

ANNUAL REPORT

2019-2020



school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

Learn Serve Grow





The NSG pledging it's support against Gender Based Violence



school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

NATIONAL SCHOOL OF GOVERNMENT

VOTE 10a ANNUAL REPORT

2019/20

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Part A:

General Information



1. DEPARTMENT GENERAL INFORMATION

The NSG has a constitutional and legislative mandate to provide education, training and development in the three spheres of government, state-owned entities (SOEs) and organs of state. This mandate is in line with Section 195 of the Constitution of the Republic of South Africa 1996, which declares public administration to be development-oriented and participatory, and the basic values and principles being the basis of interaction between public administration (three spheres of government, organs of state, public enterprises) and society. The ETD interventions are delivered to public representatives and public servants and are clustered in accordance within the following occupational bands:

01



Cadet and Foundational Development

Providing ETD interventions to graduates who wish to join the public service, public service interns and public servants up to occupational level 8 (support staff, administrators and supervisors). Emphasis is placed on understanding rules of government and service delivery excellence (especially as the majority of front line officials are in this band).

02



Middle Management Development

Providing ETD interventions for occupational levels 9-12 (junior and middle managers) with emphasis on occupational skills (know how), supply chain management, budgeting, supervisory skills and pathways to (further) qualifications.

03



Senior Management and Professionalisation

Providing ETD interventions to senior managers between occupational levels 13 and 14 (Directors and Chief Directors). Chapter 4 of the SMS Handbook determines a set of competencies that employees in these core categories should have. These include analytical skills, problem solving as well managing money and people. This is in addition to the core competencies (expertise) required to perform as a professional – be it in finance, ICT, issuing of licenses/permits, policy formulation and monitoring, planning and implementing built environment projects like housing, road construction, water provision, etc.

04



Executive Development and Leadership Support

This band is complex in a sense that it caters for occupational levels 15-16 (Deputy Director-General, Director-General) and Political Office Bearers. In addition to top-up training on the requirements of Chapter 4 of the SMS Handbook, this category of leadership in the public sector is expected to lead as experts and advisors both in the work of departments and government and as nurturers of talent, stewards of public funds and champions of transformation. Therefore, the NSG will be shifting focus to expose this layer of government to design theories, modelling and forecasting, leadership by outcomes, talent management as well as the management of political-administrative interface. As for the Political Office Bearers, the NSG will focus on building expertise on economic governance, political oversight and accountability, etc. using instruments like the Executive Ethics Code, PFMA etc.

The NSG is located in the City of Tshwane Municipality, in the suburb of Sunnyside. This is the main office of the NSG and a significant portion of training sessions is undertaken in training facilities within these premises.



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2. LIST OF ABBREVIATIONS / ACRONYMS

AGSA	Auditor-General of South Africa	LG SETA	Local Government Sector Education & Training Authority
ALS	Applied Learning Studies	MANCO	Management Committee
AMDIN	African Management Development Institutes' Network	MOU	Memorandum of Understanding
AMDP	Accelerated Management Development Programme	MPSA	Minister for the Public Service and Administration
AO	Accounting Officer	MTEF	Medium Term Expenditure Framework
AOP	Annual Operational Plan	MTSF	Medium Term Strategic Framework
APP	Annual Performance Plan	NSG	National School of Government
AUC	African Union Commission	NT	National Treasury
B-BBEE	Broad-Based Black Economic Empowerment	PSC	Public Service Commission
BB2E	Breaking Barriers to Entry	PFMA	Public Finance Management Act
CFO	Chief Financial Officer	PMDS	Performance Management & Development System
DPME	Department of Planning, Monitoring & Evaluation	PSETA	Public Service Sector Education & Training Authority
DPSA	Department of Public Service and Administration	QCTO	Quality Council for Trades & Occupations
EMC	Executive Management Committee	QMS	Quality Management System
EMDP	Emerging Management Development Programme	SALGA	South African Local Government Association
EU	European Union	SCM	Supply Chain Management
EIP	Executive Induction Programme	SDIP	Service Delivery Improvement Plan
ETQA	Education and Training Quality Assurance	SITA	State Information Technology Agency
GRAP	Generally Recognised Accounting Practice	SMS	Senior Management Service
HEIs	Higher Education Institutions	TNA	Training Needs Analysis
HOD	Head of Department	TR	Treasury Regulations
KPA	Key Performance Area	TTA	Training Trading Account

3. FOREWORD BY THE MINISTER



Government has adopted the Medium Term Strategic Framework (MTSF) for the period 2019 to 2024, which outlines the seven priorities as follows:

1. A capable, ethical and developmental state
2. Economic transformation and job creation
3. Education, skills and health
4. Consolidating the social wage through reliable and quality basic services;
5. Spatial integration, human settlements and local government;
6. Social cohesion and safe communities;
7. A better Africa and World.

As the Ministry for Public Service and Administration, we have the immense responsibility of ensuring that South Africa is indeed a capable, ethical and developmental state supported by a meritocratic professional public administration. Building a capable, ethical and developmental state is premised on the willingness of public servants to selflessly commit to the public good and adopt a people-centric disposition. The Constitution is clear on the expectation that the public service should be professional, accountable and development-oriented. We must ensure that our public servants have the appropriate skills, knowledge and capabilities to fulfil their responsibilities, and which must be undertaken with the highest degree of professional ethics and good governance.

In delivering services, we are called upon to focus our attention on what is expected of the public service by the South Africans we serve on a daily basis. We are reminded that our training interventions should have a meaningful socio-economic impact. Each and every one of the citizens we serve has a legitimate expectation to receive quality services. However, these expectations would not be met if the public service is not positioned and attuned to the notion of service.

In order to professionalise the public service, the National School of Government (the NSG), responsible for strengthening state capacity through education, training and development, is providing a number of programmes to public servants and these programmes are tailor-made to upskill and equip public servants.

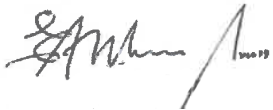
The Annual Report for the 2019/20 financial year is the culmination of a five-year strategic plan covering the period 2015-2020, and which set out four strategic outcome oriented goals for achievement. I am very pleased that, during this five year period and with the capacity and resources at its disposal, the NSG trained in excess of 250 000 learners (which is an average of 50 000 learners annually). Furthermore, the training was undertaken in the three spheres of government, state owned enterprises and the legislative sector as well as with youth (interns and unemployed youth graduates), through a curriculum framework of accredited and non-accredited courses and programmes. During this period as well, the curriculum design processes were improved. A new curriculum philosophy and approach was adopted during this period, which is underpinned by a decolonizing and social justice theory. Participatory and indigenous methodologies such as story-telling, African leadership, and Ubuntu philosophy are used.

The NSG operating model requires that it generates its own revenue through the cost of training sales. However, as a national government department which receives funding through the parliamentary vote, the NSG has also not been spared

from budget reductions which affected government departments. The NSG has experienced financial challenges during the year under review but it has been able to meet all of its financial obligations. I am also pleased to report that the NSG has generated an overall amount of R151 million from training.

The outbreak of the COVID19 pandemic has dominated the world and characterised the year. As government, we would have hoped to not have had even one death, not of a citizen or a public servant. Our priority has always been and still is, to save lives and protect livelihoods. As a result, government has had to impose a number of measures to ensure the safety and support of the public at large such as the national lockdown and its various alert levels. These unfortunate circumstances impacted on the NSG, particularly towards the end of the financial year in that contact training could not take place. Under these circumstances, I am pleased that the NSG developed a response plan, which redirected their energies towards more online learning. As such, over the medium to long term, the NSG will be changing focus towards blended technology learning, whilst also building strong partnerships with public and private sectors. Equally important is also ensuring quality in their offerings, as well as strong brand management.

In presenting this Annual Report, I would like to acknowledge and appreciate the performance by the executive and staff of the NSG. Their unwavering commitment towards professionalising the public service is indeed appreciated. I am confident that the NSG, with the calibre of professional public servants, will continue towards strengthening state capacity.



Mr Senzo Mchunu, MP

Minister for the Public Service and Administration

31 October 2020

4. STATEMENT BY THE DEPUTY MINISTER



MS SINDIWE CHIKUNGA, MP
Deputy Minister for the Public Service and Administration

The National School of Government (the NSG) draws its mandate from section 195 of the Constitution of the Republic of South Africa, 1996 and with particular reference to 195(1) (h), which stipulates that: “good human resource management and career-development practices, to maximise human potential, must be cultivated”. More specific legislation in the form of the Public Service Act, 1994 (as amended) and Public Administration Management Act, 2014 provide further mandate to the NSG to provide education, training and development to the three spheres of government as well as organs of state.

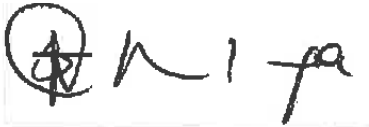
The performance for the 2019/20 financial year was also guided by the February 2019 State of the Nation Address (SONA), wherein President Cyril Ramaphosa announced that “In improving the capabilities of public servants, the National School of Government is introducing a suite of compulsory courses, covering areas like ethics and anti-corruption, senior management and supply chain management, and deployment of managers to the coal face to strengthen service delivery”. I am pleased to report that, during this financial year, the NSG developed a range of compulsory programmes, which were offered to public servants using a

predominantly online delivery modality. The NSG collaborated with the North West Ikatisong School of Governance (ISOG), which resulted in the uptake of more than 1000 public servants being trained in various programmes.

Among the highlights of the performance of the NSG, the following are reported:

- The NSG is responsible for the delivery of the pre-entry to senior management service (SMS) programme called *Nyukela*, which is being offered as a fully online programme. Since the programme went live on 15 July 2019, 161 learners enrolled and 136 completed the programme (84% completion rate).
- The NSG partnered with the Department of Planning, Monitoring and Evaluation (DPME) to develop training material for a training course: Theory of Change for Planning in the Public Sector. The training was delivered to more than 1700 learners, which included planners, M&E practitioners, internal auditors, financial officials and programme managers.
- The NSG was subjected to a quantitative evaluation by the Public Service Commission (PSC) against the nine constitutional values and principles (CVPs) and the results were made available to the NSG on 11 December 2019. The nine CVPs have been divided into the following four categories: Good System; Professional Culture; Professional Behaviour; Good Institutional Processes. The NSG scored an overall average score of 74% measured against the PSC evaluation tool. For three of the nine CVPs, the NSG scored 100%.
- The NSG also offered eLearning courses (both facilitated and open learning). The open courses are not facilitated and allows learners to study at their own time and own pace. Some of the self-paced courses designed and delivered during this period include: Ethics in the Public Service; Writing for Government; and Know and Live Our Constitution.

I take this opportunity to congratulate the executive and staff of the NSG on the financial and non-financial performance. As the Ministry for Public Service and Administration, we continue to provide leadership and guidance to the NSG in fulfilling its mandate of strengthening state capacity.

A handwritten signature in black ink, appearing to read 'S. Chikunga', enclosed in a thin black rectangular border.

Ms Sindisiwe Chikunga, MP

Deputy Minister for the Public Service and Administration

31 October 2020

5. REPORT OF THE ACCOUNTING OFFICER



MR BUSANI NGCAWENI
Principal: National School of Government

South Africa held its sixth democratic national and provincial elections on 8 May 2019 – and less than a month after we celebrated our 25 years of freedom and democracy. Indeed, as a government and as citizens, we must recognise and appreciate the socio-economic journey we have navigated to enjoy the fruits of our liberation. Over this 25 year period, we can be proud of our achievements towards improving the lives of people. South Africa has established a renewed status on international platforms in many fronts – which had been paved by leaders like Nelson Mandela and Oliver Tambo.

In his post-election State of the Nation Address on 20 June 2019, President Cyril Ramaphosa reminded the nation of the need for a capable and developmental state in order to address the developmental objectives. In support of this, the President announced the reconfiguration of a number of government departments to enable them to deliver on their mandates by ensuring efficiency, cost-containment, cooperative governance, strategic alignment as well as a restructuring of the model of service delivery so that it best serves the citizens of our country.



“We are committed to building an ethical State in which there is no place for corruption, patronage, rent-seeking and plundering of public money. We want a corps of skilled and professional public servants of the highest moral standards – and dedicated to the public service”

– President Cyril Ramaphosa, 20 June 2019

This is in line with the National Development Plan (NDP): Vision 2030, which articulates a state that is capable of playing a developmental and transformative role, with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services to all South Africans. Efforts to transform and strengthen the state machinery (including the public service, local government and state-owned enterprises) must continue and is fundamental to speeding up social change.

The Annual Report of the National School of Government (the NSG) for the 2019/20 financial year is being presented as we transitioned to the sixth administration of government. The financial and non-financial performance of the NSG is in line with the medium term expenditure framework (MTEF) budget allocation and the approved five-year strategic plan 2015-2020 respectively.

Overview of the operations of the National School of Government

The NSG is legislatively mandated to provide training or facilitate the provision of training in the public service. In terms of current legislative arrangements, government departments must annually budget one per cent of the employee compensation budget for training of its employees. The responsibility for training employees is vested with departmental accounting officers (Public Service Act), and is undertaken primarily through competitive procurement processes. The NSG is required to generate revenue towards ensuring its financial viability and sustainability and, as such the NSG is placed on a competitive and cost-recovery footing, together with internal and external training providers.

The cost recovery model is made up of partial funding appropriated by Parliament and income derived from cost recovery through training course fees, which is managed in the Training Trading Account (TTA). The cost-recovery model approach requires that all costs associated with the design and development of learning material and implementation of training courses from the training fees are recovered.

Compulsory and demand-led training is provided in four streams (Leadership, Management, Administration and Induction) through a suite of 129 accredited and non-accredited programmes and courses. The NSG uses a hybrid training facilitation model, in the form of partnerships with higher education institutions, contractual agreements with independent individual contractors, as well as the use of existing public servants.

Organisational Performance

This Annual Report is the culmination of a five-year strategy of the NSG, which covers the period 2015-2020. During the course of this five year period, the NSG has experienced many changes – at political and executive leadership levels - but has still managed to deliver on its mandate.

During this five year period, we are proud to reflect on some of our achievements as follows:

- Provided ETD opportunities in excess of 253 000 public servants (three spheres of government, SOEs, legislative sector) and youth (interns and unemployed youth graduates), through a curriculum framework of accredited and non-accredited courses and programmes.
- These ETD opportunities have also reached Members of Parliament, Municipal Councillors, Traditional Leaders, and Community Development Workers.
- Maintained partnerships with higher education institutions across the country in rolling out programmes.
- Undertaken 87 reports on training needs analyses as well as the results of skills audits in the spheres of government and some state owned entities, such as the National Radioactive Waste Disposal Institute.
- Strengthened our continental and international footprints through successful partnerships in support of capacity building. An important accomplishment for the NSG and the African Management Development Institutes' Network (AMDIN) was the publication of a unique new journal under the editorship of the NSG. The *Africa Journal of Public Sector Development and Governance*

(AJPSDG) is a peer-reviewed scholarly journal which investigates a broad spectrum of matters and issues related to policy research and implementation in public sector leadership, management and development in Africa. The first volume of the journal was published in 2018 and the second volume (with two issues) was published in 2019.

This Annual Report provides us with an opportunity to reflect over this five-year period and provides a solid platform for the next five year strategic period and plans. Indeed, as an institution we have learnt many lessons – both in terms of our delivery on the mandate as well as organisational issues – and these will be addressed going forward.

Annual Performance Plan 2019/20

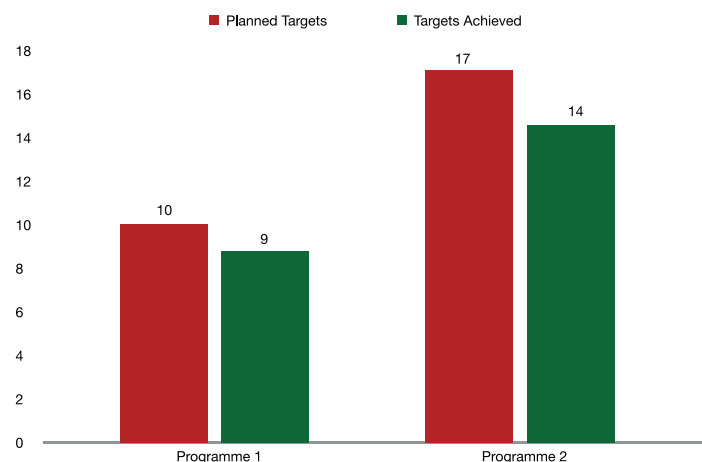
It must be acknowledged that this financial year has certainly posed its challenges in as far as the performance of the NSG is concerned. Firstly, the transition period from the fifth to the sixth administration of government and the National Macro Organisation of Government (NMOG) process of reconfiguration of a number of government departments did impact on training in many departments. In analysing our training performance of the fourth quarter year-on-year, it is generally the better performing quarter of a financial year. However, in the fourth quarter of this financial year, it has shown a significantly weaker performance.

This performance is also attributed to the impact of global COVID19 pandemic, which resulted in President Cyril Ramaphosa declaring a state of national disaster and implementing a national lockdown. In March 2020, particularly, the NSG had to cancel face-to-face classes, and this also resulted in revenue losses. These conditions pose a huge risk to the mandate of the NSG, in that training is primarily face-to-face with a number of up to 20 learners per class. The effect of the pandemic did impact on the NSG's ability to reach training numbers and generate revenue, especially for face-to-face learning. The revenue generation is calculated on a scenario of a maximum of 20 learners per class. The reduction of the class

size would have had a negative impact on the current revenue, and we assessed different scenarios of classroom sizes taking into account social distancing and personal hygiene protocols.

The Annual Performance Plan (APP) for the 2019/20 financial year reflects the performance targets for the NSG. Accordingly, a total of 27 performance targets were set in the APP, of which 23 performance targets were achieved as planned. This translates to an overall **performance achievement of 85%** of the total planned targets for the financial year.

A summation of performance per programme based on overall performance results is graphically shown below:



Graph 1: Annual Performance Per Programme

During the financial year, the NSG trained a total of 46 378 learners in all streams against a performance target of 53 783 learners. This translates to an achievement of 86% of the overall training target. The breakdown of performance per training stream for the financial year is reflected as follows:

Table 1: Annual Performance Per Training Stream

Training Stream	Annual Target	Actual Performance
Leadership	6 520	10 993
Management	9 600	12 039
Administration	4 343	5 857
Induction	26 320	12 913
Unemployed youth graduates	3 000	2 189
Mandatory Training	4 000	2 387
Total	53 783	46 378

Highlights of performance

i. Pre-entry Programme for the Senior Management Service (Nyukela)

In recognising the importance of promoting professionalisation in the public service and regularising the quality of individuals who enter the SMS, it is imperative that the public service creates minimum standards of entry. It is for this reason that on 1 April 2015 (and amended on 1 April 2017), a Directive on Compulsory Capacity Development, Mandatory Training Days and Minimum Entry Requirements for SMS was issued by the DPSA. According to the Directive, a further requirement for appointment at SMS level will be the successful completion of the Senior Management Pre-entry Programme as endorsed by the NSG. In this regard, the online programme – *Nyukela* - went live on 15 July 2019, as a compulsory offering in response to the Directive on minimum entry requirements for the SMS. Since going live and by the end of the financial year, 161 learners enrolled and 136 completed the programme (84% completion rate). Since the lockdown and at the commencement of the new financial year, the enrolment and completion rates have increased significantly – thanks to our digital marketing and communication initiatives.

ii. Theory of Change

The Revised Framework for Strategic Plans and Annual Performance Plans emphasise the results based methodology and planning tools which can be used at the different stages of planning. The intention is to shift the approach of government from planning for activities and outputs to planning for results (outcomes and impacts). The Theory of Change is one of the planning tools that enables planning for results. In this financial year, the DPME partnered with the NSG to develop training material for a training course: Theory of Change for Planning in the public sector.

At the beginning of the training process, planners and Monitoring and Evaluation practitioners within the national and provincial departments were targeted. The intention was to capacitate officials who are responsible for planning and monitoring processes and for the development of strategic and annual performance plans. The learners were also capacitated to use the information from the Theory of Change to develop SPs, APPs and Annual Operational Plans (AoPs). The training was also extended to internal auditors, financial officials and programme managers. In total, 1759 officials were trained in the Theory of Change course during the 2019/20 financial year.

iii. Art of Facilitating Participatory Community Engagement for Community Workers and Traditional Leaders

This programme began as an MPSA Outreach Programme and has been tremendously successful. It is also a part of the mandatory *art of facilitating the progressive realisation of socio-economic rights* programme of the NSG and has been conceptualised, designed and developed with Community Development Workers (CDWs) and the Retired Nurses Association of Ginsberg, who are voluntary community workers. This programme targets community practitioners on how to empower communities to engage in their own socio-economic development. A needs analysis workshop conducted with CDWs indicated a dire need for Trauma Debriefing skills as these communities deal with issues of poverty, gender-based violence and social and economic deprivation prevalent in these poor communities.

This module was well received and participants' reported on the implementation of skills learned in the second session.

A similar programme was also developed to empower and capacitate traditional leaders, to drive the socio-economic development of their communities. The programme, utilising indigenous methodologies, enables them to identify and utilise local natural resources and build mutually beneficial community and business partnerships to create sustainable jobs and community wealth. The programme is participatory - beginning with the Constitution to hands-on training on building partnerships, finding resources, fundraising, dispute resolution and conducting feasibility studies, to name a few areas.

iv. Application of Learning Studies

The NSG has undertaken several Application of Learning Studies (ALS), which are aimed at determining if the education and training provided has made any difference to the individual, and the department concerned. Two studies conducted in the 2019/20 financial year have provided interesting data.

One study, on "Disability Management in the Public Service" elicited the following comments from a participant: *"... I have learned that I need to be considerate to people with disabilities, this includes how I should address people with disabilities without using derogative terminologies which also offend them...the training assisted me in understanding issues of disabilities more than I used to before..."*. This training also resulted in the department incorporating disability mainstreaming in their recruitment and selection processes, and ensured that reporting with regard to plans and programmes is disability responsive.

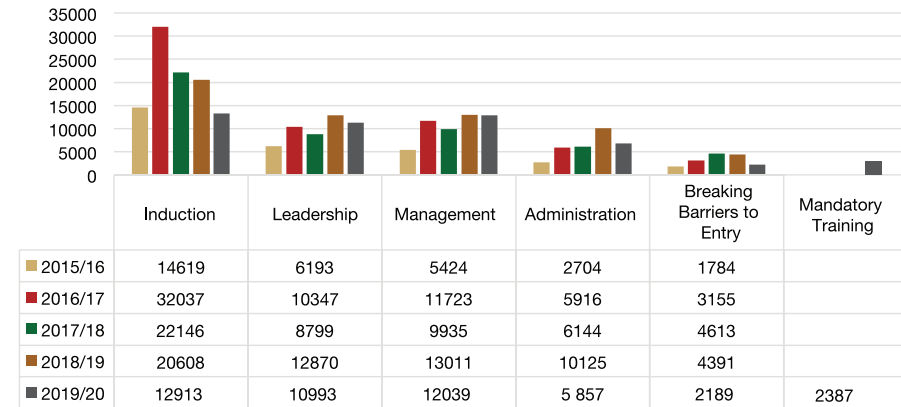
A participant on a study which focussed on the "Gender Mainstreaming in the Public Service" programme had this to say about his experiences: *"I didn't know much about gender before the training, what I knew was that gender refers to being male or female. The training was very interesting and an eye opener for me."*

Since the training, I am able to identify gender discrimination practices at work and in the community.” This study also highlighted the importance of the correct target group attending a session, and the need to ensure alignment of departmental processes with the objectives of the training programme.

v. Khaedu Africa

The NSG developed an experiential learning programme to prepare South African public sector managers for site visits at the coalface of service delivery, named *Khaedu*. This was designed as an action learning programme to empower managers through various processes of learning reinforcement and practice, to bring about change within their own areas of operation. Most African countries requested the NSG to train their officials on the same programme which was then termed “*Khaedu Africa*”. In this financial year, a total of 100 senior managers (25 per country) in each of the following countries were trained: Democratic Republic of Congo; Namibia; Liberia; and Nigeria. The NSG would have completed more training sessions to other countries, however this was hampered by the COVID19 pandemic and flight restrictions.

The comparative performance of the NSG over the past five financial years is reflected as follows:



Graph 2: Five Year Comparison Per Training Stream

Overview of Financial Results of the National School of Government

The School operates a Trading Account for its training operations. It submits separate financial statements for the NSG Training Trading Account (TTA), a trading entity established in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended. The statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP). To achieve full compliance with accrual accounting requirements, the prescribed financial accounting system of the trading entity is supplemented by additional manual procedures.

Vote

The full budget appropriation for the year 2019/20 was R187.9 million which was an 11% increase from the R168.9 million allocation received in 2018/19. The increase was inflation related and issued by the National Treasury and R10 million funding for the pilot of the mandatory programmes. A saving of 2.6% i.e. R4.9 million was realised at the end of the financial year.

Table 2: Departmental receipts

Departmental receipts	2019/2020			2018/2019		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Sale of goods and services other than capital assets	51	44	7	28	41	(13)
Interest, dividends and rent on land	45	81	(36)	50	74	(24)
Sale of capital assets		69	(69)	0	16	(16)
Financial transactions in assets and liabilities	29	153	(124)	0	22	(22)
Total	125	347	(22)	78	153	(75)

Total departmental receipts revenue increased by R0.194 million, from R0.153 million (2018/19) to R0.347 million (2019/20). The increase is from sales of capital assets and transactions in financial assets and liabilities.

Course fees are determined on a cost-recovery basis in accordance with Treasury Regulation 19.5.2. The tariffs are assessed annually and revised as deemed necessary as part of the on-going NSG financial status reviews and in accordance with Treasury Regulation 19.5.3. The increase in course fees was approved by the National Treasury in March 2020.

Table 3: Programme Expenditure

Programme Name	2019/2020			2018/2019		
	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	100,441	95,522	4,919	98,779	96,622	2,157
Public Sector Organisational and Staff Development	87,464	87,464	0	70,180	70,180	0
Total	187,905	182,986	4,919	168,959	166,802	2,157

Programme 1: Administration

The total expenditure breakdown of R95.5 million for 2019/20 and spending patterns, compared to the 2018/19 financial year is summarised as follows:

Compensation of employees for the Vote-funded staff component of NSG increased by 1.8% from R54.2 million (2018/19) to R55.2 million in 2019/20, due to salary adjustments. Goods and services decreased by 6.8% from R40.4 million (2018/19) to R37.8 million in 2019/20. Expenditure on capital assets increased by 17.3% from R1.9 million (2018/19) to R2.3 million in 2019/20. The increase is related to new office computer equipment procured.

Programme 2: Public Sector Organisational and Staff Development

The transfer of funds from Vote to the Training Trading Account (TTA) was R87.4 million in 2019/20.

Training Trading Account (TTA)

Total revenue (including the transfer of funds from the Vote appropriation for the financial year 2019/20) increased by R12.9 million from R227.8 million (2018/19) to R240.7 million (2019/20). Income from course fees decreased by R4.8 million, from R150.1 million (2018/19) to R145.3 million (2019/20).

Total expenditure in the TTA decreased by R8.3 million from R213.8 million in 2018/19 to R205.5 million in 2019/20. The decrease is related to operating expenses.

The TTA closed the year with a surplus of R14.0 million in 2018/19 and the closing status in 2019/20 is a surplus of R35.2 million.

Virements

There were no virements during the financial year under review.

Irregular Expenditure

No irregular expenditure was incurred during the year 2019/20.

Future Plans of the National School of Government

In charting the path for the next five-year period, the NSG undertook two planning workshops (and other internal consultative processes), which culminated in the articulation of a new vision, mission and the establishment of specific outcomes framework for the future. It is recognised that the strategy and related actions unfolded in a dynamic manner that will require changes to the operations and structural configuration of the institution. Continuity in existing operations requires

that attention be focused on immediate outcomes, while at the same time ensuring that adjustments unfold so that the new orientation is reflected in the implementation activities. The new articulated orientation culminated in a value chain that guides delivery practice in the NSG, which incorporates the following elements: diagnostics, service offerings, enablement, delivery, and outcomes and impact. Key enablers to this delivery practice are: brand management, partnerships and collaboration, digital transformation, knowledge management, quality management, and change management.

The five-year strategy is in line with the mandate and is supported by the further repositioning of the NSG through particular interventions. In taking lessons from the past five years and repositioning for the future, we will:

- Implement the prescripts of an expanded mandate (ETD in three spheres of government, state owned entities and organs of state) and support the outcomes of priority 1 of MTSF (professionalising public administration).
- Intervene directly by providing or facilitating ETD programmes; influence the content creation of public administration and in the quality of ETD, and refer public servants to other recognised training providers especially HEIs, where the NSG cannot offer ETD interventions.
- Qualitatively measure the impact and outcome of ETD interventions.
- Embrace partnerships and collaborations with public and private institutions to support ETD interventions to achieve depth and scale.
- Co-brand programmes we deliver in partnership with HEIs to grow our visibility, impact and brand value.

Public Private Partnerships

The NSG did not enter into any PPP contracts during the 2019/20 financial year.

Discontinued activities / activities to be discontinued

There were no activities discontinued or to be discontinued during the financial year.

New or proposed activities

No new activities were started or proposed during the financial year.

Supply chain management

Unsolicited bid proposals concluded for the year under review:

1. Provision of cleaning services
2. Provision of support and maintenance of the NSG Training Management System
3. Comprehensive management and maintenance services for the CCTV surveillance, access control and intruder alarm system
4. Venue Finders
5. Appointment of service providers on pre-approved list of suppliers for the provision of printing services
6. Delivery of Executive Development Programme in partnership with Higher Education Institutions
7. Microsoft Academic Licence
8. Delivery of EMDP and AMDP Programmes

Supply Chain Management processes and systems were in place throughout the financial year to prevent irregular expenditure.

Challenges experienced in SCM and how they were resolved

Potential service providers who did not ensure their tax compliance status were up to date impacted on the turn-around time in finalising procurement of goods and services on offers obtained through the quotation system. Continuous reminders were sent to potential suppliers to check their tax status on the Central Supplier Database and South African Revenue Services.

Table 4: Gifts and Donations received in kind from non-related parties

NAME OF DONOR	PURPOSE	REVENUE
Received in kind:		
European Union	Supply of equipment and software for the development of the Enterprise Architecture for the NSG	16,150
European Union	ICT support services	1,444
European Union	Development of a diagnostic tool for the NSG to identify development needs at the workplace	538
European Union	Development of research approaches to provide Case Studies for evidence-based learning	2,332
European Union	Development of Specialised eLearning and face-to-face courses for the NSG	1,726
European Union	Breaking Barriers to Entry (BB2E) Programme Implementation for the EU NSG PSTCBP	3,666
European Union	Programme communication and visibility	1,235
European Union	Evaluation of cost-recovery revenue generation of the NSG Funding model	636
European Union	Implementation evaluation of the BB2E programme	1,091
European Union	Development of coaching and mentoring programmes, systems and rollout	1,231
TOTAL		30,049

Exemptions and deviations received from the National Treasury

No exemptions from the PFMA or Treasury Regulations or deviation from the financial reporting requirements were requested for the current and/or prior financial year.

Events after the reporting date

The NSG is not aware of any events subsequent to the year-end which might require adjustment of the stated figures.

Other

The report addresses no other material fact or circumstances that may have an effect on the understanding of the financial state of affairs.

Acknowledgements and Appreciation

As a newly appointed accounting officer from March 2020, I would like to express my appreciation to Minister for Public Service and Administration, Mr Senzo Mchunu and Deputy Minister for the Public Service and Administration, Ms Sindisiwe Chikunga for their leadership, guidance and support towards the NSG in delivering on our mandate and performance. I would also like to express my appreciation to the management and staff for the performance, in a year that has placed tremendous pressure on our ability to deliver.

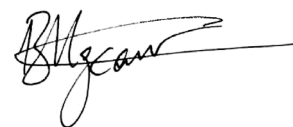
Conclusion

President Cyril Ramaphosa, in his weekly reflections through the “From the Desk of the President – 20 January 2020”, noted that “a capable state starts with the people who work in it”, officials and managers who must possess the right financial, technical and professional skills that manifest in the service of the people. The President has revised the call for the NSG to provide on-going and focused training interventions and guidance on career development for all public servants whose performance impacts on pace and depth of national transformation.

As we move forward, implementing a new five-year strategy, we remain hopeful that the impact of the COVID-19 pandemic allows the NSG to resume its operations within a “new normal”. Over the next five years, the NSG will be creating and delivering ETD interventions through a series of compulsory as well as demand-led programmes. Furthermore, we will focus interventions on public representatives as well through thought leadership seminars to shape public discourse; and partnerships with professional bodies to professionalise certain categories of employees in the public service.

Approval and Sign off

The Accounting Officer approved the audited Annual Financial Statements of Vote 10 (a) and the Annual Financial Statements of the Training Trading Account. The reports are attached.



Mr Busani Ngcaweni

Accounting Officer
National School of Government

31 October 2020

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2020.

Yours faithfully



Mr Busani Ngcaweni

Accounting Officer

31 October 2020

7. STRATEGIC OVERVIEW

7.1 Vision

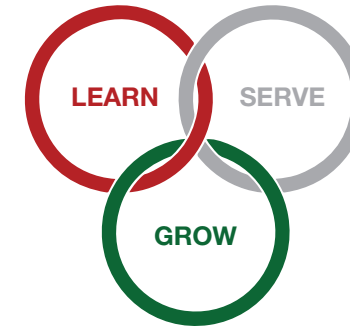
Contribute to establishing a capable, professional and responsive Public Service that is committed to, and has institutionalised, the values and policies of a developmental state.

7.2 Mission

Learning and development programmes in a uniform public sector with the objective of developing a professional, responsive and capable public sector, driven by the imperative of a developmental state.

7.3 Values

The NSG is grounded in the democratic ethos and values of the South African Constitution and contribute to institutionalising the values and principles of Public Service. These include: Accountability, Integrity, Respect, Consistency, Excellence, Fairness and Social Justice.



Three core values define the NSG, which are **LEARN SERVE. GROW.**

1. Capacity for Learning is an essential foundation for South Africa's future development, and this value will find expression in the NSG. The NSG will assist public organisations to continuously improve outcomes and impact by institutionalising effective and reliable learning. As the ultimate purpose of all the NSG's programmes and services is improved performance of public sector institutions, there will be an organisational development focus in every aspect of design, development and delivery ensuring that capacity issues are approached holistically, developmentally and systematically.
2. With learning, there is growth. The content of learning and development will be socially and politically progressive, national in character but supported by and reflective of the needs and challenges of local contexts. Programmes will be designed to be dynamic and developmental; they will ensure that public servants are able to access relevant knowledge and develop critical, reflective, analytical and problem solving skills that will enable them to be responsive to the needs and demands that confront the public sector.
3. Service and a professional, responsive service-orientation are central to a developmental state. The NSG will emphasise partnerships with the objective of developing collective leadership for a uniform professional and capable Public Service, imbued with a culture and ethos of service.

8. LEGISLATIVE AND OTHER MANDATES

8.1 Constitutional Mandate

The basic values and principles governing public administration under section 195(1) form the basis for public service interaction with society in delivering services to our citizens. These are applicable to all three spheres of government, organs of state, and public enterprises. Section 239 of the Constitution defines an organ of state as any department or administration in the three spheres of government; or any other functionary or institution exercising a power in terms of the Constitution or exercising a public power or performing a public function in terms of any legislation but does not include a court or a judicial officer.

The NSG draws its mandate from the Constitution, and with particular reference to 195(1) (h), which stipulates that: “good human resource management and career-development practices, to maximise human potential, must be cultivated”. The applicability of this, and the other values and principles to the three spheres of government, organs of state and public enterprises indicates the requisite depth and the reach of the NSG in order to fulfil this constitutional mandate.

The NSG has to ensure that all of the basic values and principles are inculcated into the value system and performance of all public servants and representatives through education, training and development (ETD) initiatives. It does so through its curriculum design, development and delivery approach with the practical application of participatory, people-centred methodologies and indigenous techniques during the ETD initiatives, in building a caring ethos and citizen-centred service delivery focus amongst public servants. This approach consciously focuses on the application of the principles and values of the Constitution and the realisation of the public administrative justice to all whom we serve.

Section 195(1) of the Constitution

- (a) A high standard of professional ethics must be promoted and maintained.
- (b) Efficient, economic and effective use of resources must be promoted.
- (c) Public administration must be development-oriented.
- (d) Services must be provided impartially, fairly, equitably and without bias.
- (e) People’s needs must be responded to, and the public must be encouraged to participate in policy-making.
- (f) Public administration must be accountable.
- (g) Transparency must be fostered by providing the public with timely, accessible and accurate information.
- (h) Good human resource management and career-development practices, to maximise human potential, must be cultivated.
- (i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

Section 197 of the Constitution provides for a public service within public administration, which must function, and be structured, in terms of *national legislation*, and which must loyally execute the lawful policies of the government of the day.

8.2 Legislative and Policy Mandates

The NSG, as a national public service department, thus draws its mandate from national legislation – the Public Service Act, 1994 (Proclamation 103 of 1994), as amended. This is the core mandate which establishes the NSG for it to fulfil a function of providing training or causing the provision of training to occur within the public service. Accordingly, section 4 of the Act provides the following mandate:

- (1) There shall be a training institution listed as a national department (in Schedule 1 of the Act).
- (2) The management and administration of such institution shall be under the control of the Minister (Public Service and Administration).
- (3) Such institution-
 - a. shall provide such training or cause such training to be provided or conduct such examinations or tests or cause such examinations or tests to be conducted as the Head of the institute may with the approval of the Minister decide or as may be prescribed as a qualification for the appointment or transfer of persons in or to the public service;
 - b. may issue diplomas or certificates or cause diplomas or certificates to be issued to persons who have passed such examinations.

Whilst this piece of legislation empowers the NSG to fulfil its mandate, the limitation of the Public Service Act is that it is applicable to the national and provincial spheres of government. Another piece of enabling legislation - **Public Administration Management Act, 2014 (Act No. 11 of 2014)** - gives effect, *inter alia*, to the progressive realisation of the values and principles governing public administration

across the three spheres of government. The current provisions of the Act in relation to the NSG are as follows:

Section 11:

- (1) The National School of Government will, in consultation with the Minister responsible for higher education and training, be established as a higher education institution contemplated in the Higher Education Act, 1997 (Act No. 101 of 1997).
- (2) The School must, through education and training, promote the progressive realisation of the values and principles governing public administration and enhance the quality, extent and impact of the development of human resource capacity in institutions.
- (3) The School must give effect to subsection (2) by—
 - a. subject to the National Qualifications Framework Act, 2008 (Act No. 67 of 2008), providing such education and training or causing such education and training to be provided or conducting or cause to be conducted such examinations or tests as the Head of the School determines;
 - b. interacting with and fostering collaboration, in consultation with the Minister responsible for higher education and training, among training institutions, higher education institutions, further education and training institutions and private sector training providers in furtherance of such education and training; and
 - c. performing any other function or exercising any other power as prescribed.
- (4) The provisions of this section do not affect institution or sector specific training.

Section 12:

- (1) The Minister, in consultation with the Minister responsible for higher education and training, may direct the School to provide qualifications, part qualifications and non-formal education as recognised by the National Qualifications Framework or the South African Qualifications Authority.
- (2) Insofar as a directive under subsection (1) applies to municipalities, the Minister must act in consultation with the Minister responsible for local government and after consultation with organised local government.

Section 13:

- (1) The Minister may, after approval by the Cabinet, direct that the successful completion of specified education, training, examinations or tests is—
 - a. a prerequisite for specified appointments or transfers; and
 - b. compulsory in order to meet development needs of any category of employees.
- (2) The Minister must consult organised local government and obtain the concurrence of the Minister responsible for local government before seeking the approval of the Cabinet contemplated in subsection (1) in respect of a directive to be applicable to municipalities.

It is important to recognise Proclamation 15 of 2019 ('Commencement of certain provisions of the Public Administration Management Act, 2014 (Act No. 11 of 2014)') by the President of the Republic of South Africa dated 18 March 2019. In terms of this Proclamation, the Act take effect from 1 April 2019, except for sections 5, 6, 7, 9, **11, 12** (as discussed above) and 19 of the Act.

Under the leadership of Minister for the Public Service and Administration, the legislative processes of the Public Administration Management Act as it relates to the NSG are being addressed. This will include amendments to certain provisions of the Act, which could facilitate the process to register the NSG as a recognised

training college and that is aligned to the provisions of the Higher Education Act, 1997 and the National Qualifications Framework Act, 2008.

In addition to the aforementioned sections of legislation, the NSG is also governed by the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and Section 19 of the Treasury Regulations as it relates to the establishment and management of the Training Trade Account (TTA). The Treasury Regulations provides that, in determining charges for goods or services, the head of the trading entity must aim to recover the full cost of providing the goods or services, unless the relevant treasury approves lower charges; and that the head must review rates for user charges at least annually before the budget, and any tariff increases are subject to approval by the relevant treasury. The TTA operates on a cost recovery model with partial funding from transfers received. The cost recovery model approach requires that the entity recovers all costs associated with the design and development of learning material and implementation of training courses from the course fees.

In 1998, government published the **White Paper (WP) on Public Service Training and Education** (Notice 1428 of 1998), to provide a "policy framework that will enable public service training and education to be appropriate, adequate and accessible and will meet the current and future requirements of public servants, the public service and the public" (WP). The WP sought to address a fragmented and uncoordinated approach to training and education across the public service. Training and education was inappropriately provided by many in-service and external providers.

The policy alternatives and options articulated in the WP has also informed the organisational structuring and delivery model of the NSG, which is that of a competitive environment for public and private training provider to deliver training, operating within a uniformly applied set of national norms and standards. The policy option of centralised setting of norms and standards, together with decentralised provision by state and non-state providers in a competitive framework was

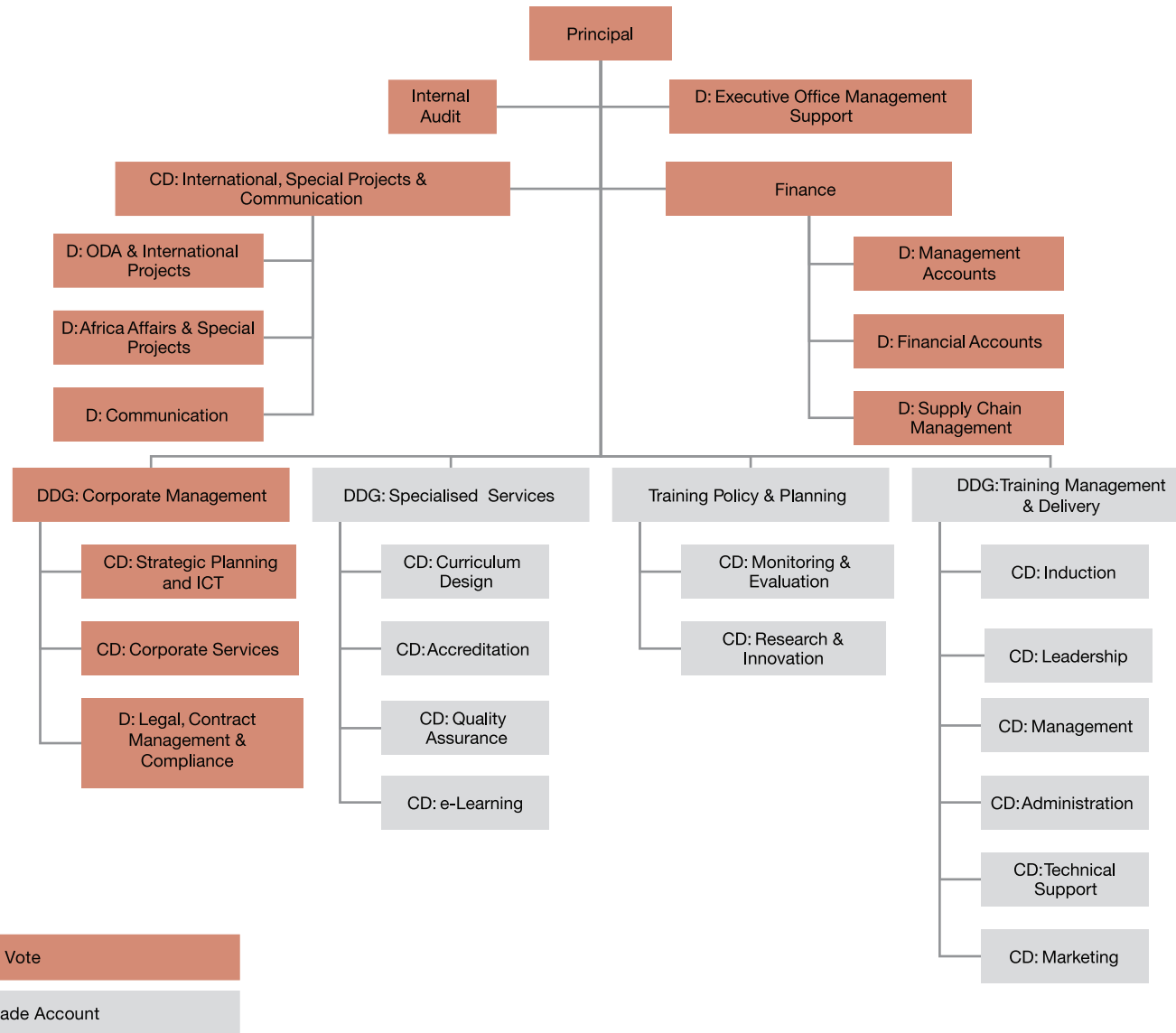
selected, as the White Paper notes, “because it combines maximum creativity and flexibility at the delivery end, but without undermining the need to build a unified public service with a common culture and value system”.

The learning principles for Public Service education and training, as articulated in the White Paper on Public Service Training and Education (Notice 1428 of 1998), include:

- All public servants will be entitled to ongoing and meaningful opportunities for education and training, on recruitment and throughout their working lives
- Education and training programmes will be based on a detailed assessment of the needs of individual organisations and employees, and will be designed in particular to secure an optimal fit between these two sets of needs
- A competency-based approach to learning outcomes, with particular reference to the competence required at different levels to build individual and organisational capacity
- Education and training programmes will be targeted in particular at facilitating career paths for all staff that promote progression (vertical and lateral) and productivity
- Public Service education and training will be linked to the National Qualifications Framework (NQF) in ways which promote lifelong learning and the development of portable skills and competence
- Training, education and development will be promoted in ways which enable public service institutions to become learning organisations, capable of continuous development and adaptation through the creative integration of learning with work at all levels.



9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

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

Table 5: Entities reporting to the Minister

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Department of Public Service and Administration (DPSA)	Public Service Act, 1994 (as amended)	NSG Budget allocation transferred through the DPSA	Policy development and enforcement in the public service
Centre for Public Service Innovation (CPSI)	Public Service Act, 1994 (as amended)	Contractual based on programmes jointly implemented	The CPSI is an initiative of the MPSA, established to identify, support and nurture innovation in the public sector with a view to improving service delivery
Government Employees Medical Scheme (GEMS)	Medical Schemes Act, 1998	Contractual based on administration of employee members' medical aid contributions	Restricted membership to a medical scheme for public service employees



Part B: PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Chapter 9 of the Constitution of the Republic of South Africa, 1996 provides for the establishment of state institutions to strengthen constitutional democracy. One such institution, the Auditor-General, must audit and report on the accounts, financial statements and financial management of state institutions (sec. 188 of the Constitution).

The Public Audit Act, 2004 (Act No. 25 of 2004, as amended) provides that an audit report must reflect an opinion or conclusion on whether the annual financial statements of the auditee fairly present, in all material respects, the financial position of its operations and cash flow in accordance with the applicable financial framework and legislation; the auditee's compliance with any applicable legislation relating to financial matters, financial management and other related matters; and the reported information relating to the performance of the auditee against predetermined objectives. In addition, the Auditor-General may report on whether the auditee's resources were procured economically and utilised efficiently and effectively.

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

Refer to page 100 and 164 of the Report of the Auditor-General, published as Part E: Financial Information.



The NSG achieved a clean audit for Vote for two consecutive years.



2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The 1997 *White Paper on Transforming Public Service Delivery (Batho Pele)* emphasises the need for service delivery in the public service to be made a priority, and sets out eight principles. These principles form the core of the relationship between the public service and the citizens. Furthermore, the Public Service Regulations (2016) requires that an executive authority (in the case of the NSG, being the Minister for Public Service and Administration) shall establish and maintain an operations management framework, which shall include:

- Approved Service Delivery Model
- List of core mandated services provided by the department
- Mapped business processes for all services
- Standard Operating Procedures for all services
- Service Standards for all services
- Service Delivery Charter
- Service Delivery Improvement Plan

During this financial year, the NSG finalised its Service Delivery Model (SDM), after consultations and alignment with the future positioning of the NSG. The SDM is a document that describes how an institution will deliver on the services and products. The NSG has an approved service delivery charter and service delivery improvement plan. The service delivery environment is based on the following value chain:



The NSG undertakes research on public service ETD, and carries out Training Needs Analyses (TNA) to determine the skills requirements of departments and government entities as well as the learning needs of individuals. A significant number of TNAs was undertaken in this financial year. The content creation and curriculum design and development is continuously evolving to serve the needs of individual public servants as well as the delivery demands of the public service. The design and development strategies address the challenging reality that public servants cannot spend an unjustifiable time away from work on course work but yet the programme demands have to enhance their ability to improve the knowledge, values and skills of public servants. A new curriculum philosophy and approach was adopted which is underpinned by a decolonizing and social justice theory. Participatory and indigenous methodologies such as story-telling, African leadership, Ubuntu philosophy and peer sharing are used. Highlights of programmes designed in this financial year include the following:

- The **Theory of Change** course, which targeted all public servants, particularly programme planners and implementers who need to develop a Theory of Change to support programme design, projects plans, logical frameworks, annual performance plans and institutional strategies.
- **The Chief Information Officer (CIO) programme** consists of two courses each targeting specific audiences, which are (i) ICT Orientation course, aimed at non-ICT senior managers, including Administrative managers and the Political Executive; and (ii) the Specialised ICT Course, aimed at CIO's and ICT practitioners who need to understand their role and their contribution to the organisational mandate and strategic objectives. At the end of the course it is envisaged that CIOs and ICT practitioners will be able to articulate and demonstrate ICT value to strategically and continuously introduce innovations that enhance public sector service delivery.
- The **Cadet programme** is to enhance the formal skills and qualifications of the young people who are part of the Internship Programme to improve their potential to find or pursue other economic opportunities. It specifically, but not exclusively, targets interns employed in government, and it assists

them in gaining meaningful work experience, while also pairing them up with experienced mentors. The programme offers diverse skills training and includes Constitutional values, ethics and report-writing. The feedback on the pilot of this programme was very positive.

The NSG course matrix is made up of 129 accredited and non-accredited courses and programmes

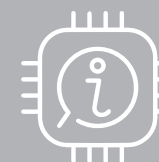
HEI approved	21
ETQA accredited	69
QCTO accredited	9
Total number of accredited courses/programmes (ETQA & QCTO):	99
Number of non-accredited courses/programmes	30
Grand total number of courses/programmes	129

The ETD engagement and delivery modality is a hybrid model consisting of: Independent Individual Contractors (IICs), serving public servants and NSG employees (SMS and non-SMS) who are willing and capable, other senior public servants as facilitators and volunteers, the eLearning modality that enables the NSG to offer facilitated eLearning courses and establishment of communities of practice, international partnerships and collaboration, as well as partnerships with HEIs to roll out accredited training programmes. For example, the NSG is in partnership with the University of the Free State (UFS) for the rollout of the Executive Development Programme (EDP).

Forging international partnerships is one of the requisites adopted by the NDP to ensure that the country is globally competitive. It also encourages the establishment of international networks for learning and sharing of knowledge and best practices. The NSG has established several international strategic partnerships and networks. The NSG customised one of its programme – *Khaedu*, which is an action learning programme to empower managers through various processes of

learning reinforcement and practice, to bring about change within their own areas of operation – to train 25 senior managers from each of the following African countries: Democratic Republic of Congo; Namibia; Liberia; and Nigeria. The NSG also renewed its partnership with the National Chinese Academy of Governance (NCAG) on 13 December 2019 during an official visit ceremony by the Vice Minister and his delegation, and attended by the Minister for the Public Service and Administration. Similarly, the NSG will continue to benefit on specialised programmes offered through the NCAG.

Service delivery in this financial year, particularly the last quarter, was severely hampered by the global COVID19 pandemic, which resulted in a national lockdown. In March 2020, particularly, the NSG had to cancel face-to-face classes, and this also resulted in revenue losses. These conditions pose a huge risk to the mandate of the NSG, in that training is primarily face-to-face with a number of up to 20 learners per class. The effect of the pandemic has impacted on the NSG’s ability to reach training numbers and generate revenue, especially for face-to-face learning. The reduction of the class size will have a negative impact on the current revenue, and the NSG assessed different scenarios of classroom sizes taking into account social distancing and personal hygiene protocols.



The Specialised ICT Course developed by the NSG is aimed at CIO’s and ICT practitioners who need to understand their role and their contribution to organisational mandates and strategic objectives.

They need to position ICT services so that the business objectives are realised. This course is innovative and cutting edge the way it deals with issues of cybersecurity for public servants.

2.2 Service Delivery Improvement Plan

The NSG has committed to a service delivery pledge, which is aimed at improving public service delivery to all service users (learners enrolling for programmes/courses, citizens, service providers, government departments and other organs of state, private sector, and the international community). The School has also put in place an approved Complaints Handling and Compliments Management Policy.

Learner satisfaction remains an integral focus for the NSG in terms of delivering on its mandate. The School has to therefore ensure that feedback from learners is taken into consideration in order to improve on service delivery and performance. The NSG has to also address queries received from learners, such as the following:

- Receipt of outstanding certificates
- Learning materials that are sometimes delayed
- Meeting of quality standards
- Learning materials not professionally reproduced

The Minister for the Public Service and Administration approved the Service Delivery Improvement Plan 2016-2019 on 03 March 2016. During this cycle, the NSG focused on improvement in the following three key services:

- Improving the services of the NSG Contact Centre when requesting information and/or quotations for a specific training offering; access to training information through the NSG website and Contact Centre; issuing of quotations; and confirmation of bookings.
- Enhancing the training logistics processes, including communication with learners, provision of training material, quality of training facilitators, venue management, and efficiency in the issuing of invoices towards successful training.
- Improving the management of learner records remains an integral part of the training, in relation to the management of learner records, compliance with education and training quality assurance and standards, and issuing of certificates.

In this financial year, the NSG did not finalise its SDIP in view of the work in finalising a new strategy and therefore ensuring alignment of an SDIP with a new strategy. However, the NSG continued to monitor the main services and standards during this financial year.

Batho Pele Principles

- 1. Consultation:** Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.
- 2. Service standards:** Citizens should be told what level and quality of public service they will receive so that they are aware of what to expect.
- 3. Access:** All citizens should have equal access to the services to which they are entitled.
- 4. Courtesy:** Citizens should be treated with courtesy and consideration.
- 5. Information:** Citizens should be given full accurate information about the public services they are entitled to receive.
- 6. Openness and transparency:** Citizens should be told how national and provincial departments are run, how much they cost and who is in charge.
- 7. Redress:** If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.
- 8. Value for money:** Public services should be provided economically and efficiently in order to give citizens the best possible value for money.

Table 6: NSG Main Services and Standards

Main Services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievements
Access to training and development services through the NSG Contact Centre and training calendar of the NSG	All government departments and other state entities wishing to enrol employees for training	The NSG Contact Centre provides its services in line with the approved standard operating practices	Manage the Contact Centre strictly in line with the generally acceptable performance standards for the contact centre industry	The NSG deployed a new contact centre solution, which required the NSG to realign its business processes. This transition to the new solution led to initial challenges which were resolved.
Provide effective training and development management and delivery services to learners	All registered learners	The NSG reviews the training materials for relevancy to the learner competency requirements in line with his/ her job demands	Develop or review 6 programmes annually	6 new courses developed/ reviewed during the financial year.
Expediently provide learners with certificates, managed through an improved learner records management process	All registered learners	The NSG issued a total number of 30 551 certificates	Issue 100% of certificates of attendance for qualifying learners	During this financial year, the NSG 22 637 certificates, which includes certificates of attendance, completion and competence

Table 7: Batho Pele arrangements with beneficiaries

Current/ Actual Arrangements	Desired Arrangements	Actual Achievements
The NSG subscribes to the Public Service Charter and has also developed a service charter and standards, which reinforces courteous behaviour towards service beneficiaries and citizens	Communication with NSG staff to re-inforce the principles of <i>Batho Pele</i>	During this financial year, the NSG undertook internal communication on <i>Batho Pele</i> , and has ensured that new employees are provided with name tags.

Table 8: Service Delivery Information Tool

Current/ Actual Information Tools	Desired Information Tools	Actual Achievements
Service beneficiaries access the NSG information and services through the Contact Centre, website, exhibitions, departmental visits, course directory and brochures	Ensure that service beneficiaries have full access to NSG services through the monthly updating of the Contact Centre and NSG website, scheduled quarterly intergovernmental participation and quarterly update of the course directory	The NSG website is being effectively managed through the continual updating of the training calendar and training programmes. The NSG is also communicating information through social media platforms such as Twitter, Facebook and an online chat option with potential learners.

Table 9: Complaints Mechanism

Current/ Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
The NSG did not have a formal complaints management mechanism in place. However, the QMS policies do provide learners with avenues for complaints and redress.	Develop a formal complaints management policy and mechanisms for addressing complaints management	The NSG has a formally approved complaints handling and compliments management policy. There were no formal complaints received for the period under review.

2.3 Constitutional values and principles governing public administration

The Public Service Commission (PSC) is mandated to promote and evaluate the Constitutional Values and Principles (CVPs) governing public administration as stipulated under section 195 of the Constitution. In line with this mandate, the PSC developed a framework on the values and principles, as well as an evaluation tool to evaluate the performance of departments against these principles. The NSG was subjected to a quantitative evaluation by the PSC against the nine CVPs and the results were made available to the NSG on 11 December 2019.

The nine CVPs have been divided into the following four categories: Good System; Professional Culture; Professional Behaviour; Good Institutional Processes. The table below provided the overall evaluation scores against the evaluation tool.

Table 10: CVP Evaluation

Category	Score %	
PART A: Good system	5/5	23/28
• Public Administration must be development oriented	13/13	(82%)
• Efficient, economic and effective use of resources must be promoted	5/10	
• Public Administration must be accountable		
PART B: Professional Culture	11/18	14/21
• Transparency must be fostered by providing the public with timely, accessible and accurate information	3/3	80.5%
• Services must be provided impartially, fairly, equitably and without bias		
PART C: Professional Behaviour	13/15	15/21
• A high standard of professional ethics must be promoted and maintained	2/6	(71%)
• People’s needs must be responded to and the public must be encouraged to participate in policy-making		
PART D: Good Institutional Processes	11/15	14/19
• Good human resource management and career development practices, to maximize human potential, must be cultivated	3/4	(74%)
• Public administration must be broadly representative of the South African People		

The NSG was commended for achieving its training targets set for the past four years. Furthermore, the PSC noted the NSG contribution to outcome 12, and the curriculum shift to place greater emphasis on social justice and transformation issues. Furthermore, the NSG programmes place emphasis on the CVPs. The evaluation also noted that the NSG complies with financial regulations, and that services are provided impartially, fairly, equitably and without bias.

2.4 Organisational environment

The NSG is legislatively mandated to provide training or facilitate the provision of training in the Public Service. In terms of current legislative arrangements, government departments must annually budget one per cent of the employee compensation budget for training of its employees. The NSG is required to generate revenue towards ensuring its financial viability and sustainability and, as such the NSG is placed on a competitive and cost-recovery footing, together with internal and external training providers.

The cost recovery model is made up of partial funding appropriated by Parliament and income derived from cost recovery through training course fees, which is managed in the Training Trading Account (TTA). The cost-recovery model approach requires that all costs associated with the design and development of learning material and implementation of training courses from the training fees are recovered. The National Treasury approved a course tariff increase on 25 March 2020. In this financial year, an amount of R151 million in revenue was generated.

The NSG has to maintain its accreditation status as a training provider, and has continuously strengthened ties and forged strategic partnerships with ETQAs and the QCTO. In this regard, the NSG delivery of ETD is guided by a set of quality management system (QMS) policies, including: Assessment Management Policy; Certification Policy; Learner Support and Management Policy; and Curriculum & Programme Management Policy.

The performance of the NSG is based on the APP for the 2019/20 financial year as was approved by the MPSA and tabled in Parliament. The 2015-2020 Strategic Plan guided the work of the School. The planning, monitoring and reporting of performance is undertaken in line with the legislative prescripts as well as the internal policy on managing organisational performance. It is undertaken as follows:

- Developing an Annual Performance Plan
- Developing and implementing detailed work plans, including an Annual Operational Plan and branch business plans
- Signing individual performance agreements in line with the School's performance and development management system
- Quarterly performance monitoring and review through the Executive Management Committee (EMC), Management Committee (MANCO) and Internal Audit
- Quarterly performance reporting to the MPSA, DPME and National Treasury

The NSG undertakes 100 per cent monitoring of all the training through the use of reaction evaluation questionnaires (REQs) which are completed by all participants; and facilitator feedback forms (FFFs) which are completed by the facilitator at the end of a training session. Reports are developed on every training intervention based on the feedback from the participants. These reports are handed to the programme managers on a weekly basis to attend to the areas which have been identified as areas for improvement. Several Application of Learning Studies (ALS) were undertaken, which are aimed at determining if the training provided by the NSG has made any difference to the individual, and the department concerned. Two studies conducted in the 2019/20 financial year have provided interesting data.

One study, on "Disability Management in the Public Service" elicited the following comments from a participant: *"... I have learned that I need to be considerate to persons with disabilities, this includes how I should address persons with disabilities without using derogative terminologies which also offend them....the training assisted me in understanding issues of disabilities more than I used to before..."*. This training also resulted in the department incorporating disability mainstreaming in their recruitment and selection processes, and ensured that reporting with regard to plans and programmes is disability responsive.

The evaluation function in the NSG is completed in two ways, the first being the onsite observations conducted by the M&E specialists at selected training interventions. Instruments (with pre-defined criteria) are utilised to obtain information related to adult learning practices, the material, and logistical arrangements as observed during the training. Interviews are also conducted with the facilitator and a sample of the participants to obtain their views and experiences. A further level of evaluation has been implemented which are the "application of learning studies", where the objective is to determine whether a programme has made any difference to performance (initially of the participants) after a particular training programme. It is anticipated that, as data is collected over a period of time from specific departments, a determination can eventually be made as to the effect of the training on the department.

2.5 Key policy developments and legislative changes

There were no major changes to policies or legislation that affected operations during the period under review or future financial periods.

3. STRATEGIC OUTCOME ORIENTED GOALS

The 2019/20 Annual Report is the final report of the five-year strategic plan (2015-2020). For this period, the NSG set out four strategic outcome oriented goals for achievement. The performance of these goals are discussed below.

3.1 Goal 1: A well-resourced high performing learning centre of excellence

The objective of this goal was to ensure that the NSG improves and sustains its financial position and compliance with legislation for good corporate governance. The performance of the goal would be measured annually through the following:

- Improved financial sustainability, organisational performance, accountability and compliance
- Implementation of efficient and effective infrastructure and human resource management to support improved performance
- Established strategic multi and bilateral partnerships to enable the NSG to deliver its learning and development programmes aimed at capacitating the public service

During this five year period, the NSG has recorded significant achievements supporting this strategic goal. Some of these achievements include maintaining a vacancy rate of 10% and below, generating revenue in terms of the targets set, and achieving positive audit outcomes (unqualified and clean audit opinions) over the years. Some of the challenges experienced include resource issues as it pertains to the procurement of systems. The NSG has managed to maintain its enterprise architecture, despite challenges with aging infrastructure. Support during this period was also secured from the EU, which assisted in the procurement of ICT hardware.

Furthermore, during this period, the NSG strengthened its international relations

and partnerships. In April 2016, the Principal of the NSG and the EU Ambassador signed an agreement for the awarding of funding support to the NSG amounting to 10,000 000 euros under the “Public Service Training and Capacity Building Programme --- SAFS/2015/38276”. This support will assist the NSG to implement the Public Service Training and Capacity Building Program for improved public sector capacity through learning and development. Another of the key partnerships is with the National Chinese Academy of Governance (NCAG). In October 2015, the first cohort of twenty-five (25) Senior and Middle Managers attended the “Seminar on Public Administration for Developing Countries” at the National Chinese Academy of Governance (NCAG). At the end of the Seminar, the first Memorandum of Understanding (MOU) was signed between the NSG and the NCAG on the 23rd October 2015. The MOU was for a period of three years. Under the MOU, a total of ninety-one (91) senior and middle managers were trained from 2015 to 2019. The NSG also hosted the second BRICS Governance Seminar (Theme- Contributing BRICS’ Wisdom to Global Governance in the Interest of the People) on 3rd to 4th July 2018 at Sandton Convention Centre.

3.2 Goal 2: Improved learning and development opportunities influenced by impactful research, strategic diagnosis and monitoring and evaluation

The objective of this goal was to improve the learning and development opportunities offered by the NSG responding to the pragmatic challenges being experienced in the public service. The performance of the goal will be measured annually through the following:

- Implement effective research to inform training and development needs and opportunities within the public sector
- Implement an effective monitoring of the quality of training and development interventions and evaluation of the effectiveness of interventions

The research function at the NSG undertakes, disseminates and provides access to relevant research, conducts training needs analysis to inform the capacity

development requirements of client departments, creates proper facilities equipped to provide knowledge management services and access to resource material, and assists with benchmarking practices. These responsibilities entail research focussed on the primary role and functions of the NSG, conducting broad research studies on the nature of the South African State, as well as its character and attributes towards informing capacity development for improved service delivery. Of note are reports on the professionalisation of the public service, skills requirements, client perceptions and the performance of the NSG, an analysis of selected policy documents and oversight reports, challenges influencing service delivery, and perspectives on the influence of the Fourth Industrial Revolution with specific reference to public service capacity development.

The EU sponsored programme resulted in a wide-ranging Case Study Project aimed at delivering researched case studies as well as case studies for teaching and learning in cooperation with Higher Education Institutions. The Case Study Project was initially aimed at delivering 10 case studies, but in the end it resulted in 15 completed case studies as well as a case study repository to be accessed as an open source. The case studies addresses key issues in the public administration such as the political-administrative interface; implementation of public policy within complex, multi-layered contexts; participatory and co-operative governance; leadership and management; strategic planning; transformation; financial governance; monitoring and evaluation; social justice and transformation themes



An important accomplishment for the NSG and the African Management Development Institutes' Network (AMDIN) was the publication of a unique new journal under the editorship of the NSG. The Africa Journal of Public Sector Development and Governance (AJPSDG) is a peer-reviewed scholarly journal which investigates a broad spectrum of matters and issues related to policy research and implementation in public sector leadership, management and development in Africa.

(including ethics, gender, disability and diversity); and impact assessments.

Between the 2015/16 and the 2019/20 financial years, the NSG generated 87 reports on training needs analysis as well as the results of skills audits in all spheres of government. The results thus attained, supports public service professionalism as they provide a good, *albeit* targeted, impression of specific organisational capacity that exists, as well as the organisational and individual skills development requirements. In addition to the Training Needs Analyses, a number of reports focussed on capacity constraints and service delivery issues experienced at specific times and places. These reports are of much relevance as they indicate the possible involvement of the NSG through targeted interventions and the rollout of applicable training programmes.

3.3 Goal 3: Learning and development tools, quality-driven curriculum, programmes and services responding to public service needs and training and development

The objective of this goal was to ensure that the curriculum, programmes and services of the NSG are relevant and adequate to respond to public service needs and that of its employees. The goal will be measured annually through the following:

- Develop accredited and non-accredited curriculum responding to public service training and development needs
- Develop and offer technology-mediated learning

During the five year period, the curriculum design processes were improved on curriculum design ideas and innovations of how courses, programmes and other forms of learning interventions can be delivered. A new curriculum philosophy and approach was adopted during this period, which is underpinned by a decolonizing and social justice theory. Participatory and indigenous methodologies such as story-telling, African leadership, Ubuntu philosophy and peer sharing are used. The NSG philosophy of *KNOW, BE, DO and APPLY* is based on research that transformational learning can only take place if cognitive intelligence and emotional intelligence are integrated. Hence the need to ensure that the head, heart and

hands are integrated so that application of learning can take place beyond the classroom and in the workplace. This is based on the notion that before we can effect transformation in our departments and with our staff as managers, we need to begin with our own self-transformation.

The suite of **Compulsory Induction Programmes** (CIP) were designed with innovative learning materials and delivery methodologies to cater for the differing levels and needs of public servants at all salary levels: 1-3, 4-5, 6-12, 13-14 and 15- 16. The innovations and customised curriculum ensure easier access to learning, peer learning opportunities, blended learning and self-paced online learning where public servants with the necessary support provided. The NSG also worked in collaboration with the Department of Environmental Affairs to design a course on Climate Change that was integrated into the CIP. The **Evidence Based Policy Development Programme** is an important programme as it supports government’s endeavour to ensure that policies are based on and informed by reputable and credible data sources which will allow for more successful programme implementation. This methodology of policy development allows for monitoring and evaluation of policy implementation impact. The course on **Irregular, Unauthorised, Fruitless and Wasteful Expenditure in the Public Sector** is in direct response to the Auditor-General reports in improving the application of and accounting for government’s resources.

The NSG also offers eLearning courses (facilitated, open learning and communities of practice). The open courses are not facilitated and allows learners to study at their own time and own pace. Some of the self-paced courses designed and delivered during this period include: *Ethics in the Public Service; Writing for Government; and Know and Live Our Constitution*. Facilitated eLearning courses include: *Contract Management; Qualitative Research Methods for M&E; Supply Chain Management; and Basic Project Management for the Public Service*.

3.4 Goal 4: Integrated and collaborative network of training and development institutions and practitioners providing the public service with affordable access to quality training and development opportunities

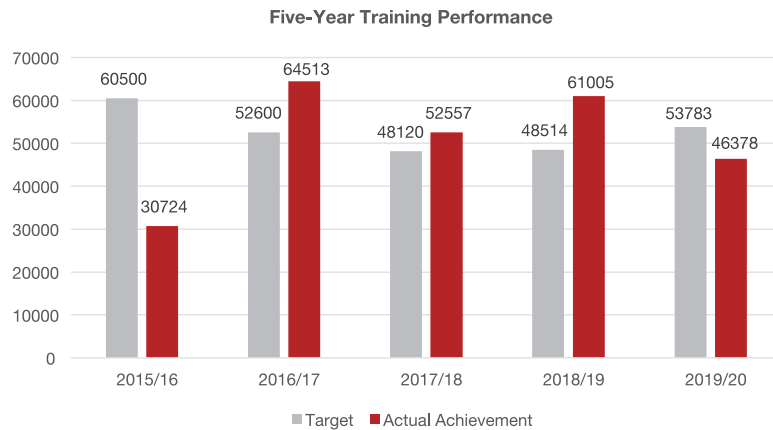
The objective of this goal was to provide the public service with affordable access to quality training and development opportunities, through face-to-face and online learning. This can be achieved through an integrated and collaborative network of training and development institutions and practitioners, including independent individual contractors, on-board trainers, higher education institutions, and private entities. The performance of the goal will be measured annually through providing training and development opportunities for compulsory and demand-led training to current and potential public servants on NSG curriculum and programmes.

Over this five year period, the NSG entered into contracts with higher education institutions (HEIs) for the delivery of the following programmes:

Table 11: HEI Partnership

Programme	Higher Education Institution
Executive Development Programme	North West University
Emerging Management Development Programme (EMDP)	University of Limpopo University of Western Cape University of Pretoria
Advanced Management Development Programme (AMDP)	University of Fort Hare University of Free State Tshwane University of Technology

During this five year period, the NSG has trained a total of 255 225 public servants in all forms of learning and development. This measured against the five year projected target of 259 017 (which was later increased to 263 517 to include mandatory programmes) represents a **98% achievement** of the projected target. A five-year breakdown of the training performance is reflected on the following page:



With regard to the collaboration with training and development institutions and practitioners, the Public Sector Trainers’ Forum (PSTF) has become the key platform where the implications of the new legislation are debated, policy prescripts that pertain to ETD scrutinised, and case studies on their implementation shared. The PSTF conferences provide an opportunity for international guest speakers from the continent and the rest of the world to share best practices with South Africa’s HRD practitioners.

During the five year period under review, three conferences were held with huge success.

A major achievement of the PSTF has been the provincial Peer Learning sessions which are sponsored by the EU. These sessions explore thematic areas identified by delegates during conferences. Presenters were drawn from both the public and private sectors, including regional and international spheres. Key thematic areas that have been addressed in the past are: Technology in learning and development; Training/ Learning needs analysis at individual, groups and organizational levels; and the role of human resource development (HRD) practitioners in talent management in the public service.

During this five year period, the NSG signed memoranda of agreements (MOAs) with national and provincial government departments, municipalities and organs of state. For example, the NSG signed a Memorandum of Understanding with SALGA. The purpose of this MoU was for the NSG and SALGA to collaborate in the areas of thought leadership, induction and training within the local government sphere. One of the key outputs was the training of SALGA trainers to present the Integrated Councillor Induction Programme (ICIP) and the roll-out of the ICIP by SALGA trainers to municipal councillors and traditional leaders. The training of SALGA trainers was based on learning materials developed by the NSG. During this period, eight (8) training sessions were conducted which were successfully completed by 154 SALGA officials. These officials then implemented the second phase of the project by inducting 8,154 municipal councillors and traditional leaders.

In terms of the Medium Term Strategic Framework (2014 – 2019), outcome 12 addresses an efficient, effective and development-oriented public service, through the following sub-outcomes:

- A stable political-administrative interface
- A Public Service that is a career of choice
- Sufficient technical and specialist professional skills
- Efficient and effective management and operations systems
- Procurement systems that deliver value for money
- Strengthened accountability to citizens
- Improved inter-departmental coordination
- Reduced corruption in the public service

The NSG contributed four projects towards sub-outcome 2 (a Public Service that is a career of choice), which was successfully achieved:

- a) Developing and rolling out an Executive Coaching Programme
- b) Developing and implementing identified in-service development programmes
- c) Training of unemployed youth graduates
- d) System in place to use public servants from relevant departments to facilitate in-service training programmes

4 PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

The purpose of Programme 1 (Administration) is to facilitate the overall management of the School and provide for responsibilities of the Principal, Branch Heads and other members of management. These responsibilities include providing centralised administrative, strategic management, legal and office support services, human resources and financial management, communication, special projects, international relations, and internal controls and oversight.

Sub-programmes under Programme 1 are organised as follows:

- Sub-programme 1, Incorporating the Office of the Principal, Office of the Chief Financial Officer and Internal Audit.
- Sub-programme 2, Corporate Management (incorporating Strategic Management and ICT Management; Corporate Services; Legal, Compliance, Contract and Risk Management)

The strategic objectives of Programme 1 for the financial year under review are:

- Improve financial sustainability, organisational performance, accountability and compliance
- Implement efficient and effective infrastructure and human resource management to support improved performance
- Establish strategic multi and bilateral partnerships to enable the NSG to deliver its learning and development programmes aimed at capacitating the public service

Strategic objectives

Strategic Objective	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Improve financial sustainability, organisational performance, accountability and compliance	Financial management systems implemented yearly within prescripts and regulations	Financial management systems implemented yearly within prescripts and regulations	Financial management systems were implemented within prescripts and regulations, and adjustments were made as required because of the COVID-19 impact	None	None
Implement efficient and effective infrastructure and human resource management to support improved performance	The infrastructure and human resource plan was implemented as follows: Vacancy rate at 9.2% by the end of the financial year. 2 ring-fenced DRP tests were conducted and reports available	Implementation of the infrastructure and human resource plan	The infrastructure and human resource plan was implemented with the following deliverables: Vacancy rate at 8.2% by 31 March 2020 and, continuous DRP tests conducted and reports developed	None	None
Establish strategic multi and bilateral partnerships to enable the NSG to deliver its learning and development programmes aimed at capacitating the public service	2 agreements supporting international exchanges and capacity building initiatives implemented.	Coordinate international exchanges and capacity building initiatives	Coordinated international exchanges and capacity building initiatives	None	None

Performance indicators

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Achieve an unqualified or clean audit by Auditor-General	Clean audit report issued by the Auditor-General	Unqualified report issued by the Auditor-General	Unqualified report issued by the Auditor-General.	Unqualified or clean audit report issued by the AGSA	Clean audit for Vote and unqualified audit for TTA issued by the AGSA	None	None
Number of days taken to collect current outstanding NSG debts	Reduce the average number of days for debt collection to 60 days in this financial year	Average of 45 days for the debt collection was achieved this financial year	Average number of days for current debt collection is 46 days.	Average number of days for current debt collection at 45 days or less from date of debt	Average number of days for current debt collection was at 56 days from date of debt	11 days	Invoices raised in advance and clients have not paid nor cancelled their bookings resulting in invoices open for longer period.
Number of days for payment of suppliers from the date of receipt of a valid invoice	100% compliance to National Treasury requirement on procurement	All supplies paid within 30 days from a date of receipt of a valid invoice	1 out of 3 699 invoices was paid after 30 days of receipt of an invoice.	All suppliers paid within 30 days of receipt of a valid invoice	All suppliers paid within 30 days of receipt of a valid invoice	None	None
Amount of revenue generated by the Training Trading Account, as part of the cost-recovery	R 128.6m amount of revenue generated by the Training Trading Account, as part of the cost-recovery, monitored on a quarterly basis	R116 667 000 generated as at 31 March 2018	Revenue of R 139 185 000 generated by end of March 2019.	Projected revenue of R119m generated by the TTA.	Revenue of R151 053m generated by the TTA.	Target exceeded with R31 350 283	Training targets exceeded in the training streams Administration, Leadership and Management resulting in additional income.

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Percentage of posts vacant by the end of FY	As at 31 March 2016, the vacancy rate was reduced to 10.5%	The vacancy rate was maintained at 10% as at 31 March 2018	Vacancy rate at 9.2% by the end of the financial year.	Vacancy rate of 10% or less by end of the financial year	Vacancy rate at 8.2% by 31 March 2020	None	None
Average number of days taken to resolve disciplinary cases	New performance target with no baseline information	New performance target with no baseline information	No cases lodged in the reporting period.	All disciplinary cases resolved within 60 days from the date of receiving the case	One case was reported and the NSG undertook all the processes to resolve the case within 60 days	Case was closed as the employee that lodged the case resigned from the NSG	None
Develop Service Delivery Model of the NSG	New performance target with no baseline information	New performance target with no baseline information	New performance target with no baseline information	Develop the Service Delivery Model of the NSG	NSG Service Delivery Model developed.	The approval of the Service Delivery model delayed due to extensive consultation with the stakeholder and MPSA	NSG Service Delivery Model was approved June 2020

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Effective ICT Disaster Recovery solution	ICT solution successfully implemented and approval obtained for SITA to fully manage the VPN and BAS back-up	The Disaster Recovery Plan reviewed and approved. Monitoring and testing of the ICT DR solution is continuous. Two ring-fenced DRP test conducted this year	Continuous monitoring and testing of the ICT Disaster Recovery Solution completed through the Disaster Recovery Plan.	Monitor and test ICT Disaster Recovery solution through the Disaster Recovery Plan	Continuous DRP tests conducted and reports developed	None	None
Coordinate international exchange supporting capacity development interventions in the public service	2 multilateral international exchanges/capacity building initiatives were implemented	3 agreements (including AMDIN, ENA France & China) supporting international exchanges and capacity building initiatives	2 agreements supporting international exchanges and capacity building initiatives implemented.	International exchanges facilitated	2 international exchanges facilitated	None	None

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Provide capacity development platform for the African Public Service Institutions through AMDIN initiatives	New performance target with no baseline information	New performance target with no baseline information	New performance target with no baseline information	Host AMDIN to steer capacity development	AMDIN EXCO meetings held in Paris. <i>Africa Project Khaedu</i> was piloted in the DRC, Namibia, Nigeria and Liberia. African Governance Anglophone pilot also held in July 2019.	None	None

Strategy to overcome areas of under performance

The programme achieved 9 targets against planned targets of 10. This translates to 90% of the planned targets achieved under the programme for the year under review.

Reasons have been provided for areas of underperformance

These should be achieved in the new financial year. Unfortunately for the deliveries affected by the COVID-19 outbreak continuation could be guaranteed.

Changes to planned targets

No targets were amended during the financial year.

Linking performance with budgets

Table 12: Programme 1

Sub- Programme Name	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	17,528	15,389	2,139	16,380	15,411	969
Corporate Services	67,144	64,518	2,626	63,438	62,250	1,188
Property Management	15,769	15,615	154	18,961	18,961	0
Total	100,441	95,522	4,919	98,779	96,622	2,157

4.2 Programme 2: Public Sector Organisational and Staff Development

The purpose of Programme 2 (Public Sector Organisational and Staff Development) is to provide for the monthly transfers for augmenting the TTA. The TTA provides for all activities that directly enable public service training and development.

Activities of the sub-programmes under Programme 2 are organised as follows:

- Sub-programme 1: Training Policy and Planning (incorporating Research and Innovation; Monitoring and Evaluation)
- Sub-programme 2: Training Management and Delivery (incorporating Induction; Leadership; Management; Administration; Technical Support; Marketing)
- Sub-programme 3: Specialised Services (incorporating Curriculum Design; Quality Assurance; Accreditation; eLearning)

The strategic objectives of Programme 2 are organised as follows:

- Implement effective research to inform training and development needs and opportunities within the public sector
- Implement effective monitoring of the quality of training and development interventions and the evaluation of effectiveness of interventions
- Develop accredited and non-accredited curriculum responding to public service training and development needs
- Develop and offer technology mediated learning
- Provide training and development opportunities for compulsory and demand-led training to current and potential public servants on NSG curriculum and programmes

Strategic objectives

Strategic Objective	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Implement effective research to inform training and development needs and opportunities within the public sector	8 research projects and 31 training needs analyses undertaken to inform training needs and opportunities	Undertake 6 research projects and 10 training needs analyses to inform training and development needs and opportunities	Completed 8 research projects and 10 training needs analyses to inform training and development opportunities	2 research projects	Additional request by management resulting in more projects.
Implement effective monitoring of the quality of training and development interventions and the evaluation of effectiveness of interventions	Completed 70 evaluations and 4 application of learning studies progress reports for 4 identified training programs	Undertake 66 evaluations and 7 application of learning studies annually	Completed 72 evaluations and 7 application of learning studies progress reports produced for 7 identified training programmes	6 evaluations	Additional requests to evaluate specific programmes and facilitators.
Develop accredited and non-accredited curriculum responding to public service training and development needs	Developed or reviewed 6 and quality assured 17 programmes /course in line with the curriculum framework and the relevant accrediting bodies annually	Developed or review and quality assure 6 programmes in line with a curriculum framework and the relevant accrediting bodies annually	Developed 6 and quality assured 13 programmes/ courses in line with a curriculum framework and the relevant accrediting bodies annually	16 courses	Increased demand for programme/ courses to be quality assured in order to make revised course material available.
Develop and offer technology mediated learning	Offered 25 courses quarterly for anytime, anywhere online learning	Offer 26 eLearning interventions	27 eLearning interventions offered	1 online course	Increased demand for additional online course
Provide training and development opportunities for compulsory and demand-led training to current and potential public servants on NSG curriculum and programmes	Trained 61 005 new and current public servants on compulsory and demand-led programmes through face to face and online learning annually	Roll out compulsory and demand led training to 53 283 to current and potential public servants annually	Trained 46 378 compulsory and demand led training to current and potential public servants	Slow uptake of training further perpetuated by the outbreak of the pandemic that necessitated the restriction of persons attending and the ultimate suspension of training.	Revitalise efforts to market NSG courses and programmes with the implementation of the new strategy.

Performance indicators

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Number of research projects to inform training and development needs and opportunities completed	Undertake 4 research projects to inform training and development needs and opportunities	6 research projects to inform training needs and opportunities completed	8 research projects completed to inform training needs and opportunities	Complete 6 research projects to inform training needs and opportunities	Completed 8 research projects to inform training needs and opportunities	2 research projects	Additional request by management resulting in more projects.
Number of training needs analyses completed to inform training and development needs and opportunities	29 training needs analyses were undertaken within a pre-determined number of public service institutions	8 training needs analyses undertaken with public sector institutions	31 training needs analyses completed with public sector institutions	Complete 10 training needs analyses with public sector institutions	Completed 13 training needs analyses with public sector institutions	3 training needs analyses	Consistent high demand for the NSG service thus resulting in more request
Number of research colloquia or workshops hosted by the NSG as a knowledge sharing platform	7 research colloquia or roundtable discussions hosted	7 research colloquia workshops hosted	7 research colloquia workshops hosted	Host 6 research colloquia or workshops annually	Hosted 6 research colloquia or workshops	None	None
Number of articles/ papers submitted for publication to promote thought leadership, knowledge creation and dissemination	New performance target with no baseline information	5 articles published and 3 papers presented to promote thought leadership	6 articles and 3 papers submitted to promote thought leadership	Submit 4 articles/ papers to promote thought leadership	Submitted 6 articles/ research articles/papers to promote thought leadership	2 articles/ papers	More effort on the part of researchers to publish completed research work.

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Develop an implementation plan for an assessment centre in the public service	New performance target with no baseline information	New performance target with no baseline information	Project study undertaken and a concept implementation plan developed for a national competency assessment centre for public servants	Develop an implementation plan	Developed an implementation plan	None	None
Develop a diagnostic tool for a public service skills database	New performance target with no baseline information	New performance target with no baseline information	Developed a framework for an online diagnostic tool aimed at creating a skills database in the public service	Develop and pilot the diagnostic tool for a public service skills database	Developed and piloted the diagnostic tool for a public service skills database	None.	None.
Number of evaluations to be carried out by end of financial year	63 qualitative evaluations carried out	65 evaluations completed this financial year	Completed 70 evaluations	Complete 66 evaluations	Completed 72 evaluations	6 evaluations	Additional requests to evaluate specific programmes and facilitators.

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Number of application of learning studies progress reports produced by the end of financial year	4 application of learning studies completed	4 application of learning studies completed	Completed 4 application of learning studies progress reports for 4 identified training programmes	Complete 7 application of learning studies progress reports produced for 7 identified training programmes	Completed 7 application of learning studies progress reports produced for 7 identified training programmes	None	None
Number of programmes/ courses developed or reviewed annually	6 curriculum programmes/ courses were developed	Develop 1 programmes with 6 courses (Executive Management Development Programme)	Developed or reviewed 6 programmes / courses	6 programmes/ courses developed OR reviewed	Developed 6 new programmes/ courses	None	None
Number of programmes/ courses quality assured annually	10 curriculum programmes/ courses quality assured	Quality assure 18 programmes/ courses by the NSG Quality Assurance Committee.	Quality assured 17 programmes/ courses by the NSG Quality Assurance Committee	Quality assure 6 programmes/ courses by the NSG Quality Assurance Committee	Quality assured 13 programmes/ courses by the NSG Quality Assurance Committee	7 programmes/ courses	Increased demand for programme/ courses to be quality assured in order to make revised course material available.

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
NSG status as an accredited training provider maintained	NSG accredited as a training provider.	NSG status as an accredited raining provider maintained. This occurs through facilitated monitoring of the NSG by PSETA, SASSETA, Services SETA & SABPP	Facilitated and managed accreditation processes to maintain the status of the NSG as an accredited training provider.	Facilitate and manage accreditation processes to maintain the status of the NSG as an accredited training provider	Facilitated and managed accreditation processes to maintain the status of the NSG as an accredited training provider	None	None
Number of online courses offered by the NSG by the end of the financial year	Offer 23 NSG courses for anytime, anywhere online learning	22 e-Learning interventions offered.	Offered 25 courses quarterly for anytime, anywhere online learning	26 eLearning interventions offered	27 eLearning interventions offered	1 online course	Increased demand for additional online course

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Number of new and current public servants trained through face to face and online learning (Including Compulsory Induction and demand led trainings)	A total of 61 350 public servants undergone training	Train 49 050 new and current public servants on compulsory and demand-led programmes through face to face and online learning annually	Trained 56 614 new and current public servants on compulsory and demand-led programmes through face to face and online learning	Train 46 783 new and current public servants through face to face and online learning (Including Compulsory Induction and demand led trainings)	41 802 new and current public servants through face to face and online learning (Including Compulsory Induction and demand led trainings)	Slow uptake of training further perpetuated by the outbreak of the pandemic that necessitated the restriction of persons attending and the ultimate suspension of training as per directive by the President.	Revitalise efforts to market NSG courses and programmes with the implementation of the new strategy
Number of public servants trained on mandatory courses	New performance target with no baseline information	New performance target with no baseline information	New performance target with no baseline information	Train 4 000 public servants on mandatory courses	Trained 2 387 public servants on mandatory courses		
Number of unemployed graduates and internships undergoing public service orientation through the NSG	3 163 unemployed youth graduates orientated through the BB2E Programme	Orientate 3 507 unemployed youth graduates & interns through the BB2E Programme. This includes the PEPNAY training numbers through the Department of Rural Development and Land Reform partnership.	Orientated 4 391 unemployed youth graduates and interns through the BB2E Programme.	Orientate 3 000 unemployed youth graduates through the youth development/ BB2E Programmes	2 189 unemployed youth graduates and interns were orientated through the BB2E Programme		

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/ 2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/ 2020	Comment on deviations
Professionalised training facilitators recruited as part as part of Rutanang Ma Afrika initiatives (including Independent Individual Contractors as well as serving and retired public servants)	630 learning and development facilitators , moderators and assessors were contracted including providers, partners and public servants (TOTs)	355 serving and retired public servants professionalised through learning interventions	537 serving and retired public servants professionalised through learning interventions	4 Training Of Trainers (ToTs) or Trainer Learners Networks (TLNs) held by the end of the financial year	16 Training of Trainers (ToTs) or Trainer Learners Networks (TLNs) held by the end of the financial year	12 Training of Trainers (ToTs)	Capacity development especially for the Induction Programme
Number of memorandum of agreement (MOAs) signed with the public sector departments and other organs of the state	12 MOA signed with public sector HRD stakeholders annually	19 MOAs signed with public sector stakeholders	100% of public sector departments/ agencies at national and provincial spheres targeted municipalities and SOEs visited/ contacted to develop sales of NSG products	Sign 10 MOAs with the public sector departments and other organs of state	Signed 14 MOAs with the public sector departments and other organs of the state	4 MOAs	NSG signs MOAs with public sector stakeholders with the intention to influence course uptake and revenue.

Strategy to overcome areas of under performance

The programme had 17 targets planned for the financial year, 14 targets have been achieved whereas 3 targets related to training were not achieved due to the slow uptake of training further perpetuated by the outbreak of the pandemic that necessitated the restriction of persons attending and the ultimate suspension of training as per directive by the President. Performance achieved translates to 82% for the programme in the year under review.

Changes to planned targets

No changes to the planned targets in the financial year under review.

Linking performance with budgets

Table 13: Programme 2

Sub- Programme Name	2019/20 FY			2018/19 FY		
	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
Augmentation to the Training Trading Account	87,464	87,464	0	70,180	70,180	0
Total	87,464	87,464	0	70,180	70,180	0

5 TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The NSG did not make any transfers to public entities.

5.2. Transfer payments to all organisations other than public entities

The NSG did not make transfer payment to organisations other than public entities.

6 CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The NSG did not receive conditional grants.

7 DONOR FUNDS

7.1. Donor Funds Received

Donor assistance includes both cash and in-kind contributions. Reporting on donor assistance needs substantial improvement in light of the lack of sufficient funding information received in prior financial years from institutions.

Table 14: Donor Fund 2019/20

Name of donor	European Union
Full amount of the funding	10 million Euros of which 2,7million (R39 948 660,00) is transferred to NSG and managed by NSG
Period of the commitment	7 June 2016 – 7 December 2021
Purpose of the funding	To improve public sector capacity through education, training and development by NSG.
Expected outputs	<p>The programme has four result areas:</p> <p>Result Area 1: Improved systems development and HR capacity for the NSG to fulfil its training and development</p> <p>Result Area 2: Strengthened research and curriculum development for increased responsiveness and relevance of training and development in meeting the needs of the public sector</p> <p>Result Area 3: Improved efficacy of the public sector workplace through training and development</p> <p>Result Area 4: Strengthened NSG through collaboration and strategic partnerships at domestic, regional and international levels.</p>

Actual outputs achieved	<ul style="list-style-type: none"> • ITC hardware and software for the NSG • 5 x NSG eLearning courses developed • 2 x Evaluation reports and 15 x case studies developed for NSG development, teaching & learning purposes • Assessment centre options analysis and recommendations • NSG coaching system developed and piloted • Strengthened strategic partnerships with African Institutes of Public Administration & Management (AMDIN) and international partners. • 3 x African programmes developed • Africa Journal of Public Sector Development and Governance developed & published with African partners. • Partnerships with EU countries, specifically ENA
Amount received in current period (R'000)	R11,391 605,81
Amount spent by the department (R'000)	R 8,734 273,52
Reasons for the funds unspent	Postponement and pulling out of partnering countries on activities due to labour unrest by booked airline.
Monitoring mechanism by the donor	<p>Quarterly Programme steering committee meetings, oversight & reporting</p> <p>Annual expenditure verification</p> <p>Result orientated monitoring review</p> <p>Mid-term programme review</p>

8 CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

The NSG did not have capital investment.



Part C:

Governance



1. INTRODUCTION

Section 195 (1) of the Constitution provides that public administration must be governed by the democratic values and principles as enshrined therein, including among others, that a high standard of professional ethics must be promoted and maintained. Furthermore, section 3 (1) (h) of the Public Service Act, 1994 (as amended) empowers the Minister for the Public Service and Administration to establish norms and standards in respect of integrity, ethics, conduct and anti-corruption in the public service. Regulation 22 of the Public Service Regulations (PSR), 2016 provides for anti-corruption and ethics functions which are mandatory for all government departments.

Section 38 (1) (a) (i) of the PFMA states that “the Accounting Officer of a department must ensure that the department has and maintains an effective, efficient and transparent systems of financial and risk management and internal control. Section 3.2.1 of the Treasury Regulations states that “The Accounting Officer must ensure that risk assessment is conducted regularly so as to identify emerging risks of the institution”. The NSG has established the Risk Management Committee (Committee) to assist the Accounting Officer to fulfil the risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

2. RISK MANAGEMENT

The NSG follows an integrated approach towards risk management, and has adopted the Public Sector Risk Management Framework and international standards such as the COSO framework, ISO 31000 and other best practises in developing the approved Enterprise Risk Management Framework. The Enterprise Risk Management Framework is annually revised together with the Risk and Ethics Management Committee Charter, which are among other governance requirements for the Committee.

The Enterprise Risk Management Framework outlines the risk management approach followed by the Department, combining efforts by the NSG management and staff, the Risk and Ethics Management Committee, and Internal Audit and Audit Committee, in identifying strategic, operational and emerging risks that could impede the organisation in achieving its set objectives. Through these efforts, mitigation strategies are developed, implemented and continuously monitored to ensure that risks are minimised to an acceptable level. The overall risk management processes focuses on developmental strategic risks, ICT risks and operational risks. These risks are monitored continuously on a quarterly basis to assess implementation of the identified action plans, and progress on the risk action plan and status is presented to the Risk and Ethics Management Committee (REMC) and the Audit Committee of the NSG. The REMC is chaired by an external member (non-executive), who also serves as a member of the Audit Committee, to ensure transparency and objectivity in the discharge of its responsibilities. The Committee provides assurance to the Accounting Officer and Audit Committee that risks are effectively managed.

The REMC meets on a quarterly basis and the focus is on key risk areas and risk mitigation measures. The composition of the REMC comprises of all the Executive Management Committee and other officials appointed by the Accounting Officer. In addition to the Committee, based on their technical expertise, are standing invitees to REMC meetings. The Audit Committee has independently monitored the effectiveness of the system of Risk Management within the NSG by reviewing analysis reports and minutes of the REMC.

3. FRAUD AND CORRUPTION

The NSG has an approved Fraud and Anti-Corruption Policy that has a zero-tolerance to fraud, corruption and other irregularities. The Fraud and Anti-Corruption Policy and the fraud and ethics implementation plan are the tools used as a response framework for combating fraud and corruption within the Department, promoting employee vigilance in fraud identification and reporting, and providing guidelines

on the handling of fraud-related reports and investigation. Fraud and ethics risk assessments are conducted annually and progress on mitigation plans are provided to the REMC on a quarterly basis. The approved whistle-blowing policy protects employees who make disclosures, in terms of the Protected Disclosures Act (No. 26 of 2000) from any occupational detriment thus encouraging employees to report unlawful and irregular conduct within the NSG.

The NSG supports the National Anti-Corruption Hotline (NACH) which is administered by the Public Service Commission (PSC) and employees are encouraged to make confidential disclosure in relation to suspected fraud and corruption to the hotline as an alternative to the internal reporting facilities.

4. MINIMISING CONFLICT OF INTEREST

The NSG adheres to the Conflict of Interest standard as contained in Chapter 2, Part 2 (21) of the Public Service Regulations, 2016. There is an approved Conflict of Interest Policy in line with this. The policy sets forth applicable provisions and assists NSG employees, businesses conducting business with the NSG and certain other individuals under contractual obligation with the NSG to declare conflicts of interest. The policy further outlines the requirements and procedure for application to undertake other remunerative work, disclose financial interests, and disclose actual and/or perceived conflicts of interest as well as implications of conducting business with an organ of state.

The NSG communicates the due dates for financial disclosures and remunerated work outside the Department timeously to all the employees. On receipt of the applications, the Ethics Officers advise the Principal on each application, and highlights those with conflict of interest, so that he further engages those employees.

5. CODE OF CONDUCT

The NSG adheres to the Code of Conduct as contained in Chapter 2, Part 1 (13) of the Public Service Regulations, 2016. The NSG includes the discussion and awareness of the Code of Conduct in the programmes for:

1. Internship
2. Induction course for newly appointed employees
3. HR Roadshows

In managing labour relations, the NSG follows the processes as contained within the Public Service Co-Ordinating Bargaining Council (PSCBC) Resolutions for Managing of Grievances (PSCBC Resolution 14 of 2002) and the managing of disciplinary processes (informal & formal) as contained in PSCBC Resolution 1 of 2003. The acts of misconduct within the Resolution and therefore also in the Departmental Standard Operating Procedure are aligned with the Code of Conduct. At this stage, the Directorate: HRM&D also assists in the management of financial disclosures and the vetting and security clearance of employees.

In terms of the ethics aspect of the Code of Conduct, the Ethics Unit is responsible for the implementation of the Code of Conduct, ethics management which include, amongst others, the management of protective disclosures, gift registers and risk management.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The NSG has an Occupational Health and Safety (OHS) Committee which convenes twice a year to monitor the implementation of OHS in the School. The management of OHS is implemented through a Safety, Health, Environment, Risk and Quality (SHERQ) Management Operational Plan, for which monthly reports are compiled, monitored and evaluated. The NSG also reports on OHS matters when it submits the Integrated Employee Health and Wellness Annual Report.

In view of the COVID19 pandemic, the NSG established a steering committee, with representatives from management and organised labour. The committee meetings are ongoing and serve to guide the NSG in terms of health safety and environmental issues during this time of the pandemic and the working conditions.

7. PORTFOLIO COMMITTEES

During the financial year under review, the NSG was invited to the Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation. However, given the unique circumstances this financial year posed by the declaration of a state of national disaster and the lockdown regulations, some engagements that ordinarily would have occurred in the 2019/20 financial year have occurred beyond March 2020 and are also indicated below:

Date of Meeting	Issue for Presentation and Engagement
21 August 2019	First quarter organisational performance report
11 September 2019	Annual Report for 2018/19
28 February 2020	Second & Third quarters organisational performance report
6 May 2020	5-year Strategic Plan (2020-2025) & Annual Performance Plan (2020/21)

Date of Meeting	Issue for Presentation and Engagement
11 June 2020	Report on unemployed graduates and internships undergoing Public Service orientation
23 June 2020	Fourth quarter organisational performance report
8 July 2020	Adjustment to Budget Vote & Revised APP (2020/21)

Key matters raised by the Portfolio Committee include the following, and to which the NSG has appropriately responded:

- Mechanism to assess the impact of training courses and programmes offered by the School
- Measures to ensure the funding model of the NSG is sustained and financially viable.

In more recent engagements with the Portfolio Committee, the impact of the COVID19 pandemic was discussed – in light of the NSG not being able to conduct face-to-face training and the ability of the NSG to raise revenue.

8. SCOPA RESOLUTIONS

The NSG had no appearances to the Standing Committee on Public Accounts (SCOPA) or related notices in the financial year under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The NSG did not have a qualification, disclaimer, adverse opinion and matters of non-compliance.

10. INTERNAL CONTROL UNIT

The Internal Audit is currently outsourced to Lunika Chartered Accountants and Auditors Inc. for a period of three years from January 2019, working together with the NSG's Internal Auditor in carrying out audits. Internal Audit follows a risk-based audit approach which places emphasis on the identification of risks, the prioritising thereof and testing of controls over key risk areas.

The Audit Committee approved the Internal Audit Operational plan for the 2019/20 financial year. In line with the annual Internal Audit Plan for the year, the internal audit focus was on Review of Financial Statements, Governance Review, Specialised Services, Training Policy and Planning, and Audit of Performance Information. Internal Audit meets with the Auditor-General and the Chair of the Audit Committee as required, at various points of their audits, during the implementation of the Internal Audit plan.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services that are designed to add value and improve the operations of the Department. This function helps the Department to accomplish its objectives and translation thereof to operational activities by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes. Internal Audit has unrestricted access to all functions, records, property and personnel of the Department and the Audit Committee. Adequate resources to the three-year plan review are annually allocated to the Internal Audit function. Internal Audit reports administratively to the Accounting Officer and functionally to the Audit Committee.

The audit approach combines two types of audit engagements, that is, assurance and consulting (advisory) services. Internal Audit is at all times, when conducting their work or any other tasks assigned to them, guided by the International

Standards for the Professional Practice of Internal Auditing and the Code of Ethics, as published by the Institute of Internal Auditors, and complies with the relevant sections in the PFMA and related Treasury Regulations.

The Audit Committee is an independent body that reports to the Accounting Officer through its Chairperson. The overall objective of the Audit Committee is to assist in ensuring that there are effective organisational management and control measures that are applied by the Executive Management to discharge their duties relating to:

- Safeguarding of assets
- Adequate operation of procedures and controls
- Financial reporting process
- Performance information management
- System of internal control over financial reporting
- Audit process
- Departmental processes for monitoring compliance with laws and regulations and the code of conduct

The Audit Committee is also responsible for reviewing the Annual Financial Statements and Performance Information reports, as required by the Public Finance Management Act and the related Treasury Regulations. The Audit Committee does not perform any management functions or assume any management responsibilities, but functions as an objective and independent oversight committee, making recommendations to the Accounting Officer for his/her approval or final decision. Overall, the Audit Committee executes its responsibilities through close liaison and communication with management, Internal and External Auditors and where it deems it necessary, and engages with the Executive Authority.

Audit Committee members and attendance

The Audit Committee consists of the members listed below of which four are independent members in line with good corporate governance practice. The Committee meets at least four times per annum as per its approved terms of reference. During the year under review, the Committee held four meetings.

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Sakhiseni Simelane	Masters of Commerce: Accounting, Masters of Business Administration, Bachelor of Commerce (Honours), Bachelor of Commerce (Accounting)	External (Chairperson)	Not Applicable	01 November 2016	N/A	4
Prof. Daniël (D.P.) van der Nest	Doctor Technologiae, Masters of Commerce: Economics , Bachelor of Commerce (Honours) in Economics, Bachelor of Commerce (Accounting), Post Graduate Diploma in Higher Education	External	Not Applicable	01 November 2016	N/A	4
Dr Maria Peenze	Doctor Technologiae: Business Administration, Magister Legum: Human Rights, Baccalaureus Legum, Baccalaureus Luris	External	Not Applicable	01 November 2016	N/A	4
Ms Zanele Nkosi	Bachelor of Commerce in Accounting Bachelor of Commerce (Honours) CTA, QE Board 1 and PPE Board 2	External	Not Applicable	01 November 2016	N/A	4

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department. The following internal audit work was completed during the year under review:

- Annual Financial Statements and Annual report
- Revenue (Trading Account)
- Operational Review: Training Management
- Performance Information
- Information Communication and Technology
- Annual Performance Plan Review (2020/21)
- Supply Chain Management
- Development of Internal Control Framework for Financial Reporting

The following were areas of concern:

- Revenue (Trading Account): Revenue Recognition

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

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

Auditor-General's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

- Leave relating to the 2017/18 financial period was incorrectly recorded in the 2018/19 financial period (Introduction of E- leave)
- Five Years External Quality Assessment (Internal Audit)

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



Mr Sakhiseni Simelane

Chairperson of the Audit Committee
National School of Government
31 October 2020

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	N/A	
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	

Part D:

Human Resource Management



1. INTRODUCTION

The information contained in this part, highlights all human resource management, administration, development and labour relations matters in the National School of Government.

2. OVERVIEW OF HUMAN RESOURCES

The approved NSG staff establishment is 231, with 212 of these positions filled and 19 vacant as at 31 March 2020. This translates to 92 percent of posts filled as at the end of March 2020. The vacancy rate decreased from 9.2 percent in 2018/19 to 8.2 percent by end of 2019/20.

In terms of the employment equity status, the racial breakdown is as follows: African 172; White 19; Coloured 11 and Indian 10. Significantly, female employees are well-presented in the NSG. Out of 212 total employees, 58 percent (122) were females as at end of 2019/20. The School continues to meet the Cabinet targets for employment of persons with disabilities, representing 2.8 percent of employees. The School is also doing well in terms of women at SMS as 56 percent of SMS members are women.

During the period under review, the NSG appointed a total of twelve employees. In the same period, two internal staff were transferred and promoted to other positions.

The NSG trained 146 officials out of 153 planned in the Workplace Skills Plan (WSP). The target could not be met due to training that was scheduled in the last month of the financial year and was cancelled due to COVID-19. The focus on training the officials was on critical skills required to deliver on the mandate of the School namely *Business Processing Modelling, Finance for Non-financial managers and Contract Management*. The NSG also awarded 49 bursaries to employees to further their studies for the 2019/2020 academic years. The NSG provided opportunities for internship, benefiting 11 Graduate Interns and 1 Structured Youth Development

Programme (Side Internship) in the financial year, and maintains a database of all interns from prior years. From 2009/10 financial year to date, 26 interns have been offered permanent employment in the NSG. One structured Youth Development Programme (side internship) was offered employment in the private sector.

To ensure employees' well-being, the NSG implemented an Employee Health and Wellness Programme and monitors its environment to ensure compliance to environmental wellness and safety standards. The NSG performed excellently in implementing programmes aimed at enhancing active uptake of EHW Interventions. A total of 180 employees' were able to access Health and Wellness programmes during this financial year.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. 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.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020

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)
Vote Programme 1	95,522	55,207	1,220	2,079	58%	682
Vote Programme 2	87,464					
TTA	204,102	90,443	87	45,755	44%	712
Total	387,088	145,650	1,307	47,834	38%	700

Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0
Skilled (level 3-5)	5,234	4%	22	237
Highly skilled production (levels 6-8)	28,345	19%	73	388
Highly skilled supervision (levels 9-12)	57,235	39%	74	773
Senior and Top management (levels 13-16)	54,836	38%	43	1,275
Total	145,650	100%	212	687

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Vote Programme 1	37,688	26%	147	0%	778	1%	1,868	1%
TTA	62,711	43%	79	0%	1,817	1%	2,779	2%
Total	100,399	69%	226	0%	2,595	1%	4,647	3%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	0	0%	0	0%	0	0%	0	0%
Skilled (level 3-5)	3,812	3%	75	0%	231	0%	448	0%
Highly skilled production (levels 6-8)	20,283	14%	117	0%	1,086	1%	2,186	2%
Highly skilled supervision (levels 9-12)	41,965	29%	34	0%	630	0%	1,476	1%
Senior management (level 13-16)	34,339	24%	0	0%	648	0%	537	0%
Total	100,399	69%	226	0%	2,595	2%	4,647	3%

3.2. 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).

Table 3.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Vote Programme1	87	83	4.6%	0
NSG TTA	144	129	10.4%	0
Total	231	212	8.2%	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0	0	0%	0
Skilled (3-5)	24	22	8.3%	0
Highly skilled production (6-8)	80	73	8.8%	0
Highly skilled supervision (9-12)	78	74	5.1%	0
Senior management (13-16)	49	43	12.2%	0
Total	231	212	8.2%	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
N/A				

As outlined below, the NSG in this financial year does not have critical occupations as stipulated in the CORE and does not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) 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;
 - (b) 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;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3. Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service 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.

Table 3.3.1 SMS post information as on 31 March 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department Salary Level 16	1	1	100%	0	0%
Salary Level 15	3	2	66.6%	1	33.3%
Salary Level 14	16	12	75%	4	25%
Salary Level 13	29	28	96.5%	1	3.5%
Total	49	43	87.8%	6	12.2%

Table 3.3.2 SMS post information as on 30 September 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department Salary Level 16	1	0	0%	1	100%
Salary Level 15	3	1	33.3%	2	66.6%
Salary Level 14	16	12	75%	4	25%
Salary Level 13	29	27	93.1%	2	6.9%
Total	49	40	81.6%	9	18.4%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department Salary Level 16	1		1
Salary Level 15			1
Salary Level 14			
Salary Level 13	1	1	
Total	3	1	2

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
The 2019/20 financial year was a transitional year from the 5 th to the 6 th Administration which impacted on the filling of SMS posts due to the macro-reorganisation of the state, reconfiguration of the NSG and delays in advertising and filling of HoD's and DDG posts. The NSG ensured that acting appointments were in place during this transitional period.
Reasons for vacancies not filled within twelve months
See above

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
N/A
Reasons for vacancies not filled within six months
N/A

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4. 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.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2019 and 31 March 2020

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	0	0	0%				
Skilled (Levels 3-5)	24	0	0%				
Highly skilled production (Levels 6-8)	80	0	0%				
Highly skilled supervision (Levels 9-12)	78	0	0%				
Senior Management Service Band A	29	1	3.4%				
Senior Management Service Band B	16	0	0%				
Senior Management Service Band C	3	0	0%				
Senior Management Service Band D	1	1	100%				
Total	231	2	1%	0	0%	0	0%

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020

Gender	African	Asian	Coloured	White	Total
None	0	0	0	0	0
Employees with a disability					None

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 and 31 March 2020

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of employees whose salaries exceeded the level determined by job evaluation	0	0	0	None

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 and 31 March 2020

Gender	African	Asian	Coloured	White	Total
None	0	0	0	0	0
Total number of Employees whose salaries exceeded the grades determine by job evaluation					None

3.5. 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.

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0%
Skilled (Levels 3-5)	22	3	1	4.5%
Highly skilled production (Levels 6-8)	67	7	3	4.5%
Highly skilled supervision (Levels 9-12)	77	0	2	2.6%
Senior Management Service Bands A	27	0	1	3.7%
Senior Management Service Bands B	12	0	0	0%
Senior Management Service Bands C	2	1	1	50%
Senior Management Service Bands D	0	1	0	0%
Contracts	0	0	0	0%
Total	207	12	8	3.9%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
N/A				

As outlined at Table 3.2.3 above, the NSG in this financial year does not have critical occupations as stipulated in the CORE and does not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 and 31 March 2020

Termination Type	Number	% of Total Resignations
Death		
Resignation	6	
Expiry of contract		
Dismissal – operational changes		
Dismissal – misconduct		
Dismissal – inefficiency		
Discharged due to ill-health	1	
Retirement		
Transfer to other Public Service Departments	1	
Total	8	100%
Total number of employees who left as a % of total employment	8/207	3.8%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020

Promotions	Number
<i>Promotions by critical occupation</i>	None

As outlined at Table 3.2.3 above, the NSG in this financial year do not have critical occupations as stipulated in the CORE and do not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020

Salary Band	Employees 1 April 2019	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level (Grade Progressions)	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	0	0	0%	0	0%
Skilled (Levels3-5)	22	1	4.5%	0	0%
Highly skilled production (Levels 6-8)	67	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	77	1	1.3%	0	0%
Senior Management (Level 13-16)	41	0	0%	0	0%
Total	207	2	1%	0	0%

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	14	0	2	3	12	3	4	5	43
Professionals	26	2	3	3	33	2	0	5	74
Technicians and associate professionals	27	0	0	1	40	2	1	2	73
Clerks	9	0	0	0	11	2	0	0	22
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	76	2	5	7	96	9	5	12	212
Employees with disabilities	3	0	2	0	1	0	0	0	6

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	1	0	0	0	3
Senior Management	12	0	2	3	11	3	4	5	40
Professionally qualified and experienced specialists and mid-management	26	2	3	3	33	2	0	5	74
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	27	0	0	1	40	2	1	2	73
Semi-skilled and discretionary decision making	9	0	0	0	11	2	0	0	22
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	76	2	5	7	96	9	5	12	212

Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management supervisors, foreman and superintendents	7	0	0	0	0	0	0	0	7
Semi-skilled and discretionary decision making	3	0	0	0	0	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	11	0	0	0	1	0	0	0	12
Employees with disabilities	0	0	0	0	0	0	0	0	0

Although the NSG did not employ persons with disabilities during this financial year, all advertisements are also placed with recruitment agencies specialising in recruiting persons with disabilities as well as disability associations.

Table 3.6.4 Promotions for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	2	0	0	0	0	0	0	0	2
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	2	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	2	0	0	1	3
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	2	0	0	3	8
Employees with Disabilities	0	0	0	0	0	0	0	1	1

Table 3.6.6 Disciplinary action for the period 1 April 2019 to 31 March 2020

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None due to resignation	0	0	0	0	0	0	0	1	1

Table 3.6.7 Skills development for the period 1 April 2019 to 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	0	2	3	10	4	4	3	37
Professionals	20	2	2	2	26	1	0	3	56
Technicians and associate professionals	14	0	0	0	20	1	1	1	37
Clerks	8	0	0	0	8	0	0	0	16
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	53	2	4	5	64	6	5	7	146
Employees with disabilities	2	0	2	0	0	0	0	0	4

3.7. 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.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 July 2019

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 Salary Level 16	1	0	0	0%
Salary Level 15	3	1	1	100%
Salary Level 14	15	12	12	100%
Salary Level 13	29	27	27	100%
Total	48	40	40	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 July 2019

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 July 2019

Reasons
N/A

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	103	172	59.9%	1,393	13
Male	40	76	52.6%	626	16
Female	63	96	65.6%	767	12
Asian	6	10	60%	115	19
Male	2	5	40%	40	20
Female	4	5	80%	75	18
Coloured	6	11	54.5%	89	15
Male	0	2	0%	0	0
Female	6	9	66.6%	89	15
White	15	19	78.9%	280	19
Male	4	7	57.1%	75	19
Female	11	12	91.7%	205	19
Total	130	212	61.3%	1,877	14

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0%	0	0	0%
Skilled (Level 3-5)	3	22	13.6%	12	4	0%
Highly skilled production (Level 6-8)	47	73	64.4%	309	7	1%
Highly skilled supervision (Level 9-12)	49	74	66.2%	837	17	0%
Total	99	169	58.6%	1,158	12	1.2%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
N/A	1	7	14.3%	59	59

As outlined at Table 3.2.3 above, the NSG in this financial year do not have critical occupations as stipulated in the CORE and do not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	21	28	75%	430	20	1.3%
Band B	9	12	75%	230	26	1.2%
Band C	1	2	50%	59	59	2.7%
Band D	0	1	0%	0	0	0%
Total	31	43	72%	719	23	1.3%

3.9 Foreign Workers

No foreign workers were employed in the NSG during this period.

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0%	0	0%	0	0.00
Skilled (Levels 3-5)	118	60.2%	19	79.1%	6	108
Highly skilled production (Levels 6-8)	689	74.7%	75	100%	9	993
Highly skilled supervision (Levels 9 -12)	714	78.9%	75	100%	10	2,111
Top and Senior management (Levels 13-16)	334	73.7%	38	92.7%	9	1,585
Total	1,855	75.3%	207	100%	9	4,797

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

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)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0.00
Skilled (Levels 3-5)	0	0%	0	0%	0	0.00
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0.00
Highly skilled supervision (Levels 9-12)	82	100%	2	2.7%	41	251
Senior management (Levels 13-16)	0	0%	0	0%	0	0.00
Total	82	100%	2	1%	41	251

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

Table 3.10.3 Annual Leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	377	20	19
Highly skilled production (Levels 6-8)	1798	77	23
Highly skilled supervision (Levels 9-12)	2124	92	23
Senior management (Levels 13-16)	1151	44	26
Total	5450	233	23

Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2019

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
Lower skilled (Levels 1-2)				0
Skilled (Levels 3-5)				3.5
Highly skilled production (Levels 6-8)				18.1
Highly skilled supervision (Levels 9-12)				49.3
Senior management (Levels 13-16)	21	1	21	41.6
Total	21	1	21	39.5

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

Table 3.10.5 Leave payouts for the period 1 April 2019 and 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2019/20 due to non-utilisation of leave for the previous cycle	0.00	0	0.00
Capped leave payouts on termination of service for 2019/20	0.00	0	0.00
Current leave payout on termination of service for 2019/20	199	5	40
Total	199	5	40

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in the Regulations If so, provide her/his name and position?	√		The Director: HRM&D is responsible for the Health Promotion and HIV/AIDS Programmes
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Two staff members with annual salaries of R1,212,386 The budget allocated for programme activities is R126,029.16 Total budget R1,338,415.16

Question	Yes	No	Details, if yes
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		<ul style="list-style-type: none"> • Professional Support Line Service via a 24/7/365 Call Centre • Personal Counselling (face-to-face) • Life Management™ Services - This service includes access to a telephonic Life Management™ service offering information and assistance on legal problems, financial concerns and family matters • A Critical Incident service • HIV/AIDS education, counselling and support • Managerial Consultancy • Online Wellness Programme • Monthly awareness sessions • Bi-Annually Health Screening
4. Has the department established (a) committee(s) as contemplated in the Regulations If so, please provide the names of the members of the committee and the stakeholder(s) that they represent?	√		Wellness matters are discussed as part of the HR 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.	√		The approved policy for the management of HIV/AIDS, TB & STIs Operational Plan incorporates elements of non-discrimination in the workplace
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.	√		<ul style="list-style-type: none"> • The policy clearly outlines non-discriminatory practices and disciplinary action against perpetrators • HIV testing is conducted in private and by qualified professionals • Advocacy and awareness programmes on key calendar days that focus on HIV issues are implemented
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	√		Bi-annual HIV Counselling and Testing (HCT) implemented and 16.5% of staff were tested during the reporting period
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		<ul style="list-style-type: none"> • Quarterly and annual reports are received from the outsourced service providers • Quarterly and Annual HIV/AIDS Operational Plan Reports are submitted internally and to the DPSA • Quarterly HCT reports submitted internally and to the DPSA

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2019 and 31 March 2020

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn (terminated due to resignation)	1	1
Total	1	1

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020

Type of misconduct	Number	% of total
Contravention of the NSG sexual harassment policy	1	100%
Total	1	100%

Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	7	53.8%
Number of grievances not resolved	6	46.2%
Total number of grievances lodged	13	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 and 31 March 2020

Disputes	Number	% of Total
Number of disputes upheld	1	50%
Number of disputes dismissed	1	50%
Total number of disputes lodged	2	100%

Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020

Strike actions	None
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Table 3.12.7 Precautionary suspensions for the period 1 April 2019 and 31 March 2020

Number of people suspended	None
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3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training (Bursaries)	Total
Legislators, senior officials and managers	Female	23		23	6	29
	Male	18		19	2	21
Professionals	Female	42		24	4	28
	Male	35		27	7	34
Technicians and associate professionals	Female	47		33	15	48
	Male	20		24	5	29
Clerks	Female	14		0	1	1
	Male	8		3	4	7
Service and sales workers	Female	0		0	0	0
	Male	0		0	0	0
Skilled agriculture and fishery workers	Female	0		0	0	0
	Male	0		0	0	0
Craft and related trades workers	Female	0		0	0	0
	Male	0		0	0	0
Plant and machine operators and assemblers	Female	0		0	0	0
	Male	0		0	0	0
Elementary occupations	Female	0		0	0	0
	Male	0		0	0	0
Sub Total	Female	126		80	26	106
	Male	81		73	18	91
Total		207		153	44	197

Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training (Bursaries)	Total
Legislators, senior officials and managers	Female	23		21	4	0
	Male	18		16	3	0
Professionals	Female	42		30	8	0
	Male	35		26	5	0
Technicians and associate professionals	Female	47		23	16	0
	Male	20		14	10	0
Clerks	Female	14		8	1	0
	Male	8		8	2	0
Service and sales workers	Female	0		0	0	0
	Male	0		0	0	0
Skilled agriculture and fishery workers	Female	0		0	0	0
	Male	0		0	0	0
Craft and related trades workers	Female	0		0	0	0
	Male	0		0	0	0
Plant and machine operators and assemblers	Female	0		0	0	0
	Male	0		0	0	0
Elementary occupations	Female	0		0	0	0
	Male	0		0	0	0
Sub Total	Female	126		82	29	111
	Male	81		64	20	84
Total		207		146	49	195

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2019 and 31 March 2020

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

3.15. Utilisation of Consultants

The following tables relates 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:

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 and 31 March 2020

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Internal Audit Service	1	12 months	656,260.68
Audit Committee Members	4	ad hoc	279,940.50
Training of National and Provincial departments and Local Government	129	ad hoc	26,726,936.17
IT Outsourced Services	1	12 months	2,002,627.56

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Verification of Qualification : SAQA	1	ad hoc	18,897.20
Verification of BBBEE status	1	ad hoc	51,750.00
Curriculum Design: Blue Oceans Information Solutions	1	ad hoc	483,000.00
Curriculum Design: Fuse IT	1	ad hoc	305,900.00
Curriculum Design: Madimetja FMDP Public Service	1	ad hoc	228,000.00
Curriculum Design: Weinvest	1	ad hoc	117,500.00
Curriculum Design: Gezani Dick Bvuma	1	ad hoc	171,000.00
Curriculum Design: De Waal Research and Development	1	ad hoc	237,970.00
Curriculum Design: Cat Admin	1	ad hoc	87,450.00
Curriculum Design: Lokisa	1	ad hoc	312,000.00
Curriculum Design: Kula Development and Business	1	ad hoc	497,100.00
Curriculum Design: Gillian Elizabeth MC	1	ad hoc	30,000.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Internal Audit Service: Lunika	100%	100%	2
IT Outsourced Services: Bytes System Integration	54.33%	54.33%	5
Verification of BBBEE status: Honeycomb	51%	51%	1
Curriculum Design: Blue Oceans Information Solutions	51%	51%	1
IT Consultants: Fuse IT	51%	51%	1

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Curriculum Design: Madimetja FMDP Public Service	100%	100%	1
Curriculum Design: Weinvest	100%	100%	1
Curriculum Design: Gezani Dick Bvuma	100%	100%	1
Curriculum Design: De Waal Research and Development	100%	100%	1
Curriculum Design: Cat Admin	0	0	0
Curriculum Design: Lokisa	100%	100%	1
Curriculum Design: Kula Development and Business	100%	100%	1
Curriculum design: Gillian Elizabeth McEwan	100%	100%	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2019 and 31 March 2020

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Development of enterprise architecture for the NSG (ICT support services)	4	24 months	7,217,818.00
Development of a diagnostic tool for the NSG to identify development needs at the workplace	3	18 months	2,849,400.00
Evaluation of cost-recovery revenue generation of the NSG Funding model	2	7 months	1,589,422.00
Implementation evaluation of the BB2E programme	3	9 months	2,726,395.00
Development of research approaches to provide Case Studies for evidence-based learning	4	18 months	4,488,691.00
Development of coaching and mentoring programmes, systems and rollout	3	19 months	2,051,972.00
Programme communication and visibility	4	24 months	4,117,808.00
Technical expertise and implementation support for the NSG	9	24months	51 958 393,20

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Development of enterprise architecture for the NSG (ITC support services)	-	-	0
Development of a diagnostic tool for the NSG to identify development needs at the workplace	-	-	1
Evaluation of cost-recovery revenue generation of the NSG Funding model	-	-	1
Implementation evaluation of the BB2E programme	-	-	3
Development of research approaches to provide Case Studies for evidence-based learning	-	-	1
Development of coaching and mentoring programmes, systems and rollout	-	-	3
Programme communication and visibility	-	-	2
Technical expertise and implementation support for the NSG	-	-	6

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 and 31 March 2020

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

Part E:

Financial Information



Report of the Auditor-General to Parliament on vote no. 10(a): National School of Government

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National School of Government, set out on pages 105 to 155, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National School of Government as at 31 March 2020, and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the department in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 156 to 163 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

8. 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.

9. In preparing the financial statements, the accounting officer is responsible for assessing the department'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

10. 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.
11. 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

12. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do 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.

14. 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 2020:

Programmes	Pages in the annual performance report
Programme 2: Public Sector Organisational and Staff Development	49-57

15. 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2: Public Sector Organisational and Staff Development.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 105 to 163 for information on the achievement of planned targets for the year and explanations provided for the under- and overachievement of a number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2: Public Sector Organisational and Staff Development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

22. 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.

23. 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.

24. 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.

25. 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

26. 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. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

23 October 2020



AUDITOR - GENERAL
SOUTH AFRICA

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 relating to events or conditions that may cast significant doubt on the ability of the National School of Government 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 my 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 operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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, actions taken to eliminate threats or safeguards applied.

NATIONAL SCHOOL OF GOVERNMENT

VOTE 10a

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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Appropriation per programme									
2019/20								2018/19	
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	100,441	-	-	100,441	95,522	4,919	95.1%	98,779	96,622
2. Public Sector Organisational and Staff Development	87,464	-	-	87,464	87,464	-	100.0%	70,180	70,180
TOTAL	187,905	-	-	187,905	182,986	4,919	97.4%	168,959	166,802
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				347				153	
Aid assistance				11,391				11,180	
Actual amounts per statement of financial performance (total revenue)				199,643				180,292	
ADD: Aid assistance					8,734				7,590
Actual amounts per statement of financial performance (total expenditure)					191,720				174,392

Appropriation per economic classification									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	97,188	(102)	-	97,086	93,103	3,983	95.9%	95,616	94,647
Compensation of employees	58,416	(102)	-	58,314	55,207	3,107	94.7%	54,906	54,228
Salaries and wages	51,729	(102)	-	51,627	48,520	3,107	94.0%	48,409	47,731
Social contributions	6,687	-	-	6,687	6,687	-	100.0%	6,497	6,497
Goods and services	38,772	-	-	38,772	37,896	876	97.7%	40,710	40,419
Administrative fees	150	(83)	-	67	67	-	100.0%	356	356
Advertising	1,018	(798)	-	220	220	-	100.0%	399	399
Minor assets	250	(74)	-	176	176	-	100.0%	281	281
Audit costs: External	4,677	(997)	-	3,680	3,680	-	100.0%	4,314	4,314
Bursaries: Employees	831	(212)	-	619	619	-	100.0%	530	530
Catering: Departmental activities	268	(125)	-	143	143	-	100.0%	216	216
Communication (G&S)	785	(93)	-	692	692	-	100.0%	632	632
Computer Services	6,088	154	-	6,242	6,242	-	100.0%	6,560	6,560
Consultants: Business and advisory services	1,080	(126)	-	954	954	-	100.0%	1,199	908
Legal services	254	(162)	-	92	92	-	100.0%	62	62
Contractors	702	277	-	979	979	-	100.0%	605	605
Agency and support/outsourced services	55	-	-	55	55	-	100.0%	315	315
Entertainment	5	(5)	-	-	-	-	100.0%	18	18
Fleet services	701	(471)	-	230	230	-	100.0%	256	256
Consumable supplies	485	510	-	995	995	-	100.0%	812	812

Appropriation per economic classification									
2019/20								2018/19	
	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
Consumable: Stationery, printing and office supplies	1,077	912	-	1,989	1,989	-	100.0%	690	690
Operating leases	10,936	1,807	-	12,743	12,743	-	100.0%	16,294	16,294
Property payments	4,973	(433)	-	4,540	4,386	154	96.6%	3,670	3,670
Travel and subsistence	2,390	(431)	-	1,959	1,237	722	63.1%	1,388	1,388
Training and development	584	636	-	1,220	1,220	-	100.0%	1,387	1,387
Operating payments	1,380	(490)	-	890	890	-	100.0%	726	726
Venues and facilities	66	182	-	248	248	-	100.0%	-	-
Rental and hiring	17	22	-	39	39	-	100.0%	-	-
Transfers and subsidies	87,464	102	-	87,566	87,566	-	100.0%	70,236	70,236
Departmental agencies and accounts	87,464	-	-	87,464	87,464	-	100.0%	70,180	70,180
Households	-	102	-	102	102	-	100.0%	56	56
Payments for capital assets	3,253	-	-	3,253	2,317	936	71.2%	3,107	1,919
Machinery and equipment	3,253	-	-	3,253	2,317	936	71.2%	3,107	1,919
Other machinery and equipment	3,253	-	-	3,253	2,317	936	71.2%	3,107	1,919
Total	187,905		-	187,905	182,986	4,919	97.4%	168,959	166,802

Detail Per Programme 1 – Administration									
2019/20								2018/19	
Programme per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Management	18,083	(555)	-	17,528	15,389	2,139	87.8%	16,380	15,411
1.2 Corporate Services	66,589	555	-	67,144	64,518	2,626	96.1%	63,438	62,250
1.3 Property Management	15,769	-	-	15,769	15,615	154	99.0%	18,961	18,961
Total	100,441	-	-	100,441	95,522	4,919	95.1%	98,779	96,622

Detail Per Programme 1 – Administration									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	97,188	(102)	-	97,086	93,103	3,983	95.9%	95,616	94,647
Compensation of employees	58,416	(102)	-	58,314	55,207	3,107	94.7%	54,906	54,228
Salaries and wages	51,729	(102)	-	51,627	48,520	3,107	94.0%	48,409	47,731
Social contributions	6,687	-	-	6,687	6,687	-	100.0%	6,497	6,497
Goods and services	38,772	-	-	38,772	37,896	876	97.7%	40,710	40,419
Administrative fees	150	(83)	-	67	67	-	100.0%	356	356
Advertising	1,018	(798)	-	220	220	-	100.0%	399	399
Minor assets	250	(74)	-	176	176	-	100.0%	281	281
Audit costs: External	4,677	(997)	-	3,680	3,680	-	100.0%	4,314	4,314
Bursaries: Employees	831	(212)	-	619	619	-	100.0%	530	530

Detail Per Programme 1 – Administration									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	268	(125)	-	143	143	-	100.0%	216	216
Communication (G&S)	785	(93)	-	692	692	-	100.0%	632	632
Computer services	6,088	154	-	6,242	6,242	-	100.0%	6,560	6,560
Consultants: Business and advisory services	1,080	(126)	-	954	954	-	100.0%	1,199	908
Legal services	254	(162)	-	92	92	-	100.0%	62	62
Contractors	702	277	-	979	979	-	100.0%	605	605
Agency and support/outsourced services	55	-	-	55	55	-	100.0%	315	315
Entertainment	5	(5)	-	-	-	-	100.0%	18	18
Fleet services	701	(471)	-	230	230	-	100.0%	256	256
Consumable supplies	485	510	-	995	995	-	100.0%	812	812
Consumable: Stationery, printing and office supplies	1,077	912	-	1,989	1,989	-	100.0%	690	690
Operating leases	10,936	1,807	-	12,743	12,743	-	100.0%	16,294	16,294
Property payments	4,973	(433)	-	4,540	4,386	154	96.6%	3,670	3,670
Travel and subsistence	2,390	(431)	-	1,959	1,237	722	63.1%	1,388	1,388
Training and development	584	636	-	1,220	1,220	-	100.0%	1,387	1,387
Operating payments	1,380	(490)	-	890	890	-	100.0%	726	726
Venues and facilities	66	182	-	248	248	-	100.0%	-	-
Rental and hiring	17	22	-	39	39	-	100.0%	-	-

Detail Per Programme 1 – Administration									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies to:	-	102	-	102	102	-	100.0%	56	56
Households	-	102	-	102	102	-	100.0%	56	56
Payment for capital assets	3,253	-	-	3,253	2,317	936	71.2%	3,107	1,919
Machinery and equipment	3,253	-	-	3,253	2,317	936	71.2%	3,107	1,919
Other machinery and equipment	3,253	-	-	3,253	2,317	936	71.2%	3,107	1,919
Total	100,441	-	-	100,441	95,522	4,919	95.1%	98,779	96,622

1.1 MANAGEMENT									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	18,083	(760)	-	17,323	15,184	2,139	87.7%	16,342	15,373
Compensation of employees	13,917	(96)	-	13,821	12,404	1,417	89.7%	13,131	12,453
Salaries and wages	12,677	(96)	-	12,581	11,164	1,417	88.7%	11,894	11,216
Social contributions	1,240	-	-	1,240	1,240	-	100.0%	1,237	1,237
Goods and services	4,166	(664)	-	3,502	2,780	722	79.4%	3,211	2,920
Administrative fees	54	(54)	-	-	-	-	100.0%	15	15
Advertising	592	(481)	-	111	111	-	100.0%	393	393
Minor Assets	-	11	-	11	11	-	100.0%	-	-
Catering: Departmental activities	131	(89)	-	42	42	-	100.0%	76	76
Communication (G&S)	249	(93)	-	156	156	-	100.0%	153	153
Computer Services	-	154	-	154	154	-	100.0%	156	156
Consultants: Business and advisory services	656	-	-	656	656	-	100.0%	877	586
Legal Services	-	14	-	14	14	-	100.0%	31	31
Contractors	59	(59)	-	-	-	-	100.0%	9	9
Agency and support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	5	(5)	-	-	-	-	-	18	18
Fleet services	87	(84)	-	3	3	-	100.0%	4	4
Consumable supplies	34	260	-	294	294	-	100.0%	75	75

1.1 MANAGEMENT									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	98	51	-	149	149	-	100.0%	55	55
Operating leases	65	(1)	-	64	64	-	100.0%	62	62
Travel and subsistence	1,646	(168)	-	1,478	756	722	51.2%	1,019	1,019
Training and development	-	-	-	-	-	-	-	24	24
Operating payments	430	(113)	-	317	317	-	100.0%	244	244
Venues and facilities	53	-	-	53	53	-	100.0%	-	-
Rental and hiring	7	(7)	-	-	-	-	-	-	-
Transfers and subsidies to:	-	96	-	96	96	-	100.0%	38	38
Households	-	96	-	96	96	-	100.0%	38	38
Payment for capital assets	-	109	-	109	109	-	100.0%	-	-
Machinery and equipment	-	109	-	109	109	-	100.0%	-	-
Other machinery and equipment	-	109	-	109	109	-	100.0%	-	-
Total	18,083	(555)	-	17,528	15,389	2,139	87.8%	16,380	15,411

1.2 CORPORATE SERVICES									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	63,336	658	-	63,994	62,304	1,690	97.4%	60,313	60,313
Compensation of employees	44,499	(6)	-	44,493	42,803	1,690	96.2%	41,775	41,775
Salaries and wages	39,052	(6)	-	39,046	37,356	1,690	95.7%	36,515	36,515
Social contributions	5,447	-	-	5,447	5,447	-	100.0%	5,260	5,260
Goods and services	18,837	664	-	19,501	19,501	-	100.0%	18,538	18,538
Administrative fees	96	(29)	-	67	67	-	100.0%	341	341
Advertising	426	(317)	-	109	109	-	100.0%	6	6
Minor assets	250	(85)	-	165	165	-	100.0%	281	281
Audit costs: External	4,677	(997)	-	3,680	3,680	-	100.0%	4,314	4,314
Bursaries: Employees	831	(212)	-	619	619	-	100.0%	530	530
Catering: Departmental activities	137	(36)	-	101	101	-	100.0%	140	140
Communication (G&S)	536	-	-	536	536	-	100.0%	479	479
Computer services	6,088	-	-	6,088	6,088	-	100.0%	6,404	6,404
Consultants: Business and advisory services	424	(126)	-	298	298	-	100.0%	322	322
Legal services	254	(176)	-	78	78	-	100.0%	31	31
Contractors	643	336	-	979	979	-	100.0%	596	596
Agency and support/outsourced services	55	-	-	55	55	-	100.0%	315	315
Fleet services	614	(387)	-	227	227	-	100.0%	252	252
Consumable supplies	451	250	-	701	701	-	100.0%	737	737

1.2 CORPORATE SERVICES									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	979	861	-	1,840	1,840	-	100.0%	635	635
Operating leases	75	1,375	-	1,450	1,450	-	100.0%	941	941
Travel and subsistence	744	(263)	-	481	481	-	100.0%	369	369
Training and development	584	636	-	1,220	1,220	-	100.0%	1,363	1,363
Operating payments	950	(377)	-	573	573	-	100.0%	482	482
Venues and facilities	13	182	-	195	195	-	100.0%	-	-
Rental and hiring	10	29	-	39	39	-	100.0%	-	-
Transfers and subsidies to:	-	6	-	6	6	-	100.0%	18	18
Households	-	6	-	6	6	-	100.0%	18	18
Payment for capital assets	3,253	(109)	-	3,144	2,208	936	70.2%	3,107	1,919
Machinery and equipment	3,253	(109)	-	3,144	2,208	936	70.2%	3,107	1,919
Other machinery and equipment	3,253	(109)	-	3,144	2,208	936	70.2%	3,107	1,919
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	66,589	555	-	67,144	64,518	2,626	96.1%	63,438	62,250

1.3 PROPERTY MANAGEMENT									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	15,769	-	-	15,769	15,615	154	99.0%	18,961	18,961
Goods and services	15,769	-	-	15,769	15,615	154	99.0%	18,961	18,961
Operating leases	10,796	433	-	11,229	11,229	-	100.0%	15,291	15,291
Property payments	4,973	(433)	-	4,540	4,386	154	96.6%	3,670	3,670
Total	15,769	-	-	15,769	15,615	154	99.0%	18,961	18,961

Detail Per Programme 2 – Public Sector Organisational and Staff Development									
2019/20								2018/19	
Programme per sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Augmentation to the Training Trading Account	87,464	-	-	87,464	87,464	-	100.0%	70,180	70,180
Total	87,464	-	-	87,464	87,464	-	100.0%	70,180	70,180

Detail Per Programme 2 – Public Sector Organisational and Staff Development									
Economic Classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	87,464	-	-	87,464	87,464	-	100.0%	70,180	70,180
Departmental agencies & accounts	87,464	-	-	87,464	87,464	-	100.0%	70,180	70,180
Total	87,464	-	-	87,464	87,464	-	100.0%	70,180	70,180

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

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

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	100,441	95,522	4,919	4.90%
Public Sector Organisational and Staff Development	87,464	87,464	-	0.00%
Total	187,905	182,986	4,919	2.62%

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	58,314	55,207	3,107	5.33%
Goods and services	38,772	37,896	876	2.26%
Transfers and subsidies				
Departmental agencies and accounts	87,464	87,464	-	0.00%
Households	102	102	-	0.00%
Payments for capital assets				
Machinery and equipment	3,253	2,317	936	28.77%
Total	187,905	182,986	4,919	2.62%

The under expenditure on compensation of employees relates to vacancies in the organisation. For Payments for Capital Assets relates to planned procurement of capital assets that could not happen in time. The under expenditure on goods and services relate to savings on operational costs due to cost cutting measures (e.g less travel)

	Note	2019/20	2018/19
		R'000	R'000
REVENUE			
Annual appropriation	1	187,905	168,959
Departmental revenue	2	347	153
Aid Assistance	3	11,391	11,180
TOTAL REVENUE		199,643	180,292
EXPENDITURE			
Current expenditure			
Compensation of employees	4	55,207	54,228
Goods and services	5	37,896	40,419
Aid Assistance	3	8,734	7,175
Total current expenditure		101,837	101,822
Transfers and subsidies			
Transfers and subsidies	6	87,566	70,236
Expenditure for capital assets			
Tangible capital assets		2,317	1,944
Software and other intangible assets		-	390
Total expenditure for capital assets	7	2,317	2,334
Payments for financial assets			-
TOTAL EXPENDITURE		191,720	174,392
SURPLUS/(DEFICIT) FOR THE YEAR		7,923	5,900
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds - Annual appropriation	11	4,919	2,157
Departmental revenue and NRF Receipts	2	347	153
Aid Assistance	3	2,657	3,590
SURPLUS/(DEFICIT) FOR THE YEAR		7,923	5,900

	Note	2019/20	2018/19
		R'000	R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	8,856	4,131
Prepayments and advances	9	-	7
Receivables	10	815	437
Aid assistance receivable	3	-	-
TOTAL ASSETS		9,671	4,575
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11	4,919	2,157
Departmental revenue to be surrendered to the Revenue Fund	12	40	3
Payables	13	2,055	985
Aid assistance repayable	3	2,657	1,430
TOTAL LIABILITIES		9,671	4,575

	Note	2019/20	2018/19
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		199,574	180,276
Annual appropriated funds received	1	187,905	168,959
Departmental revenue received	2	197	63
Interest received	2.2	81	74
Aid assistance received	<i>Annex 1C</i>	11,391	11,180
Net (increase)/decrease in working capital		699	554
Surrendered to Revenue Fund		(2,467)	(399)
Surrendered to RDP fund/Donor		(1,430)	-
Current payments		(101,837)	(101,822)
Transfers and subsidies paid		(87,566)	(70,236)
Net cash flow available from operating activities	14	6,973	8,373
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(2,317)	(2,334)
Proceeds from sale of capital assets	2.4	69	16
Net cash flows from investing activities		(2,248)	(2,318)
Net increase/(decrease) in cash and cash equivalents		4,725	6,055
Cash and cash equivalents at beginning of period		4,131	(1,924)
Cash and cash equivalents at end of period	15	8,856	4,131

Summary of significant accounting policies

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

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

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

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.

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 / 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 Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10 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.

11 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.

12 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.

13 Investments

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

14 Financial Assets

14.1 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.

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.

14.2 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.

15 Payables

Loans and payables are recognised in the statement of financial position at cost.

16 Capital Assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 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 is measured at fair value as at the date of acquisition.

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

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

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

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

16.3 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.

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

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

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

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

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

16.4 Project Costs: Work-in-progress

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

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use.

Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

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

17 Provisions and Contingents

17.1 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.

17.2 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.

17.3 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.

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18 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.

19 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.

20 Irregular expenditure

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

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

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

21 Changes in accounting policies, accounting estimates and errors

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

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

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

22 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.

23 Departures from the MCS requirements

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

24 Capitalisation reserve

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

25 Recoverable revenue

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

26 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.

27 Inventories (*Effective from date determined in a Treasury Instruction*)

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

28 Public-Private Partnerships

Public Private Partnerships 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.

29 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.

1. Annual appropriation

1.1 Annual appropriation

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

	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	
Administration	100,441	100,441	-	98,779	98,779	-
Public Sector organisational And staff	87,464	87,464	-	70,180	70,180	-
Total	187,905	187,905	-	168,959	168,959	-

2. Departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	2.1	44	41
Interest, dividends and rent on land	2.2	81	74
Transactions in financial assets and liabilities	2.3	153	22
Sales of capital assets	2.4	69	16
Total revenue collected		347	153
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		347	153

2.1 Sales of goods and services other than capital assets

Sales by market establishment - parking
 Other sales - commission
 Sale of scrap, waste and other used goods

Total

Note	2019/20	2018/19
	R'000	R'000
	1	1
	43	40
	-	-
	44	41

2.2 Interest, dividends and rent on land

Interest on bank accounts

Total

81	74
81	74

2.3 Transactions in financial assets and liabilities

Receipts-Recoverable Revenue of previous year expenditure

Total

153	22
153	22

2.4 Sales of capital assets

Tangible assets

Machinery and equipment

Total

69	16
69	16

3. Aid assistance

Opening Balance
 Transferred from statement of financial performanc
 Paid during the year

Closing Balance

	1,430	(2,160)
<i>Annex 1c</i>	2,657	3,590
	(1,430)	-
	2,657	1,430

	Note	2019/20	2018/19
		R'000	R'000
3.1 Analysis of balance by source			
Aid assistance from RDP	<i>Annex 1c</i>	2,657	1,430
Closing balance		2,657	1,430
3.2 Analysis of balance			
Aid assistance repayable	<i>Annex 1c</i>	2,657	1,430
Closing balance		2,657	1,430
3.3 Aid assistance expenditure per economic classification			
Current		8,734	7,175
Capital	7.2	-	415
Total aid assistance expenditure		8,734	7,590
4. Compensation of employees			
4.1 Salaries and wages			
Basic salary		37,688	37,006
Performance award		673	746
Service Based		65	51
Compensative/circumstantial		599	436
Other non-pensionable allowances		9,495	9,492
Total		48,520	47,731

	Note	2019/20	2018/19
		R'000	R'000
4.2 Social contributions			
Employer contributions			
Pension		4,811	4,708
Medical		1,868	1,781
Bargaining council		8	8
Total		6,687	6,497
Total compensation of employees		55,207	54,228
Average number of employees		81	82
5. Goods and services			
Administrative fees		67	356
Advertising		220	399
Assets less than R5,000	5.1	176	281
Bursaries (employees)		619	530
Catering		143	216
Communication		692	632
Computer services	5.2	6,242	6,560
Consultants: Business and advisory services		954	908
Legal services		92	62
Contractors		979	605
Agency and support/outsourced services		55	315

	Note	2019/20	2018/19
		R'000	R'000
Entertainment		-	18
Audit cost – external	5.3	3,680	4,314
Fleet Services		230	256
Consumables	5.4	2,984	1,502
Operating leases		12,743	16,294
Property Payments	5.5	4,386	3,670
Rental and Hiring		39	-
Travel and subsistence	5.6	1,237	1,388
Venues and Facilities		248	-
Training and staff development		1,220	1,387
Other operating expenditure	5.7	890	726
Total		37,896	40,419

**Included in the goods and services expenditure is an amount of R35k which relates to Covid-19 expenditure.*

5.1 Assets less than R5,000

Tangible assets -Machinery and equipment	176	281
Intangible assets	-	-
Total	176	281

5.2 Computer services

SITA computer services	848	905
External computer service providers	5,394	5,655
Total	6,242	6,560

<i>Note</i>	2019/20	2018/19
	R'000	R'000
5.3 Audit cost – external		
Regularity audits	3,680	4,314
5.4 Consumables		
Uniform and clothing	1	-
Household Supplies	472	508
Other consumable materials	221	123
Communication accessories	251	1
IT Consumables	50	180
Stationery and printing	1,989	690
Total	2,984	1,502
5.5 Property payments		
Municipal services	1,533	993
Property management fees	89	33
Property maintenance and repairs	15	29
Other	2,749	2,615
Total	4,386	3,670
5.6 Travel and subsistence		
Local	798	776
Foreign	439	612
Total	1,237	1,388

5.7 Other operating expenditure

Professional bodies, membership and subscription fees

Other

Total

<i>Note</i>	2019/20	2018/19
	R'000	R'000
	52	46
	838	680
	890	726

6. Transfers and subsidies

Departmental agencies and accounts

Households

Total

<i>Annex 1A</i>	87,464	70,180
<i>Annex 1B</i>	102	56
	87,566	70,236

7. Expenditure for capital assets

Tangible assets - Machinery and equipment

Software and other intangible assets - Computer software

Total

<i>26.2/7.1</i>	2,317	1,944
<i>27.3/7.2</i>	-	390
	2,317	2,334

7.1 Analysis of funds utilised to acquire capital assets 2019/20

Tangible assets - Machinery and equipment

Software and other intangible assets

Total

Voted funds	Aid assistance	Total
R'000	R'000	R'000
2,317	-	2,317
-	-	-
2,317	-	2,317

7.2 Analysis of funds utilised to acquire capital assets 2018/19

Tangible assets - Machinery and equipment
 Software and other intangible assets - Computer software
Total

Voted funds	Aid assistance	Total
R'000	R'000	R'000
1,919	25	1,944
-	390	390
1,919	415	2,334

7.3 Finance lease expenditure included in expenditure for capital assets

Tangible assets

Machinery and equipment

Total

Note	2019/20	2018/19
	R'000	R'000

	-	12
Total	-	12

8. Cash and cash equivalents

Consolidated Paymaster General Account

Cash on hand

Total

	8,841	4,116
	15	15
Total	8,856	4,131

9. Prepayments and advances

Travel and subsistence

Total

	-	7
Total	-	7

	Note	2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
10. Receivables							
Claims recoverable	10.1	47	-	47	-	-	-
Staff debt	10.2	96	-	96	68	-	68
Other debtors	10.3	672	-	672	369	-	369
Total		815	-	815	437	-	437

	Note	2019/20	2018/19
		R'000	R'000
10.1 Claims recoverable			
National departments	Annex 4	47	-
Total		47	-
10.2 Staff debt			
Bursary Debts		38	8
Salary Overpayment		58	60
Total		96	68
10.3 Other debtors			
VAT		672	369
TAX		-	-
Total		672	369

	Note	2019/20	2018/19
		R'000	R'000
11. Voted funds to be surrendered to the Revenue Fund			
Opening balance		2,157	239
As restated		2,157	239
Transfer from statement of financial performance		4,919	2,157
Paid during the year		(2,157)	(239)
Closing balance		4,919	2,157
12. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		3	10
As restated		3	10
Transfer from Statement of Financial Performance		347	153
Paid during the year		(310)	(160)
Closing balance		40	3
13. Payables – current			
Amounts owing to other entities	<i>Annex 5</i>	2,055	985
Total		2,055	985

	Note	2019/20	2018/19
		R'000	R'000
14. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		7,923	5,900
Add back non cash/cash movements not deemed operating activities		(950)	2,473
(Increase)/decrease in receivables – current		(378)	220
(Increase)/decrease in prepayments and advances		7	(7)
Increase/(decrease) in payables – current		1,070	341
Proceeds from sale of capital assets	2.4	(69)	(16)
Expenditure on capital assets		2,317	2,334
Surrenders to Revenue Fund		(2,467)	(399)
Surrenders to RDP Fund/Donor		(1,430)	-
Net cash flow generated by operating activities		6,973	8,373
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		8,841	4,116
Cash on hand		15	15
Total		8,856	4,131
16. Contingent liabilities and contingent assets			
Claims against the department	Annex 3	492	320
Total		492	320

	Note	2019/20	2018/19
		R'000	R'000
17. Capital commitments			
Machinery & Equipment - approved and contracted		450	596
Software – approved and contracted		641	131
Total Commitments		1,091	727

18. Accruals

Listed by economic classification

	30 days	>30 Days	Total	Total
Goods and services	2,351	-	2,351	1,162
Other	15	-	15	-
Total	2,366	-	2,366	1,162

Listed by programme level

Programme 1 – Administration (Goods and services)	2,366	1,162
Programme 1 – Administration (Compensation)	-	-
	2,366	1,162

Confirmed balances with other government departments/entities	<i>Annex 5</i>	2,055	985
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	Note	2019/20	2018/19
		R'000	R'000
19. Employee benefits			
Leave entitlement		2,135	1,635
Service bonus (Thirteenth cheque)		1,551	1,439
Capped leave commitments		1,181	1,091
Performance awards		673	764
Other **		(9)	(33)
Total		5,531	4,896

**Negative leave relates to vacation leave taken in advance by employees amounting to R9 010.10.

20. Lease commitments

a. Operating leases expenditure

2019/20

Not later than 1 year

Later than 1 year and not later than 5 years

Total lease commitments

	Vehicles	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	235	754	989
Later than 1 year and not later than 5 years	93	1,194	1,287
Total lease commitments	328	1,948	2,276

2018/19

Not later than 1 year
 Later than 1 year and not later than 5 years

Total lease commitments

Vehicles	Machinery and equipment	Total
R'000	R'000	R'000
1,823	355	2,178
328	-	328
2,151	355	2,506

Vehicles - All Toyota contracts have been extended until the 100,000 km mark has been reached- on a month to month basis.

Machinery and Equipment – Lease of 13 photocopier machines.

Building lease - month to month expenditure due to the contract not finalised by DPW. Monthly amount paid is R2 522k.

b. Finance leases expenditure

2019/20

Not later than 1 year
 Later than 1 year and not later than 5 years

Total lease commitments

Vehicles	Machinery and equipment	Total
R'000	R'000	R'000
-	-	-
-	-	-
-	-	-

2018/19

Not later than 1 year
 Later than 1 year and not later than 5 years

Total lease commitments

Vehicles	Machinery and equipment	Total
R'000	R'000	R'000
-	4	4
-	-	-
-	4	4

Cellphones – The cellular phones are on a month to month contract. 3G contracts have been cancelled.

	Note	2019/20	2018/19
		R'000	R'000
21. Irregular expenditure			
21.1 Reconciliation of irregular expenditure			
Opening balance		1,258	788
As restated		-	-
Add: Irregular expenditure – relating to current year		-	470
Less: Prior year amounts condoned		(1,258)	-
Less: Current year amounts condoned		-	-
Irregular expenditure awaiting condonation		-	1,258
 Analysis of awaiting condonation per age classification			
Current year		-	470
Prior years		-	788
		-	1,258

21.2 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2019/20 R'000
Approval of physical security contract extension sought from and approved by the AO instead of National Treasury	National Treasury on 12/11/2019	940
The minimum threshold for local production and content not specified	National Treasury on 12/11/2019	318
Total		1,258

	Note	2019/20	2018/19
		R'000	R'000
22. Fruitless and wasteful expenditure			
22.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		11	-
Fruitless and wasteful expenditure – relating to current year		-	11
Closing balance		11	11
a. Analysis of awaiting resolution per economic classification			
Current		-	11
Total		-	11

23. Related party transactions

NSG VOTE 10a has a related party relationship with all the public sector entities falling within the portfolio of the Minister for Public Service and Administration. During the period under review related party transactions were entered into with the following entities.

Entity	Nature of transactions
Government Employees Medical Scheme	Provision of medical aid benefits
Department of Public Service & Administration	Transfer payment of voted funds
NSG Training Trading Account	Provision of training; Administration and maintenance of records
Public Service Commission	Under the same Minister
Centre for Public Service Innovation	Under the same Minister

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Payments made			
Goods and services		(2,431)	(2,137)
Total		(2,431)	(2,137)

Year end balances arising from revenue/payments

Receivable from related parties	(3)	(3)
Total	(3)	(3)

24. Key management personnel

	No. of Individuals	2019/20	2018/19
		R'000	R'000
Level 15 to 16	2	840	2,194
Level 14 (including CFO)	4	6,194	5,772
Total		7,034	7,966

25. Movable tangible capital assets

25.1 Movement in movable tangible capital assets per asset register for the year ended 31 March 2020

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	30,595	327	2,317	1,281	31,958
Computer equipment	18,488	310	1,459	1,247	19,010
Furniture and office equipment	8,304	10	-	10	8,304
Other machinery and equipment	3,803	7	858	24	4,644
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	30,595	327	2,317	1,281	31,958

Movable Tangible Capital Assets under investigation

Number	Value
R'000	R'000

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment 2 31

Lost assets under investigation.

25.2 Additions to movable tangible capital assets per asset register for the year ended 31 March 2020

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,317	-	-	-	2,317
Computer equipment	1,459	-	-	-	1,459
Furniture and office equipment	-	-	-	-	-
Other machinery and equipment	858	-	-	-	858
TOTAL	2,317	-	-	-	2,317

25.3 Disposals of movable tangible capital assets per asset register for the year ended 31 March 2020

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	940	341	1,281	69
Computer equipment	923	324	1,247	66
Furniture and office equipment	-	10	10	-
Other machinery and equipment	17	7	24	3
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	940	341	1,281	69

25.4 Movement in movable tangible capital assets per asset register for the year ended 31 March 2019

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	28,178	68	3,866	1,517	30,595
Computer equipment	16,542	68	3,329	1,451	18,488
Furniture and office equipment	8,285	-	42	23	8,304
Other machinery and equipment	3,351	-	495	43	3,803
TOTAL MOVABLE TANGIBLE ASSETS	28,178	68	3,866	1,517	30,595

R68k value adjustment is donor related purchases for prior year.

25.5 Movement in minor assets per the asset register for the year ended 31 March 2020

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	681	8,349	9,030
Value adjustments	-	11	11
Additions	-	180	180
-Disposals	(24)	(81)	(105)
TOTAL MINOR ASSETS	657	8,459	9,116
Number of minor assets at cost	907	3,340	4,247
TOTAL NUMBER OF MINOR ASSETS	907	3,340	4,247

Minor Capital Assets under investigation

Number	Value
	R'000

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Machinery and equipment	2	5
<i>Lost assets under investigation</i>		

25.6 Movement in minor assets per the asset register for the year ended 31 March 2019

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	686	8,166	8,852
Value Adjustments	-	-	-
Additions	-	291	291
Disposals	(5)	(108)	(113)
TOTAL MINOR ASSETS	681	8,349	9,030
Number of minor assets at cost	1,157	3,326	4,483
TOTAL NUMBER OF MINOR ASSETS	1,157	3,326	4,483

26. Intangible capital assets

26.1 Movement in intangible capital assets per asset register for the year ended 31 March 2020

	Opening balance	Current adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer software	11,737	-	-	177	11,560
TOTAL MOVABLE INTANGIBLE ASSETS	11,737	-	-	177	11,560

26.2 Movement in intangible capital assets per asset register for the year ended 31 March 2019

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	879	11,268	410	11,737
TOTAL INTANGIBLE CAPITAL ASSETS	879	11,268	410	11,737

26.3 Additions to Intangible Capital Assets per Asset Register For The Year Ended 31 March 2020

Computer software

TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS

Cash	Non-Cash	Total
R'000	R'000	R'000
-	-	-
-	-	-

26.4 Disposals of Intangible Capital Assets per Asset Register For The Year Ended 31 March 2020

Computer software

TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS

Cash	Non-Cash	Total
R'000	R'000	R'000
-	177	177
-	177	177

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NSG Training Trading Account	87,464	-	-	87,464	87,464	100.0%	70,180
Total	87,464	-	-	87,464	87,464	100.0%	70,180

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Social benefits – leave gratuity	102	-	-	102	102	100.0%	56
Total	102	-	-	102	102	100.0%	56

ANNEXURE 1C

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	SURRENDERED	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
European Union	Development of Strategic Partnerships with African Institutes of Administration & Management	1,430	(1,430)	11,391	(8,734)	2,657
Subtotal		1,430	(1,430)	11,391	(8,734)	2,657
Received in kind:						
European Union	Supply of equipment and software for the development of the Enterprise Architecture for the NSG	-	-	16,150	(16,150)	-
European Union	IT support services	-	-	1,444	(1,444)	-
European Union	Development of a diagnostic tool for the NSG to identify development needs at the workplace	-	-	538	(538)	-
European Union	Development of research approaches to provide Case Studies for evidence-based learning	-	-	2,332	(2,332)	-
European Union	Development of Specialised eLearning and face-to-face courses for the NSG	-	-	1,726	(1,726)	-
European Union	Breaking barriers to Entry" (BB2E) Programme Implementation for the EU NSG PSTCBP	-	-	3,666	(3,666)	-
European Union	Programme communication and visibility	-	-	1,235	(1,235)	-

NAME OF DONOR	PURPOSE	OPENING BALANCE	SURRENDERED	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
European Union	Evaluation of cost-recovery revenue generation of the NSG Funding model	-	-	636	(636)	-
European Union	Implementation evaluation of the BB2E programme	-	-	1,091	(1,091)	-
European Union	Development of coaching and mentoring programmes, systems and rollout	-	-	1,231	(1,231)	-
Subtotal		-	-	30,049	(30,049)	-
TOTAL		1,430	(1,430)	41,440	(38,783)	2,657

ANNEXURE 2

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Controlled entities									
NSG Training Trading Account	Training	-	-	56,328	21,088	1,954	841	-	-
TOTAL		-	-	56,328	21,088	1,954	841	-	-

*The R1,954 owed to the Trading account is due to re-allocation of the last transfer which was incorrectly posted in the new financial year.
The Investment amount for 2018/19 is restated.*

ANNEXURE 3

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
This is a claim by an employee of the NSG who is claiming remuneration for work of equal pay. He is claiming that he be paid on the same level as a Deputy Director retrospectively from the date of employment as an Assistant Director.	300	-	-	-	300
The plaintiff has issued summons against the NSG in the magistrate's court claiming an amount for the reasonable costs of repair and reasonable towing and storage charges in respect of her vehicle which allegedly collided with an NSG vehicle which was at the time driven by an employee of the NSG	20	-	-	-	20
The applicant for an advertised post of Deputy Director: Induction has referred an unfair labour practice dispute relating to promotion to the CCMA and is claiming protected promotion.	-	50	(50)	-	-
The employee sent a letter of demand demanding reinstatement to an acting position and payment of an acting allowance. She then referred the matter to the GPSSBC. In both the referrals forms, she is alleging that we have failed to reinstate her in an acting position; that she was unfairly demoted from her acting position and was never paid an acting allowance. Her demand is payment of an acting allowance in the last referral form.	-	172	-	-	172
TOTAL	320	222	(50)	-	492

ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
COGTA	-	-	47	-	47	-	-	-
	-	-	47	-	47	-	-	-
Other Government Entities								
TOTAL	-	-	47	-	47	-	-	-

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
SA Revenue Services	101	144	-	-	101	144	-	-
National School of Government (TTA)	1,954	841	-	-	1,954	841	-	-
TOTAL	2,055	985	-	-	2,055	985	-	-

ANNEXURE 6

INVENTORY

Inventories for the year ended 31 March 2020	Materials and Supplies	TOTAL
	R'000	R'000
Opening balance	1	1
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases – Cash	55	55
Add: Additions - Non-cash	-	-
(Less): Disposals	-	-
(Less): Issues	(54)	(54)
Add/(Less): Received current, not paid	-	-
(Paid current year, received prior year)	-	-
Add/(Less): Adjustments	-	-
Closing balance	2	2

ANNEXURE 6

INVENTORY (CONTINUED)

Inventories for the year ended 31 March 2019	Materials and Supplies	TOTAL
	R'000	R'000
Opening balance	2	2
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases – Cash	334	334
Add: Additions - Non-cash	(2)	(2)
(Less): Disposals	-	-
(Less): Issues	(333)	(333)
Add/(Less): Received current, not paid	-	-
(Paid current year, received prior year)	-	-
Add/(Less): Adjustments	-	-
Closing balance	1	1

Report of the Auditor-General to Parliament on National School of Government Training Trading Account

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National School of Government Training Trading Account (NSG TTA) set out on pages 169 to 210, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and of statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, financial position of the National School of Government Training Trading Account as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the entity in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Events after reporting date

7. I draw attention to note 20 in the financial statements, which deals with events after reporting date and specifically the possible effects of the future implications of Covid-19 on the entity's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances. My opinion is not modified in respect of this matter.

Responsibilities of accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP 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.

9. In preparing the financial statements, the accounting officer is responsible for assessing the entity’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 entity or to cease operations, or has no realistic alternative but to do so.

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

10. 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.

11. 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

12. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures also do 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.

14. 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 programme presented in the annual performance report of the entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – Public Sector Organisational and Staff Development	49 – 57

15. 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.

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 2 – Public Sector Organisational and Staff Development

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on page(s) 49 to 59 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of public sector organisation and staff development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

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

Consequence management

22. Investigations were not conducted into all allegations of financial misconduct committed by some of the officials, as required by treasury regulation 4.1.1.

Other information

23. 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 the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

24. 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.

25. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. 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

27. 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 matter reported below is limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.
28. The entity did not always review and monitor compliance with applicable legislation. There was non-compliance relating to consequence management as investigations were not conducted for all reported instances.

Auditor - General

Pretoria

23 October 2020



AUDITOR - GENERAL
SOUTH AFRICA

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 programme and on the entity’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 entity’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 relating to events or conditions that may cast significant doubt on the ability of the National School of Government Training Trading Account 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 my 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 an entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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, actions taken to eliminate threats or safeguards applied.

NATIONAL SCHOOL OF GOVERNMENT

TRAINING TRADING ACCOUNT
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

General Information

Country of incorporation and domicile

South Africa

Executive Management

Mr Busani Ngcaweni
Dr Botshabelo Maja
Prof Thean Potgieter
Ms Phindile Mkwanazi
Ms Louise Lapan

Business address

ZK Matthews Building
70 Meintjies Street
Sunnyside
Pretoria
0001

Postal address

Private Bag X759
Pretoria
0001

Bankers

ABSA Bank

Auditors

Auditor-General South Africa

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The reports and statements set out below comprise the annual financial statements presented to the Parliament:

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Statement of Responsibility

The Accounting Officer is responsible for the preparation and integrity of the financial statements and related information included in the annual report. In order for the Accounting Officer to discharge these responsibilities, as well as those bestowed on him in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and other applicable legislation, he has developed, and maintains, a system of internal controls.

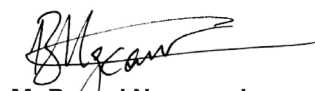
The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions executed and recorded in accordance with generally accepted business practices, as well as the entity's policies and procedures. Monitoring of these controls includes a regular review of their operations by the accounting officer and independent oversight by an audit committee.

The Auditor-General, as external auditor, is responsible for reporting on the financial statements.

The financial statements are prepared in accordance with Generally Recognised Accounting Practice (GRAP) and incorporate disclosure in line with the accounting philosophy of the entity and the requirements of the PFMA. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer believes that the entity will be a going concern in the year ahead due to the government grant and its own generation of revenue. For this reason the accounting officer has adopted the going concern basis in preparing the annual financial statements. Refer to the Accounting Officer's Report of NSG Vote 10a for the operations of the NSG Training Trading Account.

The Accounting Officer hereby approves the annual financial statements of the NSG TTA for the year ended 31 March 2020, as set out on pages 173 to 210.



Mr Busani Ngcaweni
Principal

Statement of Financial Position as at 31 March 2020

	Note(s)	2020 R '000	2019 Restated* R '000
Assets			
Current Assets			
Cash and cash equivalents	6	89 851	48 476
Inventories	7	4 262	4 855
Receivables from exchange transactions	8	8 013	10 731
		102 126	64 062
Non-Current Assets			
Intangible assets	9	30 620	27 904
Total Assets		132 746	91 966
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	65 913	60 405
Payables from non-exchange transactions	11	1 358	1 358
Employees benefits	12	9 148	9 116
		76 418	70 879
Total Liabilities		76 418	70 879
Net Assets		56 328	21 088
Accumulated surplus		56 328	21 088

Statement of Financial Performance

	Note(s)	2020 R '000	2019 Restated* R '000
Revenue			
Revenue from exchange transactions			
Services Rendered		145 347	150 144
Interest received (trading)		1 784	1 338
Interest received-investment		3 922	3 507
Total revenue from exchange transactions	2	151 053	154 989
Revenue from non-exchange transactions			
Grants & subsidies		89 707	72 859
Total revenue from non-exchange transactions	3	89 707	72 859
Total revenue		240 760	227 848
Expenditure			
Employee related costs	4	(90 439)	(86 677)
Operating Expenses	5	(115 081)	(127 172)
Total expenditure		(205 520)	(213 849)
Surplus for the year		35 240	13 999

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
	R '000	R '000
Opening balance as previously reported	5 967	5 967
Correction of errors (Note 19)	1 122	1 122
Balance at 01 April 2018 as restated*	7 089	7 089
Restated surplus for the year	13 999	13 999
Deficit for the year as previously reported (Noted 19)	10 721	10 721
Correction of error	3 278	3 278
Restated* Balance at 01 April 2019	21 088	21 088
Surplus for the year	35 240	35 240
Balance at 31 March 2020	56 328	56 328

Cash Flow Statement

	Note(s)	2020	2019
		R '000	Restated*
		R '000	R '000
Cash flows from operating activities			
Receipts			
Rendering of services		152 598	136 504
Grants		88 646	66 380
Interest Income		3 922	3 507
		<u>245 166</u>	<u>206 391</u>
Payments			
Employee costs		(90 407)	(87 191)
Suppliers		(112 584)	(131 712)
		<u>(202 991)</u>	<u>(218 903)</u>
Net cash flows from operating activities	13	<u>42 175</u>	<u>(12 512)</u>
Cash flows from investing activities			
Purchase of other intangible assets		(800)	(1 821)
		<u>(800)</u>	<u>(1 821)</u>
Net increase/(decrease) in cash and cash equivalents		41 375	(14 333)
Cash and cash equivalents at the beginning of the year		48 476	-
Cash and cash equivalents at the end of the year	6	<u>89 851</u>	<u>62 809</u>

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R '000	R '000	R '000	R '000	R '000
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Rendering of service - course fees	143 351	-	143 351	145 347	1 996
Interest received (trading)	-	-	-	1 784	1 784
Interest received (Investment)	3 200	-	3 200	3 922	722
Total revenue from exchange transactions	146 551	-	146 551	151 053	4 502
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	87 464	-	87 464	87 464	-
Donations of intangible assets at fair value	-	-	-	2 243	2 243
Total revenue from non-exchange transactions	87 464	-	87 464	89 707	2 243
Total revenue	234 015	-	234 015	240 760	6 745
Expenditure					
Personnel	(105 356)	-	(105 356)	(90 439)	14 917
Operating Expenses	(121 042)	-	(121 042)	(115 081)	5 961
Total expenditure	(226 398)	-	(226 398)	(205 520)	20 878
Surplus before taxation	7 617	-	7 617	35 240	27 623

Accounting Policies

1. Presentation of Annual Financial Statements

1.1 Statement of compliance

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

1.2 Standards of GRAP issued but not yet effective

The Standard of GRAP that has been issued by the ASB, but where the Minister has not determined an effective date, has not been adopted by the NSG. The NSG used the Standard of GRAP on Related Party Disclosures (GRAP 20) to determine the extent of disclosures for related party transactions and balances.

1.3 Basis of preparation, presentation currency and rounding

The annual financial statements have been prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

1.4 Functional Currency

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.5 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.6 Significant judgements and estimates

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. Management is required to exercise its judgement in the process of applying the entity's accounting policies. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Fair value adjustment of receivables and payables

The calculation of the fair value adjustment of receivables is based on an assessment of the average age of receivables. All receivables are assumed to settle their accounts on the average settlement period. The receivables balance is discounted to its current fair value over this term at the government gazetted rate. As at reporting date the rates specified were 9.75% (2018/19: 10.25%) per annum on the outstanding balance.

The gross payables have been assumed to approximate their fair value as the entity policy is to settle all payables one month of invoice date.

Determination of allowance for doubtful debts

The calculation in respect of the impairment of debtors is based on a historical assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to subsequently make payments. The entity has recognised an allowance for doubtful debts of 100% against all receivables over 2 years because historical experience has been that receivables that are past due beyond 2 years are not recoverable. Refer to note 8.

1.7 Comparative information

Prior year comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior year 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. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

1.8 Revenue from non-exchange transactions

Transfers and subsidies received represent the operating grant received from the controlling department - NSG Vote 10a.

The NSG recognises the inflow of resources from a non-exchange transaction as revenue, except when a liability is recognised in respect of that inflow. These liabilities are classified as payables from non-exchange transactions. Where services are received in-kind, and a reliable estimate can be made, the NSG will recognise the related revenue. In all other cases, the NSG will only disclose the event.

1.9 Revenue from exchange transactions

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable. Charges for services are determined in accordance with Treasury Regulation 19.5.

Rendering of services

Revenue from the rendering of training services is recognised on the accrual basis in the reporting periods in which the services are rendered where applicable in reference to stage of completion method.

Stage of completion method

The revenue is recognised in reference to services performed to date as a percentage of total services to be performed.

Where the entity provides administrative support and the client department is responsible for the training roll out, the revenue will be recognised in relation to the administrative services provided at the set mile stones where the entity hands over to the client department and resume again when client department provides the required evidence for the entity to complete the remaining administrative services.

The entity will recognise 85% of the revenue when the entity hands over the training material to the client department as the equivalent percentage of the administrative services have been performed at this stage and the remaining 15% will be recognised when the client department provides training roll out evidence, then the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

1.10 Expenditure

Expenditure is classified in accordance with the nature of the expenditure.

The NSG recognises expenditure in the statement of financial performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

The NSG recognises expenses immediately in the statement of financial performance when expenses produce no future economic benefits or service potential or when and to the extent that, future economic benefits or service potential do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

The NSG also recognises expenses in the statement of financial performance in those cases when a liability is incurred without the recognition of an asset, for example, when a liability under a court ruling arises.

1.11 Employee benefits

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the period in which the employee renders the related service.

Social contributions include the entity's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the period in which the employee renders the related service.

Short-term employee benefits

Short-term employee benefits comprise of leave entitlements, thirteenth cheques and performance bonuses. The cost of short-term employee benefits is recognised in the period in which the employee renders the related service.

Short-term employee benefits that give rise to a present legal or constructive obligation are recognised and provided for at reporting date, based on current salary rates.

1.11 Employee benefits (continued)

Post-employment retirement benefits

The entity, through its controlling department - NSG Vote 10a, provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are charged to the statement of financial performance in the year to which they relate.

No provision is made for retirement benefits in the annual financial statements of the entity. Any potential liabilities are disclosed in the annual financial statements of the National Revenue Fund.

The entity does not contribute to the medical aid of retired employees.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The entity recognises termination benefits when it is demonstrably committed to either terminate the employment of the current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. If the benefit falls due more than 12 months after reporting date, they are discounted to present value.

1.12 Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value plus, in the case of a financial asset not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition of the financial asset.

All recognised financial assets are subsequently measured at fair value, amortised cost or cost.

Classification of financial assets

Upon initial recognition the entity classifies financial assets in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial assets at amortised cost and the effective interest method

The entity's principal financial assets are 'trade and other receivables' and 'cash and cash equivalents'. These financial assets are classified as 'loans and receivables' and designated at amortised cost.

Loans and receivables are measured initially at fair value plus transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the time-value of money.

Loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment with interest revenue recognised on an effective yield basis in investment revenue.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Gain or losses

A gain or loss arising from a change in the fair value of a financial asset measured at fair value is recognised in surplus or deficit.

For financial assets measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset is derecognised or impaired or through the amortisation process.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

1.12 Financial assets (continued)

Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

Impairment of financial assets at amortised cost

Financial assets that are measured at amortised cost are assessed for indicators of impairment at the end of each reporting period.

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

1.12 Financial assets (continued)

Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 2 years, as well as observable budget constraints that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, reflecting the impact of collateral and guarantees, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

Derecognition of Financial Assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in net assets is included in net surplus or deficit for the period.

1.13 Financial liabilities and equity instruments Classification of financial liabilities and equity

The entity operates as a trading entity under the administration of NSG Vote 10a. Upon closure of the entity, all the assets and liabilities shall be transferred to the controlling department and taken on record. Consequently, debt instruments are classified as financial liabilities.

All of the entity's financial liabilities are classified as 'other financial liabilities'.

Financial guarantee contract liabilities

Financial guarantee contracts represent contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when they are contractually due. The entity provides guarantees to commercial banks on behalf of employees' housing loans.

1.13 Financial liabilities and equity instruments Classification of financial liabilities and equity (continued)

Financial guarantee contract liabilities are initially measured at their fair values and are subsequently measured at the higher of the amount of the obligation under the contract (as determined in accordance with GRAP 19: 'Provisions, Contingent Liabilities and Contingent Assets') or the amount initially recognised.

Other financial liabilities

The entity's principal financial liability is 'trade and other payables'.

Other financial liabilities are initially measured at fair value, net of transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the timevalue of money.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The entity derecognises a financial liability or a part thereof when, and only when, the entity's obligations are discharged, cancelled, or they expire.

On derecognition, the difference between the carrying amount of the financial liability including related unamortised costs, and the amount paid for it is included in surplus or deficit for the period.

1.14 Property, plant and equipment

The entity does not recognise assets relating to items of property, plant and equipment as the controlling department, NSG Vote 10a, holds all items of property, plant and equipment. The entity utilises property, plant and equipment belonging to the controlling department free of charge as part of the controlling department's administration function.

1.14 Property, plant and equipment (continued)

Compensation from third parties for property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as property, plant and equipment in the following circumstances:

When classification is difficult, the criteria used to distinguish property, plant and equipment from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The nature OR type of properties classified as held for strategic purposes are as follows:

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements (see note).

The entity discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note).

1.15 Intangible assets

Intangible assets acquired separately.

Intangible assets acquired externally are initially recognised at historical cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Training Courses and Training Management System with effect from 1 April 2011, were determined to have indefinite useful lives and are not amortised into results of operations, but instead are reviewed for impairment annually, or more often if impairment indicators arise.

1.15 Intangible assets (continued)

Internally generated intangible assets

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets may have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit in those expense categories consistent with the function of the impaired asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

1.16 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, their costs are measured at fair value as at the date of acquisition. Inventory is recorded at cost price in the statement of financial performance and transferred to the statement of financial position if any still remain at year end.

1.17 Borrowings

In terms of section 19.2.3 of the Treasury Regulations the entity may not borrow for bridging purposes and may not run an overdraft on its banking account.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The entity may generally not enter into finance leases as it is prohibited by Treasury Regulation 13.2.4. However, National Treasury permits entities to enter into finance leases under certain conditions as outlined in the Office of the Accountant- General practice note 5 of 2006/07 'Finance Lease Transactions' despite the provisions of Treasury Regulation 13.2.4.

The NSG as lessee

Assets held under finance leases are initially recognised as assets of the entity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Assets held under finance leases are depreciated over the estimated useful life of the asset on the same basis as owned assets or, where shorter, lease term of the relevant lease.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately against surplus or deficit. Contingent rentals arising under finance leases are recognised as an expense in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Leases (continued)

In terms of Treasury Regulation 13.2.5 the Accounting Officer of the entity may not enter into finance lease transactions, except for agreements concluded under Public-Private-Partnerships as contemplated in Treasury Regulation 16 and Practice Note 5 of 2007/08: “Finance Lease Transactions” issued by the Office of the Accountant-General.

The controlling department - NSG Vote 10a - enters into both finance and operating lease agreements on behalf of the entity as part of its administration function. The proportionate monthly lease payments relating to the entity are recovered by the controlling department in terms of the expenditure allocation policy. These lease payments are recognised as an expense in the periods in which they are incurred.

1.19 Accruals

Accruals represent goods or services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but payment has not been made.

Accruals are recognised in the statement of financial position as a liability under “Trade and other payables” and as expenditure in the statement of financial performance in the period to which they relate.

1.20 Contingent liabilities

A contingent liability 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 wholly within the control of the entity. Contingent liabilities are not recognised, but only disclosed in the notes to the annual financial statements.

1.21 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date. Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are disclosed in the notes to the annual financial statements.

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are disclosed in the notes to the annual financial statements where the entity enters into lease agreements.

1.22 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows

When some or all of the economic benefits required to settle an obligation are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The movement related to any provision during the reporting period is recognised in surplus or deficit.

1.23 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

1.23 Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.24 Tax

The entity is exempt from paying income tax in terms of section 10(1)(a) of The Income Tax Act, Act 58 of 1962 as amended.

The entity is exempt from paying VAT (Value Added Tax) in terms of the Value-Added Tax Act, Act 89 of 1991 as amended.

<i>Note</i>	2019/20	2018/19
	R'000	R'000
2. Revenue from exchange transactions		
Courses Rendered	145 347	150 144
Interest received (trading)	1 784	1 338
Interest received-investment	3 922	3 507
	151 053	154 989
3. Revenue from non-exchange transactions		
Funds from the Department (NSG)	87 464	70 180
Donations of intangible assets at the fair value	2 243	2 679
	89 707	72 859
<ul style="list-style-type: none"> • Funds are transferred from NSG Vote 10a as an augmentation to revenue earned to enable the Trade to carry out its operating activities. • The European Union funded six e-Learning courses and Making Performance my responsibility course. • The Department of Planning, Monitoring and Evaluation funded the Evidence Based Policy making course. 		
4. Employee related costs		
Short term employee benefits	90 439	86 677
Number of employees	129	125

	Note	2019/20	2018/19
		R'000	R'000
5. Operating expenses			
Consulting and professional fees		45 458	57 842
Consumables		1 058	1 323
Gifts		518	295
IT expenses		2 660	4 987
Marketing		-	48
Communication costs		616	624
Postage and courier		1 084	838
Printing and stationery		7 435	6 777
Property payments		7 105	5 926
Venue and facilities		18 076	17 820
Disposal of intangible assets		327	26
Movement in the provision for impairment		1 437	(4 144)
Equipment rental payments		475	578
Catering departmental activities		164	344
Travel and subsistence		9 088	10 856
Bad debts written off		-	7
Property rental payments		19 111	22 865
General administrative expenses		469	160
		115 081	127 172

	2019/20	2018/19
	R'000	R'000
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	89 851	48 476
7. Inventories		
CIP training material	4 262	4 855

8. Trade and other receivables

Trade and other receivables

	Less than one year	One to two years	More than two years	Total 2019/20	Total 2018/19
Trade debtors	4 618	1 440	11 776	17 835	16 426
Allowance for impairment provision	-	-	(11 776)	(11 776)	(10 339)
Net trade receivables	4 618	1 440	-	6 059	6 087
Other receivables	1 954	-	-	1 954	4 641
	6 572	1 440	-	8 013	10 728

Trade receivables disclosed above are classified as financial assets measured at amortised cost. All the amounts are classified as current assets. The fair value of trade and other receivables are disclosed in note 8.3.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

All invoices issued to customers must be settled within 30 days from date of receipt of the invoice as per Treasury Regulation

8.2.3. However, due to delayed payment from customers the entity is assumed to provide extended credit terms of 56 days (2018/19: 44 days) to customers affecting the fair value of debt raised. Implicit interest is charged in accordance with Section 80 of the PFMA at the rates specified. As at reporting date the rates specified were 9.75% (2018/19: 10.25%) per annum on the outstanding balance.

The entity has recognised an allowance for doubtful debts of 100% against all receivables over 2 years because historical experience has been that receivables that are past due beyond 2 years are not recoverable.

Consequently, the entity does not assess the credit quality of customers and does not set any credit limits per customer. Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period, but against which the entity has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

A review of the payment history of NSG's customers, based on transaction data captured in the debtor administration system, revealed an average collection period of 56 days (2018/19: 44 days) from course date. Customers are expected to settle invoices within 60 days from date of issue of the invoice.

The entity does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the entity to the counterparty.

	2019/20	2018/19
	R'000	R'000
Trade receivables past due, but not impaired-2019/20		
	61 to 365 days	366 to 730 days
Nominal Value	17 804	4 288
Impairment Adjustment	-	-
TOTAL	17 804	4 288
Trade receivables past due, but not yet impaired-2018/19		
	61 to 365 days	366 to 730 days
Nominal Value	11 028	518
Impairment Adjustment	-	-
	11 028	518
Impairment of trade receivables		
Balance at cost		17 900
Less: impairment		(66)
		17 834
		20 296
		20 257

The impairment of trade receivables is based on cash flows discounted using the rate prescribed by the Minister of Finance in terms of section 80 of the PFMA of 9.75% (2018/19: 10.25%).

Movement in the impairment provision

Opening balance	10 339	14 483
Provision for impairment	1 437	(4 137)
Amounts written off as uncollectible	-	(7)
	11 776	10 339

9. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
TMS	3 218	(890)	2 328	3 218	(890)	2 328
Training Courses	29 367	(1 075)	28 292	26 651	(1 075)	25 576
Total	32 585	(1 965)	30 620	29 869	(1 965)	27 904

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Total
TMS	2 328	-	-	2 328
Training Courses	25 576	3 043	(327)	28 292
	27 904	3 043	(327)	30 620

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Disposals	Total
TMS	2 328	-	-	2 328
Training Courses	21 101	4 501	(26)	25 576
	23 429	4 501	(26)	27 904

An impairment test was conducted at the end of the reporting period. There was no indication that any of the assets were impaired during the reporting period.

Training courses: capitalised course development.

TMS: capitalised Training Management System development.

The amortisation expense and impairment loss recognised are included in the line item 'amortisation and impairment' in the statement of financial performance.

The following useful lives are used in the calculation of amortisation:

Capitalised training course development	indefinite	indefinite
Capitalised training management system	indefinite	indefinite

10. Payables from exchange transactions

Trade and other payables

	30 Days	30+ days	Total 2019/20	Total 2018/19
Trade creditors	2 544	-	2 544	2 717
Amounts due to customers: trade debtors	-	63 369	63 369	57 690
	2 544	63 369	65 913	60 407

The amounts due to customers is made up by the prepayments received for training that will be delivered in the near future.

2019/20	2018/19
R'000	R'000
1 358	1 358

11. Payables from non-exchange transaction

National Treasury advance for course development

	2019/20	2018/19
	R'000	R'000
12. Employments benefits		
Leave entitlement		
Carrying amount beginning of period	5 575	6 054
Current Service cost	(9 225)	(9 911)
Less benefit utilised	9 160	9 432
	5 510	5 575
13th cheque		
Carrying amount beginning of period	2 360	2 166
Current Service cost	2 410	2 360
Less benefit utilised	(2 360)	(2 166)
	2 410	2 360
Performance bonus		
Carrying amount beginning of period	1 181	1 410
Current Service cost	(1 158)	717
Less benefit utilised	1 205	(946)
	1 228	1 181
	9 148	9 116

	2019/20	2018/19
	R'000	R'000
13. Cash generated from (used in) operations		
Surplus	35 240	13 999
Adjustments for:		
Disposal of intangible assets	327	26
Movements in retirement benefit assets and liabilities	1 437	(4 144)
Allowance for Doubtful Debts	-	7
Deferred revenue recognised	-	1 122
Changes in estimates of employee benefits	33	(515)
Non-Cash donations	(2 243)	(2 679)
Changes in working capital:		
Inventories	593	408
Receivables from exchange transactions	1 282	(4 956)
Payables from exchange transactions	5 509	(15 780)
	42 175	(12 512)

Notes	2019/20	2018/19
	R'000	R'000

14. Budget information

The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 1 April 2019 to 31 March 2020.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

Reconciliation between budget deficit and statement of financial performance:

Budget Surplus	35 240
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Reason for budget deviation in revenue

The revenue performance for the financial year 2019/20 reflects a favourable variance of R7.6 million due high uptake of revenue generating courses although prepayments had already been received for the courses.

Reason for budget deviation in expenditure.

Expenditure is below budget due to cost containment measures put in place.

15. Financial instruments Capital risk management

The entity does not have share capital that is publicly tradable on the capital markets. Upon closure of the entity all assets and liabilities will be transferred to the controlling department as required by Treasury Regulation 19.9.

The objectives when managing capital (retained earnings) are to safeguard the entity's ability to continue as a going concern on the cost-recovery basis and to execute government priorities through service delivery. The annual financial statements of the entity have been prepared on the going concern basis.

15. Financial instruments Capital risk management (continued)

	Notes	2019/20	2018/19
		R'000	R'000
Categories of financial instruments			
Financial assets			
Amortised cost			
Cash and cash equivalents	(Note 6)	89 851	48 476
Trade and other receivables	(Note 8)	11 008	10 728
		100 859	59 204
Financial liabilities			
Amortised cost			
Trade and other payables	(Note 10)	65 913	60 404

Financial risk management objectives

The entity has limited exposure to financial risks due to its limited ownership (ownership is limited to the net asset holders of the controlling department - National School of Government Vote 10a) and the funding of any cash deficit by the controlling department. The entity has no exposure to foreign currency risk, cash flow interest rate risk and equity price risk.

15. Financial instruments (continued)

Credit risk management

Credit risk comprises the risk of financial loss to the entity if a counter party to a financial instrument fails to meet its contractual obligations.

The entity only transacts with entities in the national, provincial and local spheres of government and function within the pool of funds managed by National Treasury. The credit quality of government entities is therefore not assessed as these entities are considered creditworthy.

The entity makes use of only National Treasury approved banks representing high credit quality financial institutions.

The entity does not hold any collateral or other credit enhancements to cover credit risk. However, any cash deficit caused by government entities defaulting on their contractual obligations is funded by the controlling department through augmentation as mentioned in Treasury Regulation 19.7.3.

The carrying amount of trade and other receivables recorded in the financial statements (refer to note 8), which is net of impairment losses, represents the entity's maximum exposure to credit risk without taking into account any funding by the controlling department in accordance with TR 19.7.

There has been no significant change during the financial year, or since the end of the financial year, to the entity's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing this risk.

Liquidity risk

Liquidity risk comprises the risk that the entity will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Accounting Officer, who has established an appropriate liquidity risk management framework for the management of the entity's short-, medium- and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity analysis

The entity's remaining contractual maturity for all its financial liabilities are between one and three months.

Notes	2019/20	2018/19
	R'000	R'000

15. Financial instruments (continued)

Impairment of financial instruments

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

Financial assets at amortised cost

-Trade and other receivables

Financial liabilities at amortised cost

-Trade and other payables

The fair value of financial assets and liabilities measured at amortised cost is determined by discounting the future cash flows at the current interest rate prescribed by the Minister of Finance in terms of section 80 of the PFMA.

16. Related parties

The entity is controlled through the Department of National School of Government at National Government level.

As a result of the constitutional independence of the three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management and executive committee members are considered management.

Related party transactions and outstanding balances

Revenue from non-exchange transactions - Vote Account	87 464	70 180
Outstanding balance- Claims receivable - Vote Account	(1 954)	(4 641)

The department of National School of Government incurred some operating expenditure which include, but not limited to internal and external audit cost, IT cost and other administrative costs.

16. Related parties (continued)
Remuneration of management
Key Management Personnel
2020
Name

	Basic salary	Other short- term employee benefits	Post-employment benefits	Total
Mr B Maja-Deputy Director General	1 026	611	134	1 771
Ms LEJ Lapan-Acting Deputy Director General	898	516	117	1 531
Prof TD Potgieter-Acting Branch head TPP	1 101	329	143	1 573
	3 025	1 456	394	4 875

2019
Name

	Basic salary	Other short- term employee benefits	Post-employment benefits	Total
Mr B Maja-Deputy Director General	652	376	85	1 113
Dr S Manana-Deputy Director General	506	302	66	874
Prof TD Potgieter-Acting Branch head TPP	938	280	122	1 340
	2 096	958	273	3 327

The key management personnel of the entity include the following personnel appointed in the controlling department – National School of Government Vote 12a:

Official

Mr B Ngcaweni

Ms P Mkwanazi

Key management personnel are appointed in terms of the Public Service Act, Act 103 of 1994 as amended. The remuneration of the key management personnel is determined in accordance with the Senior Management Service remuneration scales issued by the Department of Public Service and Administration on an annual basis. Performance awards are approved by the Accounting Officer having regard to the performance of the individuals.

Notes	2019/20	2018/19
	R'000	R'000

17. Commitments Lease Commitments

All lease agreements are entered into by the controlling department - National School of Government Vote 10a. Therefore, all lease commitments are presented and disclosed in the financial statements of National School of Government Vote 10a. The lease payments are recovered from the National School of Government TTA in accordance with the expenditure allocation policy.

The controlling department, National School of Government Vote 10a, leases office equipment used by the entity for a period of three years to 31 October 2022. The average lease payment is R105,468 per month (2018/19: R 134,719) with no contingent lease payments. The lease agreements do not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreements are not renewable at the end of the lease term and the entity does not have the option to acquire the equipment. No lease agreement imposes any restrictions.

The controlling department also leases office accommodation used by the entity. The renewal period is currently on a month to month basis. The average lease payment is R1,538,835 per month (2018/19: R 1,818,869) escalating at 6.5% per year on 31 October. The agreement contains no contingent lease payments. The agreement does not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreement imposes no restrictions.

Expenditure Commitments

Current Expenditure - Approved and contracted

6 339	6 892
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The commitments relate mostly to goods and services required for training activities.

18. Irregular expenditure

Opening balance

1 586	819
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Opening balance as restated

1 586	819
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Add: Irregular expenditure - prior period

-	767
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Less: Amounts condoned

(1 586)	-
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Closing balance

-	1 586
---	--------------

Notes	2019/20	2018/19
	R'000	R'000

19. Prior Period Error

19.1

During the 2019/20 financial year the entity's management identified credit notes that were not included in the 2017/18 financial year. The error resulted in the overstatement of revenue and understatement of payables. The result of the correction is as follows:

Decrease in opening balances-accumulated surplus	-	47
Increase in payables	-	(47)

19.2

During the 2019/20 financial year the entity's management identified Invoices trained that were not included in the 2016/17 and 2017/18 financial year. The error resulted in the understatement of revenue, understatement of debtors and overstatement of payables. The result of the correction is as follows:

Increase in opening balances-accumulated surplus	-	(1 169)
Decrease in payables	-	974
Increase in debtors	-	195

Notes	2019/20	2018/19
	R'000	R'000

19.3

During the 2019/20 financial year the entity's management identified credit notes that were not included in the 2018/19 financial year. The error resulted in the overstatement of revenue, understatement of payables and overstatement of debtors. The result of the correction is as follows:

Decrease in revenue	-	893
Decrease in payables	-	2 941
Decrease in debtors	-	(3 834)

19.4

During the 2019/20 financial year the entity's management realised that revenue was incorrectly omitted and should have been recognised. The error resulted in understatement of revenue, overstatement of payables and understatement of debtors. The result of the correction is as follows:

Increase in revenue	-	(3 607)
Decrease in payables	-	3 534
Increase in debtors	-	73

19.5

During the 2019/20 financial year the entity's management recovered overpaid expenditure for the 2018/19 financial year. The error resulted in understatement of expenditure and understatement of other receivables. The result of the correction is as follows:

Increase in other receivables	-	4
Decrease in Communication: Airtime and data	-	(1)
Decrease in Nutrition Educational facilities	-	(3)

Notes	2019/20	2018/19
	R'000	R'000

19.6

During the 2019/20 financial year the entity's management identified an invoice that was trained that were not included in the 2018/19 financial year. The error resulted in the understatement of revenue and overstatement of payables. The result of the correction is as follows:

Increase in revenue	-	(560)
Decrease in payables	-	560

20. Events after reporting date

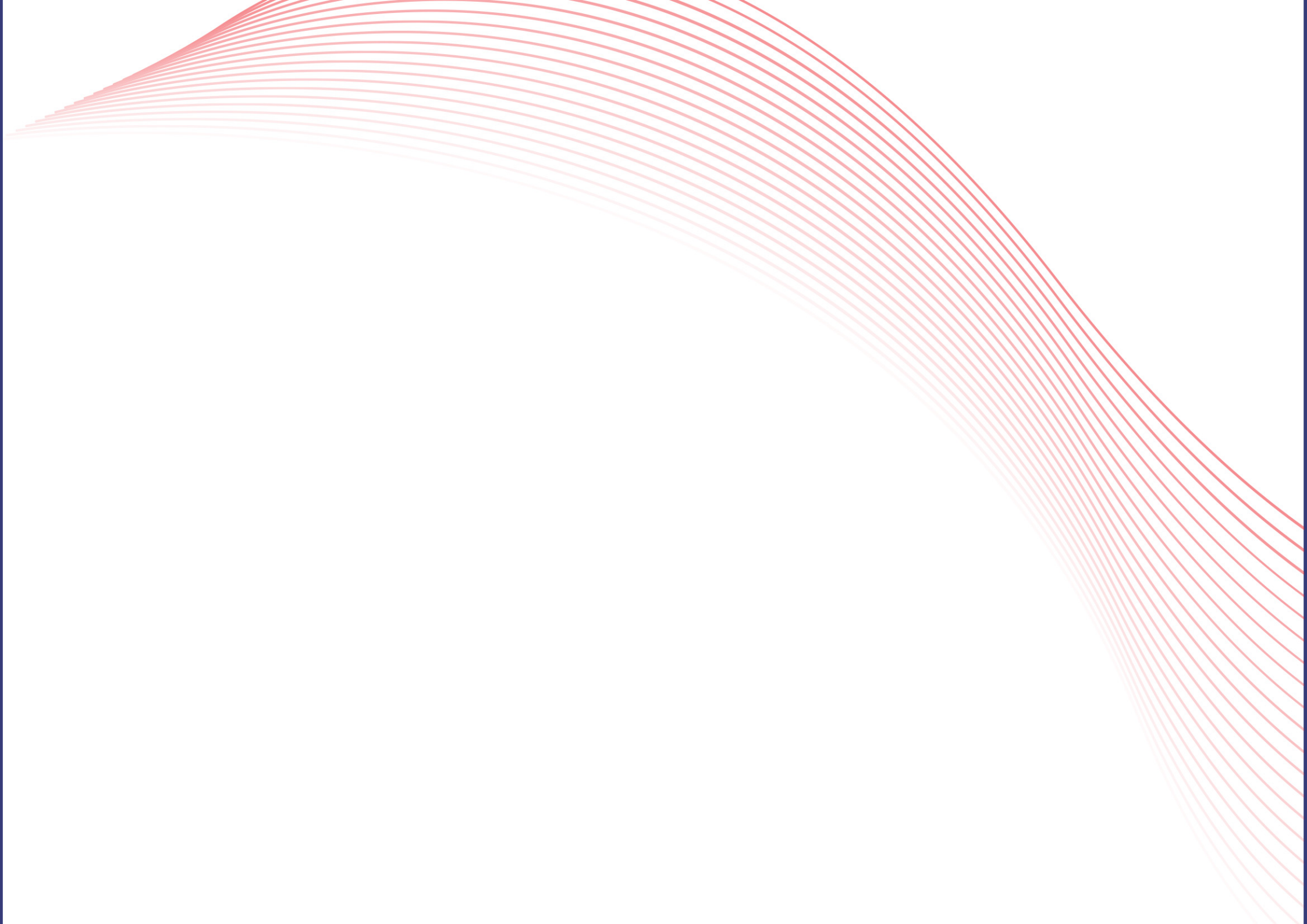
The entity is not aware of any event subsequent to year end, which might require adjustment of the stated figures.

Covid 19 pandemic has affected the operations of the TTA in the first quarter of the new financial year. It is assumed that the pandemic will affect the ability of the entity to generate substantial revenue for the entire financial year of 2020/21.

Management will approach National Treasury for additional funds in order to mitigate the impact of the expected revenue loss.

21. Approval of the Financial Statements

The financial statements were approved by the Accounting Officer and authorised for issue.



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