



# 2019/20

DEPARTMENT OF DEFENCE

# Annual Report

“Together we move South Africa forward”



defence

Department:  
Defence  
REPUBLIC OF SOUTH AFRICA





DEPARTMENT OF DEFENCE

# Annual Report

FY2019/20

Vote 19

*“Together we move South Africa forward”*

The Department of Defence Annual Report is available on the DOD website ([www.dod.mil.za](http://www.dod.mil.za))

Annual Report Enquiries:

Head of Communication:

Mr S. Dlamini

Tel: +27 12 355 6365

Fax: +27 12 355 0118

E-mail: [siphiwe.dlamini@dod.mil.za](mailto:siphiwe.dlamini@dod.mil.za)

**RP 265/2020**

**ISBN 978-0-621-48618-6**



defence

---

Department:  
Defence  
**REPUBLIC OF SOUTH AFRICA**

**DEPARTMENT OF DEFENCE  
ANNUAL REPORT FOR THE FY2019/20**

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

Dear Minister

**THE DEPARTMENT OF DEFENCE ANNUAL REPORT FOR THE FY2019/20**

I have the honour of submitting to you, in accordance with the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Department of Defence Annual Report for the reporting period 01 April 2019 to 31 March 2020.

A handwritten signature in black ink, appearing to read 'S.M. Gulube'.

**(DR S.M. GULUBE)**  
**SECRETARY FOR DEFENCE: DIRECTOR-GENERAL**



# defence

Department:  
Defence  
**REPUBLIC OF SOUTH AFRICA**

## STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

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

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the National Treasury.
- The Annual Financial Statements have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.
- The external auditors were engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year, which ended 31 March 2020.

Yours faithfully

**(DR S.M. GULUBE)**  
**SECRETARY FOR DEFENCE: DIRECTOR-GENERAL**

# TABLE OF CONTENTS

## PART A: GENERAL INFORMATION

Department of Defence General Information.....	3
List of Abbreviations/Acronyms .....	4
Foreword by the Executive Authority .....	7
Strategic Statement by the Head of Department.....	9
Introduction by the Chief of the South African National Defence Force .....	11
Strategic Overview .....	13
Organisational and Legislative Mandates.....	14
Organisational Structure.....	16
Information on the Ministry .....	17
Defence Diplomacy .....	19

## PART B: PERFORMANCE INFORMATION

<b>South African Defence Review 2015 Implementation Status .....</b>	<b>23</b>
<b>Financial Performance Information .....</b>	<b>27</b>
The Defence Vote.....	27
Capital Investment, Maintenance and Asset Management Plan .....	31
<b>Non-Financial Performance Information .....</b>	<b>33</b>
Auditor-General's Report: Predetermined Objectives.....	33
Strategic Outcome-Oriented Outputs .....	33
Overview of Departmental Performance .....	39
Performance Information by Programme .....	45
<b>Appendix A: Capital Investments, Maintenance and Asset Management Plan .....</b>	<b>91</b>
<b>Appendix B: DOD Selected Performance Indicators, Targets and Actual Achievements .....</b>	<b>101</b>
<b>Appendix C: DOD End-Term Performance against Strategic Indicators and Targets .....</b>	<b>105</b>
<b>Appendix D: DOD Performance Indicators, Targets and Actual Achievements .....</b>	<b>131</b>

## PART C: GOVERNANCE

Governance and Accountability.....	155
Risk Management.....	155
Fraud and Corruption .....	158
Minimising Conflict of Interest.....	159
Code of Conduct.....	159
Health Safety and Environmental Issues.....	160
Parliamentary Oversight Committees.....	160
Standing Committee on Public Accounts Resolutions.....	160
Prior Modifications to Audit Reports .....	161
Internal Audit and Audit Committees .....	162
Broad-Based Black Economic Empowerment Compliance Performance Information .....	170

## PART D: HUMAN RESOURCE MANAGEMENT

Overview.....	173
Human Resource Oversight Statistics.....	174

## PART E: FINANCIAL INFORMATION

Report by the Accounting Officer.....	207
Report of the Auditor-General to Parliament on Vote 19.....	219
Annual Financial Statements: Vote 19.....	230
Assurance Report National Conventional Arms Control Committee .....	405

## TERMINOLOGY

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

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

2019/20

**PART A**

**General Information**







## DEPARTMENT OF DEFENCE GENERAL INFORMATION

<b>Physical Address:</b>	<b>Department of Defence</b> Defence Headquarters ARMSCOR Building Corner of Delmas Road and Nossob Street Erasmusrand Pretoria 0181
<b>Postal Address:</b>	<b>Department of Defence (Defence Headquarters)</b> Private Bag X910 Pretoria 0001
<b>Telephone Number:</b>	+27 12 355 6200
<b>Website Address:</b>	<a href="http://www.dod.mil.za">www.dod.mil.za</a>
<b>Annual Report Enquiries:</b>	<b>Head of Communication</b> Mr S. Dlamini Telephone: +27 12 355 6365 Fax: +27 12 347 0118 E-mail: <a href="mailto:siphiwe.dlamini@dod.mil.za">siphiwe.dlamini@dod.mil.za</a>
<b>Cover Design:</b>	Marius Whittle
<b>Photography:</b>	Carine van den Berg

## LIST OF ABBREVIATIONS / ACRONYMS

<b>A</b>	AIDS	Acquired Immunodeficiency Syndrome	
	AGSA	Auditor-General of South Africa	
	APP	Annual Performance Plan	
	ARMSCOR	Armaments Corporation of South Africa SOC Limited	
	ARV	Antiretroviral Drugs	
	AU	African Union	
<b>B</b>	B-BBEE	Broad-Based Black Economic Empowerment	
<b>C</b>	CHATSEC	Combating HIV/Aids through Spiritual and Ethical Conduct	
	CoE	Compensation of Employees	
	COVID-19	Coronavirus Disease 2019	
	C SANDF	Chief of the South African National Defence Force	
	CSS	Core Service System	
	CSIR	Council for Scientific and Industrial Research	
<b>D</b>	DA	Defence Attaché	
	DFSC	Defence Force Service Commission	
	DOD	Department of Defence	
	DODI	Department of Defence Instruction	
	DPME	Department of Planning, Monitoring and Evaluation	
	DPSA	Department of Public Service and Administration	
	DPWI	Department of Public Works and Infrastructure	
	DRC	Democratic Republic of the Congo	
	<b>E</b>	EISP	Employer Initiated Severance Package
		ENE	Estimate of National Expenditure
Ex		Exercise	
<b>F</b>	FMD	Financial Management Division	
	FMS	Financial Management System	
	FSE	Force Structure Element	
	FY	Financial Year	
<b>H</b>	HOA	Home Owners Allowance	
	HIV	Human Immunodeficiency Virus	
	HR	Human Resource/s	
<b>I</b>	ICT	Information and Communication Technology	
	ICTS	International Cooperation, Trade and Security	
	IT	Information Technology	
<b>J</b>	JCPS	Justice, Crime Prevention and Security	
	JIIM	Joint, Interdepartmental, Interagency and Multinational	
	JSCD	Joint Standing Committee on Defence	

## Part A – General Information

<b>M</b>	MAAC	Military Attaché and Advisor Corps
	MEM	Mobility Exit Mechanism
	MCS	Modified Cash Standards
	MOD&MV	Minister of Defence and Military Veterans
	MONUSCO	United Nations Organisation Stabilisation Mission in the Democratic Republic of the Congo
	MPSA	Minister of Public Service and Administration
	MSDS	Military Skills Development System
	MTEF	Medium-Term Expenditure Framework
	MTSF	Medium-Term Strategic Framework
<b>N</b>	NA	National Assembly
	NCOP	National Council of Provinces
	NT	National Treasury
<b>O</b>	OHS	Occupational Health and Safety
	Op	Operation
<b>P</b>	PCD&MV	Portfolio Committee on Defence and Military Veterans
	PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
	PMDS	Performance Management and Development System
	PSAP	Public Service Act Personnel
<b>R</b>	RFC	Reserve Force Council
	RSA	Republic of South Africa
<b>S</b>	SA	South Africa
	SABC	South African Broadcasting Corporation
	SADC	Southern African Development Community
	SAMHS	South African Military Health Service
	SAMRO	South African Music Rights Organisation
	SANDF	South African National Defence Force
	SAPS	South African Police Service
	SAS	South African Ship
	SASSETA	Safety and Security Sector Education and Training Authority
	SCM	Supply Chain Management
	SCoA	Standard Chart of Accounts
	SCOPA	Standing Committee on Public Accounts
	SDA	Special Defence Account
	SDIP	Service Delivery Improvement Plan
	SETA	Sector Education Training Authority
	SITA	State Information Technology Agency
	SLA	Service Level Agreement
	SMME	Small, Medium and Micro-sized Enterprise
	SMS	Senior Management Service/System
	STIs	Sexually Transmitted Infections

<b>T</b>	TB	Tuberculosis
<b>U</b>	UAMP	User Assets Management Plan
	UN	United Nations
	URS	User Requirement Specification
	USA	United States of America
<b>V</b>	VIP	Very Important Person
	VVIP	Very Very Important Person
	VSP	Voluntary Severance Package
<b>W</b>	WIP	Work In Progress

## FOREWORD BY THE EXECUTIVE AUTHORITY



**Ms N.N. Mapisa-Nqakula, MP**

**Honourable Minister of Defence and Military Veterans**

*In the eye of the storm -  
Defence against the pandemic!*

The Annual Report for the financial year 2019/20 reflects on the contribution Defence made over the 2014 to 2019 Medium-Term Strategic Framework to the sovereignty of South Africa and the authority of the State.

I can however not reflect back on this period without first mentioning the contribution made by our armed forces during the COVID-19 Coronavirus pandemic towards the end of the financial year. The men and women in our armed forces have been in the eye of the storm of the Coronavirus pandemic, assuming roles that have been arrogated to them by the Commander-in-Chief, acting in accordance with the provisions of the Constitution and the Defence Act. I will however provide detailed feedback on this deployment during the financial year 2020/21 reporting period.

Despite severe budget cuts during the 2014 to 2019 Medium-Term Strategic Framework period, Defence has done well and fulfilled its Constitutional mandate. We are however now in a situation where the Defence budget has been cut beyond the bone – the Special Defence Account, a key instrument to enable Defence to execute its approved defence acquisition projects, is nearing its demise.

This means that major acquisition projects for the landward forces and maritime forces are under serious threat from non-completion. These budget reductions continue to have an adverse effect on the SANDF capability, sustainability and modernisation of defence prime mission equipment and the defence industry as a whole. ARMSCOR will also have to reduce projects during the financial year 2020/21 to zero in the financial year 2021/22.

These reductions will negatively affect the South African Defence Review 2015 milestone of arresting the capability decline. There will also be the general loss of capacity within the defence industry as a result of the reduced Departmental spend. Between the 2017/18 and 2020/21 financial years, there have been losses of up to R7 billion in revenue, a significant dent on the Gross Domestic Product. The work force has declined from 15 000 to 12 000 in the same period.

These developments will result in the inability to meet future SANDF requirements for critical capabilities. It will also hamper support to national government imperatives and implementation of the South African Defence Review 2015, as adopted by Parliament and meant to be a blueprint for the future of the SANDF.

Defence commitments have furthermore increased over and above what we already had under 'normal' circumstances. In our deployment in the Democratic Republic of the Congo, under the MONUSCO mandate, we have been central in the fight against negative forces through the Force Intervention Brigade, of which we are lead nation, also including Tanzania and Malawi. Just like the rest of our country and the world, we have continued support to our troops in the midst of the pandemic. In fact, they are also faced with the Ebola epidemic in the Democratic Republic of the Congo. We continue to take measures to ensure our soldiers' safety as they continue with deployments.

I again wish to congratulate one of our senior officers, Brigadier General Monwabisi Dyakopu, who has been appointed force commander of the Force Intervention Brigade, taking over from our own, Major General Njabulo Dube.

As the budget continues to decline, we are forced to scale down on our capabilities. We have over the years indicated that for effective border safeguarding, we need at least twenty-two companies, but we have fifteen, and will not have twenty-two companies for the foreseeable future given the continued budget decline. This continued situation is directly affected by the Cost of Employees and the reality of the budget deficit we are operating under.

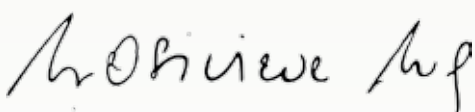
In the area of governance matters, Defence received audit qualifications that we are addressing in earnest within the Department, working closely with the Auditor-General and National Treasury for a turnaround, whilst ensuring consequence management. During the 2019 Defence Budget Vote, I committed that action plans will be monitored continuously.

I wish to conclude by **honouring the Secretary for Defence, Dr Sam Gulube**, who is officiating in his final Annual Report, having been at the helm of the Department since 2012. He has also harnessed the Justice, Crime Prevention and Security Cluster as well as leading senior officials in support of the cluster and all of government. He has furthermore been **leading in the fight against COVID-19** and completes forty-five years of service to the people as he goes into retirement.

In addition, I take this opportunity to express my gratitude to the outgoing ARMSCOR Board of Directors, who have done a sterling job in steering our defence acquisition agency for the Medium-Term Strategic Framework under review.

I also wish to extend my appreciation to the men and women in uniform and their civilian colleagues in the entire defence establishment.

I hereby present the Annual Report as contained herein.



**(MS N.N. MAPISA-NQAKULA)**  
**MINISTER OF DEFENCE AND MILITARY VETERANS: MP**

## STRATEGIC STATEMENT BY THE HEAD OF DEPARTMENT



**Dr S.M. Gulube**

**Secretary for Defence: Director-General**

This Annual Report seeks to provide the civil oversight committees of Parliament and the people of South Africa an overview of the performance of the Department during the financial year under review.

During the year under review, the Minister of Defence and Military Veterans, together with the top-level leadership of the Department of Defence, continued to engage Parliament on the urgent and critical issues facing the Department. Discussions continued with the President and the Minister of Finance on securing an appropriate and stable funding trajectory for the Department for the medium to long-term.

I have included in Part B of this Annual Report, the status of implementation of the South African Defence Review 2015 for the Strategic Period 2015 – 2020. I urge you to pay particular attention to the content thereof as it best reflects the significant strategic challenges that the Department of Defence faces and the potential impact these may have on the Republic of South Africa in future. I indicated the financial results of the Department for the financial year under review in my Accounting Officer Report in Part E.

It does not take a lot of strength to hang on: It takes a lot of strength to *let go*.

On a more personal note, a year ago, I indicated to you that it had been my “*privilege and honour to provide my final Strategic Statement as Secretary for Defence*”. History has taught me that the future is indeed unpredictable. Whilst it was my every intention to retire gracefully, the Honourable Minister of Defence and Military Veterans requested that I continue to serve the Department of Defence, the broader defence community, and above all, the people of South Africa for another year.

I would never have imagined that my acceptance to continue as the Secretary for Defence would place me at the hub of the fight against the global COVID-19 Coronavirus pandemic. I would also never have imagined that my studies to become a medical doctor and as part thereof, having received extensive training in virology, would be so valuable and appropriate to South Africa at this time.

On 15 March 2020, the President of the Republic of South Africa declared a ‘National State of Disaster’ in terms of the Disaster Management Act, 2002. This declaration required of government to provide an integrated and coordinated disaster management mechanism that would focus on managing and mitigating the impact of the COVID-19 Coronavirus pandemic.



To this end, the President appointed the Justice, Crime Prevention and Security Cluster Co-Chairpersons to coordinate, facilitate and integrate the 'all of government approach' to the efforts of the key work groups that would be established to focus on COVID-19. In addition, the President instructed that the National Joint Operational and Intelligence Structure would serve as the custodian of all reports during this crisis.

These important work groups were made up of communication experts, educators, actuaries, scientists, health specialists, engineers, disaster management centre representatives, legal advisors, the top-level leadership of the country's intelligence, security and law-enforcement agencies as well as teams from the departments that constitute the economic and social clusters of the Forum of South African Directors-General.

Apart from my role as Head of the Department and Accounting Officer of the Department of Defence, as Secretary for Defence it is also my responsibility to co-chair the Justice, Crime Prevention and Security Cluster of Government at Director-General level. It was therefore incumbent on me to lead and coordinate activities in the following key areas:

- Establishment of COVID-19 pandemic work teams.
- Provision of strategic direction and guidance to the appointed work streams.
- Repatriation of 114 South Africans on 14 March 2020 from the City of Wuhan, Hubei Province in the People's Republic of China.
- Formulation of a Socio-Economic Recovery Plan for the country, post COVID-19 national lockdown.
- Developing and consolidating a Draft Framework on the Risk Adjusted Strategy.
- Ensuring the alignment of government-wide security priorities and programmes that were submitted to Cabinet.

My profound appreciation is extended to each member of the Portfolio and Joint Standing Committees on Defence and Military Veterans, for their support and continued assistance to me as the Head of the Department and the defence sector in government, and in particular, during and over the years of my time in office.

I would like to extend my sincere appreciation the Minister of Defence and Military Veterans and the Deputy Minister for their leadership, support and guidance during the year under review.

It is my privilege to present to you the Department of Defence Annual Report for the 2019/20 financial year.

In conclusion, I leave you with the following quote from Napoleon Bonaparte:

*"Courage is not having the strength to go on - it is going on when you do not have the strength".*



**(DR S.M. GULUBE)**  
**SECRETARY FOR DEFENCE: DIRECTOR-GENERAL**

## INTRODUCTION BY THE CHIEF OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE



**General S.Z. Shoke**

I extend my sincere appreciation to the men and women in uniform who displayed a great sense of patriotism, commitment and professionalism in executing their tasks both internally and externally.


The South African National Defence Force proved its operational prowess beyond any cloud of doubt on land, sea, air and medical support. We continue to pursue Government's support for peace, security and stability in the region and the continent by playing a pivotal role by participating in the United Nations and African Union Peace Support Operation in the Democratic Republic of the Congo. In order to make a difference in the region, we went outside our borders to curb piracy, provided medical assistance and rendered disaster relief response to the countries in the Southern African Development Community. The South African National Defence Force tested its skills by participating in exercises with China, Russia, Turkey and France.

True to our nature we provided humanitarian assistance support to the people of South Africa by conducting medical evacuations, hoisting sailors from ships, and conducted search and rescue assistances. We continued to provide, repair and safeguard infrastructure in order to maintain essential services to both Provincial and Local governments; clean up the sewage outflows of the Vaal River, unblocked and cleaned inlet lines, supported communities with water, construction of bridges and rendered support to the South African Police Service in the Cape Flats, Western Cape in order to curb gang related violence.

The South African National Defence Force marked the annual commemoration of the sinking of the SS Mendi by executing the Armed Forces Day 2020 in Polokwane where various events were presented by the military. We attended and participated in various national events ranging from the National Elections in May 2019 to the inauguration of the President, the Rand Easter Show, the Royal Show and the Bloemfontein Show. Project KOBATLALA has made steady progress with focus directed to invest, empower and educate Reserve Force members which will benefit communities in future. Great progress is made with Project THUSANO initiatives which has improved serviceability of Prime Mission Equipment across all services.

We continued with Border Safeguarding; securing the territorial borders through the deployment of 15 sub-units in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces with tremendous successes. Maritime patrol successes for Op PHAKISA had a positive impact on deterring poachers from entering our coastal waters.

Very little has changed in funding the Defence Force, however, we are optimistic that Government will soon make a positive call on the type of Defence Force it desires. Nevertheless, our resolve remains to defend and protect the people of South Africa and make an everlasting impact and contribution in the region and beyond.

A handwritten signature in black ink, appearing to read 'S.Z. Shoke', with a stylized flourish at the end.

**(S.Z. SHOKE)**

**CHIEF OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE: GENERAL**

### STRATEGIC OVERVIEW

#### VISION

*“Effective defence for a democratic South Africa.”*

#### MISSION

*“To provide, manage, prepare and employ defence capabilities commensurate with the needs of South Africa as regulated by the Constitution, national legislation and parliamentary and executive direction. The latter will be provided through the proper management, provision, preparedness and employment of defence capabilities, that are in line with the domestic and global needs of South Africa.”*

#### VALUES

##### Organisational Values

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

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

##### Individual Values

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

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

## ORGANISATIONAL AND LEGISLATIVE MANDATES

### CONSTITUTIONAL MANDATE

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

- To provide for a structured and disciplined military force with the primary objective to defend and protect the Republic, its territorial integrity and its people in accordance with the Constitution and the principles of international law regulating the use of force.
- To provide for the political responsibility and employment of the Defence Force.
- To provide a staff function for the fostering and management of cooperative government and inter-governmental relations through the cluster system.

### LEGISLATIVE MANDATE

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

This mandate is given substance by the Defence Act, 2002 (Act No. 42 of 2002), the SA Defence Review 2015<sup>1</sup> and delegated legislation.

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

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

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

<sup>1</sup> The SA Defence Review 2014 was approved by Cabinet on 19 March 2014, endorsed by the NA on 04 June 2015 and the NCOP on 24 June 2015. The SA Defence Review 2015 (renamed) provides the national defence policy for South Africa that informs the defence trajectory to be pursued over multiple MTEFs.

## Part A – General Information

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

### **Draft Military Discipline Bill**

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

The draft Bill was published by the Portfolio Committee on Defence and Military Veterans, for public comments during the fourth quarter of FY2019/20. It is envisaged that the draft Bill will be introduced by the MOD&MV in Parliament during FY2020/21, which will subsequently see the implementation of the Act in the DOD during FY2020/21.

### **Hydrographic Bill (B17 of 2018)**

The Bill seeks to recognise and grant legislative status to the Office of the Hydrographer, which has been in existence in the SA Navy since the inception of hydrographic services in South Africa. The Bill will enable the Hydrographer of the SA Navy to be recognised as the National Hydrographer and will ensure that the provision of hydrographic services is formalised and enacted into law.

The draft Bill was approved by the Selected Committee on Security and Justice on 03 December 2019, and the National Council of Provinces and the National Assembly on 06 December 2019, after which the Bill was submitted to the President for assent. The Bill continued through the Parliamentary approval process during FY2020/21 and was signed into law by the President on 26 May 2020, which will see subsequent implementation of the Act (Act No. 35 of 2019) in the DOD during FY2020/21.

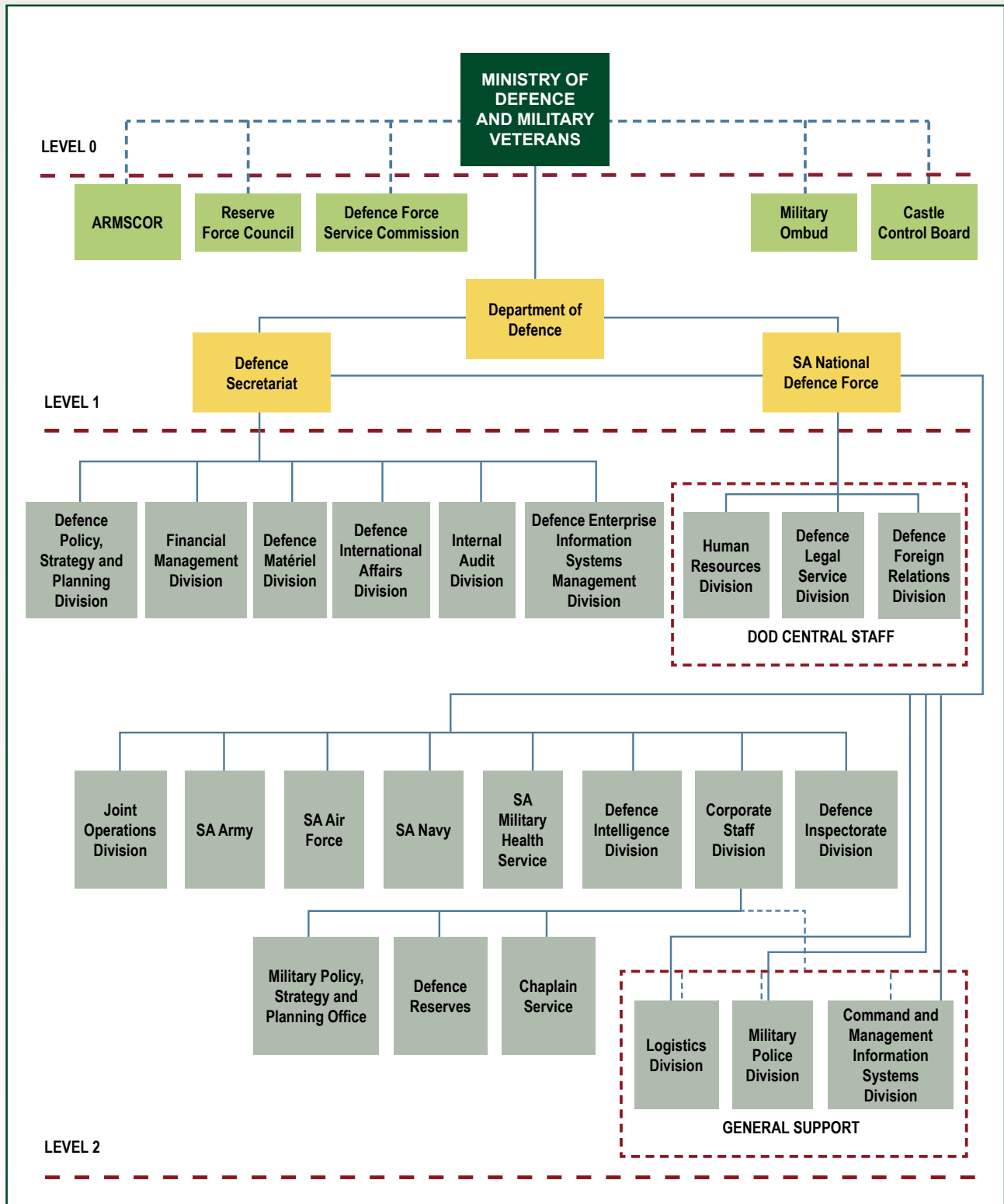
### **Defence Amendment Bill (B18 of 2017)**

Efforts to amend the Defence Act, 2002 (Act No. 42 of 2002) was initiated during FY2015/16, with the objective to align the Defence Act, 2002 with current Departmental requirements to enhance the efficiency of the DOD.

The draft Bill was published on 11 December 2019 for comments before a Public Hearing scheduled for the fourth quarter of FY2019/20. It was envisaged that the draft Bill will be tabled in Parliament during FY2020/21. The Bill continued through the Parliamentary approval processes during FY2020/21, was signed into law by the President and gazetted on 07 August 2020, which will see the subsequent implementation of the Act (Act No. 06 of 2020) in the DOD, during FY2021/22.

## ORGANISATIONAL STRUCTURE

The organisational structure of the Department is provided below.



### INFORMATION ON THE MINISTRY

#### INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

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

The following Public Entities report to the Executive Authority:

#### Armaments Corporation of South Africa SOC Limited

##### Legislative Mandate

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

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

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

##### Outputs

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

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

#### Castle Control Board

##### Legislative Mandate

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



## Outputs

The Castle Control Board is responsible for the following:

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

The following Organs of State report to the Executive Authority:

### Office of the Military Ombud

#### Legislative Mandate<sup>2</sup>

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

### Reserve Force Council

#### Legislative Mandate

The Reserve Force Council is a statutory body under Section 48 of the Defence Act, 2002 (Act No. 42 of 2002). The Reserve Force Council is a consultative and advisory body representing the Reserve Force to promote and maintain the force as an integral part of the Defence Force and must be consulted on any legislation, policy or administrative measures affecting the Reserve Force.

### Defence Force Service Commission

#### Legislative Mandate<sup>3</sup>

The Defence Force Service Commission was established under Section 62 of the Defence Amendment Act, 2010 (Act No. 22 of 2010). The output of the Defence Force Service Commission is to submit, on an annual basis, recommendations to the MOD&MV on improvements of salaries and service benefits of SANDF members; on policies in respect of conditions of service and to promote measures and set standards to ensure the effective and efficient implementation of policies related to conditions of service in the SANDF.

<sup>2</sup> Refer to The Military Ombud Annual Report for FY2019/20 for comprehensive Legislative Mandate and Nature of Operations.

<sup>3</sup> Refer to The Defence Force Service Commission Annual Report for FY2019/20 for comprehensive Legislative Mandate and Nature of Operations.

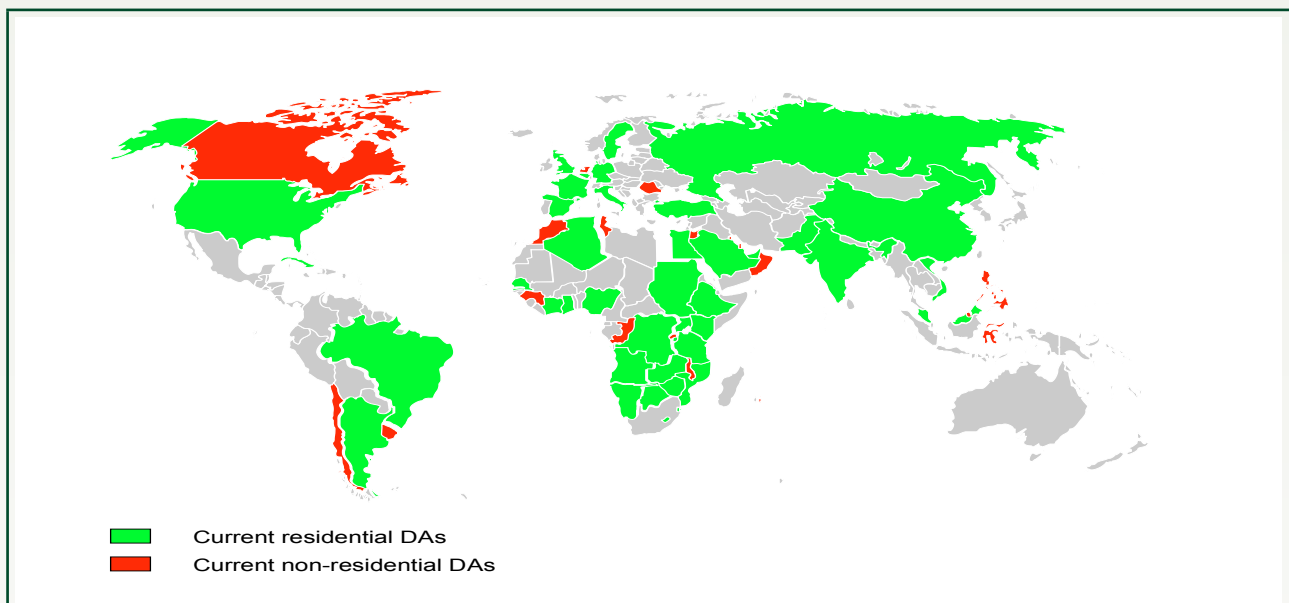
## DEFENCE DIPLOMACY

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

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

### SANDF Defence Attaché Representation

The map below indicates the international representation of SANDF Defence Attachés for FY2019/20.



**During the FY2019/20, the DOD were represented by residential Defence Attachés in the following 42 countries, the African Union and the United Nations:**

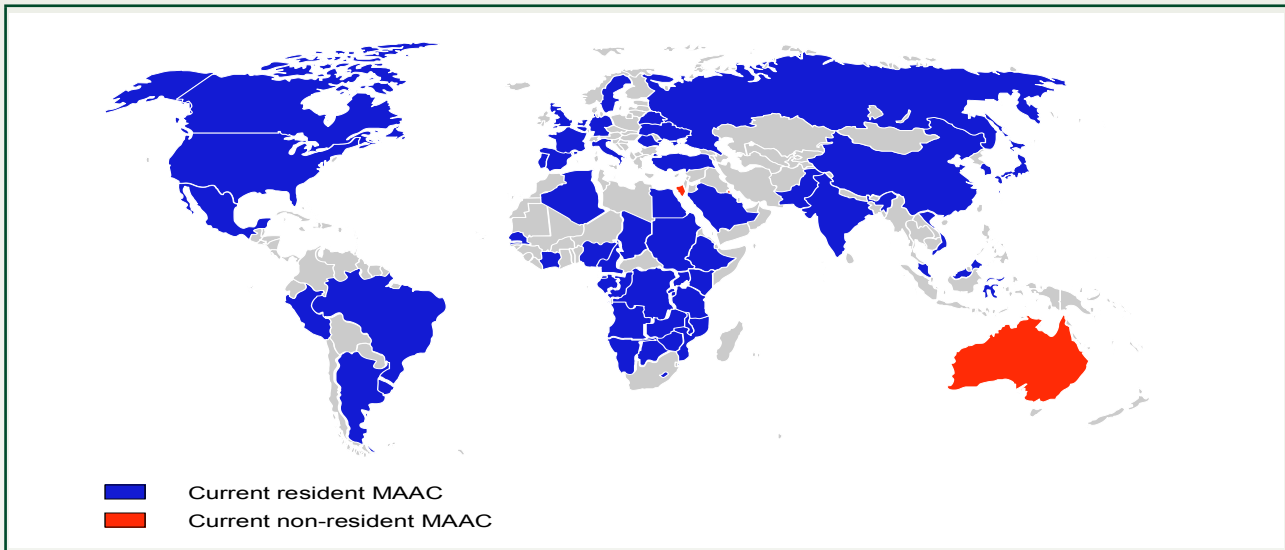
Algeria, Angola, Argentina, Belgium, Botswana, Brazil, Burundi, Côte d'Ivoire, Cuba, Democratic Republic of the Congo, Egypt, Eswatini, Ethiopia, France, Germany, Ghana, India, Italy, Kenya, Lesotho, Malaysia, Mozambique, Namibia, Nigeria, Pakistan, People's Republic of China, Russian Federation, Saudi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

**During the FY2019/20, the DOD was represented by non-residential Defence Attachés in the following 20 countries and the European Union:**

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

## Military Attaché and Advisor Corps Representation

The map below indicates Military Attaché and Advisor Corps representation in South Africa for the FY2019/20.



**During the FY2019/20, resident Military Attaché and Advisor Corps representation in South Africa were from the following 59 countries:**

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

**During the FY2019/20, non-resident Military Attaché and Advisor Corps representation in South Africa were from the following three countries:**

Australia, Israel and Kuwait.

## Bilateral and Multilateral Interaction

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

## DOD Foreign Aid Assistance

Foreign aid assistance **received by** the DOD and **provided by** the DOD was mostly in kind (goodwill gestures) and took the form of providing air tickets, messing, accommodation and a daily stipend during foreign visits and training. The actual cost to the donors is not known and the Rand value is merely an estimate.

No foreign aid was rendered or received for larger DOD projects and programmes during the year under review.

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

2019/20

**PART B**

**Performance Information**





## SOUTH AFRICAN DEFENCE REVIEW 2015

### IMPLEMENTATION STATUS OVER THE STRATEGIC PERIOD 2015 TO 2020

It must be acknowledged that military force planning and capability renewal is a multi-year process which is dependent on a clearly articulated, probable and consistent funding trajectory. This in turn, allows for investment in technology innovation and the development of appropriate equipment designed to ensure that the Defence Force is able to meet the security challenges of the future.

South Africa's core military capabilities have been in decline for many years. This is largely due to severe and crippling cuts to its baseline funding allocation and the resultant erosion of both the capital and operating budgets of the Department of Defence (DOD). Not only has this led to inadequate maintenance, repair and overhaul of the largely obsolete equipment inventory but has also led to a significant reduction in the prime mission equipment renewal program of the Defence Force with devastating effects on South Africa's sovereign defence industry.

Under the current funding regime, the Department has had very little room to manoeuvre and has had to continue where possible with the repair of its inventory. In most cases the main equipment that it uses is more than 40 years old and is largely obsolete, and with almost no spares and maintenance support available from the Original Equipment Manufacturers.

These stresses, coupled to a rapidly changing strategic environment, have exacerbated the disconnect between the expectations of, and funding for, the defence function. A review of South Africa's defence policy via a Defence Review became necessary and urgent, so as to ensure that the Defence Force remained relevant and ready for the future security challenges that South Africa will probably face.

In commissioning the SA Defence Review 2015 the Minister of Defence and Military Veterans (MOD&MV) provided comprehensive guidelines and a 'Terms of Reference' to an independently appointed Defence Review Committee. This Committee was required to:

- Give expression to the constitutional and legislative defence responsibility of government.
- Provide a defence policy supportive of government's strategic intent.
- Describe the complete spectrum of defence responsibility.
- Indicate the strategic defence concept, high-level defence doctrine and broad capability requirements.
- Posit a level of defence effort that should be funded by government.
- Provide policy guidance for the development of the blueprint design and structure of the future defence organisation
- Provide a high-level and first order discussion on the funding principles for Defence.

Consequently, the SA Defence Review 2015, as approved by Cabinet and Parliament, provides a National Defence Policy that is supportive of South Africa's national interest and foreign policy. It recognises that Africa and its development are central to the future of South Africa and that South Africa conversely has a pivotal continental role to play. It also recognises the defence and security gravitas required to shape the continental strategic agenda in concert with key Continental allies. The SA Defence Review 2015 thus articulates the required level of defence capability to achieve this.

The SA Defence Review 2015 provides three Strategic Defence Policy Options to South Africa. These options articulate different levels of defence ambition that could be pursued. The option selected by Cabinet and endorsed by Parliament is thus considered to be the most appropriate level of defence ambition for South Africa to aspire to. This option recommends that the Defence Force be developed to meet the security estimates for the next twenty years with a focus on ensuring the following national strategic outcomes:

- First, influence the international and continental strategic agendas through optimised defence diplomacy engagements with the United Nations (UN), African Union (AU) and the Southern African Development Community (SADC).
- Second, pursue bi-lateral and multi-lateral relationships in pursuit of South Africa’s national interest and foreign policy objectives.
- Third, participate meaningfully towards establishing peace and security on the continent through international peace keeping and peace enforcement operations.
- Fourth, create the capability to reach and intervene in support of AU exigencies and peace processes on the continent.
- Fifth, enhance South Africa’s sovereignty through effective safeguarding of its sea, land, air borders as well as cyberspace so as to protect its resources, economy and people.
- Sixth, be able to defend South Africa and its people against any emerging or imminent threat.
- Seventh, to enhance human security by supporting South Africa’s developmental imperative.

The SA Defence Review 2015 also pronounces on five planning, budgeting and implementation milestones, the first four being the main policy focus over the next twenty years. These being crucial to ensuring appropriate defence capabilities during a time of relative peace and the absence of war.

The SA Defence Review 2015 recognises the developmental challenges that face South Africa and thus recommends a significant positive contribution by the DOD to mitigating these. In support of the implementation of the National Development Plan 2030, the SA Defence Review 2015 recommends that the DOD identifies specific focus areas that can add specific value to economic growth and the development of South Africa. These include *inter alia*:

- The value of the Defence contribution to the safeguarding and security of South Africa and its people – *Defence Mandate*.
- The value of the Defence contribution to the growth of the economy – *Defence Economics*.
- The value of the Defence contribution to skills development, job creation and social upliftment – *Developmental Agenda*.
- The value of the Defence contribution to National Task Forces, such as the Anti-Poaching Task Force – *National Security*.
- The value of the Defence contribution to assisting other government departments through which attention is given to, *inter alia*, the following aspects under the above themes:
  - The South African National Defence Force (SANDF) intervention to stabilise the crisis in the North West Province.

- The SANDF intervention at Emfuleni Municipality to contain the raw sewerage spills into the Vaal River.
- Specific interventions in support of communities with critical infrastructure such as bridges and water purification.
- SANDF projects that link the defence-decentralised procurement of goods and services at a local level as a catalyst for Small, Medium and Micro-sized Enterprises (SMME) development and job creation in support of the developmental agenda.
- Securing the SADC maritime zones through maritime patrol allowing for free and safe trade routes in support of the Republic of South Africa's (RSA) economy.
- Continued efforts to enhance the safeguarding of the land borders and airspace and preventing the flows of illicit goods that compromise the RSA economy.
- Combating illegal immigration.
- Assisting the South African Police Service (SAPS) in the fight against crime.

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

As part of the implementation of the SA Defence Review 2015, the DOD developed a comprehensive planning tool, called the "Estimator Model", that enables the accurate costing and forecasting of force design and capability development plans. Utilising the "Estimator Model" as a powerful modelling tool, the "DOD Plan to Arrest the Decline" was developed. The purpose of the Plan was to intervene and stabilise declining defence capabilities so that the current ordered critical operational commitments could be met.

The Plan was presented to the Joint Standing Committee on Defence of Parliament on 12 May 2017. The Joint Standing Committee on Defence accepted the Plan *'in principle'* but expressed reservations on the ability of the National Treasury to fund the Plan. The MOD&MV directed that the additional funding required to implement the Plan be the basis for engagement with the Parliamentary Portfolio Committee on Defence and Military Veterans, the Joint Standing Committee on Defence, the National Treasury, the Department of Planning, Monitoring and Evaluation as well as political decision makers.

An interdepartmental task team between the DOD and National Treasury was established to ensure a full understanding of the plan and its deliverables and to confirm the funding trajectory. This process was concluded with the development of a comprehensive joint DOD and National Treasury report that was formally submitted by the Secretary for Defence to the Director-General of National Treasury for inclusion into the government budgeting process. On 06 April 2018, the Director-General of the National Treasury informed the DOD that due to the constrained fiscal outlook, the National Treasury was unable to fund the implementation of the SA Defence Review 2015 over the Medium-Term Expenditure Framework period.

Strategically, the current funding allocation to the DOD effectively negates the SA Defence Review 2015 policy position as endorsed by Parliament and dramatically reduces the level of defence ambition that can be sustainably pursued. This reduction will inevitably lead to a reduction in operational output, introducing significant risks to South Africa's sovereignty and territorial integrity, as well as the ability to sustain enduring support to the development of South Africa and its people.



The MOD&MV informed Parliament during many Budget Speeches that defence funding continues to decline and the DOD, being forced to adopt a short-term view, with an increasingly constrained value proposition to South Africa and its people. Strategically, the SANDF has been forced to transition from being mandate-driven to being funding-driven.

The Minister has further asked on many occasions whether or not Parliament is satisfied that the current resourcing of the Defence Force is consistent with the obligations placed on it by the Constitution? The Minister has continued to state that a frank discussion is needed to avert irreversible damage to the Defence Force as a whole.

The President of the RSA met with the DOD on 15 January 2019. The DOD had an opportunity to discuss a number of pressing issues, including the decline in the budget allocation, the inability to fund the implementation of the SA Defence Review 2015 and the consequences thereto. During the engagement with the President a number of decisions were taken and specific guidance was given on the strategic focus for the defence function over the next few years. In addition, specific guidance was given on the approach to planning and budgeting for the DOD during this period of fiscal constraint and the President requested that a prioritised 'intervention plan' be developed.

**During the year under review** the DOD responded to the guidelines given by the President with a re-prioritisation and refinement of its planning, the focus being on resolving the issues that prevent the execution of current ordered operational commitments in the short-term. This 'Intervention Plan' not only addresses operational performance but also includes focussed spending on critical multi-mission cross-cutting capabilities that will ensure funding flows to the Defence Industry and Defence Related Industries, both of which remain crucial to the enablement of the defence function in the future, as well as the economy of South Africa.

Thus, during the year under review, the MOD&MV, together with the top-level leadership of the DOD, have continued to engage Parliament on the urgent and critical issues facing the DOD. In addition, discussions have continued with the President and the Minister of Finance as well as the National Treasury, on securing a stable funding trajectory for the Department for the medium to long-term.

Apart from a limited number of interventions, very little can be done to improve the combat power of the Defence Force and the implementation of the SA Defence Review 2015 has unfortunately been reduced to an effort to reorganise departmental administration towards improving efficiency. To this end work continues on the repositioning of the Defence Secretariat through a new Defence Secretariat Strategy, and the development of a new Military Strategy with its concomitant Force Design and Force Structure.

South Africa is at that critical point where a common and collective understanding is required of how to plan and budget for the Defence Function of the RSA during this period of fiscal constraint and agree collectively on the prioritised interventions to be pursued.

If the Department does not receive sustainable funding, a re-evaluation of South Africa's defence capability and the capacity of the DOD to sustain its ordered commitments is inevitable. This implies that the Defence Force will have to be redesigned to fit its funding allocation and not its Constitutional obligations.

## FINANCIAL PERFORMANCE INFORMATION

### THE DEFENCE VOTE

#### Aim of the Vote

To “Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force. Provide for military veterans’ benefits.”<sup>1</sup>

#### Main Programmes

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

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

#### Defence Vote 19

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

Summary of Actual Expenditure versus Adjusted Appropriation for Current and Prior Years			
	FY2017/18	FY2018/19	FY2019/20
	R’000	R’000	R’000
Adjusted Appropriation	48 999 560	48 496 235	50 888 132
Expenditure	48 977 232	48 492 073	50 882 257
Over expenditure	0	0	0
Amount overspent as percentage of Adjusted Appropriation	0	0	0
Amount surrendered	22 328	4 162	5 875
Amount surrendered as percentage of Adjusted Appropriation	0.046%	0.009%	0.012%

<sup>1</sup> As per the “Estimate of National Expenditure” 2019.

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

Actual Expenditure versus Adjusted Appropriation for Current and Prior Years at Programme Level						
Programme	FY2019/20			FY2018/19		
	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
Administration	5 999 035	5 993 160	5 875	5 692 748	5 692 748	0
Force Employment	3 491 508	3 491 508	0	3 168 678	3 168 678	0
Landward Defence	16 763 706	16 763 706	0	16 427 499	16 427 499	0
Air Defence	6 701 148	6 701 148	0	6 261 057	6 257 443	3 614
Maritime Defence	4 709 411	4 709 411	0	4 503 930	4 503 930	0
Military Health Support	5 362 908	5 362 908	0	5 090 591	5 090 591	0
Defence Intelligence	1 002 362	1 002 362	0	938 173	938 173	0
General Support	6 858 054	6 858 054	0	6 413 559	6 413 011	548
<b>TOTAL</b>	<b>50 888 132</b>	<b>50 882 257</b>	<b>5 875</b>	<b>48 496 235</b>	<b>48 492 073</b>	<b>4 162</b>

### Transfer Payments

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

- The Armaments Corporation of South Africa SOC Limited to subsidise the mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of defence matériel, related products and services.
- The Safety and Security Sector Education and Training Authority, which acts as the Sector Education Training Authority for Defence, to subsidise their administrative expenditure in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).
- The Reserve Force Council to subsidise its mission to obtain and secure community and private sector support for the Reserves and to maintain a sound relationship and communication between the Reserves, the MOD&MV and the SANDF.
- The St John Ambulance Brigade to provide accreditation for training of Defence members and making its members and equipment available to be called-up by the SA Military Health Service during times of national disaster and emergency.
- The Special Defence Account to acquire, procure and develop armament and technology. Audited financial statements for FY2019/20 form part of the financial statements of the Department.
- To Defence members that are being separated from the Department through the Mobility Exit Mechanism for uniform members and the Employer Initiated Severance Package for non-uniform members in terms of the employment and social benefits due to them.
- To the Department of Military Veterans to provide national policy and standards on socio-economic support to military veterans and to their dependents, including benefits and entitlements. Payments are made according to the amount voted.

## Part B – Performance Information

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

Table: Transfer Payments to Public Entities and Organs of State.<sup>2</sup>

Transfer Payments to Public Entities and Organs of State for the period 01 April 2019 to 31 March 2020			
Name of Public Entity	Services Rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Spent by the Public Entity
		R'000	R'000
ARMSCOR	To subsidise ARMSCOR in its mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of defence matériel related products and services.	1 467 968	1 467 968
RFC	To subsidise the RFC in its aim to secure community and private sector support for the Reserve Forces and to maintain a sound relationship and communication between the Reserve Forces, the MOD&MV and the SANDF.	8 742	8 742

Table: Transfer Payments Made to Organisations other than Public Entities and Organs of State for the period 01 April 2019 to 31 March 2020

Transfer payments made to Organisations other than Public Entities and Organs of State for the period 01 April 2019 to 31 March 2020				
Name of Transferee	Purpose for which the Funds were Used	Did the Department Comply with Sec 38(1)(j) of the PFMA	Amount Transferred	Amount Spent
			R'000	R'000
Special Defence Account	To acquire, procure and develop armament and technology.	Yes	4 327 909	4 327 909
Military Veterans Management	To provide national policy and standards on socio-economic support to military veterans and their dependants, including benefits and entitlements.	Yes	652 553	652 553
Claims against the Department	To cover the cost of legitimate claims instituted against the Department by institutions or individuals.	Yes	47 183	47 183
Households (Employer Social Benefits)	To cover the cost of employment benefits due to Defence members being separated from the Department through the MEM for uniform members and the EISP package for non-uniform members.	Yes	143 673	143 673
SASSETA	To subsidise the administrative expenditure of the SASSETA, which acts as the SETA for Defence in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).	Yes	25 370	25 370
St John Ambulance Brigade	To provide accreditation for training of Defence members and make their members and equipment available to be called up by the SAMHS during times of national disaster and emergency.	Yes	808	808
Municipalities	To provide for the payment made to municipalities to ensure that all vehicles are licensed annually.	Yes	141	141
Licence Fees	To provide for the annual payment made to licensing authorities such as the SABC and the SAMRO for television and radio licenses.	Yes	23	23

<sup>2</sup> Refer to Annual Performance Reports of Public Entities and Organs of State for expenditure details.

### Transfer Payments

All transfer payments budgeted for the period 01 April 2019 to 31 March 2020 were transferred to the relevant institutions.

### Conditional Grants and Earmarked Funds

The DOD neither paid nor received any conditional grants during or for the period 01 April 2019 to 31 March 2020.

### Donor Funds

Foreign aid assistance **received by** the DOD and **provided by** the DOD was mostly in kind (goodwill gestures) and took the form of providing air tickets, messing, accommodation and a daily stipend during foreign visits and training. The actual cost to the donors is not known and the Rand value is merely an estimate.

No foreign aid was rendered or received for larger DOD projects and programmes during the year under review.

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

### Public/Private Partnerships

The DOD did not enter into any public/private partnerships during the period 01 April 2019 to 31 March 2020.

## CAPITAL INVESTMENTS, MAINTENANCE AND ASSET MANAGEMENT PLAN

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

Financial Performance: Capital Investment, Maintenance and Asset Management Plan for FY2019/20						
Infrastructure Projects	FY2019/20			FY2018/19		
	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
New and Replacement Assets	95 856	31 189	64 666	41 585	39 123	2 462
Existing Infrastructure Assets	617 999	715 568	(97 568)	726 030	510 177	221 458
- Upgrades and Additions	129 873	132 044	(2 170)	77 093	142 414	(60 445)
- Rehabilitation, Renovations and Refurbishments	488 126	581 349	(93 223)	634 606	365 730	269 599
- Maintenance and Repairs	0	2 175	(2 175)	14 331	2 033	12 298
Infrastructure Transfer	0	0	0	0	0	0
- Current	0	0	0	0	0	0
- Capital	0	0	0	0	0	0
<b>TOTAL</b>	<b>713 855</b>	<b>746 757</b>	<b>(32 902)</b>	<b>767 615</b>	<b>549 300</b>	<b>223 920</b>

### Progress Made on Implementing the Capital Investment and Asset Management Plan

During the year under review, various capital, refurbishment and maintenance projects were undertaken on facilities occupied by the Department. The DOD submitted the User Immoveable Asset Management Plan for FY2020/21 to FY2023/24 to the Department of Public Works and Infrastructure (DPWI) and the National Treasury during September 2019, for inclusion into the National Budgetary Programme.

### Infrastructure Projects Completed during FY2019/20

An amount of Rm165,4 was spent on 40 infrastructure projects during FY2019/20 whilst 16 out of the 77 capital works projects planned for completion during FY2019/20, were completed.

### Capital Infrastructure Projects in Process

Refer to Appendix A (Part B pages 91 to 96) for detailed information in tabular format of capital infrastructure projects in progress during FY2019/20.

### Plans to Close Down or Downgrade Current Facilities

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

## Progress Made on the Maintenance of Infrastructure

### Refurbishment

Seven of the 21<sup>3</sup> refurbishment projects<sup>4</sup> planned for FY2019/20, were completed by the DOD and DPWI during the year under review. The under achievement in planned expenditure was due to supply chain management challenges within the DPWI.

### Developments Expected to have an Impact on Current Expenditure

An increase in infrastructure expenditure will occur as soon as the DPWI issues a mandate to the DOD to perform planned maintenance tasks and minor capital works on immovable assets<sup>5</sup> utilised by the Department.

### Changes in Immovable Assets Holdings

During the period under review there were no changes in Immovable Asset Holdings.

### DOD Asset Register

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

### Current State of DOD Capital Assets

DOD facilities are generally in a fair state<sup>6</sup> and the condition of these facilities should not impact negatively on the DOD service delivery mandate. These figures are captured on the Immovable Asset Register, hosted by the CSIR to order to ensure continuity.

### Major Maintenance (Refurbishment) Projects undertaken during FY2019/20

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

### Progress Made in Addressing the Maintenance Backlog

The current maintenance backlog on DOD facilities is estimated at Rb7,2. The maintenance backlog can be attributed to the low expenditure figure by the DPWI in executing planned maintenance tasks on facilities utilised by the DOD. As a control measure, a clause was included in the Service Level Agreement between the DOD and the DPWI, to the effect that the Annual Planned Maintenance Programme must be signed off by the DOD, prior to execution. The latter will provide the DOD with an opportunity to peruse the contents of the Programme and provide inputs where applicable, before approval.

<sup>3</sup> A total of 19 projects were planned for FY2019/20, whilst two projects were added, bringing the total planned projects to 21.

<sup>4</sup> Major Maintenance Projects.

<sup>5</sup> Facility life cycle management functions.

<sup>6</sup> 84.9% fair, 7.8% inadequate, 1.6% bad and 5.6% very bad.

# NON-FINANCIAL PERFORMANCE INFORMATION

## AUDITOR-GENERAL'S REPORT ON PREDETERMINED OBJECTIVES

The Auditor-General of South Africa performs certain audit procedures on performance information to provide feedback for selected programmes<sup>7</sup> audited.

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

Refer to the Report of the Auditor-General, in Part E: Financial Information, pages 221 to 222.

## STRATEGIC OUTCOME-ORIENTATED OUTPUTS

### Introduction

The DOD Annual Report for FY2019/20 provides an analysis on the manner in which the DOD performed against its set targets in meeting ordered commitments, providing capabilities, ensuring sound administration and management of the DOD.

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

During the period under review, the DOD progressed in many areas against set priorities. In support of Government's national imperatives, SANDF soldiers were deployed outside the borders of South Africa in a UN Peace Support Operation in the Democratic Republic of the Congo (DRC) and an Anti-Piracy Operation in the Mozambican Channel.

The SANDF was also deployed inside the borders of South Africa in four internal operations. The aim of these internal operations was twofold; to safeguard our borders and to assist other Government departments in areas such as search and rescue, disaster aid and relief as well as safety and security support tasks.

### Mandate

The DOD derives its mandate from section 200 of the Constitution, the Defence Act, 2002 (Act No. 42 of 2002) as amended by the Defence Amendment Act, 2010 (Act No. 22 of 2010), the 1996 White Paper on Defence and the SA Defence Review 2015. The department is required to provide, manage, prepare and employ defence capabilities that are commensurate with the needs of South Africa. The mandate is given substance by:

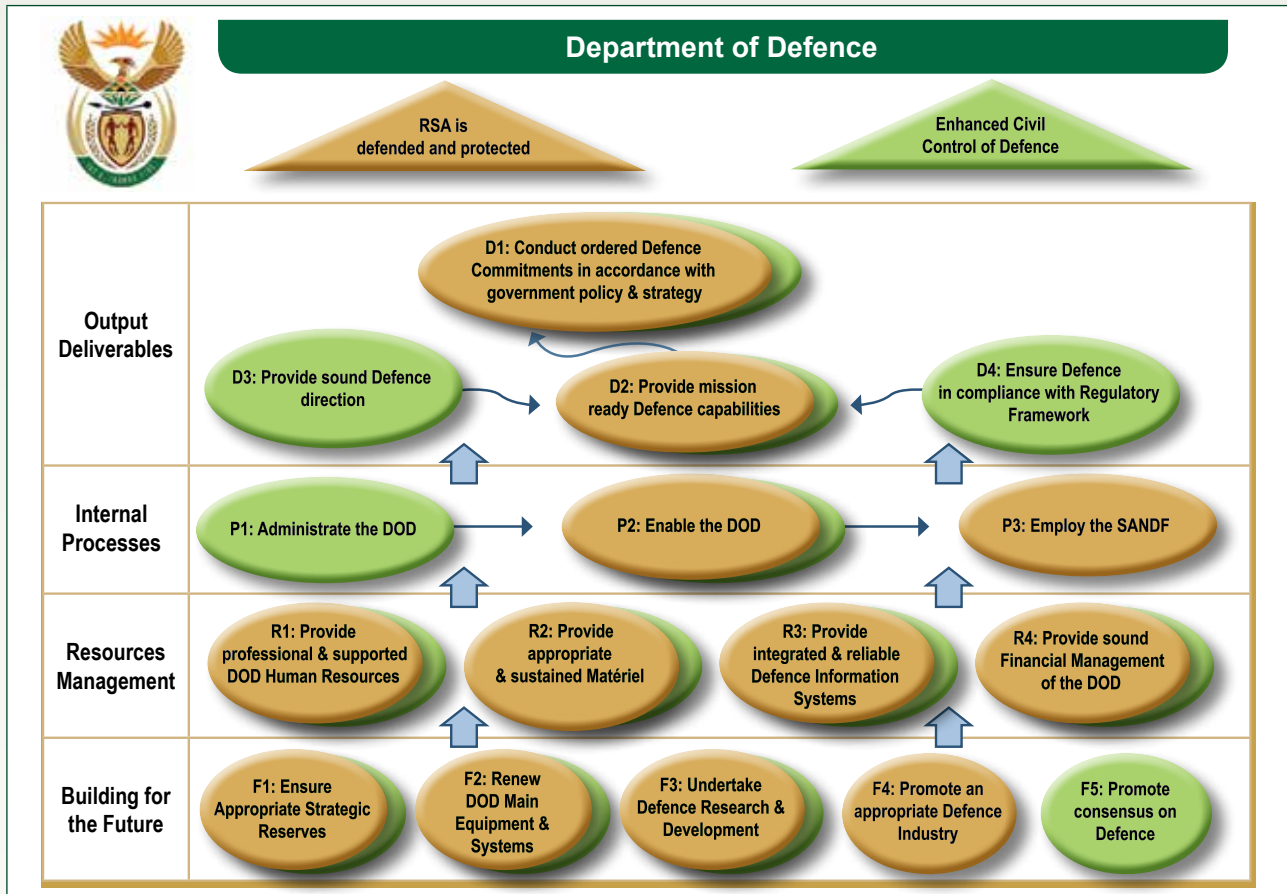
- The Defence Act, 2002 (Act No. 42 of 2002)
- The Defence Amendment Act, 2010 (Act No. 22 of 2010)
- The White Paper on Defence, 1996.
- The SA Defence Review 2015.
- Delegated Legislation.

<sup>7</sup> Amended to only Force Employment in terms of "Adjusted Audit Strategy" of the AGSA, necessitated by the impact of the COVID-19 pandemic on business processes.



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

The DOD Strategy Map<sup>8</sup> is indicated below.



**Outcomes**

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

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

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

<sup>8</sup> The “green” strategy map elements represent the Defence Secretariat responsibilities and the “light brown” the responsibilities of the SANDF.

### Outputs

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

In pursuance of its legislative mandate and utilising its inherent defence capabilities, the DOD supported the Government Medium-Term Strategic Framework (MTSF) 2014 – 2019 outcomes, relevant to the Defence mandate, by means of the following output deliverables (sustained agenda):

- Conduct ordered Defence Commitments in accordance with Government policy and strategy.
- Provide mission-ready Defence capabilities.
- Provide sound Defence direction.
- Ensure Defence compliance with regulatory Framework.

The following reflect the defence contribution to the National Development Plan, Vision 2030, as articulated in the DOD Strategic Plan 2015 – 2020:

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

During the year under review, DOD support to Government outcomes and priorities encompassed two MTSF periods; the MTSF 2014 – 2019 (arranged in 14 outcomes) and the MTSF 2019 – 2024 (arranged in seven priorities).

#### Medium-Term Strategic Framework 2014 – 2019

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

#### Medium-Term Strategic Framework 2019 – 2024

- **Priority 6:** *“Social Cohesion and Safer Communities”.*
- **Priority 7:** *“A Better Africa and a Better World”.*

**Medium-Term Strategic Framework Outcomes and Priorities derived from Government’s National Imperatives (Strategic Outcomes) for FY2019/20**

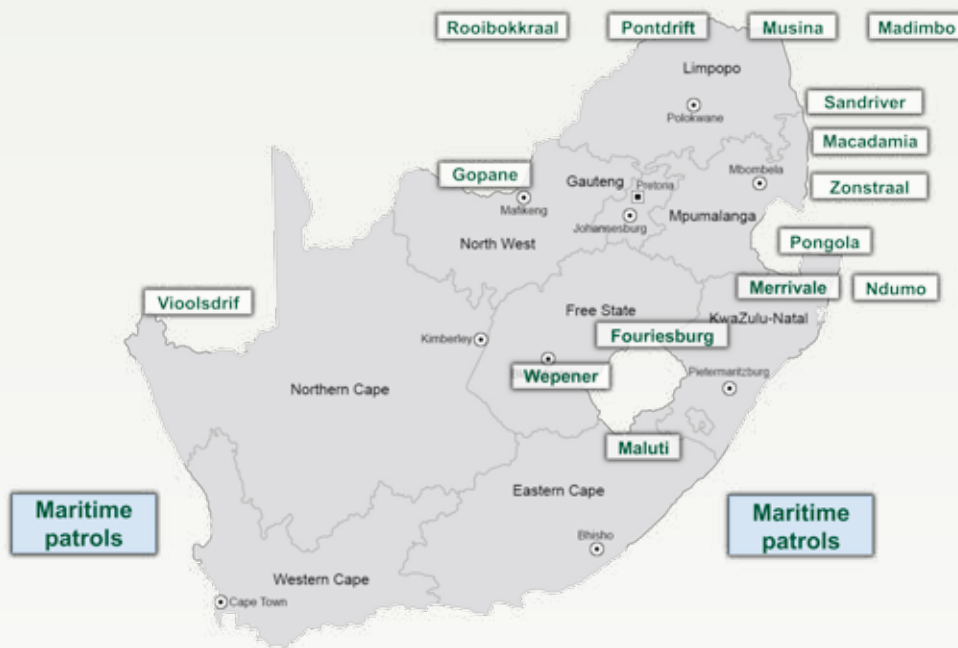
In pursuance of its legislative mandate and utilising its inherent defence capabilities, the DOD continued to provide support to the National Development Plan 2030 priorities, relevant to the Defence mandate.

In this regard, the MOD&MV is the Chairperson, and jointly responsible for the coordination of the Justice, Crime Prevention and Security Cluster and member of the Joint International Cooperation, Trade and Security Cluster for:

- **Medium-Term Strategic Framework 2014 – 2019, Outcomes 3 and 11;** and
- **Medium-Term Strategic Framework 2019 – 2024, Priorities 6 and 7,** respectively.

The DOD contributed (directly and indirectly) to these Outcomes and Priorities as follows:

**Outcome 3: “All people in South Africa are and feel safe”**  
**Priority 6: “Social Cohesion and Safer Communities”**



The SANDF returned to the borders to undertake border safeguarding in 2010 and at present the SANDF deploys 15 sub-units to execute resourced border safeguarding (Op CORONA) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces in an endeavour to safeguard and maintain the integrity of the country’s borderline. During FY2019/20, the SANDF recorded various operational successes, including the following: 43 weapons recovered, 13 277 illegal foreigners apprehended, 597 criminals arrested, 180 stolen vehicles recovered, 10 510kg dagga confiscated, 929kg of precious metals (mostly copper) confiscated, 5 676 live-stock recovered, and contraband goods to the value of Rm41,5 confiscated.

During the period under review, the SANDF deployed its maritime capability in support of Op CORONA and conducted four maritime coastal patrols along the east and west coast of Africa. Through these coastal patrols, the SANDF deterred piracy on both the east and west coast, curbed maritime crime and ensured that there is a free flow of vessels and ships, transporting goods to the RSA and other countries, utilising these maritime routes.

## Part B – Performance Information

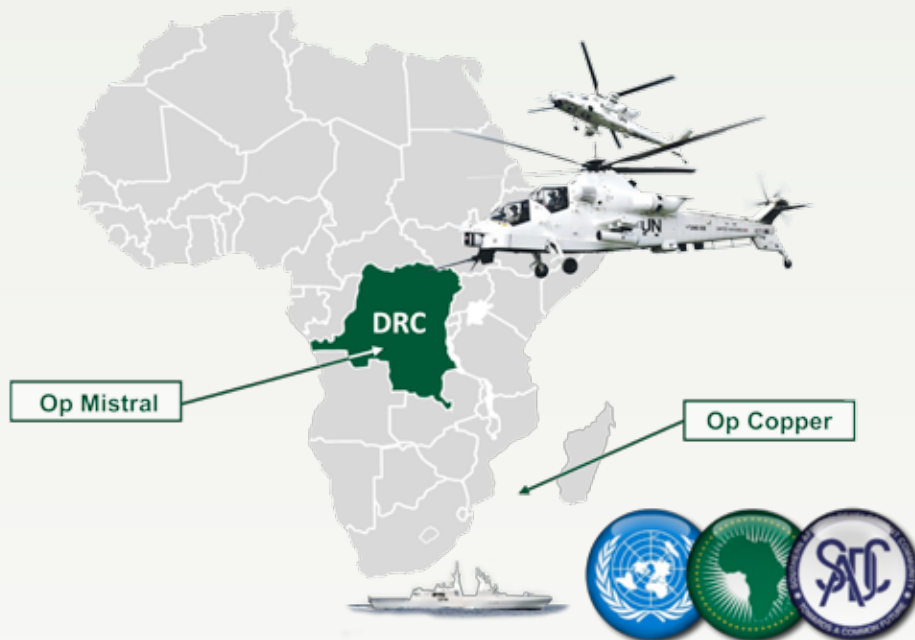
The SANDF continued its efforts to contribute towards Op PHAKISA objectives, with specific reference to Initiative 5: “*Enhanced and Coordinated Enforcement Programme*”, through the conduct of Op CORONA maritime coastal patrols.

Notwithstanding a decline in defence capabilities, the DOD was able to contribute to the RSA's national security by fulfilling its constitutional mandate.

Whilst primarily driven by its legislative mandate, the DOD is mindful of the pressing developmental challenges facing South Africa, and has always been responsive to circumstances where it can be of value in alleviating the plight of the people.

### Outcome 11: “Creating a better South Africa and contributing to a better and safer Africa in a better world”

#### Priority 7: “A Better Africa and a Better World”



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

During the period under review, the SANDF continued to participate with the planning and execution of external peace support operations, rescue operations and humanitarian assistance operations, which included:

- **Peace Support Operations.** The SANDF continued to participate in the UN Peace Support Operation in the DRC (Op MISTRAL).
- **Anti-piracy Operations.** The SANDF continued to support to Mozambican Defence Force with anti-piracy operations in the Mozambique Channel (Op COPPER).
- **Disaster Aid and Disaster Relief.** The SANDF provided humanitarian assistance operations in support of the Government of Mozambique (Op INDIZA), the Government of Malawi (Op UKUNONPHELA), and the Government of Zimbabwe (Op UKUWELA) due to flooding after cyclone EDAL.

SANDF forces participated in one **Joint Interdepartmental, Interagency and Multinational Military exercise**. Ex MOSI, a multinational exercise to promote navigation and sea economic activities between South Africa, the People's Republic of China and Russia, was executed on the west coast of South Africa between Cape Columbine and the Cape of Good Hope from 21 to 30 November 2019.

As part of the DOD's defence diplomacy efforts with key African states and strategic partners, the DOD remains committed to have its Defence Attachés deployed to support Government objectives. To this extend, the DOD deployed 10 **Defence Attachés** in the SADC region; Angola, Botswana, the DRC, Eswatini, Lesotho, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe.

## OVERVIEW OF DEPARTMENTAL PERFORMANCE

### Organisational Environment

#### Minister of Defence and Military Veterans' Priorities for FY2019/20

The Minister provides the DOD with strategic direction and sets out priorities to be pursued by the DOD over multiple MTSF and electoral periods. The execution of these priorities enhances the effective realisation of the Defence mandate. The Minister indicated that the focus of the DOD during FY2019/20 would be to ensure the continued execution of the five-year programme as set out in the DOD's Strategic Plan for 2015 to 2020.

The Minister's priorities for FY2019/20 were directly related to the SA Defence Review 2015 and gave impetus to the implementation of the SA Defence Review 2015.<sup>9</sup> The MOD&MV priorities for FY2019/20 were confirmed as follows:

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

These priorities were mainly realised through the Defence Administration Main Programme.<sup>10</sup>

#### Key Policy Developments and Legislative Changes

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

### Service Delivery Environment

#### DOD Selected Performance Indicators

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

An analysis of the DOD's year-on-year performance against Selected Performance Indicators and targets over the period 01 April 2016 to 31 March 2020 is reflected in Appendix B.

<sup>9</sup> Refer pages 23 to 26 for detailed implementation status.

<sup>10</sup> Refer pages 45 to 48 for programme performance status

The table below provides an analysis of achievements of targets for the DOD Selected Performance Indicators for FY2019/20.

DOD Selected Performance Indicators for FY2019/20		
Performance Indicator	Accountability / Reporting Responsibility	Analysis
<b>MTSF Outcome to which it contributed: Outcome 11</b>		
Total number of Defence Attaché Offices	Administration (Defence Foreign Relations)	<p><b>Target</b> 44</p> <p><b>Actual</b> 44</p> <p><b>Comment</b> <u>SADC – 10 offices</u> Angola, Botswana, the DRC, Eswatini, Lesotho, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe.</p> <p>The following SADC countries are served by non-residential Defence Attachés stationed in other countries: Malawi (non-residential Defence Attaché in Zambia), and Mauritius (non-residential Defence Attaché in Tanzania).</p> <p><u>Rest of Africa – 13 offices</u> Algeria, AU, Burundi, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Kenya, Nigeria, Senegal, South Sudan, Sudan, and Uganda.</p> <p><u>Rest of the World – 21 offices</u> Argentina, Belgium, Brazil, Cuba, France, Germany, India, Italy, Malaysia, Pakistan, People's Republic of China, Russia, Saudi Arabia, Spain, Sweden, Turkey, United Arab Emirates, United Kingdom, UN, United States of America, and Vietnam.</p>
<b>MTSF Outcome to which it contributed: Outcome 5</b>		
Number of military skills development members in the system	Administration (Human Resources Services)	<p><b>Target</b> 3 510</p> <p><b>Actual</b> 3 761</p> <p><b>Deviation</b> The 2020 MSDS intake was increased to compensate for the attrition rate of military members.</p>
<b>MTSF Outcome to which it contributed: Outcome 3</b>		
Number of Reserve Force mandays	Administration (Human Resources Services)	<p><b>Target</b> 2 693 048</p> <p><b>Actual</b> 2 739 564</p> <p><b>Deviation</b> The utilisation of Reserve Force mandays increased as a result of an increased requirement for the deployment of Reserve Force members.</p>



## Part B – Performance Information

DOD Selected Performance Indicators for FY2019/20		
Performance Indicator	Accountability / Reporting Responsibility	Analysis
<b>MTSF Outcome to which it contributed: Outcome 11</b>		
Percentage compliance with the Southern African Development Community Standby Force Pledge	Force Employment	<p><b>Target</b> 100%</p> <p><b>Actual</b> 100%</p> <p><b>Comment</b> The SANDF FSEs deployed in peace missions constituted part of the SANDF's contribution to the African Standby Force. These pledges were not additional to SANDF force requirements.</p>
<b>MTSF Outcome to which it contributed: Outcome 11</b>		
Percentage compliance with number of ordered commitments (external operations)	Force Employment	<p><b>Target</b> 100%</p> <p><b>Actual</b> 100%</p> <p><b>Comment</b> SANDF forces deployed in Op MISTRAL (UN Peace Support Operation in DRC [MONUSCO]) during FY2019/20.</p>
<b>MTSF Outcome to which it contributed: Outcome 3</b>		
Percentage compliance with number of ordered commitments (internal operations) <sup>11</sup>	Force Employment	<p><b>Target</b> 100%</p> <p><b>Actual</b> 100%</p> <p><b>Comment</b> SANDF forces deployed in the following four internal operations during FY2019/20:</p> <ul style="list-style-type: none"> <li>• Op PROSPER (Support to Government departments, mainly SAPS [i.e. Safety and Security Support]).</li> <li>• Op CHARIOT (Disaster Aid and Relief [Humanitarian Assistance]).</li> <li>• Op ARABELLA (Search and Rescue).</li> <li>• Op CORONA (Border Safeguarding).</li> </ul>
<b>MTSF Outcome to which it contributed: Outcome 11</b>		
Number of Joint, Interdepartmental, Interagency and Multinational military exercises conducted per year <sup>12</sup>	Force Employment	<p><b>Target</b> 1</p> <p><b>Actual</b> 1</p> <p><b>Comment</b> SANDF forces participated in one JIIM exercise during FY2019/20:</p> <p>Ex MOSI, a combined multinational exercise between the People's Republic of China, the Russian Federation and South Africa, was executed on the Western Coast of South Africa between Cape Columbine and the Cape of Good Hope over the period 21 to 30 Nov 2019 with the primary aim to promote navigation and sea economic activities between these three countries.</p>

<sup>11</sup> Internal operations include border safeguarding and operations in support of other Government departments (safety and security support, disaster aid and disaster relief and search and rescue).

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



DOD Selected Performance Indicators for FY2019/20		
Performance Indicator	Accountability / Reporting Responsibility	Analysis
<b>MTSF Outcome to which it contributed: Outcome 3</b>		
Number of landward sub-units deployed on border safeguarding per year	Force Employment	<p><b>Target</b> 15</p> <p><b>Actual</b> 15</p> <p><b>Comment</b> The SANDF deployed 15 sub-units to execute Op CORONA (Border Safeguarding) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces.</p>
<b>MTSF Outcome to which it contributed: Outcome 11</b>		
Number of hours flown per year	Air Defence	<p><b>Target</b> 17 200<sup>13</sup></p> <p><b>Actual</b> 16 232.60</p> <p><b>Deviation</b> The 16 232.60 hours flown, represents 94.4% of the planned target.</p> <p>Force preparation hours were exceeded, inter alia, due to additional flying hours flown during the presidential inauguration. Force employment and VVIP hours were not achieved. The number of hours flown are dependent on the number of serviceable aircraft and operational taskings received.</p> <p><b>Comment</b> The following hours were flown:  <ul style="list-style-type: none"> <li>• 12 749.50 hours for force preparation</li> <li>• 2 576.00 hours for force employment</li> <li>• 907.10 VVIP hours</li> </ul> </p>
<b>MTSF Outcome to which it contributed: Outcome 11</b>		
Number of hours at sea per year	Maritime Defence	<p><b>Target</b> 10 000<sup>14</sup></p> <p><b>Actual</b> 6 612.55</p> <p><b>Deviation</b> The 6 612.55 hours at sea represents 66% of the planned target. The underachievement is attributed to unaffordable refits and maintenance and repair. This led to operational defects and the non-availability of platforms to conduct all scheduled Force Preparation and Force Employment activities.</p> <p><b>Comment</b> Hours at sea includes:  <ul style="list-style-type: none"> <li>• 2 745.85 hours for force employment</li> <li>• 3 866.70 for force preparation</li> </ul> </p>

13 For the FY2019/20 MTEF, the target for the Performance Indicator "Number of hours flown per year" has been reduced from 25 000 to 17 200 hours per year due to the reduction in the budget allocation to the Air Defence Programme. The "Number of hours flown per year" includes an estimated 5 000 hours for Force Employment and approximately 12 200 hours for Force Preparation. The estimated total of 5 000 hours includes Force Employment and an estimated 1 000 VVIP hours.

14 The Performance Indicator target for "Number of hours at sea" was amended from 12 000 to 10 000 hours at sea in the FY2019/20 MTEF. The reduction in the FY2019/20 Performance Indicator target is as a result/reflects the previous baseline performance over the past three year audited/actual performance (FY2014/15 until FY2016/17) and influenced by the availability of maritime platforms and budget reductions.

**Service Delivery Improvement Plan**

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

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

The SDIP for the 2018/19 MTEF was submitted to the Department of Public Service and Administration on 28 May 2018. The central theme of this Plan is to enhance governance and accountability arrangements within the DOD, with the focus of the Plan directed towards the following areas during FY2019/20:

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

The table below highlights the Main Services and Improved Service Standards as at 31 March 2020.

Main Services and Improved Service Standards for FY2019/20		
Main Services	Improved Service Standard	Analysis
Information Technology Governance	The utilisation of Enterprise Architecture as the preferred DOD management methodology.	<p><b>Desired Standard of Service</b> Corporate Governance of Information Communication Technology DODI.</p> <p><b>Actual Achievement</b> The Corporate Governance of Information Communication Technology DODI/00215 (Edition 1) was promulgated on 22 Jul 2019.</p>
		<p><b>Desired Standard of Service</b> Governance Information and Communication DODI.</p> <p><b>Actual Achievement</b> The development of the Governance Information and Communication Policy Framework is work in progress.</p> <p>This Framework, once approved, will guide the development of the Governance Information and Communication DODI.</p>
		<p><b>Desired Standard of Service</b> Enterprise Architecture DODI.</p> <p><b>Actual Achievement</b> Since the initial finalisation and recommendation of the first Draft Enterprise Architecture DODI on 04 Sep 2018<sup>15</sup>, supplementary consultations between role-players took place. This DODI remains work in progress.</p>

15 Refer DOD Annual Report FY2018/19, page 46.

Main Services and Improved Service Standards for FY2019/20		
Main Services	Improved Service Standard	Analysis
Asset Management	The management of all types of DOD assets in a disciplined and prescribed manner.	<p><b>Desired Standard of Service</b> One day specific workshop – held bi-annually.</p> <p><b>Actual Achievement</b> Monitoring of progress on relevant asset management issues was done during FY2019/20 monthly through the Asset Management Reporting Forum.</p> <p>A DOD Logistics Indaba was held from 27 to 29 Aug 2019 and all role-players were in attendance. The aim was to hold discussions with DOD Logistics Officers regarding expectations and challenges from a logistics-functional perspective.</p> <p>As part of the implementation of the DOD Inventory Plan, roadshows took place throughout DOD units during Nov 2019. The aim of the roadshow was to:</p> <ul style="list-style-type: none"> <li>• Clarify Inventory Management expectations, in line with the NT MCS Standard and the Inventory Management Framework.</li> <li>• Method of reporting on Inventory, once NT provide an implementation date.</li> <li>• Discussion on the Inventory Implementation roll-out plan, specifically relating to preparations for reporting and related audits.</li> </ul> <p>Consultations between the DOD and NT took place to resolve and clarify issues relating to the classification and accounting of Capital Components. Discussions with NT were fruitful in addressing matters which previously resulted in audit qualifications. Consensus was reached on the disclosure of Capital Spare Parts and the related Asset Register requirements. Official correspondence in this regard was issued by NT; the DOD will thus report accordingly in FY2019/20 Financial Statements.</p>
Supplier Payments	The payment of legitimate DOD supplier invoices within 30 days	<p><b>Desired Standard of Service</b> The FMD Integrated Financial Management System Forum confirms the Chief Financial Officer’s strategy to obtain a new accounting system and implementation of the Integrated Financial Management System in order to ensure the payment of legitimate DOD supplier invoices within 30 days.</p> <p><b>Actual Achievement</b> Current management interventions implemented by the Chief Financial Officer includes an Invoice Tracking System and a “FMD Improvement Plan for 30 Day Payment to Service Providers” to ensure quick wins.</p> <p>A total of 355 584 out of 446 002 legitimate invoices (79.72%) received were paid within a period of 30 days for FY2019/20.</p>

### PERFORMANCE INFORMATION BY PROGRAMME

#### Programme 1: Administration<sup>16</sup>

##### Purpose

The purpose of the Administration programme is to provide strategic leadership, management and support services to the DOD and provide for military veterans' benefits through the Department of Military Veterans.<sup>17</sup>

##### Outputs

The outputs of the Administration programme are to provide:

- Ministerial direction.
- Defence policy advice.
- Departmental strategic direction.
- Corporate planning, budgeting and reporting.

The Defence Secretariat mandate finds expression in the following sub-programmes within the Administration main programme:

- Ministry of Defence.
- Organs of State.
- Departmental Direction.
- Policy and Planning.
- Military Policy, Strategy and Planning Office.
- Financial Services.
- Human Resource Support Services.<sup>18</sup>
- Legal Services.<sup>19</sup>
- Inspection and Audit Services.
- Acquisition Services.
- Communication Services.
- SANDF Command and Control.
- Religious Services.
- Defence Reserve Direction.
- Defence Foreign Relations.<sup>20</sup>
- Office Accommodation.

<sup>16</sup> The Administration Programme consists of both Defence Secretariat and SANDF sub-programmes.

<sup>17</sup> This Administration Programme purpose is aligned with the ENE, as determined/standardised by NT for all national departments as from FY2015/16 onwards.

<sup>18 to 20</sup> Central Staff.

## Overview

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

### ***Departmental Direction***

The mandate of the Defence Secretariat is to enhance Parliamentary oversight and Ministerial control over the SANDF through the provisioning of strategic direction and monitoring and evaluation of performance.

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

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

Following the nationwide lockdown, in his capacity as the co-chairperson of the JCPS Cluster, the Secretary for Defence has since coordinated and facilitated all activities related to various work streams on COVID-19, which included the following sectors: economic, health, security, education, legal and regulatory framework, communications and labour sectors.

The Secretary for Defence was instrumental in the following key areas, and led and coordinated the following activities:

- The repatriation of 114 South Africans from the City of Wuhan, Hubei Province in the People's Republic of China.
- Worked on the establishment of COVID-19 work streams.
- Formulation of a Socio-Economic Recovery Plan for the country, post COVID-19 national lockdown.
- Development and consolidating a Draft Framework on the Risk Adjusted Strategy.

### ***SANDF Command and Control***

During the year under review the Chief of the SANDF (C SANDF) provided military strategic direction to the SANDF through governance activities and interventions. Strategic direction was provided to all SANDF entities through command councils and military channels.

The C SANDF attended bilateral and multilateral forums and engagements in the RSA and abroad. These engagements were held at AU and SADC levels, including goodwill visits as part of military diplomacy endeavours.

### ***Defence Diplomacy***

In the area of defence diplomacy, the DOD was able to ensure the 100% validity of the enabling bilateral international agreements mandating the conducting of bilateral and multilateral engagements with partner countries in its area of responsibility within Europe and America (i.e. United States of America (USA), the Russian Federation, Brazil, Italy and Canada), Africa (i.e. Chad, Zimbabwe, Kenya, Togo, Ghana, Egypt, Nigeria, Burundi and Zambia), as well as Asia and the Middle East (i.e. Vietnam, Pakistan, Thailand and India).

The DOD facilitated the processing and signing of Defence Cooperation Agreements (Legal instruments) between the RSA and various countries, namely; Republic of Cameroon, Russian Federation, Portugal, Serbia, Brazil, Kenya, Republic of Burundi, Central African Republic, Republic of Ivory Coast and People's Democratic Republic of Algeria.

Through the DOD's Peace Mission Intervention Task Team, the DOD facilitated the drafting, negotiating and signing of the outstanding two Letters of Assist, one for the provisioning of three Rooivalk Military Attack Helicopters and the other for the provisioning of five Oryx Utility Helicopters to the UN Organisation Stabilisation Mission in the DRC.

### ***Defence Sector Development***

The National Defence Industry Council Work Stream 1 finalised the public version of the Defence Industry Strategy. The Strategy was tabled during the third quarter of FY2019/20 at the National Defence Industry Council meeting. The Defence Industry Strategy was included into the Private Public Growth Initiative as one of the National Imperatives of Government. The Private Public Growth Initiative seeks to harness the potential of the private sector in contributing to renewal and investment growth in South Africa. Further developments for Work Stream 1 included the appointment of a Defence Sector Council and the presentation of the Barter Model<sup>21</sup> to National Treasury for approval.

### ***Governance and Accountability***

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

Chief Defence Policy, Strategy and Planning, as the main advisor on defence policy matters and co-ordination of the departmental strategic direction process, continued to provide support on matters of National Security, Governmental Peace and Security Objectives, Democratic Civil Control, in line with the Constitution, International Law, National Legislation, the MTSF and the annual Government Programme of Action.

<sup>21</sup> In trade, "barter" is a system of exchange where participants in a transaction directly exchange goods or services for other goods or services without using a medium of exchange, such as money.

In executing the responsibility of effective regulation of arms transfer in South Africa, administrative and secretariat support were provided to the National Conventional Arms Control Committee and 2 355 permits were issued during the period under review.

Through the Logistics Division<sup>22</sup>, the DOD continued to manage the payment of “Accommodation charges, leases and municipal services”, thereby providing appropriate and sustained facilities for the DOD.

### Performance Status

The table below provides details of the Administration programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2019.

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Ministry of Defence</b>		
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents  (Strategic Plans [2020-2025] tabled in Parliament)	<b>Target</b> 100% (3)  <b>Actual</b> 100% (3)
	Percentage compliance with submission dates of DOD accountability documents  (Annual Performance Plans and Corporate Plan tabled in Parliament)	<b>Target</b> 100% (4)  <b>Actual</b> 100% (4)
	Percentage compliance with submission dates of DOD accountability documents  (Annual Reports tabled in Parliament)	<b>Target</b> 100% (5)  <b>Actual</b> 100% (5)
<b>Administration Sub-programme: The Military Ombud</b>		
Ensure Defence compliance with Regulatory Framework	Percentage of written complaints finalised within the Office of the Military Ombud	<b>Target</b> 75%  <b>Actual</b> 74.8% <sup>23</sup>  <b>Deviation</b> A total of 439 out of 587 complaints were assessed and finalised, whilst 148 cases were carried over to FY2020/21.
<b>Administration Sub-programme: Reserve Force Council (RFC)</b>		
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents  (Reports on RFC Activities submitted to the Executive Authority)	<b>Target</b> 100% (2 Reports on RFC Activities submitted to the Executive Authority)  <b>Actual</b> 50% (1 Report on RFC Activities submitted to the Executive Authority)  <b>Deviation</b> Only one report on RFC Activities was submitted to the Executive Authority.

<sup>22</sup> Refer to pages 81 to 82.

<sup>23</sup> Refer to The Military Ombud Annual Report for FY2019/20 for detailed information on achievement.

## Part B – Performance Information

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Defence Force Service Commission (DFSC)</b>		
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents  (Annual Activity Report regarding DFSC Activities and Findings submitted to the Executive Authority)	<p><b>Target</b> 100% (1 Annual Activity Report regarding DFSC Activities and Findings submitted to the Executive Authority)</p> <p><b>Actual</b> 100% (1 Annual Activity Report regarding DFSC Activities and Findings submitted to the Executive Authority)</p>
<b>Administration Sub-programme: Departmental Direction (Office of the Secretary for Defence)</b>		
Provide sound Defence direction	Percentage adherence to DOD governance schedule  (SA Defence Review 2015 Implementation status)	<p><b>Target</b> 100% (Monitor implementation of the approved SA Defence Review Implementation Plan)</p> <p><b>Actual</b> 100% (Implementation of the approved SA Defence Review Implementation Plan was monitored)</p> <p><b>Comment</b> The monitoring of the implementation of non-resource driven deliverables was undertaken through the departmental quarterly performance reporting process.</p>
Ensure Defence compliance with Regulatory Framework	Number of Audit Qualifications	<p><b>Target</b> 100% (0)</p> <p><b>Actual</b> In the FY2018/19, the DOD had six areas which contributed to the audit qualification.</p> <p><b>Deviation</b> The basis for qualified audit opinion were in the following areas:</p> <ul style="list-style-type: none"> <li>• Movable Tangible Capital Assets (Work-in-Progress)</li> <li>• Movable Tangible Capital Assets (Inventory)</li> <li>• Intangible Capital Assets (Software Licenses)</li> <li>• Goods and services and Investments (Sensitive Projects)</li> <li>• Commitments</li> <li>• Irregular Expenditure</li> </ul> <p><b>Comment</b> Action plans on areas of qualifications were monitored through the Accountability Management Committee and the Departmental quarterly reporting process.</p>
	Status of external statutory responses to requests received	<p><b>Target</b> 100%</p> <p><b>Actual</b> 100%</p> <p><b>Comment</b> One request from the Human Rights Commission was responded to by means of a Section 2 Report in terms of Promotion of Access Information Act.</p>



Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Departmental Direction (Defence Enterprise Information System Management)</b>		
Provide sound Defence direction	Percentage adherence to DOD governance schedule  (Defence Enterprise Architecture Capability established and integrated)	<p><b>Target</b> 20% (Development and submission for approval of the Enterprise Architecture Capability framework)</p> <p><b>Actual</b> 10% (Development and submission for approval of the Enterprise Architecture Capability framework)</p> <p><b>Deviation</b> Further development of the Enterprise Architecture DODI has been put on hold.</p> <p><b>Comment</b> A first draft of the Enterprise Architecture DODI was developed.</p>
<b>Administration Sub-programme: Policy and Planning</b>		
Provide sound Defence direction	Percentage adherence to DOD governance schedule  (Policy)	<p><b>Target</b> ≥40%</p> <p><b>Actual</b> 42%</p>
	Percentage adherence to DOD governance schedule  (Strategy)	<p><b>Target</b> 50%</p> <p><b>Actual</b> 0%</p> <p><b>Deviation</b> The development, approval, promulgation and implementation of departmental strategies as required by the departmentally approved hierarchy of policies, strategies and plans, has not been achieved.</p> <p>None of the planned targets set for 10 DOD Strategies for FY2019/20 were achieved.</p> <p><b>Comment</b> A contributing factor to the non-achievement, has been identified as the absence of a corporate organisational strategy governing body, able to direct the development, approval, implementation and monitoring of corporate and subordinate organisational strategies. In addition, the absence of higher order corporate strategies, hampered the development of subordinate functional strategies.</p>
Provide sound Defence direction	DOD Enterprise Risk Management maturity level achieved <sup>24</sup>	<p><b>Target</b> Level 5</p> <p><b>Actual</b> Level 4 achieved</p> <p><b>Deviation</b> The Risk Management Policy is expected to be reviewed regularly to ensure continued relevance in the context of the institution's aims and objectives.</p> <p><b>Comment</b> The under achievement is attributed to the lack of regular revision and appropriate development of policies and plans.</p>

<sup>24</sup> The Enterprise Risk Management maturity is a requirement by NT and therefore included in the DOD APP for 2019. Assessed in terms of NT risk management questionnaire as part of the Financial Management Capability Maturity Model.

## Part B – Performance Information

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Military Policy, Strategy and Planning Office</b>		
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents  (SANDF quarterly reports submitted to the Executive Authority)	<b>Target</b> 100% (4 SANDF quarterly reports submitted to the Executive Authority)  <b>Actual</b> 100% (4 SANDF quarterly reports submitted to the Executive Authority)
Enable the DOD	Percentage of combat ready SANDF capabilities available <sup>25</sup>	<i>Information Classified</i> <sup>26</sup>
<b>Administration Sub-programme: Financial Services</b>		
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents  (Percentage compliance with DOD financial management products)	<b>Target</b> 100% (37 Financial management products submitted in line with National Prescripts)  <b>Actual</b> 100% (36 Financial management products submitted in line with National Prescripts)  <b>Comment</b> The Department previously submitted two separate sets of financial statements; hence the annual target was set at 37.  During FY2019/20 the exemption granted by NT to not submit consolidated financial statements was no longer applicable. Compliance with regulations meant that only 36 documents could be submitted and not 37 as set during the FY2019/20 planning process.
Ensure Defence compliance with Regulatory Framework	Percentage payments within 30 days from receipt of legitimate invoices <sup>27</sup>	<b>Target</b> 75%  <b>Actual</b> 79.7%  <b>Comment</b> The Department paid 355 584 legitimate invoices out of the 446 002 invoices received during FY2019/20, within a period of 30 days. Invoices not paid within 30 days were due to non-integration of legacy DOD Information systems.
Provide sound Financial Management of the DOD	Percentage deviation from approved drawing schedule <sup>28</sup>	<b>Target</b> <8%  <b>Actual</b> 0.003%

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

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

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

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

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Human Resources Support Services (DOD Central Staff)</b>		
Provide sound Defence direction	Percentage compliance with submission dates of DOD accountability documents  (SMS financial disclosures submitted)	<p><b>Target</b> 100%</p> <p><b>Actual</b> 99%</p> <p><b>Deviation</b> 267 out of 268 SMS financial disclosures were submitted.</p> <p><b>Comment</b> Current procedures are reviewed to address the non-compliance with the submission of SMS financial disclosures.</p>
	Percentage compliance with submission dates of DOD accountability documents  (SMS performance agreements submitted)	<p><b>Target</b> 100%</p> <p><b>Actual</b> 95%</p> <p><b>Deviation</b> 251 out of 264 SMS performance agreements were submitted.</p> <p><b>Comment</b> Current procedures are reviewed to address the non-compliance with the submission of SMS performance agreements.</p>
Administrate the DOD	Percentage of disciplinary cases in the DOD finalised within 90 days  (PSAP Disciplinary Cases)	<p><b>Target</b> 100%</p> <p><b>Actual</b> 10%</p> <p><b>Deviation</b> Four out of 41 PSAP disciplinary cases received during FY2019/20 were finalised within 90 days. The remaining 37 cases were all settled, albeit outside of the required 90-day timeframe.</p> <p><b>Comment</b> The complexity of some cases required more time for finalisation. Inadequate structures and lack of suitably qualified personnel to serve as chairpersons and departmental representatives, contributed to the under achievement of the set target.</p>
	Percentage collective grievances and disputes resolved	<p><b>Target</b> 85%</p> <p><b>Actual</b> 59%</p> <p><b>Deviation</b> 13 out of the 22 collective grievances received during FY2019/20 were resolved.</p> <p><b>Comment</b> The nature and complexity of some collective grievances contributed to the under achievement. Outstanding cases currently under investigation, will be monitored and addressed.</p>

## Part B – Performance Information

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Enable the DOD	Percentage compliance with DOD training targets  (Number of PSAP attending training programmes)	<b>Target</b> 80% (2 067)  <b>Actual</b> 80% (2 068)
Provide sound Defence direction	Number of positions filled at international institutions	<b>Target</b> 12  <b>Actual</b> 14  <b>Comment</b> The Department only monitors the number of positions filled, seeing that the filling of posts is based on UN/AU/SADC requirements, which is dependent on budget availability, as well as personnel profile requirements of the applicable post.
Enable the DOD	Percentage compliance with DOD training targets  (Non-combat professional military development courses)	<b>Target</b> 80% (1 360)  <b>Actual</b> 93% (1 583)
	Percentage compliance with DOD training targets  (Re-skilling)	<b>Target</b> 100%  <b>Actual</b> 100% (343)
Provide professional and supported DOD Human Resources	Number of military skills development members in the system per year	<b>Target</b> 3 510  <b>Actual</b> 3 761  <b>Deviation</b> The 2020 MSDS intake was increased to compensate for the attrition rate of military members.
	Number of Reserve Force mandays	<b>Target</b> 2 693 048  <b>Actual</b> 2 739 564  <b>Deviation</b> The utilisation of Reserve Force mandays increased as a result of an increased requirement for the deployment of Reserve Force members.
	Percentage compliance with SANDF battle fitness requirements	<i>Information Classified</i> <sup>29</sup>

<sup>29</sup> Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Legal Services (DOD Central Staff)</b>		
Administrate the DOD	Percentage litigation cases finalised in the best interest of the DOD	<p><b>Target</b> 50%</p> <p><b>Actual</b> 82%</p> <p><b>Comment</b> A total of 140 litigation cases were received and attended to during FY2019/20. 32 out of 39 litigation cases finalised were settled in the best interest of the DOD.</p>
Ensure Defence compliance with Regulatory Framework	Percentage of cases of Corruption and Fraud prosecuted <sup>30</sup>	<p><b>Target</b> 25%</p> <p><b>Actual</b> 52.4%</p> <p><b>Comment</b> A total of 74 new cases were received. 78 out of 149 active cases of corruption and fraud were finalised during FY2019/20.</p>
Administrate the DOD	Percentage reduction of military court cases outstanding (backlog)	<p><b>Target</b> 40%</p> <p><b>Actual</b> 50%</p> <p><b>Comment</b> A total of 625 out of the backlog of 1 250 outstanding military court cases were finalised by the end of the reporting period.</p>
	Percentage military court cases finalised (in-year)	<p><b>Target</b> 40%</p> <p><b>Actual</b> 72.4%</p> <p><b>Comment</b> A total of 1 433 out of the 1 980 military court cases received during FY2019/20 were finalised by the end of the reporting period.</p>
	Percentage of disciplinary cases in the DOD finalised within 90 days (Military Disciplinary Cases)	<p><b>Target</b> 100%</p> <p><b>Actual</b> 76.3%</p> <p><b>Deviation</b> A total of 1 240 out of 1 625 military disciplinary cases received during FY2019/20 were finalised within 90 days.</p> <p><b>Comment</b> Military Disciplinary Cases are dealt with and completed at unit level and the finalisation of these cases is not controlled by the Legal Division.  The department instituted measures to respond to this outcome but was unfortunately not adequately resourced to achieved the set target.</p>

<sup>30</sup> The Performance Indicator "Percentage of cases of Corruption and Fraud prosecuted" includes cases referring to "Conviction rate of persons R5 million and over", to indicate the Department's contribution towards MTSF Outcome 3: Sub-outcome 7 "Corruption in the Public and Private Sectors Reduced" requirements.

## Part B – Performance Information

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Inspection and Audit Services (Defence Inspectorate Division)</b>		
Administrate the DOD	Number of awareness activities on corruption and fraud conducted	<p><b>Target</b> 48</p> <p><b>Actual</b> 43</p> <p><b>Deviation</b> The five outstanding awareness activities on corruption and fraud will be addressed during FY2020/21.</p> <p><b>Comment</b> Due process is followed on the actual registered cases on fraud and corruption. Investigations and audits indicating possible gaps regarding policies are being addressed.</p>
Provide professional and supported DOD Human Resources	Measure the level of DOD Morale	<p><b>Target</b> Positive</p> <p><b>Actual</b> Neutral<sup>31</sup></p> <p><b>Deviation</b> The DOD Morale Survey conducted in FY2019/20 indicated that participants' perceptions and attitudes about the level of morale measured at a neutral rating (2.3).</p> <p><b>Comment</b> Attitudes and opinions of personnel of the DOD were determined in relation to 19 factors with 58% of factors recording negative ratings.</p>
<b>Administration Sub-programme: Inspection and Audit Services (Internal Audit Division)</b>		
Ensure Defence compliance with Regulatory Framework	Percentage of audits completed in terms of the approved Internal Audit Plan	<p><b>Target</b> 100%</p> <p><b>Actual</b> 59%</p> <p><b>Deviation</b> 33 out of 56 audits completed in terms of the approved Internal Audit Plan.</p> <p><b>Comment</b> The FY2019/20 Internal Audit Plan was approved by the Audit Committee with a total of 56 audit projects. Due to resource constraints, the department reprioritised planned activities to focus on the inspection of high-risk areas.</p>

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

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Acquisition Services</b>		
Renew DOD Main Equipment and Systems	Percentage armament acquisition process compliance	<b>Target</b> ≥85%  <b>Actual</b> 97% process compliance
Undertake Defence Research and Development	Percentage technology development commitments approved	<b>Target</b> ≥85%  <b>Actual</b> 99% commitments approved
Promote an appropriate Defence Industry	Percentage of Capability and Technology programmes established with the defence industry	<b>Target</b> 100% (Capability and Technology programmes maintained with the defence industry)  <b>Actual</b> 100% (Capability and Technology programmes maintained with the defence industry)
<b>Administration Sub-programme: Communication Services</b>		
Promote consensus on Defence	Status of Public Opinion of the DOD	<b>Target</b> 75%  <b>Actual</b> 75% <sup>32</sup>
<b>Administration Sub-programme: SANDF Command and Control</b>		
Provide sound Defence direction	Number of Strategic Activities per annum	<b>Target</b> 14  <b>Actual</b> 6  <b>Deviation</b> Eight planned strategic activities could not be attended to due to unplanned engagements and higher order priorities.
<b>Administration Sub-programme: Religious Services</b>		
Administrate the DOD	Number of Covenantal relationships with Religious stakeholders  (Religious Advisory Boards)	<b>Target</b> 5  <b>Actual</b> 5
<b>Administration Sub-programme: Defence Reserve Direction</b>		
Administrate the DOD	Number of marketing events to promote the Reserves	<b>Target</b> 30  <b>Actual</b> 25  <b>Deviation</b> The number of marketing events were reduced due to budget constraints.

<sup>32</sup> Public opinion is measured every alternative/second year. Fieldwork towards the Survey for FY2019/20 had to be suspended due to the COVID-19 outbreak and finalisation of this Survey is dependent on the current lockdown situation. The results from the survey of July 2018 is thus regarded as valid until such time that the 2020 survey can be completed.

## Part B – Performance Information

Administration Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>Administration Sub-programme: Defence Foreign Relations (DOD Central Staff)</b>		
Employ the SANDF	Total number of Defence Attaché Offices	<p><b>Target</b> 44</p> <p><b>Actual</b> 44</p> <p><b>Comment</b> <u>SADC – 10 offices</u></p> <p>Angola, Botswana, the DRC, Eswatini, Lesotho, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe.</p> <p>The following SADC countries are served by non-residential Defence Attachés stationed in other countries: Malawi (non-residential Defence Attaché in Zambia), and Mauritius (non-residential Defence Attaché in Tanzania).</p> <p><u>Rest of Africa – 13 offices</u></p> <p>Algeria, AU, Burundi, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Kenya, Nigeria, Senegal, South Sudan, Sudan, and Uganda.</p> <p><u>Rest of the World – 21 offices</u></p> <p>Argentina, Belgium, Brazil, Cuba, France, Germany, India, Italy, Malaysia, Pakistan, People's Republic of China, Russia, Saudi Arabia, Spain, Sweden, Turkey, United Arab Emirates, United Kingdom, UN, United States of America, and Vietnam.</p>
<b>Administration Sub-programme: Defence International Affairs Division</b>		
Ensure Defence compliance with Regulatory Framework	Percentage external deployments including training exercises, where applicable, supported with appropriate legal instruments	<p><b>Target</b> 100% (Appropriate approved legal instrument to be in place)</p> <p><b>Actual</b> 100% Appropriate approved legal instrument in place.</p>
	Percentage compliance with Policy Products in pursuit of Defence Diplomacy	<p><b>Target</b> Ensure 100% relevant, quality policy products</p> <p><b>Actual</b> 100% Relevant, quality policy products ensured.</p>
<b>Administration Sub-programme: Office Accommodation</b>		
Provide appropriate and sustained Matériel	Percentage of expenditure in accordance with facilities plan  (Payment of leases, accommodation charges and municipal services) <sup>33</sup>	<p><b>Target</b> 100%</p> <p><b>Actual</b> 103.75%</p> <p><b>Comment</b> An amount of R2 629 205 328 was spent against a budget of R2 534 671 000 for FY2019/20.</p>

<sup>33</sup> The Department continued to manage the payment of accommodation charges, leases and municipal services, thereby providing appropriate and sustained facilities in the DOD.



## Linking Performance to Budget

The table below provides details of the Administration programme expenditure status as at 31 March 2020.

Administration Programme Expenditure Status for FY2019/20						
Sub-Programme	FY2019/20			FY2018/19		
	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
Ministry	108 942	108 942	0	125 575	125 575	0
Departmental Direction	41 969	41 969	0	41 637	41 637	0
Policy and Planning	109 550	109 550	0	106 803	106 803	0
Financial Services	395 093	395 093	0	397 727	397 727	0
Human Resource Support Services	871 658	871 658	0	851 034	851 034	0
Legal Services	319 798	318 375	1 423	314 445	314 445	0
Inspection and Audit Services	131 621	131 621	0	123 710	123 710	0
Acquisition Services	80 893	80 893	0	206 938	206 938	0
Communication Services	109 364	109 364	0	107 497	107 497	0
SANDF Command and Control	194 950	194 950	0	166 267	166 267	0
Religious Services	14 160	14 160	0	14 949	14 949	0
Defence Reserve Direction	32 465	32 465	0	29 178	29 178	0
Defence Foreign Relations	306 814	302 362	4 452	315 982	315 982	0
Office Accommodation <sup>34</sup>	2 629 205	2 629 205	0	2 263 919	2 263 919	0
Military Veterans Management <sup>35</sup>	652 553	652 553	0	627 087	627 087	0
<b>TOTAL</b>	<b>5 999 035</b>	<b>5 993 160</b>	<b>5 875</b>	<b>5 692 748</b>	<b>5 692 748</b>	<b>0</b>

<sup>34</sup> The Department continued to manage the payment of accommodation charges, leases and municipal services, thereby providing appropriate and sustained facilities in the DOD.

<sup>35</sup> Refer to table on Transfer Payments made to organisations other than Public Entities and Organs of State for the period 01 April 2019 to 31 March 2020 on pages 28 and 29.

### Programme 2: Force Employment

#### Purpose

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

#### Outputs

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

- Providing and employing a special operations capability in accordance with national requirements.
- Ensuring full participation in the number of peace missions as instructed by the President.
- Conducting six joint, interdepartmental, interagency and multinational military force preparation exercises from FY2019/20 to FY2021/22, excluding Special Forces exercises.
- Conducting four operations per year, protecting the territorial integrity and sovereignty of South Africa, supporting other Government departments and complying with international obligations on an ongoing basis.

#### Overview

The mandate for employment of joint forces is drawn from the Constitution and the Defence Act. In terms of these, the SANDF is employed for the defence of the territorial integrity and sovereignty of the RSA. Employment of military capabilities is done in a balanced manner, commencing during peacetime and transferring through to wartime.

In support of the Government imperatives, various **diplomatic activities** were conducted by the DOD throughout the world. Defence diplomacy activities were executed, which included the African Capacity for Immediate Response to Crises meeting, a Bi-National Commission meeting between the RSA/Zimbabwe and Defence Committee meetings between the RSA/Nigeria and the RSA/USA.

The SANDF actively supported the attainment of the peace, security and stability mission in Africa, contributing to **Outcome 11**: *“Creating a better South Africa and contributing to a better and safer Africa in a better world”*. During this operation, approximately 1 114 members were deployed in one UN mandated peace support operation in the DRC, Op MISTRAL. In addition to this peace support operation, the SANDF provided **general military assistance** operations to the Mozambican Government in effort of curbing piracy in the Mozambique Channel. Military personnel and assets were deployed in Malawi, Mozambique and Zimbabwe due to severe flooding as part of disaster relief efforts. Medical standby assistance was provided to the Umbutfo Eswatini Defence Force during the launching of the Eswatini Malaria Elimination Fund Summit. The SANDF also planned, coordinated and conducted Ex MOSI, a combined **multinational exercise**, with the People’s Republic of China, the Russian Federation and South Africa, on the West Coast of South Africa between Cape Columbine and the Cape of Good Hope.<sup>36</sup>

<sup>36</sup> Excluding Special Forces exercises.

In support of **Outcome 3**: “*All people in South Africa are and feel safe*”, the SANDF continued to execute Border Safeguarding operations in terms of Section 18(1)(d) of the Defence Act, by deploying 15 sub-units to execute operations along the borders in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces.

Operational successes included:

- 43 weapons recovered
- 13 277 Illegal foreigners apprehended
- 597 Criminals arrested
- 180 Stolen vehicles recovered
- 10 510kg Dagga confiscated
- 929kg Precious metals (mostly copper) confiscated
- 5 676 Live-stock recovered
- Contraband goods to the value of Rm41,5 confiscated

The SANDF provided **humanitarian assistance** in support to the people of South Africa by providing helicopter medical evacuations at Umtata in Eastern Cape, KwaSwayimane in KwaZulu-Natal and Du Toit’s Kloof Pass in Western Cape. SANDF airframes also assisted in the hoisting of five poisoned sailors and an injured sailor from ships at sea off the coast of Durban, KwaZulu-Natal.

In **support to other government departments**, the SANDF rendered support to the Department of International Relations and Corporation and the Department of Health in the repatriation and quarantine of 114 South African citizens from the COVID-19 epicentre in the Wuhan province, People’s Republic of China. The Department of Water and Sanitation was supported through providing infrastructure support for maintaining of essential services in the Ditsobotla Local Municipality which forms part of the North West Provincial Government.

**Safety and security support** were rendered to the SAPS on the Cape Flats, Western Cape in order to curb gang violence. Air transport assistance was rendered by the SANDF in providing Oryx medium utility helicopters and a King Air light transport aircraft during the 2019 elections.

The SANDF rendered support to the national effort to mitigate the spread of the COVID-19 pandemic by deploying personnel and equipment throughout the country from the commencement of the lockdown period on 27 March 2020.

**Search and rescue** assistance were rendered for a capsized rubber-duck in the Cape Town area, a missing rubber-duck in the Hout Bay/Robben Island area and a downed SA Civil Aviation Authority aircraft in the George area, Western Cape.

## Performance Status

The table below provides details of the Force Employment programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2019.

Force Employment Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Conduct ordered Defence commitments in accordance with Government policy and strategy	Percentage compliance with number of ordered commitments (external operations)	<p><b>Target</b> 100%</p> <p><b>Actual</b> 100%</p> <p><b>Comment</b> SANDF forces deployed in Op MISTRAL (UN Peace Support Operation in DRC [MONUSCO]) during FY2019/20.</p>
	Percentage compliance with force levels for external operations	<i>Information Classified</i> <sup>37</sup>
	Percentage compliance with serviceability of main equipment for external operations	<i>Information Classified</i>
	Percentage of the value of reimbursement by the UN/AU recognised	<i>Information Classified</i>
	Percentage compliance with self-sustainment of personnel	<i>Information Classified</i>
	Number of landward sub-units <sup>38</sup> deployed on border safeguarding per year	<p><b>Target</b> 15</p> <p><b>Actual</b> 15</p> <p><b>Comment</b> The SANDF deployed 15 sub-units to execute Op CORONA (Border Safeguarding) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces.<sup>39</sup></p>
	Percentage compliance with number of ordered commitments (internal operations)	<p><b>Target</b> 100%</p> <p><b>Actual</b> 100%</p> <p><b>Comment</b> SANDF forces deployed in the following four internal operations during FY2019/20:</p> <ul style="list-style-type: none"> <li>• Op PROSPER (Support to Government departments, mainly SAPS [i.e. Safety and Security Support]).</li> <li>• Op CHARIOT (Disaster Aid and Relief [Humanitarian Assistance]).</li> <li>• Op ARABELLA (Search and Rescue).</li> <li>• Op CORONA (Border Safeguarding).</li> </ul>

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

38 A typical sub-unit consists of 170 members.

39 Refer to detail on operational successes on page 60.

Force Employment Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced <sup>40</sup>	<i>Information Classified</i>
	Percentage compliance with the Southern African Development Community Standby Force Pledge	<p><b>Target</b> 100%</p> <p><b>Actual</b> 100%</p> <p><b>Comment</b> SANDF FSEs deployed in peace missions constituted part of the SANDF's contribution to the African Standby Force. These pledges were not additional to SANDF force requirements.</p>
Employ the SANDF	Number of Joint, Interdepartmental, Interagency and Multinational Military exercises conducted per year <sup>41</sup>	<p><b>Target</b> 1</p> <p><b>Actual</b> 1</p> <p><b>Comment</b> SANDF forces participated in one JIIM exercise during FY2019/20:  Ex MOSI, a combined multinational exercise between the People's Republic of China, the Russian Federation and South Africa, was executed on the Western Coast of South Africa between Cape Columbine and the Cape of Good Hope over the period 21 to 30 Nov 2019 with the primary aim to promote navigation and sea economic activities between these three countries.</p>

### Joint, Interdepartmental, Interagency and Multinational Military Exercises

The table below provides details on Force Employment Joint, Interdepartmental, Interagency and Multinational military exercises for FY2019/20.

Force Employment JIIM Military Exercises for FY2019/20		
Exercise Name	Aim	Analysis
<b>Multinational Military Exercise</b>		
Ex MOSI	The primary aim was to promote navigation and sea economic activities between these three countries	<p><b>Target</b> 1</p> <p><b>Actual</b> 1</p> <p><b>Comments</b> A combined multinational exercise between the People's Republic of China, the Russian Federation and South Africa, was executed on the Western Coast of South Africa between Cape Columbine and the Cape of Good Hope over the period 21 to 30 Nov 2019.</p>

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

41 Excluding Special Forces and SADC Standby Force exercises.

## Part B – Performance Information

### Linking Performance to Budget

The table below provides details of the Force Employment programme expenditure status as at 31 March 2020.

Force Employment Programme Expenditure Status for FY2019/20						
Sub-Programme	FY2019/20			FY2018/19		
	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
Strategic Direction	175 878	175 878	0	159 358	159 358	0
Operational Direction	373 124	373 124	0	356 574	356 574	0
Special Operations	954 933	954 933	0	834 281	834 281	0
Regional Security	886 151	886 151	0	852 212	852 212	0
Support to the People	1 101 422	1 101 422	0	966 253	966 253	0
<b>TOTAL</b>	<b>3 491 508</b>	<b>3 491 508</b>	<b>0</b>	<b>3 168 678</b>	<b>3 168 678</b>	<b>0</b>

### Programme 3: Landward Defence

#### Purpose

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

#### Outputs

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

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

#### Overview

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

- Prepared, provided and supported combat-ready Force Structure Elements by maintaining 15 sub-units (including five Reserve companies) to execute border safeguarding in support of Op CORONA. The SANDF deployed four Battalion Headquarters and 15 sub-units to execute Border Safeguarding that were maintained under the Joint Tactical Headquarters Limpopo, Mpumalanga, KwaZulu-Natal, Eastern Cape, Free State, North West and Northern Cape.

## Part B – Performance Information

- Humanitarian Aid and Disaster Relief through Op CHARIOT, assisted the DPWI with the construction of nine bridges at Matatiele, Nyosane, Nkobongo, Tora, Bilatye, Zazulwana, Fini, Jozana and Sterkspruit in the Eastern Cape. Five footbridges were completed in Matatiele, Tora, Zazulwana, Engcobo and Nyosane.
- Support to Other Government Departments (Op PROSPER).
  - The SA Army Engineering Formation deployed one Engineering Construction Squadron in Emfuleni Municipality, Gauteng. Its mission was to clean up the Vaal River and repair and safeguard the operational infrastructure consisting of 46 sewerage stations. The construction squadron unblocked and cleaned inlet lines in Vanderbijlpark, Evaton, Sedibeng, Boipatong, Sebokeng and Everton. The SA Army was tasked with taking over command and control of Project Vaal River as the mission changed from capital works to safeguarding of the waste water infrastructure from 29 November 2019 to 31 January 2020.
  - The SA Army deployed additional members and equipment (one honeysucker and two members) to Mahikeng, North West to clean up the sewage outflow which had been caused by a structural collapse.
- The SA Army was deployed in the Western Cape in support of the SAPS. The operation commenced in July 2019 and was to be completed by 30 March 2020. The deployment was deemed fruitful as it was welcomed by the communities and various successes were registered.
- Through Op DITABA, the SA Army was tasked to support the SAPS to conduct standing and mobile patrols at the Ranch Resort in Polokwane, Limpopo, where 114 South Africans had been repatriated and placed in quarantine. This action was preventative in nature after the South Africans returned from People's Republic of China. Perimeter patrols were conducted from 11 March 2020 until the quarantine period was lifted.
- The President of the RSA announced the deployment of the SANDF (Op NOTLELA) on 23 March 2020, in support of the national effort to mitigate the spread of the COVID-19 pandemic over the period 23 March to 26 June 2020 (initially) in all nine provinces of South Africa, including the land, air and sea borders. The SA Army was deployed from 26 March 2020 to enforce the COVID-19 regulations and oversee the lockdown. The SA Army deployed in all nine provinces by executing static guards at quarantine sites, mobile and foot patrols to restrict movement during curfews, execution of joint urban and rural operations (roadblocks, road closures and cordon and searches) and air operations.

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

- The SANDF supported the Department of Agriculture, Rural Development and Land Reform's National Rural Youth Service Corps accredited leadership programmes presented by an external training provider and contracted by the Department of Agriculture, Rural Development and Land Reform. This programme trained 392 participants at the SA Army Air Defence Artillery school in Kimberley and 489 participants at Thaba Nchu National Rural Youth Service Corps College. The second intake trained 600 participants at the SA Army Training Formation in Kimberley and 352 participants at Thaba Nchu National Rural Youth Service Corps College.
- Nine provincial Department of Social Development youth camps were presented throughout South Africa over the period 14 October to 09 December 2019 with 2 524 participants successfully completed the programme. The Department of Social Development programmes were supported by character building provided by the SA Army.



- The SANDF supported an accredited leadership programme, presented at 6 SA Infantry Battalion in Grahamstown by an external training provider, contracted by the Office of the Premier over the period 26 August to 29 November 2019. The subjects, as agreed upon between the DOD and the Office of the Premier, were presented by the DOD, and 360 participants completed the programme.

Project KOBATLALA strives to meaningfully impact the lives of our soldiers, developmental needs of South Africa, socio-economic transformation, and the DOD (SANDF) at large. Measurable success was achieved in the following environments:

- A total of 1 127 reserve force members benefited from the opportunities relating to security, community development and liaison, agri-related, water and sanitation, water purification, firefighting and first aid training for future utilisation in those respective skills sets.
- Six Army Support Bases were able to include small-scale and emerging farmers in the SANDF with the commercialisation of SA Army messes. Army Support Base Mpumalanga and SA Army Infantry School in Oudsthoorn procured more than 50 percent from local SMMEs and small-scale and emerging farmers. Twenty-six of the 42 messes were commercialised. The Air Force Base Makhado was also able to commercialise its mess through Project KOBATLALA decentralised procurement initiative.

The SA Army continued to support **Outcome 12: “An Efficient, Effective and Development-oriented Public Service and an Empowered, Fair and Inclusive Citizenship”**. Strategic direction for the preparation of land forces was provided as follows:

- To the National Elections on 08 May 2019 through support to the National Joint Operational Centre by effecting deployments across the country that administered safe, free and fair elections.
- Provided the National Ceremonial Guard, the Military Band and a gun troop to participate in the national ceremonial proceedings during the inauguration of the President at Loftus Versfeld Stadium, Pretoria on 25 May 2019.
- Planned and executed the Armed Forces Day 2020 in Polokwane, Limpopo over the period 03 to 23 February 2020. Various events were presented by the military, including the opening of the Fan Park at Peter Mokaba Stadium, precision drills, static displays, career exhibitions, sports and the display of military equipment as per schedule leading up to the main parade on 21 February 2020 in Polokwane. The event marked the SANDF’s annual commemoration of the sinking of the SS Mendi.
- Supported the Ministerial handing over of computers to the Zagwityi Primary School in Butterworth over the period 01 to 03 May 2019.
- Contributed by donating clothing, perishables and money to Mozambique and KwaZulu-Natal as part of the DOD effort to assist with humanitarian relief in both areas following natural disasters.
- Supported the Jubilee Hospital and Police Station in Hammanskraal with water during the water crisis which affect the area from 29 October to 08 November 2019.
- Participated in numbers during Mandela Day and supported various institutions throughout South Africa by donating money and necessities but mainly their time by cleaning, doing maintenance and minor building work, painting, planting and interacting with homeless children. All SA Army units in Pretoria participated in a major cleaning operation in the Thaba Tshwane military area, Pretoria.

## Part B – Performance Information

- Supported the MOD&MV by participating in the Broad-Based Black Economic Empowerment Ministerial Launch at the CSIR, the official opening of the bridge building project in Matatiele, Eastern Cape, Project Vaal River inspection by the Minister in Vanderbijlpark and the UN Peacekeepers' Day Commemoration at the Mobilisation Centre, Bloemfontein.

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

- Supported the Joint Force Employment schedule and requirements by preparing, providing and supporting Combat-Ready Force Structure Elements as part of the external operations in the DRC in support of the UN mission.
- Deployment in the operational theatre as part of the Force Intervention Brigade (Op MISTRAL) from June 2019.
- Deployment, through Op UKUWELA in support of disaster relief in Zimbabwe after Cyclone IDAI in order to assist with the construction of two 30-meter Bailey bridges. The operation commenced on 20 July 2019 and the demobilisation phase commenced in December 2019.
- Three members attended the 2020 Turkish Army EFES exercise Key Leader Training over the period 24 to 28 February 2020 in Izmir, Turkey. These members also attended the Exercise Final Coordination Conference over the period 16 to 20 March 2020 in Izmir, Turkey.

The SA Army made a significant investment in the building of the SA Army's image during FY2019/20. A huge effort was introduced during operations, such as Op PROSPER and Op CHARLOT, which were aimed at uplifting the community and supporting other government departments. The end state remains a critical requirement for maintaining the support to the people of the country and boosting confidence in the DOD.

### Performance Status

The table below provides details of the Landward Defence programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2019.

Landward Defence Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> <sup>42</sup>

<sup>42</sup> Where the report refers to “*Information Classified*”, it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

Landward Defence Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Enable the DOD	Percentage compliance with DOD training targets	<p><b>Target</b> 80% (2 485)</p> <p><b>Actual</b> 111.2% (3 454)</p> <p><b>Comment</b> 969 additional learners successfully completed training programmes. Measurement of actual achievement is performed in relation to a full population of 3 106.25 learners.</p>
	Number of SA Army unique force training exercises conducted	<p><b>Target</b> 2</p> <p><b>Actual</b> 2</p>

### Linking Performance to Budget

The table below provides details of the Landward Defence programme expenditure status as at 31 March 2020.

Landward Defence Programme Expenditure Status for FY2019/20						
Sub-Programme	FY2019/20			FY2018/19		
	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
Strategic Direction	496 052	496 052	0	494 103	494 103	0
Infantry Capability	6 723 407	6 723 407	0	6 803 818	6 803 818	0
Armour Capability	534 030	534 030	0	504 904	504 904	0
Artillery Capability	644 994	644 994	0	498 453	498 453	0
Air Defence Artillery Capability	483 965	483 965	0	538 553	538 553	0
Engineering Capability	882 226	882 226	0	835 231	835 231	0
Operational Intelligence	237 911	237 911	0	215 686	215 686	0
Command and Control Capability	232 105	232 105	0	221 375	221 375	0
Support Capability	4 552 980	4 552 980	0	4 455 804	4 455 804	0
General Training Capability	491 853	491 853	0	415 040	415 040	0
Signal Capability	1 484 183	1 484 183	0	1 444 532	1 444 532	0
<b>TOTAL</b>	<b>16 763 706</b>	<b>16 763 706</b>	<b>0</b>	<b>16 427 499</b>	<b>16 427 499</b>	<b>0</b>

### Programme 4: Air Defence

#### Purpose

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

#### Outputs

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

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

#### Overview

The SA Air Force continued to provide support to the Joint Force Employment Requirements, despite air defence capabilities remaining under pressure due to budget constraints.

The SA Air Force planned 17 200 flying hours for FY2019/20, consisting of 12 200 Force Preparation hours, 4 000 Force Employment hours and 1 000 Very, Very Important Person (VVIP) hours. A total of 16 232.60 hours were flown from 01 April 2019 to 31 March 2020, consisting of:

- 12 749.50 Force Preparation hours
- 2 576.00 Force Employment hours
- 907.10 VVIP hours<sup>43</sup>

<sup>43</sup> The continued availability of VVIP aircraft during FY2019/20 improved performance on VVIP force employment flying hours.

## Performance Status

The table below provides details of the Air Defence programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2019.

Air Defence Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Conduct ordered Defence commitments in accordance with Government policy and strategy	Number of hours flown per year <sup>44</sup>	<p><b>Target</b> 17 200<sup>45</sup></p> <p><b>Actual</b> 16 232.60</p> <p><b>Deviation</b> The 16 232.60 hours flown, represents 94.4% of the planned target. Force preparation hours were exceeded, inter alia, due to additional flying hours flown during the presidential inauguration. Force employment and VVIP hours were not achieved. The number of hours flown are dependent on the number of serviceable aircraft and operational taskings received.</p> <p><b>Comment</b> The following hours were flown:  <ul style="list-style-type: none"> <li>• 12 749.50 hours for force preparation</li> <li>• 2 576.00 hours for force employment</li> <li>• 907.10 VVIP hours</li> </ul> </p>
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> <sup>46</sup>
Enable the DOD	Percentage compliance with DOD training targets	<p><b>Target</b> 80% (686)</p> <p><b>Actual</b> 93.18% (799)</p> <p><b>Comment</b> 113 additional learners successfully completed training programmes. Measurement of actual achievement is performed in relation to a full population of 857.5 learners.</p>
	Number of Air Force unique force training exercises conducted	<p><b>Target</b> 1</p> <p><b>Actual</b> 1</p>

<sup>44</sup> During the FY2018/19, the Performance Indicator was amended from “Number of force employment hours flown per year” to read “Number of flying hours flown per year” as the Air Defence Programme has more control over the set target of 25 000 flying hours (inclusive of Force Employment [5 000 hours] and Force Preparation [20 000 hours]). For the FY2019/20 MTEF, the target for the Performance Indicator “Number of hours flown per year” will be reduced from 25 000 to 17 200 hours per year due to the reduction in the budget allocation to the Air Defence Programme. The “Number of hours flown per year” includes an estimated 5 000 hours for Force Employment and approximately 12 200 hours for Force Preparation. The estimated 5 000 hours includes Force Employment and an estimated 1 000 VVIP hours.

<sup>45</sup> For the FY2019/20 MTEF, the target for the Performance Indicator “Number of hours flown per year” has been reduced from 25 000 to 17 200 hours per year due to the reduction in the budget allocation to the Air Defence Programme. The “Number of hours flown per year” includes an estimated 5 000 hours for Force Employment and approximately 12 200 hours for Force Preparation. The estimated total of 5 000 hours includes Force Employment and an estimated 1 000 VVIP hours.

<sup>46</sup> Where the report refers to “Information Classified”, it means that the information was not published for public consumption managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

### Linking Performance to Budget

The table below provides details of the Air Defence programme expenditure status as at 31 March 2020.

Air Defence Programme Expenditure Status for FY2019/20						
Sub-Programme	FY2019/20			FY2018/19		
	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
Strategic Direction	23 637	23 637	0	19 294	19 294	0
Operational Direction	252 396	252 396	0	141 668	141 668	0
Helicopter Capability	761 944	761 944	0	928 251	928 251	0
Transport and Maritime Capability	564 708	564 708	0	568 722	565 757	2 965
Air Combat Capability	649 537	649 537	0	519 678	519 678	0
Operational Support and Intelligence Capability	361 636	361 636	0	354 463	354 463	0
Command and Control Capability	645 817	645 817	0	426 284	426 284	0
Base Support Capability	2 246 339	2 246 339	0	2 140 606	2 140 606	0
Command Post	66 845	66 845	0	65 517	65 517	0
Training Capability	457 008	457 008	0	463 652	463 652	0
Technical Support Services	671 281	671 281	0	632 922	632 273	649
<b>TOTAL</b>	<b>6 701 148</b>	<b>6 701 148</b>	<b>0</b>	<b>6 261 057</b>	<b>6 257 443</b>	<b>3 614</b>

## Programme 5: Maritime Defence

### Purpose

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

### Outputs

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

- A surface combat and patrol capability of three frigates, one combat support vessel, two offshore patrol vessels and three inshore patrol vessels in each annual operational cycle.
- A sub-surface combat capability of two submarines in each annual operational cycle.
- A mine warfare capability of two vessels in each annual operational cycle to ensure safe access to South Africa's harbours and mine clearance where required.<sup>47</sup>
- A maritime reaction squadron capability, comprising an Operational Boat Division, an Operational Diving Division and a Naval Reaction Division in each annual operational cycle.
- A hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

### Overview

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

In support of **Outcome 3**: “*All people in South Africa are and feel safe*”, various SA Navy vessels and the Maritime Reaction Squadron, contributed towards securing South Africa's maritime border and territorial integrity through four Op CORONA maritime coastal patrol deployments. These Op CORONA deployments simultaneously supported Op PHAKISA Initiative 5: “*Enhanced and Coordinated Enforcement Programme*” with a dedicated focus on deterring maritime crime, including the poaching of marine resources.

In support of **Outcome 11**: “*Creating a Better South Africa and Contributing to a Better and Safer Africa in a Better World*”, in executing the SADC Maritime Security Strategy, two Op COPPER deployments were conducted. During these deployments, SAS DRAKENSBERG also conducted two cargo runs from Durban to Beira, to deliver humanitarian assistance material, made available by the SA Revenue Service for the survivors of Cyclone IDAI. These maritime deployments deterred the manifestation of maritime piracy in the Mozambique Channel.

<sup>47</sup> There is currently no mine warfare capability.

## Part B – Performance Information

The SA Navy's Force Preparation activity was the execution of Project TSHINTSHA, a Xhosa word meaning "modification of a value", to celebrate 25 years of democracy, from 19 to 20 June 2019, with specific reference to the Fleet Review in False Bay during which eight SA Navy vessels and 14 Maritime Reaction Squadron boats participated. A further noteworthy force preparation activity is the SA Navy's participation in Ex MOSI, meaning "Smoke"; the SA Navy's first joint multinational exercise with the People's Republic of China People's Liberation Army Navy and the Russian Federation Navy off the coast of Cape Town from 24 to 30 November 2019. The SA Navy contributed the Frigate SAS AMATOLA, Combat Support Ship SAS DRAKENSBERG and Hydrographic Survey Vessel SAS PROTEA, whilst the People's Republic of China contributed the Frigate WEI FANG. The Russian Federation contributed the Missile Cruiser MARSHAL USTINOV, Sea Tanker VYAZMA and Rescue Tug SB-406. The exercise theme was "*The promotion of Safe Navigation and Maritime Economic Security*". The SA Navy furthermore conducted the SA Navy unique force preparation exercise, Ex RED LION, with participation by the SAS AMATOLA, SAS PROTEA and shore-based establishments over the period 11 October to 06 November 2019.

Op CORONA maritime patrols were planned in support of Op PHAKISA, with specific reference to Initiative 5: "*Enhanced and Coordinated Enforcement Programme*". In addition to Op CORONA deployments, the Frigate SAS AMATOLA was positioned off Hout Bay whilst conducting a Lynx helicopter training exercise overnight on 20 November 2019 to help shape a planned Op PHAKISA anti-poaching operation. Twenty-five poachers were arrested. The SA Navy was also approached by the SA Revenue Service's Customs Division, to provide training assistance in support of Op PHAKISA, Initiative 6: "*Development of a National Oceans and Coasts Information System*", the SA Navy and Institute for Maritime Technology were active participants and continued to share their expertise gained from the Maritime Domain Awareness Centres.

The SA Navy participated in the annual Oceans and Coasts Information System workshop hosted by the CSIR from 03 to 05 March 2020, during which the SA Navy provided suggestions to the CSIR on ways to improve the current Oceans and Coasts Information System Integrated Vessel Tracking system. In respect of Initiative 10, the *Marine Spatial Process*, the SA Navy's Hydrographic Office continued to provide marine spatial data for various Op PHAKISA activities. The ongoing Op PHAKISA initiatives contributed towards advancing the implementation of the Nine-Point Economic Intervention Plan to unlock the economic potential of South Africa's Oceans Economy.

The SA Navy planned for 10 000 hours at sea during FY2019/20; 6 612.55 hours at sea were achieved from 01 April 2019 to 31 March 2020, consisting of:

- 2 745.85 Force Preparation hours
- 3 866.70 Force Employment hours



## Performance Status

The table below provides details of the Maritime Defence programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2019.

Maritime Defence Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Conduct ordered defence commitments in accordance with Government policy and strategy	Number of hours at sea per year	<p><b>Target</b> 10 000<sup>48</sup></p> <p><b>Actual</b> 6 612.55</p> <p><b>Deviation</b> The 6 612.55 hours at sea represents 66% of the planned target. The underachievement is attributed to unaffordable refits and maintenance and repair. This led to operational defects and the non-availability of platforms to conduct all scheduled Force Preparation and Force Employment activities.</p> <p><b>Comment</b> Hours at sea includes:  <ul style="list-style-type: none"> <li>• 2 745.85 hours for force employment</li> <li>• 3 866.70 for force preparation</li> </ul> </p>
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> <sup>49</sup>
Enable the DOD	Percentage compliance with DOD training targets	<p><b>Target</b> 80% (438)</p> <p><b>Actual</b> 71% (389)</p> <p><b>Deviation</b> 159 less learners than planned successfully completed training programmes.</p> <p><b>Comment</b> Measurement of actual achievement is performed in relation to a full population of 547.5 learners.</p>
	Number of SA Navy unique force training exercises conducted	<p><b>Target</b> 1</p> <p><b>Actual</b> 1</p>

48 The Performance Indicator target for "Number of hours at sea" was amended from 12 000 to 10 000 hours at sea in the FY2019/20 MTEF. The reduction in the FY2019/20 Performance Indicator target is as a result/reflects the previous baseline performance over the past three year audited/actual performance (FY2014/15 until FY2016/17) and influenced by the availability of maritime platforms and budget reductions.

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

## Part B – Performance Information

### Linking Performance to Budget

The table below provides details of the Maritime Defence programme expenditure status as at 31 March 2020.

Maritime Defence Programme Expenditure Status for FY2019/20						
Sub-Programme	FY2019/20			FY2018/19		
	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
Maritime Direction	690 304	690 304	0	657 449	657 449	0
Maritime Combat Capability	1 898 884	1 898 884	0	1 758 134	1 758 134	0
Maritime Logistic Support Capability	1 013 344	1 013 344	0	956 993	956 993	0
Maritime Human Resources and Training Capability	533 304	533 304	0	531 895	531 895	0
Base Support Capability	573 575	573 575	0	599 459	599 459	0
<b>TOTAL</b>	<b>4 709 411</b>	<b>4 709 411</b>	<b>0</b>	<b>4 503 930</b>	<b>4 503 930</b>	<b>0</b>

## Programme 6: Military Health Support

### Purpose

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

### Outputs

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

- A health support capability of five medical battalion groups and one specialist medical battalion group, for deployed and contingency forces.
- A comprehensive, multidisciplinary military health service to a projected patient population of 302 000 members per year.

### Overview

During the year under review, the SA Medical Health Service provided health support, through its unique health capabilities, by means of real-time health support to SANDF force preparation exercises.

Medical support was provided on various occasions during national events, i.e. the President's State of the Nation Address in Cape Town over the period 03 to 13 February 2020 and the Minister of Finance's Budget Vote held on 26 February 2020.

In an endeavour to ensure healthy communities in the country, the SA Medical Health Service Preventative Health Manager in the North West Province, engaged with the Tuberculosis Coordinator of the JB Marks Health sub-district on communicable diseases. During the engagement, new developments on the notification of communicable diseases were discussed.

The collateral utility of the SA Medical Health Service in "*Support to the People*" became evident during its deployment at the Vaal River Rehabilitation Project. The value of the SA Medical Health Service's capabilities were recognised in requests received from tertiary institutions and local and state departments to assist and provide inputs and services.

During the latter part of the year under review, the SANDF was tasked to manage the spread of the COVID-19 pandemic in the country, in conjunction with other relevant stake holders. The SA Medical Health Service was at the forefront of all operations relating to the containment of the spread of the Coronavirus. Healthcare to communities was provided, whilst continuing to support SANDF deployments across the country. The SA Medical Health Service deployed healthcare professionals and mobilised its Reserve Force component to assist the Department of Health in its efforts to contain the COVID-19 outbreak and to *flatten the curve* of infections.

During the month of March 2020, a team of healthcare practitioners was tasked to assist with the repatriation South African citizens who was in the People's Republic of China, during the COVID-19 pandemic outbreak in Wuhan City. This mission was successfully executed with clinical and military precision, where after the repatriated citizens were brought back to South Africa via a South African Airways flight, which landed in Polokwane on 14 March 2020, where after these repatriated South Africans were settled in a quarantine facility in the Limpopo Province.

## Performance Status

The table below provides details of the Military Health Support programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2019.

Military Health Support Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Provide mission-ready Defence capabilities	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> <sup>50</sup>
Enable the DOD	Broader SANDF health status	<i>Information Classified</i>
	Trend of deployable status on concurrent health assessments	<i>Information Classified</i>
	Number of health care activities per year <sup>51</sup>	<p><b>Target</b> 2 140 550</p> <p><b>Actual</b> 2 089 102</p> <p><b>Deviation</b> This target is projected and based on historical trends of the demand for healthcare services.</p>
	Percentage compliance with DOD training targets	<p><b>Target</b> 80% (648)</p> <p><b>Actual</b> 79% (640)</p> <p><b>Deviation</b> Eight less learners than planned successfully completed training programmes.</p> <p><b>Comment</b> Measurement of actual achievement is performed in relation to a full population of 810 learners.</p>
Provide appropriate and sustained Matériel	Percentage availability of medical stock	<i>Information Classified</i>

<sup>50</sup> Where the report refers to “*Information Classified*”, it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

<sup>51</sup> The Performance Indicator reflects the total number of captured health care activities in the geographical health care facilities, plus the health care activities in the Tertiary/Specialist Military Health facilities, as well as the health care activities in the internal and external mission areas per quarter. The target achievement is cumulatively calculated for the annual period against the planned quarterly and annual targets as a reflection of the allocated budget versus the demands for health services. Health care activities relates to medical services rendered, such as medical appointments, optometry, veterinarian services, etc.

### Linking Performance to Budget

The table below provides details of the Military Health Support programme expenditure status as at 31 March 2020.

Military Health Support Programme Expenditure Status for FY2019/20						
Sub-Programme	FY2019/20			FY2018/19		
	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
Strategic Direction	250 495	250 495	0	218 354	218 354	0
Mobile Military Health Support	225 521	225 521	0	163 380	163 380	0
Area Military Health Service	1 911 226	1 911 226	0	1 922 814	1 922 814	0
Specialist/Tertiary Health Service	2 227 343	2 227 343	0	2 045 766	2 045 766	0
Military Health Product Support Capability	268 922	268 922	0	192 111	192 111	0
Military Health Maintenance Capability	121 236	121 236	0	196 086	196 086	0
Military Health Training Capability	358 165	358 165	0	352 080	352 080	0
<b>TOTAL</b>	<b>5 362 908</b>	<b>5 362 908</b>	<b>0</b>	<b>5 090 591</b>	<b>5 090 591</b>	<b>0</b>

### Programme 7: Defence Intelligence

#### Purpose

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

#### Outputs

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

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

#### Overview

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

Defence Intelligence responded to intelligence requirements received from clients and strategic partners and disseminated these intelligence products to decision-makers to provide timely information. Early warning reports were provided on emerging threats on the continent and beyond. Defence Intelligence continued its participation on bilateral and multilateral levels in regional, continental and international engagements at SADC, AU and UN levels. These engagements ensured that the SANDF objectives were tabled, and where possible, adopted, aligned to South Africa's foreign policy objectives. Intelligence products were continuously re-evaluated through client feedback and constant reassessment of products were done to ensure quality management of intelligence products.

Security advice was provided on SANDF projects and accreditation services to national and defence events, in which the DOD participated. During FY2019/20, Defence Intelligence ensured increased levels of cooperation in border protection initiatives. Cooperation was achieved through continued engagements with departmental and governmental stakeholders.

## Performance Status

The table below provides details of the Defence Intelligence programme performance status, performance indicators and an analysis of target achievement as specified in the DOD Annual Performance Plan for 2019.

Defence Intelligence Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
Enable the DOD	Number of Defence Intelligence products <sup>52</sup>	<p><b>Target</b> 448</p> <p><b>Actual</b> 908</p> <p><b>Comment</b> The over achievement is attributed to regional, continental and global security dynamics and subsequent increase of intelligence requirements.</p>
	Number of vetting decisions taken in accordance with requirements	<p><b>Target</b> 7 500</p> <p><b>Actual</b> 7 167</p> <p><b>Deviation</b> The underachievement on the number of vetting decisions taken can be attributed to staff shortages and inadequate staffing levels.</p> <p><b>Comment</b> A turnaround strategy to address deficiencies is being implemented.</p>

## Linking Performance to Budget

The table below provides details of the Defence Intelligence programme expenditure status as at 31 March 2020.

Defence Intelligence Programme Expenditure Status for FY2019/20						
Sub-Programme	FY2019/20			FY2018/19		
	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
Strategic Direction	0	0	0	0	0	0
Operations	523 592	523 592	0	478 467	478 467	0
Defence Intelligence Support Services	478 770	478 770	0	459 706	459 706	0
<b>TOTAL</b>	<b>1 002 362</b>	<b>1 002 362</b>	<b>0</b>	<b>938 173</b>	<b>938 173</b>	<b>0</b>

<sup>52</sup> Intelligence products produced ranges from intelligence reports, assessments, studies, digests, country profiles, technology reports, dossiers and briefings.

### Programme 8: General Support

#### Purpose

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

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

#### *Joint Logistic Services Sub-Programme*

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

#### *Command and Management Information Systems Sub-Programme*

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

#### *Military Police Capability Sub-Programme*

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

#### Overview

During the year under review, the Logistics Division continued to manage the payment of accommodation charges, leases and municipal services<sup>53</sup>, thereby providing appropriate and sustained facilities for the Department. The internal controls to thoroughly verify municipal accounts, instituted during past few years, resulted in savings on the municipal services budget during the reporting period.

In collaboration with the DPWI, the Logistics Division also managed the DOD infrastructure portfolio, comprising of the rehabilitation and refurbishment and maintenance of infrastructure.<sup>54</sup> The increase in the demand for leasing of facilities resulted in an increased budget constraint on existing and new leasing requirements, within an already constrained Departmental budget. The DOD, assisted by DPWI, executed a large number of day-to-day maintenance, planned maintenance and capital and refurbishment projects in order ensure that DOD facilities are kept at an acceptable standard and that certain priority maintenance backlogs were addressed.<sup>55</sup> A total of 1 329 artisans, technicians, site supervisors and project managers were trained and qualified by the Defence Works Formation during FY2019/20.

During the reporting period, the Command and Management Information Systems Division delivered modernised, sustainable Information, Communication and Technology Integrated Prime Systems Capabilities to the DOD. The performance was in accordance to the set targets and supplemented by the procurement of the National Telecommunications Backbone Infrastructure Network Operations Centre software licence.

The DOD Information Management Policy was approved and promulgated on 28 November 2019. The DOD Information, Communication and Technology Capability Plan Roadmap was finalised to address all aspects within the Division, from a life cycle management perspective.

<sup>53</sup> Refer to page 58 for the expenditure status on "Office Accommodation" (linking performance to budget).

<sup>54</sup> Refer to pages 81 to 98 and Appendix A for detailed performance information on "Capital Investment, Maintenance and Asset Management".

<sup>55</sup> Refer footnote on page 32 for the state of DOD capital assets.



The Military Police Division investigated 2 346 criminal cases that rolled-over from FY2018/19, 733 criminal cases reported during FY2019/20 and conducted 174 deliberate crime prevention operations during the reporting period. Through Op RESTORE ORDER, the Departmental commitment to reduce crime and enforce discipline, was maintained.

### Performance Status

The table below provides details of the General Support Programme performance status, performance indicators and an analysis of target achievement in terms of the DOD Annual Performance Plan for 2019.

General Support Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>General Support Sub-programme: Joint Logistic Services</b>		
Provide appropriate and sustained Matériel	Percentage procurement requests fully completed within 90 days from day of registration <sup>56</sup>	<p><b>Target</b> 95%</p> <p><b>Actual</b> 99.76%</p> <p><b>Comment</b> A total of 14 139 out of 14 173 procurement requests were processed within 90 days from registration.</p>
	Percentage utilisation of endowment property in the DOD	<p><b>Target</b> 90%</p> <p><b>Actual</b> 93.75%</p> <p><b>Comment</b> The Defence Endowment Property portfolio consists of 160 facilities situated throughout five provinces of which 150 facilities are utilised.</p>
<b>General Support Sub-programme: Command and Management Information Systems</b>		
Provide integrated and reliable Defence Information Systems	Percentage of modernised, sustainable DOD ICT Integrated Prime Systems Capabilities	<p><b>Target</b> 91.62%</p> <p><b>Actual</b> 112.72%</p> <p><b>Comment</b> The over achievement can be attributed to the procurement of the National Telecommunications Backbone Infrastructure Network Operations Centre Software licence.</p>

<sup>56</sup> Chief of Logistics changed the number of days from 60 to 90 days. This is in line with government imperatives.

## Part B – Performance Information

General Support Programme Performance Status for FY2019/20		
Link to Strategy Map	Performance Indicator	Analysis
<b>General Support Sub-programme: Military Police Capability</b>		
Administrate the DOD	Projected number of deliberate crime prevention operations	<b>Target</b> 124  <b>Actual</b> 174  <b>Comment</b>  More deliberate crime prevention operations were conducted as a result of an increased effort to reduce crime and to reinforce discipline in the DOD.
	Percentage criminal cases investigated (backlog)	<b>Target</b> 40%  <b>Actual</b> 56.75%  <b>Comment</b> The Department investigated 2 346 criminal cases from the backlog of 4 134 criminal cases.
	Percentage criminal cases investigated (in-year)	<b>Target</b> 25%  <b>Actual</b> 47.32%  <b>Comment</b> During FY2019/20, 1 549 new cases were received of which 733 cases were investigated.

### Linking Performance to Budget

The table below provides details of the General Support programme expenditure status as at 31 March 2020.

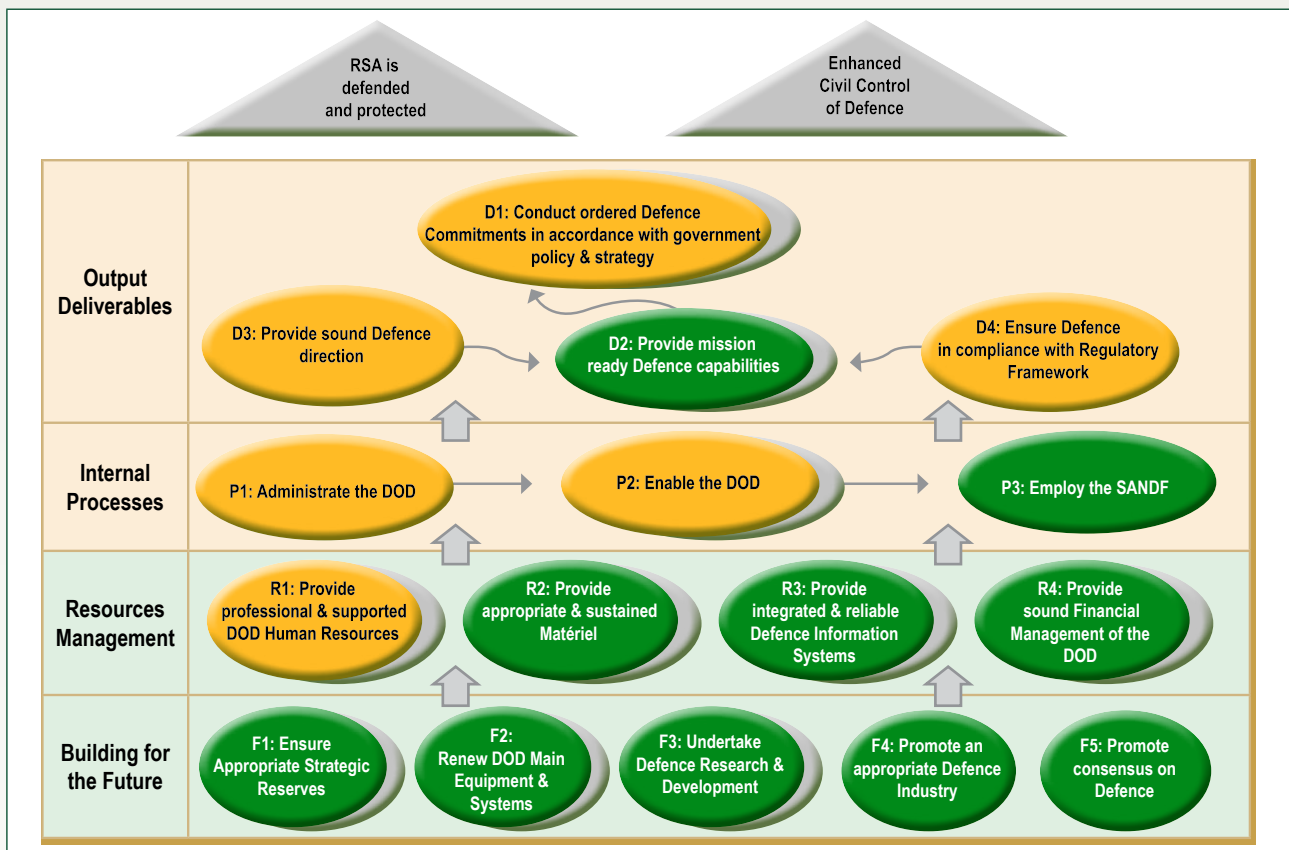
General Support Programme Expenditure Status for FY2019/20						
Sub-Programme	FY2019/20			FY2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Joint Logistic Services	3 523 273	3 523 273	0	3 335 755	3 335 755	0
Command and Management Information Systems	996 360	996 360	0	905 959	905 959	0
Military Police	719 260	719 260	0	655 333	655 333	0
Technology Development	440 294	440 294	0	296 838	296 838	0
Departmental Support	1 178 867	1 178 867	0	1 219 674	1 219 126	548
<b>TOTAL</b>	<b>6 858 054</b>	<b>6 858 054</b>	<b>0</b>	<b>6 413 559</b>	<b>6 413 011</b>	<b>548</b>

**Summary**

**DOD Mandate Achievement**

The DOD Strategy Map below represents the legislative Defence mandate. The level of achievement <sup>57</sup> against the DOD Strategy Map elements for FY019/20 are indicated below.

Three out of the four Output Deliverables were only partially achieved, hence the partial achievement of the Output Deliverable perspective. Similarly, two out of three Activities of the Internal Processes perspective were partially achieved.

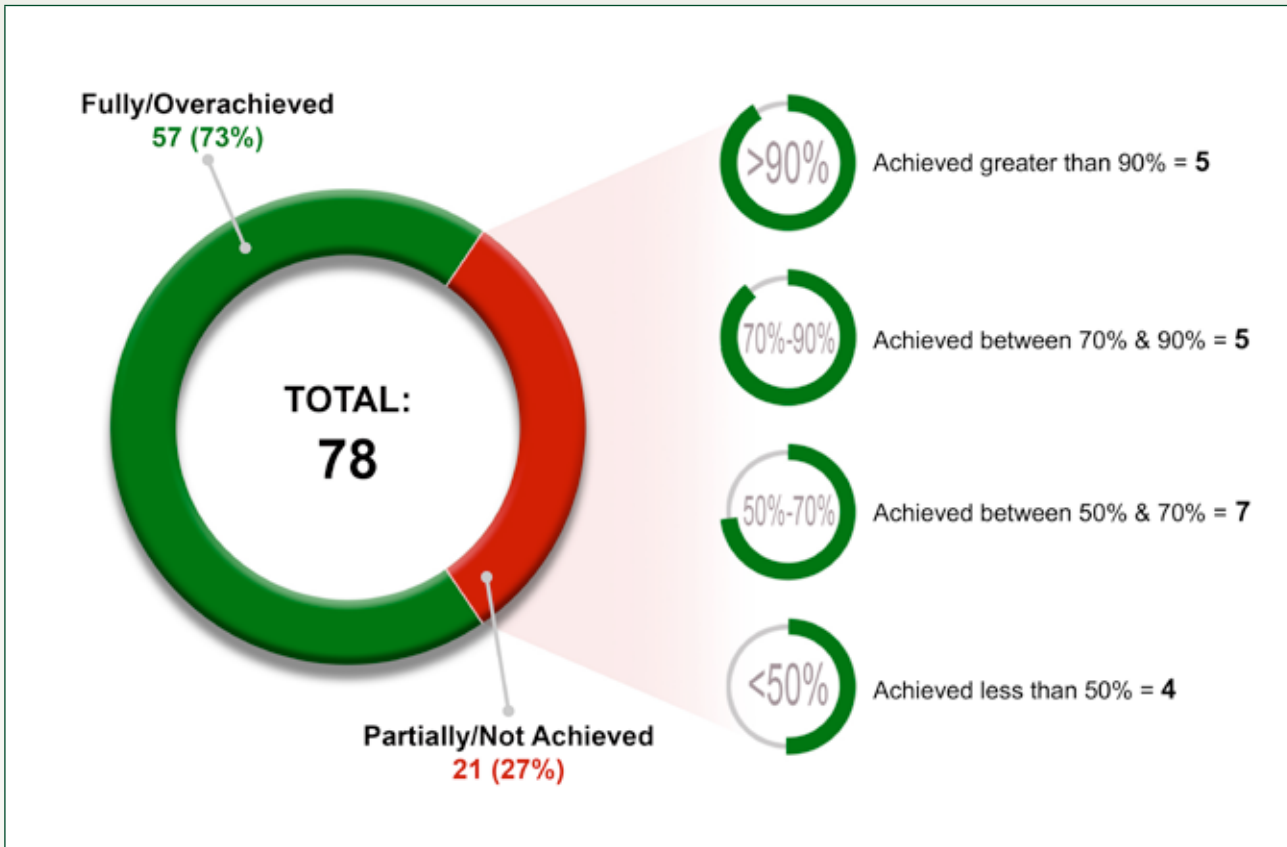


<sup>57</sup> Degree of achievement tolerance levels: Greater than 80% = Green, between 40% and 80% = Amber and below 40% = Red.

### Performance Achievement

During FY2019/20 the DOD performance was measured against 78 performance indicators of which 57 (73%) were achieved and 21 (27%) were partially achieved.

The figure below relates to the 21 performance indicators partially achieved, and provides the degree of progress toward full achievement.





# 2019/20

## APPENDICES A – D

<b>Appendix A</b>	
<b>Capital Investments, Maintenance and Asset Management Plan .....</b>	<b>89</b>
<b>Appendix B</b>	
<b>DOD Selected Performance Indicators, Targets and Actual Achievements .....</b>	<b>99</b>
<b>Appendix C</b>	
<b>DOD End-Term Performance against Strategic Indicators and Targets .....</b>	<b>103</b>
<b>Appendix D</b>	
<b>DOD Performance Indicators, Targets and Actual Achievements .....</b>	<b>129</b>





2019/20

## **Appendix A**

# **Capital Investments, Maintenance and Asset Management Plan**







## CAPITAL INVESTMENTS, MAINTENANCE AND ASSET MANAGEMENT PLAN

### CAPITAL INFRASTRUCTURE PROJECTS IN PROGRESS

Capital infrastructure projects in progress during FY2019/20 are indicated in the table below.

Capital Infrastructure Projects in Progress during FY2019/20		
Project Description	Project Status <sup>1</sup>	Expected Completion Date
<b>Bloemfontein</b>		
Upgrading of buildings 1175, 1176, 1178, 1179, 1181, 1182, 1184 and 1185 at DOD Mobilisation Centre	Construction Phase	Expected to be completed in 2020/21
Upgrade and refurbishment of Sickbay at Air Force Base Bloemspruit	First Delivery Stage	Expected to be completed in 2020/21
Replacement of hot water storage vessels at 3 Military Hospital (Tempe)	Design Stage	Expected to be completed in 2021/22
Upgrading of kitchen equipment at 1 SA Tank Regiment	Design Stage	Expected to be completed in 2021/22
Upgrading of kitchen equipment at DOD Mobilisation Centre (De Brug)	Design Stage	Expected to be completed in 2021/22
Installation of lead reinforced doors at the radiology section at 3 Military Hospital	Design Stage	Expected to be completed in 2022/23
Construction of a corridor to connect the maternity ward to the main hospital at 3 Military Hospital	Design Stage	Expected to be completed in 2023/24
<b>Boekenhoutskloof</b>		
Site clearance for the construction of a security fence at Boekenhoutskloof Military Base	Pre-design Planning	Expected to be completed in 2020/21
<b>Camden</b>		
Site clearance for the refurbishment of the waste water treatment plant at the Air Defence Artillery School	Pre-design Planning	Expected to be completed in 2020/21
<b>Cape Town</b>		
Wynberg Military Base: construction of new high-level security fence with main entrance canopy, guard house, equipped with biometric, perimeter lighting and Early Warning System	First Delivery Stage	Expected to be completed in 2020/21
Installation of new high-level security thermal and radar perimeter intrusion management system at 2 Military Hospital	Design Stage	Expected to be completed in 2022/23
Installation of Heating, Ventilation, and Air conditioning systems to buildings 1, 10, 11 and 19 at 9 SA Infantry Battalion Sickbay	Design Stage	Expected to be completed in 2022/23
Upgrading of kitchen equipment at Army Support Base Western Cape, Officers Mess Wynberg	Construction Stage	Expected to be completed in 2020/21
Upgrading of kitchen equipment at 9 SA Infantry Battalion	Construction Stage	Expected to be completed in 2020/21
Replacement of perimeter fence with palisade fence at SAS Wingfield	Construction Stage	Expected to be completed in 2020/21
Site clearance for the construction of a new medium level security fence with main entrance canopy and guard house equipped with a biometric access control system at the Wynberg Military Base (Area Military Health Unit Western Cape)	Pre-design Planning	Expected to be completed in 2020/21
<b>Dunnottar</b>		
SA Army Engineer Formation: construction of vehicle storage facilities (Project PANTILE)	Pre-design Planning	Expected to be completed in 2021/22

<sup>1</sup> Indicated statuses of projects: Status 3 - Pre-design stage, Status 3A - Pre-design planning, Status 3C - Service Inactive, Status 4 - Design stage, Status 4A - Funds approved stage, Status 4B - Tender stage, Status 4C - Design Stop, Status 5 - Tender recommendation stage, Status 5B - Construction stage, Status 6A - First delivery stage, Status 7 - Final delivery stage.

Capital Infrastructure Projects in Progress during FY2019/20		
Project Description	Project Status	Expected Completion Date
<b>Durban</b>		
Refurbishment of main kitchen at SAS Salisbury Island	First Delivery Stage	Expected to be completed in 2020/21
Upgrading of kitchen equipment at Army Support Base KwaZulu-Natal Bluff Military Base	Design Stage	Expected to be completed in 2022/23
Request for site clearance for the construction of a Health Centre in Durban	Pre-design Planning	Expected to be completed in 2021/22
Construction of single quarters at Lords Grounds, Durban	Construction Stage	Expected to be completed in 2020/21
Upgrading of critical accommodation facilities at SAS Salisbury Island	Tender Stage	Expected to be completed in 2021/22
<b>Elandsfontein</b>		
Upgrade facilities at the Works Training School	Pre-design Planning	Expected to be completed in 2021/22
<b>Fouriesburg</b>		
Request for site clearance for the installation of re-deployable structures through own resources at Fouriesburg and Wepener operational bases: Op CORONA	Pre-design Planning	Expected to be completed in 2020/21
<b>Heidelberg</b>		
Upgrading of kitchen equipment at SA Army Gymnasium	Design Stage	Expected to be completed in 2021/22
<b>Hoedspruit</b>		
Site Clearance for the upgrade of the water and sewerage treatment plant at Air Force Base Hoedspruit	Pre-design Planning	Expected to be completed in 2020/21
Upgrading and renovation of infrastructure damaged by floods at Air Force Base Hoedspruit	Design Stage	Expected to be completed in 2024/25
<b>Jan Kempdorp</b>		
Site clearance for the construction of a security fence around 93 Ammunition Depot	Pre-design Planning	Expected to be completed in 2020/21
<b>Johannesburg</b>		
Upgrading of kitchen equipment at Army Support Base Johannesburg	Construction Stage	Expected to be completed in 2020/21
Purchase of a ten-bedroom residential house for the Defence Intelligence Division (Defence Foreign Relations)	Planning Instruction Issued	Expected to be completed in 2020/21
<b>Klipdrift</b>		
Upgrade of the water supply at the School of Artillery	Design Stage	Expected to be completed in 2022/23
<b>Kroonstad</b>		
Request for site clearance for the construction of an overhead power supply line to the water pump station at the Bossiespruit Training Base	Pre-design Planning	Expected to be completed in 2020/21
Site clearance for the construction of a vehicle parking facility at School of Engineers (Project PANTILE)	Pre-design Planning	Expected to be completed in 2022/23
Request for site clearance for the construction of facilities for the advanced and specialist training wings at School of Engineers	Pre-design Planning	Expected to be completed in 2023/24
<b>Ladysmith</b>		
Upgrading of kitchen equipment at 5 SA Infantry Battalion	Design Stage	Expected to be completed in 2021/22
<b>Langebaan</b>		
Erection of security fence at 4 Special Forces Regiment Headquarters	First Delivery Stage	Expected to be completed in 2020/21
Erection of security fence at Ammunition Stores, Donkergat	First Delivery Stage	Expected to be completed in 2020/21
Replacement of air-conditioning system in the Air Traffic Control Tower	Design Stage	Expected to be completed in 2021/22

Capital Infrastructure Projects in Progress during FY2019/20		
Project Description	Project Status	Expected Completion Date
Upgrading of mess facilities at 4 Special Forces Regiment	Tender Recommendation Stage	Expected to be completed in 2021/22
Site clearance for the placement of park home at 4 Special Forces Regiment	Pre-design Planning	Expected to be completed in 2020/21
Request for site clearance for the upgrading of the Donkergat and Flamingo jetties and slipway	Pre-design Planning	Expected to be completed in 2020/21
Upgrading of high voltage electrical supply to the Donkergat Training Area: 4 Special Forces Regiment	Design Stage	Expected to be completed in 2021/22
Site clearance for the construction of 20 married quarters at 4 Special Forces Regiment	Pre-design Planning	Expected to be completed in 2020/21
<b>Limpopo</b>		
Site Clearance for the upgrading of water reticulation systems at Air Force Base Hoedspruit	Pre-design Planning	Expected to be completed in 2020/21
Site Clearance for the upgrading of water reticulation systems at Air Force Base Makhado	Pre-design Planning	Expected to be completed in 2020/21
<b>Lohatla</b>		
Upgrading of Finance Accounting Service Centre at SA Army Combat Training Centre	Construction Stage	Expected to be completed in 2020/21
Site Clearance for the refurbishment of the waste water treatment plant at the SA Army Combat Training Centre	Pre-design Planning	Expected to be completed in 2020/21
Site Clearance for the drilling/equipping of boreholes and the building of dams/ reservoirs at the SA Army Combat Training Centre	Pre-design Planning	Expected to be completed in 2020/21
<b>Madimbo / Limpopo</b>		
Site clearance for the assessment of water reticulation systems at various bases in the Limpopo province (i.e. Ellisras Command Post, Hangklip, 523 Squadron, Makhado and Ben Viljoen Training Area)	Pre-design Planning	Expected to be completed in 2021/22
<b>Mahikeng</b>		
Request for site clearance at the Mahikeng Border Safeguarding Base under: Op CORONA	Pre-design Planning	Expected to be completed in 2020/21
Request for site clearance for the replacement of leaking sewerage system at 10 SA Infantry Battalion	Pre-design Planning	Expected to be completed in 2020/21
Site Clearance for the refurbishment of the waste treatment plant at 10 SA Infantry Battalion	Pre-design Planning	Expected to be completed in 2020/21
<b>Maluti</b>		
Maluti Base upgrading of water reticulation system	Construction Stage	Expected to be completed in 2021/22
<b>Mtubatuba</b>		
Upgrading of the South African Forces Institute Building at 121 SA Infantry Battalion for use by Defence Legal Services Division	Design Stage	Expected to be completed in 2021/22
<b>Murrayhill</b>		
Request for site clearance for Phase 2 of the Master Plan for Special Forces School	Pre-design Planning	Expected to be completed in 2020/21
<b>Musina</b>		
Request for site clearance at the Musina Border Safeguarding Base under Op CORONA	Pre-design Planning	Expected to be completed in 2020/21

Capital Infrastructure Projects in Progress during FY2019/20		
Project Description	Project Status	Expected Completion Date
<b>Oudtshoorn</b>		
Upgrading of kitchen equipment at SA Infantry School	Construction Stage	Expected to be completed in 2020/21
<b>Phalaborwa</b>		
Replacement of kitchen equipment at 7 SA Infantry Battalion	Tender Stage	Expected to be completed in 2021/22
Upgrading of aquatic training facility at 5 Special Forces Regiment	Design Stage	Expected to be completed in 2022/23
Upgrading of kitchen equipment at 524 Signal Squadron	Construction Stage	Expected to be completed in 2020/21
Upgrading of kitchen equipment at 5 Special Forces Regiment	Construction Stage	Expected to be completed in 2021/22
<b>Polokwane</b>		
Request for site clearance for the construction of a Health Centre in Polokwane	Pre-design Planning	Expected to be completed in 2021/22
Site clearance for the upgrading of the entire Karee Base in Polokwane	Pre-design Planning	Expected to be completed in 2020/21
Upgrading of kitchen equipment at Uitkoms Base Junior Ranks Mess	Construction Stage	Expected to be completed in 2020/21
Rehabilitation of the entire Karee Military Base	Construction Stage	Expected to be completed in 2022/23
<b>Pongola</b>		
Request for site clearance for the Pongola Border Post: Op CORONA	Construction Completed	Completed
<b>Potchefstroom</b>		
Upgrading of pump station at 4 Artillery Regiment: request for site clearance	Pre-design Planning	Expected to be completed in 2020/21
Upgrading of kitchen equipment at Constand Viljoen Mess	Design Stage	Expected to be completed in 2021/22
<b>Pretoria</b>		
Upgrading of kitchen equipment at National Ceremonial Guard	Design Stopped	Project cancelled but funds were spent in 2019/20
Upgrade of main gate at Special Forces Headquarters (Swartkop Park)	Construction Stage	Expected to be completed in 2020/21
Upgrading of kitchen equipment at SA Army Engineer Formation Combined Mess	Construction Stage	Expected to be completed in 2020/21
Construction of inner security fence at Special Forces Headquarters (Swartkop Park)	Design Stage	Expected to be completed in 2022/23
Request for site clearance for SA Defence Intelligence College	Pre-design Planning	Expected to be completed in 2020/21
Replacement of Uninterrupted Power Supply batteries at Blenny and Loftus buildings	Construction Stage	Expected to be completed in 2020/21
Construction of new Head Office Building for Defence Intelligence Division: Project SERETO (Old 91 Ammunition Depot)	Pre-design Planning	Expected to be completed in 2020/21
Upgrading and installation of power supply to Defence Works Formation containerised office accommodation	First Delivery Stage	Expected to be completed in 2020/21
Purchase of EXXARO Building	Planning Instruction issued	Expected to be completed in 2020/21
Upgrading of power supply at School of Signals	Construction Stage	Expected to be completed in 2021/22
Upgrade of power supply at 2 Signal Regiment	Construction Stage	Expected to be completed in 2020/21
Refurbishment of Belmont House for use as accommodation	Design Stage	Expected to be completed in 2022/23
Upgrade of infrastructure at SA Defence Intelligence College: Phase 1	Design Stage	Expected to be completed in 2024/25
Upgrading of security fencing at DOD Main Ordnance Depot	Design Stage	Expected to be completed in 2022/23
Site clearance for the construction of eleven residential units/town houses	Pre-design Stage	Expected to be completed in 2020/21
Replacement of two 400KVA Uninterrupted Power Supply Batteries at 1 Military Hospital	Design Stage	Expected to be completed in 2020/21

Capital Infrastructure Projects in Progress during FY2019/20		
Project Description	Project Status	Expected Completion Date
Site clearance for the refurbishment of the waste water treatment plant at Thaba Tshwane	Pre-design Planning	Expected to be completed in 2020/21
Site clearance for the repair and renovation of the Military Police School	Pre-design Planning	Expected to be completed in 2021/22
Site Clearance for the installation of a standby generator at the Defence Works Formation Headquarters	Pre-design Planning	Expected to be completed in 2020/21
Upgrading and refurbishment of SA Military Health Services Training Formation (Nurses College): Phase 2	Design Stage	Expected to be completed in 2025/26
Air Force Base Waterkloof: construction of new Fire Station and Air Traffic Control Tower	Design Stage	Expected to be completed in 2024/25
Upgrading of infrastructure at the Works Training School	Planning Instruction Issued	Expected to be completed in 2026/27
Replacement of sluice system at 1 Military Hospital	Planning Instruction Issued	Expected to be completed in 2022/23
Site clearance for the upgrading of the perimeter security fences at Air Force Base Swartkop	Pre-design Planning	Expected to be completed in 2021/22
<b>Port Elizabeth</b>		
Site clearance for the erection of a security fence at the Cape Recife shooting range Army Support Base Eastern Cape	Pre-design Planning	Expected to be completed in 2020/21
Construction of Base Hospital and medical staff housing	Tender Recommendation Stage	Expected to be completed in 2025/26
<b>Saldanha</b>		
Replacement of fire alarm system at the Military Academy	Design Stage	Expected to be completed in 2021/22
Construction of new Sickbay at Saldanha Military Base	Tender Stage	Expected to be completed in 2022/23
<b>Sandriver</b>		
Site clearance for the Sandriver border safeguarding base in Kruger National Park	Pre-design Planning	Expected to be completed in 2020/21
<b>Simon's Town</b>		
Site clearance for the construction of a new security fence with main guard house equipped with a biometric access control system at the Signal School	Pre-design Planning	Expected to be completed in 2020/21
Replace existing security fence with palisade fence at SA Navy Signal School	Pre-design Planning	Expected to be completed in 2021/22
Replace existing security fence with palisade fence at Glencairn Sports Complex	Pre-design planning	Expected to be completed in 2021/22
Replacement of air-conditioning system in the Maritime Warfare Building	Design Stage	Expected to be completed in 2021/22
<b>Thaba Tshwane</b>		
Upgrading of kitchen equipment at Joint Support Base Garrison, Gerbera Officers Mess	Construction Stage	Expected to be completed in 2021/22
Upgrading of kitchen equipment at Joint Support Base Garrison, Kiepersol Officers Mess	Construction Stage	Expected to be completed in 2020/21
Upgrading of kitchen equipment at SA Army College	Construction Stage	Expected to be completed in 2021/22
SA Military Health Services Training Formation: construction of new requirements and repair maintenance and upgrade of Admin Building	Pre-design Planning	Expected to be completed in 2021/22
<b>Thabazimbi</b>		
Request for site clearance for the installation of a water purification unit at the Rooibokkraal Border Safeguarding Base under Op CORONA	Pre-design Stage	Expected to be completed in 2020/21

Capital Infrastructure Projects in Progress during FY2019/20		
Project Description	Project Status	Expected Completion Date
<b>Umdloti</b>		
Upgrading of kitchen equipment at Umdloti Signal Base	Design Stage	Expected to be completed in 2021/22
<b>Umtata</b>		
Upgrading of Finance Accounting Service Centre at 14 SA Infantry Battalion	Construction Stage	Expected to be completed in 2020/21
<b>Violsdrift</b>		
Request for site clearance for the installation of re-deployable structures through own resources at Violsdrift and Louisvale Operational Bases: Op CORONA	Pre-design Planning	Expected to be completed in 2020/21
<b>Wingfield</b>		
Upgrading of water reticulation system at SAS Wingfield and Naval Stores Depot	Pre-design Planning	Expected to be completed in 2021/22
<b>Wynberg</b>		
Facilities Management Contract at 2 Military Hospital: site clearance	Pre-design Planning	Expected to be completed in 2021/22
Upgrading of Finance Accounting Service Centre at 2 Military Hospital	First Delivery Stage	Expected to be completed in 2020/21
<b>Youngsfield</b>		
Upgrading of Finance Accounting Service Centre at Youngsfield	First Delivery Stage	Expected to be completed in 2020/21
<b>Zeerust</b>		
Assessment and costing of kitchen equipment at 2 SA Infantry Battalion	Design Stage	Expected to be completed in 2021/22

## MAJOR MAINTENANCE (REFURBISHMENT) PROJECTS UNDERTAKEN DURING FY2019/20

Major Maintenance (Refurbishment) projects undertaken during FY2019/20 are indicated in the table below.

Major Maintenance (Refurbishment) Projects Undertaken during FY2019/20		
Project Description	Progress Status <sup>2</sup>	Expected Completion Date
<b>Bethlehem</b>		
Refurbishment of 2 Field Engineering Regiment	Final Delivery Stage	Completed
<b>Bloemfontein</b>		
Refurbishment of School of Armour	Final Delivery Stage	Completed
Refurbishment of 1 SA Infantry Battalion	Design Stage	Expected to be completed in 2020
Refurbishment of 44 Parachute Regiment	Design Stage	Expected to be completed in 2020
Refurbishment of Military Health Training Satellite Bloemfontein	Design stage	Expected to be completed in 2021
<b>Bloemspruit</b>		
Refurbishment of Air Force Base Bloemspruit	Design Stage	Expected to be completed in 2022
<b>Bredasdorp</b>		
Refurbishment of Air Force Base Overberg sewer plant	Construction Stage	Expected to be completed in 2020
<b>Cape Town</b>		
Refurbishment of 2 Military Hospital	Construction Stage	Expected to be completed in 2020
<b>Durban</b>		
Refurbishment of SAS Salisbury Island, Phase 2	Design Stage	Expected to be completed in 2021
<b>Grahamstown</b>		
Replacement of perimeter and internal security fencing	Funds Approved Stage	Expected to be completed in 2021
Refurbishment of 6 SA Infantry Battalion	Design Stage	Expected to be completed in 2022
Refurbishment and rehabilitation of infrastructure and buildings	Tender Stage	Expected to be completed in 2022
<b>Hoedspruit</b>		
Refurbishment of Air Force Base Hoedspruit (Base and flood damage)	First Delivery stage	Expected to be completed in 2020
<b>Kroonstad</b>		
Refurbishment of School of Engineers	Tender Recommendation Stage	Expected to be completed in 2021
<b>Langebaan</b>		
Refurbishment of Oesterskulp Duplex Flats	Final Delivery Stage	Completed
<b>Lephalale</b>		
Upgrading, repair and renovations of all offices and training accommodation, logistics facilities and kitchen complex	Design stage	Expected to be completed in 2022
<b>Middelburg</b>		
Repair and maintenance to civil infrastructure at 4 SA Infantry Battalion	Construction Completed	Completed
Multidiscipline, design and construction	Design Stage	Expected to be completed in 2020
<b>Muizenberg</b>		
Refurbishment of SA Navy Staff College	Design Stage	Expected to be completed in 2020

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

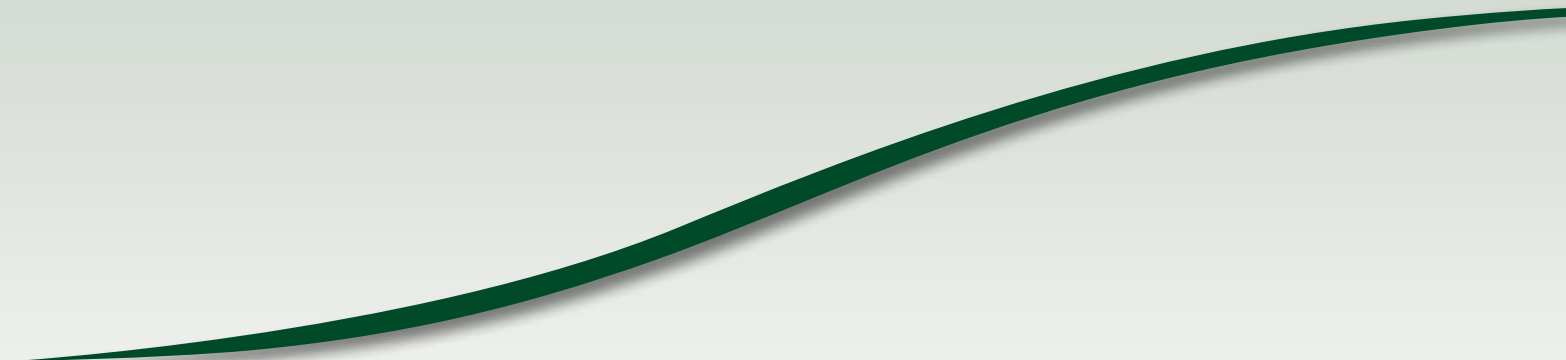


<b>Major Maintenance (Refurbishment) Projects Undertaken during FY2019/20</b>		
<b>Project Description</b>	<b>Progress Status</b>	<b>Expected Completion Date</b>
<b>Potchefstroom</b>		
Installation of new air conditioners at Constand Viljoen Officers Mess	Design Stage	Expected to be completed in 2020
Refurbishment of 1 Tactical Intelligence Regiment	Design Stage	Expected to be completed in 2021
Refurbishment of School of Artillery	Design Stage	Expected to be completed in 2021
Refurbishment of 4 Artillery Regiment	Design Stage	Expected to be completed in 2021
<b>Pretoria</b>		
Repair and maintenance of electrical infrastructure - Phase 1	Final Delivery Stage	Expected to be completed in 2019
Repair and maintenance of electrical infrastructure - Phase 2	Final Delivery Stage	Expected to be completed in 2019
Refurbishment of Military Health Centre (Institute for Aviation Medicine) next to DOD Auction Centre	Design stage	Expected to be completed in 2020
Refurbishment of SA Military Health Services complex in Tek Base	Design stage	Expected to be completed in 2020
Refurbishment of Rooiwal Communication Facility	Design stage	Expected to be completed in 2021
Refurbishment of the single quarters at Air Force Base Waterkloof	Design Stage	Expected to be completed in 2021
Refurbishment of SA Army Office in Dequar Road	Design Stage	Expected to be completed in 2024
Refurbishment of SA Air Force Blenny Complex	Design Stage	Expected to be completed in 2024
<b>Saldanha</b>		
Refurbishment of Military Academy (including Malgaskop Demolitions)	Construction Completed	Completed
<b>Simon's Town</b>		
Refurbishment Pharmacy (Building 70) Institute for Maritime Medicine	Design Stage	Expected to be completed in 2020
<b>Swartkop Park</b>		
Re-surface 2km road Swartkop Park	Design stage	Expected to be completed in 2020
<b>Thaba Tshwane</b>		
Refurbishment of Defence College	Design stage	Expected to be completed in 2020
Refurbishment of Thaba Tshwane B-Mess	Construction Stage	Expected to be completed in 2020
Refurbishment of A-Mess Thaba Tshwane	Design Stage	Expected to be completed in 2022
Repair and maintenance to civil infrastructure and fencing	Design Stage	Expected to be completed in 2024
<b>Ysterplaat</b>		
Major refurbishment of Jack Frost Court at Air Force Base Ysterplaat: building 340	Design Stage	Expected to be completed in 2021
<b>Zeerust</b>		
Replacement of kitchen equipment and kitchen roof and ceiling	First Delivery Stage	Completed

2019/20

## **Appendix B**

**DOD Selected Performance Indicators,  
Targets and Actual Achievements**





## DOD SELECTED PERFORMANCE INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

The DOD's performance against Selected Performance Indicators and Targets for the period 01 April 2016 to 31 March 2020 is reflected in the table below.

DOD Selected Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020					
Performance Indicator	Accountability / Reporting Responsibility	Performance			
		Audited / Actual Achievement <sup>1</sup>			
		FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total number of Defence Attaché Offices	Administration (Defence Foreign Relations)	Target	Target	Target	Target
		46	44	44	44
		Actual	Actual	Actual	Actual
		44	44	44	44
Number of military skills development members in the system	Administration (HR Services)	Target	Target	Target	Target
		4 001	3 651	3 568	3 510 <sup>2</sup>
		Actual	Actual	Actual	Actual
		3 759	3 476	3 554	3 761
Number of reserve force mandays	Administration (HR Services)	Target	Target	Target	Target
		2 701 681	1 817 104	2 674 761	2 693 048
		Actual	Actual	Actual	Actual
		2 679 142	2 425 899	2 574 127	2 739 564
Percentage compliance with the Southern African Development Community standby force Pledge	Force Employment	Target	Target	Target	Target
		100%	100%	100%	100%
		Actual	Actual	Actual	Actual
		100%	100%	100%	100%
Percentage compliance with number of ordered commitments (external operations)	Force Employment	Target	Target	Target	Target
		100%	100%	100%	100%
		Actual	Actual	Actual	Actual
		100% (2)	100%	100%	100%
Percentage compliance with number of ordered commitments (internal operations) <sup>3</sup>	Force Employment	Target	Target	Target	Target
		100%	100%	100%	100%
		Actual	Actual	Actual	Actual
		100% (4)	100%	100%	100%
Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	Force Employment	Target	Target	Target	Target
		4	3	4	1 <sup>4</sup>
		Actual	Actual	Actual	Actual
		4	3	3	1
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Target	Target	Target	Target
		15	15	15	15
		Actual	Actual	Actual	Actual
		15	15	15	15

1 Reason(s) for deviation from target are furnished under "Performance Information per Programme".

2 For the 2019 MTEF, the DOD expected an increase in the number of retirements of Regular and Civilian members. It was therefore planned that the number of MSDS members will not decline, but will differ year on year, as the number of MSDS in the system is directly linked to the Department's natural attrition rate per year.

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

4 During refinement of the MTSF (2014 – 2019) between DPME and the DOD, it was decided that the department would address only the SANDF's participation on the higher level of SADC and interdepartmental/interagency exercises, as South Africa is not always the leading country during these exercises. It was planned that only one JIIM exercise will be conducted during FY2019/20, as per international obligation (agreement with foreign countries).

DOD Selected Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020					
Performance Indicator	Accountability / Reporting Responsibility	Performance			
		Audited / Actual Achievement			
		FY2016/17	FY2017/18	FY2018/19	FY2019/20
Number of force employment hours flown	Air Defence	<b>Target</b> 5 000	<b>Target</b> 5 000	The Performance Indicator was amended from "Number of force employment hours flown per year" to "Number of hours flown per year"	
		<b>Actual</b> 4 032.40	<b>Actual</b> 4 125.50		
Number of hours flown per year <sup>5</sup>		New Performance Indicator		<b>Target</b> 25 000	<b>Target</b> 17 200 <sup>6</sup>
				<b>Actual</b> 17 870.20	<b>Actual</b> 16 232.60
Number of hours at sea per year	Maritime Defence	<b>Target</b> 12 000	<b>Target</b> 12 000	<b>Target</b> 12 000	<b>Target</b> 10 000 <sup>7</sup>
			<b>Actual</b> 8 131.55	<b>Actual</b> 6 046.68	<b>Actual</b> 7 704.13

- 5 During FY2018/19 the Performance Indicator was amended from "Number of force employment hours flown per year". The Air Defence Programme have more control over the set target of 25 000 flying hours (inclusive of 5 000 Force Employment and 20 000 Force Preparation hours). For the FY2018/19 MTEF, the target for number of hours flown is thus set at 25 000 hours per year. Force employment hours include 1 000 VVIP hours and only hours generated through the utilisation of own aircraft, and thus excludes hours generated through chartered aircraft.
- 6 For the FY2019/20 MTEF, the target for the Performance Indicator "Number of hours flown per year" has been reduced from 25 000 to 17 200 hours per year due to the reduction in the budget allocation to the Air Defence Programme. The "Number of hours flown per year" includes an estimated 5 000 hours for Force Employment and approximately 12 200 hours for Force Preparation. The estimated total of 5 000 hours includes Force Employment and an estimated 1 000 VVIP hours.
- 7 The Performance Indicator target for "Number of hours at sea" was amended from 12 000 to 10 000 hours at sea in the FY2019/20 MTEF. The reduction in the FY2019/20 Performance Indicator target is as a result/reflects the previous baseline performance over the past three year audited/actual performance (FY2014/15 until FY2016/17) and influenced by the availability of maritime platforms and budget reductions.

2019/20

## **Appendix C**

### **DOD End-Term Performance against Strategic Indicators and Targets**





## DOD END-TERM PERFORMANCE AGAINST STRATEGIC INDICATORS AND TARGETS<sup>1</sup>

During the Medium-Term Strategic Framework period 2014 – 2019, the DOD endeavoured to optimise its performance information (indicators and targets) on a continuous basis to ensure adherence to the ‘SMART’<sup>2</sup> principles, but more importantly to be able to measure and report on the Department’s performance in a severely constrained defence environment.<sup>3</sup>

Improvements in performance information resulted in amending some performance indicators and targets on an annual basis. The implementation of the SA Defence Review 2015 Milestone 1 deliverables (FY2016/17 onwards) necessitated amended performance information in some cases. It is for this reason that that “Performance Analysis” are mostly done per individual financial year within the strategic period under review.<sup>4</sup>

The end-term performance achievement against the DOD’s Strategic (5-year) Performance Indicators and Targets over the period 01 April 2015 to 31 March 2020 is reflected in the table below.

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>PERFORMANCE INFORMATION LINKED TO DOD STRATEGY MAP: OUTPUTS</b>		
<b>DOD Output / Objective 1: Conduct Ordered Defence Commitments in Accordance with Government Policy and Strategy</b>		
This strategic output of the DOD addresses the degree to which the SANDF executes and/or participates in ordered defence commitments (Joint and Multinational Operations) in accordance with the mandate provided. These commitments must be managed by the required legal instrument(s) i.e. a Memorandum of Understanding, Letter of Assist or Directive.		
<b>Strategic Sub-Output</b> Percentage Defence commitments accomplished (per annum or over 5-year term)		<b>5 Year Strategic Plan Target</b> 100%
C SANDF (Force Employment)	Percentage compliance with force levels for external operations	<i>Information Classified</i> <sup>5</sup>
C SANDF (Air Defence)	Number of hours flown per year	<b>5 Year Strategic Plan Target</b> 100% (42 200)  <b>Status as at 31 March 2020</b> 80.5%  FY2015/16 – 73.62% (4 785.18) [Only FE hours] FY2016/17 – 80.65% (4 032.40) [Only FE hours] FY2017/18 – 82.51% (4 125.50) [Only FE hours] FY2018/19 – 71.5% (17 870.20) <sup>6</sup> [FP and FE hours] FY2019/20 – 94.4% (16 232.60) <sup>7</sup> [FP and FE hours]

<sup>1</sup> Analysis aligned with Annexure A (pages 159 to 175) of the DOD APP for 2019.

<sup>2</sup> Performance targets are to be Specific, Measurable, Achievable, Relevant and Time-Bound, according to the National Treasury Performance Information Handbook of April 2011.

<sup>3</sup> Refer Part A, page A-8 and Part B, page B-2.

<sup>4</sup> Detailed annual performance analysis is included in respective DOD Annual Reports per financial years (FY2015/16 to FY2019/20).

<sup>5</sup> Where the report refers to “Information Classified”, it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

<sup>6</sup> During FY2018/19 the Performance Indicator was amended from “Number of force employment hours flown per year” to “Number of hours flown per year” to include not only Force Employment hours but also that of Force Preparation. The Air Defence Programme had more control over the set target of 25 000 flying hours (inclusive of 5 000 Force Employment and 20 000 Force Preparation hours). For the FY2018/19 MTEF, the target for number of hours flown was thus set at 25 000 hours per year. Force employment hours include 1 000 VVIP hours and only hours generated through the utilisation of own aircraft, and thus excludes hours generated through chartered aircraft.

<sup>7</sup> For the FY2019/20 MTEF, the target for the Performance Indicator “Number of hours flown per year” has been reduced from 25 000 to 17 200 hours per year due to the reduction in the budget allocation to the Air Defence Programme. The “Number of hours flown per year” includes an estimated 5 000 hours for Force Employment and approximately 12 200 hours for Force Preparation. The estimated total of 5 000 hours includes



DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
C SANDF (Maritime Defence)	Number of hours at sea per year	<p><b>5 Year Strategic Plan Target</b> 100% (58 000)</p> <p><b>Status as at 31 March 2020</b> 67.6% (39 205.61)</p> <p>FY2015/16 – 89.25% (10 710.70) FY2016/17 – 67.76% (8 131.55) FY2017/18 – 50.39% (6 046.68) FY2018/19 – 64.2% (7 704.13) FY2019/20 – 66% (6 612.55)</p>
C SANDF (Force Employment)	Percentage compliance with number of ordered commitments  (Number of external operations)	<p><b>5 Year Strategic Plan Target</b> 100%</p> <p><b>Status as at 31 March 2020</b> 100%</p> <p>The DOD fully complied with all ordered commitments (external deployments ordered by the Commander-in-Chief in accordance with the Constitution).</p>
C SANDF (Force Employment)	Percentage compliance with number of ordered commitments  (Number of internal operations)	<p><b>5 Year Strategic Plan Target</b> 100%</p> <p><b>Status as at 31 March 2020</b> 100%</p> <p>The DOD fully complied with all ordered commitments (internal operations ordered by the Commander-in-Chief in accordance with the Constitution).</p>
<b>Strategic Sub-Output</b> Percentage Defence commitments support compliance		<p><b>5 Year Strategic Plan Target</b> <i>Information Classified</i></p>
C SANDF (Force Employment)	Percentage compliance with serviceability of main equipment for external operations	<i>Information Classified</i>
	Percentage compliance with self-sustainment of personnel	<i>Information Classified</i>
<b>Strategic Sub-Output</b> Percentage Border Safeguarding commitments status		<p><b>5 Year Strategic Plan Target</b> 100% (15)</p>
C SANDF (Force Employment)	Number of landward sub-units deployed on border safeguarding per year	<p><b>5 Year Strategic Plan Target</b> 100% (15)</p> <p><b>Status as at 31 March 2020</b> 100% (15)</p>

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>DOD Output / Objective 2: Provide mission ready Defence capabilities</b>		
This strategic output addresses the degree to which the SANDF provides mission-ready capabilities to Joint Force Employment (including the Southern African Development Community Standby Force Pledge).		
<b>Strategic Sub-Output</b> Percentage compliance with Joint Force Employment Requirements (including the Southern African Development Community Standby Force Pledge)		<b>5 Year Strategic Plan Target</b> 100%
C SANDF (Force Employment) (Landward Defence) (Air Defence) (Maritime Defence) (Military Health Support)	Percentage compliance with Joint Force Employment Requirements as resourced	<i>Information Classified</i>
C SANDF (Force Employment)	Percentage compliance with the Southern African Development Community Standby Force Pledge	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
<b>DOD Output / Objective 3: Provide Sound Defence Direction</b>		
This strategic output of the DOD addresses the provision of external direction and advice so that governmental bodies and organisations are well informed and advised on trends in the DOD. It also includes the adoption and formulation of appropriate defence policy, strategy and internal direction and advice to ensure effective Defence. This strategic output addresses the degree to which the DOD adheres to the policy and strategy governance schedule set by higher authority as well as the DOD Enterprise Risk Management maturity level achieved.		
<b>Strategic Sub-Output</b> Percentage compliance by the DOD with National Governance		<b>5 Year Strategic Plan Target</b> 89.50%
Sec Def (Administration)	Percentage adherence to DOD governance schedule  (DOD Master Record Index for Policies)	<b>5 Year Strategic Plan Target</b> 88%  <b>Status as at 31 March 2020</b> FY2015/16 – 100% FY2016/17 – 60% FY2017/18 – 62.50% FY2018/19 – 70% FY2019/20 – 42%
	Percentage adherence to DOD governance schedule  (DOD Master Record Index for Strategy)	<b>5 Year Strategic Plan Target</b> 90%  <b>Status as at 31 March 2020</b> FY2015/16 – 100% FY2016/17 – 44.44% FY2017/18 – 50% FY2018/19 – 41.7% FY2019/20 – 0%

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
Sec Def (Administration)	Percentage adherence to DOD governance schedule  (SA Defence Review 2015 Implementation status)	<b>5 Year Strategic Plan Target</b> 100%  <b>Progress as at 31 March 2020<sup>8</sup></b> The monitoring of implementation of non-resource driven deliverables was undertaken through the departmental quarterly performance reporting process.
Executive Authority (Administration)	Percentage compliance with submission dates of DOD accountability documents  (Tabling of DOD SP, APP and Annual Report)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
	Percentage compliance with submission dates of DOD accountability documents  (Tabling of Armscor Corporate Plan and Annual Report)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
	Percentage compliance with submission dates of DOD accountability documents  (Tabling of the Castle Control Board SP, APP and Annual Report)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
	Percentage compliance with submission dates of DOD accountability documents  (Tabling of the Military Ombud SP and APP)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
	Percentage compliance with submission dates of DOD accountability documents  (Tabling of Annual Report regarding Military Ombud Activities)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
	Percentage compliance with submission dates of DOD accountability documents  (Tabling of Annual Activity regarding DFSC Activities and Findings)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
	Sec Def (Administration)	Percentage compliance with submission dates of DOD accountability documents  (Annual Activity Report regarding DFSC Activities and Findings submitted to the Executive Authority)

<sup>8</sup> Refer to Part B, pages 23 to 26 for detailed SA Defence Review 2015 Implementation Status.

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
Sec Def (Administration)	Percentage compliance with submission dates of DOD accountability documents  (Reports on RFC Activities submitted to the Executive Authority)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 90%
Sec Def (Administration)	Percentage compliance with submission dates of DOD accountability documents  (Compliance with DOD Financial Products)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
Sec Def (Administration)	Percentage compliance with submission dates of DOD accountability documents  (SMS Performance Agreements submitted)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> FY2015/16 – 84% FY2016/17 – 94% FY2017/18 – 86% FY2018/19 – 88% FY2019/20 – 95%
	Percentage compliance with submission dates of DOD accountability documents  (SMS Financial Disclosures submitted)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> FY2015/16 – 93% FY2016/17 – 100% FY2017/18 – 100% FY2018/19 – 98% FY2019/20 – 99%
C SANDF (Administration)	Percentage compliance with submission dates of DOD accountability documents  (SANDF quarterly reports submitted to the Executive Authority)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%
Sec Def (Administration)	DOD Enterprise Risk Management maturity level achieved	<b>5 Year Strategic Plan Target</b> 80%  <b>Status as at 31 March 2020</b> FY2015/16 – Level 5 FY2016/17 – Level 5 FY2017/18 – Level 5 FY2018/19 – Level 5 FY2019/20 – Level 4

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>DOD Output / Objective 4: Ensure Defence Compliance with Regulatory Framework</b>		
This strategic output of the DOD addresses the degree to which the DOD complies with the Regulatory Framework as well as the degree to which corruption and fraud in the DOD are addressed.		
<b>Strategic Sub-Output</b> Percentage Defence compliance with Regulatory Framework		<b>5 Year Strategic Plan Target</b> 85.16%
Sec Def (Administration)	Number of Audit Qualifications	<b>5 Year Strategic Plan Target</b> 100% (0)  <b>Status as at 31 March 2020</b> FY2015/16 – 1 FY2016/17 – 1 FY2017/18 – 6 FY2018/19 – 5 FY2019/20 – 6
	Percentage external deployments, including training exercises, where applicable, supported with appropriate legal instruments	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100% (Appropriate, approved legal instruments in place)
	Percentage of written complaints finalised within the Office of the Military Ombud	<b>5 Year Strategic Plan Target</b> 68%  <b>Status as at 31 March 2020</b> FY2015/16 – 76% FY2016/17 – 55% FY2017/18 – 83% FY2018/19 – 47% FY2019/20 – 74.8%
	Percentage payments within 30 days from receipt of legitimate invoices	<b>5 Year Strategic Plan Target</b> 75%  <b>Status as at 31 March 2020</b> FY2015/16 – 80% FY2016/17 – 77% FY2017/18 – 78% FY2018/19 – 82% FY2019/20 – 79.7%
	Percentage compliance with Policy Products in pursuit of Defence Diplomacy	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100% Relevant, quality policy products ensured

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>Strategic Sub-Output</b> Percentage corruption and fraud prevention status		<b>5 Year Strategic Plan Target</b> 70%
Sec Def (Administration) C SANDF (Administration)	Percentage of cases of Corruption and Fraud prosecuted  (Conviction of persons R5 million and over) <sup>9</sup>	<b>5 Year Strategic Plan Target</b> 70%  <b>Status as at 31 March 2020</b> FY2015/16 – 100% FY2016/17 – 13%
<b>PERFORMANCE INFORMATION LINKED TO DOD STRATEGY MAP: INTERNAL PROCESS (ACTIVITIES)</b>		
<b>DOD Activity (Objective) 1: Administrate the DOD</b>		
This strategic internal process of the DOD addresses the DOD's administration activity that includes the following components:		
<ul style="list-style-type: none"> <li>• The formulation of defence administration-related policy and strategy, defence functional (resources and compliance) policies and strategies, defence management and administration and the accompanying enterprise architecture to effect resource accounting.</li> <li>• The formulation of a defence instructions/directions/orders emanating from defence-related policies, strategy and legislation.</li> <li>• The organisational arrangements (systems, capacity and processes) to support effective planning, monitoring and evaluation, reporting and risk management in the DOD.</li> <li>• Organisational arrangements to ensure corporate support which consists of HR, Legal and Defence Foreign Relations.</li> <li>• Organisational arrangements (systems, capacity and processes) to effectively manage information in the DOD.</li> <li>• Organisational arrangements to manage and account for and report on the DOD finances.</li> <li>• Organisational arrangements to manage crime prevention, discipline, disputes and ethics in the DOD.</li> </ul>		
<b>Strategic Sub-Output</b> Percentage Defence administration compliance index		<b>5 Year Strategic Plan Target</b> 71.17%
C SANDF (Administration)	Percentage reduction of military court cases outstanding  (backlog)	<b>5 Year Strategic Plan Target</b> 52%  <b>Status as at 31 March 2020</b> FY2015/16 – 20% FY2016/17 – 65% FY2017/18 – 51.17% FY2018/19 – 61.65% FY2019/20 – 50%
	Percentage military court cases finalised  (in-year)	<b>5 Year Strategic Plan Target</b> 40%  <b>Status as at 31 March 2020</b> FY2015/16 – 3% FY2016/17 – 63% FY2017/18 – 66.11% FY2018/19 – 71.96% FY2019/20 – 50%
	Percentage of disciplinary cases in the DOD finalised within 90 days  (Military Disciplinary Cases)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> FY2015/16 – 11.67% FY2016/17 – 36% FY2017/18 – 67.58% FY2018/19 – 74.91% FY2019/20 – 76.3%

<sup>9</sup> This Performance Indicator was deleted from the Budget Programme, as it forms part of the Performance Indicator "Percentage of cases of Corruption and Fraud prosecuted" but remains to indicate the department's support to MTSF Outcome 3: Sub-outcome 7 "Corruption in the Public and Private Sectors Reduced".

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
Sec Def (Administration)	Percentage of disciplinary cases in the DOD finalised within 90 days  (PSAP Disciplinary Cases)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> FY2015/16 – 51% FY2016/17 – 16% FY2017/18 – 22% FY2018/19 – 59% FY2019/20 – 10%
C SANDF (Administration)	Percentage litigation cases finalised in the best interest of the DOD	<b>5 Year Strategic Plan Target</b> 50%  <b>Status as at 31 March 2020</b> FY2015/16 – 88.87% FY2016/17 – 80% FY2017/18 – 79.6% FY2018/19 – 71% FY2019/20 – 82%
Sec Def (Administration)	Percentage collective grievances and disputes resolved	<b>5 Year Strategic Plan Target</b> 85%  <b>Status as at 31 March 2020</b> FY2015/16 – 71% FY2016/17 – 64% FY2017/18 – 65% FY2018/19 – 47% FY2019/20 – 59%
<b>Strategic Sub-Output</b> Percentage of Defence crime prevention activities (includes anti-corruption and anti-fraud activities)		<b>5 Year Strategic Plan Target</b> 100%
C SANDF (General Support)	Projected number of deliberate crime prevention operations	<b>5 Year Strategic Plan Target</b> 744 (5 years)  <b>Status as at 31 March 2020</b> 1 007  FY2015/16 – 282 FY2016/17 – 189 FY2017/18 – 184 FY2018/19 – 178 FY2019/20 – 174

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
C SANDF (Administration)	Number of awareness activities on Corruption and Fraud conducted	<p><b>5 Year Strategic Plan Target</b> 240 (5 years)</p> <p><b>Status as at 31 March 2020</b> 306</p> <p>FY2015/16 – 86 FY2016/17 – 74 FY2017/18 – 48 FY2018/19 – 55 FY2019/20 – 43</p>
<b>Strategic Sub-Output</b> Percentage reduction of criminal cases		<b>5 Year Strategic Plan Target</b> 35.63%
C SANDF (General Support)	Percentage criminal cases investigated (backlog)	<p><b>5 Year Strategic Plan Target</b> 40%</p> <p><b>Status as at 31 March 2020</b> FY2015/16 – 20% FY2016/17 – 66% FY2017/18 – 56.14% FY2018/19 – 87.03% FY2019/20 – 56.75%</p>
	Percentage criminal cases investigated (in-year)	<p><b>5 Year Strategic Plan Target</b> 31.25%</p> <p><b>Status as at 31 March 2020</b> FY2015/16 – 36.55% FY2016/17 – 29% FY2017/18 – 22.73% FY2018/19 – 30.80% FY2019/20 – 47.32%</p>
<b>DOD Activity (Objective) 2: Enable the DOD</b>		
This strategic internal process of the DOD addresses the DOD activities relate to sub-processes in the DOD required to enable service delivery. It includes the provision of defence capabilities by the Services and Division in accordance with the Defence strategic objectives.		
<b>Strategic Sub-Output</b> Number of Defence health care activities		<b>5 Year Strategic Plan Target</b> 10 702 750
C SANDF (Military Health Support)	Broader SANDF Health Status	<i>Information Classified</i>
	Trend of deployable status on concurrent health assessments	<i>Information Classified</i>
	Number of health care activities per year	<p><b>5 Year Strategic Plan Target</b> 10 702 750 (2 140 550 per year)</p> <p><b>Status as at 31 March 2020</b> 10 885 428</p> <p>FY2015/16 – 2 257 785 FY2016/17 – 2 215 561 FY2017/18 – 2 139 053 FY2018/19 – 2 183 927 FY2019/20 – 2 089 102</p>



DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
C SANDF (Administration)	Percentage of combat ready SANDF capabilities available	<i>Information Classified</i>
<b>Strategic Sub-Output</b> Percentage Defence primary military preparation activities		<b>5 Year Strategic Plan Target</b> 90.33%
Sec Def and C SANDF (Administration)	Percentage compliance with DOD training targets	<p><b>5 Year Strategic Plan Target</b> 85.5%</p> <p><b>Status as at 31 March 2020</b></p> <p><u>Number of PSAP Attending Training Programmes</u></p> <p>FY2015/16 – 99.88% FY2016/17 – 100.5% FY2017/18 – 80% FY2018/19 – 99.4% FY2019/20 – 80%</p> <p><u>Non-Combat Professional Military Development Courses</u></p> <p>FY2015/16 – 142% FY2016/17 – 89.63% FY2017/18 – 96% FY2018/19 – 91% FY2019/20 – 93%</p> <p><u>Re-Skilling</u></p> <p>FY2015/16 – 174% FY2016/17 – 273% FY2017/18 – 100% FY2018/19 – 100% FY2019/20 – 100%</p> <p><u>National Youth Service Programme</u></p> <p>FY2015/16 – 68% FY2016/17 – 234%</p> <p><u>Landward Defence</u></p> <p>FY2015/16 – 84% FY2016/17 – 94.81% FY2017/18 – 109% FY2018/19 – 56.35% FY2019/20 – 111.2%</p> <p><u>Air Defence</u></p> <p>FY2015/16 – 119% FY2016/17 – 83.02% FY2017/18 – 147% FY2018/19 – 82% FY2019/20 – 93.18%</p>

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
Sec Def and C SANDF (Administration)	Percentage compliance with DOD training targets	<p><u>Maritime Defence</u></p> <p>FY2015/16 – 100.85%</p> <p>FY2016/17 – 114.16%</p> <p>FY2017/18 – 121%</p> <p>FY2018/19 – 102%</p> <p>FY2019/20 – 71%</p> <p><u>Military Health Support</u></p> <p>FY2015/16 – 102%</p> <p>FY2016/17 – 76.30%</p> <p>FY2017/18 – 98%</p> <p>FY2018/19 – 80%</p> <p>FY2019/20 – 79%</p>
C SANDF (Landward Defence)	Number of Service Unique Force Training Exercises conducted	<p><b>5 Year Strategic Plan Target</b></p> <p>4</p> <p><b>Status as at 31 March 2020</b></p> <p>4</p> <p>FY2018/19 – 2</p> <p>FY2019/20 – 2</p>
C SANDF (Air Defence)	Number of Service Unique Force Training Exercises conducted	<p><b>5 Year Strategic Plan Target</b></p> <p>2</p> <p><b>Status as at 31 March 2020</b></p> <p>2</p> <p>FY2018/19 – 1</p> <p>FY2019/20 – 1</p>
C SANDF (Maritime Defence)	Number of Service Unique Force Training Exercises conducted	<p><b>5 Year Strategic Plan Target</b></p> <p>2</p> <p><b>Status as at 31 March 2020</b></p> <p>2</p> <p>FY2018/19 – 1</p> <p>FY2019/20 – 1</p>
C SANDF (Defence Intelligence)	Number of Defence Intelligence products	<p><b>5 Year Strategic Plan Target</b></p> <p>2 240</p> <p><b>Status as at 31 March 2020</b></p> <p>3 397</p> <p>FY2015/16 – 622</p> <p>FY2016/17 – 667</p> <p>FY2017/18 – 603</p> <p>FY2018/19 – 597</p> <p>FY2019/20 – 908</p>

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>DOD Activity (Objective) 3: Employ the SANDF</b>		
This strategic internal process of the DOD addresses the activities related to sub-processes in the SANDF required for employment of the SANDF in Joint, Interdepartmental, Interagency and Multinational (JIIM) exercises as directed by Government. It includes military exercises and mission-readiness training activities.		
<b>Strategic Sub-Output</b> Number of DOD military exercises		<b>5 Year Strategic Plan Target</b> 17
C SANDF (Force Employment)	Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	<b>5 Year Strategic Plan Target</b> 17  <b>Status as at 31 March 2020</b> 17  FY2015/16 – 6 FY2016/17 – 4 FY2017/18 – 3 FY2018/19 – 3 FY2019/20 – 1
<b>Strategic Sub-Output</b> Total number of Defence Attaché Offices		<b>5 Year Strategic Plan Target</b> 45
C SANDF (Administration)	Total number of Defence Attaché Offices	<b>5 Year Strategic Plan Target</b> 45  <b>Status as at 31 March 2020</b> 44
<b>DOD PERFORMANCE INFORMATION: DOD INPUTS (RESOURCE MANAGEMENT)</b>		
<b>DOD Input (Objective) 1: Provide Professional and Supported DOD Human Resources</b>		
This strategic resource management output of the DOD is an overarching aspect to ensure that human resources meet the demands of the department, are professional as well as supported in order to engage in the main processes of the Department.		
<b>Strategic Sub-Output</b> Percentage HR utilisation index		<b>5 Year Strategic Plan Target</b> 12 329 386 (100%)
C SANDF (Administration)	Number of Reserve Force mandays	<b>5 Year Strategic Plan Target</b> 12 329 386  <b>Status as at 31 March 2020</b> 13 187 714  FY2015/16 – 2 768 982 FY2016/17 – 2 679 142 FY2017/18 – 2 425 899 FY2018/19 – 2 574 127 FY2019/20 – 2 739 564
	Percentage compliance with SANDF Battle fitness requirements	<i>Information Classified</i>

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>Strategic Sub-Output</b> Number of military skills development members in the system per year		<b>5 Year Strategic Plan Target</b> 18 593
C SANDF (Administration)	Number of military skills development members in the system per year	<b>5 Year Strategic Plan Target</b> 18 593  <b>Status as at 31 March 2020</b> 18 494  FY2015/16 – 3 944 FY2016/17 – 3 759 FY2017/18 – 3 476 FY2018/19 – 3 554 FY2019/20 – 3 761
<b>Strategic Sub-Output</b> Level of morale in the DOD		<b>5 Year Strategic Plan Target</b> Positive
C SANDF (Administration)	Measure the level of DOD morale	<b>5 Year Strategic Plan Target</b> Positive  <b>Status as at 31 March 2020</b> FY2015/16 – Positive FY2016/17 – Neutral FY2017/18 – Neutral FY2018/19 – Neutral FY2019/20 – Neutral
<b>DOD Input (Objective) 2: Provide appropriate and sustained Matériel</b> This strategic resource management output of the DOD is an overarching departmental aspect to ensure defence matériel meets the requirements of the Department in order to engage in the main processes of the Department. This strategic output includes items (facilities, ships, tanks, self-propelled weapons, aircraft, related spares, repair parts, and support equipment, including real property, installations, and utilities) necessary to equip, operate, maintain, and support departmental activities without distinction as to their application for administrative or combat purposes.		
<b>Strategic Sub-Output</b> Percentage Defence infrastructure revitalisation status		<b>5 Year Strategic Plan Target</b> 95%
C SANDF (Administration)	Percentage of expenditure in accordance with facilities plan  (payment of leases, accommodation charges and municipal services)	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> FY2015/16 – New indicator FY2016/17 – 105.64% FY2017/18 – 99.21% FY2018/19 – 94.31% FY2019/20 – 103.75%
C SANDF (General Support)	Percentage utilisation of endowment property in the DOD	<b>5 Year Strategic Plan Target</b> 90%  <b>Status as at 31 March 2020</b> FY2015/16 – New indicator FY2016/17 – 96% FY2017/18 – 93% FY2018/19 – 94% FY2019/20 – 93.75%

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>Strategic Sub-Output</b> Percentage Defence critical stock level status		<b>5 Year Strategic Plan Target</b> <i>Information Classified</i>
C SANDF (Military Health Support)	Percentage availability of medical stock	<i>Information Classified</i>
<b>Strategic Sub-Output</b> Percentage Logistics compliance status		<b>5 Year Strategic Plan Target</b> 96%
C SANDF (General Support)	Percentage procurement requests fully completed within 90 days from day of registration <sup>10</sup>	<b>5 Year Strategic Plan Target</b> 96%  <b>Status as at 31 March 2020</b> FY2015/16 – 94% FY2016/17 – 95.87% FY2017/18 – 87.54% FY2018/19 – 99.75% FY2019/20 – 99.76%
<b>DOD Input (Objective) 3: Provide Integrated and Reliable Defence Information Systems</b> This strategic resource management output of the DOD is an overarching departmental aspect to ensure that information systems meet the requirements of the department in order to engage in the main processes of the department. This strategic output includes management information and management knowledge also known in the private sector as “business intelligence” (not to be confused with military intelligence).		
<b>Strategic Sub-Output</b> Percentage Defence ICT status		<b>5 Year Strategic Plan Target</b> 60.89%
C SANDF (General Support)	Percentage of modernised, sustainable DOD ICT Integrated Prime Systems Capabilities	<b>5 Year Strategic Plan Target</b> 95.12%  <b>Status as at 31 March 2020</b> FY2015/16 – New indicator FY2016/17 – 81.42% FY2017/18 – 72.92% FY2018/19 – 102.77% FY2019/20 – 112.72%
<b>DOD Input (Objective) 4: Provide Sound Financial Management of the DOD</b> This strategic resource management output of the DOD is an overarching departmental aspect to ensure that departmental financial management remains sound in terms of the regulatory requirements and guidelines and that financial reporting is performed accordingly.		
<b>Strategic Sub-Output</b> Percentage deviation from approved drawing schedule		<b>5 Year Strategic Plan Target</b> <8%
Sec Def (Administration)	Percentage deviation from approved drawing schedule	<b>5 Year Strategic Plan Target</b> <8%  <b>Status as at 31 March 2020</b> FY2015/16 – 1.4% FY2016/17 – 0.1% FY2017/18 – 0.53% FY2018/19 – 0.009% FY2019/20 – 0.003%

<sup>10</sup> Chief Logistics changed number of days from 60 to 90 days. This is in line with government imperatives.

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>DOD PERFORMANCE INFORMATION: DOD BUILDING FOR THE FUTURE</b>		
<b>DOD Building for the Future (Objective) 1: Ensure Appropriate Strategic Reserves</b>		
The strategic building for the future output of the DOD addresses the requirement to ensure that critical commodities and/or items are available at all times to enable and support expected and unforeseen defence commitments (e.g. fuel, ammunition).		
<b>Strategic Sub-Output</b> Level of strategic reserves		<b>5 Year Strategic Plan Target</b> <i>Information Classified</i>
<b>DOD Building for the Future (Objective) 2: Renew DOD Main Equipment and Systems</b>		
<b>DOD Building for the Future (Objective) 3: Undertake Defence Research and Development</b>		
This element addresses the requirement to ensure that the DOD invests in the development and acquisition of equipment and associated doctrine to ensure the DOD's long-term sustainability and relevance.		
<b>Strategic Sub-Output</b> Percentage of Defence armament acquisition commitments status		<b>5 Year Strategic Plan Target</b> ≥83%
Sec Def (Administration)	Percentage armament acquisition process compliance	<b>5 Year Strategic Plan Target</b> ≥81%  <b>Status as at 31 March 2020</b> FY2017/18 – 87% FY2018/19 – 98% FY2019/20 – 97%
	Percentage technology development commitments approved	<b>5 Year Strategic Plan Target</b> ≥85%  <b>Status as at 31 March 2020</b> FY2015/16 – 98% FY2016/17 – 93% FY2017/18 – 99% FY2018/19 – 99.57% FY2019/20 – 99%
<b>DOD Building for the Future (Objective) 4: Promote Appropriate Defence Industry</b>		
This strategic building for the future output of the DOD addresses the requirement to ensure that the RSA's Defence Industry remains appropriate and relevant with regard to global military technology development (and trends) in order to enable and sustain the RSA's military capacity/ capability requirement and relevance in our area of influence.		
<b>Strategic Sub-Output</b> Percentage of promotion of Defence Industry		<b>5 Year Strategic Plan Target</b> 100%
Sec Def (Administration)	Percentage of Capability and Technology programmes established with the Defence Industry	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 100%

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>DOD BFF (Objective) 5: Promote Appropriate Defence Industry</b>		
This strategic building for the future output of the DOD addresses the requirement to ensure that stakeholders internal and external to the DOD are engaged to enable national cohesion relating to the role and functions of the Defence portfolio in support of the RSA Constitutional Imperatives.		
<b>Strategic Sub-Output</b> Promote consensus on Defence		<b>5 Year Strategic Plan Target</b> 75.80%
C SANDF (Corporate Communication)	Status of Public Opinion of the DOD	<b>5 Year Strategic Plan Target</b> 75.80%  <b>Status as at 31 March 2020</b> 75% <sup>11</sup>
<b>DOD CORE PERFORMANCE INDICATORS UNRELATED TO SPECIFIC STRATEGIC OUTPUTS BUT OF IMPORTANCE TO DOD DOMESTIC ASPECTS (INTERNAL PROCESSES AND COMMAND)</b>		
<b>DOD Strategic Output</b>		
These Performance Indicators are of DOD domestic interest only		
<b>Strategic Sub-Output</b>		
Conduct Defence ordered commitments in accordance with Government policy and strategy		
C SANDF (Force Employment)	Percentage of the value of reimbursement by the UN/AU recognised	<i>Information Classified</i>
<b>Strategic Sub-Output</b>		
Provide sound Defence direction		
C SANDF (Administration)	Number of positions filled at international institutions	<b>5 Year Strategic Plan Target</b> 12  <b>Status as at 31 March 2020</b> FY2015/16 – 8 FY2016/17 – 14 FY2017/18 – 11 FY2018/19 – 9 FY2019/20 – 14
	Number of Strategic Activities per annum	<b>5 Year Strategic Plan Target</b> 64  <b>Status as at 31 March 2020</b> 47  FY2015/16 – 10 FY2016/17 – 10 FY2017/18 – 9 FY2018/19 – 12 FY2019/20 – 6

<sup>11</sup> Public opinion is measured every alternative/second year. Fieldwork towards the Survey for FY2019/20 had to be suspended due to the COVID-19 outbreak and finalisation of this Survey is dependent on the current lockdown situation. The results from the survey of July 2018 is thus regarded as valid until such time that the 2020 survey can be completed.

DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>Strategic Sub-Output</b>		
Ensure Defence compliance with Regulatory Framework		
Sec Def (Administration)	Status of external statutory responses to requests received	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> FY2015/16 – 66% FY2016/17 – 100% FY2017/18 – 100% FY2018/19 – 100% FY2019/20 – 100%
	Percentage of audits completed in terms of the approved Internal Audit Plan	<b>5 Year Strategic Plan Target</b> 100%  <b>Status as at 31 March 2020</b> 59%
<b>DOD Activity</b>		
Administrate the DOD		
C SANDF (Administration)	Number of Covenantal relationships with Religious Stakeholders  (Religious Advisory Boards)	<b>5 Year Strategic Plan Target</b> 25  <b>Status as at 31 March 2020</b> 27  FY2015/16 – 5 FY2016/17 – 5 FY2017/18 – 7 FY2018/19 – 5 FY2019/20 – 5
	Number of marketing events to promote the Reserves	<b>5 Year Strategic Plan Target</b> 174  <b>Status as at 31 March 2020</b> 147  FY2015/16 – 24 FY2016/17 – 38 FY2017/18 – 32 FY2018/19 – 28 FY2019/20 – 25

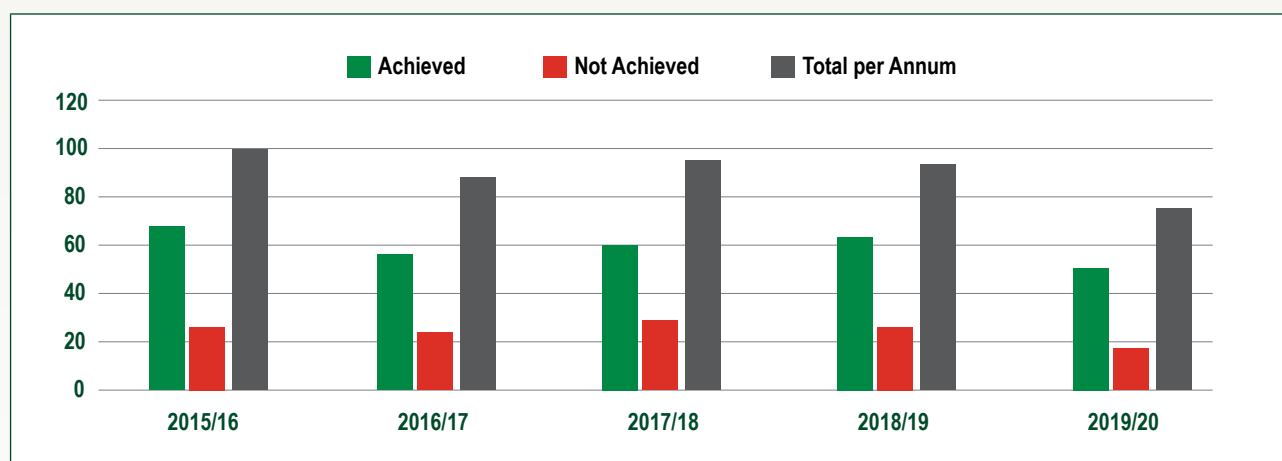


DOD End-Term Performance against Strategic Indicators and Targets for FY2019/20		
Reporting Responsibility	Current Approved Performance Indicators	Analysis
<b>DOD Activity</b> Enable the DOD		
C SANDF (Defence Intelligence)	Number of vetting decisions taken in accordance with requirements	<b>5 Year Strategic Plan Target</b> 32 500  <b>Status as at 31 March 2020</b> 26 279  FY2015/16 – 4 234 FY2016/17 – 6 606 FY2017/18 – 4 819 FY2018/19 – 3 453 FY2019/20 – 7 167

## SUMMARY<sup>12</sup>

During the strategic period the DOD's level of achievement against its set performance indicators, progressively increased from 66% in FY2015/16 to 73% in FY2019/20 as indicated in the year-on-year performance comparison table below.

	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Achieved	69 (66%)	62 (65%)	64 (64%)	67 (69%)	57 (73%)
Not Achieved	35 (34%)	33 (35%)	36 (36%)	30 (31%)	21 (27%)
<b>TOTAL</b>	<b>104</b>	<b>95</b>	<b>100</b>	<b>97</b>	<b>78</b>

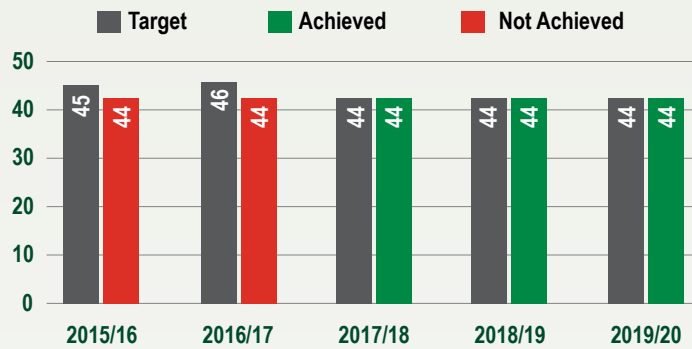


<sup>12</sup> Refer to Part B, pages 84 to 85.

The graphs below provide data visualisation against the 10 DOD selected performance indicators<sup>13</sup> as published yearly in the Estimate of National Expenditure during the 2015 to 2020 strategic period.

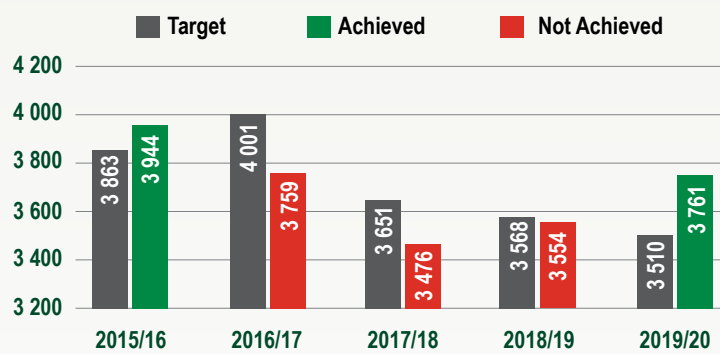
The DOD selected performance indicators are derived from the Defence mandate and form the basis of the Department’s budget allocation from National Treasury. These selected performance indicators represent the largest cost drivers in the DOD.

**Total number of Defence Attaché Offices FY2015/16 to FY2019/20**



An average of 44 Defence Attaché Offices per year were in place over the strategic period, of which SADC had 10 offices, the Rest of Africa 13 offices and the Rest of the World 21 offices.

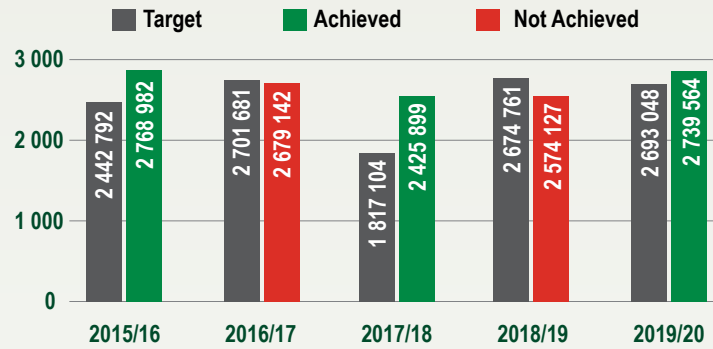
**Number of military skills development members in the system FY2015/16 to FY2019/20**



The MSDS system endeavours to compensate for the attrition rate of military members.

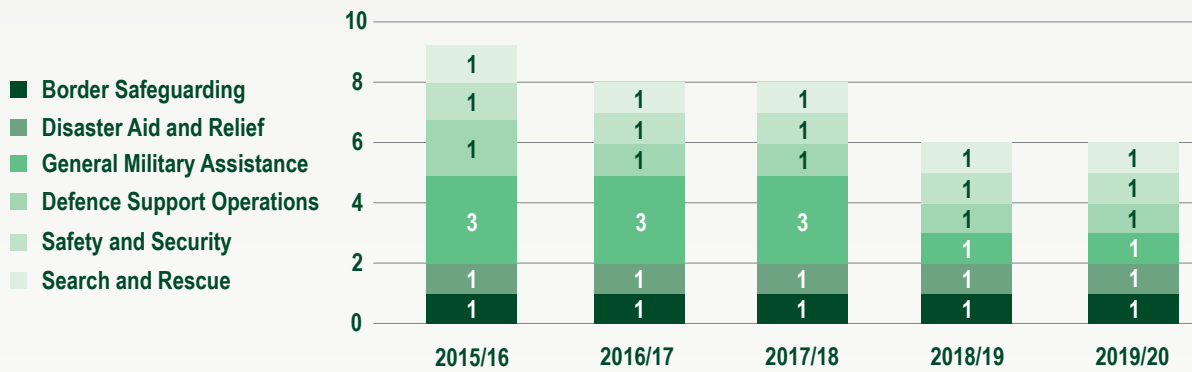
<sup>13</sup> As per the "Estimate of National Expenditure" 2019.

### Number of Reserve Force mandays FY2015/16 to FY2019/20



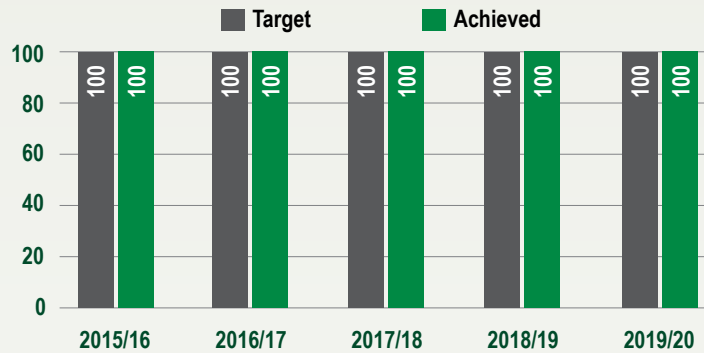
Reserve Force mandays were increased since FY2017/18 because of an increased requirement for the deployment of Reserve Force members.

### Percentage compliance with Ordered Commitments (Internal and External) FY2015/16 to FY2019/20



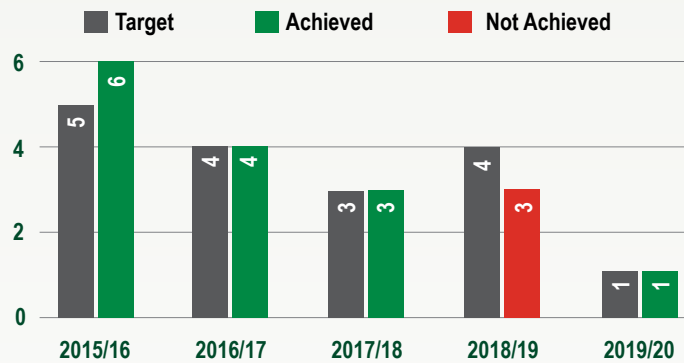
During the strategic period, in support of Outcome 3 and Outcome 11, SANDF forces were deployed in internal and external operations as required.

**Percentage compliance with the Southern African Development Community Standby Force Pledge FY2015/16 to FY2019/20**



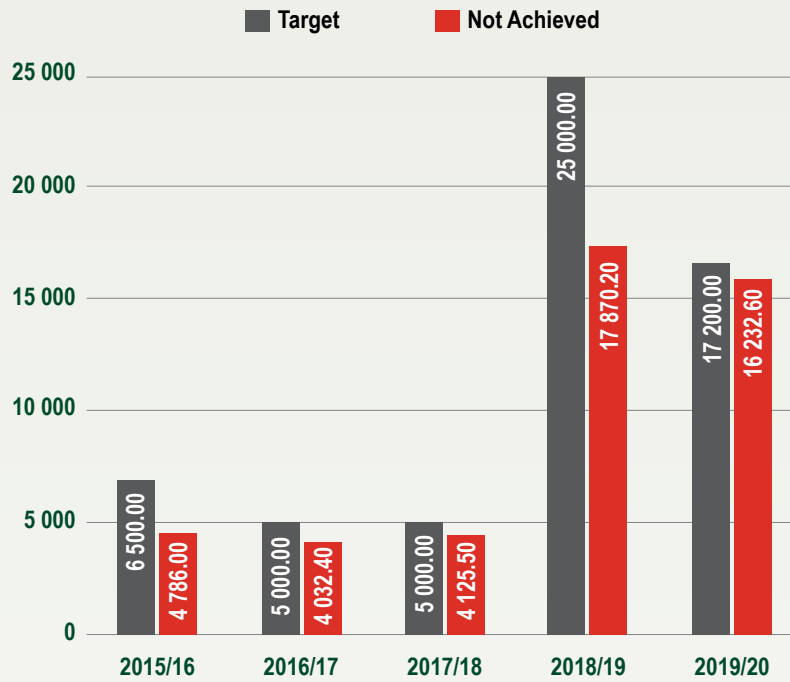
These pledges were not additional to SANDF force requirements and constituted part of the SANDF's contribution to the African Standby Force.

**Number of joint, interdepartmental, interagency and multinational military exercises conducted per year FY2015/16 to FY2019/20**



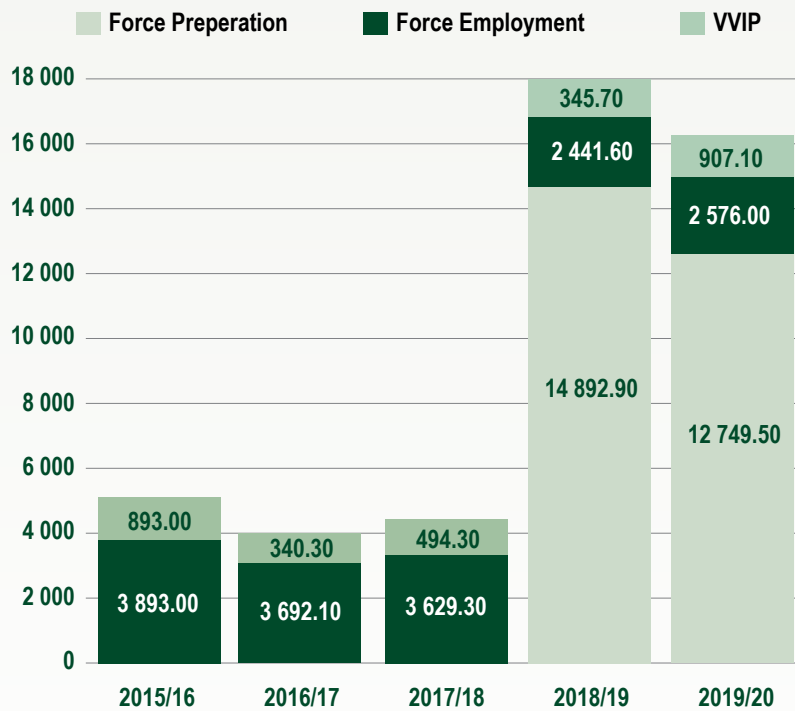
The five-year target was achieved during FY2018/19, with an additional exercise done in FY2019/20.

**Number of hours flown per year FY2015/16 to FY2019/20**



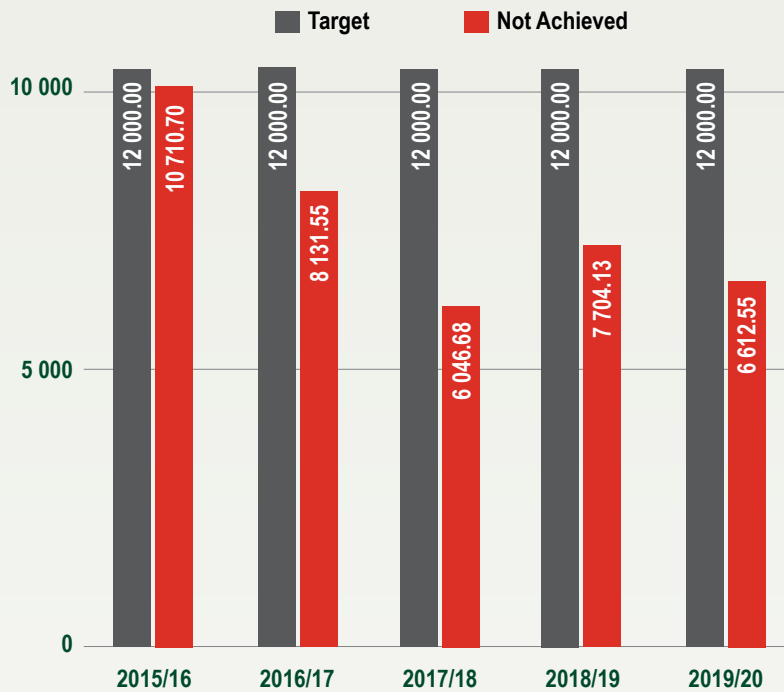
The number of hours flown are dependent on the number of serviceable aircraft and operational taskings received.

**Number of Force Preparation, Force Employment and VVIP hours flown per year FY2015/16 to FY2019/20**



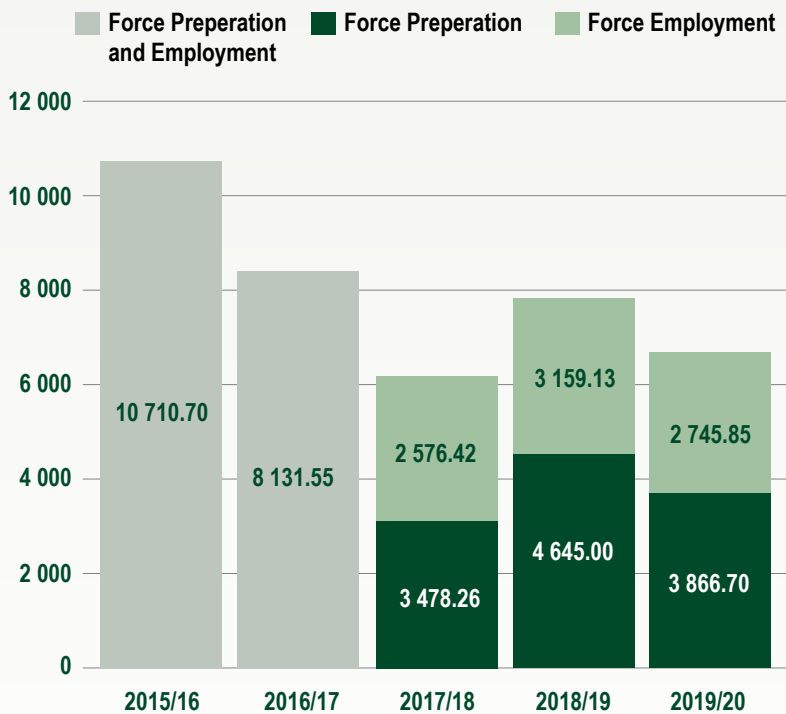
The performance indicator was adjusted during FY2018/19 to include the number of Force Preparation hours flown per year.

### Number of hours at sea per year FY2017/18 to FY2019/20



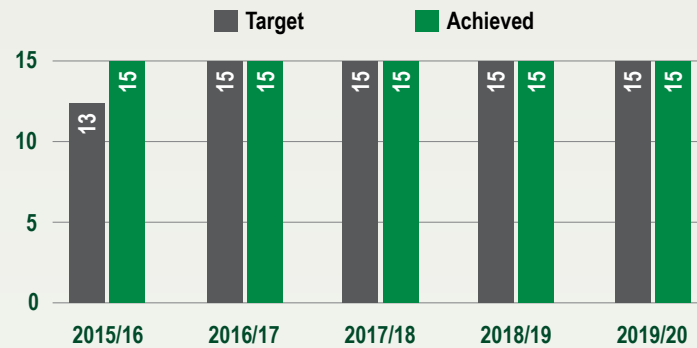
The number of hours at sea are dependent on the availability of vessels at the directed level of capability and maintenance cycle delays.

### Number of hours at sea per year FY2015/16 to FY2019/20



The performance indicator was adjusted during FY2017/18 to provide performance against the number of Force Preparation and Employment hours flown per year.

**Number of landward sub-units deployed on border safeguarding per year  
FY2015/16 to FY2019/20**



Fifteen sub-units were deployed per year over the strategic period to execute Op CORONA in Limpopo, Mpumalanga, Kwa-Zulu Natal, Free State, Eastern Cape, Northern Cape and Northwest Provinces.

2019/20

## **Appendix D**

### **DOD Performance Indicators, Targets and Actual Achievements**







### DOD PERFORMANCE INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS<sup>1</sup>

The DOD's performance against its Performance Indicators and Targets for the period 01 April 2016 to 31 March 2020 is reflected in the table below.

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator <sup>2</sup>	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
<b>Programme 1: Administration</b>									
<b>Administration Sub-programme: Ministry of Defence</b>									
1	Percentage compliance with submission dates of DOD accountability documents: (DOD Strategic Plan [2020-2025] tabled in Parliament) (DOD APP tabled in Parliament) (ARMSCOR Corporate Plan tabled in Parliament) (Castle Control Board Strategic Plan [2020-2025] tabled in Parliament) (Castle Control Board APP tabled in Parliament) (Military Ombud Strategic Plan [2020 - 2025] tabled in Parliament) (Military Ombud APP tabled in Parliament)	100% (4 APPs tabled in line with National Prescripts)	100% (4 APPs tabled in line with National Prescripts)	100% (4)	100% (4)	100% (4)	100% (4)	100%	100% (3 Strategic Plans and 4 Annual Performance Plans)

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

<sup>2</sup> FY2019/20 (current) Performance Indicators are shaded in green.

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
2	Percentage compliance with submission dates of DOD accountability documents: (DOD Annual Report tabled in Parliament) (Armscor Annual Report tabled in Parliament) (Castle Control Board Annual Report tabled in Parliament) (Military Ombud Annual Report tabled in Parliament) <sup>3</sup> (Annual Report regarding Military Ombud Activities tabled in Parliament in line with Legislative Prescripts) (Annual Activity Report regarding DFSC Activities and Findings tabled in Parliament)	100% (4 ARs tabled in line with National Prescripts)	100% (4 ARs tabled in line with National Prescripts)	100% (6)	100% (6)	100% (5)	100% (5)	100% (5)	100% (5)
<b>Administration Sub-programme: The Military Ombud</b>									
3	Percentage compliance with submission dates of DOD accountability documents (Military Ombud APP submitted to the Executive Authority)	100% (1 APP submitted to the Executive Authority)	100% (1 APP submitted to the Executive Authority)	100% (1 APP submitted to the Executive Authority)	100% (1 APP submitted to the Executive Authority)	100% (1) (APP submitted to the Executive Authority)	100% (1) (APP submitted to the Executive Authority)	-	-
4	Percentage compliance with submission dates of DOD accountability documents (Military Ombud Annual Report submitted to the Executive Authority)	100% (1 Annual Report submitted to the Executive Authority)	100% (1 Annual Report submitted to the Executive Authority)	100% (1 Annual Report submitted to the Executive Authority)	100% (1 Annual Report submitted to the Executive Authority)	-	-	-	-

3 This Performance Indicator is since FY2018/19 no longer applicable.

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
5	Percentage compliance with submission dates of DOD accountability documents (Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	-	-	100% (1 Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	100% (1 Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	100% (1 Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	100% (1 Annual Report regarding Military Ombud Activities submitted to the Executive Authority)	-	-
6	Percentage of written complaints finalised within the Office of the Military Ombud	60%	55% (236 out of 428 active complaints were assessed and finalised, 192 cases were carried over to FY2017/18)	70% (70% finalised in-year and 80% finalised from previous year)	83% (664 out of the 799 active complaints for FY2017/18 were assessed and finalised, 135 cases were carried over to FY2018/19)	75%	47% (246 out of 525 complaints finalised)	75%	74.8%
<b>Administration Sub-programme: Reserve Force Council (RFC)</b>									
7	Percentage compliance with submission dates of DOD accountability documents (Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	100% (2 Reports on RFC Activities submitted to the Executive Authority)	50% (1 Report on RFC Activities submitted to the Executive Authority)
<b>Administration Sub-programme: Defence Force Service Commission (DFSC)</b>									
8	Percentage compliance with submission dates of DOD accountability documents (Annual Activity Report regarding DFSC Activities and Findings submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities submitted to the Executive Authority)	100% (1 Annual Report regarding DFSC Activities submitted to the Executive Authority)	100% (1 Annual Activity Report regarding DFSC Activities and Findings submitted to the Executive Authority)	100% (1 Annual Activity Report regarding DFSC Activities and Findings submitted to the Executive Authority)

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
9	Percentage compliance with submission dates of DOD accountability documents (Report on the DFSC Findings and Recommendations Gazetted)	-	-	100% (1 Report on the DFSC Findings and Recommendations Gazetted)	100% (2 Reports on DFSC Findings and Recommendations Gazetted)	100% (1 Report on the DFSC Findings and Recommendations Gazetted)	No reports Gazetted	-	-
<b>Administration Sub-programme: Departmental Direction (Office of the Secretary for Defence)</b>									
10	Percentage adherence to DOD governance promulgation schedule (SA Defence Review 2015 Implementation status)	100% (Monitor implementation of the approved SA Defence Review 2015 Implementation Plan)	The SA Defence Review 2015 (DOD Plan to Arrest the Decline) was approved for implementation by the MOD&MV on 07 Mar 2017. The monitoring of implementation of non-resource driven deliverables was undertaken through the departmental quarterly performance reporting process.	100% (Monitor implementation of the approved SA Defence Review 2015 Implementation Plan)	100% (Monitored implementation of the approved SA Defence Review 2015 Implementation Plan). The monitoring of the implementation of non-resource driven deliverables was undertaken through the departmental quarterly performance reporting process.	100% (Monitor implementation of the approved SA Defence Review Implementation Plan)	100% (Monitor implementation of the approved SA Defence Review Implementation Plan). The monitoring of the implementation of non-resource driven deliverables was undertaken through the departmental quarterly performance reporting process.	100% (Monitor implementation of the approved SA Defence Review Implementation Plan)	100% (Implementation of the approved SA Defence Review Implementation Plan was monitored)

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020											
S/No	Performance Indicator-	FY2016/17			FY2017/18			FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
11	Percentage compliance with submission dates of DOD accountability documents (DOD APP submitted to the Executive Authority)	100% (1 DOD APP submitted to the Executive Authority)	100% (1 DOD APP for 2017 submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 16 Mar 2017)	100% (1 DOD APP submitted to the Executive Authority)	100% (1 DOD APP for 2018 submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 12 Mar 2018)	100% (1) (DOD APP submitted to the Executive Authority)	100% (1) (DOD APP for 2019 submitted to the Executive Authority)	-	-	-	-
12	Percentage compliance with submission dates of DOD accountability documents (DOD Annual Report submitted to the Executive Authority)	100% (1 DOD Annual Report submitted to the Executive Authority)	100% (1 DOD Annual Report for FY2015/16 submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 26 Sep 2016)	100% (1 DOD Annual Report submitted to the Executive Authority)	100% (1 DOD Annual Report for FY2016/17 submitted to the Executive Authority and tabled in the National Assembly and National Council of Provinces on 20 Nov 2017)	100% (1) (DOD Annual Report submitted to the Executive Authority)	100% (1) (DOD Annual Report for FY2017/18 submitted to the Executive Authority)	-	-	-	-
13	Established DOD strategic research capability status	Policy Research Unit Concept document approved	Not achieved, the Draft Policy Research Unit Concept document was completed for departmental consideration.	Policy Research Unit Concept document approved	Policy Research Unit Concept document not approved	-	-	-	-	-	-
14	Number of Audit Qualifications <sup>4</sup>	0	1	0	0	0	0	0	0	0	In the FY2018/19, the DOD had six areas which contributed to the audit qualification.

4 This Performance Indicator was reported on under Financial Services during FY2016/17 to FY2018/19.

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020											
S/No	Performance Indicator	FY2016/17		FY2017/18		FY2018/19		FY2019/20		Annual Target as per APP	Actual Achievement
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement		
15	Status of external statutory responses to requests received	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Administration Sub-programme: Departmental Direction (Defence Enterprise Information System Management [DEISM])</b>											
16	Percentage adherence to DOD governance promulgation schedule (Information and Communication Systems Policy Development Plan status)	100% (Monitor and Review)	100% (Monitored and reviewed)	-	-	-	-	-	-	-	-
17	Percentage adherence to DOD governance promulgation schedule (Department of Defence Information Strategy status)	100% (Monitor and Review)	100% (Monitored and reviewed)	-	-	-	-	-	-	-	-
18	Percentage adherence to DOD governance schedule (Compliance to the DOD Corporate Governance of ICT Policy status)	-	-	100% (Development and submission for approval of the DOD Corporate Governance of ICT Policy)	100% (DOD Corporate Governance of ICT Policy developed and submitted for approval)	-	-	-	-	-	-
19	Percentage adherence to DOD governance schedule (Defence Enterprise Architecture Capability Established and Integrated)	-	-	25% (Development and submission for approval of the Enterprise Architecture Capability framework)	25% (Development and submission for approval of the Enterprise Architecture Capability framework)	25% (The Enterprise Architecture Capability framework approved)	25% (Development and submission for approval of the Enterprise Architecture Capability framework)	20% (Development and submission for approval of the Enterprise Architecture Capability framework)	10% (Development and submission for approval of the Enterprise Architecture Capability framework)	-	-

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
<b>Administration Sub-programme: Policy and Planning</b>									
20	Percentage adherence to DOD governance schedule (Policy)	100%	60% (3 out of 5 planned policies established and maintained)	100%	62.50% (5 out of 8 targets set for DOD Policies in FY2017/18 were achieved)	100%	70%	≥40%	42%
21	Percentage adherence to DOD governance schedule (Strategy)	100%	44.44% (4 out of 9 strategies established and maintained)	100%	50% (6 out of 12 targets set for DOD strategies in FY2017/18 were achieved)	100%	41.7% (5 out of 12 targets set for DOD strategies in FY2018/19 achieved)	50%	0%
22	Percentage adherence to DOD governance schedule (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] status)	-	-	100% (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] developed)	The Defence Secretariat Strategy was partially developed.	100% (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] submitted for approval)	100% (Defence Secretariat Strategy [Defence Governance and Accountability Strategy] was approved by the AO on 01 Mar 2019)	-	-
23	Percentage compliance with submission dates of DOD accountability documents	100% (1 DOD Annual Report and 1 DOD APP submitted in line with National Prescripts)	100% (1 DOD Annual Report and 1 DOD APP submitted in line with National Prescripts)	-	-	-	-	-	-



DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
24	Percentage compliance with submission dates of DOD accountability documents (DOD Annual Report submitted in line with National Prescripts)	-	-	100% (1 DOD Annual Report submitted in line with National Prescripts)	100% (1 DOD Annual Report submitted in line with National Prescripts)	100% (1) (DOD Annual Report submitted in line with National Prescripts)	100% (1) (DOD Annual Report submitted in line with National Prescripts)	-	-
25	Percentage compliance with submission dates of DOD accountability documents (DOD APP submitted in line with National Prescripts)	-	-	100% (1 DOD APP submitted in line with National Prescripts)	100% (1 DOD APP submitted in line with National Prescripts)	100% (1) (DOD APP submitted in line with National Prescripts)	100% (1) (DOD APP submitted in line with National Prescripts)	-	-
26	DOD Enterprise Risk Management maturity level achieved	Level 4	Level 5	Level 4	Level 5	Level 5	Level 5	Level 5	Level 4
27	DOD Management Performance Assessment Tool, assessment level achieved	Level 2.6	Level 2.5	Level 2.8	Level 2.3	Level 2.8	Level 2.3	-	-
<b>Administration Sub-programme: Military Policy, Strategy and Planning Office</b>									
28	Percentage adherence to DOD governance schedule (Military Strategy status)	-	-	Military Strategy approved and promulgated	The Military Strategy (Part 1) approved awaits promulgation. Parts 2 and 3 of the Military Strategy in the final stages of amendment and promulgation.	Military Strategy Implementation Guidelines approved by the DOD	In process	-	-
29	Percentage compliance with submission dates of DOD accountability documents (SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4) (SANDF quarterly reports submitted to the Executive Authority)	100% (4) (SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)	100% (4 SANDF quarterly reports submitted to the Executive Authority)

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
30	Percentage compliance with the progress of the establishment of the Military Strategic Direction Register	48% (17)	14% (5)	49% (19)	23% (9)	26.66% (4)	20% (3)	-	-
31	Percentage combat ready SANDF capabilities available	-	-	-	-	Information Classified	Information Classified	Information Classified	Information Classified
<b>Administration Sub-programme: Financial Services</b>									
32	Percentage adherence to the DOD governance schedule (Defence Funding Model)	-	-	-	-	100% (Defence Funding Model Implementation Policy)	Defence Funding Model Implementation Policy not drafted	-	-
33	Percentage compliance with submission dates of DOD accountability documents (Percentage compliance with DOD financial management products)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (37 Financial management products submitted in line with National Prescripts)	100% (36) (Financial management products submitted in line with National Prescripts) <sup>5</sup>	79.7%
34	Percentage payments within 30 days from receipt of legitimate Invoices	75%	77%	75%	77.90%	75%	81.82%	75%	0.003%
35	Percentage deviation from approved drawing schedule	<8%	0.1%	<8%	0.53%	<8%	0.009%	<8%	0.003%
<b>Administration Sub-programme: Human Resources Support Services (DOD Central Staff)</b>									
36	Percentage adherence to DOD governance schedule (Internship Policy status)	100% (Policy Development)	100% (Policy Development)	100% (Internship Policy submitted for approval)	100% (Internship Policy submitted for approval)	-	-	-	-
37	Percentage adherence to DOD governance promulgation schedule (Human Resources Development Strategy status)	-	-	-	-	-	-	-	-

5 The Department previously submitted two separate sets of financial statements; hence the annual target was set at 37. During FY2019/20 the exemption granted by NT to not submit consolidated financial statements was no longer applicable. Compliance with regulations meant that only 36 documents could be submitted and not 37 as set during the FY2019/20 planning process.

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
38	Percentage adherence to DOD governance schedule (Human Resources Development Policy status)	-	-	100% (Human Resources Development Policy Developed)	The development of the Human Resource Development Policy was partially finalised.	100% (Human Resources Strategy Developed)	-	-	-
39	Percentage adherence to DOD governance schedule (Human Resources Strategy status)	100% (Implemented Strategy)	100% (DOD Human Resource Development [HRD] Strategy & Strategic Implementation Plan [SIP] implemented)	100% (Human Resources Strategy Developed)	The development of the Human Resource Strategy was not finalised.	100% (Human Resources Strategy developed in support of the Military Strategy)	-	-	-
40	Percentage adherence to DOD governance schedule (DOD Ethics Management status)	100% (DOD Ethics Policy Approved)	DOD Ethics Policy is in the development process	100% (DOD Ethics Strategy submitted for approval)	100% (DOD Ethics Strategy submitted for approval)	100% (DOD Ethics Strategy submitted for approval by the DOD)	-	-	-
41	Percentage compliance with submission dates of DOD accountability documents (SMS financial disclosures submitted)	100%	100% (292 SMS financial disclosures submitted)	100%	100%	100%	100%	100%	99%
42	Percentage compliance with submission dates of DOD accountability documents (SMS performance agreements submitted)	100%	94% (273 out of 292 performance agreements submitted)	100%	86% (246 out of 286 SMS performance agreements submitted)	100%	100%	100%	95%
43	Percentage of disciplinary cases in the DOD finalised within 90 days (PSAP Disciplinary Cases)	100%	16% (9 out of 56 cases finalised within 90 days)	100%	22% (12 out of 54 cases finalised within 90 days)	100%	100%	100%	10%

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020											
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20		Annual Target as per APP	Actual Achievement
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement		
44	Percentage collective grievances and disputes resolved	85%	64% (9 out of 14 grievances received in FY2016/17 were resolved)	85%	65% (11 out of the 17 collective grievances received in FY2017/18 were resolved)	85%	47% (9 out of 19 cases resolved)	85%	59%		
45	Percentage compliance with DOD training targets (Number of PSAP attending training programmes)	100% (2 587)	100.5% (2 601)	80% (2 067)	80% (2 069)	80% (2 067)	99.4% (2 568)	80% (2 067)	80% (2 068)		
46	Percentage compliance with planned staffing of funded posts	100% (80 064)	95.7% (76 617)	-	-	-	-	-	-		
47	Number of positions filled against allocated quota for international Institutions	12	14	12	11	12	9	12	14		
48	Percentage compliance with DOD training targets (Non-combat professional military development courses)	100% (3 000)	89.63% (2 689)	80% (1 360)	96% (1 634)	80% (1 360)	91% (1 553)	80% (1 360)	93% (1 583)		
49	Percentage compliance with DOD training targets (Re-skilling)	70% (50)	273% (195)	100%	100%	100%	100%	100%	100% (343)		
50	Percentage compliance with DOD training targets (National Youth Service programme)	100% (2 000)	234% (4 680)	-	-	-	-	-	-		
51	Number of military skills development members in the system per year	4 001	3 759	-	-	3 568	3 554	3 510	3 761		
52	Number of military skills development members in the system	-	-	3 651	3 476	-	-	-	-		

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
53	Number of Reserve Force mandays	2 701 681	2 679 142	1 817 104	2 425 899	2 674 761	2 574 127	2 693 048	2 739 564
54	Percentage compliance with SANDF Battle fitness requirements	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
<b>Administration Sub-programme: Legal Services (DOD Central Staff)</b>									
55	Percentage litigation cases finalised in the best interest of the DOD	50%	80% (32 out of 40 finalised cases settled in the best interest of the DOD)	50%	79.6% (Total of 116 litigation cases were received and attended to during FY2017/18. 39 out of 49 litigation cases finalised were settled in the best interest of the DOD).	50%	71% (39 out of 55 cases)	50%	82%
56	Percentage of cases of Corruption and Fraud prosecuted	40%	13%	40%	25.97%	25%	50.34%	25%	52.4%
57	Percentage reduction of military court cases outstanding (backlog)	60%	65%	60%	51.17%	40%	61.65%	40%	50%
58	Percentage military court cases finalised (in-year)	40%	63%	40%	66.11%	40%	71.96%	40%	72.4%
59	Percentage of disciplinary cases in the DOD finalised within 90 days (Military Disciplinary Cases)	100%	36%	100%	67.58%	100%	74.91%	100%	76.3%

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
<b>Administration Sub-programme: Inspection and Audit Services (Internal Audit Division)</b>									
60	Percentage of recommendations agreed to by management to address the internal control gaps identified in audit reports	100%	92.5% (298 out of 322 recommendations made were agreed to by management)	100%	75% (90 out of 119 recommendations made to address the internal control gaps identified in audit reports, were agreed to by management)	100%	98% (450 out of 458 recommendations made to address the internal control gaps identified in audit reports, were agreed to by management)	-	-
61	Percentage of audits completed in terms of the approved Internal Audit Plan	-	-	-	-	-	-	100%	59%
<b>Administration Sub-programme: Inspection and Audit Services (Defence Inspectorate Division)</b>									
62	Percentage of Corruption and Fraud incidents detected for investigation	100%	100%	100%	100%	-	-	-	-
63	Percentage of National Anti-corruption Hotline (NACH) Incidents detected for investigation	100%	100%	100%	100%	-	-	-	-
64	Number of awareness activities on Corruption and Fraud conducted	48	74	48	48	48	55	48	43
65	Measure the level of DOD Morale	Positive	Neutral	Positive	Neutral	Positive	Neutral	Positive	Neutral
<b>Administration Sub-programme: Acquisition Services</b>									
66	Percentage adherence to DOD governance schedule (Defence Intangible Assets Management Policy status)	100% (A functioning Defence ICA Management Organisation [Policy Implementation and Monitoring])	100%	100% (A functioning Defence IA Management Organisation [Policy Implementation and Monitoring])	50% A functioning Defence IA Management organisation was established. The Intangible Assets Policy is awaiting approval.	-	-	-	-

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
67	Percentage adherence to DOD governance schedule (Policy) (Promulgated Acquisition of Armaments in the DOD Policy [DAP 1000] status)	-	-	100% (Implementation of the Promulgated Acquisition of Armaments in the DOD Policy [DAP 1000])	100% (Promulgated Acquisition of Armaments in the DOD Policy [DAP 1000] implemented)	-	-	-	-
68	Percentage adherence to DOD governance schedule (Policy) (Technology Development in the DOD Policy [DAP 5000] status)	-	-	100% (Technology Development in the DOD Policy [DAP 5000] developed)	100% (Technology Development in the DOD Policy [DAP 5000] developed)	-	-	-	-
69	Percentage armament acquisition commitments approved	≥75% by 31 Mar of each year	96% commitments approved	-	-	-	-	-	-
70	Percentage Armament Acquisition Process compliance	-	-	≥85%	87% process compliance	≥85%	98%	≥85%	97% process compliance
71	Percentage technology development commitments approved	85% - 100% by 31 Mar of each year	93% commitments approved	≥85%	99% commitments approved	≥85%	99.57%	≥85%	99% commitments approved
72	Percentage of Capability and Technology programmes established with the Defence Industry	-	-	100%	100%	100% (Capability and Technology programmes are established and maintained with the Defence Industry)	100% (Capability and Technology programmes are established and maintained with the Defence Industry)	100% (Capability and Technology programmes maintained with the Defence Industry)	100% (Capability and Technology programmes maintained with the defence industry)
<b>Administration Sub-programme: Communication Services</b>									
73	Status of Public Opinion of the DOD	77%	72%	75%	77.8%	75%	77.8%	75%	75% <sup>6</sup>

6 Public opinion is measured every alternate/second year. Fieldwork towards the Survey for FY2019/20 had to be suspended due to the COVID-19 outbreak and finalisation of this Survey is dependent on the current lockdown situation. The results from the survey of July 2018 is thus regarded as valid until such time that the 2020 survey can be completed.



DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
74	Percentage adherence to DOD governance schedule (Strategy) (Communication Strategy status)	-	-	100% (Communication Strategy implementation as approved by the DOD)	100% (Communication Strategy as approved by the DOD)	100% (Communication Strategy Monitor Implementation as approved by the DOD)	100% (Communication Strategy Monitor Implementation as approved by the DOD)	-	-
<b>Administration Sub-programme: SANDF Command and Control</b>									
75	Number of Strategic Activities per annum	12	10	14	9	14	12	14	6
<b>Administration Sub-programme: Religious Services</b>									
76	Number of Covenantal relationships with Religious Stakeholders (Religious Advisory Boards)	5	5	5	7	5	5	5	5
<b>Administration Sub-programme: Defence Reserve Direction</b>									
77	Number of marketing events to promote the Reserves	36	38	36	32	36	28	30	25
<b>Administration Sub-programme: Defence Foreign Relations (DOD Central Staff)</b>									
78	Total number of Defence Attaché Offices	46	44	44	44	44	44	44	44
<b>Administration Sub-programme: Defence International Affairs Division</b>									
79	Percentage external deployments including training exercises, where applicable, supported with appropriate legal instruments	100% (Appropriate approved legal instrument to be in place)	100% (Appropriate approved legal instrument in place)	100% (Appropriate approved legal instrument to be in place)	100% (Appropriate approved legal instrument in place)	100% (Appropriate approved legal instrument to be in place)	100% (Appropriate approved legal instrument in place)	100% (Appropriate approved legal instrument to be in place)	100% (Appropriate approved legal instrument in place)
80	Percentage compliance with Policy Products in pursuit of Defence Diplomacy	Ensure 100% relevant, quality policy products	100% relevant, quality policy products ensured	Ensure 100% relevant, quality policy products	100% relevant, quality policy products ensured	Ensure 100% relevant, quality policy products	100% relevant, quality policy products ensured	Ensure 100% relevant, quality policy products	100% Relevant, quality policy products ensured
81	Percentage adherence to DOD governance schedule (Defence International Affairs Policy Status)	100% (Monitor Policy Implementation)	Not achieved, policy in progress	100% (Defence International Affairs Policy Promulgation and Implementation as approved by the DOD)	Defence International Affairs Policy not yet approved.	-	-	-	-



DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
<b>Administration Sub-programme: Office Accommodation</b>									
82	Percentage of expenditure in accordance with facilities plan (Payment of leases, accommodation charges and municipal services)	100%	105.64%	100%	99.21%	100%	94.31%	100%	103.75%
<b>Programme 2: Force Employment</b>									
83	Percentage compliance with number of ordered commitments (external operations)	100%	100% (2)	100%	100% (2)	100%	100%	100%	100%
84	Percentage compliance with force levels for external operations	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
85	Percentage compliance with serviceability of main equipment for external operations	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
86	Percentage of the value of reimbursement by the UN/AU recognised	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
87	Percentage compliance with self-sustainment of personnel	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
88	Number of landward sub-units deployed on border safeguarding per year	15	15 sub-units	15	15	15	15	15	15
89	Percentage compliance with number of ordered commitments (internal operations)	100%	100% (4)	100%	100% (4)	100%	100%	100%	100%

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020										
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20		Actual Achievement
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	
90	Percentage compliance with number of ordered commitments (Internal operations) (safety and security support)	100%	100% (1)	-	-	-	-	-	-	-
91	Percentage compliance with number of ordered commitments (internal operations) (disaster aid and disaster relief)	100%	100% (1)	-	-	-	-	-	-	-
92	Percentage compliance with number of ordered commitments (internal operations) (search and rescue)	100%	100% (1)	-	-	-	-	-	-	-
93	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
94	Percentage compliance with the Southern African Development Community Standby Force Pledge	100%	100%	100%	100%	100%	100%	100%	100%	100%
95	Percentage adherence to DOD governance promulgation schedule (Sub-strategy, to support overarching strategy by securing land, airspace and maritime borders [Border Safeguarding Strategy])	Sub-strategy approved	Framework developed to enable Sub-strategy approval	Sub-strategy approved	Development of the Draft Border Safeguarding Sub-Strategy was finalised	100% (Sub-strategy submitted for approval)	0% (Draft Sub-strategy developed and approval in process)	-	-	-

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
96	Percentage adherence to DOD governance schedule (Joint Force Employment Strategy status)	-	-	Joint Force Employment Strategy developed	Development of the Joint Force Employment Strategy was finalised	100% (Joint Force Employment Strategy approved and promulgated by the DOD)	0% (Draft Joint Force Employment Strategy developed)	-	-
97	Number of joint, interdepartmental, interagency and multinational military exercises conducted per year	4	4	3	3	4	3	1	1
<b>Programme 3: Landward Defence</b>									
98	Percentage compliance with number of ordered commitments.	100%	100% (2)	100%	0%	-	-	-	-
99	(General Military Assistance) Percentage compliance with Joint Force Employment requirements as resourced	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
100	Percentage compliance with DOD training targets	80% (2 214)	94.81% (2 624)	80% (2 302)	109% (3 144)	80% (3 681)	56.35% (2 593)	80% (2 485)	111.2% (3 454)
101	Number of SA Army unique force training exercise conducted	-	-	-	-	2	2	2	2
<b>Programme 4: Air Defence</b>									
102	Number of force employment hours flown	5 000	4 032.40	5 000	4 125.50	-	-	-	-
103	Number of hours flown per year	-	-	-	-	25 000	17 870.20	17 200 <sup>7</sup>	16 232.60
104	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
105	Percentage compliance with DOD training targets	80% (742)	83.02% (770)	80% (682)	147% (1 250)	80% (682)	82% (699)	80% (686)	93.18% (799)

7 Inclusive of estimated 5 000 hours for Force Employment and 12 200 hours for Force Preparation.

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
106	Number of Air Force unique force training exercises conducted	-	-	-	-	1	1	1	1
<b>Programme 5: Maritime Defence</b>									
107	Number of hours at sea per year	12 000	8 131.55	12 000	6 046.68	12 000	7 704.13	10 000	6 612.55
108	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
109	Percentage compliance with DOD training targets	80% (438)	114.16% (625)	80% (438)	121% (661)	80% (438)	102% (561)	80% (438)	71% (389)
110	Number of SA Navy unique force training exercises conducted	-	-	-	-	1	1	1	1
<b>Programme 6: Military Health Support</b>									
111	Percentage compliance with Joint Force Employment requirements as resourced	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
112	Broader SANDF health status	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
113	Trend of deployable status on concurrent health assessments	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
114	Number of health care activities per year	2 140 550	2 215 561	2 140 550	2 139 053	2 140 550	2 183 927	2 140 550	2 089 102
115	Percentage compliance with DOD training targets	80% (648)	76.30% (618)	80% (648)	98% (790)	80% (648)	80% (649)	80% (648)	79% (640)
116	Percentage availability of medical stock	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
<b>Programme 7: Defence Intelligence</b>									
117	Percentage compliance with number of ordered commitments (General Military Assistance)	100%	100% (1)	100%	100%	100%	100%	-	-

DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator-	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
118	Percentage compliance with DOD governance schedule (Cyber Warfare Strategy status)	100% (Submit for approval by the JCPS Cluster Ministers)	Not achieved, draft Strategy developed	100% (Cyber warfare Strategy Submit for approval by the JCPS Cluster Ministers)	Development of the Cyber Warfare Capability structure was finalised and approval is awaited	100% (Cyber Warfare Strategy submitted for approval by the JCPS Cluster Ministers)	Cyber Warfare Strategy not submitted for approval to JCPS Cluster Ministers	-	-
119	Percentage compliance with DOD governance schedule (Sensor Strategy status)	Develop Strategy	Not achieved, draft Strategy developed	100% (Sensor Strategy Approved and Promulgated)	The Sensor Strategy was completed and is awaiting approval	100% (Sensor Strategy submitted for approval by the JCPS Cluster Ministers)	Sensor Strategy not submitted for approval to JCPS Cluster Ministers	-	-
120	Number of Defence Intelligence products	448	667	448	603	448	597	448	908
121	Number of vetting decisions taken in accordance with requirements	6 500	6 606	6 500	4 819	7 000	3 453	7 500	7 167
122	Level of implementation of the Cyber Warfare plan	Phases 2 – 3	In process.	Phase 2 – 3	In process.	Phases 4 – 5	Phases 4 – 5 in process.	-	-
<b>Programme 8: General Support</b>									
<b>General Support Sub-programme: Joint Logistic Services</b>									
123	Percentage adherence to DOD governance schedule (DOD Procurement Policy status)	100% (Submission of DOD Procurement Policy for approval)	Placed on hold	100% (Implementation of DOD Procurement Policy)	Finalisation of the Draft DOD Procurement Policy is still in process.	-	-	-	-
124	Percentage adherence to DOD governance schedule (Overarching Logistic Strategy status)	100% (Completed)	Not achieved	100% (Overarching Logistic Strategy Approved and Promulgated)	Finalisation of the Overarching Logistic Strategy is still in process.	100% (Overarching Logistic Strategy approved and promulgated by the DOD)	75% In process	-	-

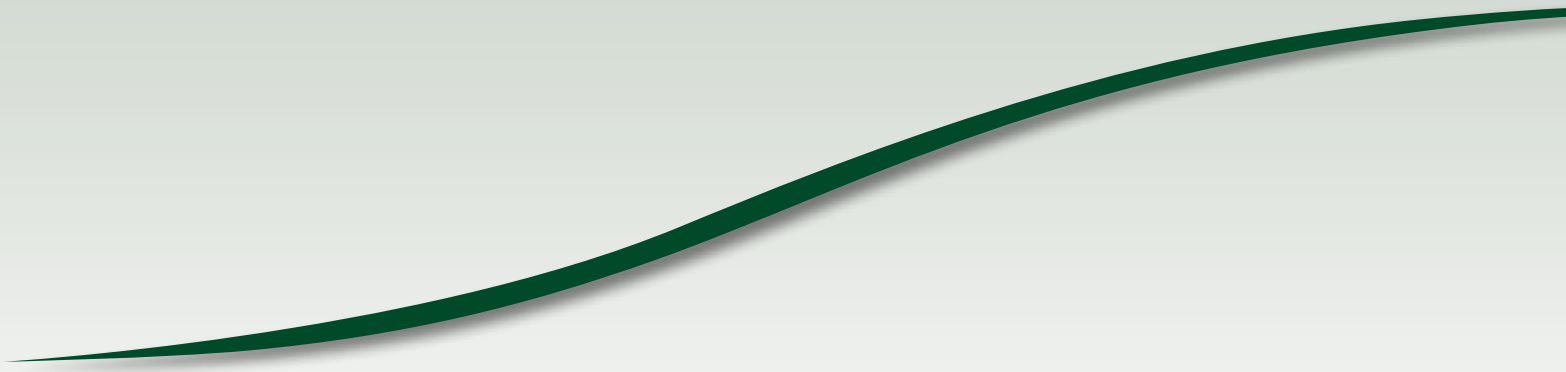
DOD Performance Indicators, Targets and Actual Achievements over the period 01 April 2016 to 31 March 2020									
S/No	Performance Indicator	FY2016/17		FY2017/18		FY2018/19		FY2019/20	
		Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement
125	Percentage procurement requests fully completed within 90 days from day of registration	95%	95.87%	95%	87.54%	95%	99.75%	95%	99.76%
126	Percentage utilisation of endowment property in the DOD	90%	96% (132 Defence Endowment [Portfolio] properties out of 137 facilities were utilised)	90%	93% (146 Defence Endowment [Portfolio] properties out of 136 facilities were utilised)	90%	94%	90%	93.75%
127	Level of strategic reserves (ammunition)	Information Classified	Information Classified	-	-	-	-	-	-
128	Percentage compliance to the management process of strategic reserves (ammunition)	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	-	-
<b>General Support Sub-programme: Command and Management Information Systems</b>									
129	Percentage of modernised, sustainable DOD ICT Integrated Prime Systems Capabilities	92.45%	81.42%	97.54%	72.92%	98.87%	102.77%	91.62%	112.72%
<b>General Support Sub-programme: Military Police Capability</b>									
130	Percentage of cases of Corruption and Fraud investigated	100%	100% (151)	100%	100% (77)	-	-	-	-
131	Projected number of deliberate crime prevention operations	124	189	124	184	124	178	124	174
132	Percentage criminal cases investigated (backlog)	40%	66% (3 091 out of 4 682)	40%	56.14% (1 440 out of 2 565)	40%	87.03%	40%	56.75%
133	Percentage criminal cases investigated (in-year)	50%	29% (400 out of 1 373)	25%	22.73% (295 out of 1 298)	25%	30.80%	25%	47.32%



2019/20

**PART C**

**Governance**







### GOVERNANCE AND ACCOUNTABILITY

The Department of Defence (DOD), through the leadership of the Accounting Officer as the Head of Department, is committed to good governance over the establishment of systems and processes that ensure achievement of organisational strategic objectives. The management of the DOD have established and endorsed the Accountability Management Committee, Audit Management Forum and Audit Management Team as some of the forums responsible to manage internal control deficiencies of the Department. Various Governance, Risk and Compliance structures are implemented within respective Services and Divisions for control, monitoring and accountability purposes.

### RISK MANAGEMENT

The DOD's integrated and coordinated risk management approach and practices are aligned with the approved DOD Risk Management Policy, DOD Instruction 00099/2013 (Edition 2) "*Policy, Process and Procedures for Risk Management in the Department of Defence*". The DOD Risk Management Strategy is in process to be developed and should be finalised during the FY2020/21.

Departmental Risk Management practices are institutionalised, embedded and aligned to the strategic management process of the DOD, therefore contributing to optimal achievement of the Department's outputs. Regular risk assessments are conducted throughout the Department to identify new and emerging risks, which are approved at relevant boards and councils. The risks identified are managed, monitored and reported on continuously in an effort to minimise the risk exposure to the DOD.

The transversal Enterprise Risks impacting the DOD from the strategic output and outcome perspective during the year under review continued to be subjected to regular monitoring and scrutiny. Monitoring and scrutiny were done through the Strategic Risk Management Committee, which is responsible for oversight of the quality, integrity and reliability of the DOD's risk management process. The DOD Audit Committee independently provides assurance regarding the risk management system, including recommendations/advice to the Department in the strengthening of internal controls, contributing to improved management of Departmental risks.

Risk analyses and reporting are conducted on a quarterly basis to improve and manage performance of the Department through appropriate mitigation plans. Quarterly analyses and reporting will feed into the envisaged DOD Combined Assurance Framework.

DOD Enterprise Risk Management and Mitigation for FY2019/20	
Risk Response	Progress and Intervention
<b>Enterprise Risk 1: Deteriorating DOD Facilities and Infrastructure.</b> Deteriorating DOD facilities and infrastructure may result in: <ul style="list-style-type: none"> <li>• Compromised combat readiness.</li> <li>• Prevalence in Occupational Health and Safety (OHS) fatalities and costly litigation.</li> <li>• Tarnished image of the DOD.</li> <li>• Negative impact on morale.</li> <li>• Escalation of leasing costs and wasteful expenditure to the DOD.</li> </ul>	
Promulgate and Implement an Overarching Logistic Strategy which includes (Procurement Policy, Stock Level Policy, Strategy, and Joint Support Concept).	The development of the Overarching Logistic Strategy has progressed as planned and will be presented at the first DOD Logistic Board of 2020.
Approve and implement the Defence Facilities Master Plan that addresses the refurbishment and maintenance of the Defence facilities.	Defence Facilities Master Plan constitutes the following with the relevant progress: <ul style="list-style-type: none"> <li>• Municipal services, leases and accommodation charges were executed and expended as planned.</li> <li>• Capital Work and Refurbishment projects were executed and expended as planned.</li> <li>• Maintenance has been conducted based on the budget allocation in an effort to address the overall backlog.</li> </ul>
Develop an electronic DOD Immovable Asset Register (DOD State-owned and Defence Endowment Properties).	The draft Logistics Instruction on the Implementation and Management of the Facility Register System was finalised and submitted for approval by Chief of Logistics. Once approved, the Facility Register System will be implemented and rolled out throughout the DOD.
Finalise the devolvement of DPWI functions through an Implementation Plan for the Endowment Properties, monitoring and reporting on the Plan	The Implementation Plan of the devolvement of DPWI functions is currently under review as requested by the newly appointed Minister of DPWI.
Enhance DOD Works Capability to execute Defence facilities repair and maintenance programmes.	The DOD Works Formation's capacitation is at 82.3% with the total strength of 2 117 members.  To date 1 394 members have qualified as Artisans, Technicians, Site Supervisors and Project Managers in various construction fields. A further total of 22 members are currently under artisan training in various provinces.
<b>Enterprise Risk 2: Outdated and Non-integration of DOD Information Communication Technology Systems</b> The non-integration of DOD Information Communication Technology Systems and non-availability of source documentation may lead to unreliable, unverifiable and the loss of DOD financial and non-financial information and possible threat to Business Continuity.	
Upgrade DOD Core Information Systems by means of the development, approval and implementation of an Integrated Defence Enterprise System.	No progress was made to develop an Integrated Defence Enterprise System due to funding constraints, of which the CoE underfunding is the most prominent factor. The associated lack of HR capacity hampers the development of the Defence Architecture Framework, supported by end to end business process.
<b>Enterprise Risk 3: Prevalence in Fraud and Corruption</b> Weaknesses of key internal controls may increase the opportunity for fraud and corruption thus resulting in losses including future resources.	
Approval and implement the revised DOD Corruption and Fraud Prevention Plan.	The review of the DOD Corruption and Fraud Prevention Plan has been completed and is in the DOD approval process. It is envisaged for the Plan will be promulgated during FY2020/21.
Renew a culture of good governance and ethics in the DOD through monitor, review and report on Corruption and Fraud Awareness training conducted.	Corruption and fraud awareness and prevention training, as an intervention to prevent re-occurrence and an increase in fraud and corruption, continued to be rolled-out. 36 Awareness activities were conducted during this reporting period within the provinces of KwaZulu-Natal, Mpumalanga, Northern Cape, Eastern Cape, Western Cape and in Gauteng.

DOD Enterprise Risk Management and Mitigation for FY2019/20	
Risk Response	Progress and Intervention
Establish and maintain inter-divisional cooperation and multidisciplinary teams in order to expedite the process of combating fraud and corruption.	Inter-divisional co-operation is maintained through regular informal meetings and discussions between stakeholders. The use of multi-disciplinary teams is determined by the scope of the investigation and specific guidelines from higher authority. One multi-disciplinary audit was conducted in Simon's Town over this reporting period, which comprised of DOD members from the Defence Inspectorate Division, Defence Intelligence Division, Defence Legal Services Division, Logistics Division, FMD and the Military Police Division.
Maintain and monitor the Whistleblowing Hotline.	A total of 39 whistleblowing reports were received during this reporting period, with 23 detected for investigation, 11 were referred to Services/ Divisions and five were cancelled. The whistleblowing facilities are assisting the DOD in the identification and management of alleged incidents of corruption and fraud. No whistleblowing reports were received from the National Anti-Corruption Hotline during the FY2019/20.
<b>Enterprise Risk 4: High Prevalence of Litigation</b>	
The DOD's inability to comply with applicable legislation, prescribed policy and procedures may result in costly litigation and losses to the DOD.	
Inclusion of Consequence Management in relation to new and revised policies and procedures in the DOD.	The Policy on the Management of Litigation and Legal Advice stipulates the monitoring and reporting mechanisms in institutionalising consequence management in the DOD. The Policy is in the DOD approval process.
The relevant Monitor and Report Mechanisms to be expanded and ensure that transgressors who are liable in law are held accountable and thereby institutionalising Consequence Management.	The Litigation Forum will monitor and report on the execution of Consequence Management within the DOD. The Litigation Forum's Constitution is currently in development phase and will be promulgated pending the approval of the Policy on the Management of Litigation.
The provision of legal advice on request of DOD Management in order to enhance the legality of decision-making thereby curbing costly litigation to the DOD.	The Defence Legal Service Division received 1 607 requests for legal advice of which 1 583 of these requests were satisfied over the reporting period.
<b>Enterprise Risk 5: Forfeited rights on DOD Property</b>	
Possible land claims and illegal occupation of land may result in loss of DOD facilities, compromising readiness and deployment capabilities.	
Early warnings from Chief Land Claims Commissioner escalated to command forums by C Log, for appropriate action to ensure business continuity.	The Joint Operations Centre on Land Reform convened three meetings whereby the DOD had the opportunity to address challenges with pending and settled claims. A new land claim on the Farm Schiettocht (Phalaborwa) was raised over this reporting period.
<b>Enterprise Risk 6: Compromised Defence Direction</b>	
Defence Strategic Direction, in accordance with the regulatory framework, may be compromised by the protracted development, corporate approval timeframes and maintenance of departmental policies by functional authorities, principally due to policy writing capacity constraints.	
Revise and maintain the Policy on the development and maintenance of DOD policies. It must include a definitive expression of the corporate DOD Policy approval process.	The updated draft Policy, Process and Procedures for the Development, Promulgation and Maintenance of Departmental Level Policy in the DOD followed an extensive consultation process with key stakeholders. The draft Policy was discussed at a workshop on 27 Feb 2020.  Recommendations made at the workshop were to be presented to the DOD Policy Board of 20 Mar 2020, which was consequently cancelled by the Chairperson, due COVID-19 and the subsequent national lockdown, as was directed by the President.
Monitor the DOD Policy Status Reports from the DOD Master Record Index for policy management and control purposes.	The DOD Policy Master Record Index is a control mechanism applied to track the progress of the development, approval and promulgation of departmental policies in the DOD. This is to ensure that the DOD develops and promulgates sound and executable departmental policies that are aligned with government legislation. In this reporting period 42% of the planned policies have been promulgated and maintained. The DOD Policy Status Report was published on the DOD Policy Website on 31 Mar 2020, in the absence of a DOD Policy Board meeting due to national lockdown.

DOD Enterprise Risk Management and Mitigation for FY2019/20	
Risk Response	Progress and Intervention
Administer regular (at least once a quarter) DOD Policy Board meetings in order to monitor and evaluate performance and compliance its policy development progress.	DOD Policy Board meetings were held for the first three quarters of this reporting period. The DOD Policy Board did not convene during Quarter 4 due to: firstly, the Defence Force Parade being held on the same day as the DOD Policy Board (21 Feb 2020) and, secondly the cancellation of the Policy Board as a result of national lockdown. Monitoring and evaluation of the policy development progress will be reported at the first DOD Policy Board meeting in Quarter 1 of FY2020/21 subject to the national lockdown being lifted.
Present policy training interventions to ensure well trained and competent policy writers.	Decision was taken that no DOD Policy Writers Course may be presented during this reporting period due to the DOD cost containment measures instituted in response to the MTEF budget cuts, however, ad hoc training interventions were authorised to take place in the Pretoria area.  In Quarter 1, internal collaborations took place with the SA Air Force, the SA Army and the Joint Operations Division to develop a Level-2 Publication Development Course.  In Quarter 2, the SANDF Publication Writers Course was successfully held over the period 22 to 30 Jul 2019 whereby 25 learners attended.  No training interventions were embarked upon in Quarter 3 and Quarter 4 of FY2019/20.
Utilised skilled Reserve Force call-up for policy writing as an interim measure to address the shortage of skilled policy writers.	The DOD utilised skilled Reserve Force members over this reporting period to supplement the shortage of qualified policy writers.
Report non-compliance and/or poor performance in terms of the DOD Policy on Policies to the DOD Policy Board.	The DOD Policy Status Report is the mechanism used to report non-compliance and/or poor performance in terms of policy development and maintenance, to the DOD Policy Board, during the first three quarters of this reporting period. In the absence of a DOD Policy Board in Quarter 4 due to national lockdown, the DOD Policy Status Report was published on the DOD Policy Website on 31 Mar 2020. The published DOD Policy Status Report, will serve to provide the requisite management information to report on the status of policies at the first DOD Policy Board meeting in Quarter 1 of FY2020/21 subject to the national lockdown being lifted.

## FRAUD AND CORRUPTION

Directorate Anti-Corruption and Anti-Fraud provided anti-corruption and anti-fraud prevention services and served as a nodal point for the Department. The Department held 43 awareness activities to promote the Fraud and Corruption Prevention Plan.

The Whistleblowing Hotline service reported 39 whistleblowing cases and 23 were forwarded for further investigation. Directorate Anti-Corruption and Anti-Fraud completed 13 detection investigations of which all were in response to whistleblowing.

The actual registered cases of fraud and corruption are following due process. The investigations on fraud and corruption as well as the audits indicating possible gaps regarding policies are being addressed.

### MINIMISING CONFLICT OF INTEREST

The DOD acknowledges that conflict of interest obstructs good governance. Minimising conflict of interest forms an integral part of the organisational values of the Department, i.e. *Ethics* and *Openness and Transparency*, among others. During the reporting period, the Department ensured that:

- Standard Bidding Document 4 as part of bidding documentation by suppliers must be completed and submitted with bids. Non-submission invalidates the bid.
- DOD Committee or Board members are required to declare their business interests and declaration of their status as Board of Directors where applicable.
- Senior Management and Middle Management Service/System members must disclose their financial interests on an annual basis via Electronic Disclosure.
- Financial, logistical and acquisition officials in the DOD must annually declare their interests which might be in conflict, when performing duties in their respective areas of responsibility.

### CODE OF CONDUCT

During the period under review, the Public Service Code of Conduct, the Code of Conduct for members of the SANDF, as well as the Senior Management System/Service handbook for Directors, were applicable to all DOD officials. The Code of Conduct for both uniform and non-uniform DOD personnel as well as the Rules of War (List of actions required by International Humanitarian Law) were duly complied with.

The DOD Ethics Management Policy is in the process of being finalised and institutionalised, in the interest of structured ethical environment.

The above prescripts provide guidelines for ethical conduct and consequence management. Non-compliance thereto may result in uniform members charged in terms of the Military Disciplinary Supplementary Measures Act whilst Public Service Act Personnel may be subjected to the Public Service Coordinating Bargaining Council Resolution 1/2003 and Senior Management System/Service members may be disciplined in terms of Chapter 7 of the Senior Management System/Service Handbook.

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

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

## HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Directorate Occupational Health and Safety, in terms of the Occupational Health and Safety (OHS) Act No. 85 of 1993, is mandated to ensure the management of OHS in the DOD. This responsibility is performed through advice to the DOD top management and the Chief of Human Resources, by coordinating Departmental OHS forums and work sessions. The aim of these forums and work sessions are to monitor, evaluate and train DOD personnel at respective DOD Force Structure Elements.

During FY2019/20, a total of 27 Force Structure Elements were visited to ensure compliance to health and safety regulations. The deterioration of DOD facilities, mainly due to financial constraints and the subsequent maintenance thereof, remains a prominent OHS challenge<sup>1</sup>.

The Department promulgated a number of policies prescribing actions regarding occupational health and safety as well as environmental protection issues during the year under review. OHS forums were held, with the aim to allow Services and Divisions to present OHS-related matters for discussion and direction. As the DOD OHS custodian, SA Military Health Services Training Formation scheduled and presented appropriate OHS courses to members of the Department.

## PARLIAMENTARY OVERSIGHT COMMITTEES

The Minister, Deputy Minister, Accounting Officer and DOD officials appeared on 12 occasions before the Portfolio Committee on Defence and Military Veterans (PCD&MV) and six times before the Joint Standing Committee on Defence (JSCD) during the reporting period.

The Department briefed the PCD&MV on a quarterly basis on the DOD Performance Status, both regarding financial and non-financial performance information. Additional to these briefings, progress was provided against the PCD&MV's Budget Review and Recommendations Report, of which the most prominent issues related to the DOD's funding challenges, both in terms of Compensation to Employees and the Special Defence Account.

The Department briefed a joint sitting of the PCD&MV and JSCD on 17 October 2020 on the "Implementation Status of the SA Defence Review 2015".

## STANDING COMMITTEE ON PUBLIC ACCOUNTS RESOLUTIONS

The DOD did not receive any SCOPA meeting invitations during the year under review.

<sup>1</sup> Refer DOD Enterprise Risk on page 156 above.



## PRIOR MODIFICATIONS TO AUDIT REPORTS

The table below provides details with respect to progress made in resolving the Auditor-General of South Africa (AGSA) FY2018/19 Audit Report matters.

Progress made in Resolving AGSA Audit Report Matters during the FY2019/20		
FY2018/19 AGSA Audit Report Reference	FY First Reported	Progress Made in Clearing / Resolving the Matter
<p><b>Qualification: Movable Tangible Capital Assets.</b></p> <p>The department did not disclose capital work in progress for projects under development in accordance with MCS chapter 11, Capital assets. As a result, tangible capital assets work in progress is understated by an undeterminable amount. I was unable to confirm capital work in progress by alternative means. Additionally, the department did not correctly disclose all items relating to tangible capital assets according to MCS chapter 11, Capital assets. Certain assets that qualify to be recognised as assets were incorrectly classified as inventory. I was unable to determine the full extent of the non-disclosure as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to the movable tangible capital assets stated at Rb59,54 (2018: Rb58,99) in note 30 to the financial statements.</p>	FY2016/17	<p><b>Disclosure of capital work in progress for projects under development.</b> The required disclosures have been made, audited by the AGSA with no findings. <i>The qualification is resolved.</i></p> <p><b>Incorrect disclosure of all items relating tangible capital assets – assets that qualify to be recognised as assets were incorrectly classified as inventory.</b> The Department developed a Position Paper, with approval from National Treasury. The AGSA has audited these classifications as agreed with no findings. <i>The qualification is resolved.</i></p>
<p><b>Qualification: Intangible Capital Assets.</b></p> <p>I was unable to obtain sufficient appropriate audit evidence for intangible capital assets due to inadequate record management systems and some of the assets not being readily available for verification. I was also unable to confirm these assets by alternative means. In addition, the department did not account for intangible assets at appropriate values as required by MCS chapter 11, Capital assets. Consequently, I was unable to determine whether any adjustments were necessary to the intangible capital assets stated at Rb4,95 (2018: Rb3,62) in note 31 to the financial statements.</p>	FY2016/17	<p>Various initiatives have been undertaken by the DOD to ensure that the intangible assets are accurate, complete and ready for audit. The required disclosures and adjustments have been made, and audited by the AGSA with no findings. <i>The qualification is resolved.</i></p>
<p><b>Qualification: Goods and Services and Investments.</b></p> <p>The department accounts for non-sensitive and sensitive projects expenditure in connection with special defence activities as per section 2(2)(a) of the Defence Special Account Act of South Africa, 1974 (Act No. 6 of 1974), as amended. I was unable to obtain sufficient appropriate audit evidence regarding sensitive projects expenditure and related investments due to the sensitivity of the environment and the circumstances under which the related transactions were incurred and recorded. Consequently, I was unable to determine whether any adjustments were necessary to sensitive projects expenditure included within the expenditure of Rb12,77 (2018: Rb14,58) as per note 4 and investments for special defence activities included in the investment amount of Rm182,16 (2018: Rm181,16) as per note 11 to the financial statements.</p>	FY2016/17	<p>The DOD accounts for non-sensitive and sensitive project expenditure in connection with special defence activities as per section 2(2)(a) of the Defence Special Account Act, 1974 (Act No. 6 of 1974), as amended.</p> <p>There is an inherent limitation as a result of the sensitivity of the environment and the way in which normal mandated business (in terms of the Defence Act) is conducted, which by its pure nature would inherently prevent the auditor to have full and unrestricted access in order to express an unqualified opinion which would normally be possible in an environment where national security would not be negatively impacted by such unrestricted access.</p> <p>Oversight structures are however in place such as the Joint Standing Committee on Intelligence in order to oversee the activities of the intelligence environment.</p>



Progress made in Resolving AGSA Audit Report Matters during the FY2019/20		
FY2018/19 AGSA Audit Report Reference	FY First Reported	Progress Made in Clearing / Resolving the Matter
<p><b>Qualification: Irregular Expenditure.</b></p> <p>The department did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3) (i) of the PFMA. This was due to inadequate systems to detect, record and appropriately disclose this expenditure in the financial statements. Consequently, I was unable to determine the full extent of the irregular expenditure stated at Rb5,13 in note 24 to the financial statements as it was impracticable to do so.</p>	FY2016/17	<p>SCM practitioners are being trained to ensure there are consistencies in the disqualification of suppliers who do not meet the minimum criteria and the awarding of contracts are being done in terms of existing policy and legislation. The DOD has also established an oversight committee to monitor the DOD procurement entities across the country where the findings occurred and intensifying the effective functioning of the Bid Committees and Bid Evaluation Committees. The CFO is meeting with Chiefs of Services and Divisions on a continuous basis to deal with the recurring findings in the SCM environment. Boards of Inquiry and investigations are in process to effectively manage consequences.</p>
<p><b>Qualification: Commitments.</b></p> <p>During the 2018 financial year, the department did not maintain adequate records of the contractual information used to determine commitments. This resulted in commitments being understated by an undeterminable amount. Consequently, I was unable to determine whether any adjustment was necessary to commitments stated at Rb20,02 in note 19 to the financial statements for the comparative information. My audit opinion on the financial statements for the period ended 31 Mar 2018 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of commitments for the current period.</p>	FY2017/18	<p>The Department, in consultation with ARMSCOR, works continuously to ensure the completeness of projects, to ensure that the requirements of commitments are accounted for.</p> <p>Discussions have also been held with DPWI and AGSA to ensure that endowment properties, where possible obligations exist for the DOD are accounted for. <b><i>The qualification is resolved.</i></b></p>

## INTERNAL AUDIT AND AUDIT COMMITTEES

### INTERNAL AUDIT

#### Key Activities and Objectives

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

Internal Audit had the following five objectives for the FY2019/20:

- Provision of internal audit assurance services with recommendations to improve and enhance DOD systems, in compliance with the Standards for the Professional Practice of Internal Auditing (Standards) and leading practices in accordance with the approved Risk Based Internal Audit Plan to ensure achievement of DOD objectives.

<sup>2</sup> Compliance (with policies, rules, regulations and laws), Authorisation (proper review and approval), Reliability and Accuracy of Data (data is accurate, timely, useful, reliable and relevant), Effectiveness and Efficiency (operations are effective and efficient and add value; accomplishment and monitoring of goals), Safeguarding Assets (assets are protected from theft, misuse and/or destruction).

## Part C – Governance

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

### Summary of Audit Work Done

The approved DOD Audit Plan for the FY2019/20 consisted of 56 audit projects. Due to resource constraints, the Internal Audit Division needed to realign their annual planning within available resources. The DOD Audit Committee proposed that the Audit Plan for FY2019/20 be amended by prioritising assurance engagements in high risk areas.

In response to the DOD Audit Committee's proposal, resources were realigned, focussing on a reduced number of 36 assurance engagements.

The table below indicates the amended audit engagements, from an approved 56 to a reprioritised 36 audit engagements.

Summary of Audit Work done during FY2019/20					
Description of Project	Original Approved Plan	Removed from the Plan	Added to the Plan	Carried forward to FY2020/21	Revised Plan of FY2019/20
Risk-Based	28	2	1	5	22
Cyclical Reviews	6	3	3	0	6
Consulting	16	10	0	1	5
Follow-Ups	5	1	1	2	3
Ad-Hoc Requests	1	1	0	0	0
<b>TOTAL</b>	<b>56</b>	<b>17</b>	<b>5</b>	<b>8</b>	<b>36</b>

### Key Activities and Objectives of the Audit Committee

The Audit Committee plays an important role in overseeing the DOD in compliance with the PFMA and Treasury Regulations, in accordance with its Terms of Reference. The Committee ensures that the Department functions in accordance with good governance principles ensuring that assurance activities are well coordinated and risks are managed effectively across the Department. In this regard, the Committee provides the Accounting Officer, with appropriate recommendations to address identified control weaknesses.

### Attendance of Audit Committee Meetings by Audit Committee Members

The Audit Committee consists of independent non-executive members, bringing the following mixture of skills to the Committee, namely financial, asset management, monitoring and evaluation, information technology, legal and military skills (core business). The Department is finalising the recruitment of additional members in the areas of finance and asset management in order to ensure a balanced mixture of skills.

The Audit Committee was scheduled to meet six times in the financial year to discuss matters pertaining to the Department as stipulated in the Audit Committee Charter and the Treasury Regulations. The Committee only met five times, the February 2020 meeting was postponed to March 2020 due to departmental administrative challenges.

The table below indicates a list of members, qualifications and a record of attendance during FY2019/20:<sup>3</sup>

Information on the Audit Committee Members						
Name	Qualifications	Internal or External Member	If Internal, Position in the Department	Date Appointed	Date Resigned / Contract Ended	Number of Meetings Attended
Mr W. Huma	LLM, LLB, B Proc	External	N/A	01 Feb 2017 – member 01 Apr 2019 – chairperson	Current	5
R Adm A.G. Green (Retired)	ENSP, SA Navy Functional Courses, Gr 12	External	N/A	01 Nov 2015 01 May 2019 (Contract renewed)	Current	3
Dr (Ms) M.C. Peenze	PhD: Bus Adm, LLM: Human Rights, LLB, Blur	External	N/A	01 Feb 2018	Current	4
Ms L.K. Ncoliwe	B Compt, N Dip Cost & Man Acc, ISACA Cert	External	N/A	01 Feb 2018	31 Jan 2020 (Resigned)	4

<sup>3</sup> Refer to the Audit Committee Report dated 30 Oct 2020; approved by the new Chairperson as appointed on 26 Oct 2020.

## AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020 to be submitted with the Annual Report of the Department.

### AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 and 38(1)(a)(ii) of the PFMA and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Charter is updated regularly and complies with the principles of good governance as per the King IV guidance and with the requirements of the PFMA. The Audit Committee reported and made recommendations to the Accounting Officer in its oversight function covering:

- Financial Management
- Performance Management
- IT Governance
- Risk Management and Internal Audit
- Compliance with relevant Laws, Regulations and Ethics
- Reporting Practices
- External Audit

### REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

During the period under review, the following activities were undertaken and demonstrate the commitment of the Audit Committee to achieve its mandate:

- Reviewed quarterly management reports until December 2019.
- Revised Audit Committee Charter for Accounting Officer's approval.
- Reviewed and approved the revised Internal Audit Charter.
- Considered the risk management process.
- Considered the Internal Audit plans and reports and made recommendations as appropriate.
- Monitored progress with the Internal Audit coverage plans as well as management's follow-up on matters requiring attention.
- Monitored compliance with policies and applicable legislation.
- Conducted separate informal meetings with management, Internal and External Audit.
- Reviewed External Audit plans, reports and management's follow-up of matters requiring attention.
- Provided guidance to the Accounting Officer on IT Governance issues and alignment to applicable legislation.
- Continued to report the ICT and cyber security challenges to the Accounting Officer.

## AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consists of the members listed below, all of whom are independent of the Department. During the year under review, five meetings were held. The table below discloses relevant information on the Audit Committee members.

The Secretary of Defence appointed four new Audit Committee members with effect from 26 October 2020 as indicated in the table below, including a new Chairperson.

Name	Qualifications	Internal / External Member	Date Appointed	Date Term Ended	No. of Meetings Attended
<b>Newly Appointed Committee Members – FY2020/21</b>					
Mr L.M. Mangquku (Chairperson)	CA (SA); MBL; Advanced Company Law I&I; B Compt Hons, B Com.	External	26 Oct 2020	-	-
Ms S. Hari	B Com Acc Honours in Acc Science	External	26 Oct 2020	-	-
Mr M. Ndlangisa	Higher Diploma in Computer Auditing BSc in Computer Science BSc Hons in Computer info Science MSc	External	26 Oct 2020	-	-
Mr Z. Jojwana	B Com Psych MBA	External	26 Oct 2020	-	-
<b>Committee Members – FY2019/20</b>					
Mr W. Huma (Chairperson)	B Proc LLB (Bachelor of Laws) LLM (Master of Laws)	External	01 June 2019	Contract Expired 31 Jul 2020	5
R Adm A. Green	Grade 12 SA Navy Functional Courses Executive National Security Programme	External	01 May 2019	-	3
Dr M.A. Peenze	PHD: Business Administration Magister Legume: Human Right Baccalaureus Legum Baccalaureus Iuris	External	01 Feb 2018	-	4
Ms L. Ncolive	N Dip Cost and Management Accounting B Compt ISACA CIA	External	01 Feb 2018	Resigned 31 Jan 2020	4

## THE EFFECTIVENESS OF INTERNAL CONTROL

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

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

### INTERNAL AUDIT

The Accounting Officer is obliged, in terms of the PFMA, to ensure that the Department has a system of internal audit under the control and direction of the Audit Committee. The Audit Committee is concerned that the Internal Audit Division did not operate optimally during the year under review, completing 33 of the 56 planned audits, meaning that it did not address all the risks pertinent to the Department in the year under review. However, the Internal Audit Division operated objectively and independently and assisted the Department within their limited capacity with value added services.

The following internal audit engagements were completed during the year under review:

- Review of the Documents Management System – Source Documents.
- Review of the Revenue Management processes relating to Boarding.
- Review of Delegation and Policy Process.
- Review of the Internal Controls and process for information submitted to the Financial Management Division (Financial Leases).
- Review of the Internal Controls and process for information submitted to the Financial Management Division (Operating Leases).
- Review of the Internal Controls and process for information submitted to the Financial Management Division (Accruals).
- Review of the Financial reporting process – Receivables.
- Review of the Tender Process – Central Procurement Service Centre.
- Review of the Tender Process.
- Review of the Acquisition Management Processes.
- Review of the Safety Risk within the SA Air Force for FY2019/20.
- Review of the Sustainability Risk within the SA Air Force for FY2019/20.
- Review of the State of Operational Readiness within the SA Air Force for FY2019/20.
- Facilities Management & Resource Allocation.
- Human Resource Succession Planning and Retention Plans.
- Procurement Process – Ships and Maintenance.
- SA Military Health Service review on Operational Ambulance Fleet.
- SLA 2.1 - ICT Acquisition Service Audit.
- SLA 3.2 – Application Maintenance Support Service Audit.
- DLSS Internal Management System and Services constrained due to under structuring and personnel capacity challenges.
- High-level review of the Interim Financial Statements – FY2019/20 Quarter 2.
- High level review of the DOD Draft Annual Report for the FY2018/19.

- Review of the DOD Budget and Expenditure management process.
- Risk Management Process Audit.
- Review of the Quarterly Performance Information Reports for the FY2019/20 – Defence Reserve Division.
- Management of facilities that are in disrepair and lack of capacity and skills retention FY2018/19 period ending 31 March 2019.
- Advisory review on the DOD compliance with NEMA and other environmental regulations.
- Maintenance of SA Military Health Service Healthcare Facilities in line with Occupational Health and Safety for FY2019/20.
- Verify the readiness of SA Military Health Service nursing college to be accredited.
- Immovable assets data integrity and controls review.
- Consulting engagement on DOD Chaplain General recruitment and selection process.
- Combined Assurance – Follow-up on the supply chain matters in the AGSA Management Report for the FY2018/19 (Annexure J).
- Follow-up on implementation of action plans of AGSA Management Reports.

The Internal Audit findings revealed certain weaknesses, which were brought to the attention of the Accounting Officer.

- There were instances where officials were acting in positions without approved delegations.
- There were payments made for office buildings that were not occupied by the Department.
- In some instance monthly lease payment were higher than the contract price.
- Standard operating procedures or guidelines relating to financial reporting of accruals could not be provided by some units.
- Non-submission of accrual inputs for financial statements.
- There were instances where there was no proper segregation of duties in some procurement units.
- There are no proper skills transfer plans to take over from service providers.
- The risk committee does not consist of external independent members.

### **QUALITY OF IN-YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORTS**

The Committee has reviewed the quarterly financial and operational (performance information) reports up until December 2019 tabled by the Accounting Officer at management meetings. There remains a significant room for improvement with respect to the content and quality of the quarterly reports.

## EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Accounting Officer.
- Reviewed the AGSA's Management Report and Management's response thereto.
- Reviewed accounting policies and practices as reported in the Annual Financial Statements.
- Reviewed the Department's processes for compliance with legal and regulatory provisions.
- Reviewed the information on predetermined objectives as reported in the Annual Report.
- Reviewed adjustments resulting from the audit of the Department.
- Reviewed and where appropriate, recommended changes to the Annual Financial Statements as presented by the Department for the year ending 31 March 2020.

## AUDITOR-GENERAL SOUTH AFRICA

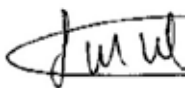
We have, on a quarterly basis until December 2019, reviewed the Department's implementation plan for audit issues raised in the prior year, however we are concerned with the number of repeat findings, irregular expenditure, control deficiencies involving the Supply Chain Management environment and the reported Material Irregularity. We have requested the Accounting Officer to prepare a detailed Action Plan with root cause analysis and to conduct the necessary investigations emanating from the AGSA findings and present progress to the Audit Committee.

## EXTERNAL AUDITOR'S REPORT

The Audit Committee concurs and accepts the opinion of the external auditor on the Annual Financial Statements and conclusion on the Annual Performance Report, and is of the opinion that the audited Annual Financial Statements and Annual Performance Report be accepted and read together with the Report of the external auditors.

## CONCLUSION

We wish to express our sincere gratitude to the Minister and Deputy Minister for their leadership and guidance, the Secretary for Defence, the Chief of the SA National Defence Force, Management and staff for their support during the year, as well as AGSA and Internal Audit for their co-operation and assistance in enabling us to discharge our responsibilities.



**L.M. MANGQUKU CA(SA)**  
**CHAIRPERSON OF THE AUDIT COMMITTEE**  
**30 OCTOBER 2020**



## **BROAD-BASED BLACK ECONOMIC EMPOWERMENT COMPLIANCE PERFORMANCE INFORMATION**

The reporting on Broad-Based Black Economic Empowerment Compliance Performance Information in the Annual Report will be adjusted for FY2020/21 to meet the requirements of the updated Annual Report Guide for National and Provincial Departments as issued at the end of the reporting period during March 2020. The DOD Functional Guidelines for Planning and Reporting will be amended to ensure compliance with the Guide.

2019/20

**PART D**

**Human Resource  
Management**





### OVERVIEW

During the period under review, the Department of Defence (DOD) continued to deliver on its legislative mandate in support of Government Imperatives. The Department is challenged in as far as the annual Compensation of Employee's (CoE) allocation. The most prominent challenge is that the CoE allocation received, presuppose a reduction of the personnel capacity to fit within the appropriated allocation. Numerous engagements between the DOD and the National Treasury, amongst others, to resolve the impasse, have delivered no solution.

The Department's position is to maintain an average Human Resource (HR) capacity of 75 500; recruit according to attrition and utilise 2 695 963 reserve force mandays. For the reporting period, the Department planned an average HR capacity of 74 901. As at 31 March 2020, the average HR capacity was 74 096. The CoE allocation for the FY2019/20 was Rb29,193. The required HR budget was Rb32,094, which was in line with planned HR capacity for the financial year. For the year ending 31 March 2020, the final HR expenditure was Rb31,803 which constitutes 0.91% deviation between the projected HR costs and final HR expenditure. Therefore, a Rb2,6 budget shortfall occurred.

During the FY2019/20, the management of human resources remained a focal point of the DOD. Most notable was the efforts to improve on the delay to fill Public Service Act Personnel (PSAP) vacancies which have increased substantially due to retirements. Similarly, the DOD appreciated the rejuvenation of its regular force HR composition. In addition, it has also appreciated the realignment of an exit mechanism as directed by the Minister of Defence and Military Veterans. The remaining HR funding impasse is grounded on the fact that the DOD is required to maintain a HR capacity, not commensurate with the funding allocation.

The SANDF remained instrumental to successfully conduct military operations abroad, internal and in support of the South African Police Service.

The 2019 Medium-Term Expenditure Framework allocation demonstrated the adverse impact of the continued reduction of the CoE annual baselines, which will more likely persist over the medium-term, placing evermore pressure on the DOD to fund its HR capacity requirements within its own allocation.

## HUMAN RESOURCE OVERSIGHT STATISTICS

The tables below provide the HR Oversight Statistics of the DOD during the FY2019/20.

### Macro-Personnel Strength

DOD Planned Average Strength for FY2019/20 and Actual Strength on 31 March 2020		
Budget Holder	Planned	Actual
SA Army	37 593	37 980
SA Air Force	9 933	9 822
SA Navy	7 076	6 647
SA Military Health Service	7 731	7 282
Defence Legal Service Division	379	333
Defence Corporate Communication	58	59
Defence Reserves	28	28
Defence Foreign Relations Division	146	146
Corporate Staff Division	462	417
Military Policy, Strategy and Planning	29	29
Human Resources Division	1 340	1 325
Ministry of Defence	64	58
Chief of the SANDF Office	21	20
Defence Inspectorate Division	126	108
Chaplain General	17	12
Defence Policy, Strategy and Planning Division	97	82
Financial Management Division	827	797
Defence Secretariat	34	32
Defence International Affairs	19	16
Defence Enterprise Information Systems Management Division	14	13
Logistics Division	4 089	3 962
Command and Management Information Systems Division	150	140
Military Police Division	1 589	1 601
Defence Intelligence Division	876	882
Military Ombudsman	63	61
Internal Audit Division	69	49
Joint Operations Division	1 989	2 015
Defence Matériel Division	85	71
<b>TOTAL</b>	<b>74 901</b>	<b>73 987</b>

Complaints Mechanisms	
Complaints Mechanism	Actual achievements
DOD Grievance System	<ul style="list-style-type: none"> <li>• 496 Grievances were finalised in FY2019/20 (32 lodged over FY2019/20 and 464 in preceding years).</li> <li>• 42 Courses were conducted over the period 01 Apr 2019 to 31 Mar 2020 where a total of 109 members were trained on the Grievance IT System and grievance procedure.</li> <li>• 11 Meetings were held to finalise grievances on the Grievance Board level.</li> </ul>

## Personnel Related Expenditure

The following tables<sup>1</sup> summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

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

Personnel Expenditure by Programme for the period 01 April 2019 to 31 March 2020 (Table 3.1.1)						
Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	5 993 160	2 126 607	29 180	1 952	35%	582
Landward Defence	16 763 706	13 659 333	44 072	4 446	81%	360
Air Defence	6 701 148	4 153 606	39 442	8 902	62%	423
Maritime Defence	4 709 411	2 537 270	9 213	4 999	54%	382
Military Health Support	5 362 908	4 006 567	8 429	505 620	75%	550
Defence Intelligence	1 002 362	450 297	1 815	643	45%	511
General Support	6 858 054	2 665 850	25 710	315 180	39%	467
Force Employment	3 491 508	2 347 169	6 233	4 275	67%	1 165
<b>TOTAL</b>	<b>50 882 257</b>	<b>31 946 699</b>	<b>164 094</b>	<b>846 017</b>	<b>63%</b>	<b>432</b>

Note: Personnel expenditure includes payment to the value of Rm143 673, which were made to Households in respect of attrition.

Personnel Costs by Salary Band for the period 01 April 2019 to 31 March 2020 (Table 3.1.2)				
Salary Band	Personnel Expenditure (R'000)	% of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R'000)
Lower Skilled (Levels 1-2)	509 442	2%	2 732	186
Skilled (Levels 3-5)	11 247 560	35%	36 228	310
Highly Skilled Production (Levels 6-8)	11 411 741	36%	24 747	461
Highly Skilled Supervision (Levels 9-12)	7 912 119	25%	9 905	799
Senior Professionals	349 481	1%	130	2 688
Senior and Top Management (Levels 13-16)	372 683	1%	245	1 521
<b>TOTAL</b>	<b>31 803 026</b>	<b>100%</b>	<b>73 987</b>	<b>430</b>

<sup>1</sup> As prescribed by the Minister for the Public Service and Administration for all departments. Numbering of tables may not be changed and should be maintained as per the NT Annual Report Guide for National and Provincial Departments.

**Salaries, Overtime, Home Owners Allowance (HOA) and Medical Aid by Programme for the period 01 April 2019 to 31 March 2020 (Table 3.1.3)**

Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Aid	
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	HOA as a % of Personnel Costs	Amount (R'000)	Medical Aid as a % of Personnel Costs
Administration	1 394 480	66%	4 279	0%	35 363	2%	30 981	1%
Landward Defence	9 379 501	69%	99 558	1%	353 123	3%	66 345	0%
Air Defence	2 821 040	68%	16 697	0%	85 955	2%	27 896	1%
Maritime Defence	1 785 977	71%	39 937	2%	54 233	2%	19 862	1%
Military Health Support	2 651 813	66%	292 739	7%	56 248	1%	17 392	0%
Defence Intelligence	329 119	74%	435	0%	8 948	2%	1 347	0%
General Support	1 716 868	65%	8 603	0%	56 390	2%	9 693	0%
Force Employment	643 757	28%	4 033	0%	16 024	1%	4 407	0%
<b>TOTAL</b>	<b>20 722 555</b>	<b>65%</b>	<b>466 281</b>	<b>1%</b>	<b>666 284</b>	<b>2%</b>	<b>177 923</b>	<b>1%</b>

**Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band for the period 01 April 2019 to 31 March 2020 (Table 3.1.4)**

Salary Band	Salaries		Overtime		Home Owners Allowance (HOA)		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
Lower Skilled (Levels 1-2)	301 387	59%	3 549	1%	33 704	7%	53 268	10%
Skilled (Levels 3-5)	7 292 136	64%	133 208	1%	299 563	3%	67 741	1%
Highly Skilled Production (Levels 6-8)	7 568 799	66%	120 583	1%	249 255	2%	49 166	0%
Highly Skilled Supervision (Levels 9-12)	5 172 876	65%	142 059	2%	83 762	1%	7 748	0%
Senior Professionals	172 555	49%	66 882	19%	0	0%	0	0%
Senior Management (Levels 13-16)	214 802	58%	0	0%	0	0%	0	0%
<b>TOTAL</b>	<b>20 722 555</b>	<b>65%</b>	<b>466 281</b>	<b>1%</b>	<b>666 284</b>	<b>2%</b>	<b>177 923</b>	<b>1%</b>

## Employment and Vacancies

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

This information is presented in terms of three key variables:

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

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

Employment and Vacancies by Programme on 31 March 2020 (Table 3.2.1)				
Programme	Number of Posts on Approved Establishment	Number of Post Filled	Vacancy Rate	Number of Employees additional to the Establishment
Administration	4 937	3 656	26%	0
Landward Defence	44 193	37 980	14%	0
Air Defence	12 944	9 822	24%	0
Maritime Defence	7 887	6 647	16%	0
Military Health Support	9 920	7 282	27%	0
Defence Intelligence	1 121	882	21%	0
General Support	6 068	5 703	6%	0
Force Employment	2 430	2 015	17%	0
<b>TOTAL</b>	<b>89 500</b>	<b>73 987</b>	<b>17%</b>	<b>0</b>

Note:

- Posts refer only to approved production posts captured on the post establishment of which only 74 901 were funded for FY2019/20.
- The DOD does not have members additional to the establishment.

Employment and Vacancies by Salary Band as on 31 March 2020 (Table 3.2.2)				
Salary Band	Number of Posts on Approved Establishment	Number of Post Filled	Vacancy Rate	Number of Employees additional to the Establishment
Lower Skilled (Levels 1-2)	10 872	2 732	75%	8 140
Skilled (Levels 3-5)	35 697	36 228	-1%	-531
Highly Skilled Production (Levels 6-8)	30 292	24 747	18%	5 545
Highly Skilled Supervision (Levels 9-12)	12 022	9 905	18%	2 117
Senior Professionals	324	130	60%	194
Senior Management (Levels 13-16)	293	245	16%	48
<b>TOTAL</b>	<b>89 500</b>	<b>73 987</b>	<b>17%</b>	<b>15 513</b>

Note: Posts refer only to approved production posts captured on the post establishment. There are no designated Military Skills Development System (MSDS) posts as MSDS members are placed in training posts at the commencement of training and are only utilised in approved production posts after training. 3 761 MSDS members are included in the Skilled (Level 3-5) salary band.



Employment and Vacancies by Critical Occupation as on 31 March 2020 (Table 3.2.3)				
Critical Occupation	Number of Posts on Approved Establishment	Number of Post Filled	Vacancy Rate	Number of Employees additional to the Establishment
Air Space Control	549	468	15%	81
Aircrew	612	499	18%	113
Anti-Aircraft	968	1 087	-12%	-119
Artillery	1 289	1 574	-22%	-285
Combat Navy	674	645	4%	29
Engineer	179	94	47%	85
Medical Professional	1 654	1 509	9%	145
Nursing	1 659	1 460	12%	199
Technical	8 635	6 719	22%	1 916
<b>TOTAL</b>	<b>16 219</b>	<b>14 055</b>	<b>13%</b>	<b>2 164</b>

Note:

- The Medical Professional category includes Medical Practitioners, Pharmacists, Specialists and Ancillary Health.
- Posts refer only to approved production posts captured on the post establishment. On 31 March 2020 there were 599 MSDS members under training of which 125 are in the Artillery and 94 in the Anti-Aircraft Occupation, resulting in a figure of 404 members additional to the establishment.

## Notes

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

## Filling of Senior Management Service/System Posts

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

SMS Post Information as on 31 March 2020 (Table 3.3.1)					
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General / Head of Department	1	1	100%	0	0%
Salary Level 16	4	4	100%	0	0%
Salary Level 15	16	11	69%	5	31%
Salary Level 14	51	42	82%	9	18%
Salary Level 13	212	183	86%	29	14%
<b>TOTAL</b>	<b>284</b>	<b>241</b>	<b>85%</b>	<b>43</b>	<b>15%</b>

SMS Post Information as on 30 September 2019 (Table 3.3.2)					
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General / Head of Department	1	1	100%	0	0%
Salary Level 16	4	3	75%	1	25%
Salary Level 15	16	11	69%	5	31%
Salary Level 14	51	50	98%	1	2%
Salary Level 13	212	191	90%	21	10%
<b>TOTAL</b>	<b>284</b>	<b>256</b>	<b>90%</b>	<b>28</b>	<b>10%</b>

Advertising and Filling of SMS Posts for the period 01 April 2019 to 31 March 2020 (Table 3.3.3)			
SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 06 Months of Becoming Vacant	Number of Vacancies per Level Filled in 06 Months of Becoming Vacant	Number of Vacancies per Level not Filled in 06 Months but Filled in 12 Months
Director General / Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	4	0	3
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>3</b>

**Reasons for not having Complied with the Filling of Funded Vacant SMS Posts - Advertised within 06 Months and Filled within 12 Months after becoming Vacant for the period 01 April 2019 to 31 March 2020 (Table 3.3.4)**

**Reasons for vacancies not advertised within six months**

None

**Reasons for vacancies not filled within twelve months**

One post was advertised with closing date of 10 Jan 2020, shortlisting done and interviews scheduled for 7 Apr 2020. Due to COVID-19 the interview date was postponed and the process will continue after lockdown.

**Notes**

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.

**Disciplinary Steps Taken for not Complying with the Prescribed Timeframes for Filling SMS Posts within 12 Months for the period 01 April 2019 to 31 March 2020 (Table 3.3.5)**

**Reasons for vacancies not advertised within six months**

None

**Reasons for vacancies not filled within six months**

None

**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.

## Job Evaluation

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

Job Evaluation by Salary Band for the period 01 April 2019 to 31 March 2020 (Table 3.4.1)							
Salary Band	Number of Posts on Approved Establishment	Number of Jobs Evaluated	% of Posts Evaluated by Salary Band	Posts Upgraded		Posts Downgraded	
				Number	% of Posts Evaluated	Number	% of Posts Evaluated
Lower Skilled (Levels 1-2)	10 872	362	3.33%	0	0.00%	0	0.00%
Skilled (Levels 3-5)	35 697	252	0.71%	0	0.00%	0	0.00%
Highly Skilled Production (Levels 6-8)	30 292	70	0.23%	0	0.00%	0	0.00%
Highly Skilled Supervision (Levels 9-12)	12 022	91	0.76%	0	0.00%	0	0.00%
Senior Professionals	324	0	0.00%	0	0.00%	0	0.00%
Senior Management Service Band A	211	3	1.42%	0	0.00%	0	0.00%
Senior Management Service Band B	60	0	0.00%	0	0.00%	0	0.00%
Senior Management Service Band C	17	0	0.00%	0	0.00%	0	0.00%
Senior Management Service Band D	3	0	0.00%	0	0.00%	0	0.00%
Minister/Deputy/Advisors	2	0	0.00%	0	0.00%	0	0.00%
<b>TOTAL</b>	<b>89 500</b>	<b>778</b>	<b>0.87%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>

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

Profile of Employees whose Salary Positions were Upgraded due to their Posts being Upgraded for the period 01 April 2019 to 31 March 2020 (Table 3.4.2)					
Gender	African	Asian	Coloured	White	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a Disability</b>					<b>0</b>

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

Employees with Salary Levels Higher than those Determined by Job Evaluation by Occupation for the period 01 April 2019 to 31 March 2020 (Table 3.4.3)				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
Chief Financial Officer	1	15	16	Head hunted
Chief Defence Matériel	1	15	16	Head hunted
<b>Total Number of Employees whose Salaries Exceeded the Level Determined by Job Evaluation</b>				<b>2</b>
<b>Percentage of Total Employed</b>				<b>0%</b>

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

Profile of Employees who have Salary Levels Higher than those Determined by Job Evaluation for the period 01 April 2019 to 31 March 2020 (Table 3.4.4)					
Gender	African	Asian	Coloured	White	TOTAL
Female	0	0	0	0	0
Male	2	0	0	0	2
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Employees with a Disability</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Employment Changes

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

Annual Turnover Rates by Salary Band for the period 01 April 2019 to 31 March 2020 (Table 3.5.1)				
Salary Band	Number of Employees at Beginning of period 01 April 2019	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Lower Skilled (Levels 1-2)	2 689	90	60	1%
Skilled (Levels 3-5)	11 366	42	733	-6%
Highly Skilled Production (Levels 6-8)	13 428	31	669	-5%
Highly Skilled Supervision (Levels 9-12)	6 331	39	495	-7%
Senior Professionals	78	2	5	-4%
Senior Management Service Band A	186	1	20	-10%
Senior Management Service Band B	49	2	9	-14%
Senior Management Service Band C	10	0	3	-30%
Senior Management Service Band D	3	0	0	0%
Minister/Deputy/Advisors	3	1	1	0%
Contracts				
MSDS	3 500	1 933	122	52%
CSS	36 486	123	660	-1%
PSAP (Levels 1-17)	379	142	158	-4%
<b>TOTAL</b>	<b>74 508</b>	<b>2 406</b>	<b>2 935</b>	<b>-1%</b>

Note: Contract personnel are included in the DOD headcount:

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

## Part D – Human Resource Management

Annual Turnover Rates by Critical Occupation for the period 01 April 2019 to 31 March 2020 (Table 3.5.2)				
Critical Occupation	Number of Employees at Beginning of period 01 April 2019	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Air Space Control	465	27	22	1%
Aircrew	503	13	26	-3%
Anti-Aircraft	1 061	54	18	3%
Artillery	1 555	59	36	1%
Combat Navy	660	1	32	-5%
Engineer	96	0	6	-6%
Medical Professional	1 489	193	208	-1%
Nursing	1 473	50	63	-1%
Technical	6 760	141	257	-2%
<b>TOTAL</b>	<b>14 062</b>	<b>538</b>	<b>668</b>	<b>-1%</b>

Note: 317 MSDS members are included in the total appointment figure for all critical occupations.

### Notes

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

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

Reasons why Staff Left the Department over the period 01 April 2019 to 31 March 2020 (Table 3.5.3)		
Termination Type	Number	Percentage of Total
Death	396	13%
Resignation	1 045	36%
Expiry of Contract	348	12%
Dismissal – Operational Requirements	0	0%
Dismissal – Misconduct	151	5%
Dismissal – Inefficiency	0	0%
Discharge due to Ill-Health	60	2%
Retirement	914	31%
Transfer to other Public Service Departments	20	1%
Other	1	0%
<b>Total Number of Employees who left as a % of the Total Employment</b>	<b>2 935</b>	<b>4%</b>

Promotions by Critical Occupation for the period 01 April 2019 to 31 March 2020 (Table 3.5.4)

Occupation	Employees as at 01 April 2019	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to another Notch within a Salary Level	Notch Progressions as a % of Employees by Occupation
Air Space Control	465	40	9%	256	55%
Aircrew	503	80	16%	258	51%
Anti-Aircraft	1 061	87	8%	727	69%
Artillery	1 555	125	8%	1 092	70%
Combat Navy	660	87	13%	514	78%
Engineer	96	17	18%	48	50%
Medical Professional	1 489	167	11%	767	52%
Nursing	1 473	166	11%	1 025	70%
Technical	6 760	822	12%	4 457	66%
<b>TOTAL</b>	<b>14 062</b>	<b>1 591</b>	<b>11%</b>	<b>9 144</b>	<b>65%</b>

Promotions by Salary Band for the period 01 April 2019 to 31 March 2020 (Table 3.5.5)

Salary Band	Employees as at 01 April 2019	Promotions to another Salary Level	Salary Band Promotions as a % of Employees by Salary Level	Progressions to Another Notch within a Salary Level	Notch Progressions as a % of Employees by Salary Band
Lower Skilled (Levels 1-2)	2 717	0	0%	1 991	73%
Skilled (Levels 3-5)	36 752	1 920	5%	20 666	56%
Highly Skilled Production (Levels 6-8)	24 627	2 670	11%	17 338	70%
Highly Skilled Supervision (Levels 9-12)	10 014	1 030	10%	6 827	68%
Senior Professionals	123	25	20%	85	69%
Senior Management (Levels 13-16)	275	3	1%	189	69%
<b>TOTAL</b>	<b>74 508</b>	<b>5 648</b>	<b>8%</b>	<b>47 096</b>	<b>63%</b>

## Employment Equity

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

**Total Number of Employees (Including Employees with Disabilities) in each of the following Occupational Categories as on 31 March 2020 (Table 3.6.1)**

Occupational Category	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	1	0	0	0	1	0	0	0	2
Professionals	846	127	77	286	846	201	70	421	2 874
Technicians and Associate Professionals	3 362	387	76	842	1 957	282	54	415	7 375
Clerks	5 450	1 165	108	755	4 601	778	85	1 289	14 231
Service and Sales Workers	19 963	2 600	217	1 342	5 272	923	46	373	30 736
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	5 207	911	154	1 501	1 773	251	14	174	9 985
Plant and Machine Operators and Assemblers	148	38	2	18	11	0	0	0	217
Elementary Occupations	4 217	774	44	404	2 461	509	22	136	8 567
<b>TOTAL</b>	<b>39 194</b>	<b>6 002</b>	<b>678</b>	<b>5 148</b>	<b>16 922</b>	<b>2 944</b>	<b>291</b>	<b>2 808</b>	<b>73 987</b>
<b>Employees with Disabilities</b>	<b>162</b>	<b>41</b>	<b>4</b>	<b>82</b>	<b>14</b>	<b>5</b>	<b>0</b>	<b>40</b>	<b>348</b>

**Total Number of Employees (Including Employees with Disabilities) in each of the Following Occupational Bands as on 31 March 2020 (Table 3.6.2)**

Occupational Band	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	15	0	0	1	3	0	0	1	20
Senior Management	152	15	18	50	71	9	12	28	355
Professionally Qualified and Experienced Specialists and Mid-Management	3 615	918	173	2 009	1 759	351	99	981	9 905
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	12 001	2 493	228	2 303	5 183	940	87	1 512	24 747
Semi-Skilled and Discretionary Decision Making	20 421	2 245	186	625	7 461	1 249	65	215	32 467
Unskilled and Defined Decision Making	1 029	136	4	22	1 277	224	8	32	2 732
MSDS	1 961	195	69	138	1 168	171	20	39	3 761
Interns	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>39 194</b>	<b>6 002</b>	<b>678</b>	<b>5 148</b>	<b>16 922</b>	<b>2 944</b>	<b>291</b>	<b>2 808</b>	<b>73 987</b>



Recruitment for the period 01 April 2019 to 31 March 2020 (Table 3.6.3)

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	6	0	0	1	0	0	0	1	8
Professionally Qualified and Experienced Specialists and Mid-Management	23	3	15	8	46	4	10	25	134
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	24	2	1	3	23	5	3	15	76
Semi-Skilled and Discretionary Decision Making	92	5	1	2	57	5	1	1	164
Unskilled and Defined Decision Making	43	2	0	2	39	3	0	1	90
MSDS	1 054	82	25	53	615	80	8	16	1 933
Interns	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1 243</b>	<b>94</b>	<b>42</b>	<b>69</b>	<b>780</b>	<b>97</b>	<b>22</b>	<b>59</b>	<b>2 406</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Promotions for the period 01 April 2019 to 31 March 2020 (Table 3.6.4)

Occupational Band	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	0	0	0	0	3
Senior Management	7	0	4	3	10	0	0	1	25
Professionally Qualified and Experienced Specialists and Mid-Management	467	94	19	124	213	44	10	59	1 030
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	1 474	201	20	137	682	94	5	57	2 670
Semi-Skilled and Discretionary Decision Making	1 092	103	26	52	528	98	5	16	1 920
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>3 043</b>	<b>398</b>	<b>69</b>	<b>316</b>	<b>1 433</b>	<b>236</b>	<b>20</b>	<b>133</b>	<b>5 648</b>
<b>Employees with Disabilities</b>	<b>20</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>31</b>

## Part D – Human Resource Management

**Terminations for the Period 01 April 2019 to 31 March 2020 (Table 3.6.5)**

Occupational Band	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	6	0	0	0	1	0	0	0	7
Senior Management	21	1	0	7	5	0	1	3	38
Professionally Qualified and Experienced Specialists and Mid-Management	181	57	14	231	76	20	24	100	703
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	409	103	14	108	110	41	5	128	918
Semi-Skilled and Discretionary Decision Making	702	102	4	48	175	40	2	12	1 085
Unskilled and Defined Decision Making	21	5	0	1	16	13	1	4	61
MSDS	48	12	7	11	26	11	3	5	123
Interns	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1 388</b>	<b>280</b>	<b>39</b>	<b>406</b>	<b>409</b>	<b>125</b>	<b>36</b>	<b>252</b>	<b>2 935</b>
<b>Employees with Disabilities</b>	<b>17</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>25</b>

**Disciplinary Action for the period 01 April 2019 to 31 March 2020 (Table 3.6.6)**

Disciplinary Action	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Counselling	2	0	0	0	0	0	0	0	2
Dismissal	0	1	0	0	1	1	0	0	3
Final Written Warning	6	3	0	1	0	0	0	0	10
Written Warning	4	0	0	0	1	0	0	0	5
Verbal Warning	0	0	0	0	1	0	0	0	1
Suspension without Pay	4	0	0	0	0	0	0	0	4
Cases Withdrawn	6	0	0	1	6	0	0	1	14
Not Guilty	2	0	0	0	0	0	0	0	2
<b>TOTAL</b>	<b>24</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>41</b>

**Skills Development for the period 01 April 2019 to 31 March 2020 (Table 3.6.7)**

Occupational Categories	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	0	0	0	0	0	0	0	0	0
Professionals	176	5	23	19	129	4	33	38	427
Technicians and Associate Professionals	1 807	30	167	171	896	17	75	84	3 247
Clerks	3 002	50	582	177	2 694	37	447	145	7 134
Service and Sales Workers	9 344	246	1 299	690	3 618	66	577	152	15 992
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	2 720	56	348	341	1 062	2	127	60	4 716
Plant and Machine Operators and Assemblers	36	2	6	6	3	0	0	0	53
Elementary Occupations	1 620	77	374	213	734	8	191	58	3 275
<b>TOTAL</b>	<b>18 705</b>	<b>466</b>	<b>2 799</b>	<b>1 617</b>	<b>9 136</b>	<b>134</b>	<b>1 450</b>	<b>537</b>	<b>34 844</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Signing of Performance Agreements by SMS Members

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

Signing of Performance Agreements by SMS members as on 31 May 2019 (Table 3.7.1)				
SMS Level	Total Number of Funded SMS Posts	Total Number of SMS members	Total Number of Signed Performance Agreements	Signed Performance Agreements as % of Total Number of SMS Members
Director General / Head of Department	1	1	1	100%
Salary Level 16	4	3	2	67%
Salary Level 15	16	13	6	46%
Salary Level 14	51	51	49	96%
Salary Level 13	212	200	197	99%
<b>TOTAL</b>	<b>284</b>	<b>268</b>	<b>255</b>	<b>95%</b>

### Notes

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

Reasons for not having Concluded Performance Agreements for all SMS Members (Table 3.7.2)
<b>Reasons for not having Concluded Performance Agreements for all SMS Members as on 31 March 2019</b>
The main reasons for the late submission of performance agreements were administrative challenges (i.e. completeness of performance agreements) and implementation of new revised PMDS Management policy (new pro-forma).

Disciplinary Steps Taken against SMS Members for not having Concluded Performance Agreements (Table 3.7.3)
<b>Disciplinary Steps Taken against SMS Members for not having Concluded Performance Agreements as on 31 March 2019</b>
<ul style="list-style-type: none"> <li>The department reports on the status of non-compliance on a weekly, monthly and quarterly basis at several internal fora i.e. Plenary Defence Staff Council, Audit Management Committee, HR Board, etc.</li> <li>The department issued reminder letters dated 14 Oct 2019 to all applicable Chiefs of Services and Divisions to address this matter with members concerned.</li> <li>Departmental HR Instructions 40/2019, 41/2019 and 24/2019 on PMDS for SMS members appointed in terms of the Public Service Act and the Defence Act in the DOD states that members without concluded performance agreements may not qualify for performance bonuses and pay progression, which will be enforced by CD HR M as a disciplinary control measure.</li> </ul>

## Performance Rewards

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

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Group	Cost (R'000)	Average Cost per Employee
<b>African</b>	<b>13 419</b>	<b>55 680</b>	<b>24%</b>	<b>151 393</b>	<b>11 282</b>
Male	9 216	39 168	24%	103 735	11 256
Female	4 203	16 512	25%	47 658	11 339
<b>Indian</b>	<b>227</b>	<b>971</b>	<b>23%</b>	<b>3 499</b>	<b>15 413</b>
Male	144	670	21%	2 163	15 019
Female	83	301	28%	1 336	16 095
<b>Coloured</b>	<b>2 313</b>	<b>9 140</b>	<b>25%</b>	<b>28 090</b>	<b>12 144</b>
Male	1 526	6 175	25%	19 005	12 454
Female	787	2 965	27%	9 085	11 544
<b>White</b>	<b>2 305</b>	<b>8 442</b>	<b>27%</b>	<b>36 609</b>	<b>15 883</b>
Male	1 358	5 463	25%	21 637	15 933
Female	947	2 979	32%	14 972	15 810
<b>TOTAL</b>	<b>18 264</b>	<b>74 233</b>	<b>25%</b>	<b>219 591</b>	<b>12 023</b>

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee	
Lower Skilled (Levels 1-2)	722	2 717	27%	3 459	4 791	0.68%
Skilled (Levels 3-5)	7 880	36 752	24%	71 069	9 019	0.65%
Highly Skilled Production (Levels 6-8)	6 860	24 627	28%	86 380	12 592	0.76%
Highly Skilled Supervision (Levels 9-12)	2 765	10 014	28%	57 080	20 644	0.72%
Senior Professionals	37	123	30%	1 603	43 343	0.46%
<b>TOTAL</b>	<b>18 264</b>	<b>74 233</b>	<b>25%</b>	<b>219 591</b>	<b>12 023</b>	<b>0.69%</b>

Note: The DOD complied with the DPSA Regulations, Circular 01 of 2019, not to pay more than 0.75% of the CoE budget towards performance rewards.

Performance Rewards by Critical Occupation for the period 01 April 2019 to 31 March 2020 (Table 3.8.3)					
Critical Occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Occupation	Total Cost (R'000)	Average Cost per Employee
Air Space Control	84	460	18%	1 337	15 911
Aircrew	63	493	13%	1 265	20 087
Anti-Aircraft	222	1 057	21%	2 543	11 454
Artillery	346	1 553	22%	3 998	11 554
Combat Navy	141	654	22%	2 076	14 723
Engineer	13	94	14%	219	16 894
Medical Prof	311	1 484	21%	7 684	24 707
Nursing	315	1 472	21%	5 946	18 876
Technical	1 399	6 751	21%	19 190	13 717
<b>TOTAL</b>	<b>2 894</b>	<b>14 018</b>	<b>21%</b>	<b>44 258</b>	<b>15 293</b>

Note: MSDS does not qualify for performance rewards and were excluded from strength.

**Notes**

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

Performance Related Rewards (Cash Bonus), by Salary Band, for SMS for the period 01 April 2019 to 31 March 2020 (Table 3.8.4)						
Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee	
Band A	48	201	24%	2 467	51 408	0.7%
Band B	11	51	22%	664	60 445	0.2%
Band C	1	13	8%	74	73 621	0.0%
Band D	1	4	25%	74	73 621	0.0%
<b>TOTAL</b>	<b>61</b>	<b>269</b>	<b>23%</b>	<b>3 279</b>	<b>53 766</b>	<b>0.9%</b>

## Foreign Workers

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

Foreign Workers by Salary Band for the period 01 April 2019 to 31 March 2020 (Table 3.9.1)						
Salary Band	01 April 2019		31 March 2020		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Lower Skilled	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Foreign Workers by Major Occupation for the period 01 April 2019 to 31 March 2020 (Table 3.9.2)						
Major Occupation	01 April 2019		31 March 2020		Change	
	Number	% of Total	Number	% of Total	Number	% Change
None	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Leave Utilisation

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

Sick Leave for the period 01 January 2019 to 31 December 2019 (Table 3.10.1)						
Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)
Lower Skilled (Levels 1-2)	24 883	85%	2 316	85%	11	10 665
Skilled (Levels 3-5)	149 802	95%	18 480	55%	8	123 193
Highly Skilled Production (Levels 6-8)	144 685	86%	17 671	72%	8	166 585
Highly Skilled Supervision (Levels 9-12)	48 430	90%	6 503	65%	7	94 382
Senior Professionals	484	86%	75	61%	6	2 180
Top and Senior Management (Levels 13-16)	1 017	100%	145	53%	7	3 184
<b>TOTAL</b>	<b>369 300</b>	<b>90%</b>	<b>45 190</b>	<b>61%</b>	<b>8</b>	<b>400 189</b>

Note: The new three-year sick leave cycle started on 01 Jan 2019.

Disability Leave (Temporary and Permanent) for the period 01 January 2019 to 31 December 2019 (Table 3.10.2)						
Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)
Lower Skilled (Levels 1-2)	581	100%	13	0%	45	256
Skilled (Levels 3-5)	17 802	100%	423	1%	42	15 573
Highly Skilled Production (Levels 6-8)	19 542	100%	468	2%	42	23 511
Highly Skilled Supervision (Levels 9-12)	7 806	100%	191	2%	41	15 785
Senior Professionals	212	100%	2	2%	106	829
Top and Senior Management (Levels 13-16)	24	100%	2	1%	12	75
<b>TOTAL</b>	<b>45 967</b>	<b>100%</b>	<b>1 099</b>	<b>1%</b>	<b>42</b>	<b>56 029</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Annual Leave for the period 01 January 2019 to 31 December 2019 (Table 3.10.3)			
Salary Band	Total Days Taken	Number of Employees using Annual Leave	Average per Employee
Lower Skilled (Levels 1-2)	68 944	3 894	18
Skilled (Levels 3-5)	710 799	30 649	23
Highly Skilled Production (Levels 6-8)	632 165	24 507	26
Highly Skilled Supervision (Levels 9-12)	253 254	9 663	26
Senior Professionals	3 301	128	26
Top and Senior Management (Levels 13-16)	5 755	228	25
<b>TOTAL</b>	<b>1 674 218</b>	<b>69 069</b>	<b>24</b>

Capped Leave for the period 01 January 2019 to 31 December 2019 (Table 3.10.4)				
Salary Band	Total Days of Capped Leave Taken	Number of Employees using Capped Leave	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 March 2020
Lower Skilled (Levels 1-2)	0	0	0	2
Skilled (Levels 3-5)	1 459	315	5	17
Highly Skilled Production (Levels 6-8)	1 741	505	3	15
Highly Skilled Supervision (Levels 9-12)	1 335	289	5	23
Senior Professionals	5	2	3	26
Top and Senior Management (Levels 13-16)	80	6	13	52
<b>TOTAL</b>	<b>4 620</b>	<b>1 117</b>	<b>13</b>	<b>18</b>

## Part D – Human Resource Management

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

Leave Pay-outs for the period 01 April 2019 to 31 March 2020 (Table 3.10.5)			
Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee
Leave Pay-out due to non-utilisation of leave for previous (2018/19) cycle	242	8	30 249
Capped leave pay-outs on termination of service for 2019/20	161 896	7 444	21 749
Current leave pay-outs on termination of service for 2019/20	143 815	2 215	64 928
<b>TOTAL</b>	<b>305 953</b>	<b>9 667</b>	<b>31 649</b>

## HIV / AIDS and Health Promotion Programmes

Steps Taken to Reduce the Risk of Occupational Exposure (Table 3.11.1)	
Units/Categories of Employees Identified to be at High Risk of Contracting HIV and Related Diseases	Key Steps Taken to Reduce the Risk
Low risk: All members	<p>HIV / AIDS related prevention programmes including mass awareness and workplace programmes:</p> <ul style="list-style-type: none"> <li>• Information, Education and Communication: exposure to posters, pamphlets, television programmes and adverts, billboards, Soldier magazine articles, road shows, etc.</li> <li>• Chaplain periods education, information and communication.</li> <li>• Officer Commanding information and communication periods, health walks, etc.</li> <li>• Planned programmes for Health Month, World TB Day, World AIDS Day, Youth Day, Women's day, etc.</li> <li>• Peer education programmes.</li> <li>• Gender Equity programme.</li> <li>• CHATSEC programme (moral, ethical and value-based programme).</li> <li>• Availability first aid kits and personal protective equipment.</li> <li>• Condom distribution points for both males and females.</li> <li>• Health promotion programmes before and after deployments.</li> <li>• Education on Voluntary Male Medical Circumcision and appropriate referral to be circumcised.</li> <li>• Education on prevention of mother-to-child transmission.</li> <li>• Presenting the HIV / AIDS module at military training courses.</li> <li>• Annual and bi-annual HIV Counselling and Testing as part of the Comprehensive Health Assessments.</li> <li>• Ongoing Provider-Initiated Counselling and testing.</li> <li>• Screening for TB and STIs.</li> <li>• Provision of comprehensive sexual and reproductive health services.</li> <li>• Provision of post-exposure prophylaxis for e.g. needle stick injuries and sexual assault.</li> <li>• Provision of INH Preventive Therapy and infection control for TB prevention. STI partner notification.</li> <li>• Focussing on youth and adolescents by providing HIV prevention programmes to all members in the MSDS.</li> <li>• Provision of pre-exposure prophylaxis when indicated.</li> </ul>



**Steps Taken to Reduce the Risk of Occupational Exposure (Table 3.11.1)**

Units/Categories of Employees Identified to be at High Risk of Contracting HIV and Related Diseases	Key Steps Taken to Reduce the Risk
Medium risk: Members on deployment (internal to RSA) i.e. RSA border protection bases / posts and members on military courses	<p>All the above programmes and interventions apply. In addition:</p> <ul style="list-style-type: none"> <li>• HIV / AIDS lectures given during all military courses and Clinical Mission Readiness Course.</li> <li>• Trained Operational Emergency Care Practitioners in HIV/AIDS/TB/STIs that deploy with other military personnel.</li> <li>• Mobile clinics deployed to support borders with HIV education and ARV and TB treatment.</li> <li>• HIV Training provided pre-deployment and mass awareness programmes in deployed regions.</li> <li>• All members undergo comprehensive health assessments before they deploy to ensure they are put on appropriate care, treatment and support during deployments (treatment as prevention).</li> <li>• Specific health promotion programmes during deployment.</li> <li>• Development of a specific module that addresses HIV and deployments for training of healthcare professionals.</li> <li>• All Health Care Professionals deploying in support of deployed soldiers undergo vigorous clinical training in HIV and TB management.</li> </ul>
High risk: Members on deployment (external to RSA)	<ul style="list-style-type: none"> <li>• All the programmes and interventions reflected for low and medium risk exposure.</li> <li>• Specific HIV prevention programmes aimed at reducing high risk behaviour e.g. targeting abuse of alcohol and other drugs/substance use and presentation of Resilience Programme by Social Work Officers.</li> <li>• Increasing the sport and recreation activities in external deployments.</li> <li>• Support given to families of deployed members.</li> </ul>

**Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)**

Question	Yes	No	Details, if Yes
1. Has the Department designated a member of the SMS to implement the provision contained in Part VI (e) of Chapter 1 of the Public Service Regulations, 2001? If so provide her/his name and position.	x		<p>Brig Gen K.T. Ndaba</p> <p>Director HIV and AIDS Programme</p> <p>SANDF HIV and AIDS Programme Manager</p> <p>Tel: 012 367 9151</p>
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		<p>The Director HIV / AIDS formulates strategy policies and plans and gives advice from the Surgeon General's office and provides the capabilities required by the C SANDF.</p> <p>Two members manage the monitoring and evaluation of the DOD HIV / AIDS programme at headquarter level. In addition, at a provincial level, Regional HIV / AIDS Programme Managers and healthcare professionals are trained in monitoring and evaluation to ensure reliable and valid data. Members from the Chaplain General's Office also contribute towards the monitoring and evaluation of the CHATSEC programme.</p> <p>HIV prevention and health promotion programmes are planned and implemented throughout the organisation by Regional Programme Managers based in the nine provinces of South Africa. These programmes/interventions are continued in the deployed regions by the healthcare professional team that deploys with the troops.</p> <p>Wellness programmes are executed at unit level in the SA Army, SA Air Force, SA Navy and SAMHS through the Military Community Wellness Committees. All Officers Commanding in the SANDF have the responsibility to ensure that wellness programmes take place in their respective units as part of HIV / AIDS Workplace Programmes.</p> <p>Health care practitioners at primary health care level provide HIV prevention, health promotion and curative HIV / AIDS programmes to all patients/clients throughout the organisation and provide treatment, care and support to HIV infected and affected clientele.</p> <p>The HIV / AIDS Programme of the DOD is funded through the health service delivery and operating budget of the SAMHS and as such cannot be itemised for the HIV programme alone.</p>

Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)			
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.	x		<p>The DOD has the constitutional duty to protect and defend the Republic, its sovereignty, integrity, national interest, and people against direct threats. In view of this the MOD&amp;MV has delegated the management of HIV / AIDS to the Surgeon General through the C SANDF. The Surgeon General has developed a comprehensive plan to manage the HIV / AIDS and Tuberculosis epidemics assisted by Director HIV / AIDS Programmes and Director Medicine as well as other statutory directors. The Military Health Support Programme is continuing to play a role in intensifying the campaign against communicable diseases and the treatment of patients through the Comprehensive Plan for Care, Management and Treatment of HIV / AIDS in the DOD as well as the DOD Annual HIV / AIDS, Tuberculosis and Sexual Transmitted Infections Operational Plan. The programmes, interventions and/or activities include prevention of HIV and health promotion programmes.</p> <p>Significant progress has been made with the plan to increase treatment of HIV positive members and their dependants according to World Health Organisation Universal Test and Treat Strategy as adopted and implanted by the Minister of Health since September 2016 for SA. The number of ARV sites has increased to 66 fully functional units and 100% of all planned sites are operational.</p> <p>The challenge remains that the prevalence of HIV / AIDS is highest in the sub-Saharan region where our troops deploy, thus creating a risk to an already vulnerable population of soldiers due to their high-risk behaviour. In view of this, the Surgeon General has to ensure that all the deploying troops undergo a comprehensive health assessment and that all HIV positive members are managed appropriately according to the policies and clinical guidelines being executed. Ongoing training is provided to medical officers, nursing officers, pharmacists, psychologists, social work officers, dentists, clinical associates and operational emergency care practitioners. More than 50 000 DOD members were reached during health promotion and prevention programmes. The results of the last Knowledge, Attitude and Practice (KAP) survey completed Aug 2015 has been utilised to inform programme development and management.</p> <p>The key elements of the HIV Prevention and Health Promotion Programme are:</p> <ul style="list-style-type: none"> <li>• HIV Counselling and Testing.</li> <li>• Provider-Initiated Counselling and Testing.</li> <li>• Male and female condom provision and distribution.</li> <li>• Peer education training.</li> <li>• Gender based violence training.</li> <li>• Spiritual and ethical, moral and value-based prevention programmes (CHATSEC) provided by Chaplains.</li> <li>• HIV / AIDS workplace programmes (includes condom provision, behaviour modification programmes, peer education training, gender-based training, CHATSEC, mass awareness and occupational health and safety).</li> <li>• Mass awareness campaigns.</li> <li>• Management of occupational transmission e.g. supply of personal protective equipment.</li> <li>• Post-exposure prophylaxis.</li> <li>• Prevention of vertical transmission previously known as the prevention of mother to child transmission.</li> <li>• Prevention of opportunistic infections.</li> <li>• Utilisation of all awareness opportunities (e.g. National Health Days, Health Month, World AIDS Day, World TB Day, Condom Week, Youth Day, etc).</li> <li>• Management of sexually transmitted infections.</li> <li>• Health education, HIV and ARV training and development.</li> <li>• Voluntary Medical Male Circumcision.</li> <li>• Prevention with positives.</li> <li>• Prevention and treatment of alcohol and drug abuse/substance abuse.</li> <li>• Comprehensive health assessments.</li> <li>• Health programmes targeting women of childbearing age.</li> <li>• Development and provision of HIV related Information and Educational Communication material.</li> <li>• Awareness programmes with involvement of non-governmental organisations e.g. Society for Family Health and Foundation for Professional Development.</li> <li>• Health Walks, etc.</li> </ul>

Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)			
Question	Yes	No	Details, if Yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholders that they represent.	x		<ul style="list-style-type: none"> <li>• The Comprehensive Plan for Care, Management and Treatment of HIV / AIDS in the DOD: 2017-2022 is coordinated through the Directorate HIV / AIDS Programmes in line with the National Strategic Plan for SA on HIV, Tuberculosis and Sexual Transmitted infections 2017-2022.</li> <li>• Coordination within the SANDF through bilateral meetings between the SAMHS, the SA Army, the SA Navy and the SA Air Force.</li> <li>• The Director HIV / AIDS Programmes coordinate matters through the SAMHS HIV / AIDS Coordinating Committee. The committee consists of members representing formations and units that provide health care services.</li> <li>• At Military Unit level, HIV prevention and health promotion programmes are addressed via the Military Community Wellness Committees.</li> <li>• The Director HIV / AIDS is an integral member of the Chief Director Force Preparation Forum meetings and HIV is a standing agenda point on this forum as well as the Surgeon General Command and Staff Council.</li> </ul>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		<p>The Department must implement programmes/interventions according to the SA National Strategic Plan for HIV/AIDS/TB/STIs 2017-2022.</p> <p>There are numerous policies/strategies/orders that address the issues of discrimination including Human Resource strategy documents. All HIV infected uniformed members of the DOD&amp;MV are managed according to (amongst others):</p> <ul style="list-style-type: none"> <li>• “The DOD Instruction on the Management of HIV / AIDS in the DOD” and “The DOD Directive on the Health Classification and Deployability of SANDF Members with HIV and AIDS”.</li> <li>• Joint Defence Publication: Policy on Health Care Delivery.</li> <li>• DOD Directive: Transformation Management in the Department of Defence.</li> <li>• DOD Instruction: Policy on Transformation Management in the DOD.</li> <li>• Joint Defence Publication: Process and Procedures for Transformation Management in the DOD.</li> <li>• DOD Operational Plan FY2019/20 for HIV / AIDS, Tuberculosis and Sexual Transmitted Infections that is sent to DPSA and DPME.</li> </ul>
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures.	x		<p>The department adheres to the principles of equity and equal opportunities in all practices. It values and manages diversity and in doing so recognises that talent, ability and potential are inherently distributed across the population. It strives to eradicate all forms of unfair stigma and discrimination within the department.</p> <p><u>Policy Documents:</u></p> <ul style="list-style-type: none"> <li>• No mandatory testing of PSAP officials.</li> <li>• Voluntary HIV testing of any official in the DOD may form part of a comprehensive health assessment as governed by the Medical Standards for the SANDF and as required by the Surgeon General in terms of Regulation 15 of the Defence Act.</li> <li>• HIV testing is voluntary and done with written informed consent, confidentiality and pre- and post-test counselling procedures.</li> <li>• Officials with HIV / AIDS may not be unfairly discriminated against in the allocation of employment benefits and are treated like any other official with a comparable life-threatening illness/chronic disease with regard to access to benefits.</li> <li>• Grievance procedures are confidential and do not result in the disclosure of a person’s HIV status.</li> <li>• Respecting the privacy and confidentiality of those living with HIV is a priority.</li> </ul>

Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)			
Question	Yes	No	Details, if Yes
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	x		<p>Uniformed members of the DOD are required to undergo voluntary HIV counselling and testing as part of the Comprehensive Health Assessments and Concurrent Health Assessments.</p> <p>In addition, the military participates in the National Department of Health HIV Counselling and Testing Campaign.</p> <p>PSAP employees are encouraged in mass awareness campaigns to get themselves tested and know their status.</p>
8. Has the Department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		<p>Sources of data:</p> <ul style="list-style-type: none"> <li>• Monthly Mortality Analysis.</li> <li>• Knowledge Attitude and Practice Surveys.</li> <li>• Health Informatics System - Clinical Data Management.</li> <li>• Project Feedback Forms submitted following the programmes/ projects and interventions (all planned HIV prevention interventions are monitored).</li> <li>• Care and treatment indicators as developed.</li> <li>• Information obtained from staff visits to the various units and Performance against Plan reports.</li> <li>• Site Improvement through Monitoring Systems visits to Military Health Units.</li> <li>• Inspector General visits to Military Health Units.</li> </ul>

## Labour Relations

Collective Agreements for the period 01 April 2019 to 31 March 2020 (Table 3.12.1)	
Subject Matter	Date
Total number of Collective Agreements	None

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

Misconduct and Disciplinary Hearings Finalised for the period 01 April 2019 to 31 March 2020 (Table 3.12.2)		
Outcomes of Disciplinary Hearings	Number	% of Total
Correctional Counselling	2	5%
Verbal Warning	1	2%
Written Warning	5	12%
Final Written Warning	10	24%
Suspended Without Pay	4	10%
Fine	0	0%
Demotion	0	0%
Dismissal	3	7%
Not Guilty	2	5%
Case Withdrawn	14	34%
<b>TOTAL</b>	<b>41</b>	<b>100%</b>

Types of Misconduct Addressed at Disciplinary Hearings for the period 01 April 2019 to 31 March 2020 (Table 3.12.3)		
Type of Misconduct	Number	% of Total
Fraud and corruption	14	29%
Fraud and Absent Without Permission	1	2%
Absent Without Permission	10	20%
Assault	1	2%
Assault and Absent Without Permission	1	2%
Insolent behaviour	5	10%
Disrespect	1	2%
Disobeying lawful instruction	4	8%
Theft	4	8%
Misuse of State property	2	4%
Loss of State property	2	4%
Racism	1	2%
Non-disclosure of financial interest	3	6%
<b>TOTAL</b>	<b>49</b>	<b>100%</b>

## Part D – Human Resource Management

<b>Grievances Lodged for the period 01 April 2019 to 31 March 2020 (Table 3.12.4)</b>		
<b>Grievances</b>	<b>Number</b>	<b>% of Total</b>
Number of Grievances Resolved	32	24%
Number of Grievances Not Resolved	103	76%
<b>Total Number of Grievances Lodged</b>	<b>135</b>	<b>100%</b>

<b>Disputes Lodged with Councils for the period 01 April 2019 to 31 March 2020 (Table 3.12.5)</b>		
<b>Disputes</b>	<b>Number</b>	<b>% of Total</b>
Number of Disputes Upheld	1	3.85%
Number of Disputes Dismissed	8	30.77%
Number of Disputes Pending	17	65.38%
<b>Total Number of Disputes Lodged</b>	<b>26</b>	<b>100.00%</b>

<b>Strike Actions for the period 01 April 2019 to 31 March 2020 (Table 3.12.6)</b>		
Total Number of Person Working Days Lost		None
Total Cost of Working Days Lost		None
<b>Amount Recovered as a Result of No Work No Pay (R'000)</b>		<b>None</b>

<b>Precautionary Suspensions for the period 01 April 2019 to 31 March 2020 – Military Personnel (Table 3.12.7(a))</b>		
Number of People Suspended		56
Number of People whose Suspensions Exceeded 30 Days		56
Average Number of Days Suspended		251
<b>Cost of Suspensions (R'000)</b>		<b>14 116</b>

<b>Precautionary Suspensions for the period 01 April 2019 to 31 March 2020 – Public Service Act Personnel (Table 3.12.7(b))</b>		
Number of People Suspended		21
Number of People whose Suspensions Exceeded 30 Days		19
Average Number of Days Suspended		1 290
<b>Cost of Suspensions (R'000)</b>		<b>3 951</b>

## Skills Development

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

Training Needs Identified for the period 01 April 2019 to 31 March 2020 (Table 3.13.1)						
Occupational Category	Gender	Number of Employees as at 01 April 2019	Training Needs Identified at Start of Reporting Period			
			Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	TOTAL
Legislators, Senior Officials and Managers	Female	1	0	0	0	0
	Male	1	0	0	0	0
Professionals	Female	1 563	0	0	332	332
	Male	1 332	0	0	363	363
Technicians and Associate Professionals	Female	2 663	0	0	1 745	1 745
	Male	4 641	0	0	3 540	3 540
Clerks	Female	6 697	0	5 409	0	5 409
	Male	7 556	0	6 203	0	6 203
Service and Sales Workers	Female	6 457	0	0	7 183	7 183
	Male	24 344	0	0	18 847	18 847
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	2 200	0	0	2 036	2 036
	Male	7 942	0	0	5 640	5 640
Plant and Machine Operators and Assemblers	Female	12	0	0	5	5
	Male	227	0	0	81	81
Elementary Occupations	Female	3 231	0	0	1 613	1 613
	Male	5 641	0	0	3 718	3 718
Subtotal	Female	22 824	0	5 409	12 914	18 323
	Male	51 684	0	6 203	32 189	38 392
<b>TOTAL</b>		<b>74 508</b>	<b>0</b>	<b>11 612</b>	<b>45 103</b>	<b>56 715</b>

Training Provided for the period 01 April 2019 to 31 March 2020 (Table 3.13.2)						
Occupational Category	Gender	Number of Employees as at 01 April 2019	Training Provided within the Reporting Period			
			Learnerships	Skills Programmes and other Short Courses	Other Forms of Training	TOTAL
Legislators, Senior Officials and Managers	Female	1	0	0	0	0
	Male	1	0	0	0	0
Professionals	Female	1 563	0	0	204	204
	Male	1 332	0	0	223	223
Technicians and Associate Professionals	Female	2 663	0	0	1 072	1 072
	Male	4 641	0	0	2 175	2 175
Clerks	Female	6 697	0	3 323	0	3 323
	Male	7 556	0	3 811	0	3 811
Service and Sales Workers	Female	6 457	0	0	4 413	4 413
	Male	24 344	0	0	11 578	11 578
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	2 200	0	0	1 251	1 251
	Male	7 942	0	0	3 465	3 465
Plant and Machine Operators and Assemblers	Female	12	0	0	3	3
	Male	227	0	0	50	50
Elementary Occupations	Female	3 231	0	0	991	991
	Male	5 641	0	0	2 284	2 284
Subtotal	Female	22 824	0	3 323	7 934	11 257
	Male	51 684	0	3 811	19 775	23 586
<b>TOTAL</b>		<b>74 508</b>	<b>0</b>	<b>7 134</b>	<b>27 709</b>	<b>34 843</b>

## Injury on Duty

The following tables provide basic information on injury on duty.

Injury on duty for the period 01 April 2019 to 31 March 2020 (Table 3.14.1)		
Nature of Injury on Duty	Number	% of Total
Required Basic Medical Attention Only	91	79%
Temporary Total Disablement	13	11%
Permanent Disablement	3	3%
Fatal	8	7%
<b>TOTAL</b>	<b>115</b>	<b>100%</b>

Note:

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



## Utilisation of Consultants

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

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

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

Services Rendered and Paid for FY2019/20 (Table 3.15.1)			
Programme	DOD Entity	Description of Service	Total Paid against Consultants on the FMS System
Administration	Ministry of Defence	Human resources services for the verification of qualifications.	150.00
	Military Ombud	Human resources services in terms of the verification of qualifications of interns.	4 690.00
	Office of the Secretary for Defence	Human resources services for the verification of qualifications.	215.00
	Defence Enterprise Information System Management	Management consultants paid in terms of development of the Information Communication Technology strategic direction framework.	950 038.00
	Defence Policy, Strategy and Planning Division	Human resources services for the verification of qualifications.	75.00
		Boards, commissions and committees paid in terms of the independent external chairperson for the DOD Strategic Risk Management Committee on a two year contract.	6 520.50
	Financial Management Division	Translate, interpret and transcript services in terms of research and development by ARMSCOR.	19 343.20
		Human resources services for the verification of qualifications.	17 805.00
	Human Resources Division	Human resource services for the payment to the SA Board for People Practices for quality assurance services, SOMA and SA Qualifications Authority.	1 503 474.13
	Defence Inspectorate Division	Human resources services for the verification of qualifications.	16 374.00
	Chaplain Service	Verification services for the payment of verifications of qualifications of candidates who applied for advertised posts.	3 440.00
Defence International Affairs Division	Translate and transcript services paid for the inauguration of the RSA-CHAD Defence Committee held in Pretoria.	69 805.00	
<b>Administration Subtotal</b>			<b>2 591 929.83</b>
Force Employment	Joint Operations Division	Human resources services for the payment of SAQA verification of qualifications.	475.00
<b>Force Employment Subtotal</b>			<b>475.00</b>
Landward Defence	SA Army	Human resources services for the verification of qualifications for members appointed as officers.	3 255.00
		Translate, interpret and transcript services for the evaluation and verification of foreign qualifications and for the purpose of appointing officers.	53 190.00
<b>Landward Defence Subtotal</b>			<b>56 445.00</b>

## Part D – Human Resource Management

Services Rendered and Paid for FY2019/20 (Table 3.15.1)			
Programme	DOD Entity	Description of Service	Total Paid against Consultants on the FMS System
Air Defence	SA Air Force	Quality assurance for the testing of glucose barley sweets for aircraft survival kits as well as the inspection on and off aircrafts.	34 246.73
		Human resources services for the verification of qualifications to confirm that members have the correct and legal qualification for posts for appointment as officers.	55 865.00
		Boards, commissions and committees paid in terms of Environmental Affairs to advance the coordination and rational execution of the recommendations made by the Hey Commission.	6 412.20
<b>Air Defence Subtotal</b>			<b>96 523.93</b>
Maritime Defence	SA Navy	Human resources services for the verification of qualifications of consultants for recruitment.	6 160.00
<b>Maritime Defence Subtotal</b>			<b>6 160.00</b>
Military Health Support	SA Military Health Service	Payment of occupational health and safety consultants in terms of a course on new developments of the Occupational Health and Safety Act.	52 920.00
		Human resources services for the verification of qualifications.	57 015.00
		Quality assurance services for the administration of dosimeters used by radiology in measuring exposure to ionising radiation.	306 015.92
<b>Military Health Support Subtotal</b>			<b>415 950.92</b>
General Support	Logistics Division	Management consultants paid in terms of the Castle Control Board for the development of the Integrated Conservation Management Plan.	760 198.00
		Verification services paid for asset management verification.	1 034.00
		Translate and transcripts services for the payment of interpretation services.	650.00
		Management consultants paid in terms of the Castle Control Board management fees.	506 798.40
	Military Police Division	Translate and transcripts services for the payment the transcription of five tapes in terms of the minutes of the Departmental Commercial Procurement Board.	15 766.10
<b>General Support Subtotal</b>			<b>1 284 446.50</b>
<b>Total Value Paid against the Item 35 Budget on Consultants</b>			<b>R4 451 931.18</b>

Note:

The reporting on Consultant Utilisation in the Annual Report will be adjusted for FY2020/21 to meet the requirements of the updated Annual Report Guide for National and Provincial Departments as issued at the end of the reporting period during Mar 2020. The DOD Functional Guidelines for Planning and Reporting will be amended to ensure compliance with the Guide.

## Severance Packages

Granting of Employee Initiated Severance Packages for the period 01 April 2019 to 31 March 2020 (Table 3.16.1)				
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
Top and Senior Management (Levels 13-16)	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### OVERARCHING STATEMENT RELATING TO HUMAN RESOURCE TABLES

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

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

2019/20

**PART E**

**Financial Information**





## REPORT BY THE ACCOUNTING OFFICER, DR S.M. GULUBE, FOR THE PERIOD 01 APRIL 2019 TO 31 MARCH 2020

### OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT<sup>1</sup>

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

During the period under review, the DOD had ongoing engagements with the National Treasury to review the CoE allocation, based on the Department's commitments, but to no avail.

The DOD planned and budgeted for an average personnel strength of 75 500 for FY2019/20 at a cost of Rb32,093. The National Treasury final letter of allocation confirmed the CoE budget for FY2019/20 at Rb29,193, resulting in an underfunding of Rb2,609, where the Department expensed Rb31,803 on CoE. The imposed CoE budget ceiling did not take account of ordered commitments, current expenditure and exercises for which trained uniformed personnel are required to assure success.

During the FY2019/20, the DOD received an appropriation of Rb50,888, an 4.93% increase on the FY2018/19's appropriation. The DOD was able to spend 99.99% of its appropriated funds and surrendered Rm5,875 to the National Revenue Fund.

### Departmental Receipts (Revenue)

The table below indicates DOD Sources of Revenue for FY2019/20.

Departmental Receipts / Sources of Revenue for FY2019/20						
Departmental Receipts	FY2019/20			FY2018/19		
	Estimate	Actual Amount Collected	Over/(Under) Collection	Estimate	Actual Amount Collected	Over/(Under) Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	0	0	0	0	0	0
- Casino taxes	0	0	0	0	0	0
- Horse racing taxes	0	0	0	0	0	0
- Liquor license	0	0	0	0	0	0
- Motor vehicle license	0	0	0	0	0	0
Sale of goods and services other than capital assets	438 044	764 758	326 714	415 377	367 602	(47 775)
Transfers received	599 833	356 875	(242 958)	568 563	320 609	(247 954)
Fine, penalties and forfeits	1 274	1 804	530	1 210	2 227	1 017
Interest, dividends and rent on land	4 154	6 010	1 856	3 938	4 622	684
Sale of capital assets	28 901	2 504	(26 397)	27 394	18 924	(8 470)
Financial transactions in assets and liabilities	73 067	157 203	84 136	69 259	100 407	31 148
<b>TOTAL</b>	<b>1 145 273</b>	<b>1 289 154</b>	<b>143 881</b>	<b>1 085 741</b>	<b>814 391</b>	<b>(271 350)</b>

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

The DOD identified 75 revenue streams during FY2019/20. Revenue streams are covered by applicable functional, departmental policies and are collected through salary deductions, cash collections and bank transfers. Revenue management is decentralised to 488 Force Structure Elements (FSEs) throughout the Department.

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

Enhancements to systems and the review of supporting, functional policies, are continuously made to improve the collection of revenue. Training and empowerment of finance functionaries and line managers is a high priority and was provided throughout the reporting period to enhance revenue management in the DOD.

Revenue collected increased by an average of 12.7% over the last three financial years. This increase can be attributed to updated and promulgated policies with the aim to ensure increased revenue collection. The DOD will implement additional internal controls to ensure that a comprehensive and credible Revenue Management System is maintained.

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

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

During FY2019/20, responsible Budget Holders submitted documentation and obtained approval for the updating of the following revenue tariffs:

- Noonday gun.
- Marketing support.
- Hydrographic Charts and Publications.
- Aircraft flights against payment tariffs.

No requests were received for the updating of the following tariffs during FY2019/20:

- Hiring of equipment.
- Hiring of DOD vehicles.

The Department under collected on the following items:

- Transfers received due to a decrease in the United Nation's reimbursements for Operations. Claims could not be submitted as the Memorandum of Understanding is under consideration.
- Sale of capital assets due to no equipment sold on auctions as auctioneers have not yet been appointed.

## Part E – Financial Information

The Department over collected on the following items:

- Sale of goods and services, other than capital assets, due to the increase in revenue collected from the United Nations Peacekeeping Operations.
- Fines, penalties and forfeits received due to more members being court-martialled and higher fines being imposed.
- Interest, dividends and rent on land due to an increase in interest received on state guarantees and the Department's bank accounts.
- Financial transactions in assets and liabilities, due to an increase in the expected revenue for exchange rate gains.

### Departmental Expenditure

The table below indicates the DOD Actual Expenditure Trends and Adjusted Appropriation for FY2017/18 to FY2019/20.

Summary of Actual Expenditure versus Adjusted Appropriation for Current and Prior Years			
	FY2017/18	FY2018/19	FY2019/20
	R'000	R'000	R'000
Adjusted Appropriation	48 999 560	48 496 235	50 888 132
Expenditure	48 977 232	48 492 073	50 882 257
Over expenditure	0	0	0
Amount overspent as percentage of Adjusted Appropriation	0	0	0
Amount surrendered	22 328	4 162	5 875
Amount surrendered as percentage of Adjusted Appropriation	0.046%	0.009%	0.012%

The table below indicates the DOD Actual Expenditure versus the Adjusted Appropriation for FY2019/20 on Main Programme level.

Actual Expenditure versus Adjusted Appropriation for Current and Prior Years at Programme Level						
Programme	FY2019/20			FY2018/19		
	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
Administration	5 999 035	5 993 160	5 875	5 692 748	5 692 748	0
Force Employment	3 491 508	3 491 508	0	3 168 678	3 168 678	0
Landward Defence	16 763 706	16 763 706	0	16 427 499	16 427 499	0
Air Defence	6 701 148	6 701 148	0	6 261 057	6 257 443	3 614
Maritime Defence	4 709 411	4 709 411	0	4 503 930	4 503 930	0
Military Health Support	5 362 908	5 362 908	0	5 090 591	5 090 591	0
Defence Intelligence	1 002 362	1 002 362	0	938 173	938 173	0
General Support	6 858 054	6 858 054	0	6 413 559	6 413 011	548
<b>TOTAL</b>	<b>50 888 132</b>	<b>50 882 257</b>	<b>5 875</b>	<b>48 496 235</b>	<b>48 492 073</b>	<b>4 162</b>



### Reasons for Under Expenditure

The underspending of Rm5,875 consists of the following:

- **Administration Programme.** The under expenditure of Rm5,875 (0.012%) was due to:
  - The Military Ombud underspent its budget allocation with Rm1,423. This was mainly due to the inability of appointed suppliers to deliver servers and computer software to the Office of the Military Ombud.
  - Defence Foreign Relations underspent its budget allocation with Rm4,452. This was mainly due to lower than anticipated expenditure within Military Attaché offices abroad as well as the backlog in invoices received from the Department of International Relations and Cooperation.

### Additions to Main Appropriation<sup>2</sup>

The net effect of the Adjustments Vote for Defence was an increase of Rm375,140 to Rb50,888. The amount was calculated as follows:

- Revenue of Rm385,140 was generated from reimbursements from the United Nations for South Africa's contribution to peace support operations, and the sale of equipment and spares procured through the Special Defence Account. The amount was returned to the Vote from the National Revenue Fund and will be utilised to cover the operational costs related to the Department's participation in the peacekeeping mission in the Democratic Republic of the Congo, as well as once-off critical elements of the SA Defence Review 2015.
- Rm10,000 reduction in the transfer payment budgeted for the Department of Military Veterans is due to unspent funds which was declared on Goods and Services, due to slow spending.

### Virements / Shifts within the Vote

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

- **Approved by the National Treasury:**
  - Rm2,300 was reallocated within the Administration Programme to increase Transfers and Subsidies: Departmental Agencies to be transferred to the Safety and Security Sector Education and Training Authority, which acts as the Sector Education and Training Authority for Defence in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).
  - Rm47,183 was reallocated to Current Transfers and Subsidies to cover the cost regarding litigation claims against the state. Claims against the state are classified in terms of the Standard Chart of Accounts as Transfer Payments, however it should be noted that the Department does not budget for litigation claims during the Medium-Term Expenditure Framework process.
- **Approved by the Accounting Officer:**
  - Rm147,100 was reallocated from Landward Defence (Rm95,000), Air Defence (Rm35,800) and the Military Health Services Programmes (Rm16,300) to the General Support Programme for Project THUSANO.
  - Rb1,348 was reallocated from Current Transfers and Subsidies: Departmental Agencies and Accounts (Special Defence Account) to increase Goods and Services in order to ensure that sufficient funding is available within the General Defence Account for the final accounting of expenditure.

<sup>2</sup> Refer to the Adjustments Appropriation 2019 (Act No. 29 of 2019) dated 15 January 2020. The transfer payment to the Department of Military Veterans was specifically and exclusively appropriated.

## Part E – Financial Information

- The re-allocation of funds between Programmes within the Defence Budget was executed in order to defray expenditure in respect of authorised losses, Payments for Capital Assets as well as Goods and Services to balance the expenditure for the FY2019/20.

### Roll-Overs

The Department did not submit a request for funds to be rolled over from FY2018/19, hence no roll-overs were received during FY2019/20.

### Irregular, Unauthorised, Fruitless and Wasteful Expenditure

#### Irregular Expenditure

Irregular expenditure to the amount of Rb2,836 was incurred during the year under review.

Four high contributors to the irregular expenditure, to the amount of Rb2,814, are indicated below:

- Rb2,609 was for expenditure above the CoE allocation; this was due to a reduction imposed by National Treasury through budget reduction on actual employees in the services of the DOD, for which the Department was not at fault.
- Rm143 was paid for the asset verification project contract which was awarded through an unfair bidding process. This contract will only be concluded in FY2021/22.
- Rm28 was awarded to a supplier for Information Communication Technology service which was awarded through an unfair bidding process.
- Rm34 incurred for three different contracts, awarded through an incorrect bid evaluation. These contracts will be concluded in FY2020/21.

With the exception of expenditure above the CoE allocation, all other incidents are under investigation for possible disciplinary action and/or recovery to be instituted, with the involvement of the Military Police, where applicable.

An additional 89 incidents, to the amount of Rm22 were incurred and are being investigated by appointed designated officials

#### Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure incurred and disclosed amounted to Rm19 for the year under review. The main contributors to this amount are as follows:

- Contracts that were signed for leasing of properties that were not occupied in time, mainly due to operational challenges.
- Interest and foreign currency fluctuation losses for late payments, due to operational challenges.

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

- Prevention and treatment of irregular expenditure training initiatives took place where appropriate. The aim was to capacitate Services and Divisions to provide in-house training in their respective environments.
- Investigations pertaining to operational challenges to determine their legitimacy or otherwise are underway and decisions on the way forward will be determined and appropriate action will be taken.
- Training regarding prevention and management of irregular expenditure was provided to identified officials in the Services and Divisions, with the intention to further train other officials within their area of responsibility.
- Intervention sessions were held with Services and Divisions, in order to mitigate the occurrence and recurrence of irregular and fruitless and wasteful expenditure.

### **Unauthorised Expenditure**

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

### **Public / Private Partnerships**

The DOD did not enter into any public/private partnerships during FY2019/20.

### **Discontinued Activities / Activities to be Discontinued**

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

### **New / Proposed Activities**

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

### **Supply Chain Management**

#### **List all unsolicited bid proposals concluded for the year under review**

No unsolicited bids were concluded for the period under review.

#### **Indicate whether Supply Chain Management processes and systems are in place to prevent irregular expenditure**

During the reporting period, procurement was conducted according to various Departmental policies and procedures, with continuous augmentation in-line with guidance received from National Treasury Instructions and Practice Notes, underpinning the prevention of irregular, fruitless and wasteful expenditure. The DOD's 200 procurement units execute the decentralised procurement function within the DOD. Delegated procurement officials were directed to ensure due care and diligence in executing procurement responsibilities and acting rationally and reasonably in the best interest of the State.

The Department revised its Irregular Expenditure Directive to align with the National Treasury Instruction No. 02 of 2019/20. Supplier engagement sessions were conducted in Gauteng, Limpopo, Western Cape, KwaZulu-Natal, Mthatha and Upington. The aim was to create awareness on the causes of irregular expenditure and the significant role that suppliers can play to eliminate these challenges.

### Challenges experienced in Supply Chain Management and how they were resolved

The payment of all suppliers within 30 days remained a challenge during the reporting period. The main contributing factor relates to the fact that the DOD does not have control over supplier-related matters, such as banking details and submission of incomplete information. Suppliers were made aware of these challenges during DOD oversight visits and supplier engagement sessions.

Challenges were experienced with sourcing through the E-Procurement System, mainly due to system down-time during load shedding and the inability to obtain three relevant quotations instantly. In down-time instances, procurement officials proactively adapted their work schedule to function when the system is optimally available. Manual databases have been derived from the Centralised Data Base to alleviate non-responsive or inappropriate suppliers, generated by E-Procure. As directed by the MOD&MV, a task team was established to address the Department's procurement challenges; this is work in process.

### Procurement deviations received from the National Treasury

During the reporting period, the following procurement deviations were approved by the National Treasury:

- Patrol ration packs to the value of Rm108 were sourced through a deviation, after the contract expired. A fair selection process was followed to select the suppliers. However, a new contract has not been finalised due to changes in the specification. The requirement is currently being fulfilled through price quotation from various suppliers.
- The acquisition of a ten-bedroom house in Kempton Park, valued at Rm4,5. The condition given by National Treasury was that reasonability of price must be tested against the property evaluation report and that the Department of Public Works and Infrastructure (DPWI) must be consulted in the process. The transaction is in process to be finalised by DPWI, taking into account the aforementioned conditions.

## Asset Management

### Work in Progress

During the FY2018/19 audit cycle, the DOD received an audit qualification on **Movable Tangible Capital Assets**: *"The department did not disclose capital work in progress for projects under development in accordance with MCS chapter 11..."*

The DOD commenced with the disclosure of Work in Progress in the Interim Financial Statements during September 2019. The DOD, in conjunction with ARMSCOR, has since done extensive work to ensure compliance to the Modified Cash Standards (MCS) in order to achieve fair representation of the disclosure. Processes to determine the veracity of the information in order to ensure that it meets the validity, accuracy and completeness tests have been followed and the DOD is confident that the information meets the required criteria.

## Capital Components

The Department wrote a Position Paper, defining its position as far as Capital Components are concerned. This Position Paper was discussed with National Treasury in order to reach consensus on how these items are going to be treated for Financial Statement purposes. National Treasury has subsequently responded, and agreement has been reached on how these items can be treated for accounting purposes.

As a result, the DOD issued an addendum to the original policy on the Management of Non-Current Assets. The addendum indicates transitional provisions, as it is not practicable that all these items can be uniquely identifiable and included in the DOD Asset Register within one financial year. These transitional provisions have been updated in the Accounting Policy of the Financial Statements.

## Other Machinery and Equipment

During the previous two financial years, Other Machinery and Equipment have been managed without audit issues, neither on completeness nor on the existence. The DOD intends to ensure that the *status quo* remains.

## Gifts and Donations Received in Kind

The DOD did not receive any donor funds from external sources for operations during the financial year. Foreign aid assistance received by the DOD was mostly in kind and took the form of providing air tickets, messing, accommodation and a daily stipend during foreign visits and training. The actual cost to the donors is not known and the Rand value is merely an estimate. No foreign aid was received for larger DOD projects and programmes during the year under review.

## Financial Reporting Requirement Exemptions and Deviations Received from National Treasury

The DOD did not request and receive any financial reporting exemptions or deviations from National Treasury.

## GENERAL COMMENTS

### Events after the Reporting Date

None to date.

### Condonements Awaiting Approval from National Treasury

The DOD has been underfunded over the last three financial years (FY2017/18 to FY2019/20) on CoE of approximately Rb5,647.

In terms of the PFMA, this underfunding has been recognised as Irregular Expenditure in the financial records of the Department. A request for condonement has been submitted to National Treasury and a response is awaited as at the reporting date.

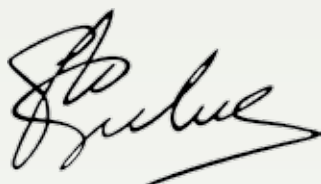
### Qualification on Special Defence Account Activities

In relation to goods and services and investments as stated in paragraph 3 of the Audit Report on page 219:

There is an inherent limitation as a result of the sensitivity of the environment and the way in which normal mandated business (in terms of the Defence Act) is conducted, which by its pure nature would inherently prevent the auditor to have full and unrestricted access in order to express an unqualified opinion which would normally be possible in an environment where national security would not be negatively impacted by such unrestricted access. Oversight structures are however in place such as the Joint Standing Committee on Intelligence in order to oversee the activities of the intelligence environment.

### APPROVAL

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

A handwritten signature in black ink, appearing to read 'DR S.M. Gulube', with a long horizontal stroke extending to the right.

(DR S.M. GULUBE)

SECRETARY FOR DEFENCE: DIRECTOR-GENERAL

29 July 2020



2019/20  
**PART E**

**Department of Defence and  
Military Veterans: Vote 19**





<b>INDEX</b>	<b>Page</b>
Report of the Auditor-General .....	219
Accounting Policies .....	230
Appropriation Statement .....	238
Notes to the Appropriation Statement .....	330
Statement of Financial Performance .....	332
Statement of Financial Position .....	333
Statement of Changes in Net Assets .....	334
Cash Flow Statement .....	335
Notes to the Annual Financial Statements .....	336
Notes on Secondary Financial Information .....	349
Annexures. ....	382
Annexure 1A .....	382
Annexure 1B .....	383
Annexure 1C .....	384
Annexure 1D .....	385
Annexure 1E .....	386
Annexure 1F .....	387
Annexure 1G .....	388
Annexure 2A .....	389
Annexure 2B .....	390
Annexure 3A .....	391
Annexure 3B .....	392
Annexure 4 .....	393
Annexure 5 .....	394
Annexure 6 .....	395
Annexure 7 .....	396
Annexure 8A .....	400
Annexure 8B .....	401
Annexure 9 .....	402

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

### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Department of Defence, set out on pages 230 to 402, 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, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Department of Defence as at 31 March 2020, and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for qualified opinion

##### Goods and services and investments

3. The department accounts for non-sensitive and sensitive projects expenditure in connection with special defence activities as per section 2(2)(a) of the Defence Special Account Act of South Africa, 1974 (Act No. 6 of 1974), as amended. I was unable to obtain sufficient appropriate audit evidence regarding sensitive projects expenditure and related investments due to the sensitivity of the environment and the circumstances under which the related transactions were incurred and recorded. Consequently, I was unable to determine whether any adjustments were necessary to sensitive projects expenditure included within the expenditure of R13,96 billion (2019: R12,77 billion), as per note 4 to the financial statements, and investments for special defence activities included in the investment amount of R182,16 million (2019: R182,16 million), as per note 11 to the financial statements.

##### Irregular expenditure

4. The department did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3)(b)(i) of the PFMA. This was due to inadequate systems to detect, record and appropriately disclose this expenditure in the financial statements. Consequently, I was unable to determine the full extent of the understatement to irregular expenditure, stated at R7,97 billion (2019: R5,13 billion) in note 24 to the financial statements, as it was impracticable to do so.

## Context for the opinion

5. 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.
6. 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## Emphasis of matters

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

### Restatement of corresponding figures

9. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2019 have been restated as a result of errors in the department's financial statements at, and for the year ended, 31 March 2020.

### Events after the reporting date

10. I draw attention to note 29 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of covid-19 on the department's future prospects and financial performance. The financial impact of the events described in the note cannot be reliably measured at this stage.

### Uncertainty relating to the future outcome of litigation

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

### Payables not recognised

12. As disclosed in note 20 to the financial statements, payables of R114,42 million exceed the payment term of 30 days as required by treasury regulation 8.2.3. This amount, in turn, exceeded the R5,88 million of voted funds to be surrendered by R108,55 million as per the statement of financial performance. The amount of R108,55 million would therefore have constituted unauthorised expenditure had the amounts due been paid on time.

## Other matter

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

## Unaudited supplementary schedules

14. The supplementary information set out on pages 381 to 402 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

15. 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.
16. 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

17. 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.
18. 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

19. 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.

20. 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.
21. 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:

Programme	Pages in the annual performance report
Programme 2: force employment	59 - 63

22. 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.
23. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2: force employment.

## Other matters

24. I draw attention to the matters below.

### Achievement of planned targets

25. Refer to the annual performance report on pages 45 to 85 for information on the achievement of planned targets for the year and explanations provided for the under- and overachievement of a significant number of targets.

### Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of force employment. 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

27. 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.
28. The material findings on compliance with specific matters in key legislation are as follows:

### Annual financial statements

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements relating to commitments and the prior period error note identified by auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in a qualified opinion.

### Expenditure management

30. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. As reported in the basis for qualified opinion, the value as disclosed in note 24 of the financial statements does not reflect the full extent of the irregular expenditure incurred. The majority of the irregular expenditure disclosed in the financial statements was caused by compensation of employees' budget being exceeded without National Treasury approval, in contravention of treasury regulation 6.3.1(a).
31. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R18,87 million as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payments made in terms of an operating lease for unutilised property.
32. The department did not use its resources economically, as required by section 45(b) of the PFMA. The non-compliance resulted in a material irregularity, as reported in the section on material irregularities.
33. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3 and section 38(1)(f) of the PFMA.

### Procurement and contract management

34. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1. Similar non-compliance was also reported in the prior year.

35. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations, as required by treasury regulations 16A6.1. and 16A6.4. Similar non-compliance was also reported in the prior year.
36. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order, as required by treasury regulation 16A9.1(d). Similar non-compliance was also reported in the prior year.
37. Some of the contracts were awarded to bidders based on evaluation or adjudication criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of treasury regulations 16A6.3(a) and (b).
38. The preference point system was not applied in some of the procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA) and treasury regulation 16A6.3(b). Similar non-compliance was also reported in the prior year.
39. Bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2).
40. Some of the prices of emergency goods or services procured through quotations in response to the National State of Disaster declared on 15 March 2020 were above prices negotiated by National Treasury in terms of paragraph 3.7.6(ii) of the National Treasury Instruction Note no. 8 of 2019-20.

### Consequence management

41. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was due to significant delays in performing investigations relating to these matters.
42. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was due to significant delays in performing investigations relating to these matters.
43. Allegations of fraud which exceeded R100 000 were not reported to the South African Police Service, as required by section 34(1) of the Prevention and Combatting of Corrupt Activities Act of South Africa, 2004 (Act No. 12 of 2004).

### Other information

44. 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.



45. 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.
46. 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.
47. 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

48. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
49. Leadership did not exercise sufficient oversight regarding financial reporting, compliance with laws and regulations and related internal controls. Action plans that were developed to address prior year audit matters were not effectively implemented and monitored, resulting in recurring audit findings.
50. Management did not prepare regular, accurate and complete financial reports that were always supported and evidenced by reliable information. This was mainly due to lack of proper record management systems and insufficient controls over daily and monthly processing and reconciling of transactions. Additionally, reviewing and monitoring controls over compliance with laws and regulations did not effectively detect and prevent non-compliance, especially in relation to supply chain management.

### Material irregularities

51. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.



### Material irregularities identified during the audit

52. The material irregularities identified are as follows:

#### Inventory and asset management contract was not awarded to only the bidder that scored highest points in the evaluation process

53. In February 2017, the department awarded a contract for services relating to inventory and asset verification for a period five years, commencing from 1 March 2017. The department did not comply with the requirements of paragraph 2(1)(f) of the PPPFA in awarding this contract because the department did not award the entire contract to the bidder that scored the highest points in the evaluation process. The non-compliance is likely to result in a material financial loss as the contract was awarded to two bidders on a 50/50 basis at an increased price of R922 million for the same scope of work. This resulted in an increase of R250,56 million to the project cost. As at the end of the 2019-20 financial year, the department had spent R451,90 million on the contract.
54. I notified the accounting officer of the material irregularity on 18 July 2019 and invited them to make a written submission on the actions that will be taken to address the matter. The accounting officer responded by disagreeing that there was non-compliance with legislation in awarding the contract. This resulted in the further review and investigation of the matter by National Treasury. It was confirmed on 28 February 2020 that there was transgression of legislation in the award of this contract.
55. The accounting officer has not taken any action in response to being notified of this material irregularity. On 29 May 2020, I issued a notification to the accounting officer advising them of the following recommended actions that they should implement by 30 November 2020 to address the material irregularity:
- The accounting officer should investigate the irregular expenditure and quantify the amount of the financial loss incurred, in accordance with the applicable instruction note(s) issued by the National Treasury dealing with irregular expenditure.
  - The department should take effective and appropriate disciplinary steps against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA and in accordance with treasury regulation 9.1.3.
  - The department should take appropriate action to determine whether the responsible official is liable by law for the losses suffered by the department for the purpose of recovery, as required by treasury regulations 9.1.4 and 12.7.1.

#### Lease payments made for unoccupied office buildings

56. The department made lease payments from 2015-16 to the 2019-20 financial year for unoccupied office buildings. The continued payments for unoccupied buildings were in contravention of section 45(b) of the PFMA, which requires the effective, efficient, economical and transparent use of the department's financial resources. The non-compliance resulted in a financial loss of R108,3 million, which forms part of the fruitless and wasteful expenditure disclosed in note 25 to the financial statements.

57. I notified the accounting officer of the material irregularity on 11 August 2020 and invited them to make a written submission on the actions that will be taken to address the matter. On 8 September 2020, the accounting officer issued an instruction to investigate this material irregularity and conclude on it by 30 October 2020. At the date of this report, this investigation was still in progress as it had been delayed due to unforeseen challenges encountered during the course of the investigation.
58. The accounting officer plans to take action against the officials found to be responsible and to initiate steps to recover the financial loss based on the outcome of the investigation. I will follow-up on this investigation and the implementation of planned actions during my next audit.

### Unfair award for the supply of fuel

59. In July 2019 the department awarded a contract worth R13,9 million for the supply and delivery of fuel to a supplier using evaluation criteria that differed from those stipulated in the original request for quotations. The original request for quotations stipulated that the award will be made to a bidder with a lower price, but the department used the rotation of suppliers as the criterion to award this contract. The mode of transport was also changed after the award, which resulted in a further price increase. The awarding of the contract using different criteria resulted in non-compliance with treasury regulation 16A.3.2(a), which requires that the supply chain management process be fair, transparent, competitive and cost effective. The non-compliance caused a material financial loss of R2,57 million due to a higher price being paid for the fuel.
60. I notified the accounting officer of the material irregularity on 11 August 2020 and invited them to make a written submission on the actions that will be taken to address the matter. On 8 September 2020, the accounting officer issued an instruction to investigate this material irregularity and conclude on it by 30 October 2020. At the date of this report, this investigation was still in progress as it had been delayed due to unforeseen challenges encountered during the course of the investigation.
61. The accounting officer plans to take action against the officials found to be responsible and to initiate steps to recover the financial loss based on the outcome of the investigation. I will follow-up on this investigation and the implementation of planned actions during my next audit.

### Other reports

62. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

### Investigations

63. The special investigating unit is conducting an investigation covering the 2018-19 period into allegations of procurement irregularities on ICT services and licences. The investigation is being conducted in terms of Proclamation No. R. 41 of 2019, dated 25 June 2019 and was still in progress at the date of this auditor's report.

### Special audits

64. At the request of the president, a proactive interim audit was performed on the covid-19 pandemic relief response measures on the defence frontline work. The audit covers the period 1 April 2020 to 31 August 2020. The first special report on the financial management of government's covid-19 initiatives was issued on 2 September 2020.

Auditor-General

Pretoria

12 November 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 related to events or conditions that may cast significant doubt on the Department of Defence’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

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

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**ACCOUNTING POLICIES**  
**for the year ended 31 March 2020**

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

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

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

**1. Basis of preparation**

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

**2. Going concern**

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

**3. Presentation currency**

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

**4. Rounding**

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

**5. Foreign currency translation**

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

**6. Comparative information****6.1 Prior period comparative information**

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

**6.2 Current year comparison with budget**

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

## 7. Revenue

### 7.1 Appropriated funds

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

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

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

### 7.2 Departmental revenue

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

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

### 7.3 Accrued departmental revenue

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

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

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

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

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

## 8. Expenditure

### 8.1 Compensation of employees

#### 8.1.1 Salaries and wages

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

#### 8.1.2 Social contributions

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

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

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**8.2 Other expenditure**

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

**8.3 Accruals and payables not recognised**

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

**8.4 Leases****8.4.1 Operating leases**

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

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

**8.4.2 Finance leases**

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

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

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

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

**9. Cash and cash equivalents**

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

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

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

**10. Prepayments and advances**

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

Prepayments and advances are initially and subsequently measured at cost.

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

#### 11. Loans and Receivables

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

#### 12. Investments

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

#### 13. Financial assets

##### 13.1 Financial assets (not covered elsewhere)

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

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

##### 13.2 Impairment of financial assets

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

#### 14. Payables

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

#### 15. Capital Assets

##### 15.1 Immovable capital assets

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

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

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

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



## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**15.2 Movable capital assets**

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

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

All assets acquired prior to 1 April 2002, and in the case of Minor Other Machinery and Equipment prior to 1 April 2013 are recorded at R1.

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

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

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

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

Project costs are carried in work-in-progress as incurred and added to the cost of the capital asset when ready for use.

The following transitional provisions are applicable for the new disclosure on capital components:

Some of the capital components will be recognised in the ARs using total quantities on hand in stores and depots. These items do not have serial numbers and it is not practical to tag them. These will never have a unique serial number due to their nature and will always be recognised in quantities.

Certain items like weatherhavens and marquee tents et al will in the initial year of recognition as assets (31 March 2020) be recognised in total quantities to enable the DOD to tag unique identifiers for them. Other items, like engines, will only be uniquely recognised on rotation thereof.

**15.3 Intangible assets**

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

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

All assets acquired prior to 1 April 2002 are recorded at R1.

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

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

#### **15.4 Project Costs: Work-in-progress on Immovable assets**

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

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

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

### **16. Provisions and Contingents**

#### **16.1 Provisions**

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

#### **16.2 Contingent liabilities**

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

#### **16.3 Contingent assets**

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

#### **16.4 Commitments**

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

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**17. Unauthorised expenditure**

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

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

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

**18. Fruitless and wasteful expenditure**

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

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

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

**19. Irregular expenditure**

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

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

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

**20. Changes in accounting policies, accounting estimates and errors**

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

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

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

#### 21. Events after the reporting date

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

#### 22. Capitalisation reserve

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

#### 23. Recoverable revenue

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

#### 24. Related party transactions

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

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

#### 25. Inventories

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

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

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

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

#### 26. Public Private Partnerships

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

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

#### 27. Employee benefits

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

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Appropriation per programme	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
<b>Voted funds and Direct charges</b>									
Programme									
1. Administration	6 177 144	-	(178 109)	5 999 035	5 993 160	5 875	99.9%	5 692 748	5 692 748
2. Force Employment	3 620 718	-	(129 210)	3 491 508	3 491 508	-	100.0%	3 168 678	3 168 678
3. Landward Defence	16 527 002	-	236 704	16 763 706	16 763 706	-	100.0%	16 427 499	16 427 499
4. Air Defence	6 979 575	-	(278 427)	6 701 148	6 701 148	-	100.0%	6 261 057	6 257 443
5. Maritime Defence	4 838 487	-	(129 076)	4 709 411	4 709 411	-	100.0%	4 503 930	4 503 930
6. Military Health Support	5 375 266	-	(12 358)	5 362 908	5 362 908	-	100.0%	5 090 591	5 090 591
7. Defence Intelligence	1 020 469	-	(18 107)	1 002 362	1 002 362	-	100.0%	938 173	938 173
8. General Support	6 349 471	-	508 583	6 858 054	6 858 054	-	100.0%	6 413 559	6 413 011
<b>Total</b>	<b>50 888 132</b>	<b>-</b>	<b>-</b>	<b>50 888 132</b>	<b>50 882 257</b>	<b>5 875</b>	<b>100.0%</b>	<b>48 496 235</b>	<b>48 492 073</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				1 289 155				814 391	
NRF Receipts				-				-	
Aid assistance				-				-	
				<b>52 177 287</b>				<b>49 310 626</b>	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>									
<b>Add:</b>									
Aid assistance									-
Prior year unauthorised expenditure approved without funding									
Expenditure funded from retained funds (funds retained)					(22 886)				(17 621)
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>50 859 371</b>				<b>48 474 452</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

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
<b>Current payments</b>	<b>42 126 288</b>	-	<b>642 797</b>	<b>42 769 085</b>	<b>42 763 210</b>	<b>5 875</b>	<b>100.0%</b>	<b>40 385 731</b>	<b>40 382 766</b>
Compensation of employees	29 193 710	-	-	29 193 710	31 803 026	(2 609 316)	108.9%	27 116 696	30 011 960
Salaries and wages	26 380 680	-	(153 832)	26 226 848	28 389 650	(2 162 802)	108.2%	24 346 521	26 758 950
Social contributions	2 813 030	-	153 832	2 966 862	3 413 376	(446 514)	115.1%	2 770 175	3 253 010
Goods and services	12 932 578	-	642 797	13 575 375	10 960 184	2 615 191	80.7%	13 269 035	10 370 806
Administrative fees	18 764	-	(3 397)	15 367	15 367	-	100.0%	22 093	22 093
Advertising	93 465	-	(20 680)	72 785	72 785	-	100.0%	69 962	69 962
Minor assets	186 218	-	(121 206)	65 012	45 818	19 194	70.5%	66 111	52 687
Audit costs: External	75 393	-	(15 074)	60 319	60 319	-	100.0%	57 797	57 797
Catering: Departmental activities	23 430	-	4 753	28 183	28 183	-	100.0%	26 219	26 219
Communication (G&S)	97 933	-	(6 562)	91 371	77 878	13 493	85.2%	87 583	87 583
Computer services	1 031 112	-	(195 041)	836 071	716 448	119 623	85.7%	763 557	623 897
Consultants: Business and advisory services	180 208	-	(165 696)	14 512	14 512	-	100.0%	76 800	76 800
Infrastructure and planning services	42 423	-	(32 806)	9 617	2 717	6 900	28.3%	31 150	31 150
Laboratory services	25 810	-	25 510	51 320	51 320	-	100.0%	45 845	45 845
Scientific and technological services	63 441	-	39 605	103 046	103 046	-	100.0%	68 737	68 737
Legal services	38 231	-	(11 307)	26 924	26 924	-	100.0%	25 956	25 956
Contractors	2 121 529	-	863 870	2 985 399	1 681 331	1 304 068	56.3%	3 777 505	1 714 948
Agency and support / outsourced services	527 897	-	335 241	863 138	846 017	17 121	98.0%	893 619	840 325
Entertainment	3 131	-	4	3 135	3 135	-	100.0%	2 614	2 614
Fleet services (including government motor transport)	311 420	-	(43 199)	268 221	117 507	150 714	43.8%	149 481	58 861
Inventory: Clothing material and accessories	220 216	-	(48 960)	171 256	62 985	108 271	36.8%	173 453	113 445
Inventory: Farming supplies	7 427	-	(4 947)	2 480	2 480	-	100.0%	4 917	4 917
Inventory: Food and food supplies	1 099 268	-	211 848	1 311 116	1 311 116	-	100.0%	1 188 931	1 188 931

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

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
Inventory: Fuel oil and gas	738 000	-	39 253	777 253	729 910	47 343	93.9%	485 609	485 609
Inventory: Materials and supplies	102 158	-	(33 559)	68 599	68 599	-	100.0%	84 824	75 381
Inventory: Medical supplies	160 935	-	(5 914)	155 021	81 366	73 655	52.5%	85 649	85 649
Inventory: Medicine	353 029	-	(848)	352 181	238 456	113 725	67.7%	247 786	247 786
Inventory: Other supplies	216 680	-	(32 702)	183 978	97 454	86 524	53.0%	187 253	126 208
Consumable supplies	126 495	-	18 403	144 898	136 973	7 925	94.5%	137 642	137 642
Consumable: Stationery printing and office supplies	70 713	-	(28 570)	42 143	42 143	-	100.0%	54 488	47 781
Operating leases	1 591 293	-	172 304	1 763 597	1 735 169	28 428	98.4%	1 636 238	1 588 966
Property payments	1 606 942	-	(263 043)	1 343 899	1 065 242	278 657	79.3%	1 108 071	843 041
Travel and subsistence	1 010 016	-	131 536	1 141 552	1 141 552	-	100.0%	1 073 825	1 054 872
Training and development	345 140	-	(70 261)	274 879	164 094	110 785	59.7%	199 566	178 804
Operating payments	423 190	-	(94 361)	328 829	200 064	128 765	60.8%	419 585	370 131
Venues and facilities	17 411	-	(6 947)	10 464	10 464	-	100.0%	12 014	12 014
Rental and hiring	3 260	-	5 550	8 810	8 810	-	100.0%	4 155	4 155
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>7 997 491</b>	-	<b>(1 323 121)</b>	<b>6 674 370</b>	<b>6 674 370</b>	-	<b>100.0%</b>	<b>6 656 205</b>	<b>6 655 008</b>
Provinces and municipalities	939	-	(798)	141	141	-	100.0%	135	135
Municipalities	939	-	(798)	141	141	-	100.0%	135	135
Municipal bank accounts	939	-	(798)	141	141	-	100.0%	129	129
Municipal agencies and funds	-	-	-	-	-	-	-	6	6
Departmental agencies and accounts	6 352 179	-	(1 346 324)	5 005 855	5 005 855	-	100.0%	4 923 769	4 923 769
Departmental agencies	6 352 179	-	(1 346 324)	5 005 855	5 005 855	-	100.0%	4 923 769	4 923 769
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

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
Public corporations and private enterprises	1 467 968	-	1 184	1 469 152	1 469 152	-	100.0%	1 423 556	1 423 359
Public corporations	1 467 968	-	1 055	1 469 023	1 469 023	-	100.0%	1 415 127	1 415 127
Subsidies on products and production (pc)	1 467 968	-	-	1 467 968	1 467 968	-	100.0%	1 414 495	1 414 495
Other transfers to public corporations	-	-	1 055	1 055	1 055	-	100.0%	632	632
Private enterprises	-	-	129	129	129	-	100.0%	8 429	8 232
Subsidies on products and production (pe)	-	-	-	-	-	-	-	8 230	8 230
Other transfers to private enterprises	-	-	129	129	129	-	100.0%	199	2
Non-profit institutions	9 744	-	(194)	9 550	9 550	-	100.0%	9 073	9 073
Households	166 661	-	23 011	189 672	189 672	-	100.0%	299 672	298 672
Social benefits	166 604	-	(22 969)	143 635	143 635	-	100.0%	169 419	168 770
Other transfers to households	57	-	45 980	46 037	46 037	-	100.0%	130 253	129 902
<b>Payments for capital assets</b>	<b>762 778</b>	-	<b>654 888</b>	<b>1 417 666</b>	<b>1 417 666</b>	-	<b>100.0%</b>	<b>1 442 941</b>	<b>1 442 941</b>
Buildings and other fixed structures	351 300	-	459 685	810 985	810 985	-	100.0%	614 850	614 850
Buildings	351 300	-	459 685	810 985	810 985	-	100.0%	614 850	614 850
Machinery and equipment	262 765	-	120 234	382 999	382 999	-	100.0%	573 231	573 231
Transport equipment	69 441	-	(37 041)	32 400	32 400	-	100.0%	207 560	207 560
Other machinery and equipment	193 324	-	157 275	350 599	350 599	-	100.0%	365 671	365 671
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	1 794	-	(1 794)	-	-	-	-	27	27
Biological assets	-	-	1 036	1 036	1 036	-	100.0%	380	380
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	146 919	-	75 727	222 646	222 646	-	100.0%	254 453	254 453
<b>Payment for financial assets</b>	<b>1 575</b>	-	<b>25 436</b>	<b>27 011</b>	<b>27 011</b>	-	<b>100.0%</b>	<b>11 358</b>	<b>11 358</b>
<b>Total</b>	<b>50 888 132</b>	-	-	<b>50 888 132</b>	<b>50 882 257</b>	<b>5 875</b>	<b>100.0%</b>	<b>48 496 235</b>	<b>48 492 073</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
<b>Subprogramme</b>									
1. Ministry	137 816	-	(28 874)	108 942	108 942	-	100.0%	125 575	125 575
2. Departmental Direction	51 852	-	(9 883)	41 969	41 969	-	100.0%	41 637	41 637
3. Policy and Planning	123 416	-	(13 866)	109 550	109 550	-	100.0%	106 803	106 803
4. Financial Services	435 581	-	(40 488)	395 093	395 093	-	100.0%	397 727	397 727
5. Human Resources Support Services	958 777	-	(87 119)	871 658	871 658	-	100.0%	851 034	851 034
6. Legal Services	364 152	-	(44 354)	319 798	318 375	1 423	99.6%	314 445	314 445
7. Inspection and Audit Services	154 563	-	(22 942)	131 621	131 621	-	100.0%	123 710	123 710
8. Acquisition Services	89 780	-	(8 887)	80 893	80 893	-	100.0%	206 938	206 938
9. Communication Services	129 878	-	(20 514)	109 364	109 364	-	100.0%	107 497	107 497
10. South African National Defence Force Command and Control	185 781	-	9 169	194 950	194 950	-	100.0%	166 267	166 267
11. Religious Services	20 059	-	(5 899)	14 160	14 160	-	100.0%	14 949	14 949
12. Defence Reserve Direction	34 995	-	(2 530)	32 465	32 465	-	100.0%	29 178	29 178
13. Defence Foreign Relations	303 270	-	3 544	306 814	302 362	4 452	98.5%	315 982	315 982
14. Office Accommodation	2 534 671	-	94 534	2 629 205	2 629 205	-	100.0%	2 263 919	2 263 919
15. Military Veterans Management	652 553	-	-	652 553	652 553	-	100.0%	627 087	627 087
<b>Total</b>	<b>6 177 144</b>	<b>-</b>	<b>(178 109)</b>	<b>5 999 035</b>	<b>5 993 160</b>	<b>5 875</b>	<b>99.9%</b>	<b>5 692 748</b>	<b>5 692 748</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>5 441 280</b>	<b>-</b>	<b>(187 571)</b>	<b>5 253 709</b>	<b>5 247 834</b>	<b>5 875</b>	<b>99.9%</b>	<b>4 907 631</b>	<b>4 907 631</b>
Compensation of employees	2 150 197	-	(40 480)	2 109 717	2 109 717	-	100.0%	1 891 455	2 053 704
Salaries and wages	1 925 324	-	(63 093)	1 862 231	1 862 231	-	100.0%	1 691 356	1 799 218
Social contributions	224 873	-	22 613	247 486	247 486	-	100.0%	200 099	254 486
Goods and services	3 291 083	-	(147 091)	3 143 992	3 138 117	5 875	99.8%	3 016 176	2 853 927

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Programme 1: Administration

	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
Administrative fees	5 114	-	(4 078)	1 036	1 036	-	100.0%	8 111	8 111
Advertising	89 224	-	(18 520)	70 704	70 704	-	100.0%	66 480	66 480
Minor assets	11 631	-	(7 379)	4 252	2 829	1 423	66.5%	8 071	3 082
Audit costs: External	2 041	-	593	2 634	2 634	-	100.0%	-	-
Catering: Departmental activities	4 204	-	328	4 532	4 532	-	100.0%	4 026	4 026
Communication (G&S)	16 971	-	(1 364)	15 607	15 607	-	100.0%	19 489	19 489
Computer services	113 889	-	(54 277)	59 612	59 612	-	100.0%	107 542	62 518
Consultants: Business and advisory services	16 498	-	(6 706)	9 792	9 792	-	100.0%	75 776	75 776
Scientific and technological services	2 787	-	1 123	3 910	3 910	-	100.0%	2 833	2 833
Legal services	-	-	-	-	-	-	-	6	6
Contractors	6 974	-	(3 581)	3 393	3 393	-	100.0%	46 054	8 696
Agency and support / outsourced services	32 434	-	(30 482)	1 952	1 952	-	100.0%	9 334	9 334
Entertainment	2 438	-	587	3 025	3 025	-	100.0%	2 490	2 490
Fleet services (including government motor transport)	13 897	-	(3 571)	10 326	10 326	-	100.0%	1 534	1 534
Inventory: Clothing material and accessories	3 012	-	(2 662)	350	350	-	100.0%	319	319
Inventory: Food and food supplies	33 439	-	(21 885)	11 554	11 554	-	100.0%	10 180	10 180
Inventory: Fuel oil and gas	12 552	-	9 264	21 816	21 816	-	100.0%	15 233	15 233
Inventory: Materials and supplies	1 174	-	65	1 239	1 239	-	100.0%	855	855
Inventory: Medical supplies	11	-	80	91	91	-	100.0%	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	2	2
Consumable supplies	13 168	-	(1 307)	11 861	11 861	-	100.0%	15 915	15 915
Consumable: Stationery printing and office supplies	9 975	-	(3 641)	6 334	6 334	-	100.0%	13 827	7 120
Operating leases	1 529 443	-	191 339	1 720 782	1 716 330	4 452	99.7%	1 621 140	1 573 868
Property payments	1 126 614	-	(146 132)	980 482	980 482	-	100.0%	755 474	736 641

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
Programme 1: Administration									
Travel and subsistence	142 731	-	(8 459)	134 272	134 272	-	100.0%	146 940	144 874
Training and development	51 918	-	(22 738)	29 180	29 180	-	100.0%	39 206	39 206
Operating payments	44 245	-	(11 671)	32 574	32 574	-	100.0%	41 769	41 769
Venues and facilities	4 656	-	(1 983)	2 673	2 673	-	100.0%	2 858	2 858
Rental and hiring	43	-	(34)	9	9	-	100.0%	712	712
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>713 332</b>	-	<b>(9 582)</b>	<b>703 750</b>	<b>703 750</b>	-	<b>100.0%</b>	<b>690 449</b>	<b>690 449</b>
Provinces and municipalities	47	-	(2)	45	45	-	100.0%	44	44
Municipalities	47	-	(2)	45	45	-	100.0%	44	44
Municipal bank accounts	47	-	(2)	45	45	-	100.0%	38	38
Municipal agencies and funds	-	-	-	-	-	-	-	6	6
Departmental agencies and accounts	675 624	-	2 301	677 925	677 925	-	100.0%	653 080	653 080
Departmental agencies	675 624	-	2 301	677 925	677 925	-	100.0%	653 080	653 080
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	140	140	140	-	100.0%	-	-
Public corporations	-	-	100	100	100	-	100.0%	-	-
Other transfers to public corporations	-	-	100	100	100	-	100.0%	-	-
Private enterprises	-	-	40	40	40	-	100.0%	-	-
Other transfers to private enterprises	-	-	40	40	40	-	100.0%	-	-
Non-profit institutions	8 742	-	-	8 742	8 742	-	100.0%	8 326	8 326
Households	28 919	-	(12 021)	16 898	16 898	-	100.0%	28 999	28 999
Social benefits	28 919	-	(12 029)	16 890	16 890	-	100.0%	28 601	28 601
Other transfers to households	-	-	8	8	8	-	100.0%	398	398

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
 for the year ended 31 March 2020

Programme 1: Administration

	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
<b>Payments for capital assets</b>	<b>22 302</b>	-	<b>18 832</b>	<b>41 134</b>	<b>41 134</b>	-	<b>100.0%</b>	<b>90 546</b>	<b>90 546</b>
Buildings and other fixed structures	-	-	234	234	234	-	100.0%	374	374
Buildings	-	-	234	234	234	-	100.0%	374	374
Machinery and equipment	22 252	-	12 699	34 951	34 951	-	100.0%	32 473	32 473
Transport equipment	10 139	-	(4 738)	5 401	5 401	-	100.0%	8 746	8 746
Other machinery and equipment	12 113	-	17 437	29 550	29 550	-	100.0%	23 727	23 727
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	50	-	5 899	5 949	5 949	-	100.0%	57 699	57 699
<b>Payment for financial assets</b>	<b>230</b>	-	<b>212</b>	<b>442</b>	<b>442</b>	-	<b>100.0%</b>	<b>4 122</b>	<b>4 122</b>
<b>Total</b>	<b>6 177 144</b>	-	<b>(178 109)</b>	<b>5 999 035</b>	<b>5 993 160</b>	<b>5 875</b>	<b>99.9%</b>	<b>5 692 748</b>	<b>5 692 748</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 1.1: Ministry	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>132 706</b>	-	<b>(24 927)</b>	<b>107 779</b>	<b>107 779</b>	-	<b>100.0%</b>	<b>124 731</b>	<b>124 731</b>
Compensation of employees	44 864	-	(5 260)	39 604	39 604	-	100.0%	39 815	39 815
Goods and services	87 842	-	(19 667)	68 175	68 175	-	100.0%	84 916	84 916
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>114</b>	-	<b>337</b>	<b>451</b>	<b>451</b>	-	<b>100.0%</b>	<b>197</b>	<b>197</b>
Provinces and municipalities	23	-	(10)	13	13	-	100.0%	12	12
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	91	-	347	438	438	-	100.0%	185	185
<b>Payments for capital assets</b>	<b>4 865</b>	-	<b>(4 287)</b>	<b>578</b>	<b>578</b>	-	<b>100.0%</b>	<b>253</b>	<b>253</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 865	-	(4 287)	578	578	-	100.0%	253	253
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>131</b>	-	<b>3</b>	<b>134</b>	<b>134</b>	-	<b>100.0%</b>	<b>394</b>	<b>394</b>
<b>Total</b>	<b>137 816</b>	-	<b>(28 874)</b>	<b>108 942</b>	<b>108 942</b>	-	<b>100.0%</b>	<b>125 575</b>	<b>125 575</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
 for the year ended 31 March 2020

Subprogramme: 1.2: Departmental Direction	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>51 006</b>	-	(10 531)	<b>40 475</b>	<b>40 475</b>	-	<b>100.0%</b>	<b>40 871</b>	<b>40 871</b>
Compensation of employees	42 263	-	(8 416)	33 847	33 847	-	100.0%	33 097	33 097
Goods and services	8 743	-	(2 115)	6 628	6 628	-	100.0%	7 774	7 774
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>566</b>	-	<b>(301)</b>	<b>265</b>	<b>265</b>	-	<b>100.0%</b>	<b>7</b>	<b>7</b>
Provinces and municipalities	6	-	(4)	2	2	-	100.0%	3	3
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	560	-	(297)	263	263	-	100.0%	4	4
<b>Payments for capital assets</b>	<b>280</b>	-	<b>922</b>	<b>1 202</b>	<b>1 202</b>	-	<b>100.0%</b>	<b>633</b>	<b>633</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	280	-	922	1 202	1 202	-	100.0%	633	633
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>27</b>	<b>27</b>	<b>27</b>	-	<b>100.0%</b>	<b>126</b>	<b>126</b>
<b>Total</b>	<b>51 852</b>	-	<b>(9 883)</b>	<b>41 969</b>	<b>41 969</b>	-	<b>100.0%</b>	<b>41 637</b>	<b>41 637</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 1.3: Policy and Planning	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>121 613</b>	-	(13 501)	<b>108 112</b>	<b>108 112</b>	-	<b>100.0%</b>	<b>105 790</b>	<b>105 790</b>
Compensation of employees	97 742	-	(7 927)	89 815	89 815	-	100.0%	87 595	87 595
Goods and services	23 871	-	(5 574)	18 297	18 297	-	100.0%	18 195	18 195
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>655</b>	-	(253)	<b>402</b>	<b>402</b>	-	<b>100.0%</b>	<b>169</b>	<b>169</b>
Provinces and municipalities	-	-	6	6	6	-	100.0%	6	6
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	655	-	(259)	396	396	-	100.0%	163	163
<b>Payments for capital assets</b>	<b>1 148</b>	-	(144)	<b>1 004</b>	<b>1 004</b>	-	<b>100.0%</b>	<b>844</b>	<b>844</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 148	-	(144)	1 004	1 004	-	100.0%	844	844
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	32	<b>32</b>	<b>32</b>	-	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>123 416</b>	-	(13 866)	<b>109 550</b>	<b>109 550</b>	-	<b>100.0%</b>	<b>106 803</b>	<b>106 803</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 1.4: Financial Services

	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>428 138</b>	-	<b>(48 439)</b>	<b>379 699</b>	<b>379 699</b>	-	<b>100.0%</b>	<b>373 966</b>	<b>373 966</b>
Compensation of employees	358 213	-	(12 612)	345 601	345 601	-	100.0%	315 972	342 300
Goods and services	69 925	-	(35 827)	34 098	34 098	-	100.0%	57 994	31 666
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>5 208</b>	-	<b>(3 874)</b>	<b>1 334</b>	<b>1 334</b>	-	<b>100.0%</b>	<b>6 920</b>	<b>6 920</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 208	-	(3 874)	1 334	1 334	-	100.0%	6 920	6 920
<b>Payments for capital assets</b>	<b>2 215</b>	-	<b>11 756</b>	<b>13 971</b>	<b>13 971</b>	-	<b>100.0%</b>	<b>13 557</b>	<b>13 557</b>
Buildings and other fixed structures	-	-	98	98	98	-	100.0%	68	68
Machinery and equipment	2 215	-	11 658	13 873	13 873	-	100.0%	13 489	13 489
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>20</b>	-	<b>69</b>	<b>89</b>	<b>89</b>	-	<b>100.0%</b>	<b>3 284</b>	<b>3 284</b>
<b>Total</b>	<b>435 581</b>	-	<b>(40 488)</b>	<b>395 093</b>	<b>395 093</b>	-	<b>100.0%</b>	<b>397 727</b>	<b>397 727</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 1.5: Human Resources Support Services

	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>922 261</b>	-	<b>(94 138)</b>	<b>828 123</b>	<b>828 123</b>	-	<b>100.0%</b>	<b>806 891</b>	<b>806 891</b>
Compensation of employees	698 052	-	5 930	703 982	703 982	-	100.0%	616 375	671 277
Goods and services	224 209	-	(100 068)	124 141	124 141	-	100.0%	190 516	135 614
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>32 114</b>	-	<b>(712)</b>	<b>31 402</b>	<b>31 402</b>	-	<b>100.0%</b>	<b>37 501</b>	<b>37 501</b>
Provinces and municipalities	-	-	3	3	3	-	100.0%	1	1
Departmental agencies and accounts	23 070	-	2 301	25 371	25 371	-	100.0%	25 993	25 993
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	9 044	-	(3 016)	6 028	6 028	-	100.0%	11 507	11 507
<b>Payments for capital assets</b>	<b>4 353</b>	-	<b>7 668</b>	<b>12 021</b>	<b>12 021</b>	-	<b>100.0%</b>	<b>6 621</b>	<b>6 621</b>
Buildings and other fixed structures	-	-	89	89	89	-	100.0%	-	-
Machinery and equipment	4 353	-	7 579	11 932	11 932	-	100.0%	6 621	6 621
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>49</b>	-	<b>63</b>	<b>112</b>	<b>112</b>	-	<b>100.0%</b>	<b>21</b>	<b>21</b>
<b>Total</b>	<b>958 777</b>	-	<b>(87 119)</b>	<b>871 658</b>	<b>871 658</b>	-	<b>100.0%</b>	<b>851 034</b>	<b>851 034</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**

**APPROPRIATION STATEMENT**

for the year ended 31 March 2020

Subprogramme: 1.6: Legal Services

	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>356 623</b>	-	<b>(40 205)</b>	<b>316 418</b>	<b>314 995</b>	<b>1 423</b>	<b>99.6%</b>	<b>305 804</b>	<b>305 804</b>
Compensation of employees	307 921	-	(25 313)	282 608	282 608	-	100.0%	273 316	273 316
Goods and services	48 702	-	(14 892)	33 810	32 387	1 423	95.8%	32 488	32 488
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>6 400</b>	-	<b>(4 469)</b>	<b>1 931</b>	<b>1 931</b>	-	<b>100.0%</b>	<b>5 453</b>	<b>5 453</b>
Provinces and municipalities	7	-	1	8	8	-	100.0%	10	10
Departmental agencies and accounts	1	-	-	1	1	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	100	100	100	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 392	-	(4 570)	1 822	1 822	-	100.0%	5 443	5 443
<b>Payments for capital assets</b>	<b>1 116</b>	-	<b>322</b>	<b>1 438</b>	<b>1 438</b>	-	<b>100.0%</b>	<b>2 921</b>	<b>2 921</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	149	149
Machinery and equipment	1 116	-	322	1 438	1 438	-	100.0%	2 735	2 735
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	37	37
<b>Payment for financial assets</b>	<b>13</b>	-	<b>(2)</b>	<b>11</b>	<b>11</b>	-	<b>100.0%</b>	<b>267</b>	<b>267</b>
<b>Total</b>	<b>364 152</b>	-	<b>(44 354)</b>	<b>319 798</b>	<b>318 375</b>	<b>1 423</b>	<b>99.6%</b>	<b>314 445</b>	<b>314 445</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 1.7: Inspection and Audit Services

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>151 269</b>	-	<b>(21 733)</b>	<b>129 536</b>	<b>129 536</b>	-	<b>100.0%</b>	<b>121 551</b>	<b>121 551</b>
Compensation of employees	131 306	-	(19 013)	112 293	112 293	-	100.0%	110 356	110 356
Goods and services	19 963	-	(2 720)	17 243	17 243	-	100.0%	11 195	11 195
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 110</b>	-	<b>(1 163)</b>	<b>947</b>	<b>947</b>	-	<b>100.0%</b>	<b>304</b>	<b>304</b>
Provinces and municipalities	2	-	2	4	4	-	100.0%	4	4
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 108	-	(1 165)	943	943	-	100.0%	300	300
<b>Payments for capital assets</b>	<b>1 184</b>	-	<b>(52)</b>	<b>1 132</b>	<b>1 132</b>	-	<b>100.0%</b>	<b>1 853</b>	<b>1 853</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 134	-	(2)	1 132	1 132	-	100.0%	1 853	1 853
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	50	-	(50)	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>6</b>	<b>6</b>	<b>6</b>	-	<b>100.0%</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>154 563</b>	-	<b>(22 942)</b>	<b>131 621</b>	<b>131 621</b>	-	<b>100.0%</b>	<b>123 710</b>	<b>123 710</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 1.8: Acquisition Services

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>89 210</b>	-	(17 092)	<b>72 118</b>	<b>72 118</b>	-	<b>100.0%</b>	<b>146 704</b>	<b>146 704</b>
Compensation of employees	67 637	-	(7 601)	60 036	60 036	-	100.0%	61 105	61 105
Goods and services	21 573	-	(9 491)	12 082	12 082	-	100.0%	85 599	85 599
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>444</b>	-	<b>2 019</b>	<b>2 463</b>	<b>2 463</b>	-	<b>100.0%</b>	<b>2 139</b>	<b>2 139</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	444	-	2 019	2 463	2 463	-	100.0%	2 139	2 139
<b>Payments for capital assets</b>	<b>126</b>	-	<b>6 186</b>	<b>6 312</b>	<b>6 312</b>	-	<b>100.0%</b>	<b>58 095</b>	<b>58 095</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	126	-	237	363	363	-	100.0%	433	433
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	5 949	5 949	5 949	-	100.0%	57 662	57 662
<b>Payment for financial assets</b>	<b>-</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>89 780</b>	-	<b>(8 887)</b>	<b>80 893</b>	<b>80 893</b>	-	<b>100.0%</b>	<b>206 938</b>	<b>206 938</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
<b>Economic classification</b>	<b>129 435</b>	-	<b>(20 958)</b>	<b>108 477</b>	<b>108 477</b>	-	<b>100.0%</b>	<b>105 595</b>	<b>105 595</b>
<b>Current payments</b>									
Compensation of employees	37 620	-	(4 441)	33 179	33 179	-	100.0%	31 739	31 739
Goods and services	91 815	-	(16 517)	75 298	75 298	-	100.0%	73 856	73 856
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>443</b>	-	<b>(288)</b>	<b>155</b>	<b>155</b>	-	<b>100.0%</b>	<b>1</b>	<b>1</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	40	40	40	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	443	-	(328)	115	115	-	100.0%	-	-
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	-	-	719	-	100.0%	1 901	1 901
Machinery and equipment	-	-	-	-	719	-	100.0%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>									
	-	-	13	13	13	-	100.0%	-	-
<b>Total</b>	<b>129 878</b>	-	<b>(20 514)</b>	<b>109 364</b>	<b>109 364</b>	-	<b>100.0%</b>	<b>107 497</b>	<b>107 497</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**

**APPROPRIATION STATEMENT**

for the year ended 31 March 2020

Subprogramme: 1.10: South African National Defence Force Command and Control

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>181 907</b>	-	<b>10 876</b>	<b>192 783</b>	<b>192 783</b>	-	<b>100.0%</b>	<b>164 116</b>	<b>164 116</b>
Compensation of employees	159 185	-	(4 910)	154 275	154 275	-	100.0%	140 755	140 755
Goods and services	22 722	-	15 786	38 508	38 508	-	100.0%	23 361	23 361
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>537</b>	-	<b>388</b>	<b>925</b>	<b>925</b>	-	<b>100.0%</b>	<b>417</b>	<b>417</b>
Provinces and municipalities	9	-	-	9	9	-	100.0%	7	7
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	528	-	388	916	916	-	100.0%	410	410
<b>Payments for capital assets</b>	<b>3 320</b>	-	<b>(2 096)</b>	<b>1 224</b>	<b>1 224</b>	-	<b>100.0%</b>	<b>1 721</b>	<b>1 721</b>
Buildings and other fixed structures	-	-	47	47	47	-	100.0%	157	157
Machinery and equipment	3 320	-	(2 143)	1 177	1 177	-	100.0%	1 564	1 564
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>17</b>	-	<b>1</b>	<b>18</b>	<b>18</b>	-	<b>100.0%</b>	<b>13</b>	<b>13</b>
<b>Total</b>	<b>185 781</b>	-	<b>9 169</b>	<b>194 950</b>	<b>194 950</b>	-	<b>100.0%</b>	<b>166 267</b>	<b>166 267</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>18 602</b>	-	<b>(5 184)</b>	<b>13 418</b>	<b>13 418</b>	-	<b>100.0%</b>	<b>14 233</b>	<b>14 233</b>
Compensation of employees	13 540	-	(3 654)	9 886	9 886	-	100.0%	11 240	11 240
Goods and services	5 062	-	(1 530)	3 532	3 532	-	100.0%	2 993	2 993
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 402</b>	-	<b>(894)</b>	<b>508</b>	<b>508</b>	-	<b>100.0%</b>	<b>588</b>	<b>588</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 402	-	(894)	508	508	-	100.0%	588	588
<b>Payments for capital assets</b>	<b>55</b>	-	<b>179</b>	<b>234</b>	<b>234</b>	-	<b>100.0%</b>	<b>115</b>	<b>115</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	55	-	179	234	234	-	100.0%	115	115
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>13</b>	<b>13</b>
<b>Total</b>	<b>20 059</b>	<b>-</b>	<b>(5 899)</b>	<b>14 160</b>	<b>14 160</b>	<b>-</b>	<b>100.0%</b>	<b>14 949</b>	<b>14 949</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 1.12: Defence Reserve Direction

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>25 655</b>	-	<b>(3 060)</b>	<b>22 595</b>	<b>22 595</b>	-	<b>100.0%</b>	<b>20 732</b>	<b>20 732</b>
Compensation of employees	18 872	-	477	19 349	19 349	-	100.0%	18 184	18 184
Goods and services	6 783	-	(3 537)	3 246	3 246	-	100.0%	2 548	2 548
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>9 188</b>	-	<b>(377)</b>	<b>8 811</b>	<b>8 811</b>	-	<b>100.0%</b>	<b>8 326</b>	<b>8 326</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 742	-	-	8 742	8 742	-	100.0%	8 326	8 326
Households	446	-	(377)	69	69	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>152</b>	-	<b>907</b>	<b>1 059</b>	<b>1 059</b>	-	<b>100.0%</b>	<b>118</b>	<b>118</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	152	-	907	1 059	1 059	-	100.0%	118	118
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	-	-	-	-	-	<b>2</b>	<b>2</b>
<b>Total</b>	<b>34 995</b>	-	<b>(2 530)</b>	<b>32 465</b>	<b>32 465</b>	-	<b>100.0%</b>	<b>29 178</b>	<b>29 178</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>298 184</b>	-	<b>6 787</b>	<b>304 971</b>	<b>300 519</b>	<b>4 452</b>	<b>98.5%</b>	<b>312 728</b>	<b>312 728</b>
Compensation of employees	172 982	-	52 260	225 242	225 242	-	100.0%	151 906	232 925
Goods and services	125 202	-	(45 473)	79 729	75 277	4 452	94.4%	160 822	79 803
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 598</b>	-	<b>5</b>	<b>1 603</b>	<b>1 603</b>	-	<b>100.0%</b>	<b>1 340</b>	<b>1 340</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 598	-	5	1 603	1 603	-	100.0%	1 340	1 340
<b>Payments for capital assets</b>	<b>3 488</b>	-	<b>(3 248)</b>	<b>240</b>	<b>240</b>	-	<b>100.0%</b>	<b>1 914</b>	<b>1 914</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 488	-	(3 248)	240	240	-	100.0%	1 914	1 914
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>303 270</b>	-	<b>3 544</b>	<b>306 814</b>	<b>302 362</b>	<b>4 452</b>	<b>98.5%</b>	<b>315 982</b>	<b>315 982</b>

Subprogramme: 1.13: Defence Foreign Relations

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 1.14: Office Accommodation

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 534 671</b>	-	<b>94 534</b>	<b>2 629 205</b>	<b>2 629 205</b>	-	<b>100.0%</b>	<b>2 263 919</b>	<b>2 263 919</b>
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	2 534 671	-	94 534	2 629 205	2 629 205	-	100.0%	2 263 919	2 263 919
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 534 671</b>	-	<b>94 534</b>	<b>2 629 205</b>	<b>2 629 205</b>	-	<b>100.0%</b>	<b>2 263 919</b>	<b>2 263 919</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 1.15: Military Veterans Management

	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>652 553</b>			<b>652 553</b>	<b>652 553</b>		<b>100.0%</b>	<b>627 087</b>	<b>627 087</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	652 553	-	-	652 553	652 553	-	100.0%	627 087	627 087
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>									
<b>Total</b>	<b>652 553</b>			<b>652 553</b>	<b>652 553</b>		<b>100.0%</b>	<b>627 087</b>	<b>627 087</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Programme 2: Force Employment

	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
<b>Subprogramme</b>									
1. Strategic Direction	191 259	-	(15 381)	175 878	175 878	-	100.0%	159 358	159 358
2. Operational Direction	378 205	-	(5 081)	373 124	373 124	-	100.0%	356 574	356 574
3. Special Operations	936 437	-	18 496	954 933	954 933	-	100.0%	834 281	834 281
4. Regional Security	1 021 195	-	(135 044)	886 151	886 151	-	100.0%	852 212	852 212
5. Support to the People	1 093 622	-	7 800	1 101 422	1 101 422	-	100.0%	966 253	966 253
<b>Total</b>	<b>3 620 718</b>	<b>-</b>	<b>(129 210)</b>	<b>3 491 508</b>	<b>3 491 508</b>	<b>-</b>	<b>100.0%</b>	<b>3 168 678</b>	<b>3 168 678</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>3 323 835</b>	<b>-</b>	<b>(126 709)</b>	<b>3 197 126</b>	<b>3 197 126</b>	<b>-</b>	<b>100.0%</b>	<b>2 859 995</b>	<b>2 859 995</b>
Compensation of employees	2 102 948	-	-	2 102 948	2 338 519	(235 571)	111.2%	1 909 079	2 093 119
Salaries and wages	2 012 075	-	(4 061)	2 008 014	2 228 979	(220 965)	111.0%	1 806 604	1 990 644
Social contributions	90 873	-	4 061	94 934	109 540	(14 606)	115.4%	102 475	102 475
Goods and services	1 220 887	-	(126 709)	1 094 178	858 607	235 571	78.5%	950 916	766 876
Administrative fees	31	-	25	56	56	-	100.0%	48	48
Advertising	652	-	(529)	123	123	-	100.0%	326	326
Minor assets	23 608	-	(15 714)	7 894	7 894	-	100.0%	19 175	10 740
Catering: Departmental activities	2 795	-	1 452	4 247	4 247	-	100.0%	3 457	3 457
Communication (G&S)	13 854	-	(365)	13 489	13 489	-	100.0%	13 728	13 728
Computer services	11 412	-	(4 720)	6 692	6 692	-	100.0%	3 884	3 884
Consultants: Business and advisory services	194	-	(194)	-	-	-	-	-	-
Infrastructure and planning services	1 398	-	(825)	573	573	-	100.0%	802	802
Laboratory services	-	-	928	928	928	-	100.0%	868	868
Scientific and technological services	9 858	-	21 280	31 138	31 138	-	100.0%	10 818	10 818
Contractors	346 617	-	(15 853)	330 764	149 121	181 643	45.1%	248 826	115 397
Agency and support / outsourced services	3 115	-	1 160	4 275	4 275	-	100.0%	3 063	3 063
Entertainment	139	-	(128)	11	11	-	100.0%	14	14

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Fleet services (including government motor transport)	46 551	-	(21 039)	25 512	25 512	-	100.0%	21 335	21 335
Inventory: Clothing material and accessories	10 603	-	(1 265)	9 338	9 338	-	100.0%	6 762	6 762
Inventory: Farming supplies	2 984	-	(2 670)	314	314	-	100.0%	1 542	1 542
Inventory: Food and food supplies	215 700	-	(14 998)	200 702	200 702	-	100.0%	168 271	168 271
Inventory: Fuel oil and gas	93 559	-	(20 390)	73 169	73 169	-	100.0%	48 331	48 331
Inventory: Materials and supplies	18 118	-	19 670	37 788	37 788	-	100.0%	19 440	9 997
Inventory: Medical supplies	1 720	-	(1 223)	497	497	-	100.0%	831	831
Inventory: Medicine	883	-	(854)	29	29	-	100.0%	61	61
Inventory: Other supplies	367	-	273	640	640	-	100.0%	412	412
Consumable supplies	21 214	-	1 996	23 210	23 210	-	100.0%	21 913	21 913
Consumable: Stationery printing and office supplies	6 598	-	(3 261)	3 337	3 337	-	100.0%	4 813	4 813
Operating leases	3 756	-	(2 511)	1 245	1 245	-	100.0%	31	31
Property payments	37 104	-	(26 409)	10 695	10 695	-	100.0%	27 001	10 259
Travel and subsistence	227 847	-	(37 907)	189 940	189 940	-	100.0%	167 074	167 074
Training and development	7 380	-	(1 147)	6 233	6 233	-	100.0%	7 956	7 956
Operating payments	106 251	-	3	106 254	52 326	53 928	49.2%	143 615	127 624
Venues and facilities	3 384	-	(1 775)	1 609	1 609	-	100.0%	1 089	1 089
Rental and hiring	3 195	-	281	3 476	3 476	-	100.0%	125	125
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>260 810</b>	-	<b>(313)</b>	<b>260 497</b>	<b>260 497</b>	-	<b>100.0%</b>	<b>213 869</b>	<b>213 869</b>
Provinces and municipalities	2	-	4	6	6	-	100.0%	8	8
Municipalities	2	-	4	6	6	-	100.0%	8	8
Municipal bank accounts	2	-	4	6	6	-	100.0%	8	8
Departmental agencies and accounts	241 785	-	(44)	241 741	241 741	-	100.0%	191 932	191 932
Departmental agencies	241 785	-	(44)	241 741	241 741	-	100.0%	191 932	191 932

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 2: Force Employment

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	9 808	-	-	9 808	9 808	-	100.0%	9 341	9 341
Public corporations	9 808	-	-	9 808	9 808	-	100.0%	9 341	9 341
Subsidies on products and production (pc)	9 808	-	-	9 808	9 808	-	100.0%	9 341	9 341
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	9 215	-	(273)	8 942	8 942	-	100.0%	12 588	12 588
Social benefits	9 215	-	(565)	8 650	8 650	-	100.0%	12 452	12 452
Other transfers to households	-	-	292	292	292	-	100.0%	136	136
<b>Payments for capital assets</b>	<b>36 073</b>	-	<b>(2 223)</b>	<b>33 850</b>	<b>33 850</b>	-	<b>100.0%</b>	<b>100 057</b>	<b>100 057</b>
Buildings and other fixed structures	1 026	-	3 082	4 108	4 108	-	100.0%	5 814	5 814
Buildings	1 026	-	3 082	4 108	4 108	-	100.0%	5 814	5 814
Machinery and equipment	34 004	-	(4 262)	29 742	29 742	-	100.0%	94 243	94 243
Transport equipment	11 162	-	(1 713)	9 449	9 449	-	100.0%	67 782	67 782
Other machinery and equipment	22 842	-	(2 549)	20 293	20 293	-	100.0%	26 461	26 461
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	1 043	-	(1 043)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	-	-	<b>35</b>	<b>35</b>	<b>35</b>	-	<b>100.0%</b>	<b>62</b>	<b>62</b>
<b>Total</b>	<b>3 620 718</b>	-	<b>(129 210)</b>	<b>3 491 508</b>	<b>3 491 508</b>	-	<b>100.0%</b>	<b>3 168 678</b>	<b>3 168 678</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 2.1: Strategic Direction	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>175 211</b>	-	<b>(14 917)</b>	<b>160 294</b>	<b>160 294</b>	-	<b>100.0%</b>	<b>143 876</b>	<b>143 876</b>
Compensation of employees	119 419	-	1 850	121 269	125 306	(4 037)	103.3%	121 534	121 534
Goods and services	55 792	-	(16 767)	39 025	34 988	4 037	89.7%	22 342	22 342
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>13 676</b>	-	<b>131</b>	<b>13 807</b>	<b>13 807</b>	-	<b>100.0%</b>	<b>14 060</b>	<b>14 060</b>
Provinces and municipalities	2	-	1	3	3	-	100.0%	5	5
Departmental agencies and accounts	7	-	(7)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	9 808	-	-	9 808	9 808	-	100.0%	9 341	9 341
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 859	-	137	3 996	3 996	-	100.0%	4 714	4 714
<b>Payments for capital assets</b>	<b>2 372</b>	-	<b>(595)</b>	<b>1 777</b>	<b>1 777</b>	-	<b>100.0%</b>	<b>1 422</b>	<b>1 422</b>
Buildings and other fixed structures	600	-	(234)	366	366	-	100.0%	-	-
Machinery and equipment	1 772	-	(361)	1 411	1 411	-	100.0%	1 422	1 422
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>191 259</b>	-	<b>(15 381)</b>	<b>175 878</b>	<b>175 878</b>	-	<b>100.0%</b>	<b>159 358</b>	<b>159 358</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 2.2: Operational Direction	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
<b>Economic classification</b>	<b>362 125</b>	-	<b>5 277</b>	<b>367 402</b>	<b>367 402</b>	-	<b>100.0%</b>	<b>346 210</b>	<b>346 210</b>
<b>Current payments</b>	<b>287 117</b>	-	<b>41 041</b>	<b>328 158</b>	<b>328 158</b>	-	<b>100.0%</b>	<b>294 362</b>	<b>308 069</b>
Compensation of employees	75 008	-	(35 764)	39 244	39 244	-	100.0%	51 848	38 141
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 348</b>	-	<b>19</b>	<b>2 367</b>	<b>2 367</b>	-	<b>100.0%</b>	<b>4 247</b>	<b>4 247</b>
Provinces and municipalities	-	-	3	3	3	-	100.0%	3	3
Departmental agencies and accounts	35	-	(34)	1	1	-	100.0%	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 313	-	50	2 363	2 363	-	100.0%	4 242	4 242
<b>Payments for capital assets</b>	<b>13 732</b>	-	<b>(10 381)</b>	<b>3 351</b>	<b>3 351</b>	-	<b>100.0%</b>	<b>6 071</b>	<b>6 071</b>
Buildings and other fixed structures	-	-	450	450	450	-	100.0%	292	292
Machinery and equipment	13 732	-	(10 831)	2 901	2 901	-	100.0%	5 779	5 779
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>4</b>	<b>4</b>	<b>4</b>	-	<b>100.0%</b>	<b>46</b>	<b>46</b>
<b>Total</b>	<b>378 205</b>	-	<b>(5 081)</b>	<b>373 124</b>	<b>373 124</b>	-	<b>100.0%</b>	<b>356 574</b>	<b>356 574</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 2.3: Special Operations	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>735 533</b>	-	<b>9 268</b>	<b>744 801</b>	<b>744 801</b>	-	<b>100.0%</b>	<b>678 123</b>	<b>678 123</b>
Compensation of employees	543 946	-	-	543 946	637 259	(93 313)	117.2%	500 834	577 246
Goods and services	191 587	-	9 268	200 855	107 542	93 313	53.5%	177 289	100 877
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>194 782</b>	-	<b>(660)</b>	<b>194 122</b>	<b>194 122</b>	-	<b>100.0%</b>	<b>145 561</b>	<b>145 561</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	191 739	-	-	191 739	191 739	-	100.0%	141 929	141 929
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 043	-	(660)	2 383	2 383	-	100.0%	3 632	3 632
<b>Payments for capital assets</b>	<b>6 122</b>	-	<b>9 859</b>	<b>15 981</b>	<b>15 981</b>	-	<b>100.0%</b>	<b>10 581</b>	<b>10 581</b>
Buildings and other fixed structures	426	-	451	877	877	-	100.0%	3 152	3 152
Machinery and equipment	4 653	-	10 451	15 104	15 104	-	100.0%	7 429	7 429
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	1 043	-	(1 043)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>29</b>	<b>29</b>	<b>29</b>	-	<b>100.0%</b>	<b>16</b>	<b>16</b>
<b>Total</b>	<b>936 437</b>	-	<b>18 496</b>	<b>954 933</b>	<b>954 933</b>	-	<b>100.0%</b>	<b>834 281</b>	<b>834 281</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 2.4: Regional Security	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>968 415</b>	-	<b>(138 884)</b>	<b>829 531</b>	<b>829 531</b>	-	<b>100.0%</b>	<b>746 301</b>	<b>746 301</b>
Compensation of employees	488 974	-	(42 891)	446 083	446 083	-	100.0%	396 397	396 397
Goods and services	479 441	-	(95 993)	383 448	383 448	-	100.0%	349 904	349 904
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>50 000</b>	-	<b>200</b>	<b>50 200</b>	<b>50 200</b>	-	<b>100.0%</b>	<b>50 000</b>	<b>50 000</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	50 000	-	-	50 000	50 000	-	100.0%	50 000	50 000
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	200	200	200	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>2 780</b>	-	<b>3 640</b>	<b>6 420</b>	<b>6 420</b>	-	<b>100.0%</b>	<b>55 911</b>	<b>55 911</b>
Buildings and other fixed structures	-	-	2 105	2 105	2 105	-	100.0%	1 083	1 083
Machinery and equipment	2 780	-	1 535	4 315	4 315	-	100.0%	54 828	54 828
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>1 021 195</b>	-	<b>(135 044)</b>	<b>886 151</b>	<b>886 151</b>	-	<b>100.0%</b>	<b>852 212</b>	<b>852 212</b>
<b>Total</b>	<b>1 021 195</b>	-	<b>(135 044)</b>	<b>886 151</b>	<b>886 151</b>	-	<b>100.0%</b>	<b>852 212</b>	<b>852 212</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 2.5: Support to the people	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 082 551</b>	-	<b>12 547</b>	<b>1 095 098</b>	<b>1 095 098</b>	-	<b>100.0%</b>	<b>940 180</b>	<b>940 180</b>
Compensation of employees	663 492	-	-	663 492	801 713	(138 221)	120.8%	595 952	689 873
Goods and services	419 059	-	12 547	431 606	293 385	138 221	68.0%	344 228	250 307
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>4</b>	-	<b>(3)</b>	<b>1</b>	<b>1</b>	-	<b>100.0%</b>	<b>1</b>	<b>1</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4	-	(3)	1	1	-	100.0%	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>11 067</b>	-	<b>(4 746)</b>	<b>6 321</b>	<b>6 321</b>	-	<b>100.0%</b>	<b>26 072</b>	<b>26 072</b>
Buildings and other fixed structures	-	-	310	310	310	-	100.0%	1 287	1 287
Machinery and equipment	11 067	-	(5 056)	6 011	6 011	-	100.0%	24 785	24 785
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>2</b>	<b>2</b>	<b>2</b>	-	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 093 622</b>	-	<b>7 800</b>	<b>1 101 422</b>	<b>1 101 422</b>	-	<b>100.0%</b>	<b>966 253</b>	<b>966 253</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**

**APPROPRIATION STATEMENT**

for the year ended 31 March 2020

Programme 3: Landward Defence

	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
<b>Subprogramme</b>									
1. Strategic Direction	395 102	-	100 950	496 052	496 052	-	100.0%	494 104	494 104
2. Infantry Capability	6 357 417	-	365 990	6 723 407	6 723 407	-	100.0%	6 803 818	6 803 818
3. Armour Capability	497 013	-	37 017	534 030	534 030	-	100.0%	504 904	504 904
4. Artillery Capability	718 535	-	(73 541)	644 994	644 994	-	100.0%	498 453	498 453
5. Air Defence Artillery Capability	494 316	-	(10 351)	483 965	483 965	-	100.0%	538 553	538 553
6. Engineering Capability	814 013	-	68 213	882 226	882 226	-	100.0%	835 231	835 231
7. Operational Intelligence	246 412	-	(8 501)	237 911	237 911	-	100.0%	215 686	215 686
8. Command and Control Capability	235 115	-	(3 010)	232 105	232 105	-	100.0%	221 375	221 375
9. Support Capability	4 816 400	-	(263 420)	4 552 980	4 552 980	-	100.0%	4 455 803	4 455 803
10. General Training Capability	544 553	-	(52 700)	491 853	491 853	-	100.0%	415 040	415 040
11. Signal Capability	1 408 126	-	76 057	1 484 183	1 484 183	-	100.0%	1 444 532	1 444 532
<b>Total</b>	<b>16 527 002</b>	<b>-</b>	<b>236 704</b>	<b>16 763 706</b>	<b>16 763 706</b>	<b>-</b>	<b>100.0%</b>	<b>16 427 499</b>	<b>16 427 499</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>14 485 549</b>	<b>-</b>	<b>801 576</b>	<b>15 287 125</b>	<b>15 287 125</b>	<b>-</b>	<b>100.0%</b>	<b>14 465 678</b>	<b>14 465 678</b>
Compensation of employees	12 251 710	-	40 480	12 292 190	13 611 602	(1 319 412)	110.7%	11 499 335	12 823 233
Salaries and wages	11 017 387	-	32 508	11 049 895	12 096 083	(1 046 188)	109.5%	10 293 132	11 393 618
Social contributions	1 234 323	-	7 972	1 242 295	1 515 519	(273 224)	122.0%	1 206 203	1 429 615
Goods and services	2 233 839	-	761 096	2 994 935	1 675 523	1 319 412	55.9%	2 966 343	1 642 445
Administrative fees	22	-	(13)	9	9	-	100.0%	-	-
Advertising	1 294	-	(981)	313	313	-	100.0%	644	644
Minor assets	25 492	-	(762)	24 730	6 959	17 771	28.1%	12 381	12 381
Catering: Departmental activities	3 490	-	1 669	5 159	5 159	-	100.0%	3 298	3 298
Communication (G&S)	28 532	-	(158)	28 374	14 881	13 493	52.4%	17 423	17 423

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

**Programme 3: Landward Defence**

	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
Computer services	91 277	-	-	91 277	63 410	27 867	69.5%	74 417	26 964
Consultants: Business and advisory services	739	-	694	1 433	1 433	-	100.0%	14	14
Infrastructure and planning services	9 028	-	-	9 028	2 128	6 900	23.6%	8 599	8 599
Scientific and technological services	608	-	10 689	11 297	11 297	-	100.0%	126	126
Contractors	297 941	-	582 723	880 664	100 534	780 130	11.4%	1 127 304	139 388
Agency and support / outsourced services	21 567	-	-	21 567	4 446	17 121	20.6%	57 953	4 659
Entertainment	172	-	(137)	35	35	-	100.0%	34	34
Fleet services (including government motor transport)	178 107	-	36	178 143	27 429	150 714	15.4%	107 155	16 535
Inventory: Clothing material and accessories	120 146	-	2	120 148	11 877	108 271	9.9%	116 718	56 710
Inventory: Farming supplies	3 136	-	(1 755)	1 381	1 381	-	100.0%	2 377	2 377
Inventory: Food and food supplies	562 160	-	187 916	750 076	750 076	-	100.0%	670 836	670 836
Inventory: Fuel oil and gas	244 185	-	83	244 268	196 925	47 343	80.6%	193 663	193 663
Inventory: Materials and supplies	11 079	-	(2 005)	9 074	9 074	-	100.0%	11 321	11 321
Inventory: Medical supplies	49	-	81	130	130	-	100.0%	37	37
Inventory: Medicine	7	-	(2)	5	5	-	100.0%	4	4
Inventory: Other supplies	50 884	-	(1)	50 883	10	50 873	0.0%	61 053	8
Consumable supplies	27 965	-	11 675	39 640	31 715	7 925	80.0%	38 413	38 413
Consumable: Stationery printing and office supplies	16 588	-	(7 918)	8 670	8 670	-	100.0%	13 811	13 811
Operating leases	31 966	-	(70)	31 896	7 920	23 976	24.8%	1 367	1 367
Property payments	54 306	-	1 515	55 821	22 998	32 823	41.2%	40 422	30 094
Travel and subsistence	341 972	-	29 338	371 310	371 310	-	100.0%	352 317	339 083
Training and development	78 259	-	18	78 277	44 072	34 205	56.3%	48 145	48 145
Operating payments	28 985	-	(55 820)	(26 835)	(26 835)	-	100.0%	1 137	1 137
Venues and facilities	3 883	-	(850)	3 033	3 033	-	100.0%	5 371	5 371

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Programme 3: Landward Defence

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Rental and hiring	-	-	5 129	5 129	5 129	-	100.0%	3	3
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 008 365</b>	-	<b>(581 228)</b>	<b>1 427 137</b>	<b>1 427 137</b>	-	<b>100.0%</b>	<b>1 881 964</b>	<b>1 881 964</b>
Provinces and municipalities	4	-	5	9	9	-	100.0%	16	16
Municipalities	4	-	5	9	9	-	100.0%	16	16
Municipal bank accounts	4	-	5	9	9	-	100.0%	16	16
Departmental agencies and accounts	1 935 675	-	(617 633)	1 318 042	1 318 042	-	100.0%	1 711 306	1 711 306
Departmental agencies	1 935 675	-	(617 633)	1 318 042	1 318 042	-	100.0%	1 711 306	1 711 306
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	21 670	-	13	21 683	21 683	-	100.0%	27 807	27 807
Public corporations	21 670	-	-	21 670	21 670	-	100.0%	27 807	27 807
Subsidies on products and production (pc)	21 670	-	-	21 670	21 670	-	100.0%	27 807	27 807
Private enterprises	-	-	13	13	13	-	100.0%	-	-
Other transfers to private enterprises	-	-	13	13	13	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	51 016	-	36 387	87 403	87 403	-	100.0%	142 835	142 835
Social benefits	51 016	-	(3 285)	47 731	47 731	-	100.0%	61 112	61 112
Other transfers to households	-	-	39 672	39 672	39 672	-	100.0%	81 723	81 723
<b>Payments for capital assets</b>	<b>32 568</b>	-	<b>(6 943)</b>	<b>25 625</b>	<b>25 625</b>	-	<b>100.0%</b>	<b>78 652</b>	<b>78 652</b>
Buildings and other fixed structures	2 533	-	(706)	1 827	1 827	-	100.0%	6 079	6 079
Buildings	2 533	-	(706)	1 827	1 827	-	100.0%	6 079	6 079
Machinery and equipment	29 284	-	(5 486)	23 798	23 798	-	100.0%	72 573	72 573
Transport equipment	5 306	-	(5 292)	14	14	-	100.0%	10 023	10 023

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

**Programme 3: Landward Defence**

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Other machinery and equipment	23 978	-	(194)	23 784	23 784	-	100.0%	62 550	62 550
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	751	-	(751)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>520</b>	<b>-</b>	<b>23 299</b>	<b>23 819</b>	<b>23 819</b>	<b>-</b>	<b>100.0%</b>	<b>1 205</b>	<b>1 205</b>
<b>Total</b>	<b>16 527 002</b>	<b>-</b>	<b>236 704</b>	<b>16 763 706</b>	<b>16 763 706</b>	<b>-</b>	<b>100.0%</b>	<b>16 427 499</b>	<b>16 427 499</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 3.1: Strategic Direction	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>389 778</b>	-	<b>99 195</b>	<b>488 973</b>	<b>488 973</b>	-	<b>100.0%</b>	<b>474 402</b>	<b>474 402</b>
Compensation of employees	305 884	-	-	305 884	428 350	(122 466)	140.0%	303 622	414 067
Goods and services	83 894	-	99 195	183 089	60 623	122 466	33.1%	170 780	60 335
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>5 118</b>	-	<b>(775)</b>	<b>4 343</b>	<b>4 343</b>	-	<b>100.0%</b>	<b>17 207</b>	<b>17 207</b>
Provinces and municipalities	2	-	7	9	9	-	100.0%	14	14
Departmental agencies and accounts	-	-	1	1	1	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 116	-	(783)	4 333	4 333	-	100.0%	17 193	17 193
<b>Payments for capital assets</b>	<b>193</b>	-	<b>2 433</b>	<b>2 626</b>	<b>2 626</b>	-	<b>100.0%</b>	<b>2 470</b>	<b>2 470</b>
Buildings and other fixed structures	-	-	381	381	381	-	100.0%	-	-
Machinery and equipment	193	-	2 052	2 245	2 245	-	100.0%	2 470	2 470
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>13</b>	-	<b>97</b>	<b>110</b>	<b>110</b>	-	<b>100.0%</b>	<b>25</b>	<b>25</b>
<b>Total</b>	<b>395 102</b>	-	<b>100 950</b>	<b>496 052</b>	<b>496 052</b>	-	<b>100.0%</b>	<b>494 104</b>	<b>494 104</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5 183 453</b>	-	<b>686 293</b>	<b>5 869 746</b>	<b>5 869 746</b>	-	<b>100.0%</b>	<b>5 556 856</b>	<b>5 556 856</b>
Compensation of employees	4 987 774	-	40 797	5 028 571	5 678 517	(649 946)	112.9%	4 669 286	5 351 613
Goods and services	195 679	-	645 496	841 175	191 229	649 946	22.7%	887 570	205 243
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 168 799</b>	-	<b>(319 790)</b>	<b>849 009</b>	<b>849 009</b>	-	<b>100.0%</b>	<b>1 233 236</b>	<b>1 233 236</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 149 401	-	(354 921)	794 480	794 480	-	100.0%	1 139 051	1 139 051
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	19 398	-	35 131	54 529	54 529	-	100.0%	94 185	94 185
<b>Payments for capital assets</b>	<b>4 974</b>	-	<b>(1 003)</b>	<b>3 971</b>	<b>3 971</b>	-	<b>100.0%</b>	<b>13 109</b>	<b>13 109</b>
Buildings and other fixed structures	79	-	171	250	250	-	100.0%	1 555	1 555
Machinery and equipment	4 895	-	(1 174)	3 721	3 721	-	100.0%	11 554	11 554
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>191</b>	-	<b>490</b>	<b>681</b>	<b>681</b>	-	<b>100.0%</b>	<b>617</b>	<b>617</b>
<b>Total</b>	<b>6 357 417</b>	-	<b>365 990</b>	<b>6 723 407</b>	<b>6 723 407</b>	-	<b>100.0%</b>	<b>6 803 818</b>	<b>6 803 818</b>

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 3.3: Armour Capability	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>495 272</b>	-	<b>37 688</b>	<b>532 960</b>	<b>532 960</b>	-	<b>100.0%</b>	<b>502 207</b>	<b>502 207</b>
Compensation of employees	471 508	-	-	471 508	521 990	(50 482)	110.7%	461 911	488 521
Goods and services	23 764	-	37 688	61 452	10 970	50 482	17.9%	40 296	13 686
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 174</b>	-	<b>(598)</b>	<b>576</b>	<b>576</b>	-	<b>100.0%</b>	<b>2 128</b>	<b>2 128</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 174	-	(598)	576	576	-	100.0%	2 128	2 128
<b>Payments for capital assets</b>	<b>567</b>	-	<b>(94)</b>	<b>473</b>	<b>473</b>	-	<b>100.0%</b>	<b>568</b>	<b>568</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	567	-	(94)	473	473	-	100.0%	568	568
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>21</b>	<b>21</b>	<b>21</b>	-	<b>100.0%</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>497 013</b>	-	<b>37 017</b>	<b>534 030</b>	<b>534 030</b>	-	<b>100.0%</b>	<b>504 904</b>	<b>504 904</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 3.4: Artillery Capability	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>485 562</b>	-	<b>58 567</b>	<b>544 129</b>	<b>544 129</b>	-	<b>100.0%</b>	<b>497 741</b>	<b>497 741</b>
Compensation of employees	466 383	-	-	466 383	529 786	(63 403)	113.6%	469 999	484 684
Goods and services	19 179	-	58 567	77 746	14 343	63 403	18.4%	27 742	13 057
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>232 465</b>	-	<b>(131 934)</b>	<b>100 531</b>	<b>100 531</b>	-	<b>100.0%</b>	<b>285</b>	<b>285</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	231 572	-	(132 028)	99 544	99 544	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	893	-	94	987	987	-	100.0%	285	285
<b>Payments for capital assets</b>	<b>467</b>	-	<b>(222)</b>	<b>245</b>	<b>245</b>	-	<b>100.0%</b>	<b>422</b>	<b>422</b>
Buildings and other fixed structures	15	-	(15)	-	-	-	-	-	-
Machinery and equipment	452	-	(207)	245	245	-	100.0%	422	422
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>41</b>	-	<b>48</b>	<b>89</b>	<b>89</b>	-	<b>100.0%</b>	<b>5</b>	<b>5</b>
<b>Total</b>	<b>718 535</b>	-	<b>(73 541)</b>	<b>644 994</b>	<b>644 994</b>	-	<b>100.0%</b>	<b>498 453</b>	<b>498 453</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
 for the year ended 31 March 2020

Subprogramme: 3.5: Air Defence Artillery Capability

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>368 113</b>	-	<b>26 757</b>	<b>394 870</b>	<b>394 870</b>	-	<b>100.0%</b>	<b>386 646</b>	<b>386 646</b>
Compensation of employees	343 383	-	1	343 384	380 288	(36 904)	110.7%	335 986	368 492
Goods and services	24 730	-	26 756	51 486	14 582	36 904	28.3%	50 660	18 154
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>125 788</b>	-	<b>(37 186)</b>	<b>88 602</b>	<b>88 602</b>	-	<b>100.0%</b>	<b>151 097</b>	<b>151 097</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	124 926	-	(37 338)	87 588	87 588	-	100.0%	150 000	150 000
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	862	-	152	1 014	1 014	-	100.0%	1 097	1 097
<b>Payments for capital assets</b>	<b>396</b>	-	<b>46</b>	<b>442</b>	<b>442</b>	-	<b>100.0%</b>	<b>810</b>	<b>810</b>
Buildings and other fixed structures	72	-	(72)	-	-	-	-	137	137
Machinery and equipment	324	-	118	442	442	-	100.0%	673	673
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>19</b>	-	<b>32</b>	<b>51</b>	<b>51</b>	-	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>494 316</b>	-	<b>(10 351)</b>	<b>483 965</b>	<b>483 965</b>	-	<b>100.0%</b>	<b>538 553</b>	<b>538 553</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>809 310</b>	-	<b>48 478</b>	<b>857 788</b>	<b>857 788</b>	-	<b>100.0%</b>	<b>831 272</b>	<b>831 272</b>
Compensation of employees	773 398	-	(1)	773 397	856 718	(83 321)	110.8%	746 748	800 647
Goods and services	35 912	-	48 479	84 391	1 070	83 321	1.3%	84 524	30 625
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 857</b>	-	<b>(1 219)</b>	<b>1 638</b>	<b>1 638</b>	-	<b>100.0%</b>	<b>2 141</b>	<b>2 141</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 857	-	(1 219)	1 638	1 638	-	100.0%	2 141	2 141
<b>Payments for capital assets</b>	<b>1 811</b>	-	<b>(1 163)</b>	<b>648</b>	<b>648</b>	-	<b>100.0%</b>	<b>1 757</b>	<b>1 757</b>
Buildings and other fixed structures	41	-	(41)	-	-	-	-	89	89
Machinery and equipment	1 770	-	(1 122)	648	648	-	100.0%	1 668	1 668
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>35</b>	-	<b>22 117</b>	<b>22 152</b>	<b>22 152</b>	-	<b>100.0%</b>	<b>61</b>	<b>61</b>
<b>Total</b>	<b>814 013</b>	-	<b>68 213</b>	<b>882 226</b>	<b>882 226</b>	-	<b>100.0%</b>	<b>835 231</b>	<b>835 231</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 3.7: Operational Intelligence	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>244 582</b>	-	<b>(7 594)</b>	<b>236 988</b>	<b>236 988</b>	-	<b>100.0%</b>	<b>214 845</b>	<b>214 845</b>
Compensation of employees	236 505	-	(6 825)	229 680	229 680	-	100.0%	205 991	205 991
Goods and services	8 077	-	(769)	7 308	7 308	-	100.0%	8 854	8 854
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 295</b>	-	<b>(597)</b>	<b>698</b>	<b>698</b>	-	<b>100.0%</b>	<b>447</b>	<b>447</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	-	(1)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 294	-	(596)	698	698	-	100.0%	447	447
<b>Payments for capital assets</b>	<b>535</b>	-	<b>(345)</b>	<b>190</b>	<b>190</b>	-	<b>100.0%</b>	<b>379</b>	<b>379</b>
Buildings and other fixed structures	76	-	(76)	-	-	-	-	-	-
Machinery and equipment	459	-	(269)	190	190	-	100.0%	379	379
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>35</b>	<b>35</b>	<b>35</b>	-	<b>100.0%</b>	<b>15</b>	<b>15</b>
<b>Total</b>	<b>246 412</b>	-	<b>(8 501)</b>	<b>237 911</b>	<b>237 911</b>	-	<b>100.0%</b>	<b>215 686</b>	<b>215 686</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 3.8: Command and Control Capability

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>233 578</b>	-	<b>(3 560)</b>	<b>230 018</b>	<b>230 018</b>	-	<b>100.0%</b>	<b>219 883</b>	<b>219 883</b>
Compensation of employees	210 026	-	6 508	216 534	216 534	-	100.0%	206 146	206 146
Goods and services	23 552	-	(10 068)	13 484	13 484	-	100.0%	13 737	13 737
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 287</b>	-	<b>330</b>	<b>1 617</b>	<b>1 617</b>	-	<b>100.0%</b>	<b>563</b>	<b>563</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	-	(1)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 286	-	331	1 617	1 617	-	100.0%	563	563
<b>Payments for capital assets</b>	<b>250</b>	-	<b>209</b>	<b>459</b>	<b>459</b>	-	<b>100.0%</b>	<b>891</b>	<b>891</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	250	-	209	459	459	-	100.0%	891	891
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>100.0%</b>	<b>38</b>	<b>38</b>
<b>Total</b>	<b>235 115</b>	<b>-</b>	<b>(3 010)</b>	<b>232 105</b>	<b>232 105</b>	<b>-</b>	<b>100.0%</b>	<b>221 375</b>	<b>221 375</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 3.9: Support Capability	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 334 109</b>	-	<b>(167 347)</b>	<b>4 166 762</b>	<b>4 166 762</b>	-	<b>100.0%</b>	<b>3 944 738</b>	<b>3 944 738</b>
Compensation of employees	2 733 287	-	-	2 733 287	2 877 391	(144 104)	105.3%	2 493 996	2 765 366
Goods and services	1 600 822	-	(167 347)	1 433 475	1 289 371	144 104	89.9%	1 450 742	1 179 372
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>464 218</b>	-	<b>(90 300)</b>	<b>373 918</b>	<b>373 918</b>	-	<b>100.0%</b>	<b>467 636</b>	<b>467 636</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	429 773	-	(93 344)	336 429	336 429	-	100.0%	422 255	422 255
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	21 670	-	13	21 683	21 683	-	100.0%	27 807	27 807
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	12 775	-	3 031	15 806	15 806	-	100.0%	17 574	17 574
<b>Payments for capital assets</b>	<b>17 883</b>	-	<b>(6 050)</b>	<b>11 833</b>	<b>11 833</b>	-	<b>100.0%</b>	<b>43 086</b>	<b>43 086</b>
Buildings and other fixed structures	1 779	-	(680)	1 099	1 099	-	100.0%	2 997	2 997
Machinery and equipment	15 353	-	(4 619)	10 734	10 734	-	100.0%	40 089	40 089
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	751	-	(751)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>190</b>	-	<b>277</b>	<b>467</b>	<b>467</b>	-	<b>100.0%</b>	<b>343</b>	<b>343</b>
<b>Total</b>	<b>4 816 400</b>	-	<b>(263 420)</b>	<b>4 552 980</b>	<b>4 552 980</b>	-	<b>100.0%</b>	<b>4 455 803</b>	<b>4 455 803</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>541 365</b>	-	<b>(52 158)</b>	<b>489 207</b>	<b>489 207</b>	-	<b>100.0%</b>	<b>412 522</b>	<b>412 522</b>
Compensation of employees	441 242	-	-	441 242	468 129	(26 887)	106.1%	393 450	393 450
Goods and services	100 123	-	(52 158)	47 965	21 078	26 887	43.9%	19 072	19 072
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 641</b>	-	<b>56</b>	<b>1 697</b>	<b>1 697</b>	-	<b>100.0%</b>	<b>1 235</b>	<b>1 235</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 641	-	56	1 697	1 697	-	100.0%	1 235	1 235
<b>Payments for capital assets</b>	<b>1 547</b>	-	<b>(636)</b>	<b>911</b>	<b>911</b>	-	<b>100.0%</b>	<b>1 239</b>	<b>1 239</b>
Buildings and other fixed structures	215	-	(215)	-	-	-	-	99	99
Machinery and equipment	1 332	-	(421)	911	911	-	100.0%	1 140	1 140
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>38</b>	<b>38</b>	<b>38</b>	-	<b>100.0%</b>	<b>44</b>	<b>44</b>
<b>Total</b>	<b>544 553</b>	-	<b>(52 700)</b>	<b>491 853</b>	<b>491 853</b>	-	<b>100.0%</b>	<b>415 040</b>	<b>415 040</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 3.11: Signal Capability	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>1 400 427</b>	-	<b>75 257</b>	<b>1 475 684</b>	<b>1 475 684</b>	-	<b>100.0%</b>	<b>1 424 566</b>	<b>1 424 566</b>
Compensation of employees	1 282 320	-	-	1 282 320	1 424 219	(141 899)	111.1%	1 212 200	1 344 256
Goods and services	118 107	-	75 257	193 364	51 465	141 899	26.6%	212 366	80 310
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 723</b>	-	<b>785</b>	<b>4 508</b>	<b>4 508</b>	-	<b>100.0%</b>	<b>5 989</b>	<b>5 989</b>
Provinces and municipalities	2	-	(2)	-	-	-	-	2	2
Departmental agencies and accounts	1	-	(1)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 720	-	788	4 508	4 508	-	100.0%	5 987	5 987
<b>Payments for capital assets</b>	<b>3 945</b>	-	<b>(118)</b>	<b>3 827</b>	<b>3 827</b>	-	<b>100.0%</b>	<b>13 921</b>	<b>13 921</b>
Buildings and other fixed structures	256	-	(159)	97	97	-	100.0%	1 202	1 202
Machinery and equipment	3 689	-	41	3 730	3 730	-	100.0%	12 719	12 719
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>31</b>	-	<b>133</b>	<b>164</b>	<b>164</b>	-	<b>100.0%</b>	<b>56</b>	<b>56</b>
<b>Total</b>	<b>1 408 126</b>	-	<b>76 057</b>	<b>1 484 183</b>	<b>1 484 183</b>	-	<b>100.0%</b>	<b>1 444 532</b>	<b>1 444 532</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
<b>Programme 4: Air Defence</b>									
<b>Subprogramme</b>									
1. Strategic Direction	31 986	-	(8 349)	23 637	23 637	-	100.0%	19 294	19 294
2. Operational Direction	189 045	-	63 351	252 396	252 396	-	100.0%	141 669	141 669
3. Helicopter Capability	702 328	-	59 616	761 944	761 944	-	100.0%	928 251	928 251
4. Transport and Maritime Capability	1 156 043	-	(591 335)	564 708	564 708	-	100.0%	568 722	565 757
5. Air Combat Capability	726 699	-	(77 162)	649 537	649 537	-	100.0%	519 678	519 678
6. Operational Support and Intelligence Capability	370 087	-	(8 451)	361 636	361 636	-	100.0%	354 463	354 463
7. Command and Control Capability	876 608	-	(230 791)	645 817	645 817	-	100.0%	426 282	426 282
8. Base Support Capability	1 763 778	-	482 561	2 246 339	2 246 339	-	100.0%	2 140 609	2 140 609
9. Command Post	73 673	-	(6 828)	66 845	66 845	-	100.0%	65 517	65 517
10. Training Capability	509 069	-	(52 061)	457 008	457 008	-	100.0%	463 650	463 650
11. Technical Support Services	580 259	-	91 022	671 281	671 281	-	100.0%	632 922	632 273
<b>Total</b>	<b>6 979 575</b>	<b>-</b>	<b>(278 427)</b>	<b>6 701 148</b>	<b>6 701 148</b>	<b>-</b>	<b>100.0%</b>	<b>6 261 057</b>	<b>6 257 443</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>5 657 028</b>	<b>-</b>	<b>358 801</b>	<b>6 015 829</b>	<b>6 015 829</b>	<b>-</b>	<b>100.0%</b>	<b>5 744 328</b>	<b>5 741 363</b>
Compensation of employees	3 678 900	-	-	3 678 900	4 132 775	(453 875)	112.3%	3 602 538	3 930 661
Salaries and wages	3 318 699	-	(13 763)	3 304 936	3 653 505	(348 569)	110.5%	3 207 559	3 472 789
Social contributions	360 201	-	13 763	373 964	479 270	(105 306)	128.2%	394 979	457 872
Goods and services	1 978 128	-	358 801	2 336 929	1 883 054	453 875	80.6%	2 141 790	1 810 702
Administrative fees	6	-	(6)	-	-	-	-	-	-
Advertising	989	-	(551)	438	438	-	100.0%	975	975
Minor assets	9 773	-	(5 010)	4 763	4 763	-	100.0%	5 912	5 912
Audit costs: External	-	-	10	10	10	-	100.0%	-	-
Catering: Departmental activities	4 631	-	(1 158)	3 473	3 473	-	100.0%	2 797	2 797

## DEFENCE AND MILITARY VETERANS - VOTE 19

## APPROPRIATION STATEMENT

for the year ended 31 March 2020

	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
Communication (G&S)	8 511	-	1 841	10 352	10 352	-	100.0%	10 909	10 909
Computer services	51 352	-	(15 990)	35 362	35 362	-	100.0%	42 025	42 025
Consultants: Business and advisory services	1 053	-	(956)	97	97	-	100.0%	94	94
Infrastructure and planning services	775	-	(761)	14	14	-	100.0%	50	50
Laboratory services	35	-	(35)	-	-	-	-	1	1
Scientific and technological services	6 593	-	(6 593)	-	-	-	-	-	-
Contractors	1 047 251	-	316 739	1 363 990	1 061 532	302 458	77.8%	1 406 421	1 075 333
Agency and support / outsourced services	6 839	-	2 063	8 902	8 902	-	100.0%	11 183	11 183
Entertainment	51	-	(37)	14	14	-	100.0%	12	12
Fleet services (including government motor transport)	18 305	-	(3 024)	15 281	15 281	-	100.0%	4 915	4 915
Inventory: Clothing material and accessories	25 382	-	(8 868)	16 514	16 514	-	100.0%	20 391	20 391
Inventory: Farming supplies	475	-	(40)	435	435	-	100.0%	409	409
Inventory: Food and food supplies	15 925	-	106 707	122 632	122 632	-	100.0%	96 000	96 000
Inventory: Fuel oil and gas	208 618	-	39 623	248 241	248 241	-	100.0%	128 969	128 969
Inventory: Materials and supplies	20 896	-	(39 595)	(18 699)	(18 699)	-	100.0%	9 486	9 486
Inventory: Medical supplies	131	-	108	239	239	-	100.0%	64	64
Inventory: Medicine	-	-	8	8	8	-	100.0%	2	2
Inventory: Other supplies	70 829	-	8 537	79 366	79 366	-	100.0%	62 923	62 923
Consumable supplies	16 008	-	3 674	19 682	19 682	-	100.0%	15 724	15 724
Consumable: Stationery printing and office supplies	9 427	-	(3 137)	6 290	6 290	-	100.0%	5 717	5 717
Operating leases	5 941	-	(5 031)	910	910	-	100.0%	868	868
Property payments	82 067	-	(69 506)	12 561	12 561	-	100.0%	13 047	13 047
Travel and subsistence	78 398	-	39 784	118 182	118 182	-	100.0%	102 104	102 104
Training and development	116 021	-	1	116 022	39 442	76 580	34.0%	35 841	35 841

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
Operating payments	171 679	-	-	171 679	96 842	74 837	56.4%	164 561	164 561
Venues and facilities	167	-	(114)	53	53	-	100.0%	118	118
Rental and hiring	-	-	118	118	118	-	100.0%	272	272
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 296 318</b>	-	<b>(644 661)</b>	<b>651 657</b>	<b>651 657</b>	-	<b>100.0%</b>	<b>461 612</b>	<b>460 963</b>
Provinces and municipalities	3	-	2	5	5	-	100.0%	4	4
Municipalities	3	-	2	5	5	-	100.0%	4	4
Municipal bank accounts	3	-	2	5	5	-	100.0%	4	4
Departmental agencies and accounts	1 256 913	-	(626 312)	630 601	630 601	-	100.0%	440 586	440 586
Departmental agencies	1 256 913	-	(626 312)	630 601	630 601	-	100.0%	440 586	440 586
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	62	62	62	-	100.0%	-	-
Public corporations	-	-	16	16	16	-	100.0%	-	-
Other transfers to public corporations	-	-	16	16	16	-	100.0%	-	-
Private enterprises	-	-	46	46	46	-	100.0%	-	-
Other transfers to private enterprises	-	-	46	46	46	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	39 402	-	(18 413)	20 989	20 989	-	100.0%	21 022	20 373
Social benefits	39 345	-	(18 552)	20 793	20 793	-	100.0%	20 915	20 266
Other transfers to households	57	-	139	196	196	-	100.0%	107	107
<b>Payments for capital assets</b>	<b>26 087</b>	-	<b>6 758</b>	<b>32 845</b>	<b>32 845</b>	-	<b>100.0%</b>	<b>54 567</b>	<b>54 567</b>
Buildings and other fixed structures	-	-	2 909	2 909	2 909	-	100.0%	2 100	2 100
Buildings	-	-	2 909	2 909	2 909	-	100.0%	2 100	2 100

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Programme 4: Air Defence

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Machinery and equipment	26 087	-	2 800	28 887	28 887	-	100.0%	51 967	51 967
Transport equipment	6 077	-	(6 029)	48	48	-	100.0%	25 494	25 494
Other machinery and equipment	20 010	-	8 829	28 839	28 839	-	100.0%	26 473	26 473
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	27	27
Biological assets	-	-	1 036	1 036	1 036	-	100.0%	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	13	13	13	-	100.0%	473	473
<b>Payment for financial assets</b>	<b>142</b>	<b>-</b>	<b>675</b>	<b>817</b>	<b>817</b>	<b>-</b>	<b>100.0%</b>	<b>550</b>	<b>550</b>
<b>Total</b>	<b>6 979 575</b>	<b>-</b>	<b>(278 427)</b>	<b>6 701 148</b>	<b>6 701 148</b>	<b>-</b>	<b>100.0%</b>	<b>6 261 057</b>	<b>6 257 443</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 4.1: Strategic Direction	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>31 543</b>	-	<b>(8 490)</b>	<b>23 053</b>	<b>23 053</b>	-	<b>100.0%</b>	<b>18 633</b>	<b>18 633</b>
Compensation of employees	13 999	-	3 520	17 519	17 519	-	100.0%	13 502	13 502
Goods and services	17 544	-	(12 010)	5 534	5 534	-	100.0%	5 131	5 131
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>60</b>	-	<b>(17)</b>	<b>43</b>	<b>43</b>	-	<b>100.0%</b>	<b>4</b>	<b>4</b>
Provinces and municipalities	3	-	2	5	5	-	100.0%	4	4
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	57	-	(19)	38	38	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>383</b>	-	<b>158</b>	<b>541</b>	<b>541</b>	-	<b>100.0%</b>	<b>657</b>	<b>657</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	383	-	158	541	541	-	100.0%	637	637
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	20	20
<b>Payment for financial assets</b>	<b>-</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>31 986</b>	-	<b>(8 349)</b>	<b>23 637</b>	<b>23 637</b>	-	<b>100.0%</b>	<b>19 294</b>	<b>19 294</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 4.2: Operational Direction	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>188 288</b>	-	<b>63 628</b>	<b>251 916</b>	<b>251 916</b>	-	<b>100.0%</b>	<b>140 745</b>	<b>140 745</b>
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	188 288	-	63 628	251 916	251 916	-	100.0%	140 745	140 745
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>757</b>	-	<b>(293)</b>	<b>464</b>	<b>464</b>	-	<b>100.0%</b>	<b>924</b>	<b>924</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	757	-	(293)	464	464	-	100.0%	924	924
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	-	-	<b>16</b>	<b>16</b>	<b>16</b>	-	<b>100.0%</b>	-	-
<b>Total</b>	<b>189 045</b>	-	<b>63 351</b>	<b>252 396</b>	<b>252 396</b>	-	<b>100.0%</b>	<b>141 669</b>	<b>141 669</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 4.3: Helicopter Capability	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>639 840</b>	-	<b>60 190</b>	<b>700 030</b>	<b>700 030</b>	-	<b>100.0%</b>	<b>665 805</b>	<b>665 805</b>
Compensation of employees	257 113	-	6 428	263 541	263 541	-	100.0%	253 314	253 314
Goods and services	382 727	-	53 762	436 489	436 489	-	100.0%	412 491	412 491
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>61 899</b>	-	<b>(620)</b>	<b>61 279</b>	<b>61 279</b>	-	<b>100.0%</b>	<b>257 656</b>	<b>257 656</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	60 440	-	-	60 440	60 440	-	100.0%	256 355	256 355
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	46	46	46	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 459	-	(666)	793	793	-	100.0%	1 301	1 301
<b>Payments for capital assets</b>	<b>575</b>	-	<b>(10)</b>	<b>565</b>	<b>565</b>	-	<b>100.0%</b>	<b>4 776</b>	<b>4 776</b>
Buildings and other fixed structures	-	-	96	96	96	-	100.0%	-	-
Machinery and equipment	575	-	(106)	469	469	-	100.0%	4 776	4 776
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>14</b>	-	<b>56</b>	<b>70</b>	<b>70</b>	-	<b>100.0%</b>	<b>14</b>	<b>14</b>
<b>Total</b>	<b>702 328</b>	-	<b>59 616</b>	<b>761 944</b>	<b>761 944</b>	-	<b>100.0%</b>	<b>928 251</b>	<b>928 251</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 4.4: Transport and Maritime Capability

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>699 890</b>	-	<b>(185 282)</b>	<b>514 608</b>	<b>514 608</b>	-	<b>100.0%</b>	<b>564 785</b>	<b>561 820</b>
Compensation of employees	209 492	-	(8 129)	201 363	201 363	-	100.0%	199 511	199 511
Goods and services	490 398	-	(177 153)	313 245	313 245	-	100.0%	365 274	362 309
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>451 195</b>	-	<b>(403 552)</b>	<b>47 643</b>	<b>47 643</b>	-	<b>100.0%</b>	<b>979</b>	<b>979</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	450 899	-	(403 396)	47 503	47 503	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	296	-	(156)	140	140	-	100.0%	979	979
<b>Payments for capital assets</b>	<b>4 946</b>	-	<b>(2 535)</b>	<b>2 411</b>	<b>2 411</b>	-	<b>100.0%</b>	<b>2 915</b>	<b>2 915</b>
Buildings and other fixed structures	-	-	916	916	916	-	100.0%	925	925
Machinery and equipment	4 946	-	(3 451)	1 495	1 495	-	100.0%	1 990	1 990
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>12</b>	-	<b>34</b>	<b>46</b>	<b>46</b>	-	<b>100.0%</b>	<b>43</b>	<b>43</b>
<b>Total</b>	<b>1 156 043</b>	-	<b>(591 335)</b>	<b>564 708</b>	<b>564 708</b>	-	<b>100.0%</b>	<b>568 722</b>	<b>565 757</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 4.5: Air Combat Capability	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>454 263</b>	-	<b>(77 250)</b>	<b>377 013</b>	<b>377 013</b>	-	<b>100.0%</b>	<b>377 994</b>	<b>377 994</b>
Compensation of employees	76 458	-	7 235	83 693	85 759	(2 066)	102.5%	79 434	79 434
Goods and services	377 805	-	(84 485)	293 320	291 254	2 066	99.3%	298 560	298 560
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>272 196</b>	-	<b>30</b>	<b>272 226</b>	<b>272 226</b>	-	<b>100.0%</b>	<b>141 113</b>	<b>141 113</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	272 106	-	-	272 106	272 106	-	100.0%	140 972	140 972
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	90	-	30	120	120	-	100.0%	141	141
<b>Payments for capital assets</b>	<b>240</b>	-	<b>43</b>	<b>283</b>	<b>283</b>	-	<b>100.0%</b>	<b>571</b>	<b>571</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	240	-	43	283	283	-	100.0%	544	544
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	27	27
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>15</b>	<b>15</b>	<b>15</b>	-	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>726 699</b>	-	<b>(77 162)</b>	<b>649 537</b>	<b>649 537</b>	-	<b>100.0%</b>	<b>519 678</b>	<b>519 678</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 4.6: Operational Support and Intelligence Capability

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>366 559</b>	-	<b>(7 674)</b>	<b>358 885</b>	<b>358 885</b>	-	<b>100.0%</b>	<b>345 595</b>	<b>345 595</b>
Compensation of employees	344 573	-	(114)	344 459	344 459	-	100.0%	334 246	334 246
Goods and services	21 986	-	(7 560)	14 426	14 426	-	100.0%	11 349	11 349
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 409</b>	-	<b>(634)</b>	<b>775</b>	<b>775</b>	-	<b>100.0%</b>	<b>157</b>	<b>157</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	502	-	(1)	501	501	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	907	-	(633)	274	274	-	100.0%	157	157
<b>Payments for capital assets</b>	<b>2 119</b>	-	<b>(151)</b>	<b>1 968</b>	<b>1 968</b>	-	<b>100.0%</b>	<b>8 671</b>	<b>8 671</b>
Buildings and other fixed structures	-	-	197	197	197	-	100.0%	71	71
Machinery and equipment	2 119	-	(1 384)	735	735	-	100.0%	8 600	8 600
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	1 036	1 036	1 036	-	100.0%	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>8</b>	<b>8</b>	<b>8</b>	-	<b>100.0%</b>	<b>40</b>	<b>40</b>
<b>Total</b>	<b>370 087</b>	-	<b>(8 451)</b>	<b>361 636</b>	<b>361 636</b>	-	<b>100.0%</b>	<b>354 463</b>	<b>354 463</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 4.7: Command and Control Capability

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>407 434</b>	-	<b>(7 437)</b>	<b>399 997</b>	<b>399 997</b>	-	<b>100.0%</b>	<b>380 413</b>	<b>380 413</b>
Compensation of employees	219 144	-	-	219 144	252 270	(33 126)	115.1%	219 188	219 188
Goods and services	188 290	-	(7 437)	180 853	147 727	33 126	81.7%	161 225	161 225
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>467 288</b>	-	<b>(222 625)</b>	<b>244 663</b>	<b>244 663</b>	-	<b>100.0%</b>	<b>43 058</b>	<b>43 058</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	466 081	-	(222 917)	243 164	243 164	-	100.0%	42 286	42 286
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 207	-	292	1 499	1 499	-	100.0%	772	772
<b>Payments for capital assets</b>	<b>1 868</b>	-	<b>(737)</b>	<b>1 131</b>	<b>1 131</b>	-	<b>100.0%</b>	<b>2 811</b>	<b>2 811</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 868	-	(737)	1 131	1 131	-	100.0%	2 811	2 811
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>18</b>	-	<b>8</b>	<b>26</b>	<b>26</b>	-	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>876 608</b>	-	<b>(230 791)</b>	<b>645 817</b>	<b>645 817</b>	-	<b>100.0%</b>	<b>426 282</b>	<b>426 282</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 4.8: Base Support Capability	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 719 957</b>	-	<b>490 252</b>	<b>2 210 209</b>	<b>2 210 209</b>	-	<b>100.0%</b>	<b>2 098 848</b>	<b>2 098 848</b>
Compensation of employees	1 588 693	-	1	1 588 694	1 963 688	(374 994)	123.6%	1 539 651	1 867 774
Goods and services	131 264	-	490 251	621 515	246 521	374 994	39.7%	559 197	231 074
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>31 982</b>	-	<b>(17 404)</b>	<b>14 578</b>	<b>14 578</b>	-	<b>100.0%</b>	<b>14 030</b>	<b>14 030</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	2	2	2	-	100.0%	5	5
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	31 982	-	(17 406)	14 576	14 576	-	100.0%	14 025	14 025
<b>Payments for capital assets</b>	<b>11 804</b>	-	<b>9 390</b>	<b>21 194</b>	<b>21 194</b>	-	<b>100.0%</b>	<b>27 383</b>	<b>27 383</b>
Buildings and other fixed structures	-	-	1 677	1 677	1 677	-	100.0%	1 039	1 039
Machinery and equipment	11 804	-	7 713	19 517	19 517	-	100.0%	26 344	26 344
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>35</b>	-	<b>323</b>	<b>358</b>	<b>358</b>	-	<b>100.0%</b>	<b>348</b>	<b>348</b>
<b>Total</b>	<b>1 763 778</b>	-	<b>482 561</b>	<b>2 246 339</b>	<b>2 246 339</b>	-	<b>100.0%</b>	<b>2 140 609</b>	<b>2 140 609</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 4.9: Command Post	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>72 084</b>	-	<b>(6 446)</b>	<b>65 638</b>	<b>65 638</b>	-	<b>100.0%</b>	<b>65 072</b>	<b>65 072</b>
Compensation of employees	61 384	-	(3 778)	57 606	57 606	-	100.0%	55 003	55 003
Goods and services	10 700	-	(2 668)	8 032	8 032	-	100.0%	10 069	10 069
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 178</b>	-	<b>(81)</b>	<b>1 097</b>	<b>1 097</b>	-	<b>100.0%</b>	<b>236</b>	<b>236</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 178	-	(81)	1 097	1 097	-	100.0%	236	236
<b>Payments for capital assets</b>	<b>411</b>	-	<b>(301)</b>	<b>110</b>	<b>110</b>	-	<b>100.0%</b>	<b>209</b>	<b>209</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	411	-	(301)	110	110	-	100.0%	209	209
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>73 673</b>	-	<b>(6 828)</b>	<b>66 845</b>	<b>66 845</b>	-	<b>100.0%</b>	<b>65 517</b>	<b>65 517</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 4.10: Training Capability	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>501 525</b>	-	<b>(52 793)</b>	<b>448 732</b>	<b>448 732</b>	-	<b>100.0%</b>	<b>459 766</b>	<b>459 766</b>
Compensation of employees	385 513	-	(5 163)	380 350	380 350	-	100.0%	372 081	372 081
Goods and services	116 012	-	(47 630)	68 382	68 382	-	100.0%	87 685	87 685
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>6 335</b>	-	<b>(116)</b>	<b>6 219</b>	<b>6 219</b>	-	<b>100.0%</b>	<b>1 593</b>	<b>1 593</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	5 835	-	-	5 835	5 835	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	500	-	(116)	384	384	-	100.0%	1 593	1 593
<b>Payments for capital assets</b>	<b>1 155</b>	-	<b>652</b>	<b>1 807</b>	<b>1 807</b>	-	<b>100.0%</b>	<b>2 187</b>	<b>2 187</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	26	26
Machinery and equipment	1 155	-	652	1 807	1 807	-	100.0%	2 161	2 161
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>54</b>	-	<b>196</b>	<b>250</b>	<b>250</b>	-	<b>100.0%</b>	<b>104</b>	<b>104</b>
<b>Total</b>	<b>509 069</b>	-	<b>(52 061)</b>	<b>457 008</b>	<b>457 008</b>	-	<b>100.0%</b>	<b>463 650</b>	<b>463 650</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 4.11: Technical Support Services

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>575 645</b>	-	<b>90 103</b>	<b>665 748</b>	<b>665 748</b>	-	<b>100.0%</b>	<b>626 672</b>	<b>626 672</b>
Compensation of employees	522 531	-	-	522 531	566 220	(43 689)	108.4%	536 608	536 608
Goods and services	53 114	-	90 103	143 217	99 528	43 689	69.5%	90 064	90 064
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 776</b>	-	<b>358</b>	<b>3 134</b>	<b>3 134</b>	-	<b>100.0%</b>	<b>2 786</b>	<b>2 137</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 050	-	-	1 050	1 050	-	100.0%	968	968
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	16	16	16	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 726	-	342	2 068	2 068	-	100.0%	1 818	1 169
<b>Payments for capital assets</b>	<b>1 829</b>	-	<b>542</b>	<b>2 371</b>	<b>2 371</b>	-	<b>100.0%</b>	<b>3 463</b>	<b>3 463</b>
Buildings and other fixed structures	-	-	23	23	23	-	100.0%	39	39
Machinery and equipment	1 829	-	506	2 335	2 335	-	100.0%	2 971	2 971
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	13	13	13	-	100.0%	453	453
<b>Payment for financial assets</b>	<b>9</b>	-	<b>19</b>	<b>28</b>	<b>28</b>	-	<b>100.0%</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>580 259</b>	-	<b>91 022</b>	<b>671 281</b>	<b>671 281</b>	-	<b>100.0%</b>	<b>632 922</b>	<b>632 273</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme	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
<b>1. Maritime Direction</b>	594 948	-	95 356	690 304	690 304	-	100.0%	657 449	657 449
<b>2. Maritime Combat Capability</b>	1 770 155	-	128 729	1 898 884	1 898 884	-	100.0%	1 758 134	1 758 134
<b>3. Maritime Logistic Support Capability</b>	1 184 218	-	(170 874)	1 013 344	1 013 344	-	100.0%	956 993	956 993
<b>4. Maritime Human Resources and Training Capability</b>	570 083	-	(36 779)	533 304	533 304	-	100.0%	531 895	531 895
<b>5. Base Support Capability</b>	719 083	-	(145 508)	573 575	573 575	-	100.0%	599 459	599 459
<b>Total</b>	<b>4 838 487</b>	<b>-</b>	<b>(129 076)</b>	<b>4 709 411</b>	<b>4 709 411</b>	<b>-</b>	<b>100.0%</b>	<b>4 503 930</b>	<b>4 503 930</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>3 333 052</b>	<b>-</b>	<b>(145 037)</b>	<b>3 188 015</b>	<b>3 188 015</b>	<b>-</b>	<b>100.0%</b>	<b>3 056 616</b>	<b>3 056 616</b>
Compensation of employees	2 486 879	-	-	2 486 879	2 522 530	(35 651)	101.4%	2 274 695	2 434 887
Salaries and wages	2 226 750	-	(40 645)	2 186 105	2 221 756	(35 651)	101.6%	2 017 300	2 143 865
Social contributions	260 129	-	40 645	300 774	300 774	-	100.0%	257 395	291 022
Goods and services	846 173	-	(145 037)	701 136	665 485	35 651	94.9%	781 921	621 729
Administrative fees	-	-	1	1	1	-	100.0%	-	-
Advertising	345	-	(276)	69	69	-	100.0%	43	43
Minor assets	12 665	-	(11 323)	1 342	1 342	-	100.0%	1 750	1 750
Catering: Departmental activities	638	-	262	900	900	-	100.0%	1 356	1 356
Communication (G&S)	9 069	-	(2 327)	6 742	6 742	-	100.0%	7 409	7 409
Computer services	21 697	-	(8 290)	13 407	13 407	-	100.0%	12 717	12 717
Consultants: Business and advisory services	3 429	-	(1 431)	1 998	1 998	-	100.0%	-	-
Infrastructure and planning services	750	-	(750)	-	-	-	-	-	-
Contractors	229 882	-	22 219	252 101	252 101	-	100.0%	373 571	249 061
Agency and support / outsourced services	413	-	4 586	4 999	4 999	-	100.0%	4 142	4 142

Programme 5: Maritime Defence

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
Entertainment	41	-	(26)	15	15	-	100.0%	27	27
Fleet services (including government motor transport)	15 145	-	(12 183)	2 962	2 962	-	100.0%	2 440	2 440
Inventory: Clothing material and accessories	37 955	-	(26 778)	11 177	11 177	-	100.0%	17 472	17 472
Inventory: Farming supplies	-	-	13	13	13	-	100.0%	-	-
Inventory: Food and food supplies	123 721	-	(817)	122 904	122 904	-	100.0%	90 884	90 884
Inventory: Fuel oil and gas	97 466	-	22 050	119 516	119 516	-	100.0%	52 840	52 840
Inventory: Materials and supplies	39 499	-	(33 036)	6 463	6 463	-	100.0%	12 704	12 704
Inventory: Medical supplies	29	-	30	59	59	-	100.0%	10	10
Inventory: Other supplies	93 950	-	(40 861)	53 089	17 438	35 651	32.8%	62 861	62 861
Consumable supplies	13 150	-	(2 990)	10 160	10 160	-	100.0%	8 693	8 693
Consumable: Stationery printing and office supplies	6 768	-	(2 965)	3 803	3 803	-	100.0%	2 725	2 725
Operating leases	492	-	2 961	3 453	3 453	-	100.0%	5 625	5 625
Property payments	17 119	-	(13 547)	3 572	3 572	-	100.0%	11 446	9 227
Travel and subsistence	59 408	-	8 818	68 226	68 226	-	100.0%	63 741	63 741
Training and development	9 712	-	(499)	9 213	9 213	-	100.0%	10 859	10 859
Operating payments	51 619	-	(46 973)	4 646	4 646	-	100.0%	35 484	2 021
Venues and facilities	1 190	-	(916)	274	274	-	100.0%	129	129
Rental and hiring	21	-	11	32	32	-	100.0%	2 993	2 993
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 494 669</b>	-	<b>5 797</b>	<b>1 500 466</b>	<b>1 500 466</b>	-	<b>100.0%</b>	<b>1 435 175</b>	<b>1 435 175</b>
Provinces and municipalities	-	-	5	5	5	-	100.0%	6	6
Municipalities	-	-	5	5	5	-	100.0%	6	6
Municipal bank accounts	-	-	5	5	5	-	100.0%	6	6

## DEFENCE AND MILITARY VETERANS - VOTE 19

## APPROPRIATION STATEMENT

for the year ended 31 March 2020

	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
Departmental agencies and accounts	1 187 218	-	-	1 187 218	1 187 218	-	100.0%	1 134 701	1 134 701
Departmental agencies	1 187 218	-	-	1 187 218	1 187 218	-	100.0%	1 134 701	1 134 701
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	298 437	-	-	298 437	298 437	-	100.0%	283 680	283 680
Public corporations	298 437	-	-	298 437	298 437	-	100.0%	283 680	283 680
Subsidies on products and production (pc)	298 437	-	-	298 437	298 437	-	100.0%	283 680	283 680
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	9 014	-	5 792	14 806	14 806	-	100.0%	16 788	16 788
Social benefits	9 014	-	5 726	14 740	14 740	-	100.0%	13 631	13 631
Other transfers to households	-	-	66	66	66	-	100.0%	3 157	3 157
<b>Payments for capital assets</b>	<b>10 708</b>	-	<b>10 015</b>	<b>20 723</b>	<b>20 723</b>	-	<b>100.0%</b>	<b>10 005</b>	<b>10 005</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	7	7
Buildings	-	-	-	-	-	-	-	7	7
Machinery and equipment	9 978	-	10 745	20 723	20 723	-	100.0%	9 946	9 946
Transport equipment	355	-	(355)	-	-	-	-	3 562	3 562
Other machinery and equipment	9 623	-	11 100	20 723	20 723	-	100.0%	6 384	6 384
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	730	-	(730)	-	-	-	-	52	52
<b>Payment for financial assets</b>	<b>58</b>	-	<b>149</b>	<b>207</b>	<b>207</b>	-	<b>100.0%</b>	<b>2 134</b>	<b>2 134</b>
<b>Total</b>	<b>4 838 487</b>	-	<b>(129 076)</b>	<b>4 709 411</b>	<b>4 709 411</b>	-	<b>100.0%</b>	<b>4 503 930</b>	<b>4 503 930</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 5.1: Maritime Direction	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>589 933</b>	-	<b>87 929</b>	<b>677 862</b>	<b>677 862</b>	-	<b>100.0%</b>	<b>649 510</b>	<b>649 510</b>
Compensation of employees	539 258	-	61 002	600 260	635 911	(35 651)	105.9%	505 514	611 576
Goods and services	50 675	-	26 927	77 602	41 951	35 651	54.1%	143 996	37 934
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 359</b>	-	<b>3 822</b>	<b>6 181</b>	<b>6 181</b>	-	<b>100.0%</b>	<b>6 723</b>	<b>6 723</b>
Provinces and municipalities	-	-	5	5	5	-	100.0%	6	6
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 359	-	3 817	6 176	6 176	-	100.0%	6 717	6 717
<b>Payments for capital assets</b>	<b>2 643</b>	-	<b>3 590</b>	<b>6 233</b>	<b>6 233</b>	-	<b>100.0%</b>	<b>1 189</b>	<b>1 189</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 913	-	4 320	6 233	6 233	-	100.0%	1 189	1 189
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	730	-	(730)	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>13</b>	-	<b>15</b>	<b>28</b>	<b>28</b>	-	<b>100.0%</b>	<b>27</b>	<b>27</b>
<b>Total</b>	<b>594 948</b>	-	<b>95 356</b>	<b>690 304</b>	<b>690 304</b>	-	<b>100.0%</b>	<b>657 449</b>	<b>657 449</b>

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 5.2: Maritime Combat Capability

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>641 417</b>	-	<b>128 152</b>	<b>769 569</b>	<b>769 569</b>	-	<b>100.0%</b>	<b>626 980</b>	<b>626 980</b>
Compensation of employees	570 535	-	79 973	650 508	650 508	-	100.0%	522 409	574 320
Goods and services	70 882	-	48 179	119 061	119 061	-	100.0%	104 571	52 660
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 128 701</b>	-	<b>333</b>	<b>1 129 034</b>	<b>1 129 034</b>	-	<b>100.0%</b>	<b>1 129 868</b>	<b>1 129 868</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 090 849	-	-	1 090 849	1 090 849	-	100.0%	1 093 731	1 093 731
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	37 443	-	-	37 443	37 443	-	100.0%	35 660	35 660
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	409	-	333	742	742	-	100.0%	477	477
<b>Payments for capital assets</b>	<b>37</b>	-	<b>230</b>	<b>267</b>	<b>267</b>	-	<b>100.0%</b>	<b>1 218</b>	<b>1 218</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	7	7
Machinery and equipment	37	-	230	267	267	-	100.0%	1 211	1 211
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>14</b>	<b>14</b>	<b>14</b>	-	<b>100.0%</b>	<b>68</b>	<b>68</b>
<b>Total</b>	<b>1 770 155</b>	-	<b>128 729</b>	<b>1 898 884</b>	<b>1 898 884</b>	-	<b>100.0%</b>	<b>1 758 134</b>	<b>1 758 134</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 5.3: Maritime Logistic Support Capability

	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>820 596</b>	-	<b>(179 325)</b>	<b>641 271</b>	<b>641 271</b>	-	<b>100.0%</b>	<b>660 056</b>	<b>660 056</b>
Compensation of employees	218 620	-	(23 272)	195 348	195 348	-	100.0%	192 795	192 795
Goods and services	601 976	-	(156 053)	445 923	445 923	-	100.0%	467 261	467 261
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>358 582</b>	-	<b>823</b>	<b>359 405</b>	<b>359 405</b>	-	<b>100.0%</b>	<b>291 017</b>	<b>291 017</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	96 369	-	-	96 369	96 369	-	100.0%	40 970	40 970
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	260 994	-	-	260 994	260 994	-	100.0%	248 020	248 020
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 219	-	823	2 042	2 042	-	100.0%	2 027	2 027
<b>Payments for capital assets</b>	<b>5 040</b>	-	<b>7 622</b>	<b>12 662</b>	<b>12 662</b>	-	<b>100.0%</b>	<b>5 877</b>	<b>5 877</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 040	-	7 622	12 662	12 662	-	100.0%	5 825	5 825
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	52	52
<b>Payment for financial assets</b>	<b>-</b>	-	<b>6</b>	<b>6</b>	<b>6</b>	-	<b>100.0%</b>	<b>43</b>	<b>43</b>
<b>Total</b>	<b>1 184 218</b>	-	<b>(170 874)</b>	<b>1 013 344</b>	<b>1 013 344</b>	-	<b>100.0%</b>	<b>956 993</b>	<b>956 993</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 5.4: Maritime Human Resources and Training Capability

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>566 566</b>	-	<b>(35 297)</b>	<b>531 269</b>	<b>531 269</b>	-	<b>100.0%</b>	<b>530 298</b>	<b>530 298</b>
Compensation of employees	539 786	-	(32 905)	506 881	506 881	-	100.0%	506 079	506 079
Goods and services	26 780	-	(2 392)	24 388	24 388	-	100.0%	24 219	24 219
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 437</b>	-	<b>(1 752)</b>	<b>1 685</b>	<b>1 685</b>	-	<b>100.0%</b>	<b>1 406</b>	<b>1 406</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 437	-	(1 752)	1 685	1 685	-	100.0%	1 406	1 406
<b>Payments for capital assets</b>	<b>64</b>	-	<b>208</b>	<b>272</b>	<b>272</b>	-	<b>100.0%</b>	<b>126</b>	<b>126</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	64	-	208	272	272	-	100.0%	126	126
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>16</b>	-	<b>62</b>	<b>78</b>	<b>78</b>	-	<b>100.0%</b>	<b>65</b>	<b>65</b>
<b>Total</b>	<b>570 083</b>	-	<b>(36 779)</b>	<b>533 304</b>	<b>533 304</b>	-	<b>100.0%</b>	<b>531 895</b>	<b>531 895</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 5.5: Base Support Capability	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>714 540</b>	-	<b>(146 496)</b>	<b>568 044</b>	<b>568 044</b>	-	<b>100.0%</b>	<b>589 772</b>	<b>589 772</b>
Compensation of employees	618 680	-	(84 798)	533 882	533 882	-	100.0%	547 898	550 117
Goods and services	95 860	-	(61 698)	34 162	34 162	-	100.0%	41 874	39 655
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 590</b>	-	<b>2 571</b>	<b>4 161</b>	<b>4 161</b>	-	<b>100.0%</b>	<b>6 161</b>	<b>6 161</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 590	-	2 571	4 161	4 161	-	100.0%	6 161	6 161
<b>Payments for capital assets</b>	<b>2 924</b>	-	<b>(1 635)</b>	<b>1 289</b>	<b>1 289</b>	-	<b>100.0%</b>	<b>1 595</b>	<b>1 595</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 924	-	(1 635)	1 289	1 289	-	100.0%	1 595	1 595
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>29</b>	-	<b>52</b>	<b>81</b>	<b>81</b>	-	<b>100.0%</b>	<b>1 931</b>	<b>1 931</b>
<b>Total</b>	<b>719 083</b>	-	<b>(145 508)</b>	<b>573 575</b>	<b>573 575</b>	-	<b>100.0%</b>	<b>599 459</b>	<b>599 459</b>

## DEFENCE AND MILITARY VETERANS - VOTE 19

## APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 6: Military Health Support

	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
<b>Subprogramme</b>									
1. Strategic Direction	206 652	-	43 843	250 495	250 495	-	100.0%	218 354	218 354
2. Mobile Military Health Support	260 527	-	(35 006)	225 521	225 521	-	100.0%	163 380	163 380
3. Area Military Health Service	1 956 116	-	(44 890)	1 911 226	1 911 226	-	100.0%	1 922 814	1 922 814
4. Specialist/Tertiary Health Service	2 049 407	-	177 936	2 227 343	2 227 343	-	100.0%	2 045 766	2 045 766
5. Military Health Product Support Capability	302 508	-	(33 586)	268 922	268 922	-	100.0%	192 111	192 111
6. Military Health Maintenance Capability	221 384	-	(100 148)	121 236	121 236	-	100.0%	196 086	196 086
7. Military Health Training Capability	378 672	-	(20 507)	358 165	358 165	-	100.0%	352 080	352 080
<b>Total</b>	<b>5 375 266</b>	<b>-</b>	<b>(12 358)</b>	<b>5 362 908</b>	<b>5 362 908</b>	<b>-</b>	<b>100.0%</b>	<b>5 090 591</b>	<b>5 090 591</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>5 249 648</b>	<b>-</b>	<b>(20 187)</b>	<b>5 229 461</b>	<b>5 229 461</b>	<b>-</b>	<b>100.0%</b>	<b>4 966 677</b>	<b>4 966 677</b>
Compensation of employees	3 754 500	-	-	3 754 500	3 989 437	(234 937)	106.3%	3 379 923	3 783 682
Salaries and wages	3 398 639	-	(61 042)	3 337 597	3 560 684	(223 087)	106.7%	3 045 907	3 380 621
Social contributions	355 861	-	61 042	416 903	428 753	(11 850)	102.8%	334 016	403 061
Goods and services	1 495 148	-	(20 187)	1 474 961	1 240 024	234 937	84.1%	1 586 754	1 182 995
Advertising	353	-	(184)	169	169	-	100.0%	186	186
Minor assets	52 127	-	(48 926)	3 201	3 201	-	100.0%	4 762	4 762
Catering: Departmental activities	1 601	-	(350)	1 251	1 251	-	100.0%	1 492	1 492
Communication (G&S)	7 991	-	(2 615)	5 376	5 376	-	100.0%	5 772	5 772
Computer services	51 894	-	(13 839)	38 055	28 654	9 401	75.3%	28 602	28 602
Consultants: Business and advisory services	866	-	(450)	416	416	-	100.0%	392	392
Laboratory services	25 775	-	24 616	50 391	50 391	-	100.0%	44 976	44 976
Scientific and technological services	15 067	-	-	15 067	15 067	-	100.0%	13 711	13 711
Legal services	-	-	3	3	3	-	100.0%	-	-

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Programme 6: Military Health Support

	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
Contractors	70 316	-	2 578	72 894	34 738	38 156	47.7%	438 887	38 781
Agency and support / outsourced services	428 182	-	77 438	505 620	505 620	-	100.0%	462 493	462 493
Entertainment	49	-	(24)	25	25	-	100.0%	24	24
Fleet services (including government motor transport)	27 942	-	(10 160)	17 782	17 782	-	100.0%	7 112	7 112
Inventory: Clothing material and accessories	17 142	-	(8 788)	8 354	8 354	-	100.0%	4 732	4 732
Inventory: Farming supplies	771	-	(519)	252	252	-	100.0%	552	552
Inventory: Food and food supplies	65 644	-	8 207	73 851	73 851	-	100.0%	86 205	86 205
Inventory: Fuel oil and gas	19 326	-	14 680	34 006	34 006	-	100.0%	21 842	21 842
Inventory: Materials and supplies	4 836	-	(2 959)	1 877	1 877	-	100.0%	1 276	1 276
Inventory: Medical supplies	158 942	-	(5 154)	153 788	80 133	73 655	52.1%	84 702	84 702
Inventory: Medicine	352 139	-	-	352 139	238 414	113 725	67.7%	247 719	247 719
Inventory: Other supplies	388	-	(388)	-	-	-	-	2	2
Consumable supplies	21 921	-	(6 964)	14 957	14 957	-	100.0%	14 352	14 352
Consumable: Stationery printing and office supplies	13 673	-	(7 343)	6 330	6 330	-	100.0%	6 856	6 856
Operating leases	9 651	-	(9 241)	410	410	-	100.0%	1 052	1 052
Property payments	36 776	-	(18 689)	18 087	18 087	-	100.0%	17 757	17 757
Travel and subsistence	91 260	-	(4 617)	86 643	86 643	-	100.0%	79 658	76 005
Training and development	9 298	-	(869)	8 429	8 429	-	100.0%	7 102	7 102
Operating payments	10 685	-	(5 118)	5 567	5 567	-	100.0%	4 460	4 460
Venues and facilities	532	-	(511)	21	21	-	100.0%	78	78
Rental and hiring	1	-	(1)	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>77 519</b>	-	<b>(13 285)</b>	<b>64 234</b>	<b>64 234</b>	-	<b>100.0%</b>	<b>58 955</b>	<b>58 955</b>
Provinces and municipalities	824	-	(822)	2	2	-	100.0%	2	2
Municipalities	824	-	(822)	2	2	-	100.0%	2	2
Municipal bank accounts	824	-	(822)	2	2	-	100.0%	2	2
Departmental agencies and accounts	62 721	-	(21 894)	40 827	40 827	-	100.0%	9	9

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Programme 6: Military Health Support

	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
Departmental agencies	62 721	-	(21 894)	40 827	40 827	-	100.0%	9	9
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 002	-	(194)	808	808	-	100.0%	747	747
Households	12 972	-	9 625	22 597	22 597	-	100.0%	58 197	58 197
Social benefits	12 972	-	4 158	17 130	17 130	-	100.0%	16 783	16 783
Other transfers to households	-	-	5 467	5 467	5 467	-	100.0%	41 414	41 414
<b>Payments for capital assets</b>	<b>47 606</b>	-	<b>20 208</b>	<b>67 814</b>	<b>67 814</b>	-	<b>100.1%</b>	<b>64 423</b>	<b>64 423</b>
Buildings and other fixed structures	-	-	3 665	3 665	3 665	-	100.0%	138	138
Buildings	-	-	3 665	3 665	3 665	-	100.0%	138	138
Machinery and equipment	47 606	-	16 400	64 006	64 006	-	100.0%	63 905	63 905
Transport equipment	2 103	-	(132)	1 971	1 971	-	100.0%	12 630	12 630
Other machinery and equipment	45 503	-	16 532	62 035	62 035	-	100.0%	51 275	51 275
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	380	380
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	143	143	143	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>493</b>	-	<b>906</b>	<b>1 399</b>	<b>1 399</b>	-	<b>100.0%</b>	<b>536</b>	<b>536</b>
<b>Total</b>	<b>5 375 266</b>	-	<b>(12 358)</b>	<b>5 362 908</b>	<b>5 362 908</b>	-	<b>100.0%</b>	<b>5 090 591</b>	<b>5 090 591</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 6.1: Strategic Direction	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>204 135</b>	-	<b>41 596</b>	<b>245 731</b>	<b>245 731</b>	-	<b>100.0%</b>	<b>213 754</b>	<b>213 754</b>
Compensation of employees	167 462	-	55 561	223 023	223 023	-	100.0%	191 703	195 356
Goods and services	36 673	-	(13 965)	22 708	22 708	-	100.0%	22 051	18 398
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 097</b>	-	<b>759</b>	<b>1 856</b>	<b>1 856</b>	-	<b>100.0%</b>	<b>3 844</b>	<b>3 844</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 002	-	(194)	808	808	-	100.0%	747	747
Households	95	-	953	1 048	1 048	-	100.0%	3 097	3 097
<b>Payments for capital assets</b>	<b>1 420</b>	-	<b>1 487</b>	<b>2 907</b>	<b>2 907</b>	-	<b>100.0%</b>	<b>716</b>	<b>716</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 420	-	1 405	2 825	2 825	-	100.0%	716	716
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	82	82	82	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>1</b>	<b>1</b>	<b>1</b>	-	<b>100.0%</b>	<b>40</b>	<b>40</b>
<b>Total</b>	<b>206 652</b>	-	<b>43 843</b>	<b>250 495</b>	<b>250 495</b>	-	<b>100.0%</b>	<b>218 354</b>	<b>218 354</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 6.2: Mobile Military Health Support

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>195 703</b>	-	<b>(15 097)</b>	<b>180 606</b>	<b>180 606</b>	-	<b>100.0%</b>	<b>161 660</b>	<b>161 660</b>
Compensation of employees	137 351	-	31 714	169 065	169 065	-	100.0%	153 418	153 418
Goods and services	58 352	-	(46 811)	11 541	11 541	-	100.0%	8 242	8 242
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>63 090</b>	-	<b>(21 646)</b>	<b>41 444</b>	<b>41 444</b>	-	<b>100.0%</b>	<b>326</b>	<b>326</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	62 700	-	(21 873)	40 827	40 827	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	390	-	227	617	617	-	100.0%	326	326
<b>Payments for capital assets</b>	<b>1 734</b>	-	<b>1 728</b>	<b>3 462</b>	<b>3 462</b>	-	<b>100.0%</b>	<b>1 388</b>	<b>1 388</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 734	-	1 728	3 462	3 462	-	100.0%	1 388	1 388
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>9</b>	<b>9</b>	<b>9</b>	-	<b>100.0%</b>	<b>6</b>	<b>6</b>
<b>Total</b>	<b>260 527</b>	-	<b>(35 006)</b>	<b>225 521</b>	<b>225 521</b>	-	<b>100.0%</b>	<b>163 380</b>	<b>163 380</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 6.3: Area Military Health Service	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 926 838</b>	-	<b>(42 007)</b>	<b>1 884 831</b>	<b>1 884 831</b>	-	<b>100.0%</b>	<b>1 876 060</b>	<b>1 876 060</b>
Compensation of employees	1 395 034	-	76 020	1 471 054	1 471 054	-	100.0%	1 223 193	1 406 119
Goods and services	531 804	-	(118 027)	413 777	413 777	-	100.0%	652 867	469 941
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>4 599</b>	-	<b>7 386</b>	<b>11 985</b>	<b>11 985</b>	-	<b>100.0%</b>	<b>31 710</b>	<b>31 710</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	19	-	(19)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 580	-	7 405	11 985	11 985	-	100.0%	31 710	31 710
<b>Payments for capital assets</b>	<b>24 409</b>	-	<b>(10 496)</b>	<b>13 913</b>	<b>13 913</b>	-	<b>100.0%</b>	<b>14 911</b>	<b>14 911</b>
Buildings and other fixed structures	-	-	550	550	550	-	100.0%	-	-
Machinery and equipment	24 409	-	(11 059)	13 350	13 350	-	100.0%	14 911	14 911
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	13	13	13	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>270</b>	-	<b>227</b>	<b>497</b>	<b>497</b>	-	<b>100.0%</b>	<b>133</b>	<b>133</b>
<b>Total</b>	<b>1 956 116</b>	-	<b>(44 890)</b>	<b>1 911 226</b>	<b>1 911 226</b>	-	<b>100.0%</b>	<b>1 922 814</b>	<b>1 922 814</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 6.4: Specialist/Tertiary Health Service

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 028 678</b>	-	<b>161 835</b>	<b>2 190 513</b>	<b>2 190 513</b>	-	<b>100.0%</b>	<b>1 988 636</b>	<b>1 988 636</b>
Compensation of employees	1 418 140	-	49 942	1 468 082	1 615 003	(146 921)	110.0%	1 310 705	1 527 885
Goods and services	610 538	-	111 893	722 431	575 510	146 921	79.7%	677 931	460 751
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>5 986</b>	-	<b>833</b>	<b>6 819</b>	<b>6 819</b>	-	<b>100.0%</b>	<b>20 706</b>	<b>20 706</b>
Provinces and municipalities	3	-	(1)	2	2	-	100.0%	-	-
Departmental agencies and accounts	2	-	(2)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 981	-	836	6 817	6 817	-	100.0%	20 706	20 706
<b>Payments for capital assets</b>	<b>14 571</b>	-	<b>14 769</b>	<b>29 340</b>	<b>29 340</b>	-	<b>100.0%</b>	<b>36 384</b>	<b>36 384</b>
Buildings and other fixed structures	-	-	3 115	3 115	3 115	-	100.0%	118	118
Machinery and equipment	14 571	-	11 606	26 177	26 177	-	100.0%	35 886	35 886
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	380	380
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	48	48	48	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>172</b>	-	<b>499</b>	<b>671</b>	<b>671</b>	-	<b>100.0%</b>	<b>40</b>	<b>40</b>
<b>Total</b>	<b>2 049 407</b>	-	<b>177 936</b>	<b>2 227 343</b>	<b>2 227 343</b>	-	<b>100.0%</b>	<b>2 045 766</b>	<b>2 045 766</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 6.5: Military Health Product Support Capability

	2019/20				2018/19				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>297 341</b>	-	<b>(45 625)</b>	<b>251 716</b>	<b>251 716</b>	-	<b>100.0%</b>	<b>188 785</b>	<b>188 785</b>
Compensation of employees	72 381	-	-	72 381	160 397	(88 016)	221.6%	94 224	94 224
Goods and services	224 960	-	(45 625)	179 335	91 319	88 016	50.9%	94 561	94 561
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 182</b>	-	<b>(737)</b>	<b>445</b>	<b>445</b>	-	<b>100.0%</b>	<b>609</b>	<b>609</b>
Provinces and municipalities	821	-	(821)	-	-	-	-	2	2
Departmental agencies and accounts	-	-	-	-	-	-	-	9	9
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	361	-	84	445	445	-	100.0%	598	598
<b>Payments for capital assets</b>	<b>3 985</b>	-	<b>12 713</b>	<b>16 698</b>	<b>16 698</b>	-	<b>100.0%</b>	<b>2 716</b>	<b>2 716</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 985	-	12 713	16 698	16 698	-	100.0%	2 716	2 716
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>63</b>	<b>63</b>	<b>63</b>	-	<b>100.0%</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>302 508</b>	-	<b>(33 586)</b>	<b>268 922</b>	<b>268 922</b>	-	<b>100.0%</b>	<b>192 111</b>	<b>192 111</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 6.6: Military Health Maintenance Capability

	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>220 764</b>	-	<b>(100 322)</b>	<b>120 442</b>	<b>120 442</b>	-	<b>100.0%</b>	<b>194 797</b>	<b>194 797</b>
Compensation of employees	220 764	-	(211 732)	9 032	9 032	-	100.0%	77 781	77 781
Goods and services	-	-	111 410	111 410	111 410	-	100.0%	117 016	117 016
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>606</b>	-	<b>(254)</b>	<b>352</b>	<b>352</b>	-	<b>100.0%</b>	<b>373</b>	<b>373</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	606	-	(254)	352	352	-	100.0%	373	373
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>353</b>	<b>353</b>	<b>442</b>	<b>-</b>	<b>100.0%</b>	<b>793</b>	<b>793</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	20	20
Machinery and equipment	-	-	353	353	353	-	100.0%	773	773
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>14</b>	<b>-</b>	<b>75</b>	<b>89</b>	<b>89</b>	<b>-</b>	<b>100.0%</b>	<b>123</b>	<b>123</b>
<b>Total</b>	<b>221 384</b>	<b>-</b>	<b>(100 148)</b>	<b>121 236</b>	<b>121 236</b>	<b>-</b>	<b>100.0%</b>	<b>196 086</b>	<b>196 086</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 6.7: Military Health Training Capability

	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>376 189</b>	-	<b>(20 567)</b>	<b>355 622</b>	<b>355 622</b>	-	<b>100.0%</b>	<b>342 985</b>	<b>342 985</b>
Compensation of employees	343 368	-	(1 505)	341 863	341 863	-	100.0%	328 899	328 899
Goods and services	32 821	-	(19 062)	13 759	13 759	-	100.0%	14 086	14 086
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>959</b>	-	<b>374</b>	<b>1 333</b>	<b>1 333</b>	-	<b>100.0%</b>	<b>1 387</b>	<b>1 387</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	959	-	374	1 333	1 333	-	100.0%	1 387	1 387
<b>Payments for capital assets</b>	<b>1 487</b>	-	<b>(346)</b>	<b>1 141</b>	<b>1 141</b>	-	<b>100.0%</b>	<b>7 515</b>	<b>7 515</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 487	-	(346)	1 141	1 141	-	100.0%	7 515	7 515
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>37</b>	-	<b>32</b>	<b>69</b>	<b>69</b>	-	<b>100.0%</b>	<b>193</b>	<b>193</b>
<b>Total</b>	<b>378 672</b>	-	<b>(20 507)</b>	<b>358 165</b>	<b>358 165</b>	-	<b>100.0%</b>	<b>352 080</b>	<b>352 080</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**

**APPROPRIATION STATEMENT**

for the year ended 31 March 2020

Programme 7: Defence Intelligence

	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
<b>Subprogramme</b>									
1. Operations	542 532	-	(18 940)	523 592	523 592	-	100.0%	478 467	478 467
2. Defence Intelligence Support Services	477 937	-	833	478 770	478 770	-	100.0%	459 706	459 706
<b>Total</b>	<b>1 020 469</b>	<b>-</b>	<b>(18 107)</b>	<b>1 002 362</b>	<b>1 002 362</b>	<b>-</b>	<b>100.0%</b>	<b>938 173</b>	<b>938 173</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>495 471</b>	<b>-</b>	<b>(15 556)</b>	<b>479 915</b>	<b>479 915</b>	<b>-</b>	<b>100.0%</b>	<b>457 683</b>	<b>457 683</b>
Compensation of employees	445 419	-	-	445 419	447 100	(1 681)	100.4%	387 407	421 435
Salaries and wages	397 081	-	(3 500)	393 581	393 581	-	100.0%	345 936	370 523
Social contributions	48 338	-	3 500	51 838	53 519	(1 681)	103.2%	41 471	50 912
Goods and services	50 052	-	(15 556)	34 496	32 815	1 681	95.1%	70 276	36 248
Administrative fees	-	-	-	-	-	-	-	443	443
Advertising	105	-	(101)	4	4	-	100.0%	2	2
Minor assets	946	-	(486)	460	460	-	100.0%	392	392
Catering: Departmental activities	83	-	155	238	238	-	100.0%	193	193
Communication (G&S)	2 521	-	(1 512)	1 009	1 009	-	100.0%	1 199	1 199
Consultants: Business and advisory services	-	-	-	-	-	-	-	12	12
Contractors	2 217	-	(433)	1 784	103	1 681	5.8%	35 008	980
Agency and support / outsourced services	1 462	-	(819)	643	643	-	100.0%	92	92
Entertainment	91	-	(91)	-	-	-	-	1	1
Fleet services (including government motor transport)	359	-	762	1 121	1 121	-	100.0%	32	32
Inventory: Clothing material and accessories	58	-	(6)	52	52	-	100.0%	48	48
Inventory: Food and food supplies	14 442	-	(5 929)	8 513	8 513	-	100.0%	14 879	14 879
Inventory: Fuel oil and gas	3 512	-	1 196	4 708	4 708	-	100.0%	3 190	3 190
Inventory: Materials and supplies	227	-	(46)	181	181	-	100.0%	48	48

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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 supplies	1 061	-	693	1 754	1 754	-	100.0%	293	293
Consumable: Stationery printing and office supplies	1 337	-	186	1 523	1 523	-	100.0%	954	954
Operating leases	6 810	-	(5 355)	1 455	1 455	-	100.0%	2 514	2 514
Property payments	921	-	1 329	2 250	2 250	-	100.0%	960	960
Travel and subsistence	9 297	-	(3 128)	6 169	6 169	-	100.0%	7 303	7 303
Training and development	2 820	-	(1 005)	1 815	1 815	-	100.0%	1 837	1 837
Operating payments	1 540	-	(1 214)	326	326	-	100.0%	709	709
Venues and facilities	243	-	214	457	457	-	100.0%	125	125
Rental and hiring	-	-	34	34	34	-	100.0%	42	42
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>520 865</b>	-	<b>1 071</b>	<b>521 936</b>	<b>521 936</b>	-	<b>100.0%</b>	<b>476 853</b>	<b>476 853</b>
Provinces and municipalities	-	-	-	-	-	-	-	4	4
Municipalities	-	-	-	-	-	-	-	4	4
Municipal bank accounts	-	-	-	-	-	-	-	4	4
Departmental agencies and accounts	519 139	-	(400)	518 739	518 739	-	100.0%	472 201	472 201
Departmental agencies	519 139	-	(400)	518 739	518 739	-	100.0%	472 201	472 201
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 726	-	1 471	3 197	3 197	-	100.0%	4 648	4 648
Social benefits	1 726	-	1 471	3 197	3 197	-	100.0%	4 648	4 648
<b>Payments for capital assets</b>	<b>4 133</b>	-	<b>(3 682)</b>	<b>451</b>	<b>451</b>	-	<b>100.0%</b>	<b>3 635</b>	<b>3 635</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 133	-	(3 682)	451	451	-	100.0%	3 635	3 635
Transport equipment	3 677	-	(3 618)	59	59	-	100.0%	3 609	3 609
Other machinery and equipment	456	-	(64)	392	392	-	100.0%	26	26

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Programme 7: Defence Intelligence

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	-	-	60	60	60	-	100.0%	2	2
<b>Total</b>	1 020 469	-	(18 107)	1 002 362	1 002 362	-	100.0%	938 173	938 173

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>22 785</b>	-	(17 941)	<b>4 844</b>	<b>4 844</b>	-	<b>100.0%</b>	<b>6 266</b>	<b>6 266</b>
Compensation of employees	1 779	-	(1 255)	524	524	-	100.0%	927	927
Goods and services	21 006	-	(16 686)	4 320	4 320	-	100.0%	5 339	5 339
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>519 139</b>	-	(400)	<b>518 739</b>	<b>518 739</b>	-	<b>100.0%</b>	<b>472 201</b>	<b>472 201</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	519 139	-	(400)	518 739	518 739	-	100.0%	472 201	472 201
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>608</b>	-	(608)	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	608	-	(608)	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	9	<b>9</b>	<b>9</b>	-	-	-	-
<b>Total</b>	<b>542 532</b>	-	(18 940)	<b>523 592</b>	<b>523 592</b>	-	<b>100.0%</b>	<b>478 467</b>	<b>478 467</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**

**APPROPRIATION STATEMENT**

for the year ended 31 March 2020

Subprogramme: 7.2: Defence Intelligence Support Services

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>472 686</b>	-	<b>2 385</b>	<b>475 071</b>	<b>475 071</b>	-	<b>100.0%</b>	<b>451 417</b>	<b>451 417</b>
Compensation of employees	443 640	-	1 255	444 895	446 576	(1 681)	100.4%	386 480	420 508
Goods and services	29 046	-	1 130	30 176	28 495	1 681	94.4%	64 937	30 909
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 726</b>	-	<b>1 471</b>	<b>3 197</b>	<b>3 197</b>	-	<b>100.0%</b>	<b>4 652</b>	<b>4 652</b>
Provinces and municipalities	-	-	-	-	-	-	-	4	4
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 726	-	1 471	3 197	3 197	-	100.0%	4 648	4 648
<b>Payments for capital assets</b>	<b>3 525</b>	-	<b>(3 074)</b>	<b>451</b>	<b>451</b>	-	<b>100.0%</b>	<b>3 635</b>	<b>3 635</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 525	-	(3 074)	451	451	-	100.0%	3 635	3 635
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	-	<b>51</b>	<b>51</b>	<b>51</b>	-	<b>100.0%</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>477 937</b>	-	<b>833</b>	<b>478 770</b>	<b>478 770</b>	-	<b>100.0%</b>	<b>459 706</b>	<b>459 706</b>



**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
<b>Subprogramme</b>									
1. Joint Logistic Services	2 905 525	-	617 748	3 523 273	3 523 273	-	100.0%	3 335 756	3 335 756
2. Command And Management Information Systems	1 047 971	-	(51 611)	996 360	996 360	-	100.0%	905 959	905 959
3. Military Police	704 596	-	14 664	719 260	719 260	-	100.0%	655 332	655 332
4. Technology Development	487 700	-	(47 406)	440 294	440 294	-	100.0%	296 838	296 838
5. Departmental Support	1 203 679	-	(24 812)	1 178 867	1 178 867	-	100.0%	1 219 674	1 219 126
<b>Total</b>	<b>6 349 471</b>	<b>-</b>	<b>508 583</b>	<b>6 858 054</b>	<b>6 858 054</b>	<b>-</b>	<b>100.0%</b>	<b>6 413 559</b>	<b>6 413 011</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>4 140 425</b>	<b>-</b>	<b>(22 520)</b>	<b>4 117 905</b>	<b>4 117 905</b>	<b>-</b>	<b>100.0%</b>	<b>3 932 428</b>	<b>3 932 428</b>
Compensation of employees	2 323 157	-	-	2 323 157	2 651 346	(328 189)	114.1%	2 172 264	2 471 239
Salaries and wages	2 084 725	-	(236)	2 084 489	2 372 831	(288 342)	113.8%	1 938 727	2 207 672
Social contributions	238 432	-	236	238 668	278 515	(39 847)	116.7%	233 537	263 567
Goods and services	1 817 268	-	(22 520)	1 794 748	1 466 559	328 189	81.7%	1 760 164	1 461 189
Administrative fees	13 591	-	674	14 265	14 265	-	100.0%	13 491	13 491
Advertising	503	-	462	965	965	-	100.0%	1 306	1 306
Minor assets	49 976	-	(31 606)	18 370	18 370	-	100.0%	13 668	13 668
Audit costs: External	73 352	-	(15 677)	57 675	57 675	-	100.0%	57 797	57 797
Catering: Departmental activities	5 988	-	2 395	8 383	8 383	-	100.0%	9 600	9 600
Communication (G&S)	10 484	-	(62)	10 422	10 422	-	100.0%	11 654	11 654
Computer services	689 591	-	(97 925)	591 666	509 311	82 355	86.1%	494 370	447 187
Consultants: Business and advisory services	157 429	-	(156 653)	776	776	-	100.0%	512	512
Infrastructure and planning services	30 472	-	(30 470)	2	2	-	100.0%	21 699	21 699
Laboratory services	-	-	1	1	1	-	100.0%	-	-
Scientific and technological services	28 528	-	13 106	41 634	41 634	-	100.0%	41 249	41 249
Legal services	38 231	-	(11 310)	26 921	26 921	-	100.0%	25 950	25 950
Contractors	120 331	-	(40 522)	79 809	79 809	-	100.0%	101 434	87 312

DEFENCE AND MILITARY VETERANS - VOTE 19

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 8: General Support

	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
Agency and support / outsourced services	33 885	-	281 295	315 180	315 180	-	100.0%	345 359	345 359
Entertainment	150	-	(140)	10	10	-	100.0%	12	12
Fleet services (including government motor transport)	11 114	-	5 980	17 094	17 094	-	100.0%	4 958	4 958
Inventory: Clothing material and accessories	5 918	-	(595)	5 323	5 323	-	100.0%	7 011	7 011
Inventory: Farming supplies	61	-	24	85	85	-	100.0%	37	37
Inventory: Food and food supplies	68 237	-	(47 353)	20 884	20 884	-	100.0%	51 676	51 676
Inventory: Fuel oil and gas	58 782	-	(27 253)	31 529	31 529	-	100.0%	21 541	21 541
Inventory: Materials and supplies	6 329	-	24 347	30 676	30 676	-	100.0%	29 694	29 694
Inventory: Medical supplies	53	-	164	217	217	-	100.0%	5	5
Inventory: Other supplies	262	-	(262)	-	-	-	-	-	-
Consumable supplies	12 008	-	11 626	23 634	23 634	-	100.0%	22 339	22 339
Consumable: Stationery printing and office supplies	6 347	-	(491)	5 856	5 856	-	100.0%	5 785	5 785
Operating leases	3 234	-	212	3 446	3 446	-	100.0%	3 641	3 641
Property payments	252 035	-	8 396	260 431	14 597	245 834	5.6%	241 964	25 056
Travel and subsistence	59 103	-	107 707	166 810	166 810	-	100.0%	154 688	154 688
Training and development	69 732	-	(44 022)	25 710	25 710	-	100.0%	48 620	27 858
Operating payments	8 186	-	26 432	34 618	34 618	-	100.0%	27 850	27 850
Venues and facilities	3 356	-	(1 012)	2 344	2 344	-	100.0%	2 246	2 246
Rental and hiring	-	-	12	12	12	-	100.0%	8	8
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 625 613</b>	-	<b>(80 920)</b>	<b>1 544 693</b>	<b>1 544 693</b>	-	<b>100.0%</b>	<b>1 437 328</b>	<b>1 436 780</b>
Provinces and municipalities	59	-	10	69	69	-	100.0%	51	51
Municipalities	59	-	10	69	69	-	100.0%	51	51
Municipal bank accounts	59	-	10	69	69	-	100.0%	51	51
Departmental agencies and accounts	473 104	-	(82 342)	390 762	390 762	-	100.0%	319 954	319 954
Departmental agencies	473 104	-	(82 342)	390 762	390 762	-	100.0%	319 954	319 954

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

	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
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 138 053	-	969	1 139 022	1 139 022	-	100.0%	1 102 728	1 102 531
Public corporations	1 138 053	-	939	1 138 992	1 138 992	-	100.0%	1 094 299	1 094 299
Subsidies on products and production (pc)	1 138 053	-	-	1 138 053	1 138 053	-	100.0%	1 093 667	1 093 667
Other transfers to public corporations	-	-	939	939	939	-	100.0%	632	632
Private enterprises	-	-	30	30	30	-	100.0%	8 429	8 232
Subsidies on products and production (pe)	-	-	-	-	-	-	-	8 230	8 230
Other transfers to private enterprises	-	-	30	30	30	-	100.0%	199	2
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	14 397	-	443	14 840	14 840	-	100.0%	14 595	14 244
Social benefits	14 397	-	107	14 504	14 504	-	100.0%	11 277	11 277
Other transfers to households	-	-	336	336	336	-	100.0%	3 318	2 967
<b>Payments for capital assets</b>	<b>583 301</b>	<b>-</b>	<b>611 923</b>	<b>1 195 224</b>	<b>1 195 224</b>	<b>-</b>	<b>100.0%</b>	<b>1 041 056</b>	<b>1 041 056</b>
Buildings and other fixed structures	347 741	-	450 501	798 242	798 242	-	100.0%	600 338	600 338
Buildings	347 741	-	450 501	798 242	798 242	-	100.0%	600 338	600 338
Machinery and equipment	89 421	-	91 020	180 441	180 441	-	100.0%	244 489	244 489
Transport equipment	30 622	-	(15 164)	15 458	15 458	-	100.0%	75 714	75 714
Other machinery and equipment	58 799	-	106 184	164 983	164 983	-	100.0%	168 775	168 775
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	146 139	-	70 402	216 541	216 541	-	100.0%	196 229	196 229
<b>Payment for financial assets</b>	<b>132</b>	<b>-</b>	<b>100</b>	<b>232</b>	<b>232</b>	<b>-</b>	<b>100.0%</b>	<b>2 747</b>	<b>2 747</b>
<b>Total</b>	<b>6 349 471</b>	<b>-</b>	<b>508 583</b>	<b>6 858 054</b>	<b>6 858 054</b>	<b>-</b>	<b>100.0%</b>	<b>6 413 559</b>	<b>6 413 011</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**

**APPROPRIATION STATEMENT**

for the year ended 31 March 2020

Subprogramme: 8.1: Joint Logistic Services	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 464 704</b>	-	<b>203 548</b>	<b>2 668 252</b>	<b>2 668 252</b>	-	<b>100.0%</b>	<b>2 593 311</b>	<b>2 593 311</b>
Compensation of employees	1 589 174	-	-	1 589 174	1 908 041	(318 867)	120.1%	1 477 194	1 776 169
Goods and services	875 530	-	203 548	1 079 078	760 211	318 867	70.5%	1 116 117	817 142
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>19 545</b>	-	<b>471</b>	<b>20 016</b>	<b>20 016</b>	-	<b>100.0%</b>	<b>16 226</b>	<b>16 226</b>
Provinces and municipalities	-	-	19	19	19	-	100.0%	10	10
Departmental agencies and accounts	3	-	(3)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	8 642	-	-	8 642	8 642	-	100.0%	8 230	8 230
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	10 900	-	455	11 355	11 355	-	100.0%	7 986	7 986
<b>Payments for capital assets</b>	<b>421 263</b>	-	<b>413 664</b>	<b>834 927</b>	<b>834 927</b>	-	<b>100.0%</b>	<b>726 177</b>	<b>726 177</b>
Buildings and other fixed structures	347 741	-	426 261	774 002	774 002	-	100.0%	600 338	600 338
Machinery and equipment	73 102	-	(45 489)	27 613	27 613	-	100.0%	125 839	125 839
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	420	-	32 892	33 312	33 312	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>13</b>	-	<b>65</b>	<b>78</b>	<b>78</b>	-	<b>100.0%</b>	<b>42</b>	<b>42</b>
<b>Total</b>	<b>2 905 525</b>	-	<b>617 748</b>	<b>3 523 273</b>	<b>3 523 273</b>	-	<b>100.0%</b>	<b>3 335 756</b>	<b>3 335 756</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 8.2: Command and Management Information Systems

	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>853 681</b>	-	<b>(204 139)</b>	<b>649 542</b>	<b>649 542</b>	-	<b>100.0%</b>	<b>592 416</b>	<b>592 416</b>
Compensation of employees	94 362	-	-	94 362	96 890	(2 528)	102.7%	92 922	92 922
Goods and services	759 319	-	(204 139)	555 180	552 652	2 528	99.5%	499 494	499 494
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>36 074</b>	-	<b>(35 278)</b>	<b>796</b>	<b>796</b>	-	<b>100.0%</b>	<b>1 196</b>	<b>1 196</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	35 212	-	(35 212)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	862	-	(66)	796	796	-	100.0%	1 196	1 196
<b>Payments for capital assets</b>	<b>158 216</b>	-	<b>187 806</b>	<b>346 022</b>	<b>346 022</b>	-	<b>100.0%</b>	<b>312 347</b>	<b>312 347</b>
Buildings and other fixed structures	-	-	24 240	24 240	24 240	-	100.0%	-	-
Machinery and equipment	12 497	-	126 056	138 553	138 553	-	100.0%	116 129	116 129
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	145 719	-	37 510	183 229	183 229	-	100.0%	196 218	196 218
<b>Payment for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 047 971</b>	-	<b>(51 611)</b>	<b>996 360</b>	<b>996 360</b>	-	<b>100.0%</b>	<b>905 959</b>	<b>905 959</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
 for the year ended 31 March 2020

Subprogramme: 8.3: Military Police	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>697 102</b>	-	<b>4 087</b>	<b>701 189</b>	<b>701 189</b>	-	<b>100.0%</b>	<b>649 364</b>	<b>649 364</b>
Compensation of employees	639 621	-	-	639 621	646 415	(6 794)	101.1%	602 148	602 148
Goods and services	57 481	-	4 087	61 568	54 774	6 794	89.0%	47 216	47 216
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 613</b>	-	<b>91</b>	<b>3 704</b>	<b>3 704</b>	-	<b>100.0%</b>	<b>3 436</b>	<b>3 436</b>
Provinces and municipalities	59	-	(9)	50	50	-	100.0%	41	41
Departmental agencies and accounts	919	-	16	935	935	-	100.0%	851	851
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	30	30	30	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 635	-	54	2 689	2 689	-	100.0%	2 544	2 544
<b>Payments for capital assets</b>	<b>3 822</b>	-	<b>10 453</b>	<b>14 275</b>	<b>14 275</b>	-	<b>100.0%</b>	<b>2 532</b>	<b>2 532</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 822	-	10 453	14 275	14 275	-	100.0%	2 521	2 521
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	11	11
<b>Payment for financial assets</b>	<b>59</b>	-	<b>33</b>	<b>92</b>	<b>92</b>	-	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>704 596</b>	-	<b>14 664</b>	<b>719 260</b>	<b>719 260</b>	-	<b>100.0%</b>	<b>655 332</b>	<b>655 332</b>

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

Subprogramme: 8.4: Technology Development	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	330	-	(263)	67	67	-	100.0%	99	99
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	330	-	(263)	67	67	-	100.0%	99	99
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	487 370	-	(47 143)	440 227	440 227	-	100.0%	296 739	296 739
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	436 970	-	(47 143)	389 827	389 827	-	100.0%	246 339	246 339
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	50 400	-	-	50 400	50 400	-	100.0%	50 400	50 400
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	487 700	-	(47 406)	440 294	440 294	-	100.0%	296 838	296 838

**DEFENCE AND MILITARY VETERANS - VOTE 19**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2020**

Subprogramme: 8.5: Departmental Support	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>124 608</b>	-	(25 753)	<b>98 855</b>	<b>98 855</b>	-	<b>100.0%</b>	<b>97 238</b>	<b>97 238</b>
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	124 608	-	(25 753)	98 855	98 855	-	100.0%	97 238	97 238
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 079 011</b>	-	<b>939</b>	<b>1 079 950</b>	<b>1 079 950</b>	-	<b>100.0%</b>	<b>1 119 731</b>	<b>1 119 183</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	72 764	72 764
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 079 011	-	939	1 079 950	1 079 950	-	100.0%	1 044 098	1 043 901
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	2 869	2 518
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment for financial assets</b>	<b>60</b>	-	<b>2</b>	<b>62</b>	<b>62</b>	-	<b>100.0%</b>	<b>2 705</b>	<b>2 705</b>
<b>Total</b>	<b>1 203 679</b>	-	<b>(24 812)</b>	<b>1 178 867</b>	<b>1 178 867</b>	-	<b>100.0%</b>	<b>1 219 674</b>	<b>1 219 126</b>



DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES TO THE APPROPRIATION STATEMENT****for the year ended 31 March 2020****1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Detail of these transactions can be viewed in note 6 on Transfers and subsidies and Annexure 1 (A-G) to the Annual Financial Statements.

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

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

**3. Detail on payments for financial assets**

Detail of these transactions per programme can be viewed in note 5 - Payment for financial assets of the Annual Financial Statements.

**4. Explanations of material variances from Amounts Voted (after virement):****4.1 Per programme:**

Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
<b>Administration</b>	5 999 035	5 993 160	5 875	0.10%

- The Military Ombud underspent its budget allocation with Rm1,423. This was mainly due to the inability of appointed suppliers to deliver servers and computer software to the Office of the Military Ombud.
- Defence Foreign Relations underspent its budget allocation with Rm4,452. This was mainly due to lower than anticipated expenditure within Military Attaché offices abroad as well as the backlog in invoices received from the Department of International Relations and Cooperation (DIRCO).

**NOTES TO THE APPROPRIATION STATEMENT**  
for the year ended 31 March 2020

**4.2 Per economic classification:**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	29 193 710	31 803 026	(2 609 316)	(8.94%)
Goods and services	13 575 375	10 960 184	2 615 191	19.26%

**Compensation of Employees:**

The over expenditure was due to the insufficient ceiling amount set by the National Treasury (NT) not supporting the current strength of the Department. NT's Medium Term Expenditure Framework (MTEF) allocations dated 29 October 2018 indicated that personnel related costs estimates should be prepared in line with the approach set out in the 2019 MTEF guidelines for costing and budgeting for Compensation of Employees issued by the NT. The Vote (ceiling amount) in terms of Compensation of Employees was set at Rb29,194 which was specifically and exclusively earmarked.

**Goods and Services:**

- The under expenditure was mainly due to Mitigation actions implemented by the Department to ensure sufficient funding would be available to address the shortfall on Compensation of Employees.
- The inability of suppliers to deliver computer software to The office of The Military Ombud timely.
- The backlog experienced in invoices received from the Department of International Relations and Cooperation (DIRCO) for expenditure by Military Attaché offices abroad.

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>REVENUE</b>			
Annual appropriation	1	50 888 132	48 496 235
Departmental revenue	2	1 289 155	814 391
<b>TOTAL REVENUE</b>		<b>52 177 287</b>	<b>49 310 626</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	31 803 026	30 011 961
Goods and services	4	13 955 914	12 772 328
<b>Total current expenditure</b>		<b>45 758 940</b>	<b>42 784 289</b>
<b>Transfers and subsidies</b>	6	<b>2 346 462</b>	<b>2 457 106</b>
<b>Expenditure for capital assets</b>			
Tangible capital assets	7	2 504 312	2 967 247
Intangible assets	7	222 646	254 452
<b>Total expenditure for capital assets</b>		<b>2 726 958</b>	<b>3 221 699</b>
<b>Payments for financial assets</b>	5	<b>27 011</b>	<b>11 358</b>
<b>TOTAL EXPENDITURE</b>		<b>50 859 371</b>	<b>48 474 452</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>1 317 916</b>	<b>836 174</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds		28 761	21 783
Annual appropriation		-	-
Departmental revenue and NRF Receipts	13	1 289 155	814 391
<b>NET SURPLUS FOR THE YEAR</b>		<b>1 317 916</b>	<b>836 174</b>

**STATEMENT OF FINANCIAL POSITION**  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>8 134 158</b>	<b>7 749 632</b>
Cash and cash equivalents	8	7 482 290	6 967 948
Prepayments and advances	9	239 994	235 142
Receivables	10	411 874	546 542
<b>Non-current assets</b>		<b>871 976</b>	<b>927 252</b>
Investments	11	182 164	182 164
Receivables	10	689 812	745 088
<b>TOTAL ASSETS</b>		<b>9 006 134</b>	<b>8 676 884</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>704 902</b>	<b>226 474</b>
Voted funds to be surrendered to the Revenue Fund	12	5 875	4 162
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	106 301	121 616
Payables	14	592 726	100 696
<b>Non-Current liabilities</b>			
Payables	15	266	4 220
<b>TOTAL LIABILITIES</b>		<b>705 168</b>	<b>230 694</b>
<b>NET ASSETS</b>		<b>8 300 966</b>	<b>8 446 190</b>
<b>Represented by:</b>			
Capitalisation Reserves		75 000	75 000
Recoverable revenue		944 039	1 112 149
Retained funds		7 281 927	7 259 041
<b>TOTAL</b>		<b>8 300 966</b>	<b>8 446 190</b>

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**STATEMENT OF CHANGES IN NET ASSETS**

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>NET ASSETS</b>			
<b>Capitalisation Reserves</b>			
Opening balance		75 000	75 000
Other movements		-	-
Closing balance		<b>75 000</b>	<b>75 000</b>
<b>Recoverable revenue</b>			
Opening balance		1 112 149	830 133
<b>Transfers</b>			
		<b>(168 110)</b>	<b>282 016</b>
Irrecoverable amounts written off		(4 094)	(4 327)
Debts revised		(53 142)	(15 320)
Debts recovered (included in departmental receipts)		(474 624)	(43 537)
Debts raised		363 750	345 200
Closing balance		<b>944 039</b>	<b>1 112 149</b>
<b>Retained funds</b>			
Opening balance		7 259 041	7 241 420
Transferred to NRF		(60 678)	(62 703)
Retained fund or funds utilised during the year		83 565	80 325
Rounding differences		(1)	(1)
Closing balance		<b>7 281 927</b>	<b>7 259 041</b>
<b>TOTAL</b>		<b>8 300 966</b>	<b>8 446 190</b>

**CASH FLOW STATEMENT**  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>52 174 783</b>	<b>49 291 702</b>
Annual appropriated funds received	1	50 888 132	48 496 235
Departmental revenue received	2	1 280 641	790 845
Interest received	2.3	6 010	4 622
Net decrease / (increase) in working capital		621 846	(342 856)
Surrendered to Revenue Fund		(1 308 632)	(778 650)
Current payments		(45 758 940)	(42 784 289)
Payments for financial assets		(27 011)	(11 358)
Transfers and subsidies paid		(2 346 462)	(2 457 106)
<b>Net cash flows available from operating activities</b>	16	<b>3 355 584</b>	<b>2 917 443</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7.1	(2 726 958)	(3 221 699)
Proceeds from sale of capital assets	2.4	2 504	18 924
(Increase) / decrease in investments		-	(1 000)
(Increase) / decrease in non-current receivables		55 276	-
<b>Net cash flows from investing activities</b>		<b>(2 669 178)</b>	<b>(3 203 775)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase / (decrease) in net assets		(168 110)	282 016
Increase / (decrease) in non-current payable		(3 954)	187
<b>Net cash flows from financing activities</b>		<b>(172 064)</b>	<b>282 203</b>
Net increase / (decrease) in cash and cash equivalents		514 342	(4 129)
Cash and cash equivalents at beginning of period		6 967 948	6 972 077
<b>Cash and cash equivalents at end of period</b>	17	<b>7 482 290</b>	<b>6 967 948</b>

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**1. Annual Appropriation****1.1 Annual Appropriation**

Programmes	Final	2019/20	Funds not requested / not received	Final	2018/19
	Appropriation	Actual Funds Received		Appropriation	Appropriation Received
	R'000	R'000	R'000	R'000	R'000
Administration	5 999 035	5 999 035	-	5 692 748	5 692 748
Force Employment	3 491 508	3 491 508	-	3 168 678	3 168 678
Landward Defence	16 763 706	16 763 706	-	16 427 499	16 427 499
Air Defence	6 701 148	6 701 148	-	6 261 057	6 261 057
Maritime Defence	4 709 411	4 709 411	-	4 503 930	4 503 930
Military Health Support	5 362 908	5 362 908	-	5 090 591	5 090 591
Defence Intelligence	1 002 362	1 002 362	-	938 173	938 173
General Support	6 858 054	6 858 054	-	6 413 559	6 413 559
<b>Total</b>	<b>50 888 132</b>	<b>50 888 132</b>	<b>-</b>	<b>48 496 235</b>	<b>48 496 235</b>

2. Departmental Revenue	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	2.1	764 759	367 602
Fines, penalties and forfeits	2.2	1 804	2 227
Interest, dividends and rent on land	2.3	6 010	4 622
Sales of capital assets	2.4	2 504	18 924
Transactions in financial assets and liabilities	2.5	157 203	100 407
Transfers received	2.6	356 875	320 609
<b>Departmental revenue collected</b>		<b>1 289 155</b>	<b>814 391</b>

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

2

	2019/20	2018/19
	R'000	R'000
Sales of goods and services produced by the department	<b>763 993</b>	<b>366 268</b>
Administrative fees	23	12
Other sales	763 970	366 256
Sales of scrap, waste and other used current goods	766	1 334
<b>Total</b>	<b>764 759</b>	<b>367 602</b>

Included in Other sales is an amount of Rm392 287 (2018/19 : Rm1 828) for services rendered to the United Nations iro Letters of Assist (LOA).

**2.2 Fines, penalties and forfeits**

2

Fines	<b>1 804</b>	<b>2 227</b>
-------	--------------	--------------

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>2.3 Interest, dividends and rent on land</b>	2		
Interest		<u>6 010</u>	<u>4 622</u>
<b>2.4 Sales of capital assets</b>			
<b>Tangible assets</b>			
Specialised military assets	30.2	<u>2 504</u>	<u>18 924</u>
<b>2.5 Transactions in financial assets and liabilities</b>	2		
Forex gain		51 289	419
Other Receipts including Recoverable Revenue		<u>105 914</u>	<u>99 988</u>
<b>Total</b>		<u>157 203</u>	<u>100 407</u>
<b>2.6 Transfers received</b>			
Foreign governments		<u>356 875</u>	<u>320 609</u>
United Nations MOU reimbursements.			
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and wages</b>			
Basic salary		20 298 055	19 219 654
Performance award		224 545	200 572
Service Based		240 257	276 831
Compensative/circumstantial		2 798 951	2 655 438
Periodic payments		15 411	12 968
Other non-pensionable allowances		<u>4 812 431</u>	<u>4 393 487</u>
<b>Total</b>		<u>28 389 650</u>	<u>26 758 950</u>
<b>3.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		3 234 654	3 085 205
Medical		177 923	166 970
Bargaining council		799	836
<b>Total</b>		<u>3 413 376</u>	<u>3 253 011</u>
<b>Total compensation of employees</b>		<u>31 803 026</u>	<u>30 011 961</u>
<b>Average number of employees</b>		<u>73 609</u>	<u>74 349</u>

Included in the total compensation of employees is an amount of Rm 4 799 (Rm4 379 for 2018/19) paid to three members of legislature.



## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>4. Goods and services</b>			
Administrative fees		15 367	22 093
Advertising		72 785	69 962
Minor Assets	4.1	46 572	53 419
Catering		28 183	26 219
Communication		77 878	87 583
Computer services	4.2	716 448	623 896
Consultants: Business and advisory services		1 065 540	509 562
Infrastructure and planning services		17 288	39 356
Laboratory services		51 320	45 845
Scientific and technological services		907 448	942 125
Legal services		26 924	25 956
Contractors		1 928 132	1 893 272
Agency and support / outsourced services		846 017	840 325
Entertainment		3 135	2 614
Audit cost – external	4.3	60 319	57 796
Fleet services		127 832	93 558
Inventory	4.4	3 145 351	2 817 075
Consumables	4.5	179 116	185 422
Operating leases		1 735 169	1 588 966
Property payments	4.6	1 065 242	843 041
Rental and hiring		8 810	4 155
Travel and subsistence	4.7	1 141 552	1 054 872
Venues and facilities		10 464	12 014
Training and development		164 094	178 804
Other operating expenditure	4.8	514 928	754 398
<b>Total</b>		<b>13 955 914</b>	<b>12 772 328</b>
<b>4.1 Minor assets</b>			
<b>Tangible assets</b>	4	<b>39 114</b>	<b>53 408</b>
Buildings and other fixed structures		92	30
Machinery and equipment		38 246	52 538
Transport assets		15	76
Specialised military assets		761	764
<b>Intangible assets</b>		<b>7 458</b>	<b>11</b>
Software		7 458	11
<b>Total</b>		<b>46 572</b>	<b>53 419</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

	Note	2019/20	2018/19
		R'000	R'000
<b>4.2 Computer services</b>	4		
SITA computer services		627 386	521 955
External computer service providers		89 062	101 941
<b>Total</b>		<b>716 448</b>	<b>623 896</b>
<b>4.3 Audit cost – external</b>	4		
Regularity audits		54 916	54 385
Environmental audits		2 759	-
Computer audits		2 644	3 411
<b>Total</b>		<b>60 319</b>	<b>57 796</b>
<b>4.4 Inventory</b>	4		
Clothing material and accessories		63 047	131 719
Farming supplies		2 480	4 917
Food and food supplies		1 311 116	1 188 931
Fuel, oil and gas		729 910	485 609
Materials and supplies		96 896	160 189
Medical supplies		81 366	85 650
Medicine		238 456	247 786
Other supplies	4.4.1	622 080	512 274
<b>Total</b>		<b>3 145 351</b>	<b>2 817 075</b>
<b>4.4.1 Other Supplies</b>			
Other		622 080	512 274
<b>Total</b>		<b>622 080</b>	<b>512 274</b>
The prior year Other supplies has been restated into the main categories within Inventory.			
<b>4.5 Consumables</b>	4		
Consumables supplies		<b>136 973</b>	<b>137 641</b>
Uniform and clothing		771	657
Household supplies		49 215	47 697
IT consumables		52 533	63 064
Other consumables		34 454	26 223
Stationary, printing and office supplies		42 143	47 781
<b>Total</b>		<b>179 116</b>	<b>185 422</b>
<b>4.6 Property payments</b>	4		
Municipal services		954 496	728 002
Property maintenance and repairs		57 321	76 430
Other		53 425	38 609
<b>Total</b>		<b>1 065 242</b>	<b>843 041</b>

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>4.7 Travel and subsistence</b>	4		
Local		933 393	850 714
Foreign		208 159	204 158
<b>Total</b>		<b>1 141 552</b>	<b>1 054 872</b>
<b>4.8 Other operating expenditure</b>	4		
Professional bodies, membership and subscription fees		3 807	5 273
Resettlement costs		46 367	46 529
Other		464 754	702 596
<b>Total</b>		<b>514 928</b>	<b>754 398</b>
<b>5. Payments for financial assets</b>			
Debts written off	5.1	27 011	8 653
Forex losses	5.2	-	2 705
<b>Total</b>		<b>27 011</b>	<b>11 358</b>
<b>5.1 Debts written off</b>	5		
<b>Other debt written off</b>			
State guarantees		943	51
Salary related		3 703	5 111
Operations		21 999	-
Suppliers in debt		30	6
Estates		195	321
Loss of state funds		10	3 164
Motor vehicle accidents		128	-
Study loans		3	-
<b>Total debt written off</b>		<b>27 011</b>	<b>8 653</b>
<b>5.2 Forex losses</b>	5		
<b>Nature of losses</b>			
Forex Loss		-	2,705
<b>Total</b>		<b>-</b>	<b>2,705</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

		2019/20 R'000	2018/19 R'000
<b>6. Transfers and subsidies</b>			
Provinces and municipalities	36 / Annex 1A	141	135
Departmental agencies and accounts	Annex 1B	677 946	725 867
Public corporations and private enterprises	Annex 1C	1 469 153	1 423 359
Non-profit institutions	Annex 1D	9 549	9 073
Households	Annex 1E	189 673	298 672
<b>Total</b>		<b>2 346 462</b>	<b>2 457 106</b>
<b>7. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>2 504 312</b>	<b>2 967 247</b>
Buildings and other fixed structures	32	810 985	614 851
Machinery and equipment	30	1 159 912	1 172 376
Specialised military assets	30	532 379	1 179 640
Biological assets	30	1 036	380
<b>Intangible assets</b>		<b>222 646</b>	<b>254 452</b>
Software	31	222 646	254 452
<b>Total</b>		<b>2 726 958</b>	<b>3 221 699</b>
<b>7.1 Analysis of funds utilised to acquire capital assets - 2019/2020</b>			
	<b>Voted Funds</b>	<b>Aid assistance</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>	<b>2 504 312</b>	<b>-</b>	<b>2 504 312</b>
Buildings and other fixed structures	810 985	-	810 985
Machinery and equipment	1 159 912	-	1 159 912
Specialised military assets	532 379	-	532 379
Biological assets	1 036	-	1 036
<b>Intangible assets</b>	<b>222 646</b>	<b>-</b>	<b>222 646</b>
Software	222 646	-	222 646
<b>Total</b>	<b>2 726 958</b>	<b>-</b>	<b>2 726 958</b>

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

	Voted Funds	Aid assistance	Total
	R'000	R'000	R'000
<b>7.2 Analysis of funds utilised to acquire capital assets - 2018/19</b>	<b>2 967 247</b>	<b>-</b>	<b>2 967 247</b>
<b>Tangible assets</b>			
Buildings and other fixed structures	614 851	-	614 851
Machinery and equipment	1 172 376	-	1 172 376
Specialised military assets	1 179 640	-	1 179 640
Biological assets	380	-	380
<b>Intangible assets</b>	<b>254 452</b>	<b>-</b>	<b>254 452</b>
Software	254 452	-	254 452
<b>Total</b>	<b>3 221 699</b>	<b>-</b>	<b>3 221 699</b>
	<b>Note</b>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
<b>7.3 Finance lease expenditure included in Expenditure for Capital assets</b>			
<b>Tangible assets</b>			
Machinery and equipment		<b>37 458</b>	<b>41 680</b>
<b>8. Cash and cash equivalents</b>			
Consolidated Paymaster General Account		7 180 185	6 872 836
Cash on hand		105 660	53 099
Investments (Domestic)		196 445	42 013
<b>Total</b>		<b>7 482 290</b>	<b>6 967 948</b>
<b>9. Prepayments and advances</b>			
Staff advances		14 969	5 832
Travel and subsistence		117 680	120 459
Advances paid (Not expensed)	9.1	107 345	108 851
<b>Total</b>		<b>239 994</b>	<b>235 142</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 31 March 2020**

9.1 Advances Paid (Not expensed)		Balance as at 1 April 2019	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year advances	Balance as at 31 March 2020
	Note	R'000	R'000	R'000	R'000	R'000
National Departments	9	102 954	(210 489)	-	213 782	106 247
Other Institutions		5 897	(64 299)	-	59 500	1 098
<b>Total</b>		<b>108 851</b>	<b>(274 788)</b>	<b>-</b>	<b>273 282</b>	<b>107 345</b>

The advance payment to other Institutions is made to a Travel agent ( AB Logistic) for services rendered to the Department.

Advances Paid (Not expensed)		Balance as at 1 April 2018	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year advances	Amount as at 31 March 2019
	Note	R'000	R'000	R'000	R'000	R'000
National Departments	9	117 033	(304 787)	-	290 708	102 954
Other Institutions		3 602	(58 205)	-	60 500	5 897
<b>Total</b>		<b>120 635</b>	<b>(362 992)</b>	<b>-</b>	<b>351 208</b>	<b>108 851</b>

The advance payment to other Institutions is made to a Travel agent ( AB Logistic) for services rendered to the Department.

9.2 Prepayments (Expensed)		Balance as at 1 April 2019	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
Goods and services		1 295 267	(490 473)	-	18 914	823 708
Capital assets		136 273	(95 739)	-	16 707	57 241
<b>Total</b>		<b>1 431 540</b>	<b>(586 212)</b>	<b>-</b>	<b>35 621</b>	<b>880 949</b>

As a result of contractual obligations, Armscor made prepayments to other institutions on behalf of the SDA which have been expensed.

Prepayments (Expensed)		Balance as at 1 April 2018	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year prepayments	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Goods and services		1 383 794	(157 760)	-	69 233	1 295 267
Capital assets		130 620	(122 623)	-	128 276	136 273
<b>Total</b>		<b>1 514 414</b>	<b>(280 383)</b>	<b>-</b>	<b>197 509</b>	<b>1 431 540</b>

As a result of contractual obligations, Armscor made prepayments to other institutions on behalf of the SDA which have been expensed.

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 31 March 2020**

<b>9.3 Advances (Expensed)</b>	<b>Balance as at 1 April 2019</b>	<b>Less: Received in the current year</b>	<b>Add / Less: Other</b>	<b>Add: Current Year advances</b>	<b>Amount as at 31 March 2020</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Public entities	2 535 006	(147 963)	-	63 497	2 450 540
<b>Total</b>	<b>2 535 006</b>	<b>(147 963)</b>	<b>-</b>	<b>63 497</b>	<b>2 450 540</b>

As a result of contractual obligations, Armscor made advance payments to public entities on behalf of the SDA which have been expensed.

<b>Advances (Expensed)</b>	<b>Balance as at 1 April 2018</b>	<b>Less: Received in the current year</b>	<b>Add / Less: Other</b>	<b>Add: Current Year advances</b>	<b>Amount as at 31 March 2019</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Public entities	2 634 692	(191 690)	-	92 004	2 535 006
<b>Total</b>	<b>2 634 692</b>	<b>(191 690)</b>	<b>-</b>	<b>92 004</b>	<b>2 535 006</b>

As a result of contractual obligations, Armscor made advance payments to public entities on behalf of the SDA which have been expensed.

<b>10. Receivables</b>	Note	<b>2019/20</b>			<b>2018/19</b>		
		<b>Current R'000</b>	<b>Non-Current R'000</b>	<b>Total R'000</b>	<b>Current R'000</b>	<b>Non-Current R'000</b>	<b>Total R'000</b>
Claims recoverable	10.1 & Annex 4	24 637	86 839	111 476	160 035	25 562	185 597
Staff debt	10.2	47 991	32 432	80 423	47 203	27 056	74 259
Fruitless and wasteful expenditure	10.4	11	315	326	4	313	317
Other receivables	10.3	339 235	570 226	909 461	339 300	692 157	1 031 457
<b>Total</b>		<b>411 874</b>	<b>689 812</b>	<b>1 101 686</b>	<b>546 542</b>	<b>745 088</b>	<b>1 291 630</b>

<b>10.1 Claims recoverable</b>	<b>2019/20 R'000</b>	<b>2018/19 R'000</b>
National departments	111 026	185 065
Provincial departments	406	495
Local governments	44	37
<b>Total</b>	<b>111 476</b>	<b>185 597</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

	2019/20	2018/19
	R'000	R'000
<b>10.2 Staff debt</b>		
Salary related	46 460	40 337
Study loans - Students	26 050	26 517
Motor vehicle accidents	6 036	5 497
Travel and subsistence	562	776
Private patients	180	78
Loss of state money	731	829
Damage to state property	325	225
Irregular expenditure	79	-
<b>Total</b>	<b>80 423</b>	<b>74 259</b>
<b>10.3 Other receivables</b>		
Marketing support	150	-
Operations	208	3 855
Study loans - Students	95 171	92 145
Salary related	12 639	10 283
Salary overpayments	32 223	31 178
Aviation services	655	722
Suppliers	1 170	1 200
Motor vehicle accidents	13 617	12 143
Estates	2 523	2 111
State guarantees	166	1 053
Medical claims	1 365	1 398
Private patients	1 767	1 705
UN Services Rendered LOA	691 206	840 539
Aviation fuel	1 666	1 724
Private institutions	142	89
Damage to state property	143	40
Unallocated deposits	3	-
Loss of state money / property	11 666	12 549
UN Reimbursement MOA / MOU	12 282	12 283
Arm Scor suspense account	4 700	5 020
Medical United Nations	115	115
Clearing account	6 905	869
Medical Embassy	411	430
Sales per tender	265	-
Arm Scor Profit / Loss	16 824	-
Arm Scor Royalties	1 479	-
Irregular expenditure	-	6
<b>Total</b>	<b>909 461</b>	<b>1 031 457</b>



DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

	2019/20	2018/19
	R'000	R'000
<b>10.4 Fruitless and Wasteful Expenditure</b>		
Opening balance	317	313
Less amounts recovered	(2)	-
Transfers from Note 26 Fruitless and Wasteful Expenditure	11	4
<b>Total</b>	<b>326</b>	<b>317</b>

Prior year restated as the amounts were reversed and treated as Irregular expenditure.

**10.5 Impairment of receivables**

Estimate of impairment of receivables	136 567	129 618
<b>Total</b>	<b>136 567</b>	<b>129 618</b>

At the end of the reporting date the Department assesses whether there is objective evidence that a financial asset should be considered for impairment.

Impairment estimates are determined by estimating the present value of the expected future inflow of cash that is expected in settlement of the financial asset. PV is determined by using the prevailing interest rate at the reporting date.

**11. Investments****Non-Current****Shares and other equity**

Armcor	75 000	75 000
Special Defence activities	107 164	107 164
<b>Total</b>	<b>182 164</b>	<b>182 164</b>

**Analysis of non-current investments**

Opening balance	182 164	181 164
Additions in cash	-	1 000
<b>Closing balance</b>	<b>182 164</b>	<b>182 164</b>

An impairment test performed on the Investment in Armcor, based on 2019/2020 Annual Financial Statements, indicates no impairment.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

		2019/20	2018/19
		R'000	R'000
<b>12. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		4 162	22 328
Prior period error		-	-
As restated		4 162	22 328
Transfer from Statement of Financial Performance		28 761	21 783
Transferred to retained revenue		(22 886)	(17 621)
Paid during the year		(4 162)	(22 328)
<b>Closing balance</b>		<b>5 875</b>	<b>4 162</b>
<b>13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		121 616	63 547
Prior period error		-	-
As restated		121 616	63 547
Transfer from Statement of Financial Performance		1 289 155	814 391
Paid during the year		(1 304 470)	(756 322)
<b>Closing balance</b>		<b>106 301</b>	<b>121 616</b>
<b>14. Payables - current</b>			
Clearing accounts	14.1	50	73
Other payables	14.2	592 676	100 623
<b>Total</b>		<b>592 726</b>	<b>100 696</b>
<b>14.1 Clearing accounts</b>			
Insurance		3	-
Suppliers		47	73
<b>Total</b>		<b>50</b>	<b>73</b>
<b>14.2 Other payables</b>			
Salary related		20 801	24 144
Debtors in credit		106	168
Travel and subsistence		1 865	1 693
Unallocated deposits		181	12
Suppliers		481 581	12 367
Unallocated credits		204	1 563
Armcor contract creditors		60 131	60 532
Compliance programme		23	144
UN operations		27 783	-
State guarantees		1	-
<b>Total</b>		<b>592 676</b>	<b>100 623</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**15. Payables non-current**

	Note	2019/20			Total R'000	2018/19
		One to two years R'000	Two to three years R'000	More than three years R'000		Total R'000
		Other payables	15.1	122		-
<b>Total</b>		<b>122</b>	<b>-</b>	<b>144</b>	<b>266</b>	<b>4 220</b>

		2019/20	2018/19
		R'000	R'000
<b>15.1</b>	<b>Other Payables</b>	15	
	Medical claims	-	129
	Salary related	113	45
	State guarantees	144	4 024
	Suppliers	-	22
	Unallocated credits	9	-
	<b>Total</b>	<b>266</b>	<b>4 220</b>

**16. Net cash flow available from operating activities**

Net surplus/(deficit) as per Statement of Financial Performance	1 317 916	836 174
Add back non cash/cash movements not deemed operating activities	2 037 668	2 081 269
(Increase)/decrease in receivables	134 668	(303 379)
(Increase)/decrease in prepayments and advances	(4 852)	(27 336)
Increase/(decrease) in payables – current	492 030	(12 141)
Proceeds from sale of capital assets	(2 504)	(18 924)
Expenditure on capital assets	2 726 958	3 221 699
Surrenders to Revenue Fund	(1 308 632)	(778 650)
<b>Net cash flow generated by operating activities</b>	<b>3 355 584</b>	<b>2 917 443</b>

**17. Reconciliation of cash and cash equivalents for cash flow purposes**

Consolidated Paymaster General account	7 180 185	6 872 836
Cash on hand	105 660	53 099
Cash with commercial banks (Local)	196 445	42 013
<b>Total</b>	<b>7 482 290</b>	<b>6 967 948</b>

**NOTES ON SECONDARY FINANCIAL INFORMATION**  
for the year ended 31 March 2020

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	Note	2019/2020 R'000	2018/19 R'000
Housing loan guarantees	Employees	Annexure 3A	1 344	1 731
Claims against the department		Annexure 3B	5 423 852	4 352 485
Intergovernmental payables (unconfirmed balances)		Annexure 5	-	10
Environmental rehabilitation liability		Annexure 3B	1 288 390	1 231 352
<b>Total</b>			<b>6 713 586</b>	<b>5 585 578</b>

Contingent assets

Claim against SANDU due to damage to Military Police Vehicles during a protest			80	80
Damage to state property			678	678
Breach of contract			1 453	1 453
Diesel contamination (mixed with petrol)			347	347
<b>Total</b>			<b>2 558</b>	<b>2 558</b>

**Housing**

- Not practical to determine any outflow, as the outflow would depend on the non-payments made by Defence employees to Bond institutions.

**Claims against the department**

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the third parties.
- These are contingent liabilities hence, we cannot be certain as to the timing of the outflow of the related resources / amounts.
- There was no possibility for any reimbursements as at 31 March 2020.
- The claim against the Special Defence Account (SDA) relates to a commission claim of EUR 192 180 623 with a rand value of R3 763 556 543 (1 Euro = R19.583434) (2018/19: R3 129 040 891). The matter is defended in the Civil Court of Lisbon, Portugal. The Plaintiff has now also filed an application in the High Court in Pretoria to compel the Auditor-General of South Africa to make available certain documentation alleged to be relevant to the litigation in Portugal. Armscor as the second respondent is opposing the application. The Applicant in this matter has not applied for a court date yet. In respect of the main application to be heard in Lisbon, all the preliminary work has been done except the submission of the expert report. The matter is considered ripe for hearing and as such, a court date is awaited. It was envisaged that a court date would be furnished in this calendar year 2020, however due to the Covid 19 situation affecting Europe, it is expected that a further delay will be experienced and that a trial date may be set down in 2021.
- A new claim registered against the SDA relates to a claim of EUR 17 601 975.82 with a rand value of R344 965 299 (1 Euro = R19.583434 plus ZAR 258,168.19). Armscor has entered a Notice of Intention to Defend and filed an Exception in terms of the court rules. Following the amendment of the Particulars of Claim of the Plaintiff, Armscor filed its plea.

**Environmental Liability**

- The baseline costing for the removal and disposal of unexploded ordnance at SANDF facilities was accepted to be the baseline cost as determined from February 2012.
- It was decided to escalate the expenses in the line with CPI.

**Contingent Assets**

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the Department of Defence.
- These are Contingent Assets hence, we cannot be certain as to the timing of the inflow of the related resources / amounts.
- There was no possibility for any cancellation of these claims by the DOD as at 31 March 2020.

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

## NOTES ON SECONDARY FINANCIAL INFORMATION

### for the year ended 31 March 2020

19. Commitments	2019/20	2018/19
	R'000	R'000
Class of assets		
Buildings	6 005 843	7 359 915
Machinery and equipment	1 208 172	1 284 885
Specialised Military assets	11 405 704	12 441 758
Software and Intangible assets	48 058	286 998
	<u>18 667 777</u>	<u>21 373 556</u>

National Treasury changed the MSC reporting requirements for commitments for the 2019/20 financial year to only reflect capital commitments. With the adoption of this new disclosure requirement, and in updating the comparatives to adhere to the new reporting requirement, the Department identified a prior year error within the GDA & SDA capital commitments as was previously disclosed for 2018/19. Within the SDA the amount disclosed included operational commitments. Within the GDA the capital amount disclosed did not include the commitments for Buildings as per the User Asset Management Plan (UAMP).

The Department has therefore made the following corrections for the prior year error and have included it in the prior year error note (Note 33) as well:

SDA - corrected previously disclosed amount of Rbn14 485 432 to Rbn13 693 393.

GDA - corrected previously disclosed amount of Rm540 844 to Rbn7 680 162.

20. Accruals and Payables not recognised	2019/20			2018/19
	R'000			R'000
<b>20.1 Accruals</b>				
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
	R'000	R'000	R'000	R'000
Goods and services	33 081	24 672	57 753	874 138
Transfers and subsidies	-	-	-	11 687
Capital assets	323	396	719	7 564
Other	31	-	31	-
<b>Total</b>	<u>33 435</u>	<u>25 068</u>	<u>58 503</u>	<u>893 389</u>
<b>Listed by programme level</b>				
Administration			7 336	424 057
Landward Defence			6 227	6 084
Air Defence			15 634	4 528
Maritime Defence			2 473	-
Military Medical Health Service			19 281	452 279
Defence Intelligence			6	100
General Support			6 922	3 238
Force Employment			624	3 103
<b>Total</b>			<u>58 503</u>	<u>893 389</u>

**NOTES ON SECONDARY FINANCIAL INFORMATION**  
for the year ended 31 March 2020

20.2 Payables not recognised			2019/20	2018/19
			R'000	R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
Goods and services	301 651	105 923	407 574	1 027 720
Capital assets	45 761	8 502	54 263	11 902
Other	-	-	-	-
<b>Total</b>	<b>347 412</b>	<b>114 425</b>	<b>461 837</b>	<b>1 039 622</b>

**Listed by programme level**

Administration	7 109	128 838
Landward Defence	155 474	89 296
Air Defence	90 518	76 491
Maritime Defence	108 547	31 065
Military Medical Health Service	29 777	639 460
Defence Intelligence	1 322	21 523
General Support	34 757	43 589
Force Employment	34 333	9 360
<b>Total</b>	<b>461 837</b>	<b>1 039 622</b>

**21. Employee benefits**

Leave entitlement	1 088 967	953 026
Service bonus	897 161	851 570
Performance awards	-	4 402
Capped leave commitments	712 325	773 567
Other	148 475	66 442
<b>Total</b>	<b>2 846 928</b>	<b>2 649 007</b>

Leave entitlement with negative balances amounting to R67 110 996 for the 2019/2020 financial year and R74 781 199 for 2018/19 financial year are included in the above amounts.

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

**22. Lease Commitments****22.1 Finance leases expenditure**

2019/2020	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	26 420	26 420
Later than 1 year and not later than 5 years	-	-	-	10 169	10 169
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36 589</b>	<b>36 589</b>

2018/19	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	21 134	21 134
Later than 1 year and not later than 5 years	-	-	-	6 308	6 308
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 442</b>	<b>27 442</b>

The Department is not aware of any sub-leased assets

**23. Accrued departmental revenue**

	2019/20 R'000	2018/19 R'000
Transfers received	256 510	98 966
<b>Total</b>	<b>256 510</b>	<b>98 966</b>

**23.1 Analysis of accrued revenue**

Opening balance	98 966	53 786
Less: Amounts received	356 875	320 609
Add: Amounts recognised	552 507	379 714
Less: Amounts written off / reversed as irrecoverable	38 088	13 925
<b>Closing balance</b>	<b>256 510</b>	<b>98 966</b>

**23.2 Accrued departmental revenue written off**

Penalty imposed by the United Nations	<b>38 088</b>	<b>13 925</b>
---------------------------------------	---------------	---------------

The amount represents actual penalties deducted from revenue from the DOD for unserviceable equipment.

**23.3 Impairment of accrued departmental revenue**

Estimate of impairment of accrued departmental revenue	<b>52 709</b>	<b>74 804</b>
--	---------------	---------------

**NOTES ON SECONDARY FINANCIAL INFORMATION**  
for the year ended 31 March 2020

24. Irregular expenditure	2019/20	2018/19
	R'000	R'000
<b>24.1 Reconciliation of irregular expenditure</b>		
Opening balance	5 134 220	1 687 831
Prior period error	-	(37)
As restated	5 134 220	1 687 794
Add: Irregular expenditure - relating to prior year	3 347	(139 671)
Add: Irregular expenditure - relating to current year	2 840 464	3 586 728
Less: Prior year amounts condoned	(364)	(595)
Less: Current year amounts condoned	-	(28)
Less: Amounts recoverable (current and prior year)	-	(8)
Less: Amounts written off	-	-
<b>Closing balance</b>	<b>7 977 667</b>	<b>5 134 220</b>

**Analysis of awaiting condonation per age classification**

Current	2 840 464	3 586 657
Prior years	5 137 203	1 547 563
<b>Total</b>	<b>7 977 667</b>	<b>5 134 220</b>

24.2 Details of current and prior year Irregular expenditure - added current year (under determination and investigation)		2019/20
		R'000
Incident	Disciplinary steps taken/criminal proceedings	
6 x The min threshold for local production and content was not stipulated in the bid documents.	Investigation in process	1 330
4 x Unfair bidding process and PPPFA non-compliance.	Investigation in process	171 992
13 x Deviation from the procurement process.	Investigation in process	7 195
9 x Emergency procedures followed for a non emergency.	Investigation in process	424
1 x Exceeding of delegation limit.	Investigation in process	157
4 x Extension of contract without authority.	Investigation in process	1 244
1 x Deviation from the competitive bidding process above R500 000 without NT approval.	Investigation in process	1 970
9 x Three quotations not obtained.	Investigation in process	216
5 x Splitting of requirements.	Investigation in process	595
17 x Incorrect bid evaluation process.	Investigation in process	44 149
2 x Expenditure without a valid contract.	Investigation in process	94
1 x Expenditure above COE allocation due to the reduction imposed by NT through budget reduction.	Investigation in process	2 609 316
3 x Non-compliance with the Cost Containment Measures.	Investigation in process	154
2 x Invalid tax clearance certificate.	Investigation in process	34
15 x false declaration on the SBD4 form.	Investigation in process	1 594
<b>Prior year error (Note 24.5)</b>	Investigation in process	3 347
<b>Total</b>		<b>2 843 811</b>



## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

24.3 Details of irregular expenditure condoned		2019/20 R'000
Incident	Condoned by (condoning authority)	
Prior year		
3 x Services rendered without obtaining three quotations.	Supply Chain Irregular Expenditure Condonement Committee	364
<b>Total</b>		<b>364</b>
<b>24.4 Details of irregular expenditure under assessment (not included in the main note)</b>		
<b>Incident</b>		
Evaluation criteria applied when evaluating the bid not the same as the one stipulated in the bidding documents for fuel contracts over a five year period. The expenditure was confirmed to be irregular, but the Department is still in the process to quantify the irregular expenditure to be disclosed.		-
<b>Total</b>		<b>-</b>
<b>24.5 Prior period error</b>		
<b>Nature of prior period error</b>		
<b>Relating to 2017/18 (affecting the opening balance)</b>		<b>(37)</b>
1 x Splitting disclosed was investigated and it was found that the requirement was not sub-divided. The Irregular Expenditure disclosed was adjusted to exclude the amount previously disclosed.		(37)
<b>Relating to 2018/19</b>		<b>3 347</b>
1 x appointment of a guest lecturer was done without following the correct process of appointment and without authority.		29
1 x Irregular Expenditure was disclosed for an incorrect bid evaluation process and the amount disclosed was less than the amount paid in 2018/19. The understated amount was added to include all the payments made to the supplier.		5 448
1 x Irregular Expenditure was disclosed for an incorrect bid evaluation process and the amount disclosed was more than the amount paid in 2018/19. The overstated amount was adjusted to only include the payments made in 2018/19.		(4 183)
1 x Duplication was corrected.		(300)
1 x Irregular Expenditure was disclosed and after assessment it was found to be Fruitless and Wasteful Expenditure.		(12)
6 x Deviation from the procurement process detected during 2018/19 but only confirm in 2019/20.		2 366
<b>Total</b>		<b>3 310</b>

**NOTES ON SECONDARY FINANCIAL INFORMATION**  
for the year ended 31 March 2020

25. Fruitless and wasteful expenditure	2019/20 R'000	2018/19 R'000
<b>25.1 Reconciliation of fruitless and wasteful expenditure</b>		
Opening Balance	404 550	670 459
Prior period error	-	-
As restated	404 550	670 459
Fruitless and wasteful expenditure – relating to prior year	188	2
Fruitless and wasteful expenditure – relating to current year	18 870	37 469
Less: Amounts recoverable	(11)	(11)
Less: Amounts written off	(25) <b>Note 10.4</b>	(303 369)
<b>Closing balance</b>	<b>423 572</b>	<b>404 550</b>
<b>25.2 Details of current and prior year fruitless and wasteful expenditure - added current year (under determination and investigation)</b>		
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
2 x Cancellation fees.	Investigation in process	34
1 x Interest on long overdue account.	Investigation in process	9
1 x Interest and foreign currency fluctuation for late payment.	Investigation in process	6 634
7 x Price inflations beyond contract agreement for international commercial flight tickets.	Investigation in process	82
10 x Penalties paid.	Investigation in process	81
2 x Leased property not fully occupied.	Investigation in process	12 025
Storage fees.	Investigation in process	5
<b>Prior year error</b>	Investigation in process	188
<b>Total</b>		<b>19 058</b>
<b>25.3 Details of fruitless and wasteful expenditure recoverable</b>		
<b>Incident</b>		
1 x Storage fees from the official who was found to be liable in law.		11
<b>Total</b>		<b>11</b>
<b>25.4 Details of fruitless and wasteful expenditure written off</b>		
<b>Incident</b>		
1 x Booked accommodation not used.		3
5 x Penalty fees paid.		12
1 x Refuelling a military vehicle with the incorrect fuel type.		7
1 x Service of a military vehicle not done within the required time and the DOD had to pay for the service to continue with the service plan.		1
1 x Cancelled event.		2
<b>Total</b>		<b>25</b>
<b>25.5 Prior period error</b>		
<b>Prior period error 2018/19</b>		<b>188</b>
2 x Price inflations beyond contract agreement for international commercial flight tickets understatement was adjusted to be included.		177
1 x Storage fees paid. The understatement was corrected by including the storage fees paid.		11
<b>Total</b>		<b>188</b>

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

**26. Identification and nature of related party relationship**

As at 31 March 2020 the DOD had the following related parties, namely the:

- President of the RSA;
- Deputy President of the RSA;
- Cabinet of the Government of the RSA, including the Ministers of all National Departments;
- National Departments;
- Public Entities resorting under the National Departments;
- Public Entities resorting under the portfolio of the Minister of Defence and Military Veterans, these being:
  - The DOD has a related party transaction with the Armaments Corporation of South Africa Limited (ARMSCOR), including its subsidiaries, joint ventures or units under its control.
  - The relationship between the DOD and ARMSCOR is at arm's length, where the Department transfers funds to ARMSCOR (as disclosed in Note 6) in their mission to meet the acquisition, maintenance and disposal needs of the DOD and other clients in terms of Defence Material related products and services.
- Castle Control Board (CCB);
- South African National Defence Force Fund (SANDF); and
- Reserve Force Council
- Key Management Personnel

As per clarification letter from the National Treasury dated 31 March 2009, Department of Defence Funds (messes, clubs, regimental funds, etc.) are not regarded as related parties.

**Related party transactions**

The Department is not aware of any related party transactions (i.e. transactions not at arms length) that occurred during the period between the Department and the President of the RSA; the Deputy President of the RSA; the Cabinet of the Government of the RSA, including the Ministers of all National Departments; National Departments and Public Entities falling under these departments.

During the period the following related party transactions occurred between the Department and the Castle Control Board (CCB):

- The CCB is mandated in terms of the Castle Management Act, 1993 (Act 207 of 1993), to govern and manage the Castle of Good Hope on behalf of the Minister of Defence and Military Veterans. The CCB is housed and located in the Castle of Good Hope, Cape Town.
- The following entities and activities occupy or utilise parts of the Castle of Good Hope, at no consideration to the Department, however in some instances consideration is paid to the CCB:
  - Die Goewerneur restaurant,
  - Waterblommetjie restaurant,
  - Castle Forge,
  - Carriage rides,
  - Castle Military Museum,
  - Souvenir shop,
  - Iziko Museum of Cape Town,
  - The Western Cape Army Support Base (forming part of the Department) supplied guards to the CCB to guard the Castle of Good Hope and to perform ceremonial duties at no charge,
  - Defence Reserves Provincial Office Western Cape,
  - SA Heritage Resources Agency (SAHRA),
  - Good Hope Art Studio,
  - 5X Reserve Force Regiments.
- The Department provides management and administrative support to the SANDF Fund at no consideration.
- The Department is not aware of any related party transactions that might have occurred during the period between the Department and the Reserve Force Council.
- The Department did not identify any related party transactions during the period between the Department and its Key management personnel (other than normal salary related cost as disclosed in note 27), as well as the entities under the control, joint control or significant influence of key management personnel of the Department.

**NOTES ON SECONDARY FINANCIAL INFORMATION**  
for the year ended 31 March 2020

27. Key management personnel		2019/20	2018/19
		R'000	R'000
Description	No. of Individuals		
Political Office Bearers:	3	4 799	4 379
Officials			
Level 15 to 16	19	28 484	28 777
Level 14	9	10 966	11 582
Level 12 to 13	5	6 741	4 708
Family members of key management personnel	5	1 520	1 617
<b>Total</b>		<b>52 510</b>	<b>51 063</b>

28. Provisions

Environmental Liability - Aviation fuel contamination	156 219	172 935
Armcor retention fees SDA	723	443
Armcor retention fees GDA	6 616	6 616
<b>Total</b>	<b>163 558</b>	<b>179 994</b>

Reconciliation of movement in provisions - 2019/2020	Armcor retention fees SDA R'000	Armcor retention fees GDA R'000	Environmental Liability R'000	Total provisions R'000
Opening balance	443	6 616	172 935	179 994
Increase in provision	280	-	-	280
Change in provision due to change in estimation of inputs	-	-	(16 716)	(16 716)
<b>Closing balance</b>	<b>723</b>	<b>6 616</b>	<b>156 219</b>	<b>163 558</b>

Reconciliation of movement in provisions - 2018/19	Armcor retention fees SDA R'000	Armour retention fees GDA R'000	Environmental Liability R'000	Total provisions R'000
Opening balance	3 807	8 987	108 158	120 952
Increase in provision	443	-	64 777	65 220
Settlement of provision	(3 807)	(2 069)	-	(5 876)
Unused amount reversed	-	(302)	-	(302)
<b>Closing balance</b>	<b>443</b>	<b>6 616</b>	<b>172 935</b>	<b>179 994</b>

**Armcor retention fees**

- Delays in the contract renewal has resulted in the Department not being able to reliably determine the estimated amount of the obligation.
- Armcor, prior to September 2014 withheld 10% in retention fees for suppliers that are not BEE compliant.
- Once the supplier has submitted proof that the company is compliant, the retention fee is released.

**Environmental Liability**

- Delays in contract renewal had demanded that the monthly contract value be escalated according to CPIX to establish a new estimated contract value.
- CPIX data for February 2020 were however not summoned for escalation of the value in the current instance, since the actual contract value was available for purposes of calculation. The actual escalation in contract value has since proven to be below CPIX projections, therefore the reduction.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
**for the year ended 31 March 2020**

**29. Non-adjusting events after reporting date**

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by the government to contain the virus have affected economic activity. The SA government has also responded with monetary and fiscal stimulus interventions to stabilise economic conditions of the country. As a result, the DoD had to reprioritise from the main allocation an amount of R1.1 billion in addition to the R2.9 billion received from the fiscus.

The impact of this reduction has resulted in adjustments of performance indicators and targets for the 2020/2021 and the MTEF.

These events do not impact the financial position and activities of the 2019/2020 financial year, which ended on 31 March 2020, four days after the National Lockdown was implemented.

The impact of these financial reductions and reprioritisation on operations of the DOD will be assessed during the 2020/2021 financial year and the MTEF.

**30. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>	<b>260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260</b>
Heritage assets	260	-	-	-	260
<b>MACHINERY AND EQUIPMENT</b>	<b>12 230 505</b>	<b>-</b>	<b>809 684</b>	<b>8 873</b>	<b>13 031 316</b>
Transport assets	4 436 455	-	288 874	-	4 725 329
Computer equipment	1 087 592	-	83 370	5 093	1 165 869
Furniture and office equipment	247 765	-	12 241	71	259 935
Other machinery and equipment	6 458 693	-	425 199	3 709	6 880 183
<b>SPECIALISED MILITARY ASSETS</b>	<b>49 691 351</b>	<b>-</b>	<b>23 550</b>	<b>-</b>	<b>49 714 901</b>
Specialised military assets	49 691 351	-	23 550	-	49 714 901
<b>BIOLOGICAL ASSETS</b>	<b>5 361</b>	<b>-</b>	<b>1 038</b>	<b>85</b>	<b>6 314</b>
Biological assets	5 361	-	1 038	85	6 314
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>61 927 477</b>	<b>-</b>	<b>834 272</b>	<b>8 958</b>	<b>62 752 791</b>

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

30.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Cash	Non-cash	(Capital work-in-progress current cost and finance lease payment)	Received current not Paid year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>					
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>					
Transport assets	304 887	549 474	(37 458)	(7 219)	809 684
Computer equipment	32 400	256 597	(16)	(107)	288 874
Furniture and office equipment	85 418	1 983	-	(4 031)	83 370
Other machinery and equipment	12 192	346	-	(297)	12 241
	174 877	290 548	(37 442)	(2 784)	425 199
<b>SPECIALISED MILITARY ASSETS</b>					
Specialised military assets	-	23 550	-	-	23 550
	-	23 550	-	-	23 550
<b>BIOLOGICAL ASSETS</b>					
Biological assets	1 036	2	-	-	1 038
	1 036	2	-	-	1 038
<b>TOTAL ADDITIONS TO MOVEABLE TANGIBLE CAPITAL ASSETS</b>	<b>305 923</b>	<b>573 026</b>	<b>(37 458)</b>	<b>(7 219)</b>	<b>834 272</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
 for the year ended 31 March 2020

30.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Sold for cash		Non-cash disposals		Total disposals		Cash received Actual R'000
	R'000	R'000	R'000	R'000	R'000	R'000	
<b>HERITAGE ASSETS</b>	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	-	8 873	8 873	8 873	-	-	-
Transport assets	-	-	-	-	-	-	-
Computer equipment	-	5 093	5 093	5 093	-	-	-
Furniture and office equipment	-	71	71	71	-	-	-
Other machinery and equipment	-	3 709	3 709	3 709	-	-	-
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-	-	2 504
Specialised military assets	-	-	-	-	-	-	2 504
<b>BIOLOGICAL ASSETS</b>	-	85	85	85	-	-	-
Biological assets	-	85	85	85	-	-	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	8 958	8 958	8 958	-	-	2 504

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
 for the year ended 31 March 2020

30.3 Movement for 2018/19

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	<b>260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260</b>
Heritage assets	260	-	-	-	260
<b>MACHINERY AND EQUIPMENT</b>	<b>11 178 355</b>	<b>70 253</b>	<b>1 253 123</b>	<b>271 226</b>	<b>12 230 505</b>
Transport assets	4 219 505	24 380	193 990	1 420	4 436 455
Computer equipment	1 064 532	-	185 000	161 940	1 087 592
Furniture and office equipment	256 028	-	5 768	14 031	247 765
Other machinery and equipment	5 638 290	45 873	868 365	93 835	6 458 693
<b>SPECIALISED MILITARY ASSETS</b>	<b>47 804 082</b>	<b>1 630 726</b>	<b>256 543</b>	<b>-</b>	<b>49 691 351</b>
Specialised military assets	47 804 082	1 630 726	256 543	-	49 691 351
<b>BIOLOGICAL ASSETS</b>	<b>5 521</b>	<b>-</b>	<b>380</b>	<b>540</b>	<b>5 361</b>
Biological assets	5 521	-	380	540	5 361
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>58 988 218</b>	<b>1 700 979</b>	<b>1 510 046</b>	<b>271 766</b>	<b>61 927 477</b>



DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
**for the year ended 31 March 2020**

**30.3.1 Prior period error**

Audit findings and management letter points from the AGSA revealed the following prior period errors:

- Assets that existed were not recorded on the asset register
- Assets were found to have been included in the incorrect asset classes. The assets were subsequently reclassified to the correct asset classes.
- Assets were found to have been recorded at incorrect values. These values were subsequently corrected in the asset register.

Nature of prior period error	R'000
<b>Relating to 2017/18 (Affecting the opening balance)</b>	
Assets reclassified / derecognised	-
Assets recognised	-
Price changes / Projects	1 700 979
	1 700 979
<b>Relating to 2018/19</b>	
Assets reclassified / derecognised	691 035
Assets recognised	(234 800)
Price changes / Projects	179 812
	746 023
<b>Total</b>	2 392 014

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

**30.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Specialised Military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Closing balance R'000
Opening balance	-	3 003	-	435 710	-	438 713
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	11 849	-	11 849
Disposals	-	-	-	726	-	726
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>3 003</b>	<b>-</b>	<b>446 833</b>	<b>-</b>	<b>449 836</b>

	Specialised Military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Closing balance
Number of R1 Minor assets	-	-	-	1 320 535	-	1 320 489
Number of minor assets at cost	-	-	-	228 784	-	228 784
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 549 319</b>	<b>-</b>	<b>1 549 319</b>

**Minor capital assets under investigation**

	Number	Value
Specialised military assets	39	3 102
Machinery and equipment	1 697	38 705
Biological assets	1	15

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

30.4 Minor assets (continued)

**MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Specialised Military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Closing balance R'000
Opening balance	-	3 003	-	433 205	-	436 208
Prior period error	-	-	-	(11 956)	-	(11 956)
Additions	-	-	-	17 923	-	17 923
Disposals	-	-	-	3 462	-	3 462
<b>TOTAL MINOR ASSETS</b>	-	<b>3 003</b>	-	<b>435 710</b>	-	<b>438 713</b>

	Specialised Military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Closing balance R'000
Number of R1 Minor assets	-	-	-	1 124 339	-	1 124 339
Number of minor assets at cost	-	-	-	216 115	-	216 115
<b>TOTAL NUMBER MINOR ASSETS</b>	-	-	-	<b>1 340 454</b>	-	<b>1 340 454</b>

30.4.1 Nature of prior period error

**Relating to 2017/18 (Affecting the opening balance)**

Assets reclassified / derecognised	(11 956)
Assets recognised	5 031
Price changes / Projects	(22 739)
<b>Total</b>	<b>5 752</b>
	<b>(11 956)</b>

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

**30.5 Movable assets written-off**

**MOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2020**

	Specialised Military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written-off	50	-	-	3 530	40	3 620
<b>TOTAL MOVABLE ASSETS WRITTEN-OFF</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>3 530</b>	<b>40</b>	<b>3 620</b>

**30.5.1 MOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2019**

	Specialised Military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written-off	23	-	-	3 474	80	3 577
<b>TOTAL MOVABLE ASSETS WRITTEN-OFF</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>3 474</b>	<b>80</b>	<b>3 577</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
for the year ended 31 March 2020

31. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>SOFTWARE</b>	1 801 606	-	212 106	66 008	1 947 704
<b>MASTHEADS AND PUBLISHING TITLES</b>	-	-	-	-	-
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>	-	-	-	-	-
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>	3 024 747	-	1 029 389	9 373	4 044 763
<b>SERVICES AND OPERATING RIGHTS</b>	-	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>4 826 353</b>	<b>-</b>	<b>1 241 495</b>	<b>75 381</b>	<b>5 992 467</b>

Items derecognised are related to the following:

- Software no longer in use due to technological advancements in software versions and in the hardware.
- Licences that have expired and are therefore no longer valid.
- Designs that are no longer in use due to technological advancements.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

**for the year ended 31 March 2020**

31.1 Additions

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Cash	Non-cash	(Development work-in-progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	257 395	-	-	(45 289)	212 106
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>	-	1 029 389	-	-	1 029 389
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>257 395</b>	<b>1 029 389</b>	<b>-</b>	<b>(45 289)</b>	<b>1 241 495</b>

- Non Cash additions are related to Intellectual Property and Trademarks developed by Armscor and paid for by the Special Defence Account on behalf of the DOD and Software purchases with the costs being settled over a certain number of years instead of a single cash payment in a single financial year

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
 for the year ended 31 March 2020

31.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
<b>SOFTWARE</b>	-	66 008	66 008	-
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>	-	9 373	9 373	-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	-	<b>75 381</b>	<b>75 381</b>	-

The majority of disposed items have been replaced by new software contracts, and there has also been instances where the software has been discontinued, as well as being obsolete and not able to operate with other software.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

31.3 Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 771 459	(4 149)	138 136	103 840	1 801 606
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	1 844 407	(166 681)	1 348 637	1 616	3 024 747
<b>TOTAL MOVEMENT IN INTANGIBLE CAPITAL ASSETS</b>	<b>3 615 866</b>	<b>(170 830)</b>	<b>1 486 773</b>	<b>105 456</b>	<b>4 826 353</b>



## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

	2018/19 R'000
<b>31.3.1 Prior Period Error</b>	
<b>Nature of prior period error</b>	
<b>Relating to 2017/18 (affecting the opening balance)</b>	<b>(170 830)</b>
Recalculation of IP values (Audit Adjustments)	14 422
Value adjustment in IP	(181 103)
Overstatement of Software disposals	(4 149)
<b>Relating to 2018/19 (affecting the opening balance)</b>	<b>43 941</b>
Software received in 2018/19 paid in current year	45 289
Overstatement of Software disposals	833
Overstatement of Software additions	(2 181)
<b>Total</b>	<b>(126 889)</b>

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

32. Immovable Tangible Capital Assets

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>15 015 076</b>	<b>-</b>	<b>49 156</b>	<b>-</b>	<b>15 064 232</b>
Dwellings	1 464 289	-	17 947	-	1 482 236
Non-residential buildings	13 128 333	-	31 209	-	13 159 542
Other fixed structures	422 454	-	-	-	422 454
<b>HERITAGE ASSETS</b>	<b>2 881 117</b>	<b>-</b>	<b>(311)</b>	<b>-</b>	<b>2 880 806</b>
Heritage assets	2 881 117	-	(311)	-	2 880 806
<b>LAND AND SUBSOIL ASSETS</b>	<b>12 870 888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 870 888</b>
Land	12 870 888	-	-	-	12 870 888
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>30 767 081</b>	<b>-</b>	<b>48 845</b>	<b>-</b>	<b>30 815 926</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
for the year ended 31 March 2020

**32.1 Additions**
**ADDITIONS TO IMMOVABLE 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
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>216 887</b>	<b>20 683</b>	<b>(188 414)</b>	<b>-</b>	<b>49 156</b>
Dwellings	19 353	-	(1 406)	-	17 947
Non-residential buildings	197 534	20 683	(187 008)	-	31 209
Other fixed structures	-	-	-	-	-
<b>HERITAGE ASSETS</b>	<b>(311)</b>	<b>311</b>	<b>311</b>	<b>-</b>	<b>(311)</b>
Heritage assets	(311)	(311)	311	-	(311)
<b>LAND AND SUBSOIL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>216 576</b>	<b>20 372</b>	<b>(188 103)</b>	<b>-</b>	<b>48 845</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
 for the year ended 31 March 2020

32.2 Movement for 2018/19

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>14 883 922</b>	<b>70 811</b>	<b>60 343</b>	<b>-</b>	<b>15 015 076</b>
Dwellings	1 359 449	104 840	-	-	1 464 289
Non-residential buildings	13 100 453	(32 463)	60 343	-	13 128 333
Other fixed structures	424 020	(1 566)	-	-	422 454
<b>HERITAGE ASSETS</b>	<b>2 893 315</b>	<b>(13 700)</b>	<b>1 502</b>	<b>-</b>	<b>2 881 117</b>
Heritage assets	2 893 315	(13 700)	1 502	-	2 881 117
<b>LAND AND SUBSOIL ASSETS</b>	<b>12 870 888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 870 888</b>
Land	12 870 888	-	-	-	12 870 888
Mineral and similar non-regenerative resources	-	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>30 648 125</b>	<b>57 111</b>	<b>61 845</b>	<b>-</b>	<b>30 767 081</b>

32.3.1 Prior Period Error

Nature of prior period error	Note	2018/19 R'000
<b>Relating to 2017/18 (affecting the opening balance)</b>		<b>57 111</b>
Assets derecognised		(52 722)
Projects not recognised		109 833
Corrections		-
<b>Total</b>		<b>57 111</b>

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

## 32.4 Capital Work-in-progress

**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020**

	Note	Opening balance 1 April 2019	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2020
	Annexure 7	R'000	R'000	R'000	R'000
Heritage assets		-	(311)	(311)	-
Building and other fixed structures		1 338 289	188 414	20 683	1 506 020
Machinery and equipment		10 557 810	1 427 775	-	11 985 585
<b>Total</b>		<b>11 896 099</b>	<b>1 615 878</b>	<b>20 372</b>	<b>13 491 605</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
 for the year ended 31 March 2020

Age analysis on ongoing projects	Number of projects		2019/2020 Total R'000
	Planned, construction not stated	Planned, construction stated	
0 to 1 year	-	-	-
1 to 3 year (s)	-	3	15 602
3 to 5 years	-	8	108 973
Longer than 5 years	-	50	13 367 031
<b>Total</b>	-	<b>61</b>	<b>13 491 606</b>

Projects delayed beyond 5 years are due to the following difficulties faced by the Department of Public Works:

- The ratio of Project Managers versus projects shows that the Department is under-resourced. A single Project Manager manages an average of 22 projects and in some cases the ratio is 1:40.
- Administrative business and supply chain processes are not streamlined to support infrastructure programme implementation and effective delivery of infrastructure projects. For example, projects may be in tender stage and may not progress to the award stage due to internal cumbersome evaluation requirements.
- A lack of professionals is experienced in the former B regions (Mthatha, Mbabatho, Polokwane, Nelspruit and Kimberley)
- Delays in planning i.e. site clearance, sketch plan approval and evaluation and award etc.
- Lack of construction procurement that supports effective delivery of infrastructure.
- Lack of internal capacity due to shortage of built environment practitioners such as project managers, architects, engineers and quantity surveyors.
- Failure to document Client Department needs during the project planning phase resulting in scope changes and variation orders during construction phase.

This also results into huge financial costs.

- Poor performance of some contractors on certain contracts, resulting in extension of time with penalties.
- The ageing of projects was determined by the supplier agreement concluded by Armscor and third-party suppliers.

The ageing of projects was determined by the supplier agreements concluded by Armscor and third-party suppliers.

Projects delayed over the period of 5 years are because of the following reasons:

- Projects are complex of nature and the magnitude of the projects themselves.
- The capability and ability of the delivery by the Military Industry.
- There are long lead times in sourcing items from foreign countries.
- The rigorous process and the regulatory process involved in the delivery of project assets as prescribed in the DAHB 1000.
- The need to maintain a military capability through technological advances and keeping up to date with these.

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

	2020/19	2019/18
	R'000	R'000
<b>Payables not recognised relating to Capital WIP</b>		
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress	51 052	72 563
<b>Total</b>	<b>51 052</b>	<b>72 563</b>

	Note	Opening balance	Prior year error	Current year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000
<b>CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019</b>						
Annexure 7						
Heritage assets		-	-	1 192	1 192	-
Building and other fixed structures		1 093 429	95 164	229 234	79 538	1 338 289
Machinery and equipment		-	9 572 690	985 120		10 557 810
<b>Total</b>		<b>1 093 429</b>	<b>9 667 854</b>	<b>1 215 546</b>	<b>80 730</b>	<b>11 896 099</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

Age analysis on ongoing projects	Number of projects		2018/19 Total R'000
	Planned, construction not stated	Planned, construction stated	
0 to 1 year	-	-	-
1 to 3 year (s)	-	9	90 441
3 to 5 years	-	11	68 653
Longer than 5 years	-	42	11 737 005
<b>Total</b>	-	<b>62</b>	<b>11 896 099</b>

The opening balance of non-residential buildings increased by R95 164 from the prior year in light of projects that were incorrectly treated based on erroneous information from DPWI. Updated information has however been received from DPWI in this regard to allow the correction of the treatment. Additions to non-residential buildings increased by R19 940 due to the receipt of updated information from DPWI. Expenditure not paid was erroneously included in the Current year WIP balance, the correction has resulted in a decrease of R67 903 in the WIP balance, the amount has been accounted for as an accrual.

First time disclosure of CWIP for Tangible Assets in 2019/20, requires that the prior year comparative has to be corrected. The prior year error of Rb10 557 810 consists of Rb9 572 690 relating to balances affecting the opening balance of 2018/19 and Rm985 120 which relates to additions for 2018/19. The prior year error has been disclosed in note 33 to the AFS.



DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

32.5 Immoveable assets additional information

a Properties deemed vested

Land parcels Facilities	Estimated completion date	Note Annexure 9	2020/19 Number	2019/18 Number
Training area			12	-
High site			5	-
Office accommodation			1	-
Operation facility			1	-
Military base			1	-
Historical Military base			3	-
			1	-

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
 for the year ended 31 March 2020

33. Prior period errors

33.1 Correction of prior period errors

Expenditure	Note	Amount before error correction R'000	2018/19 Prior period errors R'000	Restated Amount R'000
Goods and services - Inventory - Other supplies	4	563 815	(51 541)	512 274
Clothing material and accessories		122 582	9 137	131 719
Materials and supplies		117 785	42 404	160 189
Tangible assets - Machinery and equipment	7	10	(6)	4
<b>Net effect</b>		<b>845 562</b>	<b>300</b>	<b>845 862</b>

Other supplies previously reported as one line item has been broken down into the SCOA line items.

**Assets:**

Accrued departmental revenue - opening balance	23	144 026	(45 060)	98 966
Prepayments (Expensed) - Goods and services	9	136 273	1 158 994	1 295 267
Capital assets		1 295 267	(1 158 994)	136 273
Receivables - Fruitless and wasteful expenditure	10	10	(6)	4
Movable Tangible Capital Assets - additions	30	631 383	878 663	1 510 046
Movable Tangible Capital Assets - disposals	30	84 139	187 627	271 766
Movable Tangible Capital Assets - Minor assets	30	450 669	(11 956)	438 713
Intangible Capital Assets - opening balance	31	4 953 242	(126 889)	4 826 353
Immovable Tangible Capital Assets - opening balance	32	30 709 970	57 111	30 767 081
Immovable Tangible Capital Assets - WIP	32	1 450 164	(111 875)	1 338 289
Movable Tangible Capital Assets - WIP	32	-	10 557 810	10 557 810
<b>Net effect</b>		<b>39 855 143</b>	<b>11 385 425</b>	<b>51 240 568</b>

## DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**NOTES ON SECONDARY FINANCIAL INFORMATION**

for the year ended 31 March 2020

	Note	Amount bef error correction R'000	2018/19 Prior period errors R'000	Restated Amount R'000
<b>Liabilities:</b>				
Provisions	28	172 935	6 616	179 551
Commitments - Capital commitments (SDA)	19	14 845 432	(1 152 039)	13 693 393
Commitments - Capital commitments (GDA)	19	540 844	7 139 138	7 680 162
<b>Net effect</b>		<b>15 559 211</b>	<b>5 993 895</b>	<b>21 553 106</b>
<b>Other:</b>				
Reconciliation on Irregular expenditure - prior period error	24	1 537 288	(37)	1 537 251
<b>Net effect</b>		<b>1 537 288</b>	<b>(37)</b>	<b>1 537 251</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**NOTES ON SECONDARY FINANCIAL INFORMATION**  
 for the year ended 31 March 2020

34. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	2019/2020				2018/19				
	TRANSFER ALLOCATION		TRANSFER		TRANSFER ALLOCATION		TRANSFER		
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Division of Revenue Act R'000	Appropriation Act R'000
Provincial and Local Governments	941	-	(801)	140	-	-	-	-	135
	<b>941</b>	<b>-</b>	<b>(801)</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 1A**  
**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2018/19			
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by Municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial and Local Governments	941	-	(801)	140	-	-	-	141	141	-	100%	135	-
<b>TOTAL</b>	<b>941</b>	<b>-</b>	<b>(801)</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>141</b>	<b>-</b>		<b>135</b>	<b>-</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTS / AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19 Appropriation Ac R'000
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Safety and Security Sector Education and Training Authority (SASSETA)	23 067	-	2 303	25 370	25 370	100%	25 991
Department of Military Veterans	652 553	-	-	652 553	652 553	100%	627 087
Communication Licences (Radio & TV)	482	-	(459)	23	23	100%	25
Claims against the State	-	-	-	-	-	-	72 764
<b>TOTAL</b>	<b>676 102</b>	<b>-</b>	<b>1 844</b>	<b>677 946</b>	<b>677 946</b>		<b>725 867</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

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

NAME OF PUBLIC CORPORATION / PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2018/19 Final Appropriation Act R'000	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Capital R'000		Current R'000
<b>PUBLIC CORPORATION</b>									
<b>Transfers</b>									
Armaments Corporation of South Africa	1 467 968	-	-	1 467 968	1 467 968	100%	-	-	
Claims against the State	-	-	1 086	1 086	1 086	100%	-	632	
<b>Sub total</b>	<b>1 467 968</b>		<b>1 086</b>	<b>1 469 054</b>	<b>1 469 054</b>	<b>100%</b>		<b>1 423 357</b>	
<b>PRIVATE ENTERPRISES</b>									
<b>Transfers</b>									
Claims against the State	-	-	99	99	99	100%	-	2	
<b>Sub total</b>			<b>99</b>	<b>99</b>	<b>99</b>	<b>100%</b>		<b>2</b>	
<b>TOTAL</b>	<b>1 467 968</b>		<b>1 185</b>	<b>1 469 153</b>	<b>1 469 153</b>	<b>100%</b>		<b>1 423 359</b>	

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**ANNEXURE 1D  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2018/19 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	
	<b>NON -PROFIT INSTITUTIONS</b>						
<b>Transfers</b>							
St John's Ambulance Brigade	1 002	-	(195)	807	807	100%	747
Reserve Force Council	8 742	-	-	8 742	8 742	100%	8 326
<b>TOTAL</b>	<b>9 744</b>	<b>-</b>	<b>(195)</b>	<b>9 549</b>	<b>9 549</b>		<b>9 073</b>



DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

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

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2018/19 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
<b>Transfers</b>						
DOD members	166 659	-	(22 985)	143 674	143 675	100%
Claims against the State Act of Grace	-	-	45 798	45 798	45 798	100%
	-	-	200	200	200	100%
<b>TOTAL</b>	<b>166 659</b>	<b>-</b>	<b>23 013</b>	<b>189 672</b>	<b>189 673</b>	<b>298 672</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 1F**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/2020	2018/19
		R'000	R'000
Received in kind			
Truvelo Manufacturers (Pty) Ltd	3 x Sniper Rifles	-	143
<b>TOTAL</b>		<b>-</b>	<b>143</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

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

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2019/2020	2018/19
	R'000	R'000
<b>Made in kind</b>		
SAAF Daggers and belts to the Chiefs of the Omar and Turkey Air forces	-	8
J Ops Div donation of 50 x computers to Caiphus Khoapa Senior Secondary School in Matatiele	-	403
SA Army donation of 200 x blankets to Community organisations in Butterworth and Mdantsane	-	32
<b>TOTAL</b>	<b>-</b>	<b>443</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**ANNEXURE 2A  
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY / TO NATIONAL / PROVINCIAL PUBLIC ENTITIES**

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% of shares held		Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
		2019/2020	2018/19	2019/2020	2018/19	R'000	R'000	2019/2020	2018/19	R'000	R'000	
<b>National / Provincial Public Entity</b>												
Castle Control Board (under control of the Minister of Defence).	3A	100%	100%	-	-	-	-	3 515	3 549	(34)	2 001	No
Armaments Corporation of South Africa (Managed and controlled by a board of Directors appointed by the Minister of Defence (Profit /Loss) for the year is for the ARMSCOR Group.	2	100%	100%	-	-	75 000	75 000	2 852 105	2 762 706	178 658	235 311	No
<b>TOTAL</b>						<b>75 000</b>	<b>75 000</b>	<b>2 855 620</b>	<b>2 766 255</b>	<b>178 624</b>	<b>237 312</b>	

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 2B**  
**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY / TO NATIONAL / PROVINCIAL PUBLIC ENTITIES (CONTINUED)**

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	R'000	R'000	R'000	R'000
		2019/2020	2018/19	2019/2020	2018/19	2019/2020	2018/19	2019/2020	2018/19
<b>Controlled entities</b>									
Castle Control Board under control of the Minister of Defence	To preserve and protect the military and cultural heritage of the Castle, optimise the tourism potential of the Castle; and maximise the accessibility to the public of the whole or any part, as the case may be, of the Castle which is not used by the SANDF	-	-	3 515	3 549	-	-	-	-
Armaments Corporation of South Africa (managed and controlled by a board of Directors appointed by the Minister of Defence.)	To acquire defence products, mainly for SANDF, and co-manage, with the SANDF, the development of technologies for future weapon systems and products and also to manage the disposal of excess, forfeited, redundant or surplus defence material for the SANDF and subsidiary companies which directly support technology and acquisition strategies.	75 000	75 000	2 852 105	2 762 706	-	-	-	-
<b>TOTAL</b>		<b>75 000</b>	<b>75 000</b>	<b>2 855 620</b>	<b>2 766 255</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**ANNEXURE 3A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 - LOCAL**

Guarantor Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening balance as at 1 April 2019	Guarantees drawdowns during the year	Guaranteed repayments / cancelled / reduced / released during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2020 R'000	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Housing</b>									
ABSA		-	373	-	29	-	344	-	-
First National Bank		-	540	-	57	-	483	-	-
Free State Dev Corp		-	186	-	100	-	86	-	-
Greenstart Home Loans		-	107	-	25	-	82	-	-
Nedbank		-	23	-	23	-	-	-	-
Standard Bank		-	502	-	153	-	349	-	-
<b>TOTAL</b>		-	<b>1 731</b>	-	<b>387</b>	-	<b>1 344</b>	-	-

The opening balance of ABSA has been corrected from R354 000 to R373 000, as the amount of R19 000 was previously incorrectly reflected under Nedbank. Nedbank opening balance has also been corrected from R42 000 to R23 000.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 3B**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 March 2020**

Nature of Liability	Opening Balance	Liabilities	Liabilities paid	Liabilities	Closing Balance
	1 April 2019	incurred during	/ cancelled /	recovered	31 March 2020
	R'000	the year	reduced during	the year	R'000
<b>Claims against the department</b>					
Civil claims	1 212 784	133 316	42 173	-	1 303 927
Mobile assets accidents (MAA)	10 660	3 417	2 673	-	11 404
Claims - Special Defence Account	3 129 041	979 480	-	-	4 108 521
<b>Sub Total</b>	<b>4 352 485</b>	<b>1 116 213</b>	<b>44 846</b>	<b>-</b>	<b>5 423 852</b>
<b>Environmental Liability</b>					
UXO contamination and rehabilitation	1 231 352	57 038	-	-	1 288 390
<b>Sub Total</b>	<b>1 231 352</b>	<b>57 038</b>	<b>-</b>	<b>-</b>	<b>1 288 390</b>
<b>TOTAL</b>	<b>5 583 837</b>	<b>1 173 251</b>	<b>44 846</b>	<b>-</b>	<b>6 712 242</b>

**Claims against the department**

- The amounts reported are based on the best possible estimates as per letters of demand and summons served by the third parties.
- These are contingent liabilities hence, we cannot be certain as to the timing of the outflow of the related resources / amounts.
- There was no possibility for any reimbursements as at 31 March 2020.

The claim against the Special Defence Account (SDA) relates to a commission claim of EUR 192 180 623 with a rand value of R3 763 556 543 (1 Euro = R19 583434) (2018/19: R3 129 040 891). The matter is defended in the Civil Court of Lisbon, Portugal. The Plaintiff has now also filed an application in the High Court in Pretoria to compel the Auditor-General of South Africa to make available certain documentation alleged to be relevant to the litigation in Portugal. Armscor as the second respondent is opposing the application. The Applicant in this matter has not applied for a court date yet. In respect of the main application to be heard in Lisbon, all the preliminary work has been done except the submission of the expert report. The matter is considered ripe for hearing and as such, a court date is awaited. It was envisaged that a court date would be furnished in this calendar year 2020, however due to the Covid 19 situation affecting Europe, it is expected that a further delay will be experienced and that a trial date may be set down in 2021.

The claim against the SDA relates to a claim of EUR 17 601 975.82 with a rand value of R344 965 299 (1 Euro = R19 583434 plus ZAR 258,168.19). Armscor has entered a Notice of Intention to Defend and filed an Exception in terms of the court rules. Following the amendment of the Particulars of Claim of the Plaintiff, Armscor filed its plea.

**Environmental Liability**

- The baseline costing for the removal and disposal of unexploded ordnance at SANDF facilities was accepted to be the baseline cost as determined from February 2012. available for purposes of calculation. The actual escalation in contract value has since proven to be below CPIX projections, therefore the reduction.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**ANNEXURE 4  
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/2020	
	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 before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
Department of Correctional Services	-	-	72	72	72	72		
Department of Health Gauteng	264	264	50	50	314	314		
Department of Health Cape Town	-	-	74	6	74	6		
Department of Health North West	-	-	12 275	12 275	12 275	12 275		
Department of Military Veterans	-	55 399	84 386	36 891	84 386	92 290		
San Parks	-	-	20	20	20	20		
Department of Public Works	-	-	8 117	13 802	8 117	13 802		
National Treasury	-	-	5 939	5 036	5 939	5 036		
South African Police Services	-	-	35	36	35	36		
Department of Water and Sanitation	-	-	-	61 378	-	61 378		
Office of the Premier EC	-	-	84	167	84	167		
City of Cape Town	-	-	26	19	26	19		
Department of Health KZN	8	8	-	-	8	8		
SARS	3	3	-	-	3	3		
Sol Plaatjies Municipality	-	-	18	18	18	18		
<b>TOTAL</b>	<b>275</b>	<b>55 674</b>	<b>111 096</b>	<b>129 770</b>	<b>111 371</b>	<b>185 444</b>		



DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

**ANNEXURE 5**  
**INTER-GOVERNMENT PAYABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/2020*	
	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
Department	-	-	-	10	-	-	-	-
SAPS	-	-	-	10	-	-	-	-
<b>TOTAL</b>	-	-	-	<b>10</b>	-	-	-	-

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 6  
 INVENTORIES**

**INVENTORY FOR THE YEAR ENDED 31 MARCH 2020**

	Food R'000	Fuel R'000	Medical supplies R'000	Other R'000	Total R'000
Opening balance	12 425	3 610 525	1 346	89 237	3 713 533
Add/ (Less): Adjustments to prior year balances	299 859	60 638 627	57 766	384 735 016	445 731 268
Add: Additions/ Purchases-Cash	1 300 546	702 093	317 799	212 903	2 533 341
Add: Additions-Non-cash				10 324	10 324
(Less): Disposals					-
(Less): Issues	(965 287)	(64 814 920)	(363 816)	(383 383 520)	(449 527 543)
Add/ (Less): Adjustments					-
<b>Closing balance</b>	<b>647 543</b>	<b>136 325</b>	<b>13 095</b>	<b>1 663 960</b>	<b>2 460 923</b>

**INVENTORY FOR THE YEAR ENDED 31 MARCH 2019**

	Food R'000	Fuel R'000	Medical supplies R'000	Other R'000	Total R'000
Opening balance	3 115 412	783 044	427 629	29 686 244	34 012 329
Add/ (Less): Adjustments to prior year balances	(1 963 775)	38 816 224	(398 314)	(28 750 881)	7 703 254
Add: Additions/ Purchases-Cash	50 268	460 724	331 725	223 411	1 066 128
Add: Additions-Non-cash				73 460	73 460
(Less): Disposals					-
(Less): Issues	(1 189 480)	(36 449 467)	(359 694)	(1 142 997)	(39 141 638)
Add/ (Less): Adjustments					-
<b>Closing balance</b>	<b>12 425</b>	<b>3 610 525</b>	<b>1 346</b>	<b>89 237</b>	<b>3 713 533</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**ANNEXURE 7**

Movement in Capital Work-in-Progress

**MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>				
Heritage assets	-	(311)	311	-
		(311)	311	-
<b>MACHINERY AND EQUIPMENT</b>				
Other machinery and equipment	-	-	-	-
<b>SPECIALISED MILITARY ASSETS</b>				
Specialised military assets	10 557 810	1 427 775	-	11 985 585
	10 557 810	1 427 775	-	11 985 585
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Dwellings	1 338 289	188 414	(20 683)	1 506 020
Non-residential buildings	46 453	1 406	-	47 859
Other fixed structures	1 274 617	187 008	(20 683)	1 440 942
	17 219	-	-	17 219
<b>LAND AND SUBSOIL ASSETS</b>				
Land	-	-	-	-
<b>COMPUTER SOFTWARE</b>				
Computer software	-	-	-	-
<b>MASTHEADS AND PUBLISHING TITLES</b>				
Mastheads and publishing titles	-	-	-	-

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 7 (CONTINUED)**  
 Movement in Capital Work-in-Progress

**MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>	-	-	-	-
Patents, Licences, Copyright, Brand names, Trademarks	-	-	-	-
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-
<b>SERVICES AND OPERATING RIGHTS</b>	-	-	-	-
Services and operating rights	-	-	-	-
<b>TOTAL</b>	<b>11 896 099</b>	<b>1 616 189</b>	<b>(20 372)</b>	<b>13 491 605</b>

The ageing of projects was determined by the supplier agreements concluded by Armscor and third party suppliers.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**ANNEXURE 7 (continued)****Movement in Capital Work-in-Progress****MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>				
Heritage assets	-	1 192	(1 192)	-
	-	1 192	(1 192)	-
<b>MACHINERY AND EQUIPMENT</b>				
Other machinery and equipment	-	-	-	-
	-	-	-	-
<b>SPECIALISED MILITARY ASSETS</b>				
Specialised military assets	9 572 690	985 120	-	10 557 810
	9 572 690	985 120	-	10 557 810
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Dwellings	1 188 593	229 234	(79 538)	1 338 289
	34 473	11 980	-	46 453
Non-residential buildings	1 153 582	200 573	(79 538)	1 274 617
Other fixed structures	538	16 681	-	17 219
<b>LAND AND SUBSOIL ASSETS</b>				
Land	-	-	-	-
	-	-	-	-
<b>COMPUTER SOFTWARE</b>				
Computer software	-	-	-	-
	-	-	-	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2020

**ANNEXURE 7 (continued)**

**Movement in Capital Work-in-Progress**

**MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
<b>MASTHEADS AND PUBLISHING TITLES</b>	-	-	-	-
Mastheads and publishing titles	-	-	-	-
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>	-	-	-	-
Patents, Licences, Copyright, Brand names, Trademarks	-	-	-	-
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-
<b>SERVICES AND OPERATING RIGHTS</b>	-	-	-	-
Services and operating rights	-	-	-	-
<b>TOTAL</b>	<b>10 666 118</b>	<b>1 283 777</b>	<b>(81 040)</b>	<b>11 968 662</b>

The opening balance of non-residential buildings increased by R 95 164 from the prior year in light of projects that were incorrectly treated based on erroneous information from DPWI. Updated information has however been received from DPWI in this regard to allow the correction of the treatment. Additions to non-residential buildings increased by R19 940 due to the receipt of updated information from DPWI. Expenditure not paid was erroneously included in the Current year WIP balance, the correction has resulted in a decrease of R67 903 in the WIP balance, the amount has been accounted for as an accrual.

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 8A****INTER-ENTITY ADVANCES PAID (note 9)**

ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Advance paid to DIRCO	-	-	106 247	102 954	106 247	102 954
<b>Sub Total</b>	-	-	<b>106 247</b>	<b>102 954</b>	<b>106 247</b>	<b>102 954</b>
<b>OTHER INSTITUTIONS</b>						
AB Logistics			1 098	5 897	1 098	5 897
<b>Sub Total</b>	-	-	<b>1 098</b>	<b>5 897</b>	<b>1 098</b>	<b>5 897</b>
<b>TOTAL</b>	-	-	<b>107 345</b>	<b>108 851</b>	<b>107 345</b>	<b>108 851</b>

DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 8B**  
**INTER-ENTITY ADVANCES RECEIVED (note 14)**

ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000
<b>PROVINCIAL DEPARTMENTS</b>						
Current	-	-	-	-	-	-
Province of the Eastern Cape office of the Premier	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-



DEPARTMENT OF DEFENCE AND MILITARY VETERANS – Vote 19  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
 for the year ended 31 March 2020

**ANNEXURE 9**  
 Immoveable assets additional information

Properties deemed vested	Estimated completion date	Note	2019/2020 Number
<b>Land parcels</b>		32.7	12
<b>Facilities</b>			
Training area			5
High site			1
Office accommodation			1
Operation facility			1
Military base			3
Historical Military base			1

Unsurveyed land: The Department does not have any unsurveyed land, neither does it have facilities that have been constructed on unsurveyed land.

Deemed vested properties: These properties consist of Defence Endowment facilities that are built on Defence Endowment Property, but that intersects with non-Defence Endowment Properties. The properties that are intersected by Defence Endowment Facilities are all registered in the name of the Republic of South Africa and are disclosed by other Departments, such as the Department of Public Works and the Department of Rural Development and Land Reform.

From the review of the Defence property portfolio and the Defence facilities, no potential contingent assets were identified.

2019/20  
**PART E**

**National Conventional  
Arms Control Committee**



**Assurance Report**  
for the year ended 31 March 2020



## Assurance report of the auditor-general to Parliament on the conduct of the affairs of the National Conventional Arms Control Committee in terms of section 12 of the National Conventional Arms Control Act, as amended

### Introduction

1. In accordance with section 12 of the National Conventional Arms Control Act of South Africa, 2002 (Act No. 41 of 2002), as amended (the Act), I have performed a limited assurance audit engagement on the conduct of the affairs of the National Conventional Arms Control Committee (NCACC) for the period ended 31 March 2020.
2. My full responsibility under the law, for my work and this report, is to Parliament.

### Responsibility of the NCACC

3. The NCACC is responsible for compliance with the Act and related regulations.

### Auditor-general's responsibility

4. As required by section 12 of the Act, my responsibility is to conclude on the compliance by the NCACC with sections 4, 7, 14, 23 and 27 of the Act. The functions of the NCACC, as stipulated in section 4(1) of the Act, refer to the Prohibition of Mercenary Activities and Regulation of Certain Activities in Country of Armed Conflict Act of South Africa, 2006 (Act No. 27 of 2006), which has not yet come into operation as no date has been determined by the President by proclamation in the *Government Gazette*.
5. I am independent of the NCACC in accordance with sections 290 and 291 of the *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.
6. I performed the assurance engagement in accordance with International Standard on Assurance Engagement (ISAE) 3000, *Assurance engagement other than audits or reviews of historical information*. That standard requires me to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate evidence regarding the subject matter of the engagement to support my assurance conclusion expressed below.

## Summary of work performed

7. As the auditor of the NCACC, I have also audited the Department of Defence, which provided the secretariat for the NCACC for the period ended 31 March 2020. My limited assurance procedures included the following specific procedures related to the affairs of the NCACC:
- Inspecting the processes and structures established by the NCACC for the effective control of, trade in and possession of controlled items
  - Inspecting the processes and structures established by the NCACC for the effective regulation of the rendering of certain assistance or services in a country of armed conflict
  - Inspecting the guidelines, structures and processes established by the NCACC for the scrutiny and assessment of the application for the issuing of a permit under the Act
  - Confirming whether the NCACC has liaised with the relevant government agencies regarding the enforcement of the Act
  - Inspecting a sample of the authorisation or refusal of issuing any permits as contemplated in section 14 of the Act
  - Performing procedures to verify compliance with the conditions under which a permit was issued
  - Inspecting the register that must be kept in the prescribed form of persons involved in the trade in and possession of controlled items
  - Inspecting the register that must be kept of every permit issued:
    - Selecting a sample of permits issued and following them through to the register
    - Selecting a sample of entries in the register and following them through to the permits
  - Confirming whether all reports were issued as specified in section 23 of the Act
  - Analysing reported data to identify anomalies
  - Verifying whether information supplied was relevant, reliable, complete and understandable
  - Verifying whether the NCACC performed any of the engagements as per sections 4(2), 4(3), 4(4) and 4(5) of the Act, and performing additional audit procedures to obtain evidence of compliance with these sections, if applicable
  - Performing procedures to obtain evidence regarding the affairs of the NCACC as required by any regulations or notices published in the Government Gazette, as indicated in section 27 of the Act.
8. My procedures for gathering evidence were limited due to the nature of a limited assurance engagement; therefore, less assurance was obtained than would have been the case in a reasonable assurance engagement.

9. I believe that the audit evidence obtained as part of my assurance engagement with the NCACC for the period ended 31 March 2020 is sufficient and appropriate to provide a basis for my conclusion expressed below.

### Internal control

10. I considered internal control relevant to my audit of compliance with legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

### Conclusion

11. Based on my work described in this report, nothing has come to my attention that caused me to believe that the conduct of the affairs of the NCACC did not comply with the terms of the Act in all material respects.



Pretoria

29 October 2020



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**Tel: (012) 355 6999**

**Defence Headquarters, Armscor Building,  
cnr Nossob & Boeing Street, Erasmuskloof, Pretoria**

**[www.dod.mil.za](http://www.dod.mil.za)**