March 2019 (TABLE 3.8.1)								
Race and Gender		Beneficiary Profile		Cost				
	Number of Beneficiaries	Number of Employees	% of Total within Group	Cost (R'000)	Average Cost per Employee			
African	8 250	39 391	21%	89 673	10 869			
Male	3 728	16 266	23%	40 029	10 737			
Female	11 978	55 657	22%	129 702	10 828			
Indian	148	652	23%	2 234	15 093			
Male	60	282	21%	1 024	17 060			
Female	208	934	22%	3 258	15 660			
Coloured	1 507	6 319	24%	17 908	11 883			
Male	727	2 966	25%	8 140	11 196			
Female	2 234	9 285	24%	26 048	11 660			
White	1 543	5 748	27%	24 393	15 809			
Male	927	3 142	30%	13 644	14 718			
Female	2 470	8 890	28%	38 037	15 399			
TOTAL	16 890	74 766	23%	197 045	11 666			
Employees with Disabilities	108	381	28%	1 372	12 706			

Performance Rewards by Salary Band for Personnel below Senior Management Service for the period 01 April 2018 to 31 March 2019 (TABLE 3.8.2)									
	В	eneficiary Profil	е	Co	Total Cost as a				
Salary Band	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee	% of the Total Personnel Expenditure			
MSDS	0	3 477	0.00%	0	0	0.0%			
Lower Skilled (Levels 1-2)	617	2 635	23.42%	2 789	4 520	0.7%			
Skilled (Levels 3-5)	6 812	33 872	20.11%	57 830	8 489	0.7%			
Highly Skilled Production (Levels 6-8)	6 678	24 607	27.14%	79 311	11 876	0.6%			
Highly Skilled Supervision (Levels 9-12)	2 754	10 057	27.38%	55 563	20 176	0.6%			
Senior Professionals	29	118	24.58%	1 550	53 458	0.5%			
TOTAL	16 890	74 766	22.59%	197 043	11 666	0.7%			

Performance Rewards by Critical Occupation for the period 01 April 2018 to 31 March 2019 (TABLE 3.8.3)							
		Beneficiary Profile		Co	est		
Critical Occupation	Number of Beneficiaries	Number of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee		
Air Space Control	102	469	22%	1 522	14 925		
Aircrew	73	454	16%	1 340	18 362		
Anti-Aircraft	207	1 073	19%	2 331	11 261		
Artillery	335	1 517	22%	3 671	10 959		
Combat Navy	151	678	22%	2 090	13 839		
Engineer	15	85	18%	293	19 557		
Medical Professional	301	1 476	20%	7 723	25 656		
Nursing	343	1 475	23%	5 608	16 350		
Technical	1 533	6 808	23%	19 896	12 978		
TOTAL	3 060	14 035	22%	44 474	14 534		

Notes

- The CORE classification, as prescribed by the DPSA, was used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Performance Related Rewards (Cash Bonus), by Salary Band, for SMS for the period 01 April 2018 to 31 March 2019 (TABLE 3.8.4)								
	В	Seneficiary Profil	е	Co	Total Cost as a			
Salary Band	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee	% of the Total Personnel Expenditure		
Band A	55	207	27%	2 538	46 154	0.65%		
Band B	14	53	26%	782	55 862	0.20%		
Band C	2	15	13%	140	69 783	0.04%		
Band D	1	4	25%	69	68 549	0.02%		
Minister / Deputy Minister / Advisor	0	6	0%	0	0	0.00%		
TOTAL	72	285	25%	3 529	49 009	0.90%		

Foreign Workers

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

Foreign Workers by Salary Band for the period 01 April 2018 to 31 March 2019 (TABLE 3.9.1)									
Salany Rand	01 Apr	01 April 2018		ch 2019	Change				
Salary Band	Number	% of Total	Number	% of Total	Number	% Change			
Lower Skilled	0	0	0	0	0	0			
Highly Skilled Production (Levels 6-8)	0	0	0	0	0	0			
Highly Skilled Supervision (Levels 9-12)	0	0	0	0	0	0			
Contract (Levels 9-12)	0	0	0	0	0	0			
Contract (Levels 13-16)	0	0	0	0	0	0			
TOTAL	0	0	0	0	0	0			

Foreign Workers by Major Occupation for the period 01 April 2018 to 31 March 2019 (TABLE 3.9.2)							
Major Occupation	01 April 2018		31 March 2019		Change		
Major Occupation	Number	% of Total	Number	% of Total	Number	% Change	
None	0	0	0	0	0	0	
TOTAL	0 0 0 0 0						

Leave Utilisation

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

Sick Leave for the period 01 January 2018 to 31 December 2018 (TABLE 3.10.1)									
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)			
MSDS	485	100%	71	2%	7	208			
Lower Skilled (Levels 1-2)	15 893	83%	2 028	77%	8	6 327			
Skilled (Levels 3-5)	123 543	94%	17 986	53%	7	95 947			
Highly Skilled Production (Levels 6-8)	108 722	84%	16 635	68%	7	117 759			
Highly Skilled Supervision (Levels 9-12)	39 348	87%	6 237	62%	6	72 329			
Senior Professionals	387	87%	57	48%	7	1 672			
Top and Senior Management (Levels 13-16)	845	93%	145	51%	6	2 512			
TOTAL	289 223	89%	43 159	58%	7	296 754			

Disability Leave (Temporary and Permanent) for the period 01 January 2018 to 31 December 2018 (TABLE 3.10.2)									
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)			
MSDS	0	0%	0	0.0%	0	0			
Lower Skilled (Levels 1-2)	646	100%	29	1.1%	22	259			
Skilled (Levels 3-5)	43 951	100%	2 168	6.4%	20	36 139			
Highly Skilled Production (Levels 6-8)	46 110	100%	2 273	9.2%	20	51 984			
Highly Skilled Supervision (Levels 9-12)	17 617	100%	794	7.9%	22	33 642			
Senior Professionals	112	100%	10	8.5%	11	489			
Top and Senior Management (Levels 13-16)	203	100%	16	5.6%	13	597			
TOTAL	108 639	100%	5 290	7.0%	21	123 110			

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

Annual Leave for the period 01 January 2018 to 31 December 2018 (TABLE 3.10.3)							
Salary Band	Total Days Taken	Number of Employees using Annual Leave	Average per Employee				
MSDS	20 384	1 329	15				
Lower Skilled (Levels 1-2)	57 894	2 622	22				
Skilled (Levels 3-5)	741 668	31 601	23				
Highly Skilled Production (Levels 6-8)	633 386	24 233	26				
Highly Skilled Supervision (Levels 9-12)	257 052	9 618	27				
Senior Professionals	3 233	117	28				
Top and Senior Management (Levels 13-16)	6 580	256	26				
TOTAL	1 720 197	69 776	25				

Capped Leave for the period 01 January 2018 to 31 December 2018 (TABLE 3.10.4)									
Salary Band	Total Days of Capped Leave Taken	Number of Employees using Capped Leave	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 March 2019					
Lower Skilled (Levels 1-2)	0	0	0	4					
Skilled (Levels 3-5)	2 260	446	5	19					
Highly Skilled Production (Levels 6-8)	2 534	633	4	16					
Highly Skilled Supervision (Levels 9-12)	1 616	369	4	26					
Senior Professionals	27	5	5	27					
Top and Senior Management (Levels 13-16)	80	7	11	58					
TOTAL	6 517	1 460	4	19					

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

Leave Pay-outs for the period 01 April 2018 to 31 March 2019 (TABLE 3.10.5)		
Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee
Leave Pay-out due to non-utilisation of leave for previous (2017/18) cycle	43	2	21 789
Capped leave pay-outs on termination of service for 2018/19	218 311	9 723	22 453
Current leave pay out on termination of service for 2018/19	136 621	2 210	61 820
TOTAL	354 975	11 935	29 742

HIV / AIDS and Health Promotion Programmes

Units/Categories of Employees Identified to be at High Risk of Contracting HIV and Related Diseases	Key Steps Taken to Reduce the Risk		
Low risk: All members	 HIV and AIDS related prevention programmes including mass awareness and workplace programmes. Information, Education and Communication: exposure to posters, pamphlets, television programmes and adverts, billboards, Soldier magazine articles, road shows, etc. Chaplain periods education, information and communication. Officer Commanding information and communication periods, health walks, etc. Planned programmes for Health Month, World TB Day, World AIDS Day, Youth Day, Women's day, etc. Peer education programmes. Gender Equity programme. CHATSEC programme (moral, ethical and value-based programme). Availability first aid kits and personal protective equipment. Condom distribution points for both males and females. Health promotion programmes before and after deployments. Education on Voluntary Male Medical Circumcision and appropriate referral to be circumcised. Education on prevention of mother-to-child transmission. Presenting the HIV and AIDS module during military training courses. Annual and bi-annual HIV Counselling and Testing as part of the Comprehensive Health Assessments (CHA) Ongoing Provider-Initiated Counselling and testing. Screening for TB and STIs. Provision of comprehensive sexual and reproductive health services. Provision of post-exposure prophylaxis e.g. needle stick injuries and sexual assault. Provision of INH Preventive Therapy and infection control for TB prevention together with STI partner notification. Focussing on youth and adolescents by providing HIV prevention programmes to all members in the MSDS. 		

Units/Categories of Employees Identified to be at High Risk of Contracting HIV and Related Diseases	Key Steps Taken to Reduce the Risk
Medium risk: Members on deployment (internal to RSA) i.e. RSA border protection bases / posts and members on military courses	 All the above programmes and interventions apply. In addition: HIV and AIDS lectures given during all military courses and Clinical Mission Readiness Course. Trained Operational Emergency Care Practitioners in HIV and AIDS/TB/STIs that deploy with other military personnel. Mobile clinics deployed to support borders with HIV education and ARV and TB treatment. HIV Training provided pre-deployment and mass awareness programmes in deployed regions. All members undergo comprehensive health assessments before they deploy to ensure they are put on appropriate care, treatment and support during deployments (treatment as prevention). Specific health promotion programmes during deployment. Development of a specific module that addresses HIV and deployments for training of healthcare professionals. All Health Care Professionals deploying in support of deployed soldiers undergo vigorous clinical training in HIV and TB management.
High risk: Members on deployment (external to RSA)	 All the programmes and interventions reflected for low and medium risk exposure. Specific HIV prevention programmes aimed at reducing high risk behaviour e.g. targeting abuse of alcohol and other drugs/substance use and presentation of Resilience Program by Social Work Officers. Increasing the sport and recreation activities in external deployments. Support given to families of deployed members.

Details of Health Promotion and HIV / AIDS Prog (TABLE 3.11.2)	rammes	(tick the	e applicable boxes and provide the required information)
Question	Yes	No	Details
Has the Department designated a member of the SMS to implement the provision contained in Part VI (e) of Chapter 1 of the Public Service	х		Brig Gen K.T. Ndaba
			Director HIV and AIDS Programme
Regulations, 2001? If so provide her/his name and position.			SANDF HIV and AIDS Programme Manager
ii so provide nerviis name and position.			Tel: 012 367 9151
Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your	X		The Director HIV and AIDS formulates strategy, policies and plans and gives advice to the Surgeon General's office and provides the capabilities required by the C SANDF.
employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.			Two members manage the monitoring and evaluation of the DOD HIV and AIDS programme at headquarter level. In addition, at a provincial level, Regional HIV and AIDS Programme Managers and healthcare professionals are trained in monitoring and evaluation to ensure reliable and valid data. Members from Chaplain General's office also contribute towards the monitoring and evaluation of the CHATSEC programme.
			HIV prevention and health promotion programmes are planned and implemented throughout the organisation by Regional Programme Managers based in the nine provinces of South Africa. These programmes/interventions are continued in deployed regions by the healthcare professional team that deploys with the troops.
			Wellness programmes are executed at unit level in the SA Army, SA Air Force, SA Navy and SAMHS through the Military Community Wellness Committees. All Officers Commanding in the SANDF have the responsibility to ensure that wellness programmes take place in their respective units as part of HIV and AIDS Workplace Programmes.
			Health care practitioners at primary health care level provide HIV prevention, health promotion and curative HIV and AIDS programmes to all patients/ clients throughout the organisation, and provide treatment, care and support to HIV infected and affected clientele.
			The HIV and AIDS Programme of the DOD is funded through the health service delivery and operating budget of the SAMHS and as such cannot be itemised for the HIV programme alone.
Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		The DOD has the constitutional duty to protect and defend the Republic, its sovereignty, integrity, national interest and people against direct threats. In view of this the MOD&MV has delegated the management of HIV and AIDS to the Surgeon General through C SANDF. The Surgeon General has developed a comprehensive plan to manage the HIV and AIDS and Tuberculosis epidemics assisted by Director HIV and AIDS Programmes and Director Medicine as well as other statutory directors. The Military Health Support Programme is continuing to play a role in intensifying the campaign against communicable diseases and the treatment of patients through the Comprehensive Plan for Care, Management and Treatment of HIV and AIDS in the DOD as well as the DOD Annual HIV and AIDS, Tuberculosis and Sexual Transmitted Infections Operational Plan. The programmes, interventions and/or activities include prevention of HIV and health promotion programmes.

Details of Health Promotion and HIV / AIDS Programmes (tick the applicable boxes and provide the required information)
(TABLE 3.11.2)

Question			
2 (agetinuad) Has the Department introduced	Yes	No	Details
3. (continued) Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x	No	Significant progress has been made with the plan to increase treatment of HIV positive members and their dependants according to the World Health Organisation Universal Test and Treat Strategy as implemented by Minister of Health since Sept 2016 for SA. The number of ARV sites has increased to 66 fully functional units and 100% of all planned sites are operational. The challenge still remains that the prevalence of HIV and AIDS is highest in the sub-Saharan region where our troops deploy, thus creating a risk to an already vulnerable population of soldiers due to their high risk behaviour. In view of this, the Surgeon General has to ensure that all the deploying troops undergo comprehensive health assessments and that all HIV positive members are managed appropriately according to the policies and clinical guidelines being executed. Ongoing training is provided to medical officers, nursing officers, pharmacists, psychologists, social work officers, dentists, clinical associates and operational emergency care practitioners. More than 50 000 DOD members were reached during health promotion and prevention programmes. The results of the last KAP survey completed August 2015 has been utilised to inform programme development and management. The key elements of the HIV Prevention and Health Promotion Programme are: HIV Counselling and Testing. **Provider-Initiated Counselling and Testing.** **Male and female condom provision and distribution.** **Peer education training.** **Gender based violence training.** **Spiritual and ethical, moral and value-based prevention programmes (CHATSEC) provided by Chaplains. **HIV and AIDS workplace programmes (includes condom provision, behaviour modification programmes, peer education training, gender-based training, CHATSEC, mass awareness and occupational health and safety). **Mass awareness campaigns.** **Management of occupational transmission (previously known as the prevention of mother to child transmission), **Prevention of opportunistic infections.** **Pest-Expo

Details of Health Promotion and HIV / AIDS Programmes (tick the applicable boxes and provide the required information) (TABLE 3.11.2)				
Question	Yes	No	Details	
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 stakeholders that they represent.	x		 The Comprehensive Plan for Care, Management and Treatment of HIV and AIDS in the DOD: 2017-2022 is coordinated through the Directorate HIV and AIDS. Coordination within the SANDF through bilateral meetings between the SAMHS, the SA Army, the SA Navy and the SA Air Force. The Director HIV and AIDS Programmes coordinate matters through the SAMHS HIV and AIDS Coordinating Committee. The committee consists of members representing formations and units that provide health care services. At Military Unit level, HIV prevention and health promotion programmes are addressed via the Military Community Wellness Committees. The Director HIV and AIDS is an integral member of the Chief Director Force Preparation Forum meetings and HIV is a standing agenda point or this forum. 	
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The Department has to implement programmes/interventions according to the SA National Strategic Plan for HIV & AIDS/TB/STIs 2017-2022. There are numerous policies/strategies/orders that address the issues of discrimination including Human Resource strategy documents. All HIV infected uniformed members of the DOD&MV are managed according to (amongst others) • "The DOD Instruction on the Management of HIV and AIDS in the DOD" and "The DOD Directive on the Health Classification and Deployability of SANDF Members with HIV and AIDS". • Joint Defence Publication: Policy on Health Care Delivery. • DOD Directive: Transformation Management in the DOD. • DODI: Policy on Transformation Management in the DOD. • Joint Defence Publication: Process and Procedures for Transformation Management in the DOD. • DOD Operational Plan FY2018/19 for HIV and AIDS, TB and STIs that is sent to the DPSA and DPME as part of the MPAT report.	
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		The department adheres to the principles of equity and equal opportunities in all practices. It values and manages diversity and in doing so recognises that talent, ability and potential are inherently distributed across the population. It strives to eradicate all forms of unfair stigma and discrimination within the department. Policy Documents: No mandatory testing of PSAP officials. Voluntary HIV testing of any official in the DOD may form part of a comprehensive health assessment as governed by the Medical Standards for the SANDF and as required by the Surgeon General in terms of Regulation 15 of the Defence Act. HIV testing is voluntary and done with written informed consent, confidentiality and pre- and post-test counselling procedures. Officials with HIV and AIDS may not be unfairly discriminated against in the allocation of employment benefits and are treated like any other official with a comparable life-threatening illness/chronic disease with regard to access to benefits. Grievance procedures are confidential and do not result in the disclosure of a person's HIV status. Respecting the privacy and confidentiality of those living with HIV is a	

priority.

Yes	No	Details
Х		Uniformed members of the DOD are required to undergo voluntary HIV counselling and testing as part of the Comprehensive Health Assessments and Concurrent Health Assessments. In addition, the military participates in the National Department of Health HI
		Counselling and Testing Campaign.
		PSAP employees are encouraged in mass awareness campaigns to get themselves tested and know their status.
X		 Sources of data: Monthly Mortality Analysis. Knowledge Attitude and Practice Surveys. Health Informatics System - Clinical Data Management. Project Feedback Forms submitted following the programmes/ projects and interventions (all planned HIV prevention interventions are monitored Care and treatment indicators as developed. Information obtained from staff visits to the various units and Performance against Plan reports. Site Improvement through Monitoring Systems visits to Military Health
	X	X

Labour Relations

Collective Agreements for the period 01 April 2018 to 31 March 2019 (TABLE 3.12.1)		
Subject Matter	Date	
Agreement on the salary adjustments and improvements on conditions of service in the public service for the period FY2018/19, FY2019/20 and FY2020/21	27 June 2018	
Agreement on the compensation methodology of the redress of discriminatory pension practices	26 October 2018	

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

Misconduct and Disciplinary Hearings Finalised for the period 01 April 2018 to 31 March 2019 (TABLE 3.12.2)				
Outcomes of Disciplinary Hearings	Number	% of Total		
Correctional Counselling	1	2%		
Verbal Warning	0	0%		
Written Warning	22	37%		
Final Written Warning	19	32%		
Suspended Without Pay	3	5%		
Fine	1	2%		
Demotion	0	0%		
Dismissal	4	7%		
Not Guilty	2	3%		
Case Withdrawn	8	13%		
TOTAL	60	100%		

Types of Misconduct Addressed at Disciplinary Hearings for the period 01 April 2018 to 31 March 2019 (TABLE 3.12.3)				
Type of Misconduct	Number	% of Total		
AWOP	5	23%		
Fraud	5	23%		
Assault	2	9%		
Cash shortage	1	5%		
Misuse of state funds	1	5%		
Insubordination	2	9%		
Leaking of confidential information	1	5%		
Racism	1	5%		
AWOP and being under the influence of alcohol	1	5%		
Late coming	1	5%		
Bribery	1	5%		
Assault and unacceptable conduct	1	5%		
TOTAL	22	100%		

Grievances Lodged for the period 01 April 2018 to 31 March 2019 (TABLE 3.12.4)					
Grievances Number % of Total					
Number of Grievances Resolved	76	15%			
Number of Grievances Not Resolved	443	85%			
Total Number of Grievances Lodged	519	100%			

Disputes Lodged with Councils for the period 01 April 2018 to 31 March 2019 (TABLE 3.12.5)				
Disputes	Number	% of Total		
Number of Disputes Upheld	0	0%		
Number of Disputes Dismissed	3	15%		
Number of Disputes Pending	16	84%		
Total Number of Disputes Lodged	19	100%		

Strike Actions for the period 01 April 2018 to 31 March 2019 (TABLE 3.12.6)			
Total Number of Person Working Days Lost	0		
Total Cost of Working Days Lost	0		
Amount Recovered as a Result of No Work No Pay (R'000)	0		

Precautionary Suspensions for the period 01 April 2018 to 31 March 2019 – Military Personnel (TABLE 3.12.7(a))					
Number of People Suspended	34				
Number of People whose Suspensions Exceeded 30 Days	34				
Average Number of Days Suspended	338				
Cost of Suspensions (R'000)	10 728				

Note: 30 members suspended with pay and four without pay. The average number of days suspended was calculated only for the FY2018/19.

Precautionary Suspensions for the period 01 April 2018 to 31 March 2019 – Public Service Act Personnel (TABLE 3.12.7(b))						
Number of People Suspended	18					
Number of People whose Suspensions Exceeded 30 Days	10					
Average Number of Days Suspended	169					
Cost of Suspensions (R'000)	215					

Skills Development

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

Training Needs Identified for the period 01 April 2018 to 31 March 2019 (TABLE 3.13.1)							
		Number of	Training Needs Identified at Start of Reporting Period				
Occupational Category	Gender Employees		Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	TOTAL	
Legislators, Senior Officials and	Female	1	0	0	0	0	
Managers	Male	1	0	0	0	0	
Professionals	Female	1 577	0	8	537	545	
	Male	1 344	0	35	437	472	
Technicians and Associate Professionals	Female	2 605	0	46	2 264	2 310	
	Male	4 582	0	105	3 839	3 944	
Clerks	Female	6 670	0	161	4 710	4 871	
	Male	7 681	0	112	4 933	5 045	
Service and Sales Workers	Female	6 366	0	109	6 327	6 436	
	Male	24 462	0	244	18 163	18 407	
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0	
	Male	0	0	0	0	0	
Craft and Related Trades Workers	Female	2 193	66	0	1 812	1 878	
	Male	8 110	414	0	4 314	4 728	
Plant and Machine Operators and	Female	12	0	0	3	3	
Assemblers	Male	254	0	0	60	60	
Elementary Occupations	Female	3 302	0	20	1 597	1 617	
	Male	5 891	0	63	3 301	3 364	
Subtotal	Female	22 726	66	344	17 250	17 660	
	Male	52 325	414	559	35 047	36 020	
TOTAL		75 051	480	903	52 297	53 680	

Training Provided for the period 01 April 2018 to 31 March 2019 (TABLE 3.13.2)							
		Number of	Training Provided within the Reporting Period				
Occupational Category	Gender Employees		Learnerships	Skills Programmes and other Short Courses	Other Forms of Training	TOTAL	
Legislators, Senior Officials and	Female	1	0	0	0	0	
Managers	Male	1	0	0	0	0	
Professionals	Female	1 577	0	5	349	354	
	Male	1 344	0	23	284	307	
Technicians and Associate Professionals	Female	2 605	0	30	1 473	1 503	
	Male	4 582	0	68	2 496	2 564	
Clerks	Female	6 670	0	105	3 064	3 169	
	Male	7 681	0	73	3 209	3 282	
Service and Sales Workers	Female	6 366	0	71	4 116	4 187	
	Male	24 462	0	159	11 815	11 974	
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0	
	Male	0	0	0	0	0	
Craft and Related Trades Workers	Female	2 193	43	0	1 179	1 222	
	Male	8 110	269	0	2 806	3 075	
Plant and Machine Operators and	Female	12	0	1	2	3	
Assemblers	Male	254	0	5	34	39	
Elementary Occupations	Female	3 302	0	13	1 039	1 052	
	Male	5 891	0	41	2 147	2 188	
Subtotal	Female	22 726	43	225	11 222	11 490	
	Male	52 325	269	369	22 791	23 429	
TOTAL		75 051	312	594	34 013	34 919	

Injury on Duty

The following tables provide basic information on injury on duty.

Injury on duty for the period 01 April 2018 to 31 March 2019 (TABLE 3.14.1)							
Nature of Injury on Duty	Number	% of Total					
Required Basic Medical Attention Only	145	70%					
Temporary Total Disablement	53	25%					
Permanent Disablement	3	1%					
Fatal	7	3%					
TOTAL	208	100%					

Note:

- Required Basic Medical Attention Only. This is the action or manner of treating an individual medically or surgically to stabilise and promote healing.
- **Temporary Total Disablement**. This is the temporary alteration of an individual's physical or mental status that limits activity. Medical or surgical treatment may stabilise the condition and restore the health of an individual to normal within a defined period.
- **Permanent Disablement**. This is the permanent alteration of an individual's capacity to meet personal social or occupational demands or statutory or regulatory requirements because of impairment. This status is often coupled to a loss of a limb or sense chronic pain disfigurement and other permanent physical or mental disorders.
- Fatal. An injury, disease or condition causing or ending in organ or multi-organ failure and death.

Utilisation of Consultants¹

The following table relates to information on the utilisation of consultants in the department.

In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- · The rendering of expert advice;
- · The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Services Rendered		
Service/Division	Description of Services	Total Paid Agains Consultants on the FMS System
	Human resources services in terms of the verification of qualifications for candidates to be appointed.	33 153.00
Military Ombud	Management consultants for five organisational models. The Ombud does not have an internal capability, hence the Government Technical Advisory Centre was approached to submit a Costed Project Charter. The two parties entered into a MOU, as Phase 1 of the project.	1 034 360.00
	Translate and transcripts services for the payment of interpretation services.	650.00
Defence Secretariat	ARMSCOR services for the payment of the MOU between the DOD and the Defence Decision Support Institute (DDSI) of ARMSCOR.	766 374.06
Financial	Quality verification for the payment for services rendered by the SA Qualifications Authority (SAQA).	8 839.00
Management Division	Translate and transcripts services.	3 600.00
	SOMA capitation fees.	1 414 973.00
Human Resources Division	Human resource services for the payment to SA Board for People Practices for quality assurance services.	40 545.00
	Human resource services for the payment for competency tests.	67 633.00
Defence Legal	Human resources services for the verification of qualifications of members to be appointed in PSAP posts.	200.00
Services Division	Translate and transcripts services for the payment of interpretation services.	1 500.00
Defence Matériel Division	Project management consultants for a contract for a four year project that was awarded to Deloitte at a cost of Rm240. The Through Life Capability Management (TLCM) project consists of four work streams.	72 216 257.33
Chaplain Service	Verification services for the payment of verifications of qualifications of candidates who applied for advertised posts.	3 105.00
Defence Foreign Relations Division	Translate and transcripts services paid during interactions with foreign nationalities.	48 300.00
Defence International Affairs Division	Translate and transcripts services paid for interpretation services required, determined by number of non-english speaking counties that the RSA is hosting during bilateral defence diplomatic engagements.	136 056.50

¹ Services rendered and paid under the Standard Chart of Accounts (SCoA) classification, "Consultants: Business Advisory Services" on the GDA.

The Historically Disadvantaged Individual (HDI) method of awarding points of tenders was discontinued and replaced with Broad-Based Black Economic Empowerment (B-BBEE) with effect from 07 December 2011.

Service/Division	Description of Services	Total Paid Against Consultants on the FMS System
SA Army	Human resources services for the verification of qualifications for Reserve Force members who were selected for officers formative training.	9 275.00
•	Translate and transcripts services for the payment of interpretation services.	5 000.00
	Quality assurance for the monitoring of radiation dosage levels by the SA Bureau of Standards (SABS).	16 715.00
	SABS quality assurance services for the measurement of radiations to indicate the amount of radiations received.	1 019.00
SA Air Force	SABS quality assurance services for consignment inspections and pre-production.	39 981.00
C/// III / C/CC	South African National Standards (SANS) accreditation services for the gas section accreditation at 1 Air Supply Unit in order to perform maintenance and repair on halon fire extinguishers.	32 695.00
	Boards, commissions and committees paid in terms of the Overberg Review Committee, established on instruction of the Minister of Environmental Affairs, to advance the co-ordination and rational execution of the recommendations made by Hey Commission.	12 947.00
	Verification of qualifications by SAQA for members who applied for employment at the SAMHS.	29 528.00
	SABS quality assurance services.	30 319.00
SAMHS	Quality assurance services paid for the administration of dosimeters used by radiology in measuring exposure to ironizing radiation.	134 447.00
	Payment to SABS for chemical water sampling.	109 293.00
	Payment to SABS for radiation control services.	86 214.00
Defence Intelligence Division	Human resources services for the verification of certificates.	12 000.00
Logistics Division	Management consultants paid in terms of the Castle Control Board who is responsible for the management of the Castle of Good Hope.	506 798.40
Military Police Division	Verification services paid for the verification of qualifications of candidates who applied for advertised posts.	4 530.00
Total Value Paid aga	inst the Item 35 Budget on Consultants	R76 806 307.29

Severance Packages

Granting of Employee Initiated Severance Packages for the period 01 April 2018 to 31 March 2019 (TABLE 3.16.1(a))							
Salary Band	Number of Applications Received Referred to the MPSA MPSA Department of Applications Received the MPSA Number of Applications Referred to the MPSA Department of Applications Referred to the MPSA Department of Applications Referred to the MPSA Department of Applications Received the MPSA Department of Applications Referred to the MPSA Department of Applications Ref						
Lower Skilled (Levels 1-2)	5	5	5	5			
Skilled (Levels 3-5)	4	4	0	1			
Highly Skilled Production (Levels 6-8)	28	28	10	10			
Highly Skilled Supervision (Levels 9-12)	11	11	0	4			
Top and Senior Management (Levels 13-16)	3	3	0	0			
TOTAL	51	51	15	20			

Granting of Mobility Exit Mechanism Packages for the period 01 April 2018 to 31 March 2019 (TABLE 3.16.1(b))							
Salary Band	Number of Applications Received	Number of Packages Approved by Department					
Lower Skilled (Levels 1-2)	0	0					
Skilled (Levels 3-5)	0	0					
Highly Skilled Production (Levels 6-8)	3	1					
Highly Skilled Supervision (Levels 9-12)	12	8					
Top and Senior Management (Levels 13-16)	1	0					
TOTAL	16	9					

OVERARCHING STATEMENT RELATING TO HUMAN RESOURCES TABLES

With reference to the Annual Report Guide for National and Provincial Departments, the DOD endeavoured to adhere to the format of tables, as prescribed. However, due to the uniqueness of the DOD, and based on paragraph 2.6 Part D: Human Resource Management, specifically paragraph 2.6.2 of the afore-mentioned guide, whereby the DOD is to "Include any other tables for HR if considered necessary" slight amendments were required. The data was subsequently populated in such a manner to provide a clear and logical sequence according to the tables provided.

Due to the unique dispensation of the military, DOD reported information cannot always be portrayed according to Salary Bands as prescribed by the Department of Public Service and Administration. Hence, provision is made for a differentiation which allows for separate reporting on salary levels as well as Military Rank, Occupation Specific Dispensation, CSS, MSDS, PSAP Contract workers and Interns.

2010 PARTE Financial Information



REPORT BY THE ACCOUNTING OFFICER, DR S.M. GULUBE, FOR THE PERIOD 01 APRIL 2018 TO 31 MARCH 2019

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT¹

During the period under review, the Department of Defence (DOD) had ongoing engagements with the National Treasury (NT) and the Department of Planning, Monitoring and Evaluation (DPME) on the funding and implementation of the SA Defence Review 2015.

The budget allocation received over recent years has not improved, posing serious constraints to the DOD and its ability to defend and protect the country and to rapidly intervene during crises on the continent. To this end, the most challenging component of the Defence Vote relates to the Compensation of Employees (CoE) budget allocation.

The DOD planned and budgeted for an average personnel strength of 75 211 for FY2018/19 at a cost of R30.3 billion. The NT final letter of allocation dated 07 December 2017 confirmed the CoE budget for FY2018/19 at R27.1 billion. This ceiling presupposed that the DOD must reduce its personnel strength within the allocation executing a rejuvenation strategy. However, the imposed CoE budget ceiling did not take account of ordered commitments, current expenditure and exercises for which trained uniformed personnel are required to assure success. The CoE budget allocation did not allow the DOD the opportunity to assess the most appropriate means for rejuvenation, since mechanisms considered are unfunded.

During a tri-ministerial meeting held on 07 March 2019, the matter was deliberated and the Minister of Defence and Military Veterans (MOD&MV) and Ministers of Finance and Public Service and Administration directed that the applicable Director-Generals should further attend to the matter for finalisation. Subsequently, NT did not approve the DOD's request to lift its CoE ceiling with an additional amount equal to the shortfall at that stage; this resulted in the DOD incurring irregular expenditure to the amount of Rb2,895 in the FY2018/19.

During the FY2018/19, the DOD received an appropriation of Rb48,496, a 1.03% decrease on the FY2017/18's appropriation. The DOD was able to spend 99.99% of its appropriated funds and surrendered Rm4,162 to the National Revenue Fund.

Departmental Receipts (Revenue)

The table below indicates DOD Sources of Revenue for FY2018/19.

Departmental Receipts / Sources of Revenue for FY2018/19								
		FY2018/19			FY2017/18			
Departmental Receipts	Estimate Actual Amount Collected Collection		Ferimara Amolint		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 license	0	0	0	0	0	0		
- Motor vehicle license	0	0	0	0	0	0		

¹ Refer to Part A and Part B for the "Overview of the Operations (Non-Financial) of the Department".

Departmental Receipts / Sources of Revenue for FY2018/19							
		FY2018/19		FY2017/18			
Departmental Receipts	Estimate	Actual Amount Collected	Over/(Under) Collection	Estimate	Actual Amount Collected	Over/(Under) Collection	
	R'000	R'000	R'000	R'000	R'000	R'000	
Sale of goods and services other than capital assets	413 958	367 602	(46 356)	414 105	579 575	165 470	
Transfers received	568 563	320 609	(247 954)	538 922	274 670	(264 252)	
Fine, penalties and forfeits	1 210	2 227	1 017	1 150	1 709	559	
Interest, dividends and rent on land	3 938	4 622	684	3 840	4 493	653	
Sale of capital assets	27 394	18 924	(8 470)	25 967	19 064	(6 903)	
Financial transactions in assets and liabilities	69 259	100 407	31 148	67 777	79 858	12 081	
TOTAL	1 085 741	814 391	(271 350)	1 051 761	959 369	(92 392)	

The revenue streams reduced from 76 revenue streams in FY2017/18 to an identified 75 revenue streams in FY2018/19. This reduction is due to the termination of the "Sale of Tender Documents" with effect from June 2018. Revenue streams are covered by applicable functional, departmental policies and are collected through salary deductions, cash collections and bank transfers. Revenue management is decentralised to 488 Force Structure Elements (FSEs) throughout the Department.

The Financial Management System (FMS) provides for all FSEs to capture revenue budgets as part of the Medium Term Expenditure Framework (MTEF) process, evaluated by the Departmental Programming and Budget Evaluation Committee (DPBEC). The ULWAZI Financial Reporting System was developed to enable Budget Holders to request reports on revenue collected within the respective FSEs. Revenue collected is accounted for at the point where it originated and Budget Holders are required to compile monthly revenue reconciliation statements to confirm that all revenue due to the State was collected, and if not, indicate corrective measures taken.

Enhancements to systems and the review of supporting, functional policies, are continuously made to improve the collection of revenue. Training and empowerment of finance functionaries and line managers is a high priority and was provided throughout the reporting period to enhance revenue management in the DOD. Revenue collected decreased by an average of 15.3% over the last three financial years.

The Department has submitted and received approval from NT for the following revenue tariff structures:

- · Hydrographic Charts and Publications.
- · Aircraft flights against payment tariffs.
- Hiring of Defence equipment.
- · Hiring of Defence vehicles.

During FY2018/19, responsible Budget Holders submitted documentation and obtained approval for the updating of the following revenue tariffs:

- · Noonday gun.
- · Marketing support.
- · Hydrographic Charts and Publications.

No requests were received for the updating of the following tariffs during FY2018/19:

- · Aircraft flights against payment tariffs.
- Hiring of equipment.
- Hiring of DOD vehicles.

The Department under collected on the following items:

- Transfers received due to a decrease in the United Nation's reimbursements for Operations. Claims could not be submitted as the Memorandum of Understanding is under consideration.
- Sale of capital assets due to less equipment sold on auctions as auctioneers have not yet been appointed.
- Financial transactions in assets and liabilities due to the depreciation of the Rand and less revenue was received than expected for exchange rate gains.

The Department over collected on the following items:

- Sale of goods and services, other than capital assets, due to the decrease in revenue collected from the United Nations Peacekeeping Operations. Claims could not be submitted as the Letter of Assist is under consideration.
- Fines, penalties and forfeits received due to more members being court-martialled and higher fines being imposed.
- Interest, dividends and rent on land due to an increase in interest received on the Department's bank accounts.

Departmental Expenditure

The table below indicates the DOD Actual Expenditure Trends and Adjusted Appropriation for FY2016/17 to FY2018/19.

Summary of Actual Expenditure versus Adjusted Appropriation for Current and Prior Years							
	FY2016/17	FY2017/18	FY2018/19				
	R'000	R'000	R'000				
Vote	47 236 465	48 999 560	48 496 235				
Expenditure	47 197 094	48 977 232	48 492 073				
Over expenditure	0	0	0				
Amount overspent as percentage of Vote	0	0	0				
Amount surrendered	39 371	22 328	4 162				
Amount surrendered as percentage of Vote	0.083%	0.046%	0.009%				

The table below indicates the DOD Actual Expenditure versus the Adjusted Appropriation for FY2018/19 on Main Programme level.

Actual Expenditure versus Adjusted Appropriation for Current and Prior Years at Programme Level							
	FY2018/19			FY2017/18			
Programme	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	5 692 748	5 692 748	0	5 506 480	5 505 415	1 065	
Force Employment	3 168 678	3 168 678	0	3 229 122	3 208 059	21 063	
Landward Defence	16 427 499	16 427 499	0	16 691 543	16 691 543	0	
Air Defence	6 261 057	6 257 443	3 614	6 753 411	6 753 411	0	
Maritime Defence	4 503 930	4 503 930	0	4 613 939	4 613 939	0	
Military Health Support	5 090 591	5 090 591	0	4 853 116	4 852 916	200	
Defence Intelligence	938 173	938 173	0	888 000	888 000	0	
General Support	6 413 559	6 413 011	548	6 463 949	6 463 949	0	
TOTAL	48 496 235	48 492 073	4 162	48 999 560	48 977 232	22 328	

Reasons for Over- / Under Expenditure

The underspending of Rm4,162 consists of the following:

- **Air Defence**. The under expenditure of Rm3,614 (0.058%) was due to the prolonged procurement processes regarding the upkeep of aircraft systems, inclusive of the procurement of spares, through ARMSCOR as well as the expenditure in social benefits being less than what was anticipated.
- **General Support**. The under expenditure of Rm0,548 (0.009%) was as a result of litigation claims not being paid before 31 March 2019 due to administration processes not finalised in time.

Additions to Main Appropriation²

The Defence Vote was increased with Rm546,492 to Rb48,496 through the Adjustments Vote. The additional amount of Rm546,492 was received as self-financing for revenue generated from reimbursements from the United Nations for South Africa's contribution towards Peace Support Operations and the selling of equipment and spares procured through the Special Defence Account. This amount was surrendered to the National Revenue Fund.

Virements / Shifts within the Vote

The following virements/shifts were addressed after the Adjustments Estimate of Expenditure process:

- Approved by the National Treasury:
 - Rm4,024 was reallocated within the Administration Programme to increase Transfers and Subsidies:
 Departmental Agencies to be transferred to the Safety and Security Sector Education and Training Authority (SASSETA), which acts as the Sector Education and Training Authority (SETA) for Defence in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).

² Refer to the Adjustments Appropriation 2018 (Act No. 17 of 2018) dated 17 January 2019. No funds were specifically and exclusively appropriated.

 Rm203,848 was reallocated to Current Transfers and Subsidies to cover the cost regarding litigation claims against the state. Claims against the state are classified in terms of the Standard Chart of Accounts (SCoA) as Transfer Payments, however it should be noted that the Department does not budget for litigation claims during the MTEF process.

Approved by the Accounting Officer:

- Rm19,048 was reallocated from the Military Health Support (Rm7,6) and the Air Defence Programmes (Rm11,448) to the General Support Programme for Project THUSANO.
- Rb1,783 was reallocated from Current Transfers and Subsidies: Departmental Agencies and Accounts
 (Special Defence Account) to increase Goods and Services in order to ensure that sufficient funding is
 available within the General Defence Account for the final accounting of expenditure as well as to amend
 the Special Defence Account main ledger drawings accordingly.
- The re-allocation of funds between Programmes within the Defence Budget was executed in order to defray expenditure in respect of authorised losses, Payments for Capital Assets as well as Goods and Services to balance the expenditure for the FY2018/19.

Roll-Overs

The Department did not submit a request for funds to be rolled-over from FY2017/18, hence no roll-overs were received during FY2018/19.

Irregular, Unauthorised, Fruitless and Wasteful Expenditure

Irregular Expenditure³

Irregular expenditure to the amount of Rb3,587 was incurred during the year under review.

Three high contributors to the irregular expenditure, to the amount of Rm254, initially originated in previous financial years, as well Rb2,895 added during the year under review, are indicated below:

- Rb2,895 was for expenditure above the CoE allocation; this was due to a reduction imposed by National Treasury through budget reduction on actual employees in the services of the DOD, for which the Department was not at fault.
- Rm135 was paid for the asset verification project contract which was awarded through an unfair bidding process. This contract will only be concluded in FY2021/22.
- Rm72 was paid for a contract that was awarded by means of an unfair bidding process, where the DOD did
 not exclude the company that drafted the requirements for Phase I to compete for the contract for Phase II
 of the project. This contract will only be concluded in FY2020/21.
- Rm47 was paid for an Information and Communication Technology contract, not concluded through the State Information Technology Agency, and without the Minister of Public Service and Administration's authority not to utilise the State Information Technology Agency. This contract is ongoing.

³ Amounts indicated for Irregular Expenditure incurred, are rounded-off.

Three of the incidents above are under investigation for possible disciplinary action and/or recovery to be instituted.

During the period under review, the highest contributors to the irregular expenditure balance were:

- Rm217 was paid when a contract for a unified communication system was awarded to a supplier where the criteria applied to evaluate bids, differed from those provided in the original documents.
- Rm26 was paid for three different bids that were awarded when procuring goods and services above R500 000,00, without NT's approval to deviate from the bidding process.
- Rm38 was paid for two different contracts where the incorrect bid evaluation process was applied.

Prevention and treatment of irregular expenditure training initiatives took place where appropriate. The aim was to capacitate Services and Divisions to provide in-house training in their respective environments.

Investigations to determine the cause of the irregular expenditure, identify measures to prevent recurrence and to identify officials from whom recovery can be instituted, if liable in law, are in process of being implemented.

Fruitless and Wasteful Expenditure⁴

Fruitless and wasteful expenditure incurred and disclosed amounted to Rm37 for the year under review. The two main contributors to this amount are as follows:

- Rm35 for the non-utilisation of three leased properties.
- Rm2 for the cancellation of chartered aircrafts.

The following management interventions were instituted to reduce irregular, fruitless and wasteful expenditure in the DOD:

- The management of irregular and fruitless and wasteful expenditure was communicated on a monthly basis during the Accountability Management Committee, chaired by the Accounting Officer.
- Intervention sessions were held with Services and Divisions are held continuously with services and divisions, in order to mitigate the occurrence and recurrence of irregular and fruitless and wasteful expenditure.
- A dedicated team under Financial Control Services is appointed to evaluate and assess internal controls
 established within the Financial Management Division to provide management with reasonable assurance
 that fraud, theft and corruption are prevented. The team further assesses payment files for accurate and
 complete source documents to ensure that all payments made meet legislative requirements.

Unauthorised Expenditure

The DOD did not incur any unauthorised expenditure during the year under review.

Public / Private Partnerships

The DOD did not enter into any public/private partnerships during FY2018/19.

⁴ Amounts indicated for Fruitless and Wasteful Expenditure incurred, are rounded-off.

Discontinued Activities / Activities to be Discontinued

There were no discontinued activities/activities to be discontinued that affected operations of, and service delivery by the DOD or financial implications of such discontinued activities.

New / Proposed Activities

The DOD did not undertake any new or proposed activities during the year under review.

Supply Chain Management

The DOD endeavoured to ensure that its Supply Chain Management processes are aligned and compliant with legislation, policies and directives. To ensure that Supply Chain Management processes and systems are augmented on a continuous basis, the following instructions were issued during FY2018/19:

- Preferential Procurement Regulations, 2017.
- · Prevention and combating abuse in Supply Chain Management in the DOD.
- · Tax Compliance Status.
- Standard Operating Procedure for utilisation of the electronic procurement system in the DOD.
- Submission of Annual Procurement Plans for FY2018/19.
- Supply and delivery of dry and wet rations, inputs and guidelines with regards to the utilisation of allocated list of specific services providers to the DOD.
- Enhancing compliance monitoring and improving transparency and accountability in Supply Chain Management.
- Inspections and Evaluation for procurement entities, centres, units and sections 2018/19.

During the period under review, the DOD did not conclude any unsolicited bids.

Supply Chain Management related Challenges. The following Supply Chain Management challenges were experienced:

<u>Thirty Day Payment of Suppliers</u>. Numerous challenges were experienced in relation to payment of suppliers due to undermentioned reasons:

- Incorrect banking details submitted and registered on Central Supplier Database as well as the bidding documents.
- Suppliers do not keep their banking accounts active when they are not awarded any tender for a period of more than 90 days.
- Some suppliers borrow money from "Money Lenders" who insist in keeping their Bank Cards and Pin Numbers so that they can take their dues when the first payment goes through. To counter that suppliers change banking details prior to receiving payments from the DOD to deny "Money Lenders" access to funds. This prolongs the payment time, as the validation takes a longer time resulting in payment process going beyond the thirty days.

- Delay on payment due to incorrect invoices and delivery notes submitted by the suppliers after completion of the work done.
- Furthermore, these challenges give rise to some suppliers refusing to do any form of business with the DOD.

Declaration of Interest by Government Employees and Directorship in other Companies in the Standard Bid Document 4. Bidders do not concisely complete declaration or disclosure in instances where they are state employees bidding for tenders in the DOD, the following observation is worth noting:

• The current verification instruments are inadequate to ensure effectiveness of controls. An electronic system coupled that can be coupled to bidders' profiles would significantly address the challenge.

Rm30 Threshold for Sub-Contractors as a Condition of Tender. The Preferential Procurement Regulation 2017 intent to advance designated groups through sub-contracting of contracts above Rm30 is currently is currently not yielding the intended results. This designated threshold for sub-contracting in order to empower and advance the designated groups is very high and does not advance them (designated groups) given the following reasons:

- The big corporates are not restricted to compete on the threshold lower than Rm30 and at times they are not keen to subcontract as per prescripts.
- On evaluation of the budget allocation, it is a fact that there is a decline in the allocation of funds and therefore reducing further the requirements up to Rm30 threshold.

<u>Development of Small, Medium and Micro-sized Enterprises</u>. Quite a number of SMMEs are contracted or awarded bids from time to time, but their development is not visible, this status is confirmed by the following:

- Currently there is no measure or mandatory requirement or grading system to enforce the development of SMMEs.
- Only in the build environment growth or development is achieved through Construction Industry Development Board grading.
- The lack of SMME development aggravates ceding of contracts.
- Some SMMEs cannot keep up with service or goods requirements.
- There is a need of policies and measures to be in place to ensure effective monitoring of SMME development.
- The DOD hosts "Annual Supplier Day" to, among others, improve communication, present awareness and training.
- In conjunction with National Treasury, constant news flash, communication, awareness campaign and new developments get communicated directly to suppliers via "CSD Portal".

Responses when Suppliers Invited through E-Procure System. The system randomly selects seven suppliers for rotation based on the requirement and these requirements fall due to a lack of responses:

- The major challenge is that many a time few suppliers mostly less than three respond or there is a complete no response; and
- The remaining suppliers do not honour the request to quote.

 Incomplete details are submitted or frequent changes on suppler details hamper communication and result in loss of time to fulfil the requirement.

Amendment of Approved Thresholds Values. The approved thresholds for procurement by means of petty cash, transactional value of R30 000 and transactional value of R500 000 needs to be amended to factor in the current cost of living, value or inflation, increase of goods/commodities and service prices.

<u>Management of Pricing Proposals or Offers by Prospective Bidders</u>. The current pricing structure in the RSA is detrimental to SMMEs due to the fact that different categories of suppliers per commodity or service compete for the requirement at large margins or varying prices. The aforementioned is evident in the following:

- Where SMMEs are the successful bidders, their price is very high because they do not have the advantage of economies of scale, as a result they are frequently excluded due to uncompetitive prices.
- The absence of a pricing model that will regulate prices per commodity and per service per region exacerbates the exclusion of SMMEs.
- The proposed pricing model should be reviewed constantly and be issued on a quarterly basis.
- There is also a need to encourage measures and processes to help develop and grow local economies.

<u>Enforcing of Local Content on Good or Commodities</u>. Several registered suppliers on Central Supplier Database run only offices with catalogues in RSA, when the goods or commodities are required they are sourced from overseas. This situation is escalated by:

- Inadequate plants or completion sectors to benefit local economy, through employment opportunities and skilled workforce empowerment.
- Revenue loss by the government, which could help in creating job opportunities and contribute to the fiscal.
- Inadequate instruments to enforce compliance to local content and certain percentages allowed for foreign owned entities bidding on RSA tenders.

Gifts and Donations Received in Kind

The DOD did not receive any donor funds from external sources for operations during the financial year.

Exemptions and Deviations Received from National Treasury

Change in the Accounting Policy

The Special Defence Account was accounted for and reported-on in terms of the Standards of Generally Recognised Accounting Practices (GRAP) during previous reporting years. The State Law Advisor and NT concluded that the Special Defence Account does not meet the definition of a separate legal entity in terms of the PFMA, but rather that of an account.

The prescribed accounting framework for departments is the Modified Cash Standard (MCS). For the year under review, the DOD will prepare and present one set of financial statements for the operations of the Special Defence Account and the General Defence Account in terms of the MCS. The Auditor-General will issue one Audit Report for the DOD.

GENERAL COMMENTS

Cost Containment

The Accounting Officer implemented the NT cost containment measures by means of Implementation Instructions to all DOD entities.

Events after the Reporting Date

None to date.

Condonements Awaiting Approval from National Treasury

The DOD approached NT to condone irregular expenditure incurred on contracts which did not comply with the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) requirements as well as other contracts awarded with deviations from procurement processes. This irregular expenditure incurred and reported on, are awaiting NT condonement as at the reporting date.

APPROVAL

I hereby submit the attached DOD Annual Financial Statements for your attention.

(DR S.M. GULUBE)

SECRETARY FOR DEFENCE: DIRECTOR-GENERAL

13 September 2019

Department of Defence and Military Veterans: Vote 19

Annual Reports and Consolidated Financial Statements

for the year ended 31 March 2019

INDEX	Page
Report of the Auditor-General	199
Accounting Policies	
Appropriation Statement	217
Notes to the Appropriation Statement	
Statement of Financial Performance	310
Statement of Financial Position	311
Statement of Changes in Net Assets	312
Cash Flow Statement	313
Notes to the Annual Financial Statements	314
Notes on Secondary Financial Information	327
Annexures.	363
Annexure 1A	363
Annexure 1B	364
Annexure 1C	
Annexure 1D	366
Annexure 1E	367
Annexure 1F	368
Annexure 1G	369
Annexure 2A	370
Annexure 2B	371
Annexure 3A	372
Annexure 3B	373
Annexure 4	374
Annexure 5	375
Annexure 6	376
Annexure 7	377
Annexure 8A	381
Annexure 8B	382

Report of the auditor-general to Parliament on vote no. 19: Department of Defence

Report on the audit of the financial statements

Qualified opinion

- 1. I have audited the financial statements of the Department of Defence set out on pages 209 to 382, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
- 2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Department of Defence as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for qualified opinion

Movable tangible capital assets

- 3. The department did not disclose capital work in progress for projects under development in accordance with MCS chapter 11, *Capital assets*. As a result, tangible capital assets work in progress is understated by an undeterminable amount. I was unable to confirm capital work in progress by alternative means.
- 4. Additionally, the department did not correctly disclose all items relating to tangible capital assets according to MCS chapter 11, Capital assets. Certain assets that qualify to be recognised as assets were incorrectly classified as inventory. I was unable to determine the full extent of the non-disclosure as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to the movable tangible capital assets stated at R59,54 billion (2018: R58,99 billion) in note 30 to the financial statements.

Intangible capital assets

5. I was unable to obtain sufficient appropriate audit evidence for intangible capital assets due to inadequate record management systems and some of the assets not being readily available for verification. I was also unable to confirm these assets by alternative means. In addition, the department did not account for intangible assets at appropriate values as required by MCS chapter 11, Capital assets. Consequently, I was unable to determine whether any adjustments were necessary to the intangible capital assets stated at R4,95 billion (2018: R3,62 billion) in note 31 to the financial statements.

Goods and services and investments

6. The department accounts for non-sensitive and sensitive projects expenditure in connection with special defence activities as per section 2(2)(a) of the Defence Special Account Act of South Africa, 1974 (Act No. 6 of 1974), as amended. I was unable to obtain sufficient appropriate audit evidence regarding sensitive projects expenditure and related investments due to the sensitivity of the environment and the circumstances under which the related transactions were incurred and recorded. Consequently, I was unable to determine whether any adjustments were necessary to sensitive projects expenditure included within the expenditure of R12,77 billion (2018: R14,58 billion) as per note 4 and investments for special defence activities included in the investment amount of R182,16 million (2018: R181,16 million) as per note 11 to the financial statements.

Commitments

7. During the 2018 financial year, the department did not maintain adequate records of the contractual information used to determine commitments. This resulted in commitments being understated by an undeterminable amount. Consequently, I was unable to determine whether any adjustment was necessary to commitments stated at R20,02 billion in note 19 to the financial statements for the comparative information. My audit opinion on the financial statements for the period ended 31 March 2018 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of commitments for the current period.

Irregular expenditure

8. The department did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3)(i) of the PFMA. This was due to inadequate systems to detect, record and appropriately disclose this expenditure in the financial statements. Consequently, I was unable to determine the full extent of the irregular expenditure stated at R5,13 billion in note 24 to the financial statements as it was impracticable to do so.

Context for the opinion

- 9. 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.
- 10. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

13. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2018 have been restated as a result of a change in the financial statements reporting framework for the Special Defence Account, which now forms part of the Department of Defence's financial statements. The department previously obtained a departure from National Treasury to prepare separate financial statements for the Special Defence Account for 2016-17 and 2017-18 using Generally Recognised Accounting Practice. The departure lapsed on 31 March 2018 and the department was therefore required to prepare a combined set of financial statements using the MCS.

Uncertainty relating to the future outcome of litigation

14. With reference to note 18 to the financial statements, the department is the defendant in various lawsuits. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Payables not recognised

15. As disclosed in note 20 to the financial statements, payables of R689,81 million exceeded the payment term of 30 days as required by treasury regulation 8.2.3. This amount, in turn, exceeded the R4,16 million of voted funds to be surrendered by R685,65 million as per the statement of financial performance. The amount of R685,65 million would therefore have constituted unauthorised expenditure had the amounts due been paid in time.

Other matter

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

Unaudited supplementary schedules

17. The supplementary information set out on pages 363 to 382 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

- 18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
- 19. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Defence's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

- 20. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 21. 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

- 22. 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.
- 23. 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/measures 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.

24. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

Programmes	Pages in the annual performance report		
Programme 2 – force employment	66 - 72		
Programme 3 – landward defence	73 - 76		
Programme 4 – air defence	77 - 79		

- 25. 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.
- 26. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:
 - Programme 2 force employment
 - Programme 3 landward defence
 - Programme 4 air defence

Other matter

27. I draw attention to the matter below.

Achievement of planned targets

28. Refer to the annual performance report on pages 48 to 91 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a significant number of targets.

Report on the audit of compliance with legislation

Introduction and scope

- 29. 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.
- 30. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

31. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of disclosures and advances identified by the auditors in the submitted financial statements were corrected and supporting documents were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in a qualified opinion.

Expenditure management

- 32. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. As reported in the basis for qualified opinion, the value of R3,59 billion as disclosed in note 24 to the financial statements does not reflect the full extent of the irregular expenditure incurred. The majority of the irregular expenditure disclosed was caused by compensation of employees that exceeded the approved budget without the necessary approval in contravention of treasury regulation 6.3.1(a).
- 33. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R37,47 million, as disclosed in note 25 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 was caused by payments made in terms of an operating lease for unutilised property.
- 34. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3 and section 38(1)(f) of the PFMA.

Procurement and contract management

- 35. Some of the 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. Similar non-compliance was also reported in the prior year.
- 36. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3. Similar non-compliance was also reported in the prior year.
- 37. Some of the goods and services with a transaction value above R500 000 were procured without inviting competitive bids, and deviations were approved by the accounting officer despite it being practical to invite competitive bids, contrary to treasury regulation 16A6.1 and 16A6.4. Similar non-compliance was also reported in the prior year.
- 38. Some of the contracts and quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by treasury regulation 16A9.1(d). Similar non-compliance was also reported in the prior year.

- 39. The preference point system was not applied in some of the procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA) and treasury regulation 16A6.3(b).
- 40. Some of the contracts and quotations were awarded to bidders who did not score the highest points in the evaluation process, as required by section 2(1)(f) of the PPPFA and the Preferential Procurement Regulations. Similar non-compliance was also reported in the prior year.
- 41. Some of the contracts and quotations were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of preferential procurement regulation 4(1) and 4(2) of 2017.
- 42. Persons in the service of the department who had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4 and public service regulation 18(1) applicable to departments. Similar non-compliance was reported in the previous year and disciplinary action was not taken against the officials involved.
- 43. In some instances, persons in the service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4. Similar non-compliance was reported in the previous year and disciplinary action was not taken against the officials involved.

Consequence management

- 44. Some cases of fruitless and wasteful expenditure that constituted crime were not reported to the South African Police Service, as required by treasury regulation 12.5.1.
- 45. I was unable to obtain sufficient appropriate audit evidence in some instances that disciplinary hearings were held for confirmed cases of financial misconduct committed by officials, as required by treasury regulation 4.1.1.

Other information

- 46. 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.
- 47. 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.
- 48. 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.
- 49. 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

- 50. 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 basis for the qualified opinion and the findings on compliance with legislation included in this report.
- 51. Leadership did not exercise sufficient oversight regarding financial reporting, compliance with laws and regulations and related internal controls. Action plans that were developed to address prior year audit matters were not effectively implemented and monitored, resulting in recurring audit findings.
- 52. Management did not prepare regular, accurate and complete financial reports that were always supported and evidenced by reliable information. This was mainly due to lack of proper record management systems and insufficient controls over daily and monthly processing and reconciling of transactions. Additionally, reviewing and monitoring controls over compliance with laws and regulations were not effective to detect and prevent non-compliance, especially in relation to supply chain management.

Material irregularities

- 53. In accordance with the PAA and the material irregularities regulations, I have a responsibility to report on material irregularities identified during the audit.
- 54. I identified a material irregularity during the audit and notified the accounting officer thereof as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the response from the accounting officer. This material irregularity will be included in the following year's auditor's report.

Other reports

- 55. 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.
- 56. The department, through the military police unit, is currently conducting various investigations into fraud allegations relating to contracts awarded in prior years. These investigations were still ongoing at year end.

Pretoria

16 September 2019



Auditor-General

Auditing to build public confidence

Annexure - Auditor-general's responsibility for the audit

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

Financial statements

- 2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether
 due to fraud or error, design and perform audit procedures responsive to those risks, and
 obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.
 The risk of not detecting a material misstatement resulting from fraud is higher than for
 one resulting from error, as fraud may involve collusion, forgery, intentional omissions,
 misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of the department's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Defence'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

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

ACCOUNTING POLICIES for the year ended 31 March 2019

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, Act 1 of 1999 (PFMA) (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

The Financial Statements have been prepared in accordance with the Modified Cash Standard (MCS).

2. Going concern

The Financial Statements have been prepared on a going concern basis.

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.

4. Rounding

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

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.

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.

The Special Defence Account (SDA) is an account of the Department. Previously the SDA financial statements were prepared in terms of Standards of Generally Recognised Accounting Practice (GRAP). The Department has now consolidated the SDA with the General Defence Account (GDA) which has resulted in the restatement of the prior year figures to include the SDA.

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.

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.

7.2 Departmental revenue

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

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

7.3 Accrued departmental revenue

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

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

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

Accrued tax revenue (and related interest and or 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.

Prepayments are expensed where a contract / agreement requires that a payment for goods and services be made before actual delivery of those goods and services takes place.

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.

12. Investments

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

13. Financial assets

13.1 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.

13.2 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.

14. Payables

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

15. Capital Assets

15.1 Immovable capital assets

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

Where the cost of immovable capital assets cannot by determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project, unless the immovable asset is recorded by another department, in which case the completed project costs are transferred to that department.

15.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction are 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, and in the case of Minor Other Machinery and Equipment prior to 1 April 2013 are recorded at R1.

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

Technical publications are recognised as library materials when they have been separately contracted for and are separately identifiable. Where they are not separately contracted for or separately identifiable, the cost is capitalised to the main asset.

Biological assets are recorded at cost except those bred by the Department which are recorded at R100.00.

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

15.3 Intangible assets

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

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 are 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.

15.4 Project Costs: Work-in-progress on Immoveable assets

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.

16. Provisions and Contingents

16.1 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.

16.2 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.

16.3 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.

16.4 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.

17. 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.

18. 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.

19. 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 therefore 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.

20. 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 balance of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

21. 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.

22. 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 Revenue Fund when the underlining asset is disposed and the related funds are received.

23. 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.

24. 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'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.

25. Inventories

At the date of acquisition, inventories are recorded at cost price in the statement of performance.

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

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

Subsequent measurement of the cost of inventory is determined on the weighted average basis.

26. Public Private Partnerships

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

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

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.

APPROPRIATION STATEMENT

Appropr	Appropriation per programme									
				2018/19					2017/18	18
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Voted fu	Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	Programme									
- -	1. Administration	5 653 274	•	39 474	5 692 748	5 692 748	'	100.0%	5 506 480	5 505 415
2.	Force Employment	3 375 584	ı	(206 906)	3 168 678	3 168 678	'	100.0%	3 229 122	3 208 059
κi	Landward Defence	16 271 221	1	156 278	16 427 499	16 427 499	•	100.0%	16 691 543	16 691 543
4	Air Defence	6 6 6 5 0 7 1 9	ı	(389 722)	6 261 057	6 257 443	3 614	%6.66	6 753 411	6 753 411
5.	Maritime Defence	4 699 355	ı	(195425)	4 503 930	4 503 930	•	100.0%	4 613 939	4 613 939
9	Military Health Support	4 714 062	ı	376 529	5 090 591	5 090 591	•	100.0%	4 853 116	4 852 916
7.	Defence Intelligence	950 364	•	(12 191)	938 173	938 173	•	100.0%	888 000	888 000
œ	General Support	6 181 596	•	231 963	6 413 559	6 413 011	548	100.0%	6 463 949	6 463 949
	Total	48 496 235	•	•	48 496 235	48 492 073	4 162	100.0%	48 999 560	48 977 232
Reconc	Reconciliation with Statement of Financial Performance									
Add:										
	Departmental receipts				814 391				929 369	
	NRF Receipts				1				1	
	Aid assistance				1				•	
Actual a	Actual amounts per Statement of Financial Performance (Total Revenue)	otal Revenue)			49 310 626				49 958 929	
Add:	Aid assistance					'				'
	Prior year unauthorised expenditure approved without funding	funding				•				•
	Expenditure funded from retained funds / (funds retained)	(pa)				(17 621)				1 025 806
Actual 8	Actual amounts per Statement of Financial Performance					48 474 452				50 003 038

APPROPRIATION STATEMENT

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			2018/19					2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
							appropriation		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	39 265 532	•	1 120 199	40 385 731	40 382 766	2 965	100.0%	38 826 378	38 826 378
Compensation of employees	27 116 696	1	•	27 116 696	30 011 960	(2 895 264)	110.7%	27 897 971	28 040 854
Salaries and wages	24 459 460	•	(112 939)	24 346 521	26 758 950	(2 412 429)	109.9%	24 865 543	25 008 426
Social contributions	2 657 236	•	112 939	2 770 175	3 253 010	(482 835)	117.4%	3 032 428	3 032 428
Goods and services	12 148 836	•	1 120 199	13 269 035	10 370 806	2 898 229	78.2%	10 928 407	10 785 524
Administrative fees	13 554	•	8 539	22 093	22 093	•	100.0%	11 690	11 690
Advertising	80 237	•	(10275)	69 962	69 962	•	100.0%	666 92	666 92
Minor assets	150 159	1	(84 048)	66 111	52 687	13 424	%2'62	65 968	896 29
Audit costs: External	70 570	1	(12773)	57 797	257 797	1	100.0%	61 607	61 607
Catering: Departmental activities	30 256	1	(4 037)	26 219	26 219	1	100.0%	26 661	26 661
Communication (G&S)	101 780	1	(14 197)	87 583	87 583	1	100.0%	92 730	92 730
Computer services	929 561	•	(166 004)	763 557	623 897	139 660	81.7%	917 707	917 707
Consultants: Business and advisory services	236 697	ı	(159897)	76 800	76 800	ı	100.0%	81 412	81 412
Infrastructure and planning services	43 356	1	(12 206)	31 150	31 150	1	100.0%	24 906	24 906
Laboratory services	28 109	ı	17 736	45 845	45 845	1	100.0%	52 904	52 904
Scientific and technological services	71 085	1	(2 348)	68 737	182 89	1	100.0%	90 486	90 486
Legal services	31 957	ı	(6 001)	25 956	25 956	1	100.0%	21 340	21 340
Contractors	2 212 361	1	1 565 144	3 777 505	1 714 948	2 062 557	45.4%	2 084 666	2 022 429
Agency and support / outsourced services	592 212	1	301 407	893 619	840 325	53 294	94.0%	856 459	856 459
Entertainment	2 840	1	(226)	2 614	2 614	1	100.0%	3 742	3 742
Fleet services (including government motor transport)	141 649	ı	7 832	149 481	58 861	90 620	39.4%	72 827	72 827
Inventory: Clothing material and accessories	217 706	•	(44253)	173 453	113 445	800 09	65.4%	175 046	94 400
Inventory: Farming supplies	8 549	•	(3 632)	4 917	4 917	•	100.0%	4 7 5 4	4 7 5 4
Inventory: Food and food supplies	1 002 942	•	185 989	1 188 931	1 188 931	•	100.0%	1 034 662	1 034 662
Inventory: Fuel, oil and gas	669 136	•	(183 527)	485 609	485 609	•	100.0%	530 510	530 510
Inventory: Materials and supplies	102 065	•	(17 241)	84 824	75 381	9 443	88.9%	69 928	69 928

APPROPRIATION STATEMENT

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			2018/19					2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Medical supplies	111 416	1	(25 767)	85 649	85 649	1	100.0%	64 366	64 366
Inventory: Medicine	196 591	1	51 195	247 786	247 786	1	100.0%	245 059	245 059
Inventory: Other supplies	265 763	1	(78510)	187 253	126 208	61 045	67.4%	96 956	98 926
Consumable supplies	144 783	•	(7 141)	137 642	137 642	1	100.0%	142 345	142 345
Consumable: Stationery, printing and office supplies	80 796	•	(26 308)	54 488	47 781	6 707	87.7%	49 997	49 997
Operating leases	1 563 567	•	72 671	1 636 238	1 588 966	47 272	97.1%	1 759 096	1 759 096
Property payments	1 398 627	•	(290556)	1 108 071	843 041	265 030	76.1%	655 990	655 990
Travel and subsistence	925 826	•	147 999	1 073 825	1 054 872	18 953	98.2%	1 062 716	1 062 716
Training and development	309 159	•	(109593)	199 566	178 804	20 762	89.6%	196 508	196 508
Operating payments	398 264	•	21 321	419 585	370 131	49 424	88.2%	278 785	278 785
Venues and facilities	16 880	•	(4 866)	12 014	12 014	1	100.0%	11 923	11 923
Rental and hiring	383	•	3 772	4 155	4 155	•	100.0%	4 692	4 692
Interest and rent on land	1	İ	Ì	'	1	ı	•	•	•
Transfers and subsidies	8 160 861	•	(1 504 656)	6 656 205	6 655 008	1 197	100.0%	8 508 687	8 507 422
Provinces and municipalities	1 542	•	(1 407)	135	135	•	100.0%	194	194
Municipalities	1 542	•	(1 407)	135	135	•	100.0%	194	194
Municipal bank accounts	1 542	•	(1 413)	129	129	•	100.0%	194	194
Municipal agencies and funds	ı	ı	9	9	9	Ī	100.0%	1	1
Departmental agencies and accounts	6 557 851	•	(1 634 082)	4 923 769	4 923 769	•	100.0%	7 000 753	889 666 9
Departmental agencies (non-business entities)	6 557 851	•	(1634082)	4 923 769	4 923 769	•	100.0%	7 000 753	889 666 9
Higher education institutions	'	•	•	'	ı	•	'	1	•
Foreign governments and international organisations	1	1	1	'	ı	1	1	1	ı
Public corporations and private enterprises	1 422 725	1	831	1 423 556	1 423 359	197	100.0%	1 298 517	1 298 517
Public corporations	1 414 495	•	632	1 415 127	1 415 127	•	100.0%	1 298 492	1 298 492
Subsidies on products and production (pc)	1 414 495	•		1 414 495	1 414 495	•	100.0%	1 296 901	1 296 901

9 646

9 646

100.0%

48 977 232

48 999 560

100.0%

4 162

105 781

105 781

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

254 453 614 850 614 850 207 560 11 358 8 230 298 672 168 770 129 902 573 231 365 671 48 492 073 Expenditure 1 442 941 Actual R'000 Appropriation 169 419 299 672 130 253 614 850 573 231 207 560 254 453 11 358 614 850 48 496 235 1442941 Final R'000 (2731)130 253 632 199 199 (251)130 253 373 099 85 156 85 156 258 428 269 66 31 866 2018/19 Virement R'000 Shifting of Funds R'000 169 419 169 419 529 694 314 803 107 863 9 324 529 694 206 940 222 587 48 496 235 Appropriation 069842 Adjusted R'000 Subsidies on products and production (pe) Other transfers to public corporations Other transfers to private enterprises Appropriation per economic classification Software and other intangible assets Buildings and other fixed structures Other machinery and equipment Other transfers to households Specialised military assets Machinery and equipment Land and sub-soil assets Payments for capital assets Payment for financial assets Transport equipment Private enterprises Non-profit institutions Social benefits Biological assets Heritage assets Households Buildings Total

200 322

99.7% 99.6% 100.0% 100.0% 100.0% 100.0%

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649

351

8 901 200 322 186 109

1 591

1 591

197

197

R'000

R'000

R'000

Actual Expenditure

Appropriation

as % of final

Expenditure

Variance

appropriation

Final

2017/18

697 262

697 262 697 262 851 726

633 786

654 849

14 213

426 242

426 242

%0.001

%0.001

404 421

425 484

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Programme 1: Administration

			2018/10					2047/48	28
	Adjusted	Shifting of Funds	Virement	Final	Actual	Variance	Expenditure as % of final	Final	Actual Expenditure
							appropriation		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Ministry	125 567	1	80	125 575	125 575	•	100.0%	130 132	130 132
2. Departmental Direction	43 229	1	(1 592)	41 637	41 637	•	100.0%	41 237	41 237
3. Policy and Planning	114 876	1	(8 073)	106 803	106 803	•	100.0%	108 385	108 385
4. Financial Services	369 395	1	28 332	397 727	397 727	•	100.0%	371 441	371 441
5. Human Resources Support Services	800 323	1	50 711	851 034	851 034	•	100.0%	822 264	821 199
6. Legal Services	318 122	1	(3 677)	314 445	314 445	•	100.0%	303 934	303 934
7. Inspection and Audit Services	138 764	1	(15054)	123 710	123 710	•	100.0%	123 877	123 877
8. Acquisition Services	173 409	1	33 529	206 938	206 938	•	100.0%	152 026	152 026
9. Communication Services	116 481	1	(8 984)	107 497	107 497	•	100.0%	116 325	116 325
10. South African National Defence Force	165 047	•	1 220	166 267	166 267	1	100.0%	153 257	153 257
Command and Control			(72)	0.00	14 040		400.00	40.007	10.004
ii. Religious services		1	(67)	14 949	949	•	0.001	/07 61	19 201
12. Defence Reserve Direction	29 367	i	(189)	29 178	29 178	•	100.0%	26 461	26 461
13. Defence Foreign Relations	278 873	1	37 109	315 982	315 982	•	100.0%	264 961	264 961
14. Office Accommodation	2 337 712	1	(73793)	2 263 919	2 263 919	1	100.0%	2 250 862	2 250 862
15. Military Veterans Management	627 087	•	•	627 087	627 087	•	100.0%	622 111	622 111
Total	5 653 274	•	39 474	5 692 748	5 692 748	•	100.0%	5 506 480	5 505 415
Economic Classification									
Current payments	4 921 134	•	(13 503)	4 907 631	4 907 631	•	100.0%	4 742 214	4 742 214
Compensation of employees	1 891 455	1	•	1 891 455	2 053 704	(162249)	108.6%	1 883 801	1 883 801
Salaries and wages	1 701 445	1	(10 089)	1 691 356	1 799 218	(107862)	106.4%	1 663 324	1 663 324

APPROPRIATION STATEMENT

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			2018/19					2017/18	118
	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
Social contributions	190 010	•	10 089	200 099	254 486	(54 387)	127.2%	220 477	220 477
Goods and services	3 029 679	•	(13503)	3 016 176	2 853 927	162 249	94.6%	2 858 413	2 858 413
Administrative fees	536	•	7 575	8 111	8 111	•	100.0%	189	189
Advertising	75 990	•	(9510)	66 480	66 480	•	100.0%	73 948	73 948
Minor assets	10 344	•	(2273)	8 071	3 082	4 989	38.2%	4 950	4 950
Audit costs: External	1 744	1	(1744)	,	1	•	1	•	'
Catering: Departmental activities	5 526	1	(1 500)	4 026	4 026	1	100.0%	3 836	3 836
Communication (G&S)	13 098	1	6 391	19 489	19 489	•	100.0%	17 237	17 237
Computer services	75 482	1	32 060	107 542	62 518	45 024	58.1%	73 478	73 478
Consultants: Business and advisory services	70 133	1	5 643	75 776	75 776	1	100.0%	64 929	64 929
Scientific and technological services	5 447	1	(2614)	2 833	2 833	1	100.0%	2 649	2 649
Legal services	1	1	9	9	9	•	100.0%	က	က
Contractors	15 862	1	30 192	46 054	969 8	37 358	18.9%	8 948	8 948
Agency and support / outsourced services	6 078	ı	3 256	9 334	9 334	1	100.0%	16 288	16 288
Entertainment	2 0 1 5	1	475	2 490	2 490	1	100.0%	3 600	3 600
Fleet services (including government motor transport)	2 572	ı	(1 038)	1 534	1 534	1	100.0%	1 552	1 552
Inventory. Clothing material and accessories	2 884	•	(2565)	319	319	ı	100.0%	2 993	2 993
Inventory: Food and food supplies	13 124	1	(2 944)	10 180	10 180	1	100.0%	10 203	10 203
Inventory: Fuel, oil and gas	12 464	1	2 769	15 233	15 233	1	100.0%	14 182	14 182
Inventory: Materials and supplies	1 249	1	(394)	855	855	•	100.0%	1 106	1 106
Inventory: Medical supplies	E	ı	(11)	ı	ı	1	1	7	7
Inventory: Other supplies	1	1	2	2	2	1	100.0%	1	'
Consumable supplies	15 410	1	202	15 915	15 915	1	100.0%	15 895	15 895
Consumable: Stationery, printing and office	17 663	•	(3836)	13 827	7 120	6 707	51.5%	7 704	7 704
salddns									
Operating leases	1 483 401		137 739	1 621 140	1 573 868	47 272	97.1%	1 743 645	1 743 645

APPROPRIATION STATEMENT

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Adjusted Appropriation Funds Final Appropriation Funds Actual Appropriation Funds Rependiture as % of final appropriation funds R 7000 R 70				2018/19					2017/18	18
R'000 R'000 <th< th=""><th></th><th>Adjusted Appropriation</th><th>Shifting of Funds</th><th>Virement</th><th>Final Appropriation</th><th>Actual Expenditure</th><th>Variance</th><th>Expenditure as % of final appropriation</th><th>Final Appropriation</th><th>Actual Expenditure</th></th<>		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
e 135 167 - (221 053) 755 474 736 641 18 833 eet enterprises entities 136 1773 146 940 144 874 2 066 eet enterprises entities 137 173 146 940 144 874 2 066 eet enterprises 137 1773 146 940 144 874 2 066 eet enterprises 137 177		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
e 135 167	Property payments	976 527	•	(221 053)	755 474	736 641	18 833	97.5%	551 538	551 538
rent 39 521 - (315) 39 206 - 2006 - - 42 184 - - 41 769 - <t< td=""><td>Travel and subsistence</td><td>135 167</td><td>•</td><td>11 773</td><td>146 940</td><td>144 874</td><td>2 066</td><td>%9:86</td><td>150 570</td><td>150 570</td></t<>	Travel and subsistence	135 167	•	11 773	146 940	144 874	2 066	%9:86	150 570	150 570
42 184 - (415) 41769 41769 - - - 42027 2858 2858 -	Training and development	39 521	•	(315)	39 206	39 206	•	100.0%	38 267	38 567
4 885 - (2 027) 2 858 2 858 - 858 - 674 596	Operating payments	42 184	•	(415)	41 769	41 769	•	100.0%	46 764	46 764
362 350 712 712 712 712 712 713 713 714 715	Venues and facilities	4 885	•	(2 027)	2 858	2 858	•	100.0%	2 899	2 899
tites 674 596	Rental and hiring	362	•	350	712	712	•	100.0%	733	733
fires 674 596 - 15 853 690 449 690 449 -	Interest and rent on land	1	1	,	1	1	1	1	1	1
titles 41 - 3 44 44 44 - - 44 44 - - - - 44 44 -	Transfers and subsidies	674 596	•	15 853	690 449	690 449	•	100.0%	687 181	686 116
ounts 41 - 3 44 44 44 - - 41 - 44 44 - - 6 6 6 6 - - 6 6 6 - - - 6 6 6 - - - 6 6 6 - - - 6 6 6 - - - 6 6 - <t< td=""><td>Provinces and municipalities</td><td>41</td><td>1</td><td>က</td><td>44</td><td>44</td><td>1</td><td>100.0%</td><td>47</td><td>47</td></t<>	Provinces and municipalities	41	1	က	44	44	1	100.0%	47	47
ounts 41 - (3) 38 38 - - 6 6 - 6 - 6 - 6 - 6 - - 6 - - 6 - - 6 - - - - 6 -	Municipalities	41	1	က	44	44	1	100.0%	47	47
and funds bunds bunds bund accounts 649 059	Municipal bank accounts	41	1	(3)	38	38	1	100.0%	47	47
Indicaccounts 649 059 - 4 021 653 080 653 080 - s (non-business entities) 649 059 - 4 021 653 080 - ons - - - - - ons - - - - d international - - - - orivate enterprises - - - - - ublic corporations 8 326 - - - - - ublic corporations 8 326 - - - - - 17 170 - - - - - - seholds - - - - - - structures - - - - - - a sebolds - - - - - - a sebolds - - - - - -	Municipal agencies and funds	1	•	9	9	9	•	100.0%	1	'
s (non-business entities) 649 059 - 4 021 653 080 653 080 - ons	Departmental agencies and accounts	649 029	1	4 021	653 080	653 080	1	100.0%	650 183	649 118
ons d international	Departmental agencies (non-business entities)	649 029	•	4 021	653 080	653 080	•	100.0%	650 183	649 118
d international	Higher education institutions	1	1	•	1	1	1	1	1	1
onivate enterprises	Foreign governments and international	1	1	•	•	•	•	•	•	•
bublic corporations 8 326 8 326 8 326	organisations									
bublic corporations	Public corporations and private enterprises	•	1	1	•	•	1	•	23	23
bublic corporations 8 326 8 326 8 326 17 170 - 11 431 28 601 28 699 398 398 398 374 374 374	Public corporations	•	•	1	'	•	ı	•	23	23
8 326	Other transfers to public corporations	1	1	•	•	•	1	1	23	23
seholds - 17 170 - 11 829 28 999 28 999 - 17 170 - 11 431 28 601 28 601 - 1	Non-profit institutions	8 326	1	1	8 326	8 326	ı	100.0%	7 929	7 929
seholds - 17 170 - 11 431 28 601 28 601 - 1	Households	17 170	1	11 829	28 999	28 999	ı	100.0%	28 999	28 999
seholds - 398 398 398 - 57 544 - 33 002 90 546 90 546 - 57 544 - 374 - 374 - 57 548	Social benefits	17 170	1	11 431	28 601	28 601	ı	100.0%	26 670	26 670
57 544 - 33 002 90 546 90 546 - structures - 374 374	Other transfers to households	'	1	398	398	398	ı	100.0%	2 329	2 329
374 374 -	Payments for capital assets	57 544	•	33 002	90 546	90 546	•	100.0%	76 711	76 711
	Buildings and other fixed structures	'	1	374	374	374	1	100.0%	344	344
Buildings 374 374 - 100.0%	Buildings	•	•	374	374	374	•	100.0%	344	344

APPROPRIATION STATEMENT

for the year ended 31 March 2019

			2018/19					2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	17 496	'	14 977	32 473	32 473	'	100.0%	49 324	49 324
Transport equipment	6 209	ı	2 537	8 746	8 746	•	100.0%	27 516	27 516
Other machinery and equipment	11 287	•	12 440	23 727	23 727	•	100.0%	21 808	21 808
Heritage assets	1	1	1	1	1	•	1	1	1
Specialised military assets	1	•	•	1	1	•	•	ı	1
Biological assets	'	'	1	1	1	•	1	ı	1
Land and sub-soil assets	'	1	1	1	1	'	1	1	'
Software and other intangible assets	40 048	•	17 651	69 29	669 29	•	100.0%	27 043	27 043
Payment for financial assets	-	-	4 122	4 122	4 122	•	100.0%	374	374
Total	5 653 274	•	39 474	5 692 748	5 692 748	•	100.0%	5 506 480	5 505 415

224

Programme 1: Administration

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.1: Ministry

	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	124 581	•	150	124 731	124 731	•	100.0%	124 567	124 567
Compensation of employees	40 456	•	(641)	39 815	39 815	•	100.0%	42 034	42 034
Goods and services	84 125	•	791	84 916	84 916	•	100.0%	82 533	82 533
Interest and rent on land	1	•	•	•	•	•	•	1	•
Transfers and subsidies	22	•	175	197	197	•	100.0%	116	116
Provinces and municipalities	22	•	(10)	12	12	•	100.0%	16	16
Departmental agencies and accounts	1	1	1	1	1	1	'	1	'
Higher education institutions	1	•	•	•	•	1	•	•	•
Foreign governments and international	•	•	•	•	•	•	•	1	•
organisations									
Public corporations and private enterprises	1	•	•	1	1	•	'	1	1
Non-profit institutions	1	1	•	•	1	•	•	ı	
Households	1	1	185	185	185	•	100.0%	100	100
Payments for capital assets	964	•	(711)	253	253	•	100.0%	5 405	5 405
Buildings and other fixed structures	1	1	•	1	1	•	1	ı	,
Machinery and equipment	964	•	(711)	253	253	•	100.0%	5 405	5 405
Heritage assets	1	'	'	1	1	'	'	•	'
Specialised military assets	1	'	•	1	1	•	1	•	'
Biological assets	1	1	•	1	1	•	ı	•	'
Land and sub-soil assets	1	'	•	1	1	1	1	•	'
Software and other intangible assets	1	'	'	1	1	'	'	'	'
Payment for financial assets	-	•	394	394	394	-	100.0%	44	44
Total	125 567	•	8	125 575	125 575	•	100.0%	130 132	130 132

APPROPRIATION STATEMENT

				2018/10				2017/18	/48
	-			50107			1		
	Adjusted Appropriation	Shiffing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	42 408	•	(1 537)	40 871	40 871	•	100.0%	39 460	39 460
Compensation of employees	35 935	•	(2 838)	33 097	33 097	•	100.0%		28 597
Goods and services	6 473	'	1301	7 774	7 774	•	. 100.0%		
Interest and rent on land	1	1	•	•	•	•	· -	'	1
Transfers and subsidies	49	•	(42)	7	7	•	100.0%	970	970
Provinces and municipalities	9	1	(3)	n	က	•	100.0%	2	5
Departmental agencies and accounts	1	1	•	1	ı	•	<u>'</u>	'	ı
Higher education institutions	1	•	•	•	•	•		'	1
Foreign governments and international	ı	1	•	•	1	'		'	1
organisations									
Public corporations and private enterprises	•	1	1	'	1	•	<u>'</u>	'	1
Non-profit institutions	'	•	•	'	•	•		'	'
Households	43	1	(33)	4	4	•	100.0%	962	965
Payments for capital assets	772	•	(139)	633	633	•	100.0%	807	807
Buildings and other fixed structures	1	1	•	· 	1	'	<u>'</u>	'	'
Machinery and equipment	772	1	(139)	633	633	•	100.0%	807	807
Heritage assets	1	•	•	'	•	•		'	'
Specialised military assets	1	1	•	'	'	•	<u>'</u>	'	'
Biological assets	1	1	•	'	•	•		'	'
Land and sub-soil assets	1	'	•	'	•	•	<u>'</u>	'	'
Software and other intangible assets	•	1	•	'	1	•		'	1
Payment for financial assets	•	•	126	126	126	•	100.0%	•	•
Total	43 229	٠	(1 592)	41 637	41 637	ľ	100.0%	41 237	41 237

APPROPRIATION STATEMENT

Subprogramme: 1.3: Policy and Planning	,	•							
				2018/19				2017/18	118
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	113 007	•	(7 2 17)	105 790	105 790	•	100.0%	104 299	104 299
Compensation of employees	86 304	1	1 291	87 595	87 595	•	100.0%	84 841	84 841
Goods and services	26 703	•	(8 208)	18 195	18 195	•	100.0%	19 458	19 458
Interest and rent on land	1	1	•	•	1	•	1	,	•
Transfers and subsidies	295	•	(393)	169	169	•	100.0%	2 146	2 146
Provinces and municipalities	•	1	9	9	9	•	100.0%	9	9
Departmental agencies and accounts	•	1	•	•	1	•	'	'	1
Higher education institutions	1	1	•	1	1	•	'	1	1
Foreign governments and international	•	1	•	1	1	•	1	'	•
organisations									
Public corporations and private enterprises	1	1	1	•	1	'	1	1	1
Non-profit institutions	•	1	•	•	1	•	'	'	1
Households	295	1	(338)	163	163	•	100.0%	2 140	2 140
Payments for capital assets	1 307	•	(463)	844	844	•	100.0%	1 940	1 940
Buildings and other fixed structures	1	1	•	ı	1	•	1	1	ı
Machinery and equipment	1 307	1	(463)	844	844	•	100.0%	1 940	1 940
Heritage assets	1	1	•	1	1	•	1	1	1
Specialised military assets	1	1	•	1	1	•	1	•	•
Biological assets	•	•	•	1	•	•	•	'	1
Land and sub-soil assets	1	1	•	ı	1	•	1	1	ı
Software and other intangible assets	•	1	1	1	1	'	1	1	1
Payment for financial assets	•	•	•	•	•	•	•	•	•
Total	114 876	•	(8 073)	106 803	106 803		100.0%	108 385	108 385

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.4: Financial Services

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	364 473	•	9 493	373 966	373 966	•	100.0%	357 044	357 044
Compensation of employees	313 953	1	2 019	315 972	342 300	(26 328)	108.3%	313 216	313 216
Goods and services	50 520	1	7 474	57 994	31 666	26 328	24.6%	43 828	43 828
Interest and rent on land	1	1	•	1	ı	•	•	1	1
Transfers and subsidies	2 186	•	4 734	6 920	6 920	•	100.0%	3 023	3 023
Provinces and municipalities	'	1	•	1	ı	•	•	1	1
Departmental agencies and accounts	'	'	'	•	ı	,	•	'	1
Higher education institutions	1	1	1	1	ı	'	1	1	1
Foreign governments and international	i	•	•	•	•	•	•	1	•
organisations									
Public corporations and private enterprises	1	•	1	1	1	•	1	1	1
Non-profit institutions	ı	1	1	1	Ī	,	1	1	1
Households	2 186	1	4 734	6 920	6 920	1	100.0%	3 023	3 023
Payments for capital assets	2 736	•	10 821	13 557	13 557	•	100.0%	11 061	11 061
Buildings and other fixed structures	1	1	89	89	89	1	100.0%	'	1
Machinery and equipment	2 736	1	10 753	13 489	13 489	1	100.0%	11 061	11 061
Heritage assets	1	1	ı	1	ı	1	•	1	1
Specialised military assets	ı	1	ı	ı	Ī	1	1	1	1
Biological assets	•	1	1	1	Ī	1	1	1	1
Land and sub-soil assets	ı	1	ı	,	ı	,	1	1	1
Software and other intangible assets	'	'	'	•	ı	'	•	1	1
Payment for financial assets	•	•	3 284	3 284	3 284	•	100.0%	313	313
Total	369 395	•	28 332	397 727	397 727	•	100.0%	371 441	371 441

APPROPRIATION STATEMENT

Subprogramme: 1.5: Human Resources Support Services

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	765 136	•	41 755	806 891	806 891	•	100.0%	773 675	773 675
Compensation of employees	613 334	1	3 041	616 375	671 277	(54 902)	108.9%	630 755	630 755
Goods and services	151 802	•	38 714	190 516	135 614	54 902	71.2%	142 920	142 920
Interest and rent on land	1	1	'	•	•	1	•	•	•
Transfers and subsidies	31 556	•	5 945	37 501	37 501	•	100.0%	38 393	37 328
Provinces and municipalities	1	1	_	_	_	•	100.0%	ဂ	ന
Departmental agencies and accounts	21 971	ı	4 022	25 993	25 993	•	100.0%	28 071	27 006
Higher education institutions	1	1	'	•	1	1	•	ı	•
Foreign governments and international organisations	•	•	1	1	•	•	•	•	•
Public corporations and private enterprises	ı	•	'	•	'	•	'	23	23
Non-profit institutions	1	1	•	•	•	•	•	•	1
Households	9 585	•	1 922	11 507	11 507	•	100.0%	10 296	10 296
Payments for capital assets	3 631	•	2 990	6 621	6 621	•	100.0%	10 196	10 196
Buildings and other fixed structures	1	1	'	•	•	•	•	•	1
Machinery and equipment	3 631	1	2 990	6 621	6 621	•	100.0%	10 188	10 188
Heritage assets	1	1	'	'	'	•	•	•	•
Specialised military assets	1	1	•	'	1	•	1	•	•
Biological assets	1	1	1	1	1	•	1	1	'
Land and sub-soil assets	1	ı	1	'	1	•	1	1	'
Software and other intangible assets	1	1	1	'	1	1	•	∞	∞
Payment for financial assets	-	•	21	21	21		100.0%	-	•
Total	800 323	•	50 711	851 034	851 034	•	100.0%	822 264	821 199

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.6: Legal Services

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	316 606	•	(10 802)	305 804	305 804	•	100.0%	298 578	298 578
Compensation of employees	273 949	•	(633)	273 316	273 316	•	100.0%	267 530	267 530
Goods and services	42 657	•	(10 169)	32 488	32 488	•	100.0%	31 048	31 048
Interest and rent on land	•	1	•	'	ı	1	'	•	1
Transfers and subsidies	888	•	4 565	5 453	5 453	•	100.0%	3 221	3 221
Provinces and municipalities	ന	•	7	10	10	•	100.0%	7	7
Departmental agencies and accounts	_	1	•	'	•	1		_	_
Higher education institutions	1	1	•	'	1	1	'	•	1
Foreign governments and international	1	•	•	1	•	•		1	1
organisations									
Public corporations and private enterprises	1	1	•	'	1	1	•	1	1
Non-profit institutions	1	ı	1	1	•	1	1	,	1
Households	884	1	4 559	5 443	5 443	1	100.0%	3 2 1 3	3 2 1 3
Payments for capital assets	628	•	2 293	2 921	2 921	•	100.0%	2 129	2 129
Buildings and other fixed structures	'	'	149	149	149	1	100.0%	344	344
Machinery and equipment	628	1	2 107	2 735	2 735	1	100.0%	1 785	1 785
Heritage assets	1	ı	•	'	•	1	1	•	1
Specialised military assets	1	1	•	'	1	1		1	1
Biological assets	ı	1	•	'	1	1		1	1
Land and sub-soil assets	1	ı	1	1	•	1	1	'	1
Software and other intangible assets	•	1	37	37	37	1	100.0%	·	1
Payment for financial assets	•	•	267	267	267	•	100.0%	9	9
Total	318 122	•	(3 677)	314 445	314 445	•	100.0%	303 934	303 934

APPROPRIATION STATEMENT

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				2018/19				2017/18	48
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
Economic classification	R,000	R'000	R'000	R'000	R,000	R,000	appropriation %	R'000	R'000
Current payments	137 340	•	(15 789)	121 551	121 551	•	100.0%	115 779	115 779
Compensation of employees	116 122	•	(5 766)	110 356	110 356	•	100.0%	102 954	102 954
Goods and services	21 218	'	(10 023)	11 195	11 195	•	100.0%	12 825	12 825
Interest and rent on land	1	•		1	1	•		•	•
Transfers and subsidies	1 032	•	(728)	304	304	•	100.0%	2 169	2 169
Provinces and municipalities	2	•	2	4	4	•	100.0%	4	4
Departmental agencies and accounts	1	1	•	'	1	1	1	1	1
Higher education institutions	ı	•	•	•	•	•	•	1	•
Foreign governments and international	1	•	•	•	•	•	•	•	•
organisations									
Public corporations and private enterprises	1	1	1	'	1	1	1	1	1
Non-profit institutions	1	1	1	'	1	'	'	1	'
Households	1 030	•	(730)	300	300	•	100.0%	2 165	2 165
Payments for capital assets	392	•	1 461	1 853	1 853	•	100.0%	5 929	5 929
Buildings and other fixed structures	1	1	•	'	1	1	1	1	1
Machinery and equipment	344	1	1 509	1 853	1 853	1	100.0%	5 894	5 894
Heritage assets	•	1	•	' 	'	1	'	1	'
Specialised military assets	•	1	•		'	1	1	1	'
Biological assets	•	1	1	'	1	'	1	1	'
Land and sub-soil assets	•	1	•	'	'	'	'	1	'
Software and other intangible assets	48	1	(48)	'	1	1	1	35	35
Payment for financial assets	•	•	2	2	2	•	100.0%	•	•
Total	138 764	•	(15 054)	123 710	123 710		100.0%	123 877	123 877

152 026

152 026

100.0%

27 000

27 000

100.0%

100.0% **100.0%**

564

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

	- 1																								
		Actual Expenditure	R'000	146 704	61 105	85 599	1	2 139	'	1	1	1	•	1	2 139	58 095	'	433	'	'	•	•	29 22	•	206 938
	2018/19	Final Appropriation	R'000	146 704	61 105	85 599	1	2 139	1	1	•	1	•	1	2 139	58 095	1	433	1	1	1	•	57 662	-	206 938
		Virement	R'000	13 847	226	12 870	•	1 828	1	1	•	ı	•	•	1 828	17 854	1	192	1	1	1	•	17 662	•	33 529
		Shifting of Funds	R'000	•	1	1	1	•	1	ı	1	1	•	1	1	•	1	ı	1	1	1	'	1	•	•
,		Adjusted Appropriation	R'000	132 857	60 128	72 729	•	311	'	1	•	ı	•	•	311	40 241	'	241	'	'	'	•	40 000	•	173 409
Subprogramme: 1.8: Acquisition Services			Economic classification	Current payments	Compensation of employees	Goods and services	Interest and rent on land	Transfers and subsidies	Provinces and municipalities	Departmental agencies and accounts	Higher education institutions	Foreign governments and international organisations	Public corporations and private enterprises	Non-profit institutions	Households	Payments for capital assets	Buildings and other fixed structures	Machinery and equipment	Heritage assets	Specialised military assets	Biological assets	Land and sub-soil assets	Software and other intangible assets	Payment for financial assets	Total

122 897 57 254 65 643

122 897 57 254 65 643

100.0% 100.0% 100.0%

R'000

R'000

R'000

Expenditure Actual

Appropriation

Expenditure as % of final

Variance

appropriation

2017/18

1 565

1 565

100.0%

R'000

Expenditure Actual

2017/18

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.9: Communication Services

Appropriation 111 299 83 232 5 010 28 067 5 010 116 325 R'000 as % of final 100.0% 100.0% 100.0% 100.0% 100.0% appropriation 100.0% Expenditure Variance R'000 105 595 31 739 73 856 901 1 901 Expenditure 107 497 Actual R'000 Appropriation 105 595 31 739 73 856 901 1 901 107 497 2018/19 R'000 Final (8984)(9862)3 428 (13290)Virement R'000 Shifting of Funds R'000 87 146 1024 115 457 28 311 Appropriation 116 481 Adjusted R'000 Public corporations and private enterprises Foreign governments and international Departmental agencies and accounts Software and other intangible assets Buildings and other fixed structures Compensation of employees Provinces and municipalities Higher education institutions Specialised military assets Machinery and equipment Land and sub-soil assets Payment for financial assets Payments for capital assets Interest and rent on land Economic classification Non-profit institutions Transfers and subsidies Goods and services Biological assets Heritage assets **Current payments** organisations Households Total

5 010

5 010

116 325

APPROPRIATION STATEMENT

Subprogramme: 1.10: South African National Defence Force Command and Control

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	162 283	•	1 833	164 116	164 116	•	100.0%	150 430	150 430
Compensation of employees	142 175	•	(1 420)	140 755	140 755	•	100.0%	130 235	130 235
Goods and services	20 108	•	3 253	23 361	23 361	•	100.0%	20 195	20 195
Interest and rent on land	'	•	•	1	1	•	1	1	1
Transfers and subsidies	386	•	31	417	417	•	100.0%	759	759
Provinces and municipalities	80	•	(1)	7	7	•	100.0%	9	9
Departmental agencies and accounts	'	'	1	1	•	1	1	1	'
Higher education institutions	'	'	•	1	1	•	1	1	'
Foreign governments and international	'	•	•	•	•	•	1	•	•
Public corporations and private enterprises	1	•	•		•	•	•	'	•
Non-profit institutions	•	•	•	•	ı	•	•	•	1
Households	378	•	32	410	410	•	100.0%	753	753
Payments for capital assets	2 378	•	(657)	1 721	1 721	•	100.0%	2 068	2 068
Buildings and other fixed structures	•	ı	157	157	157	•	100.0%	1	1
Machinery and equipment	2 378	'	(814)	1 564	1 564	•	100.0%	2 068	2 068
Heritage assets	'	1	•	1	•	•	1	1	1
Specialised military assets	1	•	•	1	ı	•	1	1	ı
Biological assets	1	ı	•	1	ı	•	•	•	1
Land and sub-soil assets	'	1	•	1	1	1	•	•	1
Software and other intangible assets	1	•	•	1	ı	•	•	•	1
Payment for financial assets	•	•	13	13	13		100.0%	-	•
Total	165 047	•	1 220	166 267	166 267	•	100.0%	153 257	153 257

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.11: Religious Services

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14 493	•	(260)	14 233	14 233		100.0%	16 574	16 574
Compensation of employees	11 702	1	(462)	11 240	11 240	•	100.0%	13 935	13 935
Goods and services	2 791	1	202	2 993	2 993	•	100.0%	2 639	2 639
Interest and rent on land	•	1	•	•	•	•	1	•	•
Transfers and subsidies	478	•	110	588	588	•	100.0%	2 570	2 570
Provinces and municipalities	1	1	•	'	1	•	'	1	•
Departmental agencies and accounts	1	ı	•	'	1	•	'	1	•
Higher education institutions	1	1	•	'	1	•	'	1	•
Foreign governments and international	•	1	1	•	1	'	,	,	•
Organisations and private enterprises	•	ı	•	•	,	•		ı	•
Non-profit institutions	'	•	•	'	'	•	,	,	•
Households	478	•	110	588	588	•	100.0%	2 570	2 570
Payments for capital assets	51	•	64	115	115	•	100.0%	63	63
Buildings and other fixed structures	•	1	•	•	•	'	1	1	•
Machinery and equipment	51	1	64	115	115	'	100.0%	63	63
Heritage assets	1	1	•	'	1	•	'	1	•
Specialised military assets	1	1	•	1	1	•	' 	ı	•
Biological assets	'	1	•	'	1	•		1	
Land and sub-soil assets	1	1	•	'	1	•	'	1	•
Software and other intangible assets	'	1	'	'	1	1	'	1	•
Payment for financial assets	•	-	13	13	13	•	100.0%	•	
Total	15 022	•	(73)	14 949	14 949	•	100.0%	19 207	19 207

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.12: Defence Reserve Direction

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	20 897	•	(165)	20 732	20 732	•	100.0%	18 040	18 040
Compensation of employees	17 180	1	1 004	18 184	18 184	•	100.0%	15 572	15 572
Goods and services	3 717	ı	(1 169)	2 548	2 548	•	100.0%	2 468	2 468
Interest and rent on land	'	'	•	'	'	'	'	'	'
Transfers and subsidies	8 326	•	•	8 326	8 326	•	100.0%	8 284	8 284
Provinces and municipalities	'	1	•	'	1	1	'	'	'
Departmental agencies and accounts	1	1	•	'	1	•	'	'	1
Higher education institutions	1	1	•	'	1	•	'	'	'
Foreign governments and international	•	•	•	•	•	1	•	•	1
organisations									
Public corporations and private enterprises	•	1	1	'	•	1	'	'	•
Non-profit institutions	8 326	1	•	8 326	8 326	•	100.0%	7 929	7 929
Households	'	'	•	'	1	1	'	355	355
Payments for capital assets	144	•	(26)	118	118	•	100.0%	137	137
Buildings and other fixed structures	1	ı	•	Ī	1	•	1	'	•
Machinery and equipment	144	1	(26)	118	118	•	100.0%	137	137
Heritage assets	•	'	•	1	1	1	'	'	'
Specialised military assets	•	1	•	1	1	ı	1	'	•
Biological assets	•	ı	•	ı	1	•		'	•
Land and sub-soil assets	,	Ī	•	Ī	1	•	1	'	•
Software and other intangible assets	,	ı	•	ı	1	•	'	ı	•
Payment for financial assets	•	•	2	2	2	•	100.0%	•	•
Total	29 367	•	(189)	29 178	29 178	•	100.0%	26 461	26 461

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.13: Defence Foreign Relations

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	273 884	•	38 844	312 728	312 728		100.0%	258 721	258 721
Compensation of employees	151 906	•	•	151 906	232 925	(81 019)	153.3%	168 811	168 811
Goods and services	121 978	•	38 844	160 822	79 803	81 019	49.6%	89 910	89 910
Interest and rent on land	•	•	•	•	•	1	1	•	•
Transfers and subsidies	1 713	•	(373)	1 340	1 340	•	100.0%	1 838	1 838
Provinces and municipalities	•	•	•	1	·	•	1	1	1
Departmental agencies and accounts	'	'	•	•	'	1	1	1	'
Higher education institutions	ı	1	•	1	1	•	1	1	1
Foreign governments and international		1	•	•	1	1	•		•
Organisations and animote continuing									
Public corporations and private enterprises	ī	•	•	•	ī		1	•	•
ווסוו-טוס ווסווים ווסו	. 77.	•	(040)	. 64	. 020	1	- 00 001	1 000	, 000
anoleganoli	2 1	'	(6/6)	040	040	•	0.00.0	000 -	000 -
Payments for capital assets	3 276	•	(1 362)	1 914	1 914	•	100.0%	4 402	4 402
Buildings and other fixed structures	•	ı	•	•	1	i	•	•	1
Machinery and equipment	3 276	1	(1 362)	1 914	1 914	ı	100.0%	4 402	4 402
Heritage assets	ı	1	•	1	1	•	1	1	1
Specialised military assets	Ī	1	•	•	1	•	1	1	1
Biological assets	ı	1	•	1	1	•	1	1	1
Land and sub-soil assets	ı	1	ı	ı	ı	1	1	ı	ı
Software and other intangible assets	1	1	•	•	•	1	1	'	•
Payment for financial assets	•	•	•	•	•		-	-	-
Total	278 873	•	37 109	315 982	315 982	•	100.0%	264 961	264 961

2 250 862

2 250 862

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.14: Office Accommodation

2 250 851

2 250 851

R'000

R'000

Actual Expenditure

Appropriation

Final

2017/18

2 250 851

2 250 851

100.0% 100.0% 100.0% as % of final appropriation Expenditure Variance R'000 2 263 919 2 263 919 2 263 919 Expenditure Actual R'000 Appropriation 2 263 919 2 263 919 2 263 919 2018/19 Final R'000 (73793)(73793)(73793)Virement R'000 Shifting of Funds R'000 2 337 712 2 337 712 2 337 712 Appropriation Adjusted R'000 Public corporations and private enterprises Foreign governments and international Departmental agencies and accounts Software and other intangible assets Buildings and other fixed structures Compensation of employees Provinces and municipalities Higher education institutions Specialised military assets Machinery and equipment Land and sub-soil assets Payment for financial assets Payments for capital assets Interest and rent on land Economic classification Non-profit institutions **Transfers and subsidies** Goods and services Biological assets Heritage assets Current payments organisations Households Total

Actual Expenditure

Appropriation

Expenditure as % of final

Variance

appropriation

2017/18

R'000

R'000

R'000

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 1.15: Military Veterans Management						
				2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	1
Economic classification	R'000	R'000	R'000	R'000	R'000	1
Current payments	•	•	•	•	•	1
Compensation of employees	1	1	•	'	Ī	
Goods and services	1	1	1	'	I	
Interest and rent on land	1	1	'	'	ı	
Transfers and subsidies	627 087	•	•	627 087	627 087	
Provinces and municipalities	1	1	'	•	I	
Departmental agencies and accounts	627 087	ı	•	627 087	627 087	
Higher education institutions	1	1	1	1	I	
Foreign governments and international organisations	•	•	•	1	•	
Public corporations and private enterprises	1	•	•	•	ī	
Non-profit institutions	'	1	'	•	ı	
Households	•	1	'	•	ı	
Payments for capital assets	•	•	•	•	•	
Buildings and other fixed structures	1	1	1	1	ı	
Machinery and equipment	1	1	ı	1	ı	
Heritage assets	1	1	1	1	ı	
Specialised military assets	'	1	'	'	ı	
Biological assets	1	1	1	1	ı	
Land and sub-soil assets	'	1	'	'	ı	
Software and other intangible assets	1	1	1	1	ı	
Payment for financial assets	•	•	•	•	•	
Total	627 087	•		627 087	627 087	

622 111

622 111

100.0%

622 111

622 111

100.0%

622 111

622 111

100.0%

APPROPRIATION STATEMENT

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Employ
: Force
Programme 2

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Strategic Direction	175 459	ı	(16 101)	159 358	159 358	1	100.0%	157 353	157 353
2. Operational Direction	340 114	1	16 460	356 574	356 574	1	100.0%	360 890	360 890
3. Special Operations	844 312	ı	(10 031)	834 281	834 281	•	100.0%	848 340	848 340
4. Regional Security		1	(228 841)	852 212	852 212	1	100.0%	936 885	929 381
5. Support to the People	3 3 7 5 584	•	31 607	3 468 678	900 253		300.0% 100.0%	925 654	3 208 050
lotal		•	(200 300)	2 100 07 0	0 /0 001 6		100.070	771 677 C	5 ZUO 039
Economic classification									
Current payments	3 016 441	•	(161 751)	2 854 690	2 854 690	•	100.0%	2 784 796	2 784 796
Compensation of employees	1 909 079	1	•	1 909 079	2 093 119	(184 040)	109.6%	1 935 844	1 935 844
Salaries and wages	1 826 338	1	(19734)	1 806 604	1 990 644	(184 040)	110.2%	1 843 242	1 843 242
Social contributions	82 741	ı	19 734	102 475	102 475	•	100.0%	92 602	92 602
Goods and services	1 107 362	1	(161 751)	945 611	761 571	184 040	80.5%	848 952	848 952
Administrative fees	30	ı	18	48	48	1	100.0%	29	29
Advertising	633	ı	(307)	326	326	•	100.0%	262	262
Minor assets	25 060	İ	(5885)	19 175	10 740	8 435	%0.99	992 9	992 9
Catering: Departmental activities	3 255	İ	202	3 457	3 457	1	100.0%	4 178	4 178
Communication (G&S)	13 447	İ	281	13 728	13 728	1	100.0%	16 438	16 438
Computer services	11 030	Ī	(7 146)	3 884	3 884	•	100.0%	10 003	10 003
Consultants: Business and advisory services	455	ı	(455)	1	,	1	1	80	80
Infrastructure and planning services	1 354	İ	(552)	802	802	1	100.0%	218	829
Laboratory services	1	İ	898	898	898	1	100.0%	1	ı
Scientific and technological services	9 553	ı	1 265	10 818	10 818	1	100.0%	11 811	11 811
Contractors	357 024	Ī	(108 198)	248 826	115 397	133 429	46.4%	229 261	229 261
Agency and support / outsourced services	3 0 1 8	ı	45	3 063	3 063	1	100.0%	4 017	4 017
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APPROPRIATION STATEMENT

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	134	•	(120)	14	14	'	100.0%	11	1
Fleet services (including government motor	26 958	•	(5 623)	21 335	21 335	•	100.0%	23 842	23 842
transport)									
Inventory: Clothing material and accessories	10 275	1	(3 513)	6 762	6 762	1	100.0%	4 476	4 476
Inventory: Farming supplies	2 892	ı	(1350)	1 542	1 542	•	100.0%	671	671
Inventory: Food and food supplies	150 128	1	18 143	168 271	168 271	1	100.0%	168 410	168 410
Inventory: Fuel, oil and gas	53 721	1	(2 3 3 3 3)	48 331	48 331	ı	100.0%	49 283	49 283
Inventory: Materials and supplies	18 997	1	443	19 440	266 6	9 443	51.4%	33 840	33 840
Inventory: Medical supplies	1 667	1	(836)	831	831	ı	100.0%	353	353
Inventory: Medicine	2 046	1	(1 985)	61	61	ı	100.0%	417	417
Inventory: Other supplies	355	1	25	412	412	1	100.0%	553	223
Consumable supplies	20 549	1	1364	21 913	21 913	ı	100.0%	20 017	20 017
Consumable: Stationery, printing and office	6 397	•	(1 584)	4 813	4 813	•	100.0%	3 613	3 613
snibplies									
Operating leases	3 426	ı	(3 395)	31	31	1	100.0%	284	284
Property payments	32 479	1	(2 478)	27 001	10 259	16 742	38.0%	11 687	11 687
Travel and subsistence	182 556	ı	(15 482)	167 074	167 074	1	100.0%	208 789	208 789
Training and development	7 063	ı	893	7 956	956 /	•	100.0%	4 249	4 249
Operating payments	159 548	ı	(15 933)	143 615	127 624	15 991	88.9%	33 167	33 167
Venues and facilities	3 312	ı	(2 223)	1 089	1 089	1	100.0%	1 901	1 901
Rental and hiring	1	•	125	125	125	•	100.0%	ı	•
Interest and rent on land	1	ı	ı	ı	1	I	ı	ı	1
Transfers and subsidies	266 500	•	(52 631)	213 869	213 869	•	100.0%	288 549	288 549
Provinces and municipalities	2	ı	9	80	80	ı	100.0%	3	က
Municipalities	2	ı	9	80	80	ı	100.0%	က	က
Municipal bank accounts	2	ı	9	80	80	1	100.0%	က	က
Departmental agencies and accounts	251 828	ı	(28 836)	191 932	191 932	ı	100.0%	256 639	256 639
Departmental agencies (non-business entities)	251 828	•	(968 69)	191 932	191 932	•	100.0%	256 639	256 639

APPROPRIATION STATEMENT

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Programme 2: Force Employment
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Appr	Adjusted	Shifting of	1,,,,,,,,,	17.75	loto A	1/02/2000	Evnondituro	Final	Actual
	Appropriation	Funds	Virement	Final Appropriation	Actual Expenditure	Variance	expenditure as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Higher education institutions		•		1	•	•	ı	1	•
Foreign governments and international organisations	1	1	1	1	1	ı	,	1	1
Public corporations and private enterprises	9 341	•	,	9 341	9 341	•	100.0%	9 118	9 118
Public corporations	9 341	•	•	9 341	9 341	•	100.0%	9 118	9 118
Subsidies on products and production (pc)	9 341	•	•	9 341	9 341	•	100.0%	8 871	8 871
Other transfers to public corporations	•	•	•	1	1	1	'	247	247
Non-profit institutions	•	1	1	1	1	1	'	1	1
Households	5 329	•	7 259	12 588	12 588	1	100.0%	22 789	22 789
Social benefits	5 329	•	7 123	12 452	12 452	1	100.0%	16 068	16 068
Other transfers to households	•	•	136	136	136	•	100.0%	6 721	6 721
Payments for capital assets	92 643	•	7 414	100 057	100 057	•	100.0%	155 763	134 700
Buildings and other fixed structures	2 634	ı	3 180	5 8 1 4	5 814	1	100.0%	9 172	9 172
Buildings	2 634	•	3 180	5 8 1 4	5 814	•	100.0%	9 172	9 172
Machinery and equipment	89 016	•	5 227	94 243	94 243	1	100.0%	146 591	125 528
Transport equipment	46 453	ı	21 329	67 782	67 782	1	100.0%	119 868	98 802
Other machinery and equipment	42 563	•	(16 102)	26 461	26 461	1	100.0%	26 723	26 723
Heritage assets	•	ı	1	'	1	'	'	1	'
Specialised military assets	993	•	(663)	1	1	•	'	1	1
Biological assets	•	ı	1	1	1	1	,	1	1
Land and sub-soil assets	•	ı	1	1	1	'	•	1	•
Software and other intangible assets	•	ı	1	1	1	'	'	'	'
Payment for financial assets	•	•	62	62	62	•	100.0%	14	14
Total	3 375 584	•	(206 906)	3 168 678	3 168 678	•	100.0%	3 229 122	3 208 059

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 2.1: Strategic Direction

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	154 606	•	(10 730)	143 876	143 876	•	100.0%	137 484	137 484
Compensation of employees	111 420	•	10 114	121 534	121 534	1	100.0%	110 951	110 951
Goods and services	43 186	1	(20844)	22 342	22 342	•	100.0%	26 533	26 533
Interest and rent on land	1	1	1	ı	1	•	ı	ı	•
Transfers and subsidies	11 421	•	2 639	14 060	14 060	•	100.0%	16 327	16 327
Provinces and municipalities	2	•	က	5	2	•	100.0%		~
Departmental agencies and accounts	9	•	(9)	1	1	•	1	1	,
Higher education institutions	'	1	•	'	1	ı	1	1	'
Foreign governments and international organisations	,	1	•	'	ı	•	'	'	'
Public corporations and private enterprises	9 341	•	•	9 341	9 341	•	100.0%	8 871	8 871
Non-profit institutions	•	•	•	1	1	•	1	1	•
Households	2 072	1	2 642	4 7 1 4	4 7 1 4	•	100.0%	7 455	7 455
Payments for capital assets	9 432	•	(8 010)	1 422	1 422	•	100.0%	3 542	3 542
Buildings and other fixed structures	009	1	(009)	ı	•	1	•	421	421
Machinery and equipment	8 832	1	(7410)	1 422	1 422	1	100.0%	3 121	3 121
Heritage assets	1	ı	1	'	1	1	1	1	'
Specialised military assets	1	ı	•	'	1	•	1	ı	'
Biological assets	1	ı	•	'	1	•	1	ı	'
Land and sub-soil assets	1	1	1	1	ı	1	1	ı	1
Software and other intangible assets	1	1	•	'	1	•	1	1	'
Payment for financial assets	•	-	•	•	-	-	•	•	•
Total	175 459	•	(16 101)	159 358	159 358	•	100.0%	157 353	157 353

APPROPRIATION STATEMENT

Subprogramme: 2.2: Operational Direction

				2018/19				2017/18	118
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	317 969	•	28 241	346 210	346 210	•	100.0%	333 267	333 267
Compensation of employees	272 927	ı	21 435	294 362	308 069	(13 707)	104.7%	295 249	295 249
Goods and services	45 042	1	908 9	51 848	38 141	13 707	73.6%	38 018	38 018
Interest and rent on land	ı	1	•	•	•	•	1	•	1
Transfers and subsidies	1 557	•	2 690	4 247	4 247	•	100.0%	12 753	12 753
Provinces and municipalities	ı	1	က	3	က	•	100.0%	2	2
Departmental agencies and accounts	33	1	(31)	2	2	•	100.0%	2	2
Higher education institutions	1	1	•	•	•	•	1	•	•
Foreign governments and international organisations	•	1	ı	ı	ı	1	I	ı	•
Public corporations and private enterprises	ı	1	•	•	•	•	1	247	247
Non-profit institutions	1	1	•	'	•	•	•	•	•
Households	1 524	1	2 718	4 242	4 242	•	100.0%	12 502	12 502
Payments for capital assets	20 588	•	(14 517)	6 071	6 071	•	100.0%	14 870	14 870
Buildings and other fixed structures	1	1	292	292	292	'	100.0%	1	'
Machinery and equipment	20 588	ı	(14 809)	5 779	6 2 2 2 3	•	100.0%	14 870	14 870
Heritage assets	ı	ı	1	1	1	•	1	1	1
Specialised military assets	ı	ı	•	1	1	•	1	1	ı
Biological assets	ı	1	•	•	1	•	1	1	1
Land and sub-soil assets	ı	•	1	•	'	1	•	1	1
Software and other intangible assets	1	1	•	1	1	1	1	'	'
Payment for financial assets	•	•	46	46	46	•	100.0%	-	•
Total	340 114	•	16 460	356 574	356 574	•	100.0%	360 890	360 890

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 2.3: Special Operations

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	630 242	•	47 881	678 123	678 123		100.0%	624 435	624 435
Compensation of employees	489 709	•	11 125	500 834	577 246	(76 412)	115.3%	514 350	514 350
Goods and services	140 533	•	36 756	177 289	100 877	76 412	26.9%	110 085	110 085
Interest and rent on land	•	'	•	'	'	•	1	1	1
Transfers and subsidies	203 518	•	(57957)	145 561	145 561	•	100.0%	209 469	209 469
Provinces and municipalities	1	•	•	'	1	•	1	1	•
Departmental agencies and accounts	201 785	1	(2882)	141 929	141 929	•	100.0%	206 637	206 637
Higher education institutions	'	1	•	'	1	1	1	•	1
Foreign governments and international	1	•	•	'	•	•	ı	1	•
organisations									
Public corporations and private enterprises	1	1	•	'	1	1	Ī	1	ı
Non-profit institutions	•	'	1	'	'	'	•	'	1
Households	1 733	•	1 899	3 632	3 632	•	100.0%	2 832	2 832
Payments for capital assets	10 552	•	29	10 581	10 581	•	100.0%	14 436	14 436
Buildings and other fixed structures	2 034	•	1 118	3 152	3 152	1	100.0%	5 068	5 068
Machinery and equipment	7 525	1	(96)	7 429	7 429	•	100.0%	9 368	9 368
Heritage assets	'	1	•	'	'	•	1	1	1
Specialised military assets	866	1	(663)	'	'	•	1	1	ı
Biological assets	1	1	•	'	1	•	1	1	ı
Land and sub-soil assets	ı	ı	•	1	ı	ı	1	1	ı
Software and other intangible assets	'	1	•	'	'	1	1	1	1
Payment for financial assets	•	•	16	16	16		100.0%	-	•
Total	844 312	•	(10 031)	834 281	834 281	•	100.0%	848 340	848 340

929 381

936 885

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 2.4: Regional Security

Appropriation as % of final 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% 100.0% appropriation 100.0% Expenditure Variance R'000 349 904 50 000 1 083 54 828 746 301 396 397 50 000 55 911 Expenditure 852 212 Actual R'000 Appropriation **746 301** 396 397 349 904 50 000 50 000 852 212 55 911 1 083 2018/19 R'000 Final (254217)(42674)25 376 (211543)1 083 24 293 (228841)Virement R'000 Shifting of Funds R'000 50 000 30 535 561 447 50 000 1 000 518 439 071 Appropriation 081 053 Adjusted R'000 Public corporations and private enterprises Foreign governments and international Departmental agencies and accounts Software and other intangible assets Buildings and other fixed structures Compensation of employees Provinces and municipalities Higher education institutions Specialised military assets Machinery and equipment Land and sub-soil assets Payment for financial assets Payments for capital assets Interest and rent on land Economic classification Non-profit institutions Transfers and subsidies Goods and services Biological assets Heritage assets **Current payments** organisations Households Total

Expenditure Actual

2017/18

R'000

R'000

413 072

413 072

50 000

50 000

50 000

50 000

79 590 3 598 75 992

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 2.5: Support to the People

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	913 106	•	27 074	940 180	940 180	•	100.0%	882 318	882 318
Compensation of employees	595 952	•	•	595 952		(93 921)	115.8%		621 074
Goods and services	317 154	•	27 074	344 228	250 307	93 921	72.7%	261 244	261 244
Interest and rent on land	1	•	•	•	•	1	•	•	•
Transfers and subsidies	4	•	(3)	_	_	•	100.0%	•	•
Provinces and municipalities	1	•	•	'	•	•	'	'	•
Departmental agencies and accounts	4	1	(3)	_	_	•	100.0%	'	,
Higher education institutions	'	'	•	'	1	1	•	'	•
Foreign governments and international	1	ı	•	,	ı	1	ı	•	•
Public corporations and private enterprises	1	'	•	'	,	,	•	'	'
Non-profit institutions	1	•	•		1	•	'	'	,
Households	•	•	•	'	•	•	'	1	1
Payments for capital assets	21 536	•	4 536	26 072	26 072	•	100.0%	43 325	29 766
Buildings and other fixed structures	•	,	1 287	1 287	1 287	ı	100.0%	82	82
Machinery and equipment	21 536	•	3 249	24 785	24 785	•	100.0%	43 240	29 681
Heritage assets	1	1	•	'	1	•	'	'	'
Specialised military assets	1	1	•	'	1	•	'	'	'
Biological assets	1	ı	•	'	1	1	'	'	,
Land and sub-soil assets	1	1	•	'	1	1	'	'	'
Software and other intangible assets	1	1	1	'	1	•	'	'	'
Payment for financial assets	•	•	•	•	•	•	•	11	11
Total	934 646	•	31 607	966 253	966 253	•	100.0%	925 654	912 095

11 413

100.0% 100.0% 100.0%

2 994

100.0% 36.2%

47 453

1 344 236

(223 412) 1 323 898 (1100486)

10 485 845

110.7% 118.5% 55.4%

1 638 977

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Programme 3: Landward Defence		•				
				2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	
Subprogramme						
1. Strategic Direction	396 223	1	97 881	494 104	494 104	
2. Infantry Capability	6 663 573	1	140 245	6 803 818	6 803 818	
3. Armour Capability	472 791	1	32 113	504 904	504 904	
4. Artillery Capability	482 802	1	15 651	498 453	498 453	
5. Air Defence Artillery Capability	547 788	1	(9 235)	538 553	538 553	
6. Engineering Capability	795 266	1	39 965	835 231	835 231	
7. Operational Intelligence	233 518	1	(17 832)	215 686	215 686	
8. Command and Control Capability	218 050	•	3 325	221 375	221 375	
9. Support Capability	4 595 480	•	(139 677)	4 455 803	4 455 803	
10. General Training Capability	528 157	•	(113 117)	415 040	415 040	
11. Signal Capability	1 337 573	1	106 959	1 444 532	1 444 532	
Total	16 271 221	•	156 278	16 427 499	16 427 499	
Eronomic rlassification						
Current naymente	13 665 824	•	700 854	14 465 678	14 465 678	
Compensation of employees	11 499 335	1	'	11 499 335	12 823 233	
Salaries and wades	10 327 860	•	(34 728)	10 293 132	11 393 618	
Social contributions	1 171 475	•	34 728	1 206 203	1 429 615	
Goods and services	2 166 489	1	799 854	2 966 343	1 642 445	
Administrative fees	30	•	(30)	1	•	
Advertising	1 486	1	(842)	644	644	
Minor assets	25 250	1	(12 869)	12 381	12 381	
Catering: Departmental activities	5 846	1	(2 548)	3 298	3 298	
Communication (G&S)	28 868	•	(11 445)	17 423	17 423	
Computer services	73 649	1	292	74 417	26 964	
Consultants: Business and advisory services	1 362	•	(1 348)	14	14	

480 913

100.0% 100.0% 100.0%

Expenditure

Appropriation

as % of final

Expenditure

Variance

appropriation

R'000

R'000

Actual

Final

2017/18

698 137 803 687 204 557

211 443 4 663 990 382 299 1 359 024

100.0% 100.0%

382 299

359 024

509 675 698 137 803 687 204 557 211 443 4 663 990

100.0% 100.0% 100.0% 100.0%

16 691 543

16 691 543

13 469 058

11 830 081

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				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Infrastructure and planning services	11 234	1	(2 635)	8 599	8 599	•	100.0%	4 595	4 595
Scientific and technological services	655	1	(529)	126	126	1	100.0%	205	205
Contractors	266 935	1	860 369	1 127 304	139 388	987 916	12.4%	239 295	177 058
Agency and support / outsourced services	87 245	•	(29 292)	57 953	4 659	53 294	8.0%	2 060	2 090
Entertainment	174	•	(140)	34	34	•	100.0%	33	33
Fleet services (including government motor transport)	81 406	•	25 749	107 155	16 535	90 620	15.4%	26 565	26 565
Inventory: Clothing material and accessories	131 537	1	(14 819)	116 718	56 710	800 09	48.6%	129 229	48 583
Inventory: Farming supplies	4 039	•	(1 662)	2 377	2 377	•	100.0%	3 351	3 351
Inventory: Food and food supplies	547 217	•	123 619	670 836	670 836	•	100.0%	526 424	526 424
Inventory: Fuel, oil and gas	262 332	•	(69 89)	193 663	193 663	•	100.0%	152 251	152 251
Inventory: Materials and supplies	15 842	1	(4 521)	11 321	11 321	•	100.0%	13 666	13 666
Inventory: Medical supplies	35	1	2	37	37	•	100.0%	22	22
Inventory: Medicine	2	1		4	4	1	100.0%	5	2
Inventory: Other supplies	61 056	1	(3)	61 053	80	61 045	%0:0	_	_
Consumable supplies	37 680	1	733	38 413	38 413	1	100.0%	37 813	37 813
Consumable: Stationery, printing and office	19 423	•	(5612)	13 811	13 811	1	100.0%	14 113	14 113
snbblies									
Operating leases	43 556	1	(42 189)	1 367	1 367	1	100.0%	1 319	1 319
Property payments	44 849	•	(4 427)	40 422	30 094	10 328	74.4%	27 771	27 771
Travel and subsistence	323 440	1	28 877	352 317	339 083	13 234	96.2%	315 018	315 018
Training and development	68 338	1	(20254)	48 145	48 145	1	100.0%	47 307	47 307
Operating payments	19 311	1	$(18\ 174)$	1 137	1 137	1	100.0%	-730	-730
Venues and facilities	3 628	1	1 743	5 371	5 371	1	100.0%	4 691	4 691
Rental and hiring	1	•	က	က	က	•	100.0%	45	45
Interest and rent on land	1	1	•	1	1	1	1	•	'
Transfers and subsidies	2 568 938	•	(686 974)	1 881 964	1 881 964	•	100.0%	3 116 008	3 116 008
Provinces and municipalities	9	•	10	16	16	•	100.0%	88	68
Municipalities	9	•	10	16	16	•	100.0%	88	88

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				2018/19				2017/18	118
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal bank accounts	9	ı	10	16	16	ı	100.0%	88	88
Departmental agencies and accounts	2 483 214	ı	(771 908)	1 711 306	1 711 306	1	100.0%	3 031 332	3 031 332
Departmental agencies (non-business entities)	2 483 214	1	(771 908)	1 711 306	1 711 306	•	100.0%	3 031 332	3 031 332
Higher education institutions	1	1	•	1	1	•	1	1	1
Foreign governments and international	•	•	•	•	ī	•	•	•	•
organisations									
Public corporations and private enterprises	27 807	•	i	27 807	27 807	1	100.0%	35 185	35 185
Public corporations	27 807	•	•	27 807	27 807	1	100.0%	35 185	35 185
Subsidies on products and production (pc)	27 807	'	'	27 807	27 807	1	100.0%	35 185	35 185
Non-profit institutions	•	1	ı	'	1	ı	•	ı	•
Households	57 911	•	84 924	142 835	142 835	1	100.0%	49 402	49 402
Social benefits	57 911	1	3 201	61 112	61 112	1	100.0%	48 509	48 509
Other transfers to households	1	1	81 723	81 723	81 723	1	100.0%	893	893
Payments for capital assets	36 459	•	42 193	78 652	78 652	•	100.0%	105 813	105 813
Buildings and other fixed structures	3 145	•	2 934	6 0 0 9	6 0 0 9	1	100.0%	9 263	9 263
Buildings	3 145	•	2 934	6 0 0 9	6 0 0 9	1	100.0%	9 263	9 263
Machinery and equipment	32 257	'	40 316	72 573	72 573	1	100.0%	96 220	96 220
Transport equipment	2 023	1	8 000	10 023	10 023	1	100.0%	41 535	41 535
Other machinery and equipment	30 234	ı	32 316	62 550	62 550	•	100.0%	55 015	55 015
Heritage assets	1	•	ı	'	1	'	•	•	•
Specialised military assets	1 057	1	(1 057)	Ī	1		1	1	1
Biological assets	1	1	•	Ī	ı	1	1	1	1
Land and sub-soil assets	1	1	•	'	1	1	•	1	1
Software and other intangible assets	1	1	•	'	1	1	1	•	ı
Payment for financial assets	•	•	1 205	1 205	1 205	•	100.0%	664	664
Total	16 271 221	•	156 278	16 427 499	16 427 499	•	100.0%	16 691 543	16 691 543

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 3.1: Strategic Direction

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	389 890	•	84 512	474 402	474 402	•	100.0%	445 196	445 196
Compensation of employees	303 622	•	•	303 622	414 067	(110 445)	136.4%	387 378	387 378
Goods and services	86 268	•	84 512	170 780	60 335	110 445	35.3%	57 818	57 818
Interest and rent on land	1	•	•	•	•	•	•	ī	ı
Transfers and subsidies	5 912	•	11 295	17 207	17 207	•	100.0%	6 791	6 791
Provinces and municipalities	က	1	1	14	14	•	100.0%	13	13
Departmental agencies and accounts	1	1	1	1	1	'	1	ന	က
Higher education institutions	1	•	•	•	•	1	•	•	1
Foreign governments and international	•	•	•	•	1	•	1	•	•
organisations									
Public corporations and private enterprises	•	1	1	1	•	•	1	•	1
Non-profit institutions	1	1	1	•	'	•	•	1	ı
Households	2 909	1	11 284	17 193	17 193	1	100.0%	6 775	6 775
Payments for capital assets	421	•	2 049	2 470	2 470	•	100.0%	10 737	10 737
Buildings and other fixed structures	1	1	1	'	1	'	1	71	71
Machinery and equipment	421	1	2 049	2 470	2 470	1	100.0%	10 666	10 666
Heritage assets	1	1	1	1	1	1	1	1	1
Specialised military assets	ı	1	1	1	1	1	1	1	ı
Biological assets	ı	1	ı	1	1	1	1	1	1
Land and sub-soil assets	ı	1	ı	1	ı	ı	1	ı	ı
Software and other intangible assets	1	1	'	1	1	1	•	1	1
Payment for financial assets	-	-	25	25	25	-	100.0%	45	45
Total	396 223	•	97 881	494 104	494 104	•	100.0%	462 769	462 769

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 3.2: Infantry Capability

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 942 176	•	614 680	5 556 856	5 556 856	•	100.0%	5 154 856	5 154 856
Compensation of employees	4 669 286	•	•	4 669 286	5 351 613	(682 327)	114.6%	4 837 514	4 980 397
Goods and services	272 890	•	614 680	887 570	205 243	682 327	23.1%	317 342	174 459
Interest and rent on land	1	•	٠	•	1	•	•	1	•
Transfers and subsidies	1 712 107	•	(478 871)	1 233 236	1 233 236	•	400.0%	1 749 657	1 749 657
Provinces and municipalities	'	1	•	1	1	•	1	1	1
Departmental agencies and accounts	1 692 479	1	(553428)	1 139 051	1 139 051	1	100.0%	1 739 162	1 739 162
Higher education institutions	'	1	•	1	1	1	'	1	1
Foreign governments and international	1	•	•	'	•	1	•	•	•
organisations									
Public corporations and private enterprises	1	1	1	'	1	1	1	ı	1
Non-profit institutions	'	1	1	1	•	1	1	•	'
Households	19 628	1	74 557	94 185	94 185	1	100.0%	10 495	10 495
Payments for capital assets	9 290	•	3 819	13 109	13 109	•	100.0%	10 313	10 313
Buildings and other fixed structures	100	•	1 455	1 555	1 555	•	100.0%	2 689	2 689
Machinery and equipment	9 190	1	2 364	11 554	11 554	1	100.0%	7 624	7 624
Heritage assets	'	1	•	1	1	1	'	1	'
Specialised military assets	1	1	•	1	1	1	1	1	'
Biological assets	1	1	•	•	1	•	1	1	ı
Land and sub-soil assets	ı	ı	ı	1	ı	1	1	1	ı
Software and other intangible assets	1	'	1	1	•	•	'	1	'
Payment for financial assets	-	-	617	617	617	•	100.0%	223	223
Total	6 663 573	•	140 245	6 803 818	6 803 818	•	100.0%	6 915 049	6 9 1 5 0 4 9

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 3.3: Armour Capability

				2018/19				2017/18	/18
	Adjusted Appropriation	Shiffing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	appropriation %	R'000	R'000
Current payments	469 612	•	32 595	502 207	502 207	•	100.0%	477 136	477 136
Compensation of employees	452 990	•	8 921	461 911	488 521	(26 610)	105.8%	461 080	461 080
Goods and services	16 622	•	23 674	40 296	13 686	26 610	34.0%	16 056	16 056
Interest and rent on land	•	•	ı	1	•	•	•	1	1
Transfers and subsidies	2 417	•	(583)	2 128	2 128	•	100.0%	3 097	3 097
Provinces and municipalities	'	1	•	'	'	1	,	1	'
Departmental agencies and accounts	,	1	•	'	1	1	'	1	1
Higher education institutions	'	1	•	'	•	1	•	•	•
Foreign governments and international	•	•	•	'	•	•	•	1	•
Public corporations and private enterprises	1	1	,	'	•	,	'	,	,
Non-profit institutions	'	1	•	,	•	ı	Ī	Ī	,
Households	2 417	•	(288)	2 128	2 128	•	100.0%	3 097	3 097
Payments for capital assets	762	•	(194)	268	568	•	100.0%	674	674
Buildings and other fixed structures	•	1	•	'	'	•	1	1	•
Machinery and equipment	762	•	(194)	999	268	•	100.0%	674	674
Heritage assets	'	1	•	<u>'</u>	1	1	1	'	'
Specialised military assets	'	1	•	<u>'</u>	1	1	ı	1	1
Biological assets	1	1	•	· 	1	1	ı	ı	1
Land and sub-soil assets	'	1	•	<u>'</u>	1	1	ı	1	1
Software and other intangible assets	'	1	1	'	1	1	1	1	'
Payment for financial assets	•	•	-	1		•	100.0%	9	9
Total	472 791	•	32 113	504 904	504 904	•	100.0%	480 913	480 913

APPROPRIATION STATEMENT

Subprogramme: 3.4: Artillery Capability

				2018/19				2017/18	/18
	Adjusted Appropriation	Shiffing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	477 159	•	20 285	497 741	497 741	•	100.0%	466 028	466 028
Compensation of employees	447 051	•	22 948	469 999	484 684	(14 685)	103.1%	450 063	450 063
Goods and services	30 108	1	(2 366)	27 742	13 057	14 685	47.1%	15 965	15 965
Interest and rent on land	'	1	1	1	1	1	1	'	'
Transfers and subsidies	4 906	•	(4 621)	285	285	•	100.0%	43 093	43 093
Provinces and municipalities	'	•	•	1	1	•	1	1	1
Departmental agencies and accounts	'	1	1	'	'	1	'	42 529	42 529
Higher education institutions	'	1	•	1	1	•	1	1	1
Foreign governments and international	1	•	•	1	•	•	1	•	•
organisations									
Public corporations and private enterprises	1	1	1	'	1	•	•	1	1
Non-profit institutions	'	ı	1	1	•	1	1	1	•
Households	4 906	•	(4 621)	285	285	•	100.0%	564	264
Payments for capital assets	737	•	(315)	422	422	•	100.0%	511	211
Buildings and other fixed structures	'	1	'	1	•	1	•	'	'
Machinery and equipment	737	ı	(315)	422	422	•	100.0%	511	211
Heritage assets	1	ı	•	1	ı	•	1	ı	ı
Specialised military assets	1	1	•	1	1	•	1	Ī	1
Biological assets	1	1	•	1	1	•	1	Ī	1
Land and sub-soil assets	1	1	'	1	1	1	1	1	1
Software and other intangible assets	'	1	1	1	•	1	1	1	•
Payment for financial assets	•	•	5	5	5	•	100.0%	43	43
Total	482 802	•	15 651	498 453	498 453	•	100.0%	509 675	509 675

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 3.5: Air Defence Artillery Capability

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	346 427	•	40 219	386 646	386 646	•	100.0%	346 077	346 077
Compensation of employees	329 428	1	6 558	335 986	368 492	(32 506)	109.7%	331 019	331 019
Goods and services	16 999	1	33 661	20 660	18 154	32 506	35.8%	15 058	15 058
Interest and rent on land	1	1	•	•	1	•	ı	•	ı
Transfers and subsidies	200 802	•	(49 705)	151 097	151 097	•	100.0%	348 842	348 842
Provinces and municipalities	1	1	•	•	1	•	ı	•	1
Departmental agencies and accounts	200 000	•	(20000)	150 000	150 000	•	100.0%	348 511	348 511
Higher education institutions	1	1	•	1	1	•	1	1	'
Foreign governments and international	•	1	•	1	•	1	1	1	•
organisations									
Public corporations and private enterprises	'	1	'	•	1	'	'	•	'
Non-profit institutions	1	1	•	1	1	•	1	1	'
Households	802	ı	295	1 097	1 097	•	100.0%	331	331
Payments for capital assets	559	•	251	810	810	•	100.0%	3 203	3 203
Buildings and other fixed structures	96	•	41	137	137	•	100.0%	310	310
Machinery and equipment	463	•	210	673	673	•	100.0%	2 893	2 893
Heritage assets	1	ı	•	•	1	•	1	•	•
Specialised military assets	1	•	•	1	1	•	ı	1	1
Biological assets	•	1	•	1	1	•	ı	1	1
Land and sub-soil assets	1	1	1	ı	ı	ı	ı	ı	1
Software and other intangible assets	1	1	'	•	1	'	1	'	'
Payment for financial assets	•	•	•	•	•	•	•	15	15
Total	547 788	•	(9 235)	538 553	538 553	•	100.0%	698 137	698 137

APPROPRIATION STATEMENT

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Subprogramme: 3.6: Engineering Capability	

				2018/19				2017/18	118
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	789 336	•	41 936	831 272	831 272	•	100.0%	798 846	798 846
Compensation of employees	746 748	•	ı	746 748	800 647	(53 899)	107.2%	760 480	760 480
Goods and services	42 588	•	41 936	84 524	30 625	53 899	36.2%	38 366	38 366
Interest and rent on land	•	•	•	•	•	•	1	•	•
Transfers and subsidies	3 517	•	(1376)	2 141	2 141	•	100.0%	1 985	1 985
Provinces and municipalities	1	1	•	<u>'</u>	1	1	1	1	'
Departmental agencies and accounts	'	1	•	' 	'	'	1	'	'
Higher education institutions	1	1	•	'	1	1	1	1	1
Foreign governments and international	ı	ı	•	'	ı	1	•	•	•
Public corporations and private enterprises	1	•	•	'	1	ı	•	•	'
Non-profit institutions	1	•	•		1	•	1	Ī	1
Households	3 517	•	(1376)	2 141	2 141	•	100.0%	1 985	1 985
Payments for capital assets	2 413	•	(656)	1 757	1 757	•	100.0%	2 856	2 856
Buildings and other fixed structures	54	•	35	88	88	•	100.0%	142	142
Machinery and equipment	2 359	•	(691)	1 668	1 668	•	100.0%	2 7 1 4	2 7 1 4
Heritage assets	•	1	•	<u>'</u>	1	1	1	1	'
Specialised military assets	,	•	•	' 	1	•	1	1	1
Biological assets	1	1	•	· 	1	1	1	Ī	1
Land and sub-soil assets	1	1	•	'	ı	1	1	1	ı
Software and other intangible assets	•	'	•	' 	1	'	1	1	'
Payment for financial assets	•	•	61	61	61	•	100.0%	-	•
Total	795 266	•	39 965	835 231	835 231	•	100.0%	803 687	803 687

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 3.7: Operational Intelligence

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	232 124	•	(17 279)	214 845	214 845	•	100.0%	203 073	203 073
Compensation of employees	222 600	•	(16 609)	205 991	205 991	•	100.0%	194 318	194 318
Goods and services	9 524	•	(029)	8 854	8 854	•	100.0%	8 755	8 755
Interest and rent on land	'	1	•	'	'	•	1	•	•
Transfers and subsidies	402	•	(262)	447	447	•	100.0%	988	988
Provinces and municipalities	1	•	•	'	1	•	1	1	'
Departmental agencies and accounts	~	1	(1)	'	'	'	1	'	'
Higher education institutions	'	•	•	ı	1	•	1	'	'
Foreign governments and international organisations	•	1	•	•	ı	•	ı	ı	ı
Public corporations and private enterprises	1	1	•	ı	•	•	1	•	•
Non-profit institutions	•	1	•	'	•	•	•	•	•
Households	708	1	(261)	447	447	•	100.0%	988	988
Payments for capital assets	685	•	(306)	379	379	•	100.0%	496	496
Buildings and other fixed structures	120	1	(120)	'	1	•	1	,	1
Machinery and equipment	292	1	(186)	379	379	•	100.0%	496	496
Heritage assets	'	1	•	'	'	•	1	'	'
Specialised military assets	1	•	•	ı	1	•	1	1	1
Biological assets	'	ı	1	'	1	1	1	'	•
Land and sub-soil assets	1	1	1	ı	ı	1	1	1	1
Software and other intangible assets	'	1	1	'	1	1	•	1	•
Payment for financial assets	•	•	15	15	15	-	100.0%	-	-
Total	233 518	•	(17 832)	215 686	215 686	•	100.0%	204 557	204 557

APPROPRIATION STATEMENT

Subprogramme: 3.8: Command and Control Capability

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	216 785	•	3 098	219 883	219 883	•	100.0%	208 026	208 026
Compensation of employees	200 985	•	5 161	206 146		•	100.0%	193 099	193 099
Goods and services	15 800	•	(2 063)	13 737	13 737	•	100.0%	14 927	14 927
Interest and rent on land	'	1	•	'	•	1	'	1	•
Transfers and subsidies	948	•	(382)	563	563	•	100.0%	744	744
Provinces and municipalities	'	•	•	1	1	•	1	1	•
Departmental agencies and accounts	2	1	(2)	'	'	'	'	4	4
Higher education institutions	'	1	1	1	1	•	'	1	'
Foreign governments and international organisations	•	•	1	•	ı	1	1	•	•
Public corporations and private enterprises	1	•	•	•	•	•	•	•	•
Non-profit institutions	•	1	•	1	1	•	•	•	•
Households	946	1	(383)	563	563	•	100.0%	740	740
Payments for capital assets	317	•	574	891	891	•	100.0%	2 670	2 670
Buildings and other fixed structures	'	1	•	,	•	1	'	1	1
Machinery and equipment	317	1	574	891	891	•	100.0%	2 670	2 670
Heritage assets	'	•	•	1	1	•	'	1	•
Specialised military assets	'	ı	1	1	•	•	1	•	'
Biological assets	'	•	•	1	1	•	1	•	•
Land and sub-soil assets	1	ı	1	ı	ı	1	1	ı	1
Software and other intangible assets	'	1	1	1	1	1	'	ı	'
Payment for financial assets	•	•	38	38	38	•	100.0%	3	က
Total	218 050	•	3 325	221 375	221 375	•	100.0%	211 443	211 443

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 3.9: Support Capability

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 949 632	•	(4 894)	3 944 738	3 944 738		100.0%	3 655 450	3 655 450
Compensation of employees	2 493 996	•		2 493 996	2 765 366	(271 370)	110.9%	2 598 330	2 598 330
Goods and services	1 455 636	•	(4 894)	1 450 742	1 179 372	271 370	81.3%	1 057 120	1 057 120
Interest and rent on land	•	•		1	1	•	1	'	'
Transfers and subsidies	631 838	•	(164 202)	467 636	467 636	•	100.0%	951 597	951 597
Provinces and municipalities	•	•	•	1	1		•		_
Departmental agencies and accounts	590 730	1	(168475)	422 255	422 255	•	100.0%	901 123	901 123
Higher education institutions	•	1	•	'	1	•	•	•	•
Foreign governments and international	1	ı	•	•	•	1	•	•	•
Public corporations and private enterprises	27 807	•	•	27 807	27 807	•	100.0%	35 185	35 185
Non-profit institutions	1	1	•				1	•	
Households	13 301	1	4 273	17 574	17 574	•	100.0%	15 288	15 288
Payments for capital assets	14 010	•	29 076	43 086	43 086	•	100.0%	56 713	56 713
Buildings and other fixed structures	2 122	•	875	2 997	2 997	•	100.0%	1 392	1 392
Machinery and equipment	10 831	•	29 258	40 089	40 089	٠	100.0%	55 321	55 321
Heritage assets	•	1	•	,	1	•	•	,	•
Specialised military assets	1 057	•	(1 057)	,	1	•	1	1	•
Biological assets	1	1	•	'	1	•	1	'	'
Land and sub-soil assets	1	1	•	'	•	•	ı	'	'
Software and other intangible assets	1	ı	•	'	ı	1	1	'	1
Payment for financial assets	-	•	343	343	343	•	100.0%	230	230
Total	4 595 480	•	(139 677)	4 455 803	4 455 803	•	100.0%	4 663 990	4 663 990

APPROPRIATION STATEMENT

for the year ended 31 March 2019

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Subprogramme: 3.10: General Training Capability

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	524 941	•	(112 419)	412 522	412 522	•	100.0%	378 422	378 422
Compensation of employees	420 429	1	(26 92)	393 450	393 450	•	100.0%	358 573	358 573
Goods and services	104 512	ı	(85440)	19 072	19 072	•	100.0%	19 849	19 849
Interest and rent on land	•	ı	•	'	1	•	•	1	1
Transfers and subsidies	1 263	•	(28)	1 235	1 235	•	100.0%	1 573	1 573
Provinces and municipalities	1	1	•	1	1	•	'	73	73
Departmental agencies and accounts	'	1	'	'	'	'	'	1	'
Higher education institutions	1	1	•	1	1	•	'	1	1
Foreign governments and international	•	1	1	1	•	1	,	ı	1
Olganisations Public corporations and private enterprises	,	•	•	'	•	•	'	'	•
Non-profit institutions	•	•	•	•	•	•	•	•	•
Households	1 263	•	(28)	1 235	1 235	•	100.0%	1 500	1 500
Payments for capital assets	1 953	•	(714)	1 239	1 239	•	100.0%	2 281	2 281
Buildings and other fixed structures	286	1	(187)	66	66	•	100.0%	165	165
Machinery and equipment	1 667	ı	(527)	1 140	1 140	•	100.0%	2 116	2 116
Heritage assets	1	1	•	1	•	•	'	1	1
Specialised military assets	•	1	•	1	•	•	'	1	1
Biological assets	ı	ı	•	1	ı	•	•	•	1
Land and sub-soil assets	1	Ī	Ì	1	1	1	1	1	1
Software and other intangible assets	•	1	'	'	•	'	'	1	1
Payment for financial assets	•	•	44	44	44	-	100.0%	23	23
Total	528 157	•	(113 117)	415 040	415 040		100.0%	382 299	382 299

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 3.11: Signal Capability

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
				- -	•		appropriation		
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 327 742	•	96 824	1 424 566	1 424 566	•	100.0%	1 335 948	1 335 948
Compensation of employees	1 212 200	•	•	1 212 200	1 344 256	(132 056)	110.9%	1 258 227	1 258 227
Goods and services	115 542	•	96 824	212 366	80 310	132 056	37.8%	77 721	77 721
Interest and rent on land	1	1	•	1	•	•	•	•	1
Transfers and subsidies	4 519	•	1 470	5 989	5 989	•	100.0%	7 641	7 641
Provinces and municipalities	ဇ	•	(1)	2	2	•	100.0%	2	2
Departmental agencies and accounts	2	1	(2)	'	,	•	1	1	•
Higher education institutions	1	1	•	'	1	•	•	•	•
Foreign governments and international organisations	•	1	ı	•	ı	ı	•	•	•
Public corporations and private enterprises	ı	'	•	'	•	•	•	•	•
Non-profit institutions	1	1	•	1	1	•	•	•	1
Households	4 514	1	1473	5 987	5 987	•	100.0%	7 639	7 639
Payments for capital assets	5 312	•	8 609	13 921	13 921	•	400.0%	15 359	15 359
Buildings and other fixed structures	367	1	835	1 202	1 202	•	100.0%	4 4 9 4	4 4 4 9 4
Machinery and equipment	4 945	1	7 774	12 719	12 719	•	100.0%	10 865	10 865
Heritage assets	_	•	•		'	•	•	1	1
Specialised military assets	'	ı	•		1	•	1	1	'
Biological assets	'	1	1	'	1	1	1	1	1
Land and sub-soil assets	1	ı	1	'	ı	1	ı	1	ı
Software and other intangible assets	'	1	•	'	'	'	•	1	'
Payment for financial assets	•	•	26	56	99	•	100.0%	76	92
Total	1 337 573	•	106 959	1 444 532	1 444 532	•	100.0%	1 359 024	1 359 024

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				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Strategic Direction	30 985	ı	(11 691)	19 294	19 294	1	100.0%	19 383	19 383
2. Operational Direction	97 268	•	44 401	141 669	141 669	•	100.0%	263 323	263 323
3. Helicopter Capability	948 456	ı	(20 205)	928 251	928 251	•	100.0%	1 099 855	1 099 855
4. Transport and Maritime Capability	675 788	ı	(107 066)	568 722	565 757	2 965	99.5%	521 842	521 842
-	840 078	1	(320400)	519 678	519 678	•	100.0%	783 376	783 376
6. Operational Support and Intelligence Canability	343 284	•	11 179	354 463	354 463	•	100.0%	342 954	342 954
7. Command and Control Capability	692 031	•	(265 749)	426 282	426 282	•	100.0%	536 026	536 026
8. Base Support Capability	1 803 837	ı	336 772	2 140 609	2 140 609	'	100.0%	2 035 963	2 035 963
9. Command Post	068 890	1	(3373)	65 517	65 517	•	100.0%	67 180	67 180
10. Training Capability	586 284	ı	(122634)	463 650	463 650	•	100.0%	487 343	487 343
11. Technical Support Services	563 878	-	69 044	632 922	632 273	649	%6.66	596 166	596 166
Total	6 6 6 5 0 7 7 9	•	(389 722)	6 261 057	6 257 443	3 614	%6.66	6 753 411	6 753 411
Economic classification									
Current payments	5 578 057	•	166 271	5 744 328	5 741 363	2 965	%6.66	5 765 069	5 765 069
Compensation of employees	3 602 538	•	•	3 602 538	3 930 661	(328 123)	109.1%	3 723 848	3 723 848
Salaries and wages	3 233 640	ı	(26 081)	3 207 559	3 472 789	(265 230)	108.3%	3 296 129	3 296 129
Social contributions	368 898	ı	26 081	394 979	457 872	(62 893)	115.9%	427 719	427 719
Goods and services	1 975 519	1	166 271	2 141 790	1 810 702	331 088	84.5%	2 041 221	2 041 221
Administrative fees	9	ı	(9)	ı	1	1	1	1	•
Advertising	962	1	13	975	975	•	100.0%	369	369
Minor assets	11 368	ı	(5456)	5 912	5 912	•	100.0%	9 017	9 017
Catering: Departmental activities	4 557	•	(1 760)	2 797	2 797	•	100.0%	2 923	2 923

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				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
							appropriation		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (G&S)	13 420	1	(2 511)	10 909	10 909	•	100.0%	11 165	11 165
Computer services	19 409	•	22 616	42 025	42 025	•	100.0%	40 321	40 321
Consultants: Business and advisory services	909	•	(512)	94	94	•	100.0%	538	238
Infrastructure and planning services	792	•	(717)	90	90	•	100.0%	116	116
Laboratory services	34	•	(33)	_	_	•	100.0%	1	,
Scientific and technological services	7 479	•	(7479)	1	1	•	1	198	198
Contractors	1 121 169	1	285 252	1 406 421	1 075 333	331 088	76.5%	1 231 717	1 231 717
Agency and support / outsourced services	9 867	1	1316	11 183	11 183	•	100.0%	6 164	6 164
Entertainment	17	1	(2)	12	12	•	100.0%	19	19
Fleet services (including government motor	9 831	•	(4 916)	4 915	4 915	•	100.0%	6 083	6 083
transport)									
Inventory: Clothing material and accessories	24 958	1	(4567)	20 391	20 391	1	100.0%	18 481	18 481
Inventory: Farming supplies	460	1	(51)	409	409	•	100.0%	410	410
Inventory: Food and food supplies	60 888	1	35 112	000 96	000 96	•	100.0%	105 381	105 381
Inventory: Fuel, oil and gas	173 029	1	(44 060)	128 969	128 969	•	100.0%	212 069	212 069
Inventory: Materials and supplies	26 420	1	(16 934)	9 486	9 486	•	100.0%	-16 282	-16 282
Inventory: Medical supplies	127	1	(63)	64	64	•	100.0%	69	- 26
Inventory: Medicine	'	1	2	2	2	•	100.0%	တ	တ
Inventory: Other supplies	77 102	1	(14 179)	62 923	62 923	•	100.0%	70 181	70 181
Consumable supplies	25 142	1	(9 418)	15 724	15 724	'	100.0%	19 307	19 307
Consumable: Stationery, printing and office	10 807	'	(2000)	5 717	5 717	•	100.0%	4 525	4 525
supplies									
Operating leases	10 924	•	(10 026)	898	898	Ī	100.0%	4 405	4 405
Property payments	56 513	1	(43 466)	13 047	13 047	1	100.0%	17 942	17 942
Travel and subsistence	78 266	1	23 838	102 104	102 104	•	100.0%	103 410	103 410
Training and development	123 455	1	(87 614)	35 841	35 841	ı	100.0%	37 202	37 202
Operating payments	107 779	1	56 782	164 561	164 561	•	100.0%	151 336	151 336
Venues and facilities	157	•	(38)	118	118	•	100.0%	287	287

APPROPRIATION STATEMENT

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e 4: Air Def
Programme 4

Adj Approx	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds	_	Appropriation	Expenditure		as % of final appropriation	Appropriation	Expenditure
Rental and hiring	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
-	•	•	272	272	272	- 	100.0%	3 869	3 869
Interest and rent on land	•	•		1	1		,	•	•
Transfers and subsidies	1 055 852	•	(594 240)	461 612	460 963	649	%6.66	897 611	897 611
Provinces and municipalities	က	1	_	4	4	,	100.0%	4	4
Municipalities	က	•	_	4	4	•	100.0%	4	4
Municipal bank accounts	က	•	_	4	4		100.0%	4	4
Departmental agencies and accounts	1 020 018	•	(579 432)	440 586	440 586	•	100.0%	876 509	876 509
Departmental agencies (non-business entities)	1 020 018	•	(579 432)	440 586	440 586		100.0%	876 509	876 509
Higher education institutions	•	1	1	•			,	'	'
Foreign governments and international	•	•	•	1	1	•	,	ı	•
organisations									
Public corporations and private enterprises	•	•	'	1	•	,	'	1	1
Non-profit institutions	•	1	ı	ı	1	,	1	'	1
Households	35 831	1	(14 809)	21 022	20 373	649	%6:96	21 098	21 098
Social benefits	35 831	1	(14 916)	20 915	20 266	649	%6:96	20 295	20 295
Other transfers to households	•	•	107	107	107		100.0%	503	503
Payments for capital assets	16 870	•	37 697	54 567	54 567	•	100.0%	90 518	90 518
Buildings and other fixed structures	•	1	2 100	2 100	2 100		100.0%	1 858	1 858
Buildings	•	1	2 100	2 100	2 100	,	100.0%	1 858	1 858
Machinery and equipment	16 870	1	35 097	51 967	51 967		100.0%	88 660	88 660
Transport equipment	9 883	•	15 611	25 494	25 494		100.0%	39 684	39 684
Other machinery and equipment	286 9	1	19 486	26 473	26 473	,	100.0%	48 976	48 976
Heritage assets	•	1	1	ı	1	,	1	1	1
Specialised military assets	•	1	27	27	27	,	100.0%	1	1
Biological assets	•	ı	1	ı	1	,	,	1	1
Land and sub-soil assets	•	1	1	,	•	,	,	•	1
Software and other intangible assets	•	1	473	473	473	,	100.0%	1	1
Payment for financial assets	•	•	550	220	220		100.0%	213	213
Total 6	6 6 2 0 7 2 9	•	(389 722)	6 261 057	6 257 443	3 614	%6'66	6 753 411	6 753 411

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 4.1: Strategic Direction

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	30 633	•	(12 000)	18 633	18 633	•	100.0%	17 712	17 712
Compensation of employees	14 368	•	(998)	13 502	13 502	•	100.0%	12 709	12 709
Goods and services	16 265	•	(11 134)	5 131	5 131	•	100.0%	5 003	2 003
Interest and rent on land	1	•	•	,	•	•	•	'	•
Transfers and subsidies	က	•	_	4	4	•	100.0%	215	212
Provinces and municipalities	က	•	_	4	4	•	100.0%	4	4
Departmental agencies and accounts	1	1	•	'	1	•	•	'	1
Higher education institutions	ı	1	•	'	1	•	1	'	1
Foreign governments and international	•	1	•	'	•	•	•	'	•
organisations									
Public corporations and private enterprises	ı	•	•	1	1	1	•	•	1
Non-profit institutions	•	1	1	1	1	1	ı	1	'
Households	1	'	•	'	1	'	'	211	211
Payments for capital assets	349	•	308	657	259	•	100.0%	1 456	1 456
Buildings and other fixed structures	1	'	•	'	1	'	'	497	497
Machinery and equipment	349	'	288	637	289	•	100.0%	959	626
Heritage assets	1	1	•	'	ı	•	1	'	·
Specialised military assets	ı	1	•	1	ı		1	1	ı
Biological assets	,	1	•	'	ı	•	1	'	·
Land and sub-soil assets	ı	1	•	1	ı	ı	ı	1	,
Software and other intangible assets	'	'	20	20	20	•	100.0%	'	·
Payment for financial assets	•	-	•	-	-	-	•	•	•
Total	30 985	•	(11 691)	19 294	19 294	•	100.0%	19 383	19 383

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 4.2: Operational Direction

260 776 2 547 260 776 2 547 263 323 Expenditure Actual R'000 2017/18 Appropriation 260 776 260 776 2 547 2 547 263 323 R'000 Final as % of final 100.0% 100.0% 100.0% appropriation 100.0% Expenditure Variance R'000 140 745 140 745 141 669 324 Expenditure Actual R'000 Appropriation 140 745 140 745 924 924 141 669 2018/19 Final R'000 43 898 43 898 503 503 44 401 Virement R'000 Shifting of Funds R'000 96 847 96 847 421 421 Appropriation Adjusted R'000 Public corporations and private enterprises Foreign governments and international Departmental agencies and accounts Software and other intangible assets Buildings and other fixed structures Compensation of employees Higher education institutions Specialised military assets Provinces and municipalities Machinery and equipment Land and sub-soil assets Payment for financial assets Payments for capital assets Interest and rent on land Transfers and subsidies Economic classification Non-profit institutions Goods and services Biological assets Heritage assets **Current payments** organisations Households Total

725 436

725 436 244 334 481 102

100.0% 100.0%

R'000

R'000

R'000

Actual Expenditure

Appropriation

as % of final

Expenditure

Variance

appropriation

2017/18

244 334

373 345

373 345

100.0%

373 055

373 055

100.0%

290 1 069

1 069

100.0%

1 069

1 069

1 099 855

1 099 855

100.0%

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

4 776 665 805 253 314 257 656 256 355 4 776 412 491 301 928 251 Expenditure Actual R'000 Appropriation 665 805 253 314 257 656 256 355 4 776 412 491 1 301 **4 776** 928 251 2018/19 R'000 Final (34344) $(20\ 205)$ (35079)10 362 4 498 4 498 Virement R'000 Shifting of Funds R'000 655 443 242 818 292 735 290 699 2 036 **278** 412 625 Appropriation 948 456 Adjusted R'000 Public corporations and private enterprises Subprogramme: 4.3: Helicopter Capability Foreign governments and international Departmental agencies and accounts Software and other intangible assets Buildings and other fixed structures Compensation of employees Provinces and municipalities Higher education institutions Specialised military assets Machinery and equipment Land and sub-soil assets Payment for financial assets Payments for capital assets Interest and rent on land Economic classification Non-profit institutions Transfers and subsidies Goods and services Biological assets Heritage assets **Current payments** organisations Households Total

APPROPRIATION STATEMENT

Subprogramme: 4.4: Transport and Maritime Capability

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	668 193	•	(103 408)	564 785	561 820	2 965	99.5%	516 081	516 081
Compensation of employees	203 463	1	(3 952)	199 511	199 511	•	100.0%	192 364	192 364
Goods and services	464 730	•	(99 426)	365 274	362 309	2 965	99.2%	323 717	323 717
Interest and rent on land	'	•	•	'	1	•	1	1	1
Transfers and subsidies	7 493	•	(6 514)	979	626	•	100.0%	4 457	4 457
Provinces and municipalities	1	1	1	1	•	•	1	1	•
Departmental agencies and accounts	6 265	•	(6 265)	'	1	•	ı	4 331	4 331
Higher education institutions	1	1	,	•	•	•	•	•	•
Foreign governments and international	ı	•	•	•	•	1	•	•	•
organisations									
Public corporations and private enterprises	•	1	1	'	1	1	'	'	•
Non-profit institutions	1	ı	1	•	•	'	1	1	'
Households	1 228	ı	(548)	626	626	•	100.0%	126	126
Payments for capital assets	102	•	2 813	2 915	2 915	•	100.0%	1 304	1 304
Buildings and other fixed structures	1	1	925	925	928	•	100.0%	85	82
Machinery and equipment	102	1	1 888	1 990	1 990	•	100.0%	1 219	1 219
Heritage assets	1	•	•	'	1	•	'	1	1
Specialised military assets	1	ı	ı	'	ı	1	1	ı	'
Biological assets	1	1	•	'	1	•	'	ı	•
Land and sub-soil assets	•	•	1	'	1	1	•	•	•
Software and other intangible assets	1	1	ı	'	1	1	1	1	•
Payment for financial assets	•	•	43	43	43	•	100.0%	•	•
Total	882 529	•	(107 066)	568 722	265 757	2 965	89.5%	521 842	521 842

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 4.5: Air Combat Capability

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	463 113	•	(85 119)	377 994	377 994	•	100.0%	425 066	425 066
Compensation of employees	82 839	•	(3405)	79 434	79 434	1	100.0%	74 964	74 964
Goods and services	380 274	•	(81 714)	298 560	298 560	'	100.0%	350 102	350 102
Interest and rent on land	•	•	•	'	,	•	,	'	,
Transfers and subsidies	376 927	•	(235814)	141 113	141 113	•	100.0%	357 606	357 606
Provinces and municipalities	1	•		'	1	•	1	'	1
Departmental agencies and accounts	376 195	•	(235223)	140 972	140 972	•	100.0%	357 604	357 604
Higher education institutions	'	1	•	'	1	•	'	'	'
Foreign governments and international	•	1	•	'	1	1	'	'	'
organisations									
Public corporations and private enterprises	1	1	1	'	'	1	'	'	'
Non-profit institutions	•	'	•	'	•	'	'	'	'
Households	732	1	(291)	141	141	'	100.0%	2	2
Payments for capital assets	38	•	533	571	571	•	100.0%	704	704
Buildings and other fixed structures	'	1	•	' 	'	'	'	'	,
Machinery and equipment	38	1	206	544	544	•	100.0%	704	704
Heritage assets	1	ı	•	·	1	•	'	1	,
Specialised military assets	1	ı	27	27	27	•	100.0%	1	ı
Biological assets	'	'	•	'	•	1		'	,
Land and sub-soil assets	1	ı	•	'	1	•	1	'	ı
Software and other intangible assets	1	ı	•	1	1	1		'	,
Payment for financial assets	-	-	•	•	•	•	•	•	•
Total	840 078	•	(320 400)	519 678	519 678	•	100.0%	783 376	783 376

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 4.6: Operational Support and Intelligence Capability

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	336 392	•	9 203	345 595	345 595	•	100.0%	335 162	335 162
Compensation of employees	317 484	ī	16 762	334 246	334 246	•	100.0%	320 442	320 442
Goods and services	18 908	ı	(7 559)	11 349	11 349	•	100.0%	14 720	14 720
Interest and rent on land	•	1	1	•	•	•	•	1	•
Transfers and subsidies	4 853	ī	(4 696)	157	157	•	100.0%	4 721	4 721
Provinces and municipalities	ı	•	•	1	1	•	1	1	1
Departmental agencies and accounts	4 591	'	(4 591)	'	'	1	•	4 591	4 591
Higher education institutions	1	ı	1	•	1	1	•	ı	'
Foreign governments and international organisations	1	1	•	1	ı	1	•	•	•
Public corporations and private enterprises	1	•	•	'	•	'	1	1	•
Non-profit institutions	•	1	•	•	1	•	•	1	•
Households	262	1	(102)	157	157	•	100.0%	130	130
Payments for capital assets	2 039	•	6 632	8 671	8 671	•	100.0%	2 967	2 967
Buildings and other fixed structures	1	1	71	71	71	•	100.0%	1	•
Machinery and equipment	2 039	ı	6 561	8 600	8 600	•	100.0%	2 967	2 967
Heritage assets	1	'	•	1	•	1	1	1	'
Specialised military assets	1	'	•	1	•	1	1	1	'
Biological assets	1	ı	•	1	1	•	1	1	1
Land and sub-soil assets	ı	1	ı	1	ı	ı	ı	1	1
Software and other intangible assets	,	'	1	1	•	1	•	'	'
Payment for financial assets	-	-	40	40	40	•	100.0%	104	104
Total	343 284	•	11 179	354 463	354 463	•	100.0%	342 954	342 954

APPROPRIATION STATEMENT

Subprogramme: 4.7: Command and Control Capability

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	357 943	•	22 470	380 413	380 413	•	100.0%	375 357	375 357
Compensation of employees	211 444	•	7 744	219 188	219 188	•	100.0%	210 088	210 088
Goods and services	146 499	•	14 726	161 225	161 225	•	100.0%	165 269	165 269
Interest and rent on land	•	•	•	•	•	•	1	•	•
Transfers and subsidies	333 664	•	(290 606)	43 058	43 058	•	100.0%	136 089	136 089
Provinces and municipalities	'	'	•	'	'	•	1	•	,
Departmental agencies and accounts	333 331	1	(291045)	42 286	42 286	•	100.0%	135 622	135 622
Higher education institutions	'	'	•	'	1	1	1	•	•
Foreign governments and international	•	•	'	•	,	1	•	•	•
organisations									
Public corporations and private enterprises	'	1	•	'	'	'	1	1	'
Non-profit institutions	'	1	•	1	1	1	1	1	'
Households	333	1	439	772	772	•	100.0%	467	467
Payments for capital assets	424	•	2 387	2 811	2 811	•	100.0%	24 570	24 570
Buildings and other fixed structures	'	1	•	,	,	•	1	1	1
Machinery and equipment	424	1	2 387	2 811	2 811	•	100.0%	24 570	24 570
Heritage assets	1	1	•	1	1	'	1	1	•
Specialised military assets	'	1	•	'	'	'	1	1	'
Biological assets	'	1	•	1	1	'	1	1	•
Land and sub-soil assets	'	1	•	1	'	•	1	1	'
Software and other intangible assets	1	ı	•	1	1	1	1	1	1
Payment for financial assets	•	-	•	-	•	-	-	10	10
Total	692 031	•	(265 749)	426 282	426 282		100.0%	536 026	536 026

APPROPRIATION STATEMENT

Subprogramme: 4.8: Base Support Capability

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 780 000	•	318 848	2 098 848	2 098 848	•	100.0%	1 972 556	1 972 556
Compensation of employees		•	3 760	1 539 651	1 867 774	(328 123)	121.3%	1 753 263	1 753 263
Goods and services	244 109	•	315 088	559 197	231 074	328 123	41.3%	219 293	219 293
Interest and rent on land	•	'	•	•	1	•	•	•	1
Transfers and subsidies	15 682	•	(1652)	14 030	14 030	•	100.0%	17 223	17 223
Provinces and municipalities	1	1	•	'	1	1	1	1	'
Departmental agencies and accounts	1	1	5	2	5	1	100.0%	1	1
Higher education institutions	•	1	•	'	ı	1	1	1	•
Foreign governments and international	1	1	1	'	1	•	•	1	•
organisations									
Public corporations and private enterprises	•	1	•	'	ı	1	1	1	•
Non-profit institutions	•	•	•	'	1	•	1	•	ı
Households	15 682	•	(1 657)	14 025	14 025	•	100.0%	17 223	17 223
Payments for capital assets	8 155	•	19 228	27 383	27 383	•	100.0%	46 107	46 107
Buildings and other fixed structures	•	•	1 039	1 039	1 039	•	100.0%	1 265	1 265
Machinery and equipment	8 155	•	18 189	26 344	26 344	•	100.0%	44 842	44 842
Heritage assets	'	1	•	'	1	1	1	•	'
Specialised military assets	'	1	•	'	1	1	1	1	'
Biological assets	1	1	•	'	1	1	1	1	•
Land and sub-soil assets	'	'	•	'	1	1	1	1	'
Software and other intangible assets	'	'	•	'	•	'	1	'	•
Payment for financial assets	-	•	348	348	348	•	100.0%	77	77
Total	1 803 837	•	336 772	2 140 609	2 140 609	•	100.0%	2 035 963	2 035 963

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 4.9: Command Post

				2018/19				2017/18	18
-	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	67 928	•	(2 856)	65 072	65 072	•	100.0%	65 363	65 363
Compensation of employees	57 547	1	(2 544)	55 003	55 003	•	100.0%	50 253	50 253
Goods and services	10 381	1	(312)	10 069	10 069	•	100.0%	15 110	15 110
Interest and rent on land	1	1		•	1	•	•	1	•
Transfers and subsidies	286	•	(320)	236	236	•	100.0%	714	714
Provinces and municipalities	ı	1	1	'	1	•	•	•	•
Departmental agencies and accounts	1	1	1	'	•	•	•	1	•
Higher education institutions	1	1	1	•	1	•	•	1	•
Foreign governments and international organisations	•	1	•	ı	i	•	ı	1	ı
Public corporations and private enterprises	1	•	•	•	1	•	•	ı	•
Non-profit institutions	•	1	1	•	•	•	•	1	•
Households	586	1	(320)	236	236	•	100.0%	714	714
Payments for capital assets	376	•	(167)	209	209	•	100.0%	1 103	1 103
Buildings and other fixed structures	1	1	1	'	•	'	'	1	•
Machinery and equipment	376	ı	(167)	209	209	•	100.0%	1 103	1 103
Heritage assets	•	1	•	1	1	•	1	1	1
Specialised military assets	ı	ı	1	1	1	•	1	1	'
Biological assets	ı	1	•	1	1	•	1	1	1
Land and sub-soil assets	Ī	1	ı	1	ı	•	1	1	1
Software and other intangible assets	ı	1	1	1	1	•	1	•	1
Payment for financial assets	-	-	-	-	-	-	-	-	•
Total	068 890	•	(3 373)	65 517	65 517		100.0%	67 180	67 180

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 4.10: Training Capability

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	575 477	•	(115 711)	459 766	459 766	•	100.0%	480 967	480 967
Compensation of employees	435 019	•	(62 938)	372 081	372 081	•	100.0%		373 453
Goods and services	140 458	•	(52 773)	87 685	87 685	'	100.0%	107 514	107 514
Interest and rent on land	•	•	•	1	1	'	1	,	•
Transfers and subsidies	9 974	•	(8 381)	1 593	1 593	•	100.0%	1 649	1 649
Provinces and municipalities	1	•	•	ı	1	•	1	1	'
Departmental agencies and accounts	696 2	1	(696 /)	1	•	•	1	1 190	1 190
Higher education institutions	1	1	•	'	1	•	1	'	'
Foreign governments and international	•	•	•	•	•	•	,	•	•
organisations									
Public corporations and private enterprises	1	1	1	'	1	1	1	'	'
Non-profit institutions	•	1	1	'	1	•	•	'	•
Households	2 005	'	(412)	1 593	1 593	•	100.0%	459	429
Payments for capital assets	833	•	1 354	2 187	2 187	•	100.0%	4 715	4 715
Buildings and other fixed structures	1	1	26	26	26	•	100.0%	#	=
Machinery and equipment	833	•	1 328	2 161	2 161	•	100.0%	4 704	4 704
Heritage assets	1	1	•	ı	1	•	1	'	•
Specialised military assets	1	1	•	Ī	1	•	1	Ī	•
Biological assets	1	1	•	1	1	•	•	1	•
Land and sub-soil assets	ı	1	ı	ı	ı	ı	1	1	•
Software and other intangible assets	•	'	1	'	•	1	'	'	'
Payment for financial assets	•	•	104	104	104	•	100.0%	12	12
Total	586 284	•	(122 634)	463 650	463 650	•	100.0%	487 343	487 343

APPROPRIATION STATEMENT

Subprogramme: 4.11: Technical Support Services

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	546 088	•	80 284	626 672	626 672	•	100.0%	590 593	590 593
Compensation of employees	501 665	•	34 943	536 608	536 608	1	100.0%	491 978	491 978
Goods and services	44 423	•	45 641	90 064	90 064	•	100.0%	98 615	98 615
Interest and rent on land	1	•	1	1	1	1	1	•	•
Transfers and subsidies	13 935	•	(11 149)	2 786	2 137	649	19.1%	1 592	1 592
Provinces and municipalities	1	•	1	•	•	1	•	•	•
Departmental agencies and accounts	896	•	•	896	896	•	100.0%	116	116
Higher education institutions	1	'	1	•	•	1	•	•	•
Foreign governments and international	1	•	1	•	1	1	•	1	•
organisations									
Public corporations and private enterprises	1	1	1	1	'	1	1	1	'
Non-profit institutions	'	1	1	'	'	1	'	1	•
Households	12 967	'	(11 149)	1 818	1 169	649	64.3%	1 476	1 476
Payments for capital assets	3 855	•	(392)	3 463	3 463	•	100.0%	3 976	3 976
Buildings and other fixed structures	•	•	39	39	39	1	100.0%	1	•
Machinery and equipment	3 855	•	(884)	2 971	2 971	•	100.0%	3 976	3 976
Heritage assets	ı	1	ı	ı	ı	1	1	1	1
Specialised military assets	1	'	1	1	·	•	1	1	•
Biological assets	1	'	1	1	1	•	1	1	•
Land and sub-soil assets	1	'	1	'	•	1	•	•	'
Software and other intangible assets	1	'	453	453	453	1	100.0%	1	•
Payment for financial assets	•	•	1	1	1	•	100.0%	5	2
Total	563 878		69 044	632 922	632 273	649	%6'66	596 166	596 166

APPROPRIATION STATEMENT

Defence
Maritime
5:
Programme

				2018/19				2017/18	118
	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
Subprogramme									
1. Maritime Direction	569 321	1	88 128	657 449	627 449	•	100.0%	657 134	657 134
2. Maritime Combat Capability	1 845 039	1	(86 905)	1 758 134	1 758 134	1	100.0%	1 850 504	1 850 504
3. Maritime Logistic Support Capability	1 133 131	1	(176138)	956 993	956 993	1	100.0%	924 183	924 183
4. Maritime Human Resources and Training Capability	545 248	ı	(13 353)	531 895	531 895	•	100.0%	518 027	518 027
5. Base Support Capability	606 616	•	(7 157)	599 459	599 459	,	100.0%	664 091	664 091
Total	4 699 355	•	(195 425)	4 503 930	4 503 930	•	100.0%	4 613 939	4 613 939
Economic classification									
Current payments	3 150 754	•	(94 138)	3 056 616	3 056 616	•	100.0%	2 986 623	2 986 623
Compensation of employees	2 274 695	1	•	2 274 695	2 434 887	(160 192)	107.0%	2 350 195	2 350 195
Salaries and wages	2 017 300	1	•	2 017 300	2 143 865	(126 565)	106.3%	2 066 678	2 066 678
Social contributions	257 395	1	•	257 395	291 022	(33 627)	113.1%	283 517	283 517
Goods and services	876 059	1	(94 138)	781 921	621 729	160 192	79.5%	636 428	636 428
Advertising	379	1	(336)	43	43	1	100.0%	463	463
Minor assets	13 138	1	(11 388)	1 750	1 750	1	100.0%	4 746	4 746
Catering: Departmental activities	963	1	393	1 356	1 356	ı	100.0%	1 323	1 323
Communication (G&S)	9 840	1	(2 431)	7 409	7 409	1	100.0%	12 739	12 739
Computer services	28 840	1	(16 123)	12 717	12 717	1	100.0%	19 986	19 986
Consultants: Business and advisory services	3 323	1	(3323)	'	1	1	ı	332	332
Infrastructure and planning services	701	1	(701)	1	ı	1	1	9	9
Contractors	253 999	1	119 572	373 571	249 061	124 510	%2'99	246 536	246 536
Agency and support / outsourced services	3 624	1	518	4 142	4 142	1	100.0%	3 417	3 417
Entertainment	42	1	(12)	27	27	1	100.0%	30	30
Fleet services (including government motor transport)	808	ı	1 632	2 440	2 440	•	100.0%	1 330	1 330

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				2018/19				2017/18	18
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories	23 284	1	(5 812)	17 472	17 472	•	100.0%	11 729	11 729
Inventory: Farming supplies	'	1	•	1	1	•	'	132	132
Inventory: Food and food supplies	120 590	•	(29 706)	90 884	90 884	•	100.0%	124 023	124 023
Inventory: Fuel, oil and gas	109 205	•	(26 365)	52 840	52 840	•	100.0%	46 072	46 072
Inventory: Materials and supplies	29 114	'	(16 410)	12 704	12 704	•	100.0%	7 145	7 145
Inventory: Medical supplies	28	1	(18)	10	10	•	100.0%	18	18
Inventory: Other supplies	126 831	•	(026)	62 861	62 861	•	100.0%	29 184	29 184
Consumable supplies	12 531	•	(3 838)	8 693	8 693	•	100.0%	9 739	9 739
Consumable: Stationery, printing and office	6 574	•	(3 849)	2 725	2 7 2 5	•	100.0%	5 684	5 684
salddns									
Operating leases	476	1	5 149	5 625	5 625	1	100.0%	226	526
Property payments	18 289	1	(6 843)	11 446	9 227	2 2 1 9	%9.08	8 676	8 676
Travel and subsistence	56 078	'	7 663	63 741	63 741	1	100.0%	75 180	75 180
Training and development	8 777	1	2 082	10 859	10 859	•	100.0%	9 582	9 582
Operating payments	47 436	1	(11952)	35 484	2 021	33 463	2.7%	18 019	18 019
Venues and facilities	1 169	1	(1040)	129	129	•	100.0%	99	99
Rental and hiring	20	1	2 973	2 993	2 993	•	100.0%	45	45
Interest and rent on land	'	1	•	1	1		1	1	'
Transfers and subsidies	1 536 720	•	(101545)	1 435 175	1 435 175	•	100.0%	1 598 177	1 598 177
Provinces and municipalities	1	1	9	9	9	1	100.0%	_	_
Municipalities	'	1	9	9	9	•	100.0%	_	~
Municipal bank accounts	'	1	9	9	9	•	100.0%	_	~
Departmental agencies and accounts	1 231 990	1	(97 289)	1 134 701	1 134 701	•	100.0%	1 283 972	1 283 972
Departmental agencies (non-business entities)	1 231 990	•	(97 289)	1 134 701	1 134 701	•	100.0%	1 283 972	1 283 972
Higher education institutions	1	1	1	1	1	1	1	1	'
Foreign governments and international organisations	1	•	1	ı	1	1	1	1	1
Public corporations and private enterprises	283 680	•	•	283 680	283 680	•	100.0%	269 991	269 991

APPROPRIATION STATEMENT

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				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations	283 680	1		283 680	283 680		100.0%	269 991	269 991
Subsidies on products and production (pc)	283 680	ı	•	283 680	283 680		100.0%	269 991	269 991
Non-profit institutions	1	ı	•	1	•	-	•	1	•
Households	21 050	1	(4 262)	16 788	16 788		100.0%	44 213	44 213
Social benefits	21 050	ı	(7 419)	13 631	13 631	-	100.0%	43 974	43 974
Other transfers to households	1	1	3 157	3 157	3 157		100.0%	239	239
Payments for capital assets	11 881	•	(1876)	10 005	10 005	•	100.0%	28 836	28 836
Buildings and other fixed structures	1	ı	7	7	7		100.0%	98	98
Buildings	1	1	7	7	7	,	100.0%	98	98
Machinery and equipment	11 186	ı	(1240)	9 946	9 9 4 6		100.0%	28 302	28 302
Transport equipment	1 639	1	1 923	3 562	3 562	,	100.0%	9 591	9 591
Other machinery and equipment	9 547	1	(3 163)	6 384	6 384		100.0%	18 711	18 711
Heritage assets	1	'	•		'		1	'	'
Specialised military assets	ı	1	ı	•	ı	,	1	,	'
Biological assets	1	'	1	•	'		•	•	'
Land and sub-soil assets	1	'	1	•	'		•	'	'
Software and other intangible assets	969	,	(643)	55	25	,	100.0%	448	448
Payment for financial assets	-	-	2 134	2 134	2 134	•	100.0%	303	303
Total	4 699 355	•	(195 425)	4 503 930	4 503 930	•	100.0%	4 613 939	4 613 939

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 5.1: Maritime Direction

				2018/19				2017/18	118
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	553 877	•	95 633	649 510	649 510	•	100.0%	628 094	628 094
Compensation of employees	505 514	•	•	505 514	611 576	(106 062)	121.0%	584 550	584 550
Goods and services	48 363	•	95 633	143 996	37 934	106 062	26.3%	43 544	43 544
Interest and rent on land	•	1	٠	•	•	•	•	•	•
Transfers and subsidies	12 925	•	(6 202)	6 723	6 723	•	100.0%	28 259	28 259
Provinces and municipalities	ı	•	9	9	9	•	100.0%	_	~
Departmental agencies and accounts	1	ı	'	'	'	1	•	1	'
Higher education institutions	1	1	1	1	1	1	•	1	1
Foreign governments and international	•	•	1	'	'	•	•	1	•
Public corporations and private enterprises	1	1	•	•	•	1	•	•	•
Non-profit institutions	•	1	•	,	•	•	•	•	,
Households	12 925	•	(6 208)	6 7 1 7	6 7 1 7	•	100.0%	28 258	28 258
Payments for capital assets	2 519	•	(1330)	1 189	1 189	•	400.0%	765	765
Buildings and other fixed structures	•	1	1	,	•	•	•	'	1
Machinery and equipment	1 824	•	(635)	1 189	1 189	•	100.0%	317	317
Heritage assets	1	1	•	'	'	•	1	1	'
Specialised military assets	1	ı	•	1	•	•	1	1	1
Biological assets	1	ı	•	Ī	1	•	1	1	'
Land and sub-soil assets	1	ı	1	'	,	1	1	1	'
Software and other intangible assets	969	1	(962)	'	1	•	1	448	448
Payment for financial assets	-	•	27	27	27	•	100.0%	16	16
Total	569 321	•	88 128	657 449	627 449	•	100.0%	657 134	657 134

APPROPRIATION STATEMENT

Subprogramme: 5.2: Maritime Combat Capability

Adjusted Appropriation R'000 616 541 519 107 97 434 1 226 780 - 1 191 020	Shifting of Funds R'000	Virement	Final	Actual	Variance	Expenditure	Final	Actual
ployees and ipalities es and accounts ittutions and international	R'000		Appropriation		Valla	as % of final appropriation	Appropriation	Expenditure
ployees E and accounts 11 titutions sand international		R'000	R'000	R'000	R'000	%	R'000	R'000
and 12 ployees and coounts 11 titutions and international		10 439	626 980	626 980	•	100.0%	270 806	570 806
and 12 ipalities es and accounts titutions and international		3 302	522 409	574 320	(51911)	109.9%		493 359
and tipalities es and accounts titutions s and international	' 	7 137	104 571	52 660	51 911	50.4%	77 447	77 447
ipalities es and accounts titutions s and international		•	•	•	•	•		•
	_	(96 912)	1 129 868	1 129 868	•	100.0%	1 278 404	1 278 404
		'	'	1	•	•	,	1
		(97 289)	1 093 731	1 093 731	1	100.0%	1 243 002	1 243 002
	<u>'</u>	'	'	'	,	•	,	•
	'	•	'	'	1	,	'	•
Public corporations and private enterprises 35 661	· 	'	35 660	35 660	٠	100.0%	35 099	35 099
	'	1	1	ı	1	1	,	1
Households 99		378	477	477	•	100.0%	303	303
Payments for capital assets		(200)	1 218	1 218	•	100.0%	1 281	1 281
Buildings and other fixed structures		7	7	7	•	100.0%	•	1
Machinery and equipment		(202)	1211	1211	1	100.0%	1 281	1 281
- Heritage assets		1	'	•	•	•	'	•
Specialised military assets		'	' 	•	1	-	,	•
Biological assets		1	·	1	1	-	,	1
Land and sub-soil assets	1	1	'	ı	1	1	1	1
Software and other intangible assets	· -	'	'	'	'	•	,	•
Payment for financial assets	-	89	89	89	•	100.0%	13	13
Total 1 845 039	_	(86 905)	1 758 134	1 758 134		100.0%	1 850 504	1 850 504

APPROPRIATION STATEMENT

Subprogramme: 5.3: Maritime Logistic Support Capability

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	838 902	•	(178 846)	920 099	920 099	•	100.0%	625 262	625 262
Compensation of employees	192 979	•	(184)	192 795	192 795	•	100.0%	180 309	180 309
Goods and services	645 923	•	(178 662)	467 261	467 261	•	100.0%	444 953	444 953
Interest and rent on land	1	•	•	•	•	1	•	•	•
Transfers and subsidies	289 429	•	1 588	291 017	291 017	•	100.0%	280 346	280 346
Provinces and municipalities	1	1	1	•	1	ı	•	•	,
Departmental agencies and accounts	40 970	1	•	40 970	40 970	•	100.0%	40 970	40 970
Higher education institutions	1	1	1	1	1	ı	'	1	•
Foreign governments and international	1	•	•	•	•	1	•	•	•
organisations									
Public corporations and private enterprises	248 019	1	_	248 020	248 020	1	100.0%	234 892	234 892
Non-profit institutions	1	1	1	1	1	1	'	•	'
Households	440	1	1 587	2 027	2 027	•	100.0%	4 484	4 484
Payments for capital assets	4 800	•	1 077	5 877	5 877	•	100.0%	18 575	18 575
Buildings and other fixed structures	1	•	•	•	1	•	•	•	1
Machinery and equipment	4 800	1	1 025	5 8 2 5	5 825	•	100.0%	18 575	18 575
Heritage assets	1	•	1	•	1	1	1	1	•
Specialised military assets	1	'	1	'	1	1	1	1	'
Biological assets	1	•	1	•	1	1	1	1	•
Land and sub-soil assets	'	•	•	•	'	1	'	•	'
Software and other intangible assets	1	ı	52	52	52	1	100.0%	1	'
Payment for financial assets	•	-	43	43	43	•	100.0%	-	•
Total	1 133 131	•	(176 138)	956 993	956 993	•	100.0%	924 183	924 183

APPROPRIATION STATEMENT

Subprogramme: 5.4: Maritime Human Resources and Training Capability

				2018/19				2017/18	/18
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	543 750	•	(13 452)	530 298	530 298	•	100.0%	515 092	515 092
Compensation of employees	516 156	1	(10 077)	506 079	620 909	1	100.0%	499 187	499 187
Goods and services	27 594	•	(3375)	24 219	24 219	•	100.0%	15 905	15 905
Interest and rent on land	1	1	1	'	1	1	'	'	•
Transfers and subsidies	1 438	•	(32)	1 406	1 406	•	100.0%	2 862	2 862
Provinces and municipalities	1	1	•	'	1	•	1	•	•
Departmental agencies and accounts	1	1	•	'	1	•	1	,	•
Higher education institutions	1	1	•	'	1	•	1	'	•
Foreign governments and international	1	•	•	•	•	•	•	•	•
organisations									
Public corporations and private enterprises	_	1	•	'	1	1	'	•	•
Non-profit institutions	1	ı	•	'	1	1	1	'	•
Households	1 438	1	(32)	1 406	1 406	1	100.0%	2 862	2 862
Payments for capital assets	09	•	99	126	126	•	100.0%	62	62
Buildings and other fixed structures	1	ı	•	'	1	•	1	1	•
Machinery and equipment	09	1	99	126	126	1	100.0%	62	62
Heritage assets	1	1	•	'	1	•	1	'	•
Specialised military assets	1	1	•	,	ı	•	1	1	1
Biological assets	•	1	1	'	1	1	•	'	,
Land and sub-soil assets	•	•	1	'	1	1	•	1	1
Software and other intangible assets	1	1	1	'	1	1	1	1	,
Payment for financial assets	•	•	65	65	65	•	100.0%	11	11
Total	545 248	•	(13 353)	531 895	531 895	-	100.0%	518 027	518 027

54 579

54 579

100.0% 100.4% 94.7%

> (2 219) 2 219

R'000

R'000

R'000

Actual Expenditure

Appropriation

as % of final

Expenditure

Variance

appropriation

2017/18

8 306

8 306

100.0%

8 153

100.0%

100.0%

8 067

100.0%

263

263 664 091

100.0%

100.0%

664 091

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

589 772 550 117 39 655 6 161 6 161 1 595 1 595 1 931 599 459 Expenditure Actual R'000 Appropriation 589 772 547 898 41874 6 161 1 595 599 459 6 161 1931 2018/19 R'000 Final (7912)(1 189) 6 9 5 9 14 871) (1 189) (7 157) 1 931 Virement R'000 Shifting of Funds R'000 56 745 6 148 2 784 597 684 540 939 2 784 Appropriation 606 616 Adjusted R'000 Subprogramme: 5.5: Base Support Capability Public corporations and private enterprises Foreign governments and international Departmental agencies and accounts Software and other intangible assets Buildings and other fixed structures Compensation of employees Provinces and municipalities Higher education institutions Specialised military assets Machinery and equipment Land and sub-soil assets Payment for financial assets Payments for capital assets Interest and rent on land Economic classification Non-profit institutions Transfers and subsidies Goods and services Biological assets Heritage assets **Current payments** organisations Households Total

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Adjusted Appropriation		Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
		Spiin		Appropriation	Expenditure		as % of final appropriation	tion	Expenditure
R'000	000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Strategic Direction 19	191 698	Ī	26 656	218 354	218 354	1	100.0%	186 884	186 684
2. Mobile Military Health Support	131 625	Ī	31 755	163 380	163 380	1	100.0%	140 310	140 310
3. Area Military Health Service	672 169	i	250 645	1 922 814	1 922 814	1	100.0%	1 809 636	1 809 636
4. Specialist/Tertiary Health Service 187	1 876 452	ı	169 314	2 045 766	2 045 766	•	100.0%	1 884 454	1 884 454
5. Military Health Product Support Capability 29	294 984	•	(102 873)	192 111	192 111	•	100.0%	181 271	181 271
6. Military Health Maintenance Capability 17.	175 829	'	20 257	196 086	196 086	•	100.0%	309 336	309 336
7. Military Health Training Capability	371 305	-	(19 225)	352 080	352 080	-	100.0%	341 225	341 225
Total 4 714	714 062	•	376 529	5 090 591	5 090 591	•	100.0%	4 853 116	4 852 916
Economic classification									
Current payments 4 650	650 481	•	316 196	4 966 677	4 966 677	•	100.0%	4 739 981	4 739 981
Compensation of employees 3 379	379 923	i	•	3 379 923	3 783 682	(403 759)	111.9%	3 523 686	3 523 686
Salaries and wages 3 059	960 690	•	(13 189)	3 045 907	3 380 621	(334 714)	111.0%	3 153 489	3 153 489
Social contributions 32	320 827	•	13 189	334 016	403 061	(69 045)	120.7%	370 197	370 197
	1 270 558	•	316 196	1 586 754	1 182 995	403 759	74.6%	1 216 295	1 216 295
Administrative fees	•	1	•	<u>, </u>		•	1	10	10
Advertising	197	'	(11)	186	186	1	100.0%	136	136
Minor assets 5	51 722	•	(46 960)	4 762	4 762	1	100.0%	7 348	7 348
Catering: Departmental activities	2 283	•	(161)	1 492	1 492	1	100.0%	2 113	2 113
Communication (G&S)	8 000	'	(2 237)	5 772	5 772	'	100.0%	6 183	6 183
Computer services 5	50 883	•	(22 281)	28 602	28 602	1	100.0%	30 629	30 629
Consultants: Business and advisory services	069	,	(298)	392	392	1	100.0%	376	376
Laboratory services	28 075	'	16 901	44 976	44 976	'	100.0%	52 904	52 904
Scientific and technological services	13 711	•	•	13 711	13 711	1	100.0%	11 962	11 962
Contractors 7	090 62	•	359 827	438 887	38 781	400 106	8.8%	41 350	41 350
Agency and support / outsourced services 43	436 316	•	26 177	462 493	462 493		100.0%	531 570	531 570

APPROPRIATION STATEMENT

Support
Health
Military
rogramme 6: I
Progl

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	20	•	(26)	24	24	•	100.0%	19	19
Fleet services (including government motor transport)	16 812	1	(0026)	7 112	7 112	1	100.0%	10 755	10 755
Inventory: Clothing material and accessories	17 812	•	(13 080)	4 732	4 732	•	100.0%	4 313	4 313
Inventory: Farming supplies	1 094	•	(542)	552	552	•	100.0%	186	186
Inventory: Food and food supplies	60 791	•	25 414	86 205	86 205	•	100.0%	64 836	64 836
Inventory: Fuel, oil and gas	19 779	•	2 063	21 842	21 842	1	100.0%	19 463	19 463
Inventory: Materials and supplies	3 988	•	(2712)	1 276	1 276	•	100.0%	2 008	2 008
Inventory: Medical supplies	109 495	1	(24 793)	84 702	84 702	ı	100.0%	63 884	63 884
Inventory: Medicine	194 540	1	53 179	247 719	247 719	1	100.0%	244 628	244 628
Inventory: Other supplies	165	1	(163)	2	2	1	100.0%	•	•
Consumable supplies	20 726	1	(6 374)	14 352	14 352	ı	100.0%	13 845	13 845
Consumable: Stationery, printing and office	12 398	•	(5 542)	928 9	6 856	1	100.0%	7 050	7 050
snbblies									
Operating leases	11 998	'	(10 946)	1 052	1 052	ı	100.0%	931	931
Property payments	26 316	1	(8 228)	17 757	17 757	ı	100.0%	17 793	17 793
Travel and subsistence	81 104	ı	(1 446)	79 658	200 92	3 653	95.4%	098 92	098 92
Training and development	806 6	1	(2 806)	7 102	7 102	ı	100.0%	5 071	5 071
Operating payments	12 089	ı	(7 629)	4 460	4 460	ı	100.0%	(185)	(185)
Venues and facilities	546	'	(468)	78	78	ı	100.0%	257	257
Rental and hiring	_	1		'	1	ı	•	ı	•
Interest and rent on land	1	ı	ı	1	ı	I	Ī	1	1
Transfers and subsidies	15 021	•	43 934	58 955	58 955	•	100.0%	27 815	27 615
Provinces and municipalities	1 434	'	(1 432)	2	2	ı	100.0%	2	2
Municipalities	1 434	•	(1432)	2	2	•	100.0%	2	2
Municipal bank accounts	1 434	1	(1 432)	2	2	ı	100.0%	2	2

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Programme 6: Military Health Support

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	84	•	(75)	6	6	•	100.0%	11 099	11 099
Departmental agencies (non-business entities)	84	•	(75)	6	თ	•	100.0%	11 099	11 099
Higher education institutions	'	1	•	'	1	•	•	1	'
Foreign governments and international	1	•	•	'	•	•	•	•	,
organisations									
Public corporations and private enterprises	1	•	•	•	•	1	•	•	•
Non-profit institutions	866	•	(251)	747	747	•	100.0%	972	772
Households	12 505	'	45 692	58 197	58 197	1	100.0%	15 742	15 742
Social benefits	12 505	'	4 278	16 783	16 783	'	100.0%	12 486	12 486
Other transfers to households	1	'	41 414	41 414	41 414	•	100.0%	3 256	3 256
Payments for capital assets	48 560	•	15 863	64 423	64 423	•	100.0%	85 101	85 101
Buildings and other fixed structures	47	'	91	138	138	•	100.0%	1 765	1 765
Buildings	47	'	91	138	138	•	100.0%	1 765	1 765
Machinery and equipment	47 805	'	16 100	63 905	63 905	•	100.0%	83 256	83 256
Transport equipment	2 271	'	10 359	12 630	12 630	•	100.0%	20 923	20 923
Other machinery and equipment	45 534	'	5 741	51 275	51 275	•	100.0%	62 333	62 333
Heritage assets	ı	'	•	'	1	•	•	1	1
Specialised military assets	202	1	(208)	'	1	1	1	1	•
Biological assets	Ī	1	380	380	380		100.0%	80	80
Land and sub-soil assets	ı	1	1	'	1	1	1	1	•
Software and other intangible assets	ı	'	1	'	1	1	ı	1	'
Payment for financial assets	•	•	536	536	536	•	100.0%	219	219
Total	4 714 062	•	376 529	5 090 591	5 090 591	•	100.0%	4 853 116	4 852 916

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 6.1: Strategic Direction

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	187 239	•	26 515	213 754	213 754	•	100.0%	179 390	179 390
Compensation of employees	152 749	1	38 954	191 703	195 356	(3 653)	101.9%	160 717	160 717
Goods and services	34 490	•	(12439)	22 051	18 398	3 653	83.4%	18 673	18 673
Interest and rent on land	•	•	•	'	•	•	1	'	,
Transfers and subsidies	3 161	•	683	3 844	3 844	•	100.0%	2 976	2 776
Provinces and municipalities	1	•	•	'	1	•	1	2	2
Departmental agencies and accounts	64	•	(64)	· 	'	•	1	47	47
Higher education institutions	1	•	•	'	1	•	1	'	1
Foreign governments and international	•	•	1	'	ı	1	•	,	,
Organisations and private enterprises	•	•	•	'	•	•	•	•	•
Non-profit institutions	866	•	(251)	747	747	•	100.0%	972	772
Households	2 099	•	966	3 097	3 097	•	100.0%	1 955	1 955
Payments for capital assets	1 298	•	(282)	716	716	•	100.0%	4 518	4 518
Buildings and other fixed structures	•	1	•	'	•	1	•	'	•
Machinery and equipment	1 298	•	(582)	716	716	•	100.0%	4 518	4 518
Heritage assets	•	•	•		•	•	1	'	,
Specialised military assets	1	1	ı	'	ı	ı	1	1	1
Biological assets	1	•	•	'	1	•	•	'	•
Land and sub-soil assets	1	ı	ı	'	ı	ı	1	1	1
Software and other intangible assets	•	1	1	' 	'	1	1	'	•
Payment for financial assets	•	•	40	40	40		100.0%	•	•
Total	191 698	•	26 656	218 354	218 354	•	100.0%	186 884	186 684

APPROPRIATION STATEMENT

Subprogramme: 6.2: Mobile Military Health Support

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	129 360	•	32 300	161 660	161 660	•	100.0%	126 859	126 859
Compensation of employees	110 323	•	43 095	153 418	153 418	•	100.0%	118 738	118 738
Goods and services	19 037	•	(10 795)	8 242	8 242	•	100.0%	8 121	8 121
Interest and rent on land	1	•	•	•	•	•	•	•	•
Transfers and subsidies	295	•	(236)	326	326	•	100.0%	11 438	11 438
Provinces and municipalities	2	1	(2)	•	1	•	_	-	1
Departmental agencies and accounts	1	1	1	'	'	1	-	11 051	11 051
Higher education institutions	ı	1	1	-	1	1	-	•	•
Foreign governments and international organisations	•	•	•	'	1	1	•	•	•
Public corporations and private enterprises	I	'	'	ī	•	•	1	1	•
Non-profit institutions	1	•	,	•	•	1	•	1	,
Households	260	•	(234)	326	326	•	100.0%	387	387
Payments for capital assets	1 703	•	(315)	1 388	1 388	•	100.0%	1 977	1 977
Buildings and other fixed structures	47	•	(47)	•	1	•	1	1	1
Machinery and equipment	948	•	440	1 388	1 388	1	100.0%	1 977	1 977
Heritage assets	1	1	'	'	1	1	•	•	1
Specialised military assets	202	1	(208)		ı	•		1	•
Biological assets	1	1	1	'	1	1	•	•	•
Land and sub-soil assets	ı	1	ı	,	ı	1	1	,	1
Software and other intangible assets	1	1	1	'	'	1	•	•	•
Payment for financial assets	•	-	6	6	9	•	100.0%	36	36
Total	131 625	•	31 755	163 380	163 380	•	100.0%	140 310	140 310

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 6.3: Area Military Health Service

				2018/19				2017/18	118
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 653 208	•	222 852	1 876 060	1 876 060	•	100.0%	1 790 176	1 790 176
Compensation of employees	1 223 193	•	•	1 223 193	1 406 119	(182 926)	115.0%	1 307 435	1 307 435
Goods and services	430 015	•	222 852	652 867	469 941	182 926	72.0%	482 741	482 741
Interest and rent on land	,	ı	•	'	•	•	1	1	•
Transfers and subsidies	3 416	•	28 294	31 710	31 710	•	100.0%	8 021	8 021
Provinces and municipalities	'	ı	•	1	1	•	1	1	•
Departmental agencies and accounts	18	1	(18)	'	•	•	1	_	_
Higher education institutions	1	1	1	1	1	•	'	1	'
Foreign governments and international organisations	1	1	ı	•	ı	1	1	•	1
Public corporations and private enterprises	•	•	•	Ī	•	•	•	1	1
Non-profit institutions	•	1	•	•	•	1	•	•	•
Households	3 398	•	28 312	31 710	31 710	•	100.0%	8 020	8 020
Payments for capital assets	15 545	•	(634)	14 911	14 911	•	100.0%	11 353	11 353
Buildings and other fixed structures	,	ı	1	'	•	•	'	15	15
Machinery and equipment	15 545	1	(634)	14 911	14 911	•	100.0%	11 338	11 338
Heritage assets	•	•	•	1	1	•	1	1	'
Specialised military assets	'	ı	1	1	1	•	1	1	'
Biological assets	1	1	1	Ī	1	•	1	1	•
Land and sub-soil assets	1	ı	1	ı	ı	ı	1	1	•
Software and other intangible assets	1	1	1	1	1	1	1	1	'
Payment for financial assets	•	•	133	133	133	•	100.0%	98	98
Total	1 672 169	•	250 645	1 922 814	1 922 814	•	100.0%	1 809 636	1 809 636

APPROPRIATION STATEMENT

Subprogramme: 6.4: Specialist / Tertiary Health Service

				2018/19				2017/18	78
	Lotoiilo A	Chiffing of	Viromont	Final	len40V	Variance	Evnoudituro	I C C II	leiito (
	Appropriation	Funds		Appropriation	Expenditure	Agiaice	as % of final	Appropriation	Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 843 732	•	144 904	1 988 636	1 988 636	•	100.0%	1 826 443	1 826 443
Compensation of employees	1 310 705	•	٠	1 310 705	1 527 885	(217 180)	116.6%	1 349 457	1 349 457
Goods and services	533 027	•	144 904	677 931	460 751	217 180	%0.89	476 986	476 986
Interest and rent on land	,	•	•	'	1	•	•	•	'
Transfers and subsidies	4 796	•	15 910	20 706	20 706	•	100.0%	2 885	2 885
Provinces and municipalities	2	'	(2)	'	•	1	•	•	•
Departmental agencies and accounts	2	•	(2)	•	•	•	'	•	•
Higher education institutions	•	•	•	•	•	,	•	•	•
Foreign governments and international	ı	1	1	•	ı	1	•	•	,
organisations Public comprations and private enterprises	1	•	•	'	•	,	•	•	•
Non-profit institutions	1	•	•	'	•	,	•	•	•
Households	4 792	•	15 914	20 706	20 706	•	100.0%	2 885	2 885
Payments for capital assets	27 924	•	8 460	36 384	36 384	•	100.0%	55 119	55 119
Buildings and other fixed structures	•	•	118	118	118	•	100.0%	1 750	1 750
Machinery and equipment	27 924	'	7 962	35 886	35 886	•	100.0%	53 289	53 289
Heritage assets	1	1	•	'	1	•	1	1	•
Specialised military assets	'	1	•	1	1	•	'	1	'
Biological assets	1	•	380	380	380	•	100.0%	80	80
Land and sub-soil assets	1	1	1	1	1	1	1	,	ı
Software and other intangible assets	'	1	1	1	1	1	'	'	'
Payment for financial assets	•	•	40	40	40	•	100.0%	7	7
Total	1 876 452	•	169 314	2 045 766	2 045 766	•	100.0%	1 884 454	1 884 454

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 6.5: Military Health Product Support Capability

				2018/19				2017/18	118
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	292 629	•	(103 844)	188 785	188 785	•	100.0%	169 791	169 791
Compensation of employees	69 132	•	25 092	94 224	94 224	ı	100.0%	58 564	58 564
Goods and services	223 497	•	(128 936)	94 561	94 561	•	100.0%	111 227	111 227
Interest and rent on land	1	•	•	•	•	1	1	•	•
Transfers and subsidies	1 792	•	(1 183)	609	609	•	100.0%	729	729
Provinces and municipalities	1 430	•	(1 428)	2	2	•	100.0%	•	,
Departmental agencies and accounts	1	1	о	6	0	1	100.0%	1	1
Higher education institutions	1	'	1	'	1	ı	1	1	'
Foreign governments and international	•	•	1	•	1	1	•	1	1
organisations									
Public corporations and private enterprises	1	1	1	1	1	1	1	1	'
Non-profit institutions	1	1	1	1	1	1	1	1	'
Households	362	1	236	598	298	1	100.0%	729	729
Payments for capital assets	263	•	2 153	2 716	2 716	•	100.0%	10 687	10 687
Buildings and other fixed structures	1	1	1	1	1	1	1	1	1
Machinery and equipment	563	1	2 153	2 716	2 716	1	100.0%	10 687	10 687
Heritage assets	1	1	1	1	1	1	1	1	'
Specialised military assets	1	1	1	1	1	1	1	1	'
Biological assets	1	1	1	1	1	1	1	1	1
Land and sub-soil assets	1	ı	ı	1	ı	1	1	ı	,
Software and other intangible assets	1	1	1	'	1	1	1	1	'
Payment for financial assets	•	•	1	1	1	•	100.0%	64	64
Total	294 984		(102 873)	192 111	192 111	•	100.0%	181 271	181 271

APPROPRIATION STATEMENT

Subprogramme: 6.6: Military Health Maintenance Capability

				2018/19				2017/18	418
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	175 829	•	18 968	194 797	194 797	•	100.0%	307 839	307 839
Compensation of employees	175 829	•	(98 048)	77 781	77 781	•	100.0%	206 404	206 404
Goods and services	1	1	117 016	117 016	117 016	•	100.0%	101 435	101 435
Interest and rent on land	,	•	1	•	•	1	•	•	•
Transfers and subsidies	•	•	373	373	373	•	100.0%	1 231	1 231
Provinces and municipalities	1	1	•	'	1	•	1	1	'
Departmental agencies and accounts	,	'	1	'	'	ı	1	1	'
Higher education institutions	'	'	1	,	•	ı	•	•	•
Foreign governments and international	1	1	1	1	ı	1	•	•	'
Organisations Public comporations and private entermises	ı	•	,	'	•	'	•	•	•
Non-profit institutions	1	•	•	ı	•	•	•	•	•
Households	1	•	373	373	373	•	100.0%	1 231	1 231
Payments for capital assets	•	•	793	793	793	•	100.0%	263	263
Buildings and other fixed structures	1	•	20	20	20	ı	100.0%	•	1
Machinery and equipment	1	1	773	773	773	1	100.0%	263	263
Heritage assets	'	1	1	'	'	1	1	•	'
Specialised military assets	'	1	ı	'	'	ı	1	1	•
Biological assets	1	1	٠	'	1	•	1	1	•
Land and sub-soil assets	'	1	ı	'	'	ı	1	1	'
Software and other intangible assets	1	•	1	•	•	1	•	•	•
Payment for financial assets	•	•	123	123	123	•	100.0%	3	3
Total	175 829	•	20 257	196 086	196 086	•	100.0%	309 336	309 336

APPROPRIATION STATEMENT

Subprogramme: 6.7: Military Health Training Capability

				2018/19				2017/18	/18
	Adiusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	368 484	•	(25 499)	342 985	342 985	•	100.0%	339 483	339 483
Compensation of employees	337 992	ı	(60 63)	328 899	328 899	•	100.0%	322 371	322 371
Goods and services	30 492	•	(16 406)	14 086	14 086	'	100.0%	17 112	17 112
Interest and rent on land	•	•	•	•	•	•	'	•	•
Transfers and subsidies	1 294	•	93	1 387	1 387	•	100.0%	535	535
Provinces and municipalities	•	•	•	'	1	•	<u>'</u>	'	,
Departmental agencies and accounts	1	•	•	'	1	•	'	'	1
Higher education institutions	1	•	•	1	1	•	'	'	1
Foreign governments and international	1	•	•	1	1	•	1	'	1
organisations									
Public corporations and private enterprises	1	1	1	'	1	ı	1	'	1
Non-profit institutions	1	1	1	'	1	1	' 	'	'
Households	1 294	•	93	1 387	1 387	'	100.0%	535	535
Payments for capital assets	1 527	•	5 988	7 515	7 515	•	100.0%	1 184	1 184
Buildings and other fixed structures	•	•	•	'	1	•	'	'	1
Machinery and equipment	1 527	1	5 988	7 515	7 515	1	100.0%	1 184	1 184
Heritage assets	•	1	1	'	ı	1	'	'	'
Specialised military assets	•	•	•	'	1	•	<u>'</u>	'	'
Biological assets	•	1	1	'	1	1	'		1
Land and sub-soil assets	1	1	ı	1	ı	ı	'	1	ı
Software and other intangible assets	1	1	1	'	1	1	'	'	'
Payment for financial assets	•	•	193	193	193	•	100.0%	23	23
Total	371 305	•	(19 225)	352 080	352 080		100.0%	341 225	341 225
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APPROPRIATION STATEMENT

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				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Strategic Direction	1	•	•	•	•	,	•	•	•
2. Operations	529 182	1	(50 715)	478 467	478 467	•	100.0%	459 946	459 946
3. Defence Intelligence Support Services	421 182	-	38 524	459 706	459 706	•	100.0%	428 054	428 054
Total	950 364	•	(12 191)	938 173	938 173	•	100.0%	888 000	888 000
Economic classification									
Current payments	436 397	•	21 286	457 683	457 683	•	100.0%	433 418	433 418
Compensation of employees	387 407	ī	•	387 407	421 435	(34 028)	108.8%	400 714	400 714
Salaries and wages	345 936	1	•	345 936	370 523	(24 587)	107.1%	353 172	353 172
Social contributions	41 471	ı	•	41 471	50 912	(9 441)	122.8%	47 542	47 542
Goods and services	48 990	,	21 286	70 276	36 248	34 028	51.6%	32 704	32 704
Administrative fees	1	•	443	443	443	•	100.0%	299	299
Advertising	102	'	(100)	2	2	•	100.0%	2	2
Minor assets	2 334	,	(1 942)	392	392	•	100.0%	292	292
Catering: Departmental activities	108	•	85	193	193	1	100.0%	236	236
Communication (G&S)	2 437	'	(1 238)	1 199	1 199	•	100.0%	1 565	1 565
Consultants: Business and advisory services	'	1	12	12	12	•	100.0%	1	'
Contractors	2 290	1	32 718	35 008	086	34 028	2.8%	1 168	1 168
Agency and support / outsourced services	276	ı	(184)	92	92	1	100.0%	193	193
Entertainment	87	1	(98)	_	_	1	100.0%	18	18
Fleet services (including government motor transport)	201	ı	(169)	32	32	1	100.0%	80	80
Inventory: Clothing material and accessories	99	ı	(8)	48	48	•	100.0%	65	99
Inventory: Food and food supplies	14 291	ı	288	14 879	14 879	•	100.0%	6 982	6 982
Inventory: Fuel, oil and gas	3 412	ı	(222)	3 190	3 190	•	100.0%	2 474	2 474
Inventory: Materials and supplies	220	•	(172)	48	48	•	100.0%	69	- 26

APPROPRIATION STATEMENT

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				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	1 042	1	(749)	293	293	•	100.0%	628	628
Consumable: Stationery printing and office	1 346	•	(392)	954	954	•	100.0%	1 299	1 299
supplies					3				
Operating leases	6 598	1	(4 084)	2 514	2 514	•	100.0%	6 078	6 078
Property payments	712	•	248	096	096	•	100.0%	959	959
Travel and subsistence	9 019	•	(1716)	7 303	7 303	•	100.0%	7 194	7 194
Training and development	2 730	1	(893)	1 837	1 837	•	100.0%	1 545	1 545
Operating payments	1 494	1	(785)	602	402	•	100.0%	1 082	1 082
Venues and facilities	235	1	(110)	125	125	•	100.0%	221	221
Rental and hiring	1	1	42	42	42	•	100.0%	1	'
Interest and rent on land	1	1	1	1	1	•	'	'	'
Transfers and subsidies	510 031	•	(33 178)	476 853	476 853	•	100.0%	449 215	449 215
Provinces and municipalities	1	1	4	4	4	•	100.0%	2	2
Municipalities	1	1	4	4	4	•	100.0%	2	2
Municipal bank accounts	1	•	4	4	4	•	100.0%	2	2
Departmental agencies and accounts	505 486	1	(33285)	472 201	472 201	•	100.0%	444 224	444 224
Departmental agencies (non-business entities)	505 486	1	(33285)	472 201	472 201	•	100.0%	444 224	444 224
Higher education institutions	1	1	•	'	ı	•	'	'	'
Foreign governments and international	•	'	•	'	•	'	'	1	'
organisations									
Public corporations and private enterprises	1	1	1	1	1	•	'	1	•
Non-profit institutions	1	ı	•	ı	1	•	'	1	•
Households	4 545	ı	103	4 648	4 648	•	100.0%	4 989	4 989
Social benefits	4 545	ı	103	4 648	4 648	•	100.0%	4 989	4 989
Payments for capital assets	3 936	•	(301)	3 635	3 635	•	100.0%	5 344	5 344
Buildings and other fixed structures		•	•	•	•	'	'	16	16

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Programme 7: Defence Intelligence

				2018/19				2017/18	118
	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
Buildings	•	1		1	1	'	1	16	16
Machinery and equipment	3 936	1	(301)	3 635	3 635	•	100.0%	5 328	5 328
Transport equipment	3 501	1	108	3 609	3 609	•	100.0%	4 817	4 817
Other machinery and equipment	435	1	(409)	26	26	•	100.0%	511	511
Heritage assets	1	1	•	1	ı	•	1	1	'
Specialised military assets	'	1	'	'	ı	•	'	1	1
Biological assets	'	ı	•	1	ı	•	1	1	'
Land and sub-soil assets	•	ı	•	1	ı	•	'	1	'
Software and other intangible assets	'	1	'	'	ı	•	'	1	1
Payment for financial assets	•	-	2	2	2	•	100.0%	23	23
Total	950 364	•	(12 191)	938 173	938 173	•	100.0%	888 000	888 000

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 7.1: Strategic Direction

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	•	•	•	•	•	•	•	•	•
Compensation of employees	1	•	•	'	,	•	1	,	'
Goods and services	1	1	'	' 	1	1	1	1	,
Interest and rent on land	'	•	•		1		1	1	,
Transfers and subsidies	•	•	•	•	•	•	•	•	•
Provinces and municipalities	1	ı	•	·	1	1	1	1	,
Departmental agencies and accounts	'	1	•	'	1	1	1	1	'
Higher education institutions	1	1	'	' 	1	1	1	1	,
Foreign governments and international	'	•	•	'	•	•	1	'	•
organisations									
Public corporations and private enterprises	•	•	1	•	1	•	1	•	1
Non-profit institutions	'	1	ı	'	1	1	•	1	'
Households	'	'	•	'	1	1	1	1	'
Payments for capital assets	•	•	•	•	•	•	•	•	•
Buildings and other fixed structures	'	'	'	'	'	1	•	'	'
Machinery and equipment	1	'	•	·	1	1	1	1	,
Heritage assets	1	1	•	·	1	1	1	1	'
Specialised military assets	1	1	•	1	1	1	ı	1	1
Biological assets	'	'	1	' 	1	1	1	1	'
Land and sub-soil assets	1	1	•	'	1	1	1	1	1
Software and other intangible assets	1	1	1	' 	1	1	•	1	'
Payment for financial assets	-	-	•	•	•	-	-	-	•
Total	•	•	•	•	•		•	•	•

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 7.2: Operations

4									
<i></i>	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 117	•	(16 851)	6 266	6 266	•	100.0%	15 722	15 722
Compensation of employees	2 406	•	(1479)	927	927	'	100.0%	1 814	1 814
Goods and services	20 711	•	(15372)	5 339	5 339	•	100.0%	13 908	13 908
Interest and rent on land	ı	•	•	1	'	•	1	,	1
Transfers and subsidies	505 486	•	(33 285)	472 201	472 201	•	100.0%	444 224	444 224
Provinces and municipalities	ı	•		1	1	•	1	ı	•
Departmental agencies and accounts	505 486	1	(33 285)	472 201	472 201	•	100.0%	444 224	444 224
Higher education institutions	•	1	•	'	1	1	1	'	1
Foreign governments and international	1	1	1	•	ı	1	ı	•	1
Organisations and private enterrises									
rubiic colporations and private enterprises	'	'	'	1	1	•	•	•	1
Non-profit institutions	•	•	•	1	•	1	1	•	1
Households	•	•	•	•	•	•	•	•	•
Payments for capital assets	279	•	(213)	•	•	•	•	•	•
Buildings and other fixed structures	1	1	'	1	1	•	•	'	ı
Machinery and equipment	629	1	(629)	1	1	•	1	'	1
Heritage assets	1	1	•	Ī	1	•	1	'	ı
Specialised military assets	ı	1	•	Ī	ı	•	1	1	Ī
Biological assets	1	1	•	Ī	•	1	'	'	1
Land and sub-soil assets	ı	ı	•	ı	ı	ı	1	1	1
Software and other intangible assets	1	1	•	'	1	1	'	'	1
Payment for financial assets	•	-		•	•	•	-	•	•
Total	529 182	•	(50 715)	478 467	478 467		100.0%	459 946	459 946

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 7.3: Defence Intelligence Support Services

				2018/19				2017/18	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	413 280	•	38 137	451 417	451 417	•	100.0%	417 696	417 696
Compensation of employees	385 001	•	1 479	386 480	420 508	(34 028)	108.8%	398 900	398 900
Goods and services	28 279	•	36 658	64 937	30 909	34 028	47.6%	18 796	18 796
Interest and rent on land	1	•	1	1	•	•	•	1	•
Transfers and subsidies	4 545	•	107	4 652	4 652	•	400.0%	4 991	4 991
Provinces and municipalities	1	•	4	4	4	•	100.0%	2	2
Departmental agencies and accounts	1	1	•	1	1	•	1	•	1
Higher education institutions	1	•	1	•	•	•	•	1	•
Foreign governments and international	1	1	,	ı	1	1	1	,	1
organisations									
Public corporations and private enterprises	1	•	1	•	•	•	•	1	•
Non-profit institutions	1	•	•	1	1	•	•	•	'
Households	4 545	1	103	4 648	4 648	•	100.0%	4 989	4 989
Payments for capital assets	3 357	•	278	3 635	3 635	•	100.0%	5 344	5 344
Buildings and other fixed structures	1	1	•	1	1	•	•	16	16
Machinery and equipment	3 357	1	278	3 635	3 635	•	100.0%	5 328	5 328
Heritage assets	1	1	1	1	1	•	1	1	'
Specialised military assets	1	1	1	ı	1	•	1	1	'
Biological assets	1	'	•	1	1	1	•	•	'
Land and sub-soil assets	1	1	•	1	1	•	•	•	1
Software and other intangible assets	1	'	'	'	1	1	'	1	'
Payment for financial assets	•	-	2	2	2	•	100.0%	23	23
Total	421 182	•	38 524	459 706	459 706	•	100.0%	428 054	428 054

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DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Programme 8: General Support					
				2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000
Subprogramme					
1. Joint Logistic Services	2 898 858	•	436 898	3 335 756	3 335 756
2. Command and Management Information	978 184	•	(72 225)	905 959	905 929
3. Military Police	671 565	•	(16 233)	655 332	655 332
•	465 995	•	(169 157)	296 838	296 838
5. Departmental Support	1 166 994	•	52 680	1 219 674	1 219 126
Total	6 181 596	•	231 963	6 413 559	6 413 011
Economic classification					
Current payments	3 846 444	•	85 984	3 932 428	3 932 428
Compensation of employees	2 172 264	•	•	2 172 264	2 471 239
Salaries and wages	1 947 845	•	(9 118)	1 938 727	2 207 672
Social contributions	224 419	•	9 118	233 537	263 567
Goods and services	1 674 180	•	85 984	1 760 164	1 461 189
Administrative fees	12 952	•	539	13 491	13 491
Advertising	488	1	818	1 306	1 306
Minor assets	10 943	1	2 725	13 668	13 668
Audit costs: External	68 826	1	(11 029)	57 797	27 797
Catering: Departmental activities	7 718	1	1 882	009 6	009 6
Communication (G&S)	12 661	'	(1 007)	11 654	11 654
Computer services	670 268	1	(175 898)	494 370	447 187
Consultants: Business and advisory services	160 128	ı	(159 616)	512	512
Infrastructure and planning services	29 300	1	(109 /)	21 699	21 699
Scientific and technological services	34 240	•	2 009	41 249	41 249
Legal services	31 957	1	(00 9)	25 950	25 950
Contractors	116 022	•	(14 588)	101 434	87 312

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6 463 949

6 463 949

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441 123

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100.0%

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246 138

3 905 219

100.0%

Actual Expenditure

Appropriation

as % of final

Expenditure

Variance

appropriation

Final

2017/18

R'000

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APPROPRIATION STATEMENT

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				2018/19				2017/18	/18
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	45 788	•	299 571	345 359	345 359	1	100.0%	289 750	289 750
Entertainment	321	•	(308)	12	12	1	100.0%	12	12
Fleet services (including government motor	3 061	•	1897	4 958	4 958	1	100.0%	2 620	2 620
transport)	1								
Inventory: Clothing material and accessories	006 9	1	111	7 011	7 011	1	100.0%	3 760	3 760
Inventory: Farming supplies	64	1	(27)	37	37	ı	100.0%	4	4
Inventory: Food and food supplies	35 913	1	15 763	51 676	51 676	ı	100.0%	28 403	28 403
Inventory: Fuel, oil and gas	35 194	'	(13653)	21 541	21 541	1	100.0%	34 716	34 716
Inventory: Materials and supplies	6 235	1	23 459	29 694	29 694	ı	100.0%	28 386	28 386
Inventory: Medical supplies	53	1	(48)	5	5	1	100.0%	23	23
Inventory: Other supplies	254	1	(254)	'	1	1	1	7	7
Consumable supplies	11 703	1	10 636	22 339	22 339	ı	100.0%	25 101	25 101
Consumable: Stationery, printing and office	6 188	•	(403)	5 785	5 785	•	100.0%	6009	600 9
snbblies									
Operating leases	3 188	1	453	3 641	3 641	Ī	100.0%	2 208	2 208
Property payments	242 942	1	(826)	241 964	25 056	216 908	10.4%	19 624	19 624
Travel and subsistence	60 196	ı	94 492	154 688	154 688	I	100.0%	125 695	125 695
Training and development	49 306	1	(989)	48 620	27 858	20 762	57.3%	52 985	52 985
Operating payments	8 423	•	19 427	27 850	27 850	•	100.0%	29 332	29 332
Venues and facilities	2 948	1	(702)	2 246	2 246	Ī	100.0%	1 601	1 601
Rental and hiring	1	1	∞	80	80	•	100.0%	1	1
Interest and rent on land	•	1	i	'	1	Ī	1	1	'
Transfers and subsidies	1 533 203	•	(95 875)	1 437 328	1 436 780	548	100.0%	1 444 131	1 444 131
Provinces and municipalities	56	1	(2)	51	51	ı	100.0%	46	46
Municipalities	56	1	(2)	51	51	ı	100.0%	46	46
Municipal bank accounts	56	1	(2)	51	51	ı	100.0%	46	46
Departmental agencies and accounts	416 172	•	(96 218)	319 954	319 954	•	100.0%	446 795	446 795
Departmental agencies (non-business entities)	416 172		(96 218)	319 954	319 954	•	100.0%	446 795	446 795

APPROPRIATION STATEMENT

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Programme 8: General Suppor
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				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Higher education institutions	1	•		•	1	'	ı	1	•
Foreign governments and international	•	1	•	•	•	•	'	•	•
organisations									
Public corporations and private enterprises	1 101 897	•	831	1 102 728	1 102 531	197	100.0%	984 200	984 200
Public corporations	1 093 667	•	632	1 094 299	1 094 299	•	100.0%	984 175	984 175
Subsidies on products and production (pc)	1 093 667	•	•	1 093 667	1 093 667	•	100.0%	982 854	982 854
Other transfers to public corporations	•	•	632	632	632	1	100.0%	1 321	1 321
Private enterprises	8 230	'	199	8 429	8 232	197	%1.7%	25	25
Subsidies on products and production (pe)	8 230	1	•	8 230	8 230	•	100.0%	1	,
Other transfers to private enterprises	'	1	199	199	2	197	1.0%	25	25
Non-profit institutions	•	1	•	'	ı	1	1	1	'
Households	15 078	'	(483)	14 595	14 244	351	%9'.26	13 090	13 090
Social benefits	15 078	1	(3 801)	11 277	11 277	•	100.0%	12 818	12 818
Other transfers to households	1	1	3 318	3 318	2 967	351	89.4%	272	272
Payments for capital assets	801 949	•	239 107	1 041 056	1 041 056	•	100.0%	1 106 763	1 106 763
Buildings and other fixed structures	523 868	1	76 470	600 338	600 338	•	100.0%	674 758	674 758
Buildings	523 868	1	76 470	600 338	600 338	•	100.0%	674 758	674 758
Machinery and equipment	96 237	'	148 252	244 489	244 489	'	100.0%	353 715	353 715
Transport equipment	35 884	ı	39 830	75 714	75 714		100.0%	161 550	161 550
Other machinery and equipment	60 353	1	108 422	168 775	168 775	•	100.0%	192 165	192 165
Heritage assets	•	1	•	'	1	1	•	'	•
Specialised military assets	1	ı	•	1	ı	ı	1	1	1
Biological assets	'	'	•	'	1	'	'	'	'
Land and sub-soil assets	'	1	•	1	1	•	•	1	•
Software and other intangible assets	181 844	1	14 385	196 229	196 229	•	100.0%	78 290	78 290
Payment for financial assets	•	•	2 747	2 747	2 747	•	100.0%	7 836	7 836
Total	6 181 596	•	231 963	6 413 559	6 413 011	548	100.0%	6 463 949	6 463 949

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 8.1: Joint Logistic Services

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 277 197	•	316 114	2 593 311	2 593 311	•	100.0%	2 363 215	2 363 215
Compensation of employees	1 476 176	•	1 018	1 477 194	1 776 169	(298 975)	120.2%	1 596 677	1 596 677
Goods and services	801 021	•	315 096	1 116 117	817 142	298 975	73.2%	766 538	766 538
Interest and rent on land	•	1	•	•	•	•	1	•	1
Transfers and subsidies	20 760	•	(4 534)	16 226	16 226	•	100.0%	18 234	18 234
Provinces and municipalities	•	1	10	10	10	•	100.0%	5	2
Departmental agencies and accounts	ന	ı	(3)	'	1	•	1	1	•
Higher education institutions	•	1	•	•	'	•	•	1	•
Foreign governments and international organisations	1	1	•	•	1	•	1	1	•
Public corporations and private enterprises	8 230	'	•	8 230	8 230	,	100.0%	7 863	7 863
Non-profit institutions	•	1	•	•	•	•	1	•	1
Households	12 527	1	(4 541)	986 2	986 2	•	100.0%	10 366	10 366
Payments for capital assets	600 901	•	125 276	726 177	726 177	•	100.0%	934 515	934 515
Buildings and other fixed structures	523 868	1	76 470	600 338	600 338	•	100.0%	674 758	674 758
Machinery and equipment	76 633	1	49 206	125 839	125 839	•	100.0%	228 770	228 770
Heritage assets	'	1	•	' 	'	•	1	1	'
Specialised military assets	1	•	•	1	1	•	1	ı	ı
Biological assets	1	ı	•	1	1	•	1	1	1
Land and sub-soil assets	•	1	•	'	'	•	1	1	ı
Software and other intangible assets	400	1	(400)	'	1	•	'	30 987	30 987
Payment for financial assets	•	•	42	42	42	•	100.0%	10	10
Total	2 898 858	•	436 898	3 335 756	3 335 756	•	100.0%	3 315 974	3 315 974

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 8.2: Command and Management Information Systems

•									
				2018/19				2017/18	18
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	779 519	•	(187 103)	592 416	592 416	•	100.0%	811 584	811 584
Compensation of employees	87 298	1	5 624	92 922	92 922	•	100.0%	86 149	86 149
Goods and services	692 221	ı	(192 727)	499 494	499 494	•	100.0%	725 435	725 435
Interest and rent on land	ı	1	1	•	ı	•	•	•	•
Transfers and subsidies	792	•	429	1 196	1 196	•	100.0%	5 880	2 880
Provinces and municipalities	ı	1	1	•	1	•	•	•	•
Departmental agencies and accounts	1	1	1	•	ī	1	•	2 000	2 000
Higher education institutions	1	1	1	•	ı	•	•	•	•
Foreign governments and international	'	•	•	1	•	•	1	1	1
organisations									
Public corporations and private enterprises	ı	ı	ı	1	1	1	1	1	1
Non-profit institutions	'	1	1	1	•	•	1	•	'
Households	191	1	429	1 196	1 196	1	100.0%	880	880
Payments for capital assets	197 898	•	114 449	312 347	312 347	•	100.0%	162 502	162 502
Buildings and other fixed structures	ı	ı	•	1	1	•	1	1	1
Machinery and equipment	16 454	1	99 675	116 129	116 129	1	100.0%	115 199	115 199
Heritage assets	1	ı	1	1	1	•	1	1	1
Specialised military assets	ı	ı	ı	1	ı	•	1	1	1
Biological assets	1	1	1	1	1	1	1	1	'
Land and sub-soil assets	1	1	1	1	•	•	1	1	'
Software and other intangible assets	181 444	1	14 774	196 218	196 218	•	100.0%	47 303	47 303
Payment for financial assets	•	•	-	-	•	•	•	•	•
Total	978 184	•	(72 225)	905 959	905 959	•	100.0%	996 626	996 626

R'000 **621 048** 566 976 54 072

2 665 41 780

1 844 **9 746**

332

633 791

Actual Expenditure

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 8.3: Military Police

				2018/19				2017/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Current payments	665 711	•	(16 347)	649 364	649 364	•	100.0%	621 048
Compensation of employees	062 809	1	(6 642)	602 148	602 148	1	100.0%	926 999
Goods and services	56 921	1	(6 202)	47 216	47 216	•	100.0%	54 072
Interest and rent on land	1	ı	1	1	1	1	1	1
Transfers and subsidies	2 704	•	732	3 436	3 436	•	100.0%	2 665
Provinces and municipalities	26	1	(12)	41	41	•	100.0%	41
Departmental agencies and accounts	864	1	(13)	851	851	•	100.0%	780
Higher education institutions	1	'	•	1	1	•	1	•
Foreign governments and international organisations	1	ı	•	1	ı	•	ı	1
Public corporations and private enterprises	'	'	•	1	1	•	1	•
Non-profit institutions	1	1	1	1	1	1	1	1
Households	1 784	1	160	2 544	2 544	1	100.0%	1 844
Payments for capital assets	3 150	•	(618)	2 532	2 532	•	100.0%	9 7 4 6
Buildings and other fixed structures	1	1	•	1	1	•	1	•
Machinery and equipment	3 150	ı	(629)	2 521	2 521	•	100.0%	9 7 4 6
Heritage assets	-	1	1	1	•	1	•	ı
Specialised military assets	•	1	•	•	1	Ī	•	1
Biological assets	•	ı	•	1	1	Ī	•	1
Land and sub-soil assets	1	ı	ı	ı	1	ı	1	ı
Software and other intangible assets	1	ı	=	7	=======================================	•	100.0%	Ī
Payment for financial assets	•	•	•	•	•	•	•	332
Total	671 565	•	(16 233)	655 332	655 332	•	100.0%	633 791

APPROPRIATION STATEMENT

Subprogramme: 8.4: Technology Development

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	290	•	(191)	66	66	•	100.0%	108	108
Compensation of employees	1	1	•	1	1	•	'	'	•
Goods and services	290	•	(191)	66	66	•	100.0%	108	108
Interest and rent on land	1	1	•	'	1	1	'	1	'
Transfers and subsidies	465 705	•	(168 966)	296 739	296 739	•	100.0%	441 015	441 015
Provinces and municipalities	1	1	•	1	1	•	1	1	'
Departmental agencies and accounts	415 305	•	(168 966)	246 339	246 339	•	100.0%	441 015	441 015
Higher education institutions	1	1	•	1	1	•	'	'	'
Foreign governments and international organisations	1	'	ı	1	ı	ı	ı	ı	ı
Public corporations and private enterprises	50 400	•	•	50 400	50 400	•	100.0%	1	1
Non-profit institutions	1	•	•	1	1	•	1	'	1
Households	1	1	•	1	1	•	'	'	'
Payments for capital assets	•	•	•	•	•	•	•	•	•
Buildings and other fixed structures	1	1	•	'	1	1	'	1	'
Machinery and equipment	1	•	•	1	1		•	'	'
Heritage assets	1	ı	•	1	1	•	'	•	'
Specialised military assets	1	ı	•	1	1	•	'	1	'
Biological assets	1	•	•	1	1	•	1	1	1
Land and sub-soil assets	1	ı	1	1	1	1	1	1	1
Software and other intangible assets	1	•	•	1	1	•	•	•	•
Payment for financial assets	•	•	•	•	•	-	•	•	•
Total	465 995	•	(169 157)	296 838	296 838		100.0%	441 123	441 123

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Subprogramme: 8.5: Departmental Support

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	123 727	•	(26 489)	97 238	97 238	•	100.0%	109 264	109 264
Compensation of employees	1	1	•	'	,	•	1	1	•
Goods and services	123 727	1	(26489)	97 238	97 238	•	100.0%	109 264	109 264
Interest and rent on land	1	1	•	'	1	1	'	1	•
Transfers and subsidies	1 043 267	•	76 464	1 119 731	1 119 183	548	100.0%	976 337	976 337
Provinces and municipalities	1	1	•	'	1	•	1	1	•
Departmental agencies and accounts	1	1	72 764	72 764	72 764	1	100.0%	1	'
Higher education institutions	1	•	•	,	•	•	•	1	•
Foreign governments and international	,	ı	•	1	1	ı	•	ı	•
Public corporations and private enterprises	1 043 267	'	831	1 044 098	1 043 901	197	100.0%	976 337	976 337
Non-profit institutions	1	•	•	'	1		i	•	'
Households	ı	•	2 869	2 869	2 518	351	87.8%	•	•
Payments for capital assets	•	•	•	•	•	•	•	•	•
Buildings and other fixed structures	•	•	•	1	1	•	•	•	•
Machinery and equipment	•	1	•	,	•	•	•	1	•
Heritage assets	1	'	•	'	'	•	1	1	•
Specialised military assets	1	1	•	'	•	•	1	1	•
Biological assets	1	'	•	'	1	•	1	1	•
Land and sub-soil assets	1	1	•	'	•	•	1	1	•
Software and other intangible assets	•	1	•	'	1	•	1	'	'
Payment for financial assets	•	•	2 705	2 705	2 705	•	100.0%	7 494	7 494
Total	1 166 994	•	52 680	1 219 674	1 219 126	548	100.0%	1 093 095	1 093 095

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2019

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

Detail of these transactions can be viewed in note 6 on Transfers and subsidies and Annexure 1 (A-G) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in note 5 - Payment for financial assets of the Annual Financial Statements.

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

4.1 Per programme:

Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Air Defence programme	6 261 057	6 257 443	3 614	0.06%

The under expenditure of Rm3,614 was due to the prolonged procurement processes regarding the upkeep of aircraft systems, inclusive of the procurement of spares through ARMSCOR as well as the expenditure in social benefits paid being less than anticipated.

General Support programme	6 413 559	6 413 011	548	0.01%
	<u> </u>			

The under expenditure of Rm0,548 was as a result of litigation claims not being paid before 31 March 2019 due to administration processes not finalised in time.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2019

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	27 116 696	30 011 960	(2 895 264)	(10.68%)
Goods and services	13 275 623	10 377 394	2 898 229	21.83%
Transfers and subsidies				
Public corporations and private enterprises	1 423 556	1 423 359	197	0.01%
Households	299 672	298 672	1 000	0.33%

Compensation of Employees The over expenditure was due to the insufficient ceiling amount set by the National Treasury (NT) not supporting the current strength of the Department. NT's final letter of allocation dated 07 December 2017 indicated that government will be reducing spending in the MTEF in order to place its finances on a sustainable path and therefore the Vote (ceiling amount) in terms of Compensation of Employees was set at Rb27,117.

Goods and Services The under expenditure was due to mitigation actions implemented by the Department to ensure sufficient funding would be available to address the shortfall on Compensation of Employees, as well as the impact of prolonged procurement processes regarding the upkeep of aircraft systems.

<u>Public Corporations</u> The under expenditure was as a result of litigation claims not being paid before 31 March 2019 due to administration processes not being finalised in time.

<u>Households</u> The under expenditure was as a result of litigation claims not being paid before 31 March 2019 due to administration processes not being finalised in time, as well as the payment of social benefits to members leaving the Department being less than anticipated.

STATEMENT OF FINANCIAL PERFORMANCE

REVENUE Note Restated Revenue Annual appropriation 1 48 496 235 48 999 560 Departmental revenue 2 814 391 959 369 TOTAL REVENUE 49 310 626 49 958 929 EXPENDITURE V V Current expenditure V V Compensation of employees 3 30 011 961 28 040 854 Goods and services 4 12 772 328 14 579 988 Total current expenditure 42 784 289 42 620 842 Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets 7 2 967 247 5 109 656 Intangible assets 7 2 947 247 5 109 656 Intangible assets 7 2 947 247 5 109 656 Intangible assets 7 2 947 247 5 109 656 Intangible assets 3 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038			2018/19	2017/18
Annual appropriation 1 48 496 235 48 999 560 Departmental revenue 2 814 391 959 369 TOTAL REVENUE 2 814 391 959 369 TOTAL REVENUE 3 49 310 626 49 958 929 EXPENDITURE Current expenditure Compensation of employees 3 3 30 011 961 28 040 854 630 49 2772 328 14 579 988 Total current expenditure 4 12 772 328 14 579 988 Total current expenditure 4 27 84 289 42 620 842 Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets Tangible capital assets 7 2 967 247 5 109 656 Intangible assets 7 254 452 105 781 Total expenditure for capital assets 7 254 452 105 781 Total expenditure for capital assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 Payments for financial assets 5 11 358 9 806 Payments for financial assets 5 21 783 (1 003 478) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation Departmental revenue and NRF Receipts 13 814 391 959 369		Note		Restated
Departmental revenue 2 814 391 959 369 TOTAL REVENUE 49 310 626 49 958 929 TOTAL REVENUE TOT	REVENUE		R'000	R'000
TOTAL REVENUE 49 310 626 49 958 929 EXPENDITURE Current expenditure Compensation of employees 3 30 011 961 28 040 854 Goods and services 4 12 772 328 14 579 988 Total current expenditure 42 784 289 42 620 842 Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets 7 2 967 247 5 109 656 Intangible assets 7 2 967 247 5 109 656 Intangible assets 7 2 967 247 5 109 656 Intangible assets 7 2 54 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 2 1 783 (1 003 478) Annual appropriation - - <t< td=""><td>Annual appropriation</td><td>1</td><td>48 496 235</td><td>48 999 560</td></t<>	Annual appropriation	1	48 496 235	48 999 560
EXPENDITURE Current expenditure Compensation of employees 3 30 011 961 28 040 854 Goods and services 4 12 772 328 14 579 988 Total current expenditure 42 784 289 42 620 842 Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets 7 2 967 247 5 109 656 Intangible capital assets 7 254 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	•	2	814 391	959 369
Current expenditure Compensation of employees 3 30 011 961 28 040 854 Goods and services 4 12 772 328 14 579 988 Total current expenditure 42 784 289 42 620 842 Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets 7 2 967 247 5 109 656 Intangible assets 7 2 967 247 5 109 656 Intangible assets 7 2 967 247 5 109 656 Intangible assets 7 2 967 247 5 109 656 Intangible assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	TOTAL REVENUE	_	49 310 626	49 958 929
Compensation of employees 3 30 011 961 28 040 854 Goods and services 4 12 772 328 14 579 988 Total current expenditure 42 784 289 42 620 842 Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets 7 2 967 247 5 109 656 Intangible assets 7 254 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	EXPENDITURE			
Goods and services 4 12 772 328 14 579 988 Total current expenditure 42 784 289 42 620 842 Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets 7 2 967 247 5 109 656 Intangible assets 7 254 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year 21 783 (1 003 478) Voted Funds 21 783 (1 003 478) Annual appropriation - - Departmental revenue and NRF Receipts 13 814 391 959 369	Current expenditure			
Total current expenditure 42 784 289 42 620 842 Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets 7 2 967 247 5 109 656 Intangible capital assets 7 254 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	Compensation of employees	3	30 011 961	28 040 854
Transfers and subsidies 6 2 457 106 2 156 953 Expenditure for capital assets 7 2 967 247 5 109 656 Intangible capital assets 7 2 967 247 5 109 656 Intangible assets 7 254 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year 21 783 (1 003 478) Voted Funds 21 783 (1 003 478) Annual appropriation - - Departmental revenue and NRF Receipts 13 814 391 959 369	Goods and services	4	12 772 328	14 579 988
Expenditure for capital assets Tangible capital assets 7 2 967 247 5 109 656 Intangible assets 7 254 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	Total current expenditure	_	42 784 289	42 620 842
Tangible capital assets 7 2 967 247 5 109 656 Intangible assets 7 254 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year 21 783 (1 003 478) Voted Funds 21 783 (1 003 478) Annual appropriation - - Departmental revenue and NRF Receipts 13 814 391 959 369	Transfers and subsidies	6	2 457 106	2 156 953
Intangible assets 7 254 452 105 781 Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year 21 783 (1 003 478) Annual appropriation - - Departmental revenue and NRF Receipts 13 814 391 959 369	Expenditure for capital assets			
Total expenditure for capital assets 3 221 699 5 215 437 Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	Tangible capital assets	7	2 967 247	5 109 656
Payments for financial assets 5 11 358 9 806 TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	Intangible assets	7	254 452	105 781
TOTAL EXPENDITURE 48 474 452 50 003 038 NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	Total expenditure for capital assets	_	3 221 699	5 215 437
NET SURPLUS FOR THE YEAR 836 174 (44 109) Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation - - - Departmental revenue and NRF Receipts 13 814 391 959 369	Payments for financial assets	5 _	11 358	9 806
Reconciliation of Net Surplus for the year Voted Funds 21 783 (1 003 478) Annual appropriation Departmental revenue and NRF Receipts 13 814 391 959 369	TOTAL EXPENDITURE	-	48 474 452	50 003 038
Voted Funds 21 783 (1 003 478) Annual appropriation - - Departmental revenue and NRF Receipts 13 814 391 959 369	NET SURPLUS FOR THE YEAR	=	836 174	(44 109)
Voted Funds 21 783 (1 003 478) Annual appropriation - - Departmental revenue and NRF Receipts 13 814 391 959 369	Reconciliation of Net Surplus for the year			
Departmental revenue and NRF Receipts 13 814 391 959 369	•		21 783	(1 003 478)
' <u> </u>	Annual appropriation		-	-
NET SURPLUS FOR THE YEAR 836 174 (44 109)	Departmental revenue and NRF Receipts	13	814 391	959 369
	NET SURPLUS FOR THE YEAR		836 174	(44 109)

STATEMENT OF FINANCIAL POSITION

	Note	2018/19	2017/18
			Restated
		R'000	R'000
ASSETS			
Current assets		7 749 632	7 602 574
Cash and cash equivalents	8	6 967 948	6 972 077
Prepayments and advances	9	235 142	207 806
Receivables	10	546 542	422 691
Non-current assets		927 252	746 724
Investments	11	182 164	181 164
Receivables	10	745 088	565 560
TOTAL ASSETS		8 676 884	8 349 298
LIABILITIES			
Current liabilities		226 474	198 712
Voted funds to be surrendered to the Revenue Fund	12	4 162	59 272
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	121 616	26 603
Payables	14	100 696	112 837
Non-Current liabilities			
Payables	15	4 220	4 033
TOTAL LIABILITIES		230 694	202 745
NET ASSETS		8 446 190	8 146 553
Represented by:			
Capitalisation Reserves		75 000	75 000
Recoverable revenue		1 112 149	830 133
Retained funds		7 259 041	7 241 420
TOTAL		8 446 190	8 146 553

STATEMENT OF CHANGES IN NET ASSETS

NET ASSETS	Note	2018/19	2017/18
			Restated
		R'000	R'000
Capitalisation Reserves			
Opening balance		75 000	75 000
Other movements		-	-
Closing balance	_	75 000	75 000
Recoverable revenue			
Opening balance		830 133	769 106
Transfers		282 016	61 027
Irrecoverable amounts written off		(4 327)	(5 501)
Debts revised		(15 320)	(31 523)
Debts recovered (included in departmental receipts)		(43 537)	(240 580)
Debts raised		345 200	338 631
Closing balance	_	1 112 149	830 133
Retained funds			
Opening balance		7 241 420	8 275 132
Transferred to NRF		(62 703)	(36 944)
Retained fund or funds utilised during the year		80 325	(996 768)
Rounding differences		(1)	-
Closing balance		7 259 041	7 241 420
TOTAL	_	8 446 190	8 146 553

CASH FLOW STATEMENT

		2018/19	2017/18
	Note	R'000	Restated R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		49 291 702	49 996 151
Annual appropriated funds received	1	48 496 235	48 999 560
Departmental revenue received	2	790 845	992 098
Interest received	2.3	4 622	4 493
Net decrease / (increase) in working capital		(342 856)	(127 777)
Surrendered to Revenue Fund		(778 650)	(1 111 058)
Current payments		(42 784 289)	(43 616 407)
Payments for financial assets		(11 358)	(9 646)
Transfers and subsidies paid	_	(2 457 106)	(2 156 953)
Net cash flows available from operating activities	17 _	2 917 443	2 974 310
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7.1	(3 221 699)	(1 633 786)
Proceeds from sale of capital assets	2.4	18 924	19 064
(Increase) / decrease in loans		-	-
(Increase) / decrease in investments	_	(1 000)	<u>-</u> _
Net cash flows from investing activities	_	(3 203 775)	(1 614 722)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (decrease) in net assets		282 016	61 027
Increase / (decrease) in non-current payables	_	187	(1 547)
Net cash flows from financing activities	_	282 203	59 480
Net increase / (decrease) in cash and cash equivalents		(4 129)	1 419 068
Cash and cash equivalents at beginning of period		6 972 077	5 553 169
Unrealised gains and losses within cash and cash equivalents	_	-	(160)
Cash and cash equivalents at end of period	18	6 967 948	6 972 077

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

1. Annual Appropriation

1.1 Annual Appropriation

				2018/19			2017/18
		Programmes	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	5 692 748	5 692 748	-	5 506 480	5 506 480
		Force Employment	3 168 678	3 168 678	-	3 229 122	3 229 122
		Landward Defence	16 427 499	16 427 499	-	16 691 543	16 691 543
		Air Defence	6 261 057	6 261 057	-	6 753 411	6 753 411
		Maritime Defence	4 503 930	4 503 930	-	4 613 939	4 613 939
		Military Health Support	5 090 591	5 090 591	-	4 853 116	4 853 116
		Defence Intelligence	938 173	938 173	-	888 000	888 000
		General Support	6 413 559	6 413 559	-	6 463 949	6 463 949
		Total	48 496 235	48 496 235	-	48 999 560	48 999 560
					2018	/19	2017/18
				Note	R'(000	R'000
2.	Depar	tmental Revenue					
		Sales of goods and services other than capital a	ssets	2.1	367 6	602	579 575
		Fines, penalties and forfeits		2.2	2.2	227	1 709
		Interest, dividends and rent on land		2.3	4 (622	4 493
		Sales of capital assets		2.4	18 9	924	19 064
		Transactions in financial assets and liabilities		2.5	100 4	107	79 858
		Transfers received		2.6	320 6	609	274 670
		Departmental revenue collected		=	814 3	391	959 369
	2.1	Sales of goods and services other than capit	al assets	2			
		Sales of goods and services produced by the de	epartment	_	366 2	268_	578 864
		Administrative fees				12	11
		Other sales			366 2	256	578 853
		Sales of scrap, waste and other used current go	ods	_	13	334	711
		Total		=	367 6	<u> </u>	579 575
		Included in Other sales is an amount of Rm1 82 Assist (LOA).	28 (2017/18 : Rm23	34 878) for service	es rendered to the	e United Nations	iro Letters of
	2.2	Fines, penalties and forfeits		2			
		Fines		=	2 2	227	1 709
	2.2	Interest dividends and sent as lead		2			
	2.3	Interest, dividends and rent on land		2	4	200	4 400
		Interest		_	4 (522	4 493

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

		2018/19	2017/18
	Note	R'000	R'000
Sales of capital assets			
Tangible assets			
Specialised military assets	30.2	18 924	19 064
Transactions in financial assets and liabilities	2		
Forex gain		419	-
Other Receipts including Recoverable Revenue	_		88 949
Total	=	100 407	88 949
Transfers received	2		
Foreign governments	=	320 609	274 670
United Nations MOU reimbursements.			
pensation of employees			
Salaries and wages			
Basic salary		19 219 654	18 065 629
Performance award		200 572	191 602
Service Based		276 831	174 424
Compensative / circumstantial			2 418 858
Periodic payments			14 897
	_		4 143 016
Total	=	26 758 950	25 008 426
Social contributions			
Employer contributions			
Pension		3 085 205	2 872 827
Medical		166 970	158 727
Bargaining council		836	874
Total	=	3 253 011	3 032 428
Total compensation of employees	=	30 011 961	28 040 854
Average number of employees	=	74 349	75 532
	Transactions in financial assets and liabilities Forex gain Other Receipts including Recoverable Revenue Total Transfers received Foreign governments United Nations MOU reimbursements. united Nations MOU reimbursements. Salaries and wages Basic salary Performance award Service Based Compensative / circumstantial Periodic payments Other non-pensionable allowances Total Social contributions Employer contributions Pension Medical Bargaining council Total Total compensation of employees	Sales of capital assets Tangible assets Specialised military assets Specialised military assets Transactions in financial assets and liabilities Forex gain Other Receipts including Recoverable Revenue Total Transfers received Foreign governments United Nations MOU reimbursements. United Nations MOU reimbursements. Salaries and wages Basic salary Performance award Service Based Compensative / circumstantial Periodic payments Other non-pensionable allowances Total Social contributions Employer contributions Pension Medical Bargaining council Total Total compensation of employees	Sales of capital assets Tangible assets 30.2 18 924 Transactions in financial assets and liabilities 2 419 Forex gain 419 99 988 Total 100 407 Transfers received 2 Foreign governments 2 United Nations MOU reimbursements. 320 609 United Nations MOU reimbursements. Salaries and wages 3 Basic salary 19 219 654 Performance award 200 572 Service Based 276 831 Compensative / circumstantial 2 655 438 Periodic payments 12 968 Other non-pensionable allowances 4 393 487 Total 26 758 950 Social contributions Employer contributions 26 758 950 Social contributions Employer contributions 3 085 205 Medical 166 970 Bargaining council 836 Total 3 253 011 Total compensation of employees 30 011 961

Included in the total compensation of employees is an amount of Rm4 379 (Rm4 378 for 2017/18) paid to two members of legislature.

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

		Note	2018/19	2017/18
			R'000	R'000
4. G	oods and services			
	Administrative fees		22 093	11 690
	Advertising		69 962	76 999
	Minor Assets	4.1	53 419	68 643
	Catering		26 219	26 661
	Communication		87 583	92 730
	Computer services	4.2	623 896	917 707
	Consultants: Business and advisory services		509 562	1 367 790
	Infrastructure and planning services		39 356	47 476
	Laboratory services		45 845	52 904
	Scientific and technological services		942 125	1 301 531
	Legal services		25 956	21 340
	Contractors		1 893 272	2 238 862
	Agency and support / outsourced services		840 325	856 459
	Entertainment		2 614	3 742
	Audit cost – external	4.3	57 796	61 607
	Fleet services		93 558	102 824
	Inventory	4.4	2 817 075	2 885 166
	Consumables	4.5	185 422	192 342
	Operating leases		1 588 966	1 759 096
	Property payments	4.6	843 041	655 990
	Rental and hiring		4 155	4 692
	Travel and subsistence	4.7	1 054 872	1 062 724
	Venues and facilities		12 014	11 923
	Training and development		178 804	196 508
	Other operating expenditure	4.8	754 398	562 582
	Total	_	12 772 328	14 579 988
4.	1 Minor assets	4		
	Tangible assets	_	53 408	60 417
	Buildings and other fixed structures		30	43
	Biological assets		-	-
	Machinery and equipment		52 538	57 632
	Transport assets		76	31
	Specialised military assets		764	2 711
	Intangible assets		11	8 226
	Software		11	8 226
	Total	=	53 419	68 643
4.	2 Computer services	4		
	SITA computer services		521 955	773 523
	External computer service providers		101 941	144 184
	Total	_	623 896	917 707
4.	3 Audit cost – external	4		
	Regularity audits		54 385	58 588
	Computer audits		3 411	3 019
	Total	_	57 796	61 607
		_		

5.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Residence Resi			Note	2018/19	2017/18
Colthing material and accessories				R'000	R'000
Colthing material and accessories	4.4	Inventory	4		
Food and food supplies				122 582	94 400
Fuel, oil and gas 485 609 530 510 Materials and supplies 117785 69 928 Medicial supplies 86 650 63 666 Medicine 247 786 245 059 Other supplies 2817 075 2885 166 4.1 Other Supplies 563 815 841 487 Total 563 815 841 487 4.5 Consumables 4 Consumables Consumables supplies 137 641 142 345 Uniform and clothing 657 600 Household supplies 47 697 46 945 IT consumables 63 064 64 872 Other consumables 26 223 29 928 Stationary, printing and office supplies 47 781 49 997 Total 185 422 192 342 4.6 Property payments 4 728 002 539 120 Negerity payments 4 764 30 79 422 Other 36 509 37 448 Foreign 204 159 29 84 Total 850 714 832 840 </th <th></th> <th></th> <th></th> <th>4 917</th> <th>4 754</th>				4 917	4 754
Materials and supplies 117 785 69 928 Medical supplies 35 650 64 366 Medical supplies 4.4 1 563 815 24 5059 Other supplies 4.4.1 563 815 841 487 Total 563 815 841 487 Total 563 815 841 487 Total 563 815 841 487 Total 563 815 841 487 4.5 Consumables 4 4 Consumables supplies 4 563 815 841 487 Luniform and clothing 657 600 Household supplies 4 7697 46 945 IT consumables 657 600 Other consumables 26 223 29 928 Stationary, printing and office supplies 4 7781 49 997 Total 8 42 19 997 Total 8 40 655 999 4.6 Property payments 4 4 4 4 Municipal services 728 002 539 120 4 4 Pro		Food and food supplies		1 188 931	1 034 662
Medical supplies 85 650 64 366 Medicine 247 7766 24 366 Other supplies 4.4.1 563 815 841 487 Total 563 815 841 487 Coller Supplies Other 563 815 841 487 4.5. Consumables 4 368 815 841 487 4.5. Consumables supplies 4 4 4 Consumables supplies 4 7 641 142 345 600 Household supplies 4 7 697 4 6 945 11 consumables 6 7 600 600 Household supplies 4 7 697 4 6 945 11 consumables 2 62 23 2 99 288 2 62 23 2 99 288 2 82 2 32 2 99 288 2 82 2 32 2 99 288 2 82 2 32 2 99 288 2 82 2 32 2 99 288 2 82 2 32 2 99 288 2 38 20 2 38 20 2 39 120 2 99 278 2 80 20 2 53 9 120 2 99 278 2 80 20 2 53 9 120 2 99 288 2 80 20 2 53 9 120 2 99 288		Fuel, oil and gas		485 609	530 510
Medicine 247 786 245 059 Other supplies 4.4.1 563 815 841 487 Total 2 817 075 2 885 166 4.4.1 Other Supplies 70 00 00 00 00 00 00 00 00 00 00 00 00 0		Materials and supplies		117 785	69 928
Other supplies 4.4.1 563 815 841 487 Total 2 817 075 2 885 166 4.4.1 Other Supplies 563 815 841 487 Total 563 815 841 487 4.5 Consumables 4 Consumables supplies 4 563 815 841 487 4.5 Consumables supplies 4 657 600 Household supplies 47 697 46 945 67 600 IT consumables 630 64 64 872 64 872 600 Other consumables 26 233 29 928 28 233 29 928 28 233 29 928 Stationary, printing and office supplies 47 781 49 997 49 997 Total 4 4 4 4 4 4 997 4 4 4 4 997 1 4 4 997 1 4 4 4 4 4 4 4 4 4 4 4 4 4 <th< th=""><th></th><th>Medical supplies</th><th></th><th>85 650</th><th>64 366</th></th<>		Medical supplies		85 650	64 366
Total 2 817 075 2 885 166 4.4.1 Other Supplies Other 563 815 841 487 Total 563 815 841 487 4.5 Consumables 4 4 Consumables supplies 137 641 142 345 Uniform and clothing 657 600 Household supplies 47 697 46 945 IT consumables 65 094 64 872 Other consumables 26 223 29 928 Stationary, printing and office supplies 47 781 49 997 Total 185 422 192 342 4.6 Property payments 4 728 002 539 120 Property payments 4 728 002 539 120 Property payments 4 843 649 37 448 Total 38 609 37 448 Total 843 041 655 990 4.7 Tavel and subsistence 4 82 940 Local 850 714 832 840 Foreign 204 158 22 98 84 Total 1054 872 106c 724<		Medicine		247 786	245 059
A.4.1 Other Supplies		Other supplies	4.4.1	563 815	841 487
Other Total S63 815 841 487 Total S63 815 841 487 Total S63 815 841 487 S63 815 841 487 S63 815 841 487 S63 815 S		Total		2 817 075	2 885 166
Other Total S63 815 841 487 Total S63 815 841 487 Total S63 815 841 487 S63 815 841 487 S63 815 841 487 S63 815 S		4.4.1 Other Supplies			
Total 563 815 841 487 4.5 Consumables 4 Consumables supplies 137 641 142 345 Uniform and clothing 657 600 Household supplies 47 697 46 945 IT consumables 63 064 64 872 Other consumables 26 223 29 928 Stationary, printing and office supplies 47 781 49 997 Total 185 422 192 342 4.6 Property payments 4 *** Municipal services 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 843 041 555 990 4.7 Travel and subsistence 4 Local 850 714 832 840 Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 ** Professional bodies, membership and subscription fees 5 273 <				563 815	841 487
Consumables supplies 137 641 142 345 Uniform and clothing 657 600 Household supplies 47 697 46 945 IT consumables 63 064 64 872 Other consumables 26 223 29 928 Stationary, printing and office supplies 47 781 49 997 Total 185 422 192 342 4.6 Property payments 4 *** Municipal services 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 843 041 655 990 4.7 Travel and subsistence 4 Local 850 714 832 840 Foreign 204 15s 229 884 Total 1052 872 1062 724 4.8 Other operating expenditure 4 ** Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 529 Other operating expenditure		Total	_		
Consumables supplies 137 641 142 345 Uniform and clothing 657 600 Household supplies 47 697 46 945 IT consumables 63 064 64 872 Other consumables 26 223 29 928 Stationary, printing and office supplies 47 781 49 997 Total 185 422 192 342 4.6 Property payments 4 *** Municipal services 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 843 041 655 990 4.7 Travel and subsistence 4 Local 850 714 832 840 Foreign 204 15s 229 884 Total 1052 872 1062 724 4.8 Other operating expenditure 4 ** Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 529 Other operating expenditure	4.5	Consumables	4		
Uniform and clothing 657 600 Household supplies 47 697 46 945 IT consumables 63 064 64 872 Other consumables 26 223 29 928 Stationary, printing and office supplies 47 781 49 927 Total 185 422 192 342 4.6 Property payments 4 Municipal services 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 33 609 37 448 Total 843 041 655 990 4.7 Travel and subsistence 4 Local 850 714 832 840 Foreign 204 158 229 884 Total 1054 872 1062 724 4.8 Other operating expenditure 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 6529 46 652 Other 702 596 510 398 Total 754 398 562 582 <t< th=""><th>•</th><th></th><th>·</th><th>137 641</th><th>142 345</th></t<>	•		·	137 641	142 345
Household supplies		· ·			
IT consumables					
Other consumables Stationary, printing and office supplies Total 26 223 47 781 29 928 47 781 49 97 Total 185 422 192 342 4.6 Property payments Municipal services 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 850 714 832 840 Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654					
Stationary, printing and office supplies 47781 49 997 Total 185 422 192 342 4.6 Property payments 4 Municipal services 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 843 041 655 990 4.7 Travel and subsistence 4 850 714 832 840 Local 850 714 832 840 229 884 Total 1054 872 1062 724 4.8 Other operating expenditure 4 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 <th< th=""><th></th><th></th><th></th><th></th><th></th></th<>					
Total 185 422 192 342 4.6 Property payments 4 Property maintenance and repairs 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 843 041 655 990 4.7 Travel and subsistence 4 Local 850 714 832 840 Foreign 204 158 229 884 Total 1054 872 1062 724 4.8 Other operating expenditure 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654					
Municipal services 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 843 041 655 990 4.7 Travel and subsistence 4 Local 850 714 832 840 Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654					
Municipal services 728 002 539 120 Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 843 041 655 990 4.7 Travel and subsistence 4 Local 850 714 832 840 Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654	4.6	Property payments	4		
Property maintenance and repairs 76 430 79 422 Other 38 609 37 448 Total 843 041 655 990 4.7 Travel and subsistence 4 4 Local 850 714 832 840 Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets 5.1 - 210 Debts written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654				728 002	539 120
Other Total 38 609 843 041 37 448 655 990 4.7 Travel and subsistence 4 Cocal 850 714 832 840 840 850 714 832 840 850 714 850 7		·			
Total 843 041 655 990 4.7 Travel and subsistence 4 Local 850 714 832 840 Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654				38 609	37 448
Local 850 714 832 840 Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654		Total	_		
Local 850 714 832 840 Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654	4.7	Travel and subsistence	4		
Foreign 204 158 229 884 Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 Foressional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Colter material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654		Local		850 714	832 840
Total 1 054 872 1 062 724 4.8 Other operating expenditure 4 4 Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654		Foreign		204 158	229 884
Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Cother material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654		_	_	1 054 872	1 062 724
Professional bodies, membership and subscription fees 5 273 6 132 Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Cother material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654	4.8	Other operating expenditure	4		
Resettlement costs 46 529 46 052 Other 702 596 510 398 Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654				5 273	6 132
Other Total 702 596 754 398 510 398 562 582 Payments for financial assets Standard Framework (Control of the material losses written of th		· · · · · · · · · · · · · · · · · · ·			46 052
Total 754 398 562 582 Payments for financial assets Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654		Other		702 596	510 398
Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654		Total	_		562 582
Other material losses written off 5.1 - 210 Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654	Payr	nents for financial assets			
Debts written off 5.2 8 653 1 942 Forex losses 5.3 2 705 7 654			5.1	-	210
Forex losses 5.3 <u>2 705</u> <u>7 654</u>				8 653	
		Forex losses			7 654
		Total			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		Note	2018/19	2017/18
54 D-I	A constitution of f		R'000	R'000
5.1 Del	ots written off			
Oth	er material losses written off			
Nat	ure of losses			
Leg	al Fees		-	210
Tota	al	_	<u> </u>	210
5.2 Del	ots written off			
0.2 50.	on whiteh on			
Nat	ure of debts written off			
Sta	te guarentees		51	15
Sala	ary related		5 111	1 286
Los	s of state property		-	1
Est	ates		321	328
Los	s of state funds		3 164	235
	ppliers in debt		6	77
Tota			8 653	1 942
	_	_		1042
5.3 For	rex losses			
Nat	ure of losses			
For	ex loss		2 705	7 654
Tota	al		2 705	7 654
6. Transfers	s and subsidies			
o. mansions	, and substates			
	vinces and municipalities	36	135	194
	partmental agencies and accounts	Annex 1A	725 867	649 219
	olic corporations and private enterprises	Annex 1B	1 423 359	1 298 517
	eign governments and international organisations		-	-
	n-profit institutions	Annex 1C	9 073	8 701
	useholds	Annex 1D	298 672	200 322
Tota	al	_	2 457 106	2 156 953
7. Expendit	ure for capital assets			
Tan	gible assets		2 967 247	5 109 656
	dings and other fixed structures	31	614 851	698 045
	chinery and equipment	31	1 172 376	1 419 470
Spe	ecialised military assets	31	1 179 640	2 992 061
Biol	logical assets	31	380	80
Inta			054.450	405 704
	ingible assets		254 452	105 /81
Sof	angible assets tware	32	254 452 254 452	105 781 105 781

9.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

7.1 Analysis of funds utilised to acquire capital assets - 2018/19

Voted Fi	unds Aid assistance	Total
F	R'000 R'000	R'000
Tangible assets 2 967	7 24 7 -	2 967 247
	4 851 -	614 851
Machinery and equipment 1 172	2 376	1 172 376
Specialised military assets 1 179	9 640	1 179 640
Biological assets	380 -	380
Intangible assets 254	1 452 -	254 452
· · · · · · · · · · · · · · · · · · ·	4 452 -	254 452
Total <u>3 221</u>	1 699 -	3 221 699
7.2 Analysis of funds utilised to acquire capital assets - 2017/18		
Tangible assets 5 109		5 109 656
· ·	3 045	698 045
Machinery and equipment 1 419		1 419 470
Specialised military assets 2 992		2 992 061
Biological assets	80 -	80
	5 781 -	105 781
Software 105	5 781 -	105 781
Total 5 215	5 437 -	5 215 437
	2018/19	2017/18
	R'000	R'000
7.3 Finance lease expenditure included in Expenditure for Capital assets		
Tangible assets		
Machinery and equipment	41 380	40 657
Cash and cash equivalents		
Consolidated Paymaster General Account	6 872 836	6 877 820
Cash on hand	53 099	48 466
Investments (Domestic)	42 013	45 791
Total	6 967 948	6 972 077
Prepayments and advances		
Staff advances		
	5 832	1 246
Travel and subsistence	5 832 120 459	1 246 85 925
Travel and subsistence Advances paid (Not expensed) Total 9.1		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

			Balance as at 1 April 2018	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year advances	Balance as at 31 March 2019
9.1	Advances Paid (Not exper	nsed)	R'000	R'000	R'000	R'000	R'000
	National Departments	9	117 033	(304 787)	-	290 708	102 954
	Other Institutions	Annex 8A	3 602	(58 205)	-	60 500	5 897
	Total	_	120 635	(362 992)	-	351 208	108 851
	The advance payment is ma	ade to a Travel age	nt (AB Logistic)	for services reno	lered to the Depar	tment	

R'000 R'00				Balance as at 1 April 2017	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year advances	Amount as at 31 March 2018
National Departments 9 78 899 (199 076) - 237 210 117 033 Other Institutions Annex 8A 10 324 (6 722) 3 602 Total Balance as at 1 April 2018 Received in the current year prepayments				R'000	R'000	R'000	R'000	R'000
Name of Control		Advances Paid (Not expense	ed)					
Received in the current year Prepayments (Expensed) R'000 R'00		National Departments	9	78 899	(199 076)	-	237 210	117 033
Balance as at 1 April 2018 Received in the current year prepayments Add / Less: Other prepayments Add / Less: Other prepayments Add / Less: Other prepayments Add / Less: Other prepayments Add / Less: Other prepayments Add / Less: Other prepayments Add / Less: Other		Other Institutions	Annex 8A	10 324	(6 722)	-	-	3 602
Received in the current year Add / Less: Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other Other year Other Other Other Other year Other Other Other Other year Other Other Other Other Other Other year Other Other year Other Other Other Other year Other Other Other year Other Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year Other Other year		Total	_	89 223	(205 798)	-	237 210	120 635
Goods and services 130 636 (122 639) - 128 511 136 508 Interest and rent on land Transfers and subsidies Capital assets 1 383 794 (157 760) - 69 233 1 295 267 Other				at 1 April	Received in the current		Current Year	at 31 March
Interest and rent on land - - - - - Transfers and subsidies - - - - - Capital assets 1 383 794 (157 760) - 69 233 1 295 267 Other - - - - - -	9.2	Prepayments (Expensed)		R'000	R'000	R'000	R'000	R'000
Capital assets 1 383 794 (157 760) - 69 233 1 295 267 Other - - - - - -		Interest and rent on land		130 636	(122 639)	-	128 511	136 508
Other				1 383 794	(157 760)	_	69 233	1 295 267
					(101 100)	-	-	- 200 201
			-	1 514 430	(280 399)		197 744	1 431 775

Prepayments made to various suppliers for services to be rendered over the period April - December 2019.

As a result of contractual obligations, Armscor made prepayments to other institutions on behalf of the SDA which have been expensed

	Balance as at 1 April 2017	Less: Received in the current year	Add / Less: Other	Add: Current Year prepayments	Amount as at 31 March 2018
Prepayments (Expensed)	R'000	R'000	R'000	R'000	R'000
Goods and services	168 759	(86 982)	-	48 859	130 636
Interest and rent on land	-	-	-	-	0
Transfers and subsidies	-	-	-	-	0
Capital assets	91 921	(24 563)	-	1 316 436	1 383 794
Other	-	-	-	-	0
Total	260 680	(111 545)	-	1 365 295	1 514 430

Supplier (DSTV) was pre paid for April 2018 until July 2018.

10.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

Provincia	stitutions	_	_	_	_	_
	ntities	2 634 692	(191 690)	-	92 004	2 535 006
National o	al departments	-	-	-	-	-
	departments	-	-	-	-	-
9.3 Advance	es Paid (Expensed)	R'000	R'000	R'000	R'000	R'000
		Balance as at 1 April 2018	Less: Received in the current year	Add / Less: Other	Add: Current Year advances	Amount as at 31 March 2019

As a result of contractual obligations, Armscor made advance payments to public entities on behalf of the SDA which have been expensed.

	Balance as at 1 April 2017	Less: Received in the current	Add / Less: Other	Add: Current Year advances	Amount as at 31 March 2018
Advances Paid (Expensed)	R'000	year R'000	R'000	R'000	R'000
National departments	-	-	-	-	-
Provincial departments	-	-	-	-	-
Public entities	2 857 894	(226 368)	-	3 166	2 634 692
Other institutions		-	-	-	-
Total	2 857 894	(226 368)	-	3 166	2 634 692

As a result of contractual obligations, Armscor made advance payments to public entities on behalf of the SDA which have been expensed.

. Rece	eivables		Current	2018/19 Non- Current	Total	Current	2017/18 Non- Current	Total
			R'000	R'000	R'000	R'000	R'000	R'000
	Claims recoverable	10.1 & Annex 4	160 035	25 562	185 597	60 560	24 377	84 937
	Trade receivables	10.2	-	-	-	-	-	-
	Staff debt	10.3	47 203	27 056	74 259	47 109	31 230	78 339
	Fruitless and wasteful expenditure	10.5	10	313	323	313	-	313
	Other receivables	10.4	339 294	692 157	1 031 451	314 709	509 953	824 662
	Total	=	546 542	745 088	1 291 630	422 691	565 560	988 251
10.1	Claims recoverable					2018/19		2017/18
						R'000		R'000
	National departments					185 065		84 411
	Provincial departments					495		489
	Local governments					37		37
	Total					185 597		84 937

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2018/19	2017/18
		R'000	R'000
10 2	Trade receivables		
10.2	Trade receivables	-	-
			
10.3	Staff debt		
	Salary related	40 337	42 234
	Study loans - Students	26 517	28 114
	Motor vehicle accidents	5 497	6 741
	Travel and subsistence	776	280
	Loss of state money	829	651
	Damage to state property	225	175
	Private patients	78	144
	Total	74 259	78 339
	Other receivables		
	Unallocated deposits	-	22
	Operations	3 855	3 824
	Study loans - Students	92 145	80 534
	Salary related	10 283	20 398
	Salary overpayments	31 178	27 897
	Aviation services	722	6 650
	Suppliers	1 200	1 421
	Motor vehicle accidents	12 143	11 773
	Estates	2 111	2 465
	State guarantees	1 053	1 170
	Medical Claims	1 398	2 447
	Private patients	1 705	1 648
	UN Services Rendered LOA	840 539	617 873
	Aviation fuel	1 724	11 615
	Institutions	89	54
	Damage to state property	40	15
	Marketing support	-	6
	Loss of state money / property	12 549	15 053
	UN Reimbursement MOA / MOU	12 283	12 283
	Armscor suspense account	5 020	4 207
	Medical United Nations	115	-
	Armscor receivables	869	3 307
	Medical Embassy	430_	-
	Total	1 031 451	824 662

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

	2018/19	2017/18
	R'000	R'000
10.5 Fruitless and wasteful expenditure		
Opening balance	313	327
Less amounts recovered	-	-
Less amounts written off	-	(14)
Transfers from Note 26 Fruitless and Wasteful expenditure	10	-
Interest	-	-
Total	323	313
Cancellation fees of incorrectly booked flight tickets.		
10.6 Impairment of receivables		
Estimate of impairment of receivables	129 618	119 292
Total	129 618	119 292

At the end of the reporting date the department assesses whether there is any objective evidence that a financial asset should be considered for impairment.

Impairment estimates are determined by estimating the present value of the expected future inflow of cash that is expected in settlement of the financial asset. PV is determined by using the prevailing interest rate at the reporting date.

11. Investments

Non-Current		
Shares and other equity		
Armscor	75 000	75 000
Special Defence activities	107 164	106 164
Total	182 164	181 164
Analysis of non-current investments		
Opening balance	181 164	181 164
Additions in cash	1 000	-
Disposals for cash	-	-
Non-cash movements	-	-
Closing balance	182 164	181 164

An impairment test performed on the Investment in Armscor, based on 2018/19 Annual Financial Statements, indicates no impairment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2018/19	2017/18
	R'000	R'000
	22 328	84 735
	-	-
	22 328	84 735
	21 783	22 328
	-	-
	-	-
	(17 621)	-
	(22 328)	(84 735)
_	4 162	22 328
d funds		
	-	-
	-	-
	<u>-</u>	
_	-	
Revenue Fund	63 547	164 959
	-	-
		164 959
	814 391	970 275
	<u>-</u>	-
		(1 071 687)
_	121 616	63 547
	-	-
15.1	- -	- 6 500
15.2	- - 73	101
	- 73 100 623	
15.2		101
15.2	100 623	101 106 236
15.2	100 623	101 106 236
	d funds	R'000 22 328

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

				2018/19		2017/18
				R'000		R'000
Clearing accounts						
Suppliers				73		101
Total			=	73		101
Other merchles						
				24 144		25 258
•						
						1 2 625
·						1 400
						5 048
						318
			_			71 586
Total			=	100 623		106 236
bles non-current		One to two vears	Two to three years	More than three years	2018/19 Total	2017/18 Total
			-		R'000	R'000
Amount owing to other entities		-	-	-	-	-
Advances received		-	-	-	-	-
Other payables	15.1	196	19	4 005	4 220	4 033
Total		196	19	4 005	4 220	4 033
				2018	/19	2017/18
Other Payables	15			R'(000	R'000
State guarantees				4 ()24	4 033
Medical claims				1	129	-
Salary related					45	-
Suppliers					22	-
	Other payables Salary related Debtors in credit Travel and subsistence Unallocated deposits Suppliers Unallocated credits Armscor contract creditors Total bles non-current Amount owing to other entities Advances received Other payables Total Other Payables State guarantees Medical claims Salary related	Suppliers Total Other payables Salary related Debtors in credit Travel and subsistence Unallocated deposits Suppliers Unallocated credits Armscor contract creditors Total bles non-current Amount owing to other entities Advances received Other payables Total Other Payables State guarantees Medical claims Salary related	Other payables Salary related Debtors in credit Travel and subsistence Unallocated deposits Suppliers Unallocated credits Armscor contract creditors Total bles non-current One to two years R'000 Amount owing to other entities Advances received Other payables Total Other Payables 15.1 196 Other Payables Medical claims Salary related	Total Other payables Salary related Debtors in credit Travel and subsistence Unallocated deposits Suppliers Unallocated credits Armscor contract creditors Total bles non-current	Clearing accounts Suppliers 73 75 75 75 75 75 75 75	Clearing accounts Suppliers 73 73 73 75 75 75 75 75

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

	2018/19	2017/18
16. Net cash flow available from operating activities	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	836 174	(44 109)
Add back non cash/cash movements not deemed operating activities	2 081 269	3 018 419
(Increase)/decrease in receivables	(303 379)	(59 105)
(Increase)/decrease in prepayments and advances	(27 336)	3 104 789
(Increase)/decrease in other current assets	-	-
(Increase)/decrease in payables – current	(12 141)	(531 104)
Proceeds from sale of capital assets	(18 924)	(19 064)
Expenditure on capital assets	3 221 699	1 633 786
Surrenders to Revenue Fund	(778 650)	(1 111 058)
Voted funds not requested/not received	-	-
Other non-cash items	-	175
Net cash flow generated by operating activities	2 917 443	2 974 310
17. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General account	6 872 836	6 877 820
Cash on hand	53 099	48 466
Cash with commercial banks (Local)	42 013	45 791
Total	6 967 948	6 972 077
1000		0 312 011

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	Note	2018/19	2017/18
			R'000	R'000
Housing loan guarantees	Employees	Annexure 3A	1 731	1 787
Claims against the department		Annexure 3B	4 352 485	3 939 472
Intergovernmental payables (unconfirmed balances)		Annexure 5	10	-
Environmental rehabilitation liability		Annexure 3B	1 231 352	1 183 261
Total		_	5 585 578	5 124 520

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

		2018/19	2017/18
		R'000	R'000
18.2	Contingent assets		
	Claim against SANDU due to damage to Military Police Vehicles during a protest	80	80
	Damage to state property	678	8
	Breach of contract	1 453	127
	Diesel contamination (mixed with petrol)	347	-
	Total	2 558	215

Housing

- Not practical to determine any outflow, as the outflow would depend on the non-payments made by Defence employees to Bond institutions.

Claims against the department

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the third parties.
- These are contingent liabilities hence, we cannot be certain as to the timing of the outflow of the related resources / amounts.
- There was no possibility for any reimbursements as at 31 March 2019.
- The claim against the Special Defence Account (SDA) relates to a commission claim of EUR 192 180 623 with a rand value of R3 129 040 891 (1 Euro = R16.281771) (2017/18: R2 808 816 661). The matter is defended in the Civil Court of Lisbon, Portugal. The Plaintiff has now also filed an application in the High Court in Pretoria to compel the Auditor-General of South Africa to make available certain documentation alleged to be relevant to the litigation in Portugal. Armscor as the second respondent is opposing the application. It is expected that the matter will not be set down for trial in the Civil Court of Lisbon prior to the application being heard and finalised

Contingent Assets

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the Department of Defence.
- These are Contingent Assets hence, we cannot be certain as to the timing of the inflow of the related resources / amounts.
- There was no possibility for any cancellation of these claims by the DOD as at 31 March 2019.

Environmental Liability

- The baseline costing for the removal and disposal of unexploded ordnance at SANDF facilities was accepted to be the baseline cost as determined from February 2012.
- It was decided to escalate the expenses in the line with CPI.

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

	2018/19	2017/18
19. Commitments	R'000	R'000
Current expenditure		
Approved and contracted	2 232 843	2 554 468
Approved but not yet contracted	798 322	1 178 005
	3 031 165	3 732 473
Capital expenditure		
Approved and contracted	15 377 858	15 769 502
Approved but not yet contracted	108 445	518 361
	15 486 303	16 287 863
Total Commitments	18 517 468	20 020 336
Total Commitments longer than 1 year		
Current expenditure		
Approved and contracted		276 005
Approved but not yet contracted		88 344
		364 349
Capital expenditure (Including transfers)		
Approved and contracted		139 615
Approved but not yet contracted		2
		139 617
Total Commitments language them 4 years		
Total Commitments longer than 1 year		503 966

Included in above are commitments of Rm503 966 (2017/18: Rm1 381) which are longer than a year.

NOTES ON SECONDARY FINANCIAL INFORMATION

	Accruals and Payables not recognised 20.1 Accruals			2018/19 R'000	2017/18 R'000
	Listed by economic classification	30 Days	30+ Days	Total	Total
	·	R'000	R'000	R'000	R'000
	Goods and services	84 977	789 161	874 138	505 800
	Transfers and subsidies	-	11 687	11 687	30 883
	Capital assets	7 307	257	7 654	2 242
	Total	92 284	801 105	893 389	538 925
	Listed by programme level				
	Administration			424 057	495 664
	Landward Defence			6 084	4 543
	Air Defence			4 528	25 933
	Maritime Defence			-	6 082
	Military Health Support			452 279	-
	Defence Intelligence			100	310
	Joint Support			3 238	5 368
	Force Employment			3 103	1 025
	Total		=	893 389	538 925
2	20.2 Payables not recognised				
		30 Days	30+ Days	Total	Total
	Listed by economic classification	R'000	R'000	R'000	R'000
	Goods and services	344 005	683 715	1 027 720	246 566
	Transfers and subsidies	-	-	-	-
	Capital assets	5 803	6 099	11 902	438 898
	Other		-	<u>-</u>	
	Total	349 808	689 814	1 039 622	685 464
	Listed by programme level				
	Administration			128 838	8 765
	Landward Defence			89 296	53 350
	Air Defence			76 491	24 587
	Maritime Defence			31 065	17 139
	Military Health Support			639 460	6 559
	Defence Intelligence			21 523	412 827
	Joint Support			43 589	158 805
	Force Employment			9 360	3 432
	Total		=	1 039 622	685 464
	Confirmed balances with departments		Annex 5	-	-
	Confirmed balances with other government entities		Annex 5	-	
	Total		_	-	

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

	2018/19	2017/18
	R'000	R'000
21. Employee benefits		
Leave entitlement	953 026	927 686
Service bonus	851 570	800 221
Performance awards	4 402	2 967
Capped leave commitments	773 567	830 655
Other	66 442	277 785
Total	2 649 007	2 839 314

Leave entitlement with negative balances amounting to R74 781 199 for the 2018/19 financial year and R62 873 908 for the 2017/18 financial year are included in the above amounts.

22. Lease Commitments

22.1 Operating leases expenditure

2018/19	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	-	-
2017/18	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
Note that the second	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	838	498	1 336
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years		-	-	-	-
Total lease commitments		•	838	498	1 336

All government garage vehicles returned back and there are currently no operating leases agreements in the name of the Department

NOTES ON SECONDARY FINANCIAL INFORMATION

		Oment III		Destruite :	March	-
	2018/19	Specialised military	Land	Buildings and other fixed	Machinery and	Total
	2010/19	assets		structures	equipment	
		R'000	R'000	R'000	R'000	R'000
	Not later than 1 year	-	-	-	21 134	21 134
	Later than 1 year and not later than 5 years	-	-	-	6 308	6 308
	Later than five years	-	-	-	-	-
	Total lease commitments	-	-	•	27 442	27 442
		Specialised	Land	Buildings and	Machinery	Total
	2017/18	military		other fixed	and	
		assets		structures	equipment	
		R'000	R'000	R'000	R'000	R'000
	Not later than 1 year	-	-	-	27 786	27 786
	Later than 1 year and not later than 5 years	-	-	-	20 503	20 503
	Later than five years		-	-	-	-
	Total lease commitments	-	-	-	48 289	48 289
	The Department is not aware of any sub-leased a	assets				
				2018/1	19	2017/18
				R'00	00	R'000
23. Acc	crued departmental revenue					
	Sales of goods and services other than capital as	ssets			-	-
	Fines, penalties and forfeits				-	-
	Interest, dividends and rent on land				-	-
	Sale of capital assets				-	-
	Transactions in financial assets and liabilities				-	-
	Transfers received			144 02	26	98 846
	Total			144 02		98 846
			:			
23.′	1 Analysis of accrued revenue			00.0	10	40.004
	Opening balance			98 84		42 224
	Less: Amounts received			320 60		274 670
	Add: Amounts recognised			379 71		404 319
	Less: Amounts written off / reversed as irrecover	able		13 92	<u></u>	73 027
	Closing balance		:	144 02	<u></u>	98 846
23.2	2 Accrued departmental revenue written off					
	Penalty imposed by the United Nations			13 92	25	73 027
	The amount represents actual penalties deducted	d from revenue from th	e DOD for un	nserviceable equipn	nent.	
	3 Impairment of accrued departmental revenue					
23.3	inipaninent di accided departinental revenue					

NOTES ON SECONDARY FINANCIAL INFORMATION

1 005 407 (180 725 824 682 86 488 777 931 (1 272 - - - 1 687 829
(180 725 824 682 86 488 777 931 (1 272 - - 1 687 829 777 931 909 898
(180 725 824 682 86 488 777 931 (1 272 - - 1 687 829 777 931 909 898
(180 725 824 682 86 488 777 931 (1 272 - - 1 687 829 777 931 909 898
824 682 86 488 777 931 (1 272 - - - 1 687 829 777 931 909 898
86 488 777 931 (1 272 - - - 1 687 829 777 931 909 898
777 931 (1 272 - - - 1 687 829 777 931 909 898
(1 272 - - - 1 687 829 777 931 909 898
777 931 909 898
777 931 909 898
777 931 909 898
777 931 909 898
777 931 909 898
777 931 909 898
909 898
909 898
1 687 829
2018/19 R'000
1 000
213 168
46 660
427
2 096
424 192
83
4 122
21
15
2 895 264
61
619
(139 671
(100 071)

NOTES ON SECONDARY FINANCIAL INFORMATION

24.3	Details of irregular expenditure condoned		2018/19 R'000
	Incident Prior year	Condoned by (condoning authority)	
	Deviation from the procurement process	Supply Chain Irregular Expenditure Control Committee	296
	SBD4 form not completed by winning supplier	Supply Chain Irregular Expenditure Control Committee	93
	Foreign travel without prior Ministerial authority	Prosecution and Recovery Committee	49
	Remuneration without authority	Prosecution and Recovery Committee	95
	Extension of a contract	Supply Chain Irregular Expenditure Control Committee	62
	Services rendered without FA	Supply Chain Irregular Expenditure Control Committee	15
	Deviation from the procurement process Total	Supply Chain Irregular Expenditure Control Committee	13 623
24.4	Details of irregular expenditure recoverable (not condoned)		
	Incident Prior year	Condoned by (condoning authority)	
	Deviation from the procurement process Total	Supply Chain Irregular Expenditure Control Committee	8
			2018/19
24.5		rmination or investigation (not included in the main note).	R'000
		I into in prior years which is still effective in the current financial buld potentially result in irregular expenditure, the amount	-
24.6	Prior period error Nature of prior period error		
	Relating to 2016/17 (affecting the opening bala	nce)	(180 725)
	Tags purchased without following procurement pro	·	(20)
	Catering services rendered without following procu	urement process.	(8)
	PPPFA - Non-compliance by Armscor.		(180 605)
	One quotation obtained for accommodation for wo	rk session.	(92)
	Relating to 2017/18		(139 816)
	Unfair bidding process (PPPFA).		3 614
	Compliance		(28 356)
	Removal of amounts disclosed after condonement	t was granted by the condoning authority National Treasury	(115 074)
	Total		(320 541)
24.7	Details of the non-compliance where an institutions arranged by other institutions.	tion was not represented in a bid committee for contracts	
	Total		

NOTES ON SECONDARY FINANCIAL INFORMATION

				2018/19 R'000	2017/18 R'000
25. Fruit	tless and wasteful expenditure				
25.1	Reconciliation of fruitless and wasteful expe	enditure			
	Opening Balance			670 459	595 769
	Prior period error			-	1
	As restated			670 459	595 770
	Fruitless and wasteful expenditure – relating to	prior year		2	20 315
	Fruitless and wasteful expenditure – relating to			37 469	54 822
	Less: Amounts resolved	•		(303 369)	(448)
	Less: Amounts transferred to receivables for re	ecovery I	Note 10.4	(11)	-
	Closing balance	,		404 550	670 459
25.2	Analysis of awaiting resolution per econom	nic classification			
20.2	Current	ne classification		274 978	304 656
	Capital			129 572	365 803
	Total			404 550	670 459
					2018/19
25.3	Analysis of Current Year's fruitless and was	teful expenditure (relatir	ng to current an	d prior years)	R'000
	Incident	Disciplinary steps t	aken/criminal p	roceedings	
	Penalty, cancellation and change fees	Under investigation			1 938
	Operating lease for unutilised property	Under investigation			35 517
	Interest for late payment of accounts	Under investigation			6
	Waste of petrol	Under investigation			7
	Prior year error				3
	Total				37 471
25.4	Prior period error				
	Nature of writer period array 2016/17				4
	Nature of prior period error 2016/17 1 penalty paid				1
	Prior period error 2017/18				2
	1 penalty paid				2
	Total				3
25.5	Details of fruitless and wasteful expenditure	e under investigation (no	t in the main no	ote)	
	Incident Leased land not utilised for its stated purpose.				159
	Total				159

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

26. Identification and nature of related party relationship

As at 31 March 2019 the DOD had the following related parties, namely the:

- President of the RSA;
- Deputy President of the RSA;
- Cabinet of the Government of the RSA, including the Ministers of all National Departments;
- National Departments;
- Public Entities resorting under the National Departments;
- Public Entities resorting under the portfolio of the Minister of Defence and Military Veterans, these being:
- The DOD has a related party transaction with the Armaments Corporation of South Africa Limited (ARMSCOR), including its subsidiaries, joint ventures or units under its control.
- The relationship between the DOD and ARMSCOR is at arm's length, where the Department transfers funds to ARMSCOR (as disclosed in Note 6) in their mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of Defence Material related products and services.
- Castle Control Board (CCB);
- South African National Defence Force Fund (SANDF); and
- Reserve Force Council

As per clarification letter from the National Treasury dated 31 March 2009, Department of Defence Funds (messes, clubs, regimental funds, etc.) are not regarded as related parties.

Related party transactions

The Department is not aware of any related party transactions (i.e. transactions not at arms length) that occurred during the period between the Department and the President of the RSA; the Deputy President of the RSA; the Cabinet of the Government of the RSA, including the Ministers of all National Departments; National Departments and Public Entities falling under these departments.

During the period the following related party transactions occurred between the Department and the Castle Control Board (CCB):

- The CCB is mandated in terms of the Castle Management Act, 1993 (Act 207 of 1993), to govern and manage the Castle of Good Hope on behalf of the Minister of Defence and Military Veterans. The CCB is housed and located in the Castle of Good Hope, Cape Town.
- The following entities and activities occupy or utilise parts of the Castle of Good Hope, at no consideration to the Department, however in some instances consideration is paid to the CCB:
- Die Goewerneur restaurant,
- Waterblommetjie restaurant,
- Castle Forge,
- Carriage rides,
- Castle Military Museum,
- Souvenir shop,
- Iziko Museum of Cape Town,
- The Western Cape Army Support Base (forming part of the Department) supplied guards to the CCB to guard the Castle of Good Hope and to perform ceremonial duties at no charge,
- Defence Reserves Provincial Office Western Cape,
- SA Heritage Resources Agency (SAHRA),
- Good Hope Art Studio,
- 5X Reserve Force Regiments.
- The Department provides management and administrative support to the SANDF Fund at no consideration.
- The Department is not aware of any related party transactions that might have occurred during the period between the Department and the Reserve Force Council.
- The Department did not identify any related party transactions during the period between the Department and its Key management personnel, and the entities under the control, joint control or significant influence of key management personnel of the Department.

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

			201	18/19	2017/18
27. Key management personnel			F	R'000	R'000
Description		No. of Individuals			
Political Office Bearers:		2	4	4 379	4 378
Officials					
Level 15 to 16		16	28	3 777	28 700
Level 14		10	1′	1 582	11 939
Level 12 to 13		4	4	4 708	8 957
Family members of key management personr	nel	5	,	1 617	1 357
Total		_	51	1 063	55 331
28. Provisions					
Environmental Liability - Aviation fuel contamina	tion		172	2 935	108 158
Armscor retention fees				443	3 807
Total		_	173	3 378	111 965
Reconciliation of movement in provisions - 2	018/19				
	Armscor		ILSF	Environmental	Total
	retention fees	Diago	Diago	Liability	provisions
Ononing halance	R'000	R'000	R'000	R'000	R'000 111 965
Opening balance Increase in provision	3 807 443	-	-	108 158 64 777	65 220
Settlement of provision	(3 807)	-	-	04 111	(3 807)
Change in provision due to change in	(3 007)	_	_	_	(3 007)
estimation of inputs					
Closing balance	443	-		172 935	173 378
Reconciliation of movement in provisions - 2	2017/18				
	Armscor		ILSF	Environmental	Total
	retention fees	Diese	Diese	Liability	provisions
0	R'000	R'000	R'000	R'000	R'000
Opening balance	9 170	-	-	108 158	117 328
Increase in provision	(5 363)	-	-	-	(5 363)
Settlement of provision Change in provision due to change in estimation	(5 363)	-	-	-	(၁ ၁၀၁)
of inputs			-	-	
Closing balance	3 807	-	-	108 158	111 965

<u>Armscor retention fees</u>

- Delays in the contract renewal has resulted in the Department not being able to reliably determine the estimated amount of the obligation.
- Armscor, prior to September 2014 withheld 10% in retention fees for suppliers that are not BEE compliant.
- Once the supplier has submitted proof that the company is compliant, the retention fee is released.

Environmental Liability

- Delays in contract renewal demanded that the monthly contract value be escalated according to CPIX to establish a new estimated contract value.
- Forecasted completion period has been recalculated according to data analysed.

29. Non-adjusting events after reporting date

The Department is not aware of any non-adjusting events.

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

30. Movable Tangible Capital Assets MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019	ENDED 31 MARCH 2019				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	260	•		•	260
Heritage assets	260	•	1	1	260
MACHINERY AND EQUIPMENT	11 178 355		617 035	83 599	11 711 791
Transport assets	4 219 505	•	191 485	1 420	4 409 570
Computer equipment	1 064 532	ı	85 739	62 924	1 087 347
Furniture and office equipment	256 028	•	11 787	51	267 764
Other machinery and equipment	5 638 290	•	328 024	19 204	5 947 110
SPECIALISED MILITARY ASSETS	47 804 082		13 968		47 818 050
Specialised military assets	47 804 082	•	13 968	1	47 818 050
BIOLOGICAL ASSETS	5 521		380	540	5 361
Biological assets	5 521	•	380	240	5 361
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	58 988 218		631 383	84 139	59 535 462
Movable Tangible Capital Assets under investigation			N		onley
Included in the above total of the movable capital assets per the asset register are assets that are under investigation	e under investigation				R'000
Heritage assets Machinery and equipment					
Specialised military assets Biological assets					

e 19

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019 Additions 30.1

_									_		_	1 1
Total	•	'	617 035	191 485	85 739	11 787	328 024	13 968	13 968	380	380	631 383
Received current not Paid (Paid current year, received prior year)			(69 163)	(30 653)	(962 9)	(82)	(32 632)	(1 035)	(1 035)	•	•	(70 198)
Non-cash (Capital work- in-progress current cost and finance lease payment)	•		(41 680)	,	'	'	(41 680)		•	•	•	(41 680)
Non-cash R'000	•	•	211 105	6 441	•	'	204 664	13 968	13 968	٠	•	225 073
Cash R'000	•	1	516 773	215 697	91 535	11 869	197 672	1 035	1 035	380	380	518 188
												1 1

HERITAGE ASSETS Heritage assets

MACHINERY AND EQUIPMENT

Other machinery and equipment Furniture and office equipment Computer equipment Transport assets

SPECIALISED MILITARY ASSETS

Specialised military assets

BIOLOGICAL ASSETS

Biological assets

TOTAL ADDITIONS TO MOVEABLE TANGIBLE CAPITAL ASSETS

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

30.2

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

Cash received Actual	R'000	•	•	•	1	1	•	-	•	1		•	•	•
Total C disposals	R'000	•	•	83 599	1 420	62 924	51	19 204	•	-		240	240	84 139
Non-cash disposals	R'000	•	1	83 599	1 420	62 924	51	19 204	•	-	i	240	540	84 139
Sold for cash	R'000	•	1		1	,	•	•	•	•		•	•	•

HERITAGE ASSETS Heritage assets MACHINERY AND EQUIPMENT

Transport assets

Furniture and office equipment Computer equipment

Other machinery and equipment

SPECIALISED MILITARY ASSETS

Specialised military assets

BIOLOGICAL ASSETS

Biological assets

TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

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	OVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MA
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ARCH 2018

Prior period error
8 6
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(142 562)
(178)
(131405)
(3751)
(7 228)
5 093
5 093
79
62
(137 387)

HERITAGE ASSETS Heritage assets

MACHINERY AND EQUIPMENT

Furniture and office equipment Computer equipment Transport assets

SPECIALISED MILITARY ASSETS

Other machinery and equipment

Specialised military assets

BIOLOGICAL ASSETS

Biological assets

TOTAL MOVABLE TANGIBLE CAPITAL ASSETS

(131434)

(137 387)

R'000

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

30.3.1 Prior period error

Audit findings and management letter points from the AGSA revealed the following prior period errors:

- Assets that existed were not recorded on the asset register
- Assets were found to have been included in the incorrect asset classes. The assets were subsequently reclassified to the correct asset classes.
 - Assets were found to have been recorded at incorrect values. These values were subsequently corrected in the asset register.

Nature of prior period error

Relating to 2016/17 (Effecting the opening balance)

Assets reclassified/derecognised

Assets recognised

Assets recognised Price changes/Projects

Relating to 2017/18 - resulting in a restatement of additions and disposals for the 2017 year.

Value adjustments

Total

Closing balance

17 923 3 462 450 669

R'000 436 208

NOIL		Heritage Machinery Biological assets and assets	R'000 R'000 R'000	- 433 205 -	- 17 923 -	- 3462 -	. 447 666	Heritage Machinery Biological assets and assets	equipment - 1 124 339	- 216 115 -	- 1 340 454	Value	4 363	- 19 243 55
INFORMA		Intangible assets	R'000	3 003	•	•	3 003	Intangible assets	i	•		Number	20	- 1 151 2
NOTES ON SECONDARY FINANCIAL INFORMATION for the year ended 31 March 2019	30.4 Minor assets MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019 Minor assets	Specialised Military assets	R'000	Opening balance Value adjustments	Additions -	Disposals	TOTAL MINOR ASSETS -	Specialised Military assets		Number of minor assets at cost	TOTAL MINOR ASSETS	Minor capital assets under investigation	Specialised military assets Intangible assets	Heritage assets Machinery and equipment Biological assets

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

Closing | | |

R'000 242 069 172 264

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

Closing balance

162 382

1 234 686

1072304

23 788 1 913 436 208

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

30.4 Minor assets (continued)

	Biological assets	R'000	1	1	1	,		Biological assets	1	1	•
	Machinery and equipment	R'000	239 071	172 264	23 781	1 911	433 205	Machinery and equipment	1 072 122	160 603	1 232 725
	Heritage assets	R'000	•	•	•	•	•	Heritage assets	•	•	•
	Intangible assets	R'000	2 998	•	7	2	3 003	Intangible assets	182	1 779	1 961
31 MARCH 2018	Specialised Military assets	R'000	ı	ı	ı	ı	•	Specialised Military assets	•	ı	•
FOR THE YEAR ENDED											
R ASSET REGISTER F											
MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018			ance	error			OR ASSETS		Number of R1 Minor assets	Number of minor assets at cost	OR ASSETS
MOVEMENT			Opening balance	Prior period error	Additions	Disposals	TOTAL MINOR ASSETS		Number of R	Number of m	TOTAL MINOR ASSETS

172 264	166 285	397	5 582	•

172 264

30.4.1 PRIOR PERIOD ERROR

Nature of prior period error
Relating to 2016/17 (affecting the opening balance)
Additional assets recognised/reclassification that were omitted in the prior year Assets removed from the asset register because these were disposed Value adjustments arising from incorrect pricing in prior years

Relating to 2017/18

Total

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

30.5 Movable assets written-off MOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2019

	Specialised Military assets	Intangible assets	Heritage assets	Machinery and	Biological assets	Total
	R'000	R'000	R'000	equipment R'000	R,000	R,000
Assets written-off	23	1	•	3 474	80	3 577
TOTAL MOVABLE ASSETS WRITTEN-OFF	23	•	•	3 474	80	3 577
30.5.1 MOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2018						
	Specialised Military assets	Intangible assets	Heritage assets	Machinery and	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written-off	327	•	•	5 109	16	5 452
TOTAL MOVABLE ASSETS WRITTEN-OFF	327			5 109	16	5 452

82 damaged vehicles at Depot Wallmansthal was written-off with R 0 amount. The net effect will be zero

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019	arch 2019				
31. Intangible Capital Assets MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019	MARCH 2019				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 771 459	•	95 028	104 673	1 761 814
MASTHEADS AND PUBLISHING TITLES	ı	•	,	'	•
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	ı	•	,	•	
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	1 844 407	•	1 348 637	1 616	3 191 428
SERVICES AND OPERATING RIGHTS	•	•	,	•	
TOTAL INTANGIBLE CAPITAL ASSETS	3 615 866	•	1 443 665	106 289	4 953 242

Items derecognised are related to the following:

⁻ Software no longer in use due to technological advancements in software versions and in the hardware.

⁻ Licences that have expired and are therefore no long valid.

Designs that are no longer in use due to technological advancements.

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

31.1

- Non-Cash additions are related to Intellectual Property and Trademarks developed by Armscor and paid for by the Special Defence Account on behalf of the DOD and software purchases with the cost being settled over a certain number of years instead of a single cash payment in a single financial year

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES ON SECONDARY FINANCIAL INFORMATION

31.2

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES ON SECONDANT THAT CHIMPTON					
for the year ended 31 March 2019					
Disposals DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	Sold for cash	Non- cash disposal	Total disposals	Total Cash received sals Actual	
	R'000	R'000	R'000	R'000	
SOFTWARE	,	104 673	104 673	ı	
MASTHEADS AND PUBLISHING TITLES	ı	,	•	ı	
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	ı	,	•	ı	
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	,	1 616	1 616	ı	
SERVICES AND OPERATING RIGHTS	,	1	•	ı	
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS		106 289	106 289	•	

The majority of the disposed items have been replaced by new software contracts. There have also been instances where the software has been discontinued, as well as being obsolete and not compatible with other software.

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

31.3 Movement for 2017/18

MOVEMENTS IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018	H 2018				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 591 803	(413 769)	635 399	41 974	1 771 459
MASTHEADS AND PUBLISHING TITLES	•	•	,	•	
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	•	'	,	'	
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	1 770 566	(168 760)	246 188	3 587	1 844 407
TOTAL MOVEMENT IN INTANGIBLE CAPITAL ASSETS	3 362 369	(582 529)	881 587	45 561	3 615 866
31.3.1 PRIOR PERIOD ERROR					٥
Nature of prior period error Relating to 2017/18 (affecting the grening balance)					(582 529)
Recalculation of IP values					(154 955)
Software received in 2017/18 paid in current year					159 551
Incorrect inclusion of adjustment in IP					(13 805)
Overstatement of Software additions					(220 083)
Understatement of Software disposals					(23 231)
Relating to 2016/17 (affecting the opening balance)					560 818
Overstatement of Software additions					550 089
Understatement of Software disposals					10 729
Total					(21 711)

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

Immovable Tangible Capital Assets

32.

		Opening balance Value adjustinents	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	14 883 922	•	60 343	•	14 944 265
Dwellings	1 359 449	1	1	1	1 359 449
Non-residential buildings	13 100 453	1	60 343	1	13 160 796
Other fixed structures	424 020	•	•	•	424 020
HERITAGE ASSETS	2 893 315	•	1 502	٠	2 894 817
Heritage assets	2 893 315	•	1 502	•	2 894 817
LAND AND SUBSOIL ASSETS	12 870 888			•	12 870 888
Land	12 870 888	•	•	1	12 870 888
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	30 648 125		61 845	•	30 709 970
Immovable Tangible Capital Assets				Number	Value
Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation	s per the asset register are assets that ar	ıre under investigatic	u.		R'000
Building and other fixed structures Heritage assets					,
Land and subsoil assets				•	

61845

(296890)

59 351

299 384

DE RANS - Vote 19

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

	IDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019
Additions	ADDITIONS .
32.1	

Cash Non-cash (Capital work- Received in-progress current, not current paid (Paid costs and current year, finance lease received prior payments) year) R'000 R'000 R'000 R'000 R'000 11 980 - (11 980) - (11 980 - (11 980) - (11 980) - (11 980) - (11 980 - (11 980)	Non-cash (Capital work-in-progress of current costs and current payments) R'000 R'000 59 351 (296 890) - (11 980) - (16 681)	Total	R'000	60 343	•	60 343	•	1 502	1 502	•	•	•
		Received current, not paid (Paid current year, received prior	year) R'000	•		•	1		-	•	•	•
		(Capital work- in-progress current costs and finance lease	payments) R'000	(296 890)	(11 980)	(268 229)	(16 681)		-	•	•	•
Cash R'000 R'000 11 980 1502 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1502 1 1 1 1 1 1 1 1 1	297 882 11 980 269 221 16 681 1 502	Non-cash	R'000	59 351	1	59 351	-	•	•	•	•	•
		Cash	R'000	297 882	11 980	269 221	16 681	1 502	1 502		•	-

BUILDINGS AND OTHER FIXED STRUCTURES

Dwellings

Non-residential buildings

Other fixed structures

HERITAGE ASSETS

Heritage assets

LAND AND SUBSOIL ASSETS

Mineral and similar non-regenerative resources

TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

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

32.2

Cash received Actual R'000			•		•
Total disposals R'000		- ·	•		
Non-cash disposals R'000		-	•		
Sold for cash R'000	1 1		•	1 1	•

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OILDINGS

Dwellings

Non-residential buildings

Other fixed structures

HERITAGE ASSETS

LAND AND SUBSOIL ASSETS Heritage assets

Mineral and similar non-regenerative resources

TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS

DEI S – Vote 19

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

Movement for 2017/18

32.3

MOVEMENT OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

Opening balance Prior period error Additions Disposals Closing balance R'000 R'000 <th>р В</th> <th>8</th> <th>22</th> <th>49</th> <th>53</th> <th>20</th> <th>15</th> <th>15</th> <th>88</th> <th>88</th> <th>'</th> <th>25</th>	р В	8	22	49	53	20	15	15	88	88	'	25
Prior period error Additions of the period error R'000 R'000 R'000 R'000 849 181 11 862 120 376 800 694 138 11 062 34 667 - - 122 489 - - -	Closing balance	R'000	14 883 922	1 359 449	13 100 453	424 020	2 893 3	2 893 315	12 870 888	12 870 888		30 648 125
R'000 R'000 849 181 120 376 694 138 34 667 - 1 - 1 849 181	Disposals	R'000	•	•	•	•		•	•	•	-	
Pri	Additions	R'000	11 862	800	11 062	•	122 489	122 489	•	•	•	134 351
Opening balance R'000 R'000 14 022 879 1 238 273 12 395 253 389 353 2 770 826 2 770 826 12 870 888 12 870 888 12 870 888	Prior period error	R'000	849 181	120 376	694 138	34 667	•	-	•	•	-	849 181
	Opening balance	R'000	14 022 879	1 238 273	12 395 253	389 353	2 770 826	2 770 826	12 870 888	12 870 888	1	29 664 593

Dwellings

Non-residential buildings

Other fixed structures

HERITAGE ASSETS

Heritage assets

LAND AND SUBSOIL ASSETS

Land

Mineral and similar non-regenerative resources

TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

Note

2017/18 R'000 (212125)849 181

Relating to 2015/16 (affecting the opening balance)

Projects not recognised

Corrections

Reclassification

Nature of prior period error

32.3.1 PRIOR PERIOD ERROR

(79222)(79222)

1 061 306

769 959

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

Ready for use (Assets to the AR) Current Year WIP balance 1 April 2018 Opening

Note

Closing balance 31

March 2019

/ Contracts terminated R'000

> R'000 1 502 R'000

R'000

297 137

1 093 429

1 450 164

(86565)1 502

Annexure 7

1 450 164

(28086)

298 639

1 093 429

Total

Capital Work -in- progress

32.4 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

Building and other fixed structures Machinery and equipment Intangible assets Heritage assets

Projects not recognised Relating to 2017/18 Reclassifications Reclassification Corrections

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

Age analysis on ongoing projects	Number of projects			
	Planned,	Planned,	2018/19	D
	construction not	construction	Total	EPA
0 to 1 year			ı	٩R٦
1 to 3 year (s)	•	9	92 835	M
3 to 5 years	•	12	68 592	ΞN
Longer than 5 years	•	37	1 169 541	ТС
TOTAL		55	1 330 968	F D
Accruals and payables not recognised relating to Capital WIP		2018/19	2017/18	EFE
		R'000	R'000	NC
				E AN

Projects delayed beyond 5 years are due to the following difficulties faced by the Department of Public Works:

The reasons as explained in the prior year remain valid for the financial year 2018/19.

Total

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

Closing balance 31 March 2018

use (Assets to the AR)

Ready for

Current year WIP

Prior year error

Opening balance

Note

1 093 429

1 093 429 (122 489)

3 198 230 107

1 070 829

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

233 305 (88 214)

947 706

Building and other fixed structures

Heritage assets

Machinery and equipment

Intangible assets

Total

Department of Defence – Annual Report – 2018/19

355

(84383)

R'000

R'000

(122489)

/ Contracts terminated







R'000

123 123

(3 831)

R'000

Annexure 7

R'000

DEFENCE AND MILITARY VETERANS - Vote 19

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

Age analysis on ongoing projects	Number of projects		
	Planned, Plan	Planned,	2017/18
	con	ction	Total
	not stated s	stated	
0 to 1 year	•	•	•
1 to 3 year (s)	•	6	61 654
3 to 5 years	•	16	43 193
Longer than 5 years	•	31	988 582
		, 26	1 093 429

Projects delayed beyond 5 years are due to the following difficulties faced by the Department of Public Works:

- The ratio of Project Managers versus projects shows that the Department is under-resourced. A single Project Manager manages an average of 22 projects and in some cases the ratio is 1:40. Administrative business and supply chain processes are not streamlined to support infrastructure programme implementation and effective delivery of infrastructure projects. For example;
 - projects may be in tender stage and may not progress to the award stage due to internal cumbersome evaluation requirements.
 - A lack of experienced professionals exist in the former B regions (Mthatha, Mmabatho, Polokwane, Nelspruit and Kimberley)
- Delays in planning i.e. site clearance, sketch plan approval and evaluation and award etc.
- Lack of construction procurement that supports effective delivery of infrastructure.
- Lack of internal capacity due to shortage of built environment practitioners such as project managers, architects, engineers and quantity surveyors.
- Failure to document Client Department needs during the project planning phase resulting in scope changes and variation orders during construction phase. This also results into huge financial costs.
 - Poor performance of some contractors on certain contracts, resulting in extension of time with penalties

outstanding action from the Department, the Department ensures such outstanding actions are expedited. Where the delays are the result of the dynamics between the Department of Public Works and its To ensure completion of projects the Department continuously engages with the Department of Public Works to follow up on project process and reasons for delays. Where delays are the result of contractors, the Department escalates its queries and concerns with the Department of Public Works using the contractual mechanism provided

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

Land and Total subsoil assets CT R'000 R'000		Land and Total C Subsoil assets Ryono Ryono			OD TO THE TENSOR	·		
Heritage assets R'000		Heritage assets R'000						
Buildings and other fixed structures R?000		Buildings and other fixed structures						
32.5 Immovable Assets Written-off IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019	Immovable assets written-off TOTAL IMMOVABLE ASSETS WRITTEN OFF	IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018	Immovable assets written-off TOTAL IMMOVABLE ASSETS WRITTEN OFF	S42 Immovable assets Assets subjected to transfer in terms of S42 of the PFMA - 2018/19	BUILDINGS AND OTHER FIXED STRUCTURES Dwellings Non-residential buildings Other fixed structures	HERITAGE ASSETS Heritage assets	LAND AND SUBSOIL ASSETS Land Mineral and similar non-regenerative resources	TOTAL

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES ON SECONDARY FINANCIAL INFORMATION

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

Assets subjected to transfer in terms of S42 of the PFMA - 2017/18	No of Assets	Value of Assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES Dwellings	•	
Non-residential buildings Other fixed structures		
HERITAGE ASSETS Heritage assets	•	•
LAND AND SUBSOIL ASSETS Land Mineral and similar non-regenerative resources		

TOTAL

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

4. Prio	34. Prior period errors	Note	2017/18 Amount	Prior period	Restated	
			bef error correction	errors	Amount	
34.1	34.1 Correction of prior period errors		R'000	R'000	R'000	
	Revenue Net effect				. .	
	Expenditure Net effect					
	Assets					
	Accrued Departmental Revenue - restatement Movable Tangible Capital Assets (Additions)	30	110 606 1 477 764	(11 760) 7 136	98 846 1 484 900	
	Movable Tangible Capital Assets (Disposals)	30	16 796	(1 182)	15 614	
	Intangible Capital Assets	31	1 030 985	560 818	1 591 803	
	Immovable Tangible Assets (Additions)	32	87 253	(75 391)	11 862	
	Immovable Tangible Assets (Additions)	32	126 321	(3 831)	122 490	
	Net effect		2 849 725	475 790	3 325 515	
	Liabilities					
	Payables					
	Accrual - Good and Services	20	505 735	92	205 800	
	Commitments - approved and not yet contracted	19	166 808	9 601	176 409	
	Net effect		672 543	999 6	682 209	
	Other					
	Reconciliation on Irregular expenditure - prior period error	24	1 005 407	(180 725)	824 682	
	Reconciliation on Fruitless and wasteful expenditure - prior period error	25	595 769	_	595 770	
	Net effect		1 601 176	(180 724)	1 420 452	

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

DEFACTIVIENT OF DEFENCE AND WILLIART VETERANS - VOICE I

Note 35 – Restatement of prior year

Prior to 2018/19 the Department of Defence prepared two sets of financial statements, 1) General Defence Account (GDA) on modified cash and 2) Special Defence Account (SDA) on Generally Recognised Accounting Practice (GRAP)

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES ON SECONDARY FINANCIAL INFORMATION for the year ended 31 March 2019

With effect from 2018/19 the Department changed the accounting framework of the SDA to the Modified Cash Standard (MCS) as National Treasury (NT) does not consider the SDA to be a separate legal entity, and consolidated the SDA with the GDA

relating to years prior to 2017/18 had already been reversed. The principle was applied to all account balances that had to be restated. Certain balances relating to current expenditure (goods and In order to consolidate the two accounts, the prior year figures relating to the SDA had to be restated from accrual to cash. The Department restated the prior year as the accrual transactions services) could however not be restated as the Department utilises the Financial Management System (FMS), which is a cash based system and it was not practically possible to do so.

Below is a summary of the affected line items in the Annual Financial Statements (AFS) that have been restated for 2017/18 as a result of the consolidation of the GDA and SDA

				U	CONSOLIDATED
	GDA	GDA	SDA	SDA	GDA & SDA
	Note	Published	Published	Restated	
		2017/18	2017/18	2017/18	
		R'000	R'000	R'000	R'000
Primary Information					
Statement of Financial Position					
Assets					
Cash and cash equivalents (Includes GDA bank overdraft)	∞	(262 827)	7 234 904	1	6 972 077
Prepayments and advances	တ	202 231	4 149 106	5 2 2 2	207 806
Receivables	10	419 384	8 882	3 307	422 691
Investments	1	75 000	142 582	106 164	181 164
Liabilities					
Voted funds to be surrendered to the Revenue fund	12	22 328	36 944	1	59 272
Payables	14	41 251	548 010	71 586	112 837
Provisions		ı	3 807	•	,
Statement of Financial Performance					
Revenue					
Departmental revenue	2	933 331	26 038	1	929 369
Expenditure					
Goods and services	4	10 785 524	2 163 515	3 794 464	14 579 988

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

NOTES ON SECONDARY FINANCIAL INFORMATION

for the year ended 31 March 2019

						CONSOLIDATED
	GDA	_	GDA	SDA	SDA	GDA & SDA
	Note	Pı	Published	Published	Restated	
		ō	2017/18	2017/18	2017/18	
			R'000	R'000	R,000	R'000
Transfers and subsidies	9	8 5	8 507 422	•	(6 350 469)	2 156 953
Expenditure for capital assets						
Tangible assets	7	1 5.	1 528 005	1 556 999	3 581 651	5 109 656
Payments for financial assets	2		9 646	ı	160	9086
Secondary Information						
Contingent Liabilities and contingent assets	18		2 315 703	2 808 817	1	5 124 520
Commitments	19		4 490 899	15 519 836	15 529 437	20 020 336
Accruals	20.1		538 615	ı	310	538 925
Payables not recognised	202		207 055	ı	478 409	685 464
Irregular Expenditure	24		1 537 287	216 046	150 542	1 687 829
Fruitless and wasteful expenditure	25		398 710	271 748	1	670 459
Provisions	28		108 158	,	3 807	111 965
Reclassifications						
Compliance Programme	Previously named Other financial liabilities, now payables.	ables.				
Prepayments and advances	Previously recognised in the Statement of Position, now only a disclosure requirement ito MCS.	now only a disclo	sure require	ment ito MCS.		
Staff Debt	Previously Receivables from exchange transactions - Staff debtors, now Prepayments and advances - Travel and subsistence.	- Staff debtors, n	ıow Prepayn	nents and advan	ces - Travel and	subsistence.
Payables from exchange transactions	Previously Payables from exchange transactions, now Payables.	ow Payables.				

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

		TRANSFER A	TRANSFER ALLOCATION		TRAN	TRANSFER	2018/19
NAME OF MUNICIPALITY	Adjusted Appropriation Act	Roll Overs	Adjustments	Roll Overs Adjustments Total Available	Actual Transfer	% of Available Appropriation funds Act transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Provincial and Local Governments	1 542	'	(1 407)	135	135	100%	193
TOTAL	1 542	•	(1 407)	135	135	100%	193

TOTAL

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

		GRANTA	GRANT ALLOCATION			TRANSFER			SPENT	5		2017/18	/18
NAME OF MUNICIPALITY	DoRA and other transfers	Roll	Roll Adjustments Overs	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by Municipality	Unspent	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial and Local Governments	1 542	1	(1 407)	135	1	1	•	135	135	•	100%	194	r
TOTAL	1 542	•	- (1 407)	135	•	•	•	135	135	•	100%	194	•

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

		TRANSFER /	TRANSFER ALLOCATION		TRAN	TRANSFER	2017/18
DEPARTMENTS / AGENCY / ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Appropriation Ac
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Safety and Security Sector Education and Training Authority (SASSETA)	21 968	•	4 0 2 4	25 992	25 991	100%	27 004
Department of Military Veterans	627 087	•	•	627 087	627 087	100%	622 111
Communication Licences (Radio & TV)	615	•	(280)	25	25	100%	104
Claims against the state	•	•	72 764	72 764	72 764	100%	'
TOTAL	649 670	•	76 198	725 868	725 867		649 219

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

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

TRANSFER ALLOCATION	NAME OF PUBLIC CORPORATION / PRIVATE Adjusted Roll Overs Adjustments Appropriation Act	R'000 R'000 R'000	Armaments Corporation of South Africa 1 422 725 -	- 632	1 422 725 - 632	- 199	- 1999	1 422 725 - 831
	s Total Available	R'000	- 1 422 725	32 632	32 1 423 357	199		1 423 556
	Actual %	R'000	1 422 725	632	1 423 357	^	2	1 423 359
EXPENDITURE	% of Available Funds Transferred	%	100%	100%	100%	%	1% 1	100%
TURE	Capital	R'000	'	•	•	1	-	
	Current	R'000	·	•	•	,		
2017/18	Final Appropriation Act	R'000	1 296 901	1 591	1 298 492	25	25	1 298 517

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

ANNEXURE 1D STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

		TRANSFER /	TRANSFER ALLOCATION		EXPEN	EXPENDITURE	2017/18
NON -PROFIT INSTITUTIONS	Adjusted Appropriation Act	Roll Overs	Adjustments	Roll Overs Adjustments Total Available	Actual Transfer	% of Available Transferred	% of Available Appropriation Transferred Act
	R'000	R'000	R'000	R'000	R'000		R'000
Transfers							
St John's Ambulance Brigade	866	•	(251)	747	747	. 100%	772
Reserve Force Council	8 326	•	•	8 326	8 326	100%	7 929
TOTAL	9 324	•	(251)	9 073	9 073	1	8 701

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

ANNEXURE 1E STATEMENT OF TRANSFERS TO HOUSEHOLDS

		TRANSFER /	TRANSFER ALLOCATION		EXPENI	EXPENDITURE	2017/18
ноиѕеногоѕ	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000		R'000
Transfers							
DOD members	169 419	'	•	169 419	168 770	100%	186 109
Claims against the State	•	'	72 764	72 764	129 902	179%	14 213
TOTAL	169 419	•	72 764	242 183	298 672		200 322

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ANNEXURE 1F STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

INCITA CIMA COCC TO THE IN	GIII SACCINCAS AC MOITAINCA TIIC TO TAILTAIN	2018/19	2017/18
NAME OF ORGANISATION	NATURE OF GIFT, DONATION OK SPONSOKSHIP	R'000	R'000
Received in kind			
Major D. Schutte	One Brother printer/copier	1	4
Occupational Therapists	One Defy top loader washing machine	•	5
US Department of Health and US DOD	Various Furniture	•	898
Mr Thomas and Ms Laubscher	2 x horses	•	30
Truvelo Manufacturers (Pty) Ltd	3 x Sniper Rifles	143	ı
TOTAL		143	206

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ANNEXURE 1G

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

NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19	2017/18
(Group major categories but list material items including name of organisation)	R'000	R'000
Made in kind		
Insect net protectors to Queliman Hospital in Mozambique	•	7
SAAF Daggers and belts to the Chiefs of the Omar and Turkey Airforces	∞	•
J Ops Div donation of 50 x computers to Caiphus Khoapa Senior Secondary School in Matatiele	403	•
SAArmy donation of 200 x blankets to Community organisations in Butterworth and Mdantsane	32	•
TOTAL	443	11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

ANNEXURE 2A STATEMENT SIN AND AMOUNTS OWING BY / TO NATIONAL / PROVINCIAL PUBLIC ENTITIES

	State Entity's PFMA Schedule	% of sha	% of shares held	Number o	Number of shares	Cost of investment	vestment	Net Asset value of investment	value of ment	Profit/(Loss) for the year	ss) for the ar	Losses
Name of Public Entity	type (state year			<u> </u>	<u> </u>	R'000	00	R'000	00	R'000	00	guarameeu
	March)	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	Yes/No
National / Provincial Public Entity												
Castle Control Board (under control of the Minister of Defence).	3A	100%	100%	1	1	I	1	3 292	1 546	1 746	(2 630)	S N
Armaments Corporation of South Africa (Managed and controlled by a	2	100%	100%	•	1	75 000	75 000	75 000 2 280 881	2 042 245	240 528	(15 239)	<u>8</u>
Minister of Defence (Profit/Loss) for the year is for the ARMSCOR Group.												
TOTAL						75 000	75 000	75 000 2 284 173 2 043 791	2 043 791	242 274	(17 869)	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY / TO NATIONAL / PROVINCIAL PUBLIC ENTITIES

		Cost of investment	vestment	Net Asset Invest	Net Asset value of Investment	Amounts owing to Entities	owing to lies	Amounts owing by Entities	ints owing by Entities
Name of Public Entity	Nature of business	R'000	00	R'0	R'000	R'000	00	R'C	R'000
		2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Controlled entities									
Castle Control Board under control of the Minister of Defence	To preserve and protect the military and cultural heritage of the Castle, optimise the tourism potential of the Castle; and maximise the accessibility to the public of the whole or any part, as the case may be, of the Castle which is not used by the SANDF	,	1	3 292	1 546	1	,	,	'
Armaments Corporation of South Africa (managed and controlled by a board of Directors appointed by the Minister of Defence).	To acquire defence products, mainly for SANDF, and co-manage, with the SANDF, the development of technologies for future weapon systems and products and also to manage the disposal of excess, forfeited, redundant or surplus defence material for the SANDF and subsidiary companies which directly support technology and acquisition strategies.	75 000	75 000	2 280 881	2 042 245	,	•	•	'
TOTAL		75 000	75 000	2 284 173	2 043 791	•	•	•	•

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

ANNEXURE 3A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019 - LOCAL

Guarantor Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening balance as at 1 April 2018	Guarantees drawdowns during the year	Guaranteed repayments / cancelled / reduced / released during the year	Revaluations	Closing balance 31 March 2019	Guaranteed interest for year ended 31 March 2019	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
ABSA		•	354	1	•	1	354	•	,
First National Bank		•	540	•	•	•	540	•	,
Free State Dev Corp		•	242	•	99	1	186	•	,
Greenstart Home Loans		•	107	•	•	1	107	•	,
Nedbank		•	42	•	•	1	42	•	ı
Standard Bank		•	505	•	-	•	205	•	•
TOTAL		•	1 787	•	26	•	1 731	•	•

ARY VETERANS - Vote 19

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 March 2019

Nature of Liability	Opening Balance 1 April 2018	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable	Closing Balance 31 March 2019	DEPART
	R'000	R'000	R'000	R'000	R'000	M
Claims against the department						ΞN
Civil claims	1 121 306	232 216	140 738	'	1 212 784	T (
Mobile assets accidents (MAA)	9 349	4 700	3 389	'	10 660)F
Commission claim Special Defence Account	2 808 817	320 224	•		3 129 041	DE
Sub Total	3 939 472	557 140	144 127	•	4 352 485	FE
Environmental Liability						NCE
UXO contamination and rehabilitation	1 183 261	48 091	ı	,	1 231 352	E AN
Sub Total	1 183 261	48 091	•	•	1 231 352	ND N
TOTAL	5 122 733	605 231	144 127	•	5 583 837	/IILIT/

Claims against the department

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the third parties.
 - These are contingent liabilities hence, we cannot be certain as to the timing of the outflow of the related resources / amounts.
 - There was no possibility for any reimbursements as at 31 March 2019.
- The claim against the Special Defence Account (SDA) relates to a commission claim of EUR 192 180 623 with a rand value of R3 129 040 891 (1 Euro = R16.281771) (2017/18: R2 808 816 661). The matter is defended in the Civil Court of Lisbon, Portugal. The Plaintiff has now also filed an application in the High Court in Pretoria to compel the Auditor-General of South Africa to make available certain documentation alleged to be relevant to the litigation in Portugal. Armscor as the second respondent is opposing the application. It is expected that the matter will not be

Commission claim liability incurred represents foreign exchange fluctuations

set down for trial in the Civil Court of Lisbon prior to the application being heard and finalised

Environmental Liability

- The baseline costing for the removal and disposal of unexploded ordnance at SANDF facilities was accepted to be the baseline cost as determined from February 2012.
- It was decided to escalate the expenses in the line with CPI.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ANNEXURE 4 CLAIMS RECOVERABLE

	Confirmed balance outstanding	balance Iding	Unconfirmed balance outstanding	ed balance	Total	al	Cash in transit at year end 2018/2019	at year end 19
Government Entity	3/31/2019	3/31/2018	3/31/2019	3/31/2018	3/31/2019	3/31/2018	Receipt 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
Department								
Department of Agriculture, Forestry and Fishery	•	•	•	927	•	927		•
Department of Correctional Services	•	•	72	20	72	20		•
Department of Health Gauteng	264	264	20	20	314	314		'
Department of Health Cape Town	1	•	9	•	9	•		'
Department of Health P.E.	'	•	•	30	1	30		•
Department of Health North West	1	•	12 275	•	12 275	•		'
Department of Military Veterans	55 399	23 613	36 891	46 420	92 290	70 033		•
San Parks	Ī	1	20	•	20	•		,
State Security	'	•	•	21	1	21		•
Department of Public Works	1	1	13 802	8 118	13 802	8 118		
National Treasury	'	•	5 036	4 601	5 036	4 601		•
South African Police Services	1	1	36	73	36	73		•
Department of Water and Sanitation	1	1	61 378	•	61 378	•		'
Office of the Premier EC	•	•	167	167	167	167		•
City of Cape Town	•	18	19	1	19	18		•
Department of Health KZN	80	8	'	•	8	80		'
South African Revenue Services	1	1	က	•	က	•		
Department of International Relations and Cooperation	'	•	•	588	•	288		•
Sol Plaatjies Municipality	-	-	18	18	18	18	1	•
TOTAL	55 671	23 903	129 773	61 033	185 444	84 936		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

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it at year end 3/19	Amount	R'000		,	'
Cash in transit at year end "2018/19	Payment date up to six (6) working days before year end				I
al	31/03/2018	R'000		,	'
Total	31/03/2019	R'000		10	10
d balance Iding	31/03/2018	R'000		•	•
Unconfirmed balance outstanding	31/03/2019	R'000		10	10
balance Iding	31/03/2018	R'000			
Confirmed balance outstanding	31/03/2019	R'000		•	,
	Government Entity		1		
			Department	SAPS	TOTAL

34 012 329

(4448057)

R'000

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

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	2018/19	6	2017/18	<u>~</u>
	Quantity	R'000	Quantity	
Inventory				
Opening balance	518 276 021	34 012 329	482 787 993	
Add/(Less): Adjustments to prior year balances	(413 159 835)	6 639 517	227 088 509	
Add: Additions/Purchases - Cash	33 574 019	2 203 325	32 740 238	
Add: Additions - Non-cash	•	1	648 900	
(Less): Disposals	•	•	•	
(Less): Issues	(131 633 444)	(39 141 639)	(224 989 619)	
Add/(Less): Adjustments	•	ı	•	
Closing balance	7 056 761	3 713 532	518 276 021	

ANNEXURE 6 INVENTORY

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ANNEXURE 7

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

TMENT (OF E)EFE	:NC	EΑ	ND	MILI	IAH	(Y VE	.	:K/	ANS	5 — \	/01	ıe	19				
Closing balance	R'000	•	1	•	1	•	•	1 330 967	46 453	1 267 295	17 219	,		•		•	1	•	•
Ready for use (Asset register) / Contract terminated	R'000	(1 502)	(1 502)		1	•	ı	(59 598)	•	(26 268)	1	,	•	•		•	•	•	•
Current Year Capital WIP	R'000	1 502	1 502	•	1		1	297 137	11 980	268 476	16 681	1	•	•		•	•	•	•
Opening balance	R'000	•	1	•	1	•	•	1 093 428	34 473	1 058 417	538	,	•	1		•	•	•	•

SPECIALISED MILITARY ASSETS

Specialised military assets

MACHINERY AND EQUIPMENT Other machinery and equipment

HERITAGE ASSETS

Heritage assets

BUILDINGS AND OTHER FIXED STRUCTURES

Non-residential buildings Other fixed structures

Dwellings

LAND AND SUBSOIL ASSETS

COMPUTER SOFTWARE

Computer software

MASTHEADS AND PUBLISHING TITLES

Mastheads and publishing titles

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ANNEXURE 7 (continued)
Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

Current Year (Asset register) Closing balance Capital WIP / Contract terminated	R'000 R'000 R'000		•		-		298 639 (61 100) 1 330 967
Opening balance Ca	R'000	•	•	•	•	•	1 093 428

PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS Patents, Licences, Copyright, Brand names, Trademarks

RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS

Recipes, formulae, prototypes, designs, models

SERVICES AND OPERATING RIGHTS

Services and operating rights

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ANNEXURE 7 (continued)
Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

Closing balance	R'000	•	•	•	1	•	1	1 093 428	34 473	1 058 417	538	•	•	•	•	•	•		ı
Ready for use (Asset register) / Contract terminated	R'000	(122 489)	(122 489)		1		1		1	•	1		1		•	•	1	ı	•
Current Year Capital WIP	R'000	3 198	3 198	•	•	•	1	230 106	21 163	208 922	21	•	1	•	•	•	1	•	1
Prior period error	R'000	(3 832)	(3 832)	•	1	•	1	(84 383)		(14 921)	(69 462)		•		•		1	1	1
Opening balance	R'000	123 123	123 123	•		•	•	947 705	13 310	864 416	626 69	•	•	•	•	•	•	1	1

SPECIALISED MILITARY ASSETS

Specialised military assets

MACHINERY AND EQUIPMENT
Other machinery and equipment

HERITAGE ASSETS

Heritage assets

BUILDINGS AND OTHER FIXED STRUCTURES

Non-residential buildings Other fixed structures

Dwellings

LAND AND SUBSOIL ASSETS

Land

COMPUTER SOFTWARE

Computer software

PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS

MASTHEADS AND PUBLISHING TITLES

Mastheads and publishing titles

Patents, Licences, Copyright, Brand names, Trademarks

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

ANNEXURE 7 (continued)
Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance Prior period error	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
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	•	٠	•	٠	•
Recipes, formulae, prototypes, designs, models	•	1	1	•	1
SERVICES AND OPERATING RIGHTS	•	•	•	•	•
Services and operating rights	•		•	ı	'
TOTAL	1 070 828	(88 215)	233 304	(122 489)	1 093 428

The opening balance of non-residential buildings decreased by R3 907 from the prior year in light of projects that were incorrectly treated based on erroneous intormation from DPW. Updated information has however been received from DPW in this regard to allow the correction of the treatment.

The opening balance for Other Fixed Assets reduced by R14 858 from the prior year in light of a project that was incorrectly reflected as a completed project in prior periods. The project has subsequently been corrected and included in projects that are active and therefore still included in the opening balance of WIP.

Additions to buildings and fixed structures increased from R229 766 to R230 107 due to erroneous information received from DPW regarding the spending on projects. Corrected information was received to allow for the correction of the error.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF DEFENCE AND MILITARY VETERANS - Vote 19

for the year ended 31 March 2019

INTER-ENTITY ADVANCES PAID (note 9)

ANNEXURE 8A

	Confirme	Confirmed balance	Unconfirmed balance	d balance	Total	al
ENTITY	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Advance paid to DIRCO	•	•	102 954	117 033	102 954	117 033
Sub Total		•	102 954	117 033	102 954	117 033
OTHER INSTITUTIONS						
AB Logistics	•	•	5 897	3 602	5 897	3 602
Sub Total		•	5 897	3 602	5 897	3 602
TOTAL			108 851	120 635	108 851	120 635

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

INTER-ENTITY ADVANCES RECEIVED (note 14) **ANNEXURE 8B**

	Confirmed balan	d balance	Unconfirmed ba	ed balance	To	Total
ENTITY	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000

ENTITY	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Surrent						
Province of the Eastern Cape office of the Premier	ı	6 500	ı	•	ı	6 500
OTAL	•	6 500	•	•	•	6 500

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National Conventional Arms Control Committee

Assurance Report



Assurance report of the auditor-general to Parliament on the conduct of the affairs of the National Conventional Arms Control Committee in terms of section 12 of the National Conventional Arms Control Act, as amended

Introduction

- In accordance with section 12 of the National Conventional Arms Control Act of South Africa, 2002 (Act No. 41 of 2002), as amended (act), I have performed a limited assurance audit engagement on the conduct of the affairs of the National Conventional Arms Control Committee (NCACC) for the period ended 31 March 2019.
- 2. My full responsibility under the law, for my work and this report, is to Parliament.

Responsibility of the NCACC

3. The NCACC is responsible for compliance with the act and related regulations.

Auditor-general's responsibility

- 4. As required by section 12 of the act, my responsibility is to conclude on the compliance by the NCACC with sections 4, 7, 14, 23 and 27 of the act. The functions of the NCACC, as stipulated in section 4(1) of the act, refer to the Prohibition of Mercenary Activities and Regulation of Certain Activities in Country of Armed Conflict Act, 2006 (Act No. 27 of 2006), which has not yet come into operation as no date has been determined by the President by proclamation in the Government Gazette.
- 5. I am independent of the NCACC in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
- 6. I performed the assurance engagement in accordance with International Standard on Assurance Engagement (ISAE) 3000, Assurance engagement other than audits or reviews of historical information. That standard requires me to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate evidence regarding the subject matter of the engagement to support my assurance conclusion expressed below.

Summary of work performed

- 7. As the auditor of the NCACC, I have also audited the Department of Defence, which provided the secretariat for the NCACC for the period ended 31 March 2019. My limited assurance procedures included the following specific procedures related to the affairs of the NCACC:
 - Inspecting the processes and structures established by the NCACC for the effective control
 of trade in, and possession of, controlled items
 - Inspecting the processes and structures established by the NCACC for the effective regulation of the rendering of certain assistance or services in a country of armed conflict
 - Inspecting the guidelines, structures and processes established by the NCACC for the scrutiny and assessment of the application for the issuing of a permit under the act
 - Confirming whether the NCACC has liaised with the relevant government agencies regarding the enforcement of the act
 - Inspecting a sample of the authorisation or refusal of issuing any permits as contemplated in section 14 of the act
 - Performing procedures to verify compliance with the conditions under which a permit was issued
 - Inspecting the register that must be kept in the prescribed form of persons involved in the trade in, and possession of, controlled items
 - Inspecting the register that must be kept of every permit issued:
 - Selecting a sample of permits issued and following them through to the register
 - Selecting a sample of entries in the register and following them through to the permits
 - Confirming whether all reports were issued as specified in section 23 of the act
 - Analysing reported data to identify anomalies
 - Verifying whether information supplied was relevant, reliable, complete and understandable
 - Verifying whether the NCACC performed any of the engagements as per section 4(2), 4(3), 4(4) and 4(5) of the act, and performing additional audit procedures to obtain evidence of compliance with these sections, if applicable
 - Performing procedures to obtain evidence regarding the affairs of the NCACC as required by any regulations or notices published in the Government Gazette, as indicated in section 27 of the act
- 8. My procedures for gathering evidence were limited due to the nature of a limited assurance engagement; therefore, less assurance was obtained than would have been the case in a reasonable assurance engagement.

9. I believe that the audit evidence obtained as part of my assurance engagement with the NCACC for the period ended 31 March 2019 is sufficient and appropriate to provide a basis for my conclusion expressed below.

Internal control

10. I considered internal control relevant to my audit of compliance with legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Conclusion

11. Based on my work described in this report, nothing has come to my attention that caused me to believe that the conduct of the affairs of the NCACC did not comply with the terms of the act in all material respects.

Pretoria

31 July 2019



Auditor – General

Auditing to build public confidence

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Tel: (012) 355 6999

Defence Headquarters, Armscor Building, cnr Nossob & Boeing Street, Erasmuskloof, Pretoria

www.dod.mil.za