



2020/21

DEPARTMENT OF DEFENCE
Annual Report

“Let’s grow South Africa together”



defence
Department:
Defence
REPUBLIC OF SOUTH AFRICA





DEPARTMENT OF DEFENCE

Annual Report

FY2020/21

Vote 23

“Let’s grow South Africa together”

In memory of Dr Sam Gulube

Secretary for Defence

15 December 2011 to 31 July 2020

“Dr Gulube, an unassuming, quiet, humble and highly intelligent person, will be missed for his contributions. South Africa has lost a great son and he will be deeply missed by all.”

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

Dr Gulube will be remembered for his leading role at the height of the COVID-19 pandemic when he steered the National Joint Operational and Intelligence Committee, an advisory and co-ordinating body to the National Coronavirus Command Council.

Using his medical experience, Dr Gulube directed the National Joint Operational and Intelligence Committee during critical stages of the fight against the Coronavirus, advising Cabinet on pandemic related matters.

Department of Defence



Submission of Annual Report 01 of 05 for the Strategic Period 2020 – 2025 to the Executive Authority

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 2020 to 31 March 2021.

**(AMBASSADOR G.S. KUDJOE)
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 on 31 March 2021.

Yours faithfully,

(AMBASSADOR G.S. KUDJOE)
SECRETARY FOR DEFENCE: DIRECTOR-GENERAL

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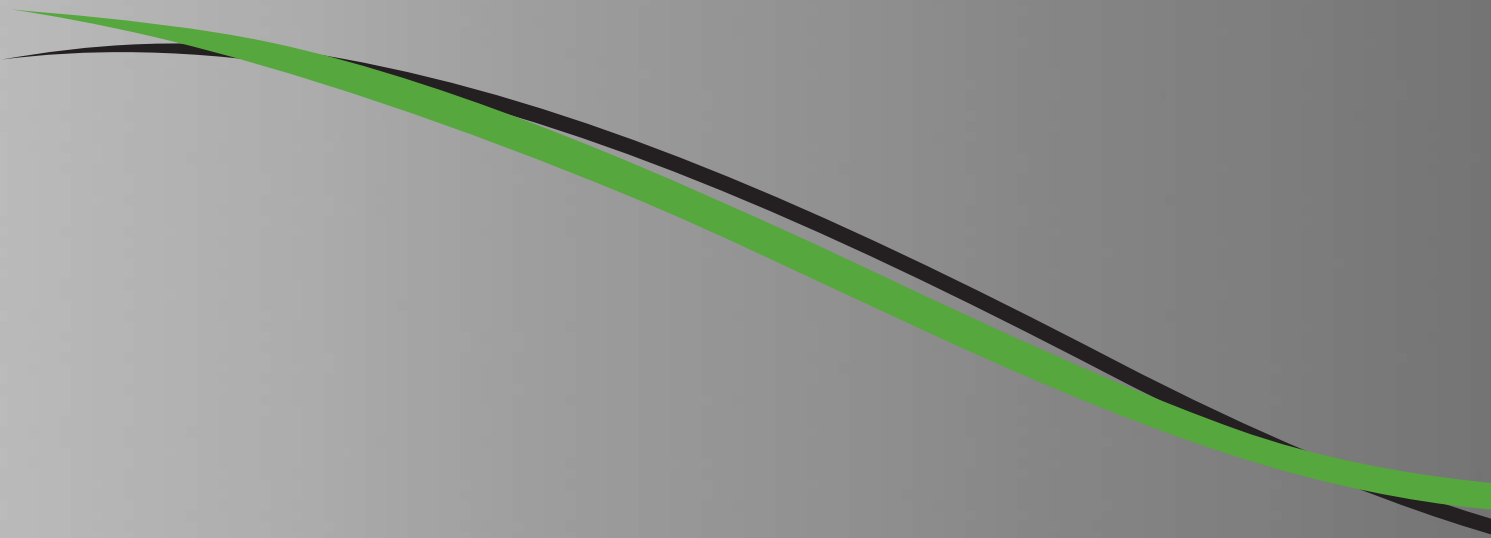
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Terminology

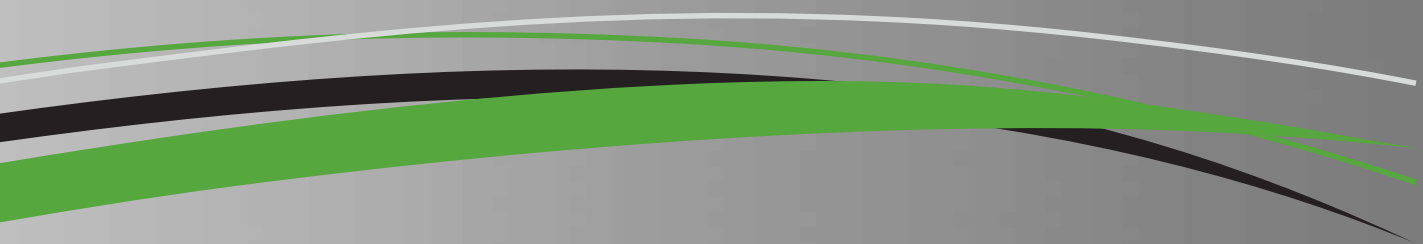
For the purpose of this document, the term **“the Minister”** will at all times refer to the Minister of Defence and Military Veterans (MOD&MV), unless stated otherwise.

For the purpose of this document, the term “ARMSCOR” refers to the Armaments Corporation of South Africa SOC Limited.

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.









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www.dod.mil.za



<https://www.facebook.com/SANationalDefenceForce>



https://twitter.com/SANDF_ZA



<https://www.linkedin.com/in/sandf/>



https://www.instagram.com/defence_za/



<https://www.youtube.com/channel/UCyIH-BGBmUKCkyl2LiiNE9g>

List of Abbreviations

A	AIDS	Acquired Immunodeficiency Syndrome
	AGSA	Auditor-General of South Africa
	AENE	Adjusted Estimates of National Expenditure
	AOP	Annual Operational Plan
	APP	Annual Performance Plan
	ARMSCOR	Armaments Corporation of South Africa SOC Limited
	ARV	Antiretroviral Drugs
	AU	African Union
C	CFO	Chief Financial Officer
	CHATSEC	Combating HIV/Aids through Spiritual and Ethical Conduct
	C Log	Chief of Logistics
	CoE	Compensation of Employees
	CORE	Code of Remuneration for all Occupations
	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
D	DG	Director-General
	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
E	EA	Enterprise Architecture
	EISP	Employer Initiated Severance Package
	ENE	Estimates of National Expenditure
	Ex	Exercise
F	FMS	Financial Management System
	FRS	Facility Register System
	FSE	Force Structure Element
	FY	Financial Year
G	GITO	Government Information Technology Officer
H	HOA	Home Owners Allowance
	HIV	Human Immunodeficiency Virus
	HR	Human Resource/s

I	ICT	Information and Communication Technology
	ICTS	International Cooperation, Trade and Security
	IDES	Integrated Defence Enterprise System
	IT	Information Technology
J	JCPS	Justice, Crime Prevention and Security
	JIIM	Joint, Interdepartmental, Interagency and Multinational
M	MEM	Mobility Exit Mechanism
	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
	N	NA
NATJOINTS		National Joint Operational and Intelligence Structures
NCOP		National Council of Provinces
NT		National Treasury
O	OHS	Occupational Health and Safety
	Op	Operation
P	PCD&MV	Portfolio Committee on Defence and Military Veterans
	PERSOL	Personnel Salary System of Government
	PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
	PMDS	Performance Management and Development System
	PPE	Personal Protective Equipment
	PRC	People's Republic of China
	PROVJOINTS	Provincial Joint Operational and Intelligence Structures
	PSAP	Public Service Act Personnel
	PSCBC	Public Service Co-ordinating Bargaining Council
R	RFC	Reserve Force Council
	RSA	Republic of South Africa
S	SA	South Africa(n)
	SABC	South African Broadcasting Corporation
	SABS	South African Bureau of Standards
	SADC	Southern African Development Community
	SAMHS	South African Military Health Service
	SAMRO	South African Music Rights Organisation
	SANDF	South African National Defence Force

Part A
General Information

S	SAPS	South African Police Service
	SAS	South African Ship
	SASSETA	Safety and Security Sector Education and Training Authority
	SCM	Supply Chain Management
	SDA	Special Defence Account
	SDIP	Service Delivery Improvement Plan
	SETA	Sector Education Training Authority
	SMS	Senior Management Service/System
	SP	Strategic Plan
	STIs	Sexually Transmitted Infections
T	TB	Tuberculosis
U	UN	United Nations
V	VVIP	Very Very Important Person
W	WIP	Work In Progress

Foreword by the Executive Authority



Ms N.N. Mapisa-Nqakula, MP

The Department of Defence Annual Report reflects on the year we have experienced; it has been challenging for all South Africans, but even more so for the South African National Defence Force.

The South African National Defence Force has been progressively asked *to do more for less* for several years now. The year under review however, was unprecedented, but it was a challenge that the members who make up this proud national asset accepted and met, starting with the highly successful repatriation of South African nationals stranded in China after the outbreak of the COVID-19 pandemic. This pandemic defined our entire year, as it did for almost everyone else in the country.

When the President and Commander-in-Chief declared a national state of disaster, imposing the country's first lockdown of the democratic era, he looked immediately to the men and women of the South African National Defence Force to help enforce it.

The greatest deployment in our history, however, was for more than just putting boots on the ground, ensuring that citizens adhered to social distancing and the wearing of masks; we delivered in many other ways that were unseen, like providing drinking water and literally building bridges in remote areas that would otherwise have been cut off, or deploying our medical professionals to areas that were buckling, and would have collapsed under the strain of the pandemic.

Throughout all of this, the South African National Defence Force continued to fulfil its constitutional mandate to defend the land, sea and air sovereignty of South Africa, aiding law enforcement agencies in their fight against cross-border crime, as well as fulfilling the country's international responsibilities like peace keeping in the biggest United Nations mission, including leading the United Nation's unique Force Intervention Brigade, providing both combat and combat support elements.

This has also been a year of great introspection and reflection for the Department of Defence and more specifically the Command Council of the South African National Defence Force.

We have learnt many vital lessons and confronted our own weaknesses and failings with courage and humility; whether it has been in isolated cases of misconduct by our members towards their civilian brothers and sisters or in our handling of sexual harassment or sexual exploitation cases, both here, at home and abroad.

We pride ourselves on being representative of the country we faithfully serve and a great example of what this country should be when it comes to working together for a single purpose that benefits everyone, built on the foundation of a culture of respect.

We have made great strides in this regard and will continue on this journey, building on the incredible successes we have achieved by international standards too, continuing to smash any glass ceilings that might stop anyone from achieving their dreams and unlocking their potential because of their gender, background or beliefs.

All of this comes at a cost, though. As we look towards the new financial year with hope that everyone's fortunes will turn for the better, the Department of Defence does so in the full knowledge that the 2021/22 financial year is going to be even harder.

The rebuilding of this country will place a huge toll on all of us.

Our President and Commander-in-Chief cautioned and counselled us of exactly this through each step of the lockdowns. We all have to do our bit. For the Department, the next contribution will be to have our budget cut sizeably as part of the package of reforms being instituted to kick-start the economy and fix state-owned enterprises and other institutions.

The Department of Defence is not alone among government departments being asked to make these sacrifices. Other departments which have done yeoman service in combating the pandemic are also being told to cut. We can accept this. We have no option, because it is in the national interest.

*The question is, what kind of Defence Force will we be left with?
For years we have been asked to do more with less.*

I have consistently warned that we will approach a point where the people of South Africa will have to temper their expectations of what their Defence Force can do for them because there simply won't be resources to do what is expected of us.

It's not simply about turning on the taps for funding, but rather the understanding that defending a country takes people who have to be paid and who have to train on equipment that is at least equal to the level of sophistication and scale that their enemies will use against them.

The sad reality is that our equipment is old and becoming older, while the nature of the threats we face are becoming exponentially more technologically advanced, especially in the realm of cybersecurity.

Training costs money, whether it's keeping soldiers on target with their marksmanship or fighter pilots flying sorties to ensure they are ready to meet the threat.

This is never part of the discussion when budgets are debated. We are no longer about to pass the point of no return; that point is now upon us.

In conclusion, I would like to take this opportunity to personally convey my appreciation for the continued support and leadership provided by Parliamentary Oversight Committees, the Deputy Minister of Defence and Military Veterans, the Secretary for Defence and Chief of the South African National Defence Force and their respective management teams.

I hereby present the Department of Defence Annual Report for the 2020/21 financial year.



(MS N.N. MAPISA-NQAKULA)

MINISTER OF DEFENCE AND MILITARY VETERANS: MP

Strategic Statement by the Head of Department



Ambassador G.S. Kudjoe

It gives me great pleasure to provide my first Strategic Statement since my appointment as the Head of Department and Accounting Officer for the Department of Defence. When I assumed office in August 2020 and took over from the late Dr Sam Gulube, I very quickly realised that I had “big shoes to fill”. His assistance and guidance to me during the period of handing and taking over was invaluable.

Taking over the top level decision making role when the plans have already been made and the budgets approved and allocated and in process of implementation, is always difficult. To add to this, the fight against the COVID-19 pandemic required that I had to play a significant and time consuming role in the work required of me in support the National Coronavirus Command Council. The complexities of executing my role as Secretary for Defence during this pandemic have been significant.

I have had time enough to observe that the funding allocation coupled to other constraints that the Department has had to endure over the last 20 years have profoundly impacted negatively on the ability to, not only to defend and protect South Africa and its people by the South African National Defence Force, but also to maintain sufficient departmental governance capacity in the Defence Secretariat specifically. Whilst the fiscal circumstances that South Africa is facing are well understood, it must also be appreciated that the dramatic reductions to the defence allocation over time have severely impacted the ability of the Department to meet its mandate.

It is my observation that the Compensation of Employee allocation has skewed the budget balance in the Department. As a consequence, the budget allocation to operations and to capital or equipment renewal has also been significantly reduced over time. This has placed the Department into stress as the demand for “boots on the ground” has never been greater in the history of the South African National Defence Force.

From the onset and in line with my responsibility to support the Minister of Defence and Military Veterans, I have recognised the importance of South Africa’s Civil Military Relations Model and have looked carefully as to how the Defence Secretariat can enhance the role of the Executive on matters of civil control. To this end I have provided guidance to the process of repositioning the Defence Secretariat and enhancing its capacity to provide the Minister with the ability to effect civil control.

In addition, I see the Legislature as a strategic partner and have established a mutually beneficial relationship with the Parliamentary Oversight Committees so as to optimise matters of civil oversight over the defence function.

I have also deliberately engaged the Auditor-General to assist the Department in identifying areas where governance and internal controls must be enhanced. It is clear that much work needs to be done to ensure a reduction in the audit findings against the Department. I am adamant that consequence management for transgressions must be instituted.

The mismatch between the funding for and the expectation placed on the Department, have forced it from its strategic long-term focus to a short-term view in the quest to manage the defence allocation. Our tendency to fall back to crisis management is self-defeating.

The Minister has repeatedly asked *“What kind of Defence Force does South Africa need and what can it afford?”*. The answer to this question is crucial to our understanding of the future and our concomitant strategic focus.

Against the recommendations contained in the South African Defence Review 2015 and being mindful of the changes in the strategic environment, I have provided guidance for a complete rethink and re-conceptualisation of the defence function as it relates to the National Security of South Africa. This work will be one of my focus areas in the next financial year.

It goes without saying, that the Defence and Defence Related Industry in South Africa is a force multiplier in growing our economy. The Public-Private Growth Initiative of the President placed the Defence and Defence Related Industry within the top ten economic sectors that could catalyse growth to the South African economy. In my role as the chairperson of the National Defence Industry Council, I have been able to engage on matters that should lead to a more sustainable future for the sector.

Our ability to administer the Department is negatively impacted by the current legacy Information and Communication Technology systems that we have been dragging along for far too long. We have not had the resources to modernise and align our Information and Communication Technology framework to the demands of sound administration of government business as it pertains to Defence. Our Financial Management System is disconnected to our supply chain and logistic systems and this will have to be rectified if we are to reduce the current audit findings.

Part A
General Information

During the year under review, we have been able to adhere to all legislative requirements in relation to accountability documents. The development of our planning and reporting instruments are according to the regulatory prescripts and we are able to comply with the implementation and reporting criteria on time. Having said this, I will be looking at the alignment between our high level departmental policy as contained in the South African Defence Review 2015 with our Defence Secretariat Strategy as well as our Military Strategy so as to ensure congruence and coherence.

In conclusion, I must convey my appreciation to the Minister of Defence and Military Veterans for her continued leadership and assistance during this first year of my term as Secretary of Defence. I also want to convey my appreciation to the Portfolio and Joint Standing Committees on Defence and Military Veterans and the Auditor-General and her office for their assistance and support to the defence sector in general and to me as the Secretary for Defence in particular.

Lastly I need to convey my sincere appreciation to the Defence Secretariat and South African National Defence Force leadership teams and the many individuals that went out of their way to support me and to ensure my smooth integration into the Department.

It is my privilege to present the Department of Defence Annual Report for the 2020/21 financial year.



(AMBASSADOR G.S. KUDJOE)
SECRETARY FOR DEFENCE: DIRECTOR-GENERAL

Introduction by the Chief of the South African National Defence Force

Chief of the SANDF



General S.Z. Shoke

I extend my sincere appreciation to the men and women in uniform who displayed a great sense of courage and patriotism, by being at the forefront to assist the Department of Health and the South African Police Service to curb the spread of the global COVID-19 pandemic. I salute all the regulars, reserves and auxiliary heroes and heroines in uniform who made this country proud by putting their lives at risk by enforcing lockdown regulations. This also goes to all the military medical professionals that not only served our members but were at the forefront in public hospitals and outdoor facilities directly providing assistance to the masses in the fight against this dreaded pandemic.

The South African National Defence Force is constitutionally mandated to defend and protect the Republic of South Africa's territorial integrity and its people. To fulfil this mandate, the South African National Defence Force continued to support the overarching Border Safeguarding Strategy to defend, protect, secure, and ensure well-managed border safeguarding operations through the deployment of 15 sub-units in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces. Through these deployments, our soldiers are curbing illegal migrations, illegal cross-border trade and weapon smuggling, live-stock and vehicle theft and contraband goods, amongst others.

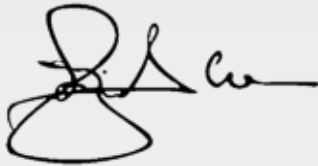
In pursuance of the Government's support for peace, security and stability in the region and the continent, the South African National Defence Force continued to play a pivotal role by participating in the United Nations / African Union Peace Support Operation in the Democratic Republic of the Congo.

The South African National Defence Force, through its operational capabilities, has continued to provide support for disaster relief, humanitarian assistance and search and rescue missions, not only in South Africa but even to our neighbouring countries: Lesotho, Zimbabwe and Mozambique.

Part A
General Information

Despite the constraint fiscal resources and the continuous defence budget reduction, the South African National Defence Force strived to achieve its set targets as contained in the Department of Defence Adjusted Annual Performance Plan 2020. However, much needs to be done to improve the combat readiness of the South African National Defence Force. Resource allocation deserves attention.

The end of May 2021 marks the end of my service in the Department as the Chief of the South African National Defence Force. I would like to take this opportunity to bid farewell to all the members of the Department of Defence and in particular the South African National Defence Force across the Services and Divisions. Their support, sacrifices, dedication, commitment and discipline during my tenure as Chief of the South African National Defence Force is much appreciated. Lastly, I would like to congratulate my successor, General Maphwanya on his new appointment. The country is assured that under his collective leadership, the Defence Force is in good hands.



(S.Z. SHOKE)
CHIEF OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE: GENERAL

Strategic Overview

Vision

“Effective defence for a democratic South Africa.”

Mission

“To enable, prepare, employ, sustain and renew defence capabilities in accordance with the needs of South Africa as regulated by the Constitution, National Legislation, Parliamentary and Executive direction”.

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 the execution of Defence Mission Statements, the DOD pursued and adhered to the following organisational values, as informed by the DOD Strategic Plan 2020–2025:

- 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 of Defence:

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

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).

The mandate of the DOD to “*provide, manage, prepare and employ defence capabilities that are commensurate with the needs of SA*”, as derived from Section 200(2) of the Constitution, is given substance by the Defence Act, 2002 (Act No. 42 of 2002), as amended, the White Paper on Defence, 1996 and the SA Defence Review 2015¹.

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, 2020 (Act No. 6 of 2020)
- 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)

¹ The SA Defence Review 2014 was approved by Cabinet on 19 Mar 2014, endorsed by the NA on 04 Jun 2015 and the NCOP on 24 Jun 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.

- 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)
- Hydrographic Act, 2019 (Act No. 35 of 2019)
- Disaster Management Act, 2002 (Act No. 57 of 2002)
- Border Management Authority Act, 2020 (Act No. 2 of 2020)

Section 231 of the Constitution, 1996, prescribes International agreements, inclusive of International Humanitarian Law, to which the DOD must adhere. Applicable International Agreements include, but are not limited to the:

- United Nations Charter
- Vienna Convention on Diplomatic Immunities and Privileges, 1961
- International Convention on Maritime Search and Rescue, 1979
- Southern Africa Development Community Mutual Defence Pact
- African Union Non-aggression and Common Defence Pact
- Chicago Convention (also known as the Convention on International Civil Aviation), came into effect on 04 April 1947

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

Draft Military Discipline Bill

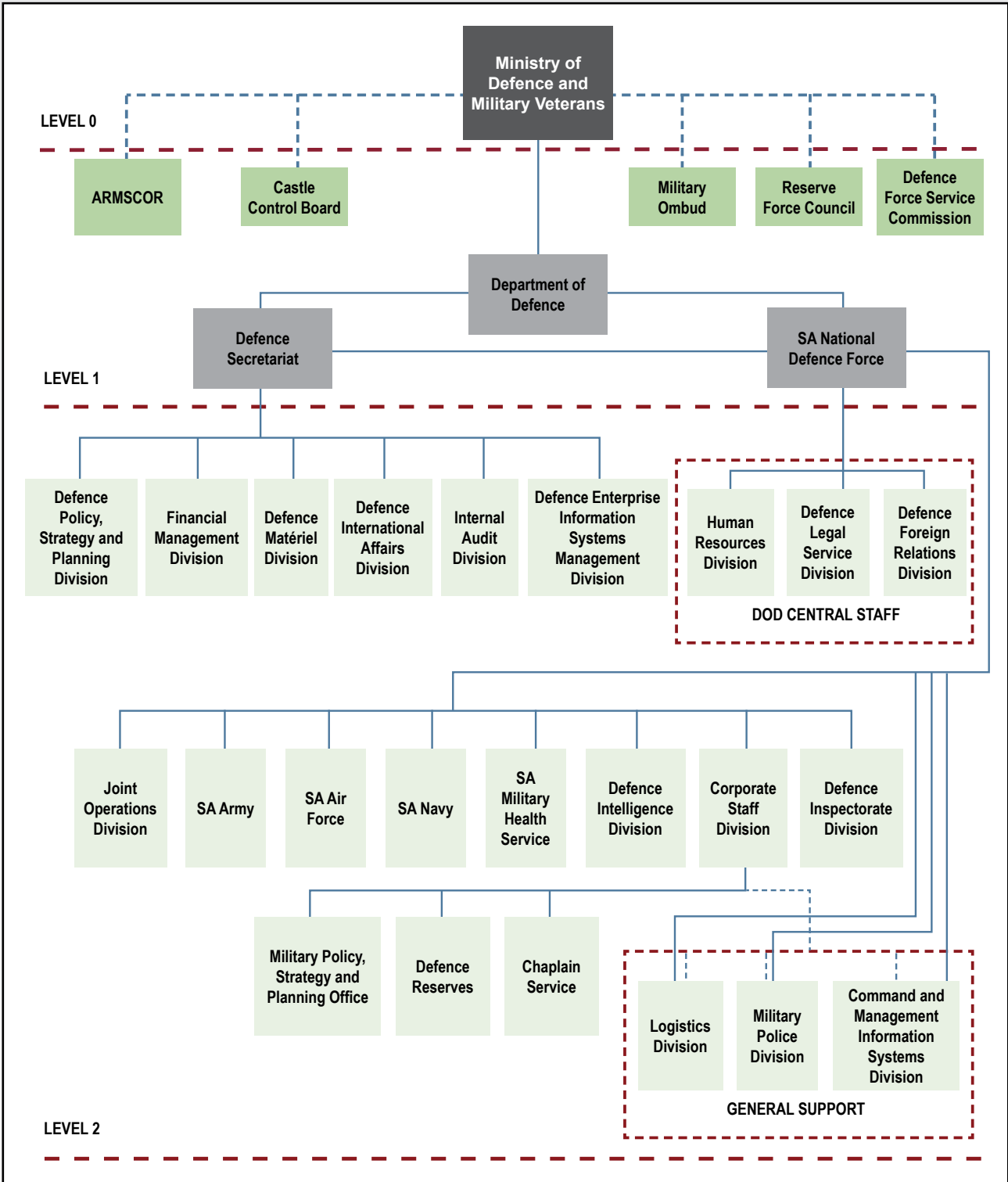
The Constitution enjoins the State to maintain and structure the SANDF as a disciplined military force. The draft Bill seeks to achieve this Constitutional imperative by providing for the proper administration of the Military Justice System in a manner that achieves this main aim and promotes equality,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

The drafting of this Bill commenced during FY2000/01 with the aim to regulate the Administration of Military Discipline; to align it with current SANDF requirements in order to improve the Military Discipline System and to enhance the effective functioning of a disciplined military force of the SANDF.

The draft Bill was withdrawn from Parliament during FY2020/21 for further consultation within the Department and with the public. The DOD is in the process of reviewing all the submissions received during the consultation process and it is envisaged that the draft Bill will be resubmitted to Parliament during FY2021/22.

Organisational Structure

The organisational structure² of the Department is provided below.



² Aligned with the macro structure approved by the Executive Authority on 16 Jan 2007.

Information on the Ministry

Institutions Reporting to the Executive Authority

The Executive Authority performs a legislative oversight function in terms of Public Entities and Organs of State accountable to the Executive Authority and categorised within Schedule 2 and 3 of the PFMA. The DOD assists the Executive Authority with this oversight function by including Public Entities and Organs of State in Departmental planning, budgeting and reporting processes and through the assessment of Strategic Plans and Annual Performance Plans/Corporate Plans of Public Entities and Organs of State to ensure alignment with the National Regulatory Framework.

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, 2003 (Act No. 51 of 2003). ARMSCOR is to meet the following requirements of the DOD:

- The Defence matériel requirements of the DOD effectively, efficiently and economically.
- The Defence technology, research, development, analysis, test and evaluation requirements.
- Dispose of defence matériel in consultation with the instance which originally manufactured the materiel.
- Maintain the compliance administration system for the DOD, as required by the applicable international law, the National Conventional Arms Control Act, 2002 (Act No. 41 of 2002) and the Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993).
- Provide marketing support to defence-related industries, in respect of defence matériel, in consultation with the DOD, and the defence-related industries in question.

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, underpinned by the following themes:

- Revenue generation
- Cost management
- Efficient and effective delivery
- Industry sustainability
- Stakeholder management

In support of the MOD&MV priority “*Stable and financial viable ARMSCOR to deliver on its mandate*”, ARMSCOR will continue to execute the abovementioned outcomes.

Castle Control Board

Legislative Mandate

The Castle Control Board is mandated in terms of the Constitution and, as a public entity under Section 1 of the PFMA, and the Castle Management Act, 1993 (Act No. 207 of 1993) is required to preserve and protect the military and cultural heritage of the Castle of Good Hope, to optimise its tourism potential, and to optimise accessibility of the Castle of Good Hope to the public on behalf of the MOD&MV, who has the ultimate ownership responsibility for the Castle of Good Hope.

Outputs

The Castle Control Board is responsible for the following:

- To preserve and protect the military and cultural heritage of the Castle of Good Hope.
- To optimise the tourism potential of the Castle of Good Hope.
- To optimise accessibility to the Castle of Good Hope by the public.
- Promotion, development and interpretation of the Castle of Good Hope as a place of education and learning.
- Development of the capacity of the Castle of Good Hope to promote understanding, reconciliation and nation building.
- Agreement with the DOD in terms of the management of the Castle of Good Hope as a defence endowment property.

The following Organs of State report to the Executive Authority:

Office of the Military Ombud

Legislative Mandate³

The Office of the Military Ombud was established in terms of the Military Ombud Act, 2012 (Act No. 4 of 2012) to investigate and ensure that complaints 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 and to report on this annually to the MOD&MV. The Military Ombud is furthermore also responsible for promoting the observance of the fundamental rights of Defence Force member.

Reserve Force Council

Legislative Mandate

The Reserve Force Council is a statutory body under Section 48(4) 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 are consulted on any legislation, policy or administrative measures affecting the Reserve Force.

³ Refer to The Military Ombud Annual Report for FY2020/21 for comprehensive Legislative Mandate and Nature of Operations.

Defence Force Service Commission

Legislative Mandate⁴

The Defence Force Service Commission was established under Section 62 of the Defence Amendment Act, 2010 (Act No. 22 of 2010). The output of the Defence Force Service Commission is to 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.

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 as well as 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

During the FY2020/21, the DOD were represented by residential Defence Attachés in 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 FY2020/21, 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.

⁴ Refer to The Defence Force Service Commission Annual Report for FY2020/21 for comprehensive Legislative Mandate and Nature of Operations.

Military Attaché and Advisor Corps Representation

During the FY2020/21, resident Military Attaché and Advisor Corps representation in South Africa were from 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, 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 FY2020/21, non-resident Military Attaché and Advisor Corps representation in South Africa were from three countries: Australia, Israel and Kuwait.

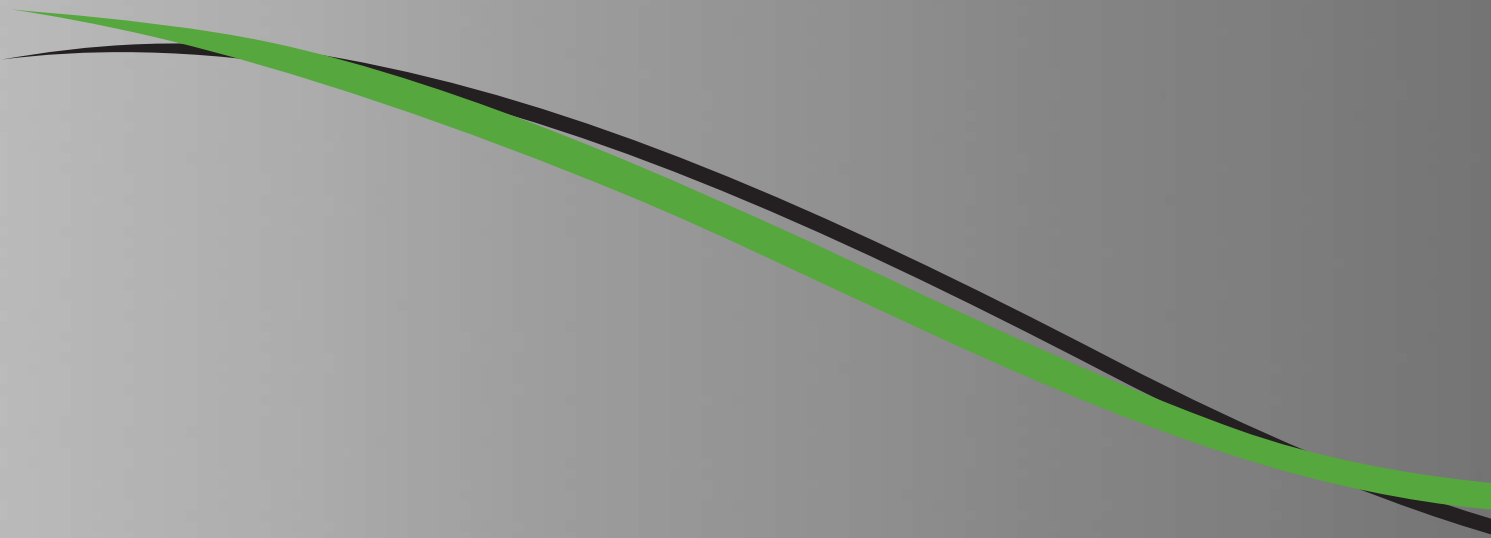
Bilateral and Multilateral Interaction

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.

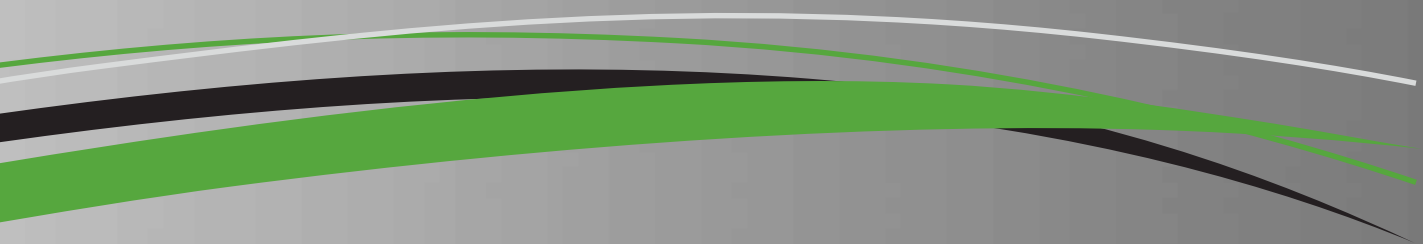
DOD Foreign Aid Assistance

Foreign aid assistance received by the DOD was mostly in kind, mainly from the People's Republic of China and the United States of America, in the form of Personal Protective Equipment. 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.









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”.¹

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.
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 capability.
Programme 8	General Support	Provide general support capabilities and services to the department.

Defence Vote 23

The Defence Vote 23 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			
	FY2018/19 ²	FY2019/20 ³	FY2020/21
	R'000	R'000	R'000
Adjusted Appropriation	48 496 235	50 888 132	54 201 287
Expenditure	48 492 073	50 882 257	54 086 190
Over expenditure	0	0	0
Amount overspent as percentage of Adjusted Appropriation	0	0	0
Amount surrendered	4 162	5 875	115 097
Amount surrendered as percentage of Adjusted Appropriation	0.009%	0.012%	0.212%

¹ As per ENE 2020.

² Including R627,087 million, which was specifically appropriated for the Department of Military Veterans.

³ Including R652,553 million, which was specifically appropriated for the Department of Military Veterans, whose budget allocation became an independent Vote 19 from the DOD's Vote 23 with effect of FY2020/21.

Part B Performance Information

The Defence Vote 23 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	FY2020/21			FY2019/20		
	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	5 327 352	5 325 032	2 320	5 999 035	5 993 160	5 875
Force Employment	4 660 938	4 660 938	0	3 491 508	3 491 508	0
Landward Defence	17 186 646	17 186 646	0	16 763 706	16 763 706	0
Air Defence	7 684 796	7 684 796	0	6 701 148	6 701 148	0
Maritime Defence	4 737 501	4 737 501	0	4 709 411	4 709 411	0
Military Health Support	5 599 116	5 487 140	111 976	5 362 908	5 362 908	0
Defence Intelligence	1 130 931	1 130 931	0	1 002 362	1 002 362	0
General Support	7 874 007	7 873 206	801	6 858 054	6 858 054	0
Total	54 201 287	54 086 190	115 097	50 888 132	50 882 257	5 875

The table below indicates the COVID-19 Stimulus Package Spending at programme level during the reporting period.

Department of Defence Institutional Response to COVID-19			
Programme	Allocated	Paid	(Over)/Under Expenditure
	Rand	Rand	Rand
Administration	7 642 751	7 642 751	0
Force Employment	251 344 065	251 344 065	0
Landward Defence	112 149 691	112 149 691	0
Air Defence	323 143 954	323 143 954	0
Maritime Defence	11 812 393	11 812 393	0
Military Health Support	318 421 678	217 627 246	100 794 432
Defence Intelligence	99 789	99 789	0
General Support	1 211 961 681	1 211 961 681	0
Subtotal	2 236 576 000	2 135 781 570	100 794 432
Compensation of Employees	1 047 399 460	1 047 399 460	0
Total	3 283 975 460	3 183 181 028	100 794 432

Transfer Payments

All transfer payments budgeted for the period 01 April 2020 to 31 March 2021 were transferred to the relevant institutions. During the period under review, the DOD provided transfer payments to the following institutions:

- 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 Minister of Defence and Military Veterans (MOD&MV) and the South African National Defence Force (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 FY2020/21 form part of the financial statements of the Department.
- To Defence members that are being separated from the Department in terms of the employment and social benefits due to them.
- An additional transfer payment to the Castle Control Board to address the financial challenges as a result of COVID-19.
- Transfer payment made to Foreign Government and International Organisations for the seed capital which was paid to the Southern Africa Development Community (SADC) Secretariat for the SADC Standby Force Regional Logistics Depot.
- 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.

The table below indicates Transfer Payments to Public Entities and Organs of State.⁴

Transfer Payments to Public Entities and Organs of State for the period 01 April 2020 to 31 March 2021			
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.	1 378 186	1 378 186
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.	8 995	8 995

⁴ Refer to Annual Performance Reports of Public Entities and Organs of State for expenditure details.

Part B Performance Information

The table below indicates Transfer Payments Made to Organisations other than Public Entities and Organs of State for the period 01 April 2020 to 31 March 2021.

Transfer payments made to Organisations other than Public Entities and Organs of State for the period 01 April 2020 to 31 March 2021				
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	6 243 887	6 243 887
Castle Control Board	To supplement the R3,0 million transfer payment towards the Castle Control Board with an additional R1,9 million to ease the financial strain the entity faced due to the direct impact of the COVID-19 pandemic.	Yes	4 900	4 900
Claims against the Department	To cover the cost of legitimate claims instituted against the Department by institutions or individuals.	Yes	335 322	335 322
Households (Employer Social Benefits)	To cover the cost of employment benefits due to members being separated from the Department.	Yes	145 981	145 981
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	28 623	28 623
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	816	816
Municipalities	To provide for the payment made to municipalities to ensure that all vehicles are licensed annually.	Yes	137	137
Licence Fees	To provide for the annual payment such as licensing authorities, the SABC and the SAMRO for television and radio licenses.	Yes	9	9
SADC Secretariat	Transfer payment made to Foreign Government and International Organisations for the seed capital which was paid to the SADC Secretariat for the SADC Standby Force Regional Logistics Depot.	Yes	22 139	22 139

Conditional Grants and Earmarked Funds

The DOD neither paid nor received any conditional grants during or for the period 01 April 2020 to 31 March 2021.

Donor Funds

Foreign aid assistance received by the DOD was mostly in kind, mainly from the People's Republic of China (PRC) and the United States of America, in the form of Personal Protective Equipment. The actual cost incurred by 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 2020 to 31 March 2021.

Capital Investments, Maintenance and Asset Management Plan

Progress Made on Implementing the Capital Investment and Asset Management Plan

During the year under review, various capital, refurbishment and maintenance projects were undertaken on facilities occupied by the 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 on 31 July 2020, for inclusion into the National Budgetary Programme.

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

Financial Performance: Capital Investment, Maintenance and Asset Management Plan for FY2020/21						
Infrastructure Projects	FY2020/21			FY2019/20		
	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	62 309	207 944	(145 634)	95 856	31 189	64 666
Existing Infrastructure Assets	247 635	472 976	(225 342)	617 999	715 568	(97 568)
- Upgrades and Additions	89 509	99 511	(10 003)	129 873	132 044	(2 170)
- Rehabilitation, Renovations and Refurbishments	150 000	350 387	(335 387)	488 126	581 349	(93 223)
- Maintenance and Repairs	8 126	23 078	(14 952)	0	2 175	(2 175)
Infrastructure Transfer	0	0	0	0	0	0
- Current	0	0	0	0	0	0
- Capital	0	0	0	0	0	0
Total	309 944	682 920	(372 976)	713 855	746 757	(32 902)

Infrastructure Projects Completed during FY2020/21

An amount of R297 million was spent on 44 infrastructure projects during FY2020/21 whilst 30 out of the 115 capital works projects planned for completion during FY2020/21, were completed.

Capital Infrastructure Projects in Process

Refer to Appendix A on pages 87 to 91 for detailed information in tabular format of capital infrastructure projects in progress during FY2020/21.

Plans to Close Down or Downgrade Current Facilities

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

Progress Made on the Maintenance of Infrastructure

Refurbishment

The DOD completed 10 of the 43⁵ refurbishment projects⁶ planned for FY2020/21, of which one project was cancelled.

Developments Expected to have an Impact on Current Expenditure

An increase in infrastructure expenditure will occur as soon as all facility life cycle management functions on the Defence Endowment Property have been devolved from DPWI to the DOD.

Changes in Immovable Assets Holdings

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

DOD Asset Register

Specific measures were taken during the year under review to ensure that the DOD Asset Register remained up to date. The DOD ensured that other machinery and equipment accounted for, are complete and do exist.

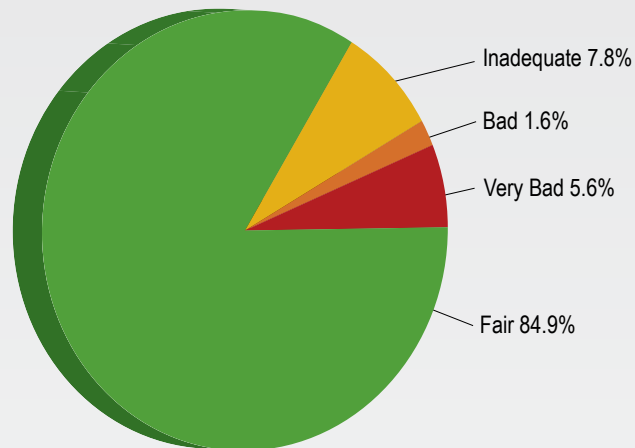
⁵ A total of seven projects were planned for FY2019/20, whilst three projects were added, bringing the total planned projects to ten.

⁶ Major Maintenance Projects.

Current State of DOD Capital Assets

DOD facilities are generally in a fair state⁷ and the condition of these facilities should not impact negatively on the DOD service delivery mandate. Defence Works Formation continued with condition assessment of DOD facilities where feedback of such assessments was included in the Department's Asset Register. As an oversight mechanism, updates are captured on the Immovable Asset Register hosted by the CSIR.

The figure below provides a data visualisation of the overall condition of DOD facilities.



Major Maintenance (Refurbishment) Projects undertaken during FY2020/21

The Major Maintenance (Refurbishment) Projects are attached in a tabular format hereto as Appendix A to Part B, on pages 92 and 93.

Progress Made in Addressing the Maintenance Backlog

The current maintenance backlog on DOD facilities is estimated at R7,5 billion. The maintenance backlog can be attributed to the inability of DPWI to execute 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.

⁷ 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 programmes⁸ 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 on pages 179 to 190.

Overview of Departmental Performance

Introduction

The DOD Annual Report for FY2020/21 is a strategic report on the progress made with the implementation of the Medium-Term Strategic Framework (MTSF) 2019-2024 as well as cumulative annual performance against 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, the DOD continued to execute ordered commitments as directed and instructed by the Commander-In-Chief and as such forces were deployed outside the borders of South Africa in a United Nations (UN) Peace Support Operation in the Democratic Republic of the Congo (DRC).

The SANDF was also deployed inside the borders of South Africa in various internal operations.⁹ 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, safety and security support tasks as well as to preserve life, health or property in emergency situations and in prevention of crime and maintenance of law and order, with specific reference to the enforcement of lockdown regulations.

⁸ Force Employment Programme in terms of the Audit Strategy of the AGSA dated 31 Mar 2021.

⁹ Refer to page 39 for details on internal operations.

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 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.

Service Delivery Environment

DOD Selected Performance Indicators included in the Estimate of National Expenditure

The DOD Selected Performance Indicators included in the Estimates of National Expenditure (ENE) 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.

A year-on-year analysis of the DOD’s performance against Selected Performance Indicators and targets over the period 01 April 2017 to 31 March 2021 is reflected in Appendix B on pages 97 and 98.

Part B Performance Information

The table below provides an analysis of achievements against targets for the DOD Selected Performance Indicators included in the ENE for FY2020/21.

DOD Selected Performance Indicators included in the Estimates of National Expenditure for FY2020/21		
Performance Indicator	Programme	Analysis
MTSF Priority 7: A better Africa and world		
Total number of Defence Attaché Offices	Administration (Defence Foreign Relations)	<p>Target 44</p> <p>Actual 44</p> <p>Comment SADC – 10 offices</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 and Middle East – 15 offices</u></p> <p>Algeria, AU, Burundi, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Kenya, Nigeria, Saudi Arabia, Senegal, South Sudan, Sudan, Uganda and the United Arab Emirates.</p> <p><u>Rest of the World – 19 offices</u></p> <p>Argentina, Belgium, Brazil, Cuba, France, Germany, India, Italy, Malaysia, Pakistan, People's Republic of China, Russia, Spain, Sweden, Turkey, United Kingdom, UN, United States of America and Vietnam.</p>
MTSF Priority 6: Social cohesion and safer communities		
Total number of military skills development members in the system	Administration (Human Resources Services)	<p>Target 3 604</p> <p>Actual 1 956</p> <p>Deviation The Jan 2021 MSDS intake was cancelled.</p> <p>Comment MSDS training interventions were deferred due to the National State of Disaster (COVID-19 Pandemic) and is planned to resume from Jan 2022.</p>
MTSF Priority 6: Social cohesion and safer communities		
Number of Reserve Force mandays	Administration (Human Resources Services)	<p>Target 2 695 963¹⁰</p> <p>Actual 3 355 353</p> <p>Deviation The utilisation of Reserve Force mandays increased as a result of additional operational requirements due to the National State of Disaster deployment of Reserve Force members (Op NOTLELA).</p>

¹⁰ The FY2020/21 annual target was published as 3 098 866 in the AENE.

DOD Selected Performance Indicators included in the Estimates of National Expenditure for FY2020/21		
Performance Indicator	Programme	Analysis
MTSF Priority 7: A better Africa and world		
Percentage compliance with the Southern African Development Community Standby Force Pledge per year	Force Employment	<p>Target 100%</p> <p>Actual 87.50%</p> <p>Deviation The availability of maritime vessels were dependent on the serviceability of platforms. Most SA Navy vessels were undergoing maintenance and repair during the reporting period.</p> <p>Comment 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>
MTSF Priority 7: A better Africa and world		
Percentage compliance with number of ordered commitments (external operations) per year ¹¹	Force Employment	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment SANDF forces deployed in Op MISTRAL (UN Peace Support Operation in DRC [MONUSCO]) during FY2020/21.</p>
MTSF Priority 6: Social cohesion and safer communities		
Percentage compliance with number of ordered commitments (internal operations) per year ¹²	Force Employment	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment SANDF forces deployed in the following internal operations during FY2020/21:</p> <ul style="list-style-type: none"> • Op PROSPER (Support to Government departments, mainly SAPS [i.e. Safety and Security Support]).¹³ • Op CHARIOT (Disaster Aid and Relief [Humanitarian Assistance]).¹⁴ • Op ARABELLA (Search and Rescue). • Op CORONA (Border Safeguarding).

11 Performance Indicator name as published in AENE of 2020, refers to "Percentage compliance with force levels for external operations" as published in the Adjusted DOD APP for 2020.

12 Performance Indicator name as published in AENE of 2020, refers to "Percentage compliance with number of internal operations" as published in the Adjusted DOD APP for 2020.

The aim of 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, safety and security support tasks as well as to preserve life, health or property in emergency situations and in prevention of crime and maintenance of law and order, with specific reference to the enforcement of lockdown regulations.

13 Op LIGCOLO (Support to the SAPS with the enforcement of lockdown regulations) was executed as a sequel to Op PROSPER over the period 29 Dec 2020 to 31 Jan 2021.

14 Op DITABA (Repatriation of SA citizens from Wuhan Province (PRC)), as published in the DOD Annual Report of FY2019/20 (page 60), was executed as a sequel to Op CHARIOT over the period 01 Mar 2020 to 01 Apr 2020. Op NOTLELA (the SANDF's commitment to the Coronavirus pandemic in SA) was also executed as a sequel to Op CHARIOT over the period 27 Mar 2020 to 30 Sep 2020.

Part B
Performance Information

DOD Selected Performance Indicators included in the Estimates of National Expenditure for FY2020/21		
Performance Indicator	Programme	Analysis
MTSF Priority 6: Social cohesion and safer communities		
Number of Joint, Interdepartmental, Interagency and Multinational military exercises conducted per year	Force Employment	<p>Target 0</p> <p>Actual 0</p> <p>Comment Due to the COVID-19 pandemic the number of JIIM Exercises with foreign countries were reduced from five to zero in the Adjusted DOD APP for 2020 to prioritise the institutional response to COVID-19.</p>
MTSF Priority 6: Social cohesion and safer communities		
Number of landward sub-units deployed on border safeguarding per year	Force Employment	<p>Target 15</p> <p>Actual 15</p> <p>Comment The SANDF deployed 15 sub-units to execute Op CORONA (Border Safeguarding) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces.</p>
MTSF Priority 6: Social cohesion and safer communities		
Number of hours flown per year	Air Defence	<p>Target 17 100¹⁵</p> <p>Actual 13 726.40</p> <p>Deviation The 13 726.40 hours flown, represents 80.3% of the planned target.</p> <p>The number of hours flown are dependent on the number of serviceable aircraft and operational taskings received.</p> <p>The delivery of spares was affected by COVID-19 restrictions which had an adverse impact on the maintenance and serviceability of aircraft.</p> <p>Comment The following hours were flown:</p> <ul style="list-style-type: none"> • 10 488.50 hours for force preparation • 2 914.00 hours for force employment • 323.90 VVIP hours

¹⁵ During the FY2020/21 the "Number of hours flown per year" includes an estimated 4 000 hours for Force Employment, approximately 12 100 hours for Force Preparation and 1 000 VVIP hours.

DOD Selected Performance Indicators included in the Estimates of National Expenditure for FY2020/21		
Performance Indicator	Programme	Analysis
MTSF Priority 6: Social cohesion and safer communities		
Number of hours at sea per year	Maritime Defence	<p>Target 10 000¹⁶</p> <p>Actual 6 818.43</p> <p>Deviation The 6 818.43 hours at sea represents 68% of the planned target. Most SA Navy vessels were undergoing maintenance and repair during the reporting period. No Op COPPER deployment was ordered, and due to the requirement to prioritise the execution of Op NOTLELA, only two Op CORONA Maritime coastal patrols were ordered during FY2020/21. One maritime coastal patrol was conducted to enforce lockdown rules under Op NOTLELA</p> <p>Comment Hours at sea includes: • 1 399.94 for force preparation • 5 418.49 hours for force employment</p>

Service Delivery Improvement Plan

The DOD Service Delivery Improvement Plan (SDIP) for FY2018/19 to FY2020/21 was developed in an effort to promote effectiveness and efficiency within the Department. Whilst the DOD might not have 'direct' beneficiary priorities, internal service standards must be aligned to the core mandate of the organisation as an expected service delivery outcome.

The President, in the State of the Nation Address 2020 stated, *"To strengthen the capacity of the State and increase accountability, I will be signing performance agreements with all Ministers before the end of this month. These agreements – which are based on the targets contained in the Medium-Term Strategic Framework – will be made public so that the people of South Africa can hold those who they elected into office to account."*

Drawing from this Address, accountability and good governance are the focal points for improved public management in the public sector. The MOD&MV's performance agreement with the President is aligned to applicable MTSF priorities.

Although the Department provides an indirect service to the public, it is the DOD's responsibility to defend and protect the public and country as per the delegated mandate.

The SDIP for the FY2018/19 to FY2020/21 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:

- Information Technology Governance
- Asset Management
- Supplier Payments

¹⁶ During the FY2020/21 the Department planned to spend the following hours at sea: force preparation 2 200 hours and 7 800 hours force employment. Force employment hours include the hours at sea during deployments for Op COPPER (long range patrols) and the conducting of maritime coastal patrols as part of Op CORONA.

Part B
Performance Information

The table below highlights the Main Services and Improved Service Standards as at 31 March 2021.

Main Services and Improved Service Standards for FY2020/21		
Main Services	Improved Service Standard	Analysis
Information Technology Governance	The utilisation of Enterprise Architecture as the preferred DOD management methodology.	<p>Desired Standard of Service Corporate Governance of Information Communication Technology DODI.</p> <p>Actual Achievement The Corporate Governance of Information Communication Technology DODI/00215 (Edition 1) was promulgated on 22 Jul 2019.</p>
		<p>Desired Standard of Service Governance Information and Communication DODI.</p> <p>Actual Achievement 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>Desired Standard of Service Enterprise Architecture DODI.</p> <p>Actual Achievement Since the initial finalisation and recommendation of the first Draft Enterprise Architecture DODI on 04 Sep 2018, supplementary consultations between role-players took place. This DODI remains work in progress.</p> <p>After the GITO was approached for an intervention and the way forward regarding IT Governance in the DOD, it was realised that the Division is not structured or equipped to execute IT tasks and the specialist skills required are also not available in the Department.</p>
Asset Management	The management of all types of DOD assets in a disciplined and prescribed manner.	<p>Desired Standard of Service One day specific workshop – held bi-annually.</p> <p>Actual Achievement The MOD&MV tasked the Directorate Asset Management to prioritise the reporting of WIP and Capital Components. The WIP has been addressed to some extent with the CFO and ARMSCOR and have been duly disclosed during the FY2019/20 audit cycle.</p> <p>The reporting of Capital Components is heavily dependent on the Product System Managers' participation. Steps will be taken to reinforce the agreements in place with the relevant Services to ensure continuity on this matter.</p> <p>Asset Management was addressed with most units during the Inventory Management Roadshows. Services and Divisions have developed Action Plans to address Audit Findings and this is monitored through the various Forums. The bulk of the issues have been addressed except for matters that must be addressed with NT. Priority is being given to address Inventory Management issues through the Inventory Implementation Plan.</p>

Main Services and Improved Service Standards for FY2020/21		
Main Services	Improved Service Standard	Analysis
Supplier Payments	The payment of legitimate DOD supplier invoices within 30 days	<p>Desired Standard of Service The Financial Management Division Integrated Financial Management System Forum confirms the CFO'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>Actual Achievement During FY2020/21, a total of 270 368 out of 349 281 legitimate invoices (77.41%) received were paid within a period of 30 days.</p> <p>In order to improve performance, the DOD will strive to ensure improvement on its previously challenged accounting systems and the state of the financial internal controls as a way forward post the COVID-19 pandemic.</p>

Organisational Environment

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 FY2020/21 would be to ensure the implementation and execution of the five-year programme as set out in the DOD's Adjusted Strategic Plan for 2020 to 2025.

During the reporting period, the late Secretary for Defence and Accounting Officer, Dr S.M. Gulube, completed his term of office in the DOD and handed over to Ambassador G.S. Kudjoe on 01 August 2020. The incoming Secretary for Defence took the leadership and continued to provide strategic direction to the DOD through various governance activities and interventions.

Successes

During the year under review, the SANDF conducted the largest deployment in its history, in an endeavour to respond to the Coronavirus pandemic. The SANDF maintained law and order by ensuring that citizens adhered to social distancing and the wearing of masks. The lives of communities were improved by building bridges in remote areas, rehabilitation of rivers and provision of clean drinking water. Medical professionals were deployed to hotspots where field hospitals and quarantine sites were set-up in areas that were collapsing under the strain of the pandemic.

Throughout all of this, the SANDF continued to fulfil its Constitutional mandate to defend the land, sea and air sovereignty of South Africa, aiding law enforcement agencies in their fight against cross-border crime, as well as fulfilling the country's global responsibilities to peace keeping in the largest UN mission in the world, by leading the UN Force Intervention Brigade and providing combat and support elements.

Challenges

This baseline reduction imposed on the DOD poses serious financial constraints on the Department and its ability to defend and protect the country, and to rapidly intervene during crises on the continent. The baseline reduction impacts on the contribution to the Special Defence Account, which in turn impacts on arresting the decline, by replacing and maintaining the ageing DOD assets.

This underfunding, amongst defence industry-related challenges, led to Naval vessels being alongside and therefore not available for the deployment of anti-piracy operations and maritime coastal patrols along the RSA's maritime borders.

Although the COVID-19 pandemic did not have a major impact on planned DOD MTSF interventions, the spread of the Coronavirus impacted negatively on the full time availability of personnel due to the adherence to lockdown regulations, absence for medical examinations, positive cases registered, cases under investigations and decontaminations of office accommodation on regular intervals.

Key Policy Developments and Legislative Changes

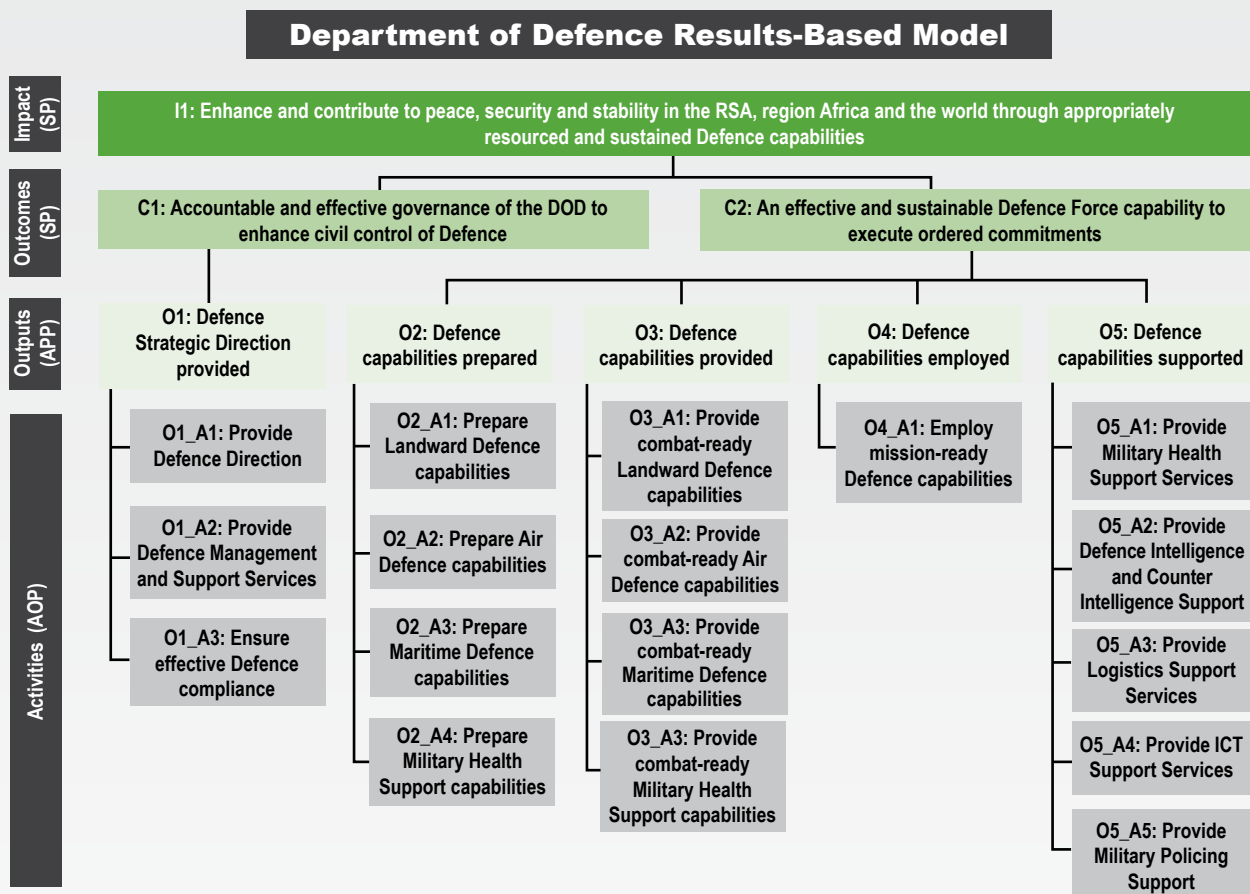
The approved SA Defence Review 2015 is the second policy review of this nature in the democratic South Africa and maps out the trajectory over the short, medium, and long-term that defence will be taking over the next 20 to 30 years.

The budget reductions the DOD experienced over recent years and well into the Medium-Term Expenditure Framework are affecting the implementation of the SA Defence Review 2015 negatively as well as its milestone of arresting the capability decline in the Department.

Progress Towards Achievement of Institutional Impacts and Outcomes

Results-Based Management Framework

The DOD institutionalised the Results-Based Management Framework as prescribed in the Revised Framework for Strategic Plans and Annual Performance Plans with effect from FY2020/21 as a tool to ensure that the Department fulfils its Constitutional mandate as expressed in terms of the intended impact, outcomes and outputs. The figure below depicts the DOD Results-Based Model.



Impact Statement

The Defence Impact is defined as “*what we aim to change*” – Enhance and contribute to peace, security and stability in the RSA, region, Africa and the world through appropriately resourced and sustained defence capabilities and is managed through the achievement of the planned outcomes.

Outcomes

Defence Outcomes are defined as “*that which we wish to achieve*” and are the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Defence Outcomes are directly related to and aligned with the Constitutional and legislative mandate of Defence as provided below:

- **Accountable and effective governance of the DOD to enhance civil control of Defence.**

This Outcome measures the extent to which the DOD adheres to Government prescripts and the controls that are put in place to ensure compliance therewith, in achieving the 2019–2024 MTSF priorities.

The Outcome Indicator “*Reduction in the number of Balances Qualified in the Financial Statements*” measures the ability of the Department to reduce the number of audit qualifications through improved internal control processes. During the FY2019/20 audit cycle, the DOD managed to **reduce** areas which contributed to an audit qualification **from five to two areas**.

- **An effective and sustainable defence force capacitated to execute defence ordered commitments.**

This Outcome measures the defence operations commitments as ordered by means of Memoranda of Agreement, directives and instructions. These operations are conducted internally and externally to the RSA.

The Outcome Indicator “*Percentage compliance with ordered Defence commitments as resourced*” measures the ability of the Department to execute ordered commitments by Government. During the period under review, the DOD **fully complied** with ordered Defence commitments as resourced.

Outputs

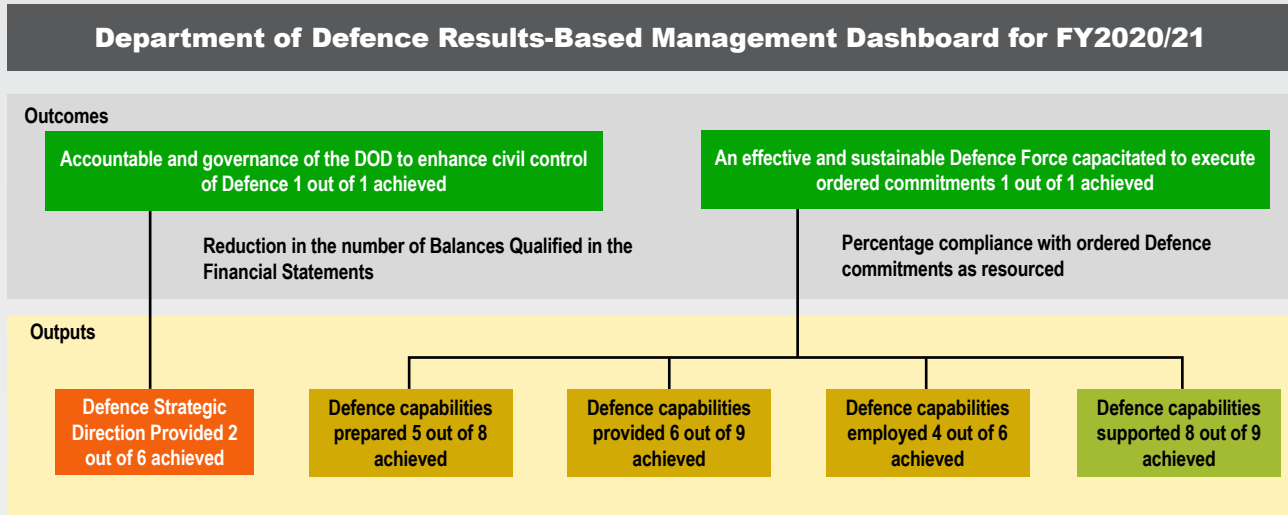
The Defence outputs are defined as “*what the DOD produces or delivers*” and include the final products, goods and services produced for delivery.

The five Defence Outputs are: **Defence Strategic Direction provided, capabilities prepared, capabilities provided, capabilities employed and capabilities supported.**

During the period under review, the DOD partially achieved on the set targets against its Outcome Indicators, resulting in an overall partial achievement of planned Outputs.

Results-Based Management Dashboard

The figure below provides data visualisation of the DOD’s performance achievement against the two planned Defence Outcomes and five planned Defence Outputs for FY2020/21.



Medium-Term Strategic Framework 2019–2024

The DOD remains committed in the implementation and achievement of the MTSF 2019–2024 indicators. All planned activities are continuing to contribute in protecting and safeguarding communities as well as improving peace, security and stability on the continent.

During the year under review, the DOD directly supported the following MTSF Priorities:

Impact 2024: All People in South Africa are Safe.	
Priority 6:	<p>“Social Cohesion and Safer Communities”. The SANDF supported the following MTSF Indicators:</p> <ul style="list-style-type: none"> • Number of landward sub-units deployed on border safeguarding per year. • Number of maritime coastal patrols conducted.

In terms of Priority 6, the DOD was not able to conduct the required number of maritime coastal patrols as planned, due to underfunding, the turnaround time to get spares from industry and the resultant serviceability of Naval vessels. Naval vessels were alongside and therefore not available for the deployment of anti-piracy operations and could only conduct three out of the four planned coastal patrols along the RSA’s maritime border.

The DOD continued executing Border Safeguarding operations in terms of Section 18(1)(d) of the Defence Act. The DOD managed to deploy 15¹⁷ sub-units to execute operations along RSA borders in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces.¹⁸

Landward, air and maritime capabilities were committed for the purposes of *Supporting the People* of South Africa internally by means of safeguarding our borders, disaster relief, search and rescue, bridge building in communities isolated from essential services as well as conducting coastal patrols.

¹⁷ MTSF requirement to deploy 22 sub-units by 2023/24.

¹⁸ Refer to page 60 for detailed Operational Successes achieved during FY2020/21.

Part B
Performance Information

Amid the escalation of the COVID-19 pandemic, the President directed the SANDF to deploy in support of the SAPS and other Government departments¹⁹ to preserve life, health or property in emergency situations and in prevention of crime and maintenance of law and order, with specific reference to the enforcement of lockdown regulations.

Impact 2024: Peaceful and Secure Continent.	
Priority 7:	"A Better Africa and a Better World". The SANDF supported the MTSF Indicator: Percentage compliance with external peace missions, rescue operations and humanitarian assistance operations.

In terms of Priority 7, the SANDF continued to support the UN Peace Support Operation in the DRC (MONUSCO) as part of the Force Intervention Brigade with an average force size of 1 107 soldiers during FY2020/21.

The DOD furthermore indirectly contributed towards the **MTSF Priority 2: "Economic Transformation and Job Creation"** by means of the following initiatives, amongst others:

- **Reduction in Youth Unemployment**

The Department contributed to youth employment through the Military Skills Development System (MSDS) with 1 956 MSDS members in the system on 31 March 2021, whilst 1 743 MSDS members were translated into the Core Service System in order to address Department attrition.

- **Project KOBA-TLALA**

Project KOBA-TLALA aims to decentralise procurement of goods and services to the lowest practical level in order to engage locally with communities and, through its spending capability, provide a catalyst for the development of small, medium and micro-sized enterprises and small-scale and emerging farmers. Project KOBA-TLALA is an ideal platform for a fundamental and sustainable contribution to the developmental agenda of South Africa and contribute to the Government's efforts to stimulate the economy after COVID-19. Military units with commercialised messes used decentralised procurement to leverage the military footprint in rural and semi-rural areas to embed military units in the local economies.

The SANDF and Agri SA met on 30 November 2020 to explore areas of cooperation, to establish a mutually beneficial relationship and, more specifically, to explore integrated rural economic development and rural security initiatives. Project KOBA-TLALA had taken further steps by cooperating with Agri SA to assist in developing emerging farmers and eradicating poverty with the support of commercial farmers. Agri SA declared that it was committed to working with the SANDF to help roll-out this project and the utilisation of the Mzantsi Home Guard system to help improve rural safety and security. Both organisations agreed that agriculture was an appropriate vehicle for contributing to economic growth and to deal effectively with crime and other community problems along the borders and in rural areas.

- **University Reserve Training Programme**

This Programme assisted with the rejuvenation of the Reserve Force leader group. Rejuvenation initiatives aims to address the ageing Reserve Force component, specifically in middle and senior management positions.

¹⁹ Op DITABA: 01 Mar 2020 to 01 Apr 2020.
Op NOTLELA: 27 Mar 2020 to 30 Sep 2020.
Op LIGCOLO: 29 Dec 2020 to 28 Feb 2021.

Institutional Programme Performance Information

Analysis of DOD Output Indicators for FY2020/21

During the first quarter of FY2020/21, the DOD implemented and reported on the DOD Annual Performance Plan (APP) for 2020 which was tabled in Parliament on 12 March 2020. The impact of the COVID-19 national state of disaster, the nationwide lockdown and the resultant Special Adjustment Budget (including stimulus / relief packages) of 24 June 2020, necessitated the alignment of Government's planning, budgeting and performance reporting processes. These developments led to the subsequent re-tabling of the DOD Adjusted APP for 2020 on 20 July 2020, in order for the Department to incorporate the Adjusted Budget and COVID-19 interventions to respond to the pandemic. From the second quarter of FY2020/21 onwards, the DOD implemented and reported against the re-tabled Adjusted DOD APP for 2020.

Amendments to performance information published in the original DOD APP (tabled on 12 March 2020) versus that published in the Adjusted DOD APP (tabled on 20 July 2020), are as follows:

- During the first quarter, the DOD was measured against **31 Output Indicators**, from the second quarter onwards, the DOD was measured against **38 Output Indicators**.
- The Output Indicator relating to **"Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19"**, was added across seven DOD programmes; Administration (Sub-programme Human Resources), Force Employment, Landward, Air and Maritime Defence, Military Health Support and General Support (Sub-programme Logistics).
- In some programmes, targets were amended, reduced or restated to prioritise the DOD's institutional response to the COVID-19 pandemic.

The DOD's performance outcomes, outputs, output indicators, targets and actual achievement against the originally tabled DOD APP for 2020 is reflected in the table below.

DOD Outcomes, Outputs, Output Indicators, Targets And Actual Achievement over the period 01 April 2020 to 30 June 2020							
Output Indicator	Audited Actual Performance for FY2018/19	Audited Actual Performance for FY2019/20	Planned Target for FY2020/21	Actual Achievement for Q1 of FY2020/21 (until date of re-tabling)	Deviation from planned target to Actual Achievement for FY2020/21	Reason for Deviation	Reason for revision to the Output Indicators / Annual Targets
DOD Outcome: Accountable and Effective Governance of the DOD to Enhance Civil Control of Defence							
DOD Output: Defence Strategic Direction Provided							
Number of Reserve Force mandays ²⁰ (Administration Programme)	2 574 127	2 739 564	2 695 963	867 690	(1 828 273)	Q1 target achieved.	Reporting frequency amended from quarterly to annually in the Adjusted DOD APP for 2020.

²⁰ Refer to the table on the Administration Programme Performance Status on pages 57 to 59 for actual performance for FY2020/21.

Part B
Performance Information

DOD Outcomes, Outputs, Output Indicators, Targets And Actual Achievement over the period 01 April 2020 to 30 June 2020							
Output Indicator	Audited Actual Performance for FY2018/19	Audited Actual Performance for FY2019/20	Planned Target for FY2020/21	Actual Achievement for Q1 of FY2020/21 (until date of re-tabling)	Deviation from planned target to Actual Achievement for FY2020/21	Reason for Deviation	Reason for revision to the Output Indicators / Annual Targets
DOD Outcome: An Effective and Sustainable Defence Force Capacitated to Execute Ordered Commitments							
DOD Output: Defence Capabilities Prepared							
Number of planned Joint, Interdepartmental, Interagency and Multinational military exercises ²¹ (Force Employment Programme)	3	1	5	0	(5)	Target achievement was planned for Q4 of FY2020/21.	Due to the COVID-19 pandemic, the number of JIIM Exercises with foreign countries were reduced from five to zero in the Adjusted DOD APP for 2020 to prioritise resources towards the DOD institutional response to COVID-19.
Number of Landward Defence unique force training exercises conducted ²² (Landward Defence Programme)	2	2	3	0	(3)	Target achievement was planned for Q2, Q3 and Q4 of FY2020/21.	Due to the COVID-19 pandemic, the number of Landward Defence unique force training exercises were reduced from three to zero in the Adjusted DOD APP for 2020 to prioritise resources towards the DOD institutional response to COVID-19.
Number of Air Defence unique force training exercises conducted ²³ (Air Defence Programme)	1	1	1	0	(1)	Target achievement was planned for Q2 of FY2020/21.	Due to the COVID-19 pandemic, the number of Air Defence unique force training exercises were reduced from one to zero in the Adjusted DOD APP for 2020 to prioritise resources towards the DOD institutional response to COVID-19.

21 Refer to the table on the Force Employment Programme Performance Status on page 61 for actual performance for FY2020/21.

22 Refer to the table on the Landward Defence Programme Performance Status on page 66 for actual performance for FY2020/21.

23 Refer to the table on the Air Defence Programme Performance Status on page 69 for actual performance for FY2020/21.

DOD Outcomes, Outputs, Output Indicators, Targets And Actual Achievement over the period 01 April 2020 to 30 June 2020							
Output Indicator	Audited Actual Performance for FY2018/19	Audited Actual Performance for FY2019/20	Planned Target for FY2020/21	Actual Achievement for Q1 of FY2020/21 (until date of re-tabling)	Deviation from planned target to Actual Achievement for FY2020/21	Reason for Deviation	Reason for revision to the Output Indicators / Annual Targets
Percentage compliance with Maritime Defence training targets ²⁴ (Maritime Defence Programme)	102% (561)	71% (389)	80% (438)	26.67% (146)	(53.33%) (292)	Target achievement was planned from Q1 to Q4 of FY2020/21.	Annual and quarterly targets were restated in the Adjusted DOD APP for 2020 to prioritise resources towards the DOD institutional response to COVID-19.
DOD Output: Defence Capabilities Employed							
Percentage compliance with the Southern African Development Community Standby Force Pledge ²⁵ (Force Employment Programme)	100%	100%	100%	100%	None	No deviation, Q1 target achieved.	Target setting amended from quarterly to annually in the Adjusted DOD APP for 2020.
DOD Output: Defence Capabilities Supported							
Percentage compliance to the DOD Information, Communication and Technology Capability Plan ²⁶ (General Support Programme)	New Indicator		100%	11.20%	(88.8%)	Target setting incorrectly published in the DOD APP.	Incorrect target setting amended and restated in the Adjusted DOD APP for 2020.

Progress on the DOD's Institutional Response to the COVID-19 Pandemic

Amid the world-wide escalation of the COVID-19 pandemic, the President declared a National State of Disaster in terms of the Disaster Management Act, 2002 (Act No. 57 of 2002) on 15 March 2020 and announced a package of extra-ordinary measures to combat this public health emergency. Due to the gravity of the Coronavirus pandemic across the world, eight days later on 23 March 2020 the President announced the National Lockdown in terms of the Disaster Management Act to prevent a human catastrophe. The President directed the SANDF to deploy, in cooperation with the SAPS, and in support of other Government departments, to ensure that the measures as announced were implemented throughout the country. The SANDF deployed under Op NOTLELA in various parts of the country from midnight on Thursday, 26 March 2020, as ordered.

²⁴ Refer to the table on the Maritime Defence Programme Performance Status on page 73 for actual performance for FY2020/21.

²⁵ Refer to the table on the Force Employment Programme Performance Status on page 63 for actual performance for FY2020/21.

²⁶ Refer to the table on the General Support Programme Performance Status on page 82 for actual performance for FY2020/21.

Operational Overview

The SANDF deployed approximately 8 429 personnel, constituting members from the regular force, reserve force and auxiliary services. The deployed force levels varied according to the levels of the State of National Disaster, within available force level of 20 000, as per the latest Presidential Minute.

Capabilities deployed included lockdown enforcement elements, health care practitioners, engineers, air and maritime capabilities, with multiple tasks of assisting frontline departments such as the SAPS, National Departments of Health, International Relations and Cooperation, Corporate Governance, Public Works and Infrastructure, Home Affairs, Education and Water and Sanitation, amongst others, including deployment in provinces and districts.

The DOD participated in national structures and these included National Joint Operational and Intelligence Structures (NATJOINTS), Provincial Joint Operational and Intelligence Structures (PROVJOINTS), the Justice, Crime Prevention and Security (JCPS) and International Cooperation, Trade and Security (ICTS) Clusters, on matters related to the COVID-19 pandemic and related security matters. The number of health care professionals deployed to provide health care services to deployed members of the SANDF amounted to 969 health care professionals, of which 552 health care professionals deployed provided health care services in support of the National Department of Health.

Operational Activities

During lockdown levels 5 and 4, tasks executed by deployed soldiers included roadblocks, vehicle check points, foot patrols in cooperation with the SAPS, including operations against criminal elements which undermined the lockdown regulations, such as involvement in illicit trading and transportation of contra-bands, explosives, weapon smuggling and high-level cross border crimes.

Other coordinated operations included the deployment of soldiers for humanitarian assistance, primary healthcare, water purification and water provision, mass education about COVID-19, screening, testing, scanning and quarantining, amongst others.

Professional services provided by the SANDF health care workers formed an integral part of the PROVJOINTS operational activities.

Scanning and Screening Teams

Scanning teams consisted of 165 medical staff, deployed with SANDF units in all provinces to perform thermal scans on deployed military personnel as well as the general population during patrols, vehicle control points and roadblocks.

Water Purification

A total of 180 engineers from the SANDF were deployed in all nine provinces in support of the Department of Water and Sanitation. Teams provided water purification support and distribution to areas where there was a dire need for clean drinking water, which included Thabazimbi in Limpopo, Dludluma village in Mpumalanga, Nkodibe in KwaZulu-Natal, Vrede in the Free State, Clanwilliam in the Western Cape, Warrenton in the Northern Cape and Brits and Rustenburg in North West.

A total of 23,740 million litres of water was purified. In addition the SANDF was instrumental in distributing 22,095 million litres of water to citizens in areas of need. The SANDF also assisted the Department of Basic Education with the delivery of water tanks to schools in two provinces. Fifty seven tanks were collected and delivered to identified schools in Limpopo and 34 tanks were collected and delivered to identified schools in KwaZulu-Natal.

Bridge Building

Four teams of SANDF engineers were deployed in rural areas of the Eastern Cape and KwaZulu-Natal to build bridges in order to assist the population with access to healthcare, banks, shops, postal services and other amenities.

Mass Quarantine Sites

Op NOTLELA required the establishment of quarantine facilities for SANDF members which might have been in contact with the Coronavirus. A number of facilities were established for quarantine purposes, provided by the SA Army, SA Air Force, SA Navy and SA Military Health Services, across all the provinces and thus 4 969 beds for quarantine purposes were provided for the SANDF.

The DOD Institutional Response to the COVID-19 pandemic and the budget spent for Op NOTLELA during FY2020/21 are indicated in the table below.

DOD Institutional Response to COVID-19				
Intervention ²⁷	Total budget Allocation per Intervention (Rand)	Budget Spent per Intervention (Rand)	Contribution to the Outputs in the APP	Immediate Outcomes
Administration Programme				
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	1 047 399 460	1 047 399 460	Defence Capabilities Provided	Accountable and effective governance of the DOD to enhance civil control of Defence.
Force Employment Programme				
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	251 344 065	251 344 065	Defence Capabilities Employed	An effective and sustainable Defence Force capacitated to execute ordered commitments.
Landward Defence Programme				
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	112 149 691	112 149 691	Defence Capabilities Provided	An effective and sustainable Defence Force capacitated to execute ordered commitments.

²⁷ Relates to Outcome Indicators: "Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19".

Part B
Performance Information

DOD Institutional Response to COVID-19				
Intervention	Total budget Allocation per Intervention (Rand)	Budget Spent per Intervention (Rand)	Contribution to the Outputs in the APP	Immediate Outcomes
Air Defence Programme				
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	323 143 954	323 143 954	Defence Capabilities Provided	An effective and sustainable Defence Force capacitated to execute ordered commitments.
Maritime Defence Programme				
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	11 812 393	11 812 393	Defence Capabilities Provided	An effective and sustainable Defence Force capacitated to execute ordered commitments.
Military Health Support Programme				
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	318 421 678	217 627 246	Defence Capabilities Provided	An effective and sustainable Defence Force capacitated to execute ordered commitments.
General Support Programme				
Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	1 211 961 681	1 211 961 681	Defence Capabilities Supported	An effective and sustainable Defence Force capacitated to execute ordered commitments.
Total	3 276 232 922	3 175 438 490		

Note:

- Interventions were executed in all nine provinces.
- The number of beneficiaries cannot be determined.
- The disaggregation of beneficiaries cannot be determined.

Performance Information by Programme

Programme 1: Administration²⁸

Purpose

The purpose of the Administration Programme is to provide strategic leadership, management and support services to the DOD.

Sub-Programmes

The Administration programme comprises of the following sub-programmes:

- Ministry of Defence
- Organs of State
- Departmental Direction
- Policy and Planning
- Military Policy, Strategy and Planning Office
- Financial Services
- Human Resource Support Services²⁹
- Legal Services³⁰
- Inspection and Audit Services
- Acquisition Services
- Communication Services
- SANDF Command and Control
- Religious Services
- Defence Reserve Direction
- Defence Foreign Relations³¹
- Office Accommodation

²⁸ The Administration Programme consists of both Defence Secretariat and SANDF sub-programmes, which contribute to the DOD Output "Defence Strategic Direction provided".
^{29 to 31} Central Staff.

Overview

The Administration programme ensured effective leadership, strategic management and support services to the Department. During the reporting period, this was done, amongst others, by means of the reviewing of organisational strategies and structures and continuous enhancement of internal controls, aligned with the regulatory framework.

Departmental Direction

During the reporting period, the Secretary for Defence assisted the MOD&MV to enhance civil control and to ensure the provision and maintenance of effective, efficient and transparent financial, risk management and internal audit systems within the Defence portfolio.

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 (DGs) meetings, Cabinet Lekgotlas and Government Clusters.

The declaration of a 'National State of Disaster' in terms of the Disaster Management Act, 2002 (Act no. 57 of 2002) on 15 March 2020, required Government to provide an integrated and coordinated disaster management mechanism that would focus on managing and mitigating the impact of the COVID-19 pandemic. During the period, the President appointed the JCPS 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. Subsequently, the President instructed that the NATJOINTS would serve as the custodian of all reports during the disaster period.

The Secretary for Defence Co-Chaired the JCPS Cluster of Government meetings at DG level and chaired the NATJOINTS DG meetings in response to the COVID-19 pandemic. The Secretary for Defence reported to the National Coronavirus Command Council and provided strategic direction and guidance to various work-streams.

SANDF Command and Control

During the year under review the Chief of the SANDF (C SANDF) provided strategic direction to military components under command and ensured adherence and compliance to higher order imperatives.

The SANDF participated in bilateral and multilateral defence diplomatic activities. Of noteworthy importance is the UN Special Committee on Peacekeeping Operations which was held virtually. The aim of this Committee was to communicate concerns of peacekeeping operations and recommendations thereto.

Defence Diplomacy

The DOD participated in multilateral engagements relating to the UN and African Union (AU) initiatives. During the period under review, the DOD participated in the Southern African Development Community Organ Troika Summit and Force Intervention Brigade, Troop Contributing Countries and DRC meeting and the UN Mechanism Coordination Committee led by the Department on International Relations and Cooperation.

Defence Sector Development

The Defence Industry Strategy 2020 was approved by the MOD&MV on 10 December 2020. The Memorandum of Understanding between the DOD and the Defence Industry Fund was forwarded for a legal review and input. Crede Capital Partners was appointed as the managers of the Defence Industry Fund. The Defence Industry Fund is a SA Defence Industry initiative to provide funding for small, medium and micro-sized enterprises.

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) 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.

Performance Status

The table below provides details of the Administration programme performance status, output indicators and an analysis of target achievement as specified in the Adjusted DOD Annual Performance Plan for 2020.

Administration Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence		
Defence Strategic Direction provided	Percentage adherence to the DOD Master Record Index for Policies	<p>Target ≥80%</p> <p>Actual 66.2%</p> <p>Deviation No Policy Board meetings took place during lockdown as a result of COVID-19 pandemic.</p> <p>Comment Six policies are in the departmental approval phase.</p>
	Percentage adherence to the DOD Master Record Index for Strategies	<p>Target 50%</p> <p>Actual 0%</p> <p>Deviation None of the planned nine DOD Strategies for FY2020/21 were promulgated.</p> <p>Comment The absence of higher order corporate strategies, hampered the development of subordinate functional strategies.</p>

Part B
Performance Information

Administration Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence		
Defence Strategic Direction provided	Percentage adherence to the DOD Master Record Index for Plans	<p>Target 90%</p> <p>Actual 84.2%</p> <p>Deviation Sixteen out of 19 planning instruments were finalised during FY2020/21.</p> <p>Comment As a result of the Special ENE (stimulus packages) and related changes to plans, the Department complied with the Parliamentary requirement to re-table five 2020 Planning Instruments, in addition to the completion of the 19 planned Instruments.</p>
	Number of Reserve Force mandays	<p>Target 2 695 963³²</p> <p>Actual 3 355 353</p> <p>Deviation The utilisation of Reserve Force mandays increased as a result of additional operational requirements due to the National State of Disaster deployment of Reserve Force members (Op NOTLELA).</p>
	Reduction in the number of Audit Qualifications ³³	<p>Target 5</p> <p>Actual 2</p> <p>Deviation In the AGSA audit cycle for FY2019/20, the DOD had two areas which contributed to the audit qualification.³⁴</p> <p>Comment The basis for qualified audit opinion was in the following areas:</p> <ul style="list-style-type: none"> • Goods and Services and Investments • Irregular Expenditure
	Percentage of audits completed in terms of the approved Internal Audit Plan	<p>Target 100%</p> <p>Actual 83.3%</p> <p>Deviation Some audit projects were impacted by COVID-19 regulations, while some internal auditors contracted COVID-19.</p> <p>Comment The remaining seven audit projects will be completed during FY2021/22.</p>

32 The FY2020/21 annual target was published as 3 098 866 in the AENE.

33 This Output Indicator relates to the AGSA audit cycle of FY2019/20.

34 Refer to pages 117 and 118 for details on progress made in resolving AGSA Audit Report matters.

Administration Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence		
Defence capabilities prepared	Percentage compliance with SANDF Battle fitness requirements	<i>Information Classified</i> ³⁵
Defence capabilities provided	Total number of Defence Attaché Offices	Target 44 ³⁶ Actual 44
	Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19 ³⁷	Target 100% Actual 100%

Linking Performance to Budget

The table below provides details of the Administration programme expenditure status as at 31 March 2021.

Administration Programme Expenditure Status for FY2020/21						
Sub-Programme	FY2020/21			FY2019/20		
	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	86 694	86 694	0	108 942	108 942	0
Departmental Direction	36 676	36 676	0	41 969	41 969	0
Policy and Planning	103 826	103 826	0	109 550	109 550	0
Financial Services	376 022	376 022	0	395 093	395 093	0
Human Resource Support Services	885 863	885 805	58	871 658	871 658	0
Legal Services	312 989	310 727	2 262	319 798	318 375	1 423
Inspection and Audit Services	131 782	131 782	0	131 621	131 621	0
Acquisition Services	68 105	68 105	0	80 893	80 893	0
Communication Services	105 798	105 798	0	109 364	109 364	0
SANDF Command and Control	177 869	177 869	0	194 950	194 950	0
Religious Services	13 308	13 308	0	14 160	14 160	0
Defence Reserve Direction	30 334	30 334	0	32 465	32 465	0
Defence Foreign Relations	222 047	222 047	0	306 814	302 362	4 452
Office Accommodation ³⁸	2 776 039	2 776 039	0	2 629 205	2 629 205	0
Military Veterans Management	0	0	0	652 553	652 553	0
Total	5 327 352	5 325 032	2 320	5 999 035	5 993 160	5 875

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

36 The number of 44 Defence Attaché Offices comprises: 10 offices in the SADC Region, 15 offices in the Rest of Africa and Middle East and 19 offices in the Rest of the World.

37 Sub-programme Human Resource Support Services managed and controlled Op NOTLELA allowances and Reserve Force wages.

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

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.

Sub-Programmes

The Force Employment programme comprises of the following sub-programmes:

- Strategic Direction
- Operational Direction
- Special Operations
- Regional Security
- Support to the People

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 through virtual participation in the Special Committee on Peacekeeping Operations meeting and bilateral meetings with the Zimbabwean Defence Force and Mozambican Defence Force as well as hosting of foreign courtesy visits.

In support of **MTSF Priority 6: “Social Cohesion and Safer Communities”**, 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.

During the reporting period, the following operational successes were recorded:

- 30 Weapons recovered
- 21 310 Illegal foreigners apprehended
- 891 Criminals arrested
- 484 Stolen vehicles recovered
- 13 222kg Dagga confiscated
- 1 716 Live-stock recovered
- Contraband goods to the value of R80,57 million confiscated

The SANDF actively supported **MTFS Priority 7**: “A better Africa and a Better World” by deploying 1 102 members in one UN mandated peace support operation in the DRC, Op MISTRAL.

The SANDF provided **humanitarian assistance** in support to the people of South Africa by providing helicopter medical evacuations at Hillcrest and Pinetown areas in KwaZulu-Natal and the Cederberg Mountains in Western Cape. Medical supplies were delivered by air to Upington in the Northern Cape, Ysterplaat and George in the Western Cape and Gqeberha in East London and Mthatha in the Eastern Cape. Assistance was provided in the fighting of veld fires in Jonkershoek Nature Reserve in the Western Cape, as well the distribution of disaster relief parcels in Kuruman in the Northern Cape after severe flooding.

In **support to other government departments**, the SANDF rendered support in order to preserve life, health or property in emergency or humanitarian operations. Additionally in co-operation with the SAPS, ensured prevention of crime and preservation of law and order with specific reference to enforcement of lockdown regulations.

Safety and security support were rendered to the SAPS during the State of the Nation Address 2020 in the Western Cape. Air support in the form of helicopters was made available to the SAPS during an anti-poaching operation in Buffelsbaai in the Western Cape, the re-arrest of escaped convicts in Malmesbury in the Western Cape, the recovery of bodies in the Waterfall area and in the Drakensberg area in KwaZulu-Natal.

Search and rescue assistance were rendered on eight occasions in the hoisting and medical evacuation of sailors on-board ships in RSA territorial waters off the coasts of KwaZulu-Natal, Western Cape and the Eastern Cape. Assistance was provided to Aeronautical Rescue Coordination Centre in the search for a missing aircraft in the Welkom area in the Free State Province and to the Mountain Rescue Club of South Africa in the medical evacuation of an injured hiker in the Magaliesberg Mountains.

The SANDF rendered support to the national effort to mitigate the spread of the COVID-19 pandemic by deploying approximately 8 429 personnel and equipment throughout the country.

Performance Status

The table below provides details of the Force Employment programme performance status, output indicators and an analysis of target achievement as specified in the Adjusted DOD Annual Performance Plan for 2020.

Force Employment Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Number of planned Joint, Interdepartmental, Interagency and Multinational military exercises	<p>Target 0</p> <p>Actual 0</p> <p>Comment Due to the COVID-19 pandemic the number of JIIM Exercises with foreign countries were reduced from five to zero in the Adjusted DOD APP for 2020 to prioritise the institutional response to COVID-19.</p>

Part B
Performance Information

Force Employment Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Joint Force Employment requirements as Resourced	<i>Information Classified</i> ³⁹
Defence capabilities provided	Percentage combat-ready capabilities available for the SANDF	<i>Information Classified</i>
Defence capabilities employed	Number of landward sub-units deployed on border safeguarding per year	<p>Target 15</p> <p>Actual 15</p> <p>Comment The SANDF deployed 15 sub-units to execute Op CORONA (Border Safeguarding) in Limpopo, Mpumalanga, KwaZulu-Natal, Free State, Eastern Cape, Northern Cape and North West Provinces.⁴⁰</p>
	Percentage compliance with number of external operations	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment SANDF forces deployed in Op MISTRAL (UN Peace Support Operation in DRC [MONUSCO]) during FY2020/21.</p>
	Percentage compliance with force levels for external operations	<i>Information Classified</i>
	Percentage of the value of reimbursement by the UN/AU recognised	<p>Target 70%</p> <p>Actual 52%</p> <p>Deviation During FY2020/21, 52% of the total projected reimbursement to the value of R181 211 511 was recognised.</p> <p>Comment The RSA/SANDF does not have control over the processes and procedures of the UN. The UN still need to recognise reimbursements from period Sep 2020 to Mar 2021.</p>

³⁹ 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.

⁴⁰ Refer to details on operational successes on page 60.

Force Employment Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities employed	Percentage compliance with the Southern African Development Community Standby Force Pledge	<p>Target 100%</p> <p>Actual 87.50%</p> <p>Deviation The availability of maritime vessels were dependent on the serviceability of platforms. Most SA Navy vessels were undergoing maintenance and repair during the reporting period.</p> <p>Comment 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>
	Percentage compliance with number of internal operations ⁴¹	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment SANDF forces deployed in the following internal operations during FY2020/21:</p> <ul style="list-style-type: none"> • Op PROSPER (Support to Government departments, mainly SAPS [i.e. Safety and Security Support]).⁴² • Op CHARIOT (Disaster Aid and Relief [Humanitarian Assistance]).⁴³ • Op ARABELLA (Search and Rescue). • Op CORONA (Border Safeguarding).
	Percentage compliance with self-sustainment of personnel for external operations	<i>Information Classified</i>
	Percentage compliance with serviceability of main equipment for external operations	<i>Information Classified</i>
	Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment Joint Operations deployed all required forces in support of the SAPS and other Government departments in order to preserve life, health or property in emergency or humanitarian operations in the prevention of crime and maintenance and preservation of law and order with specific reference to enforcement of lockdown regulations.</p>

41 The aim of 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, safety and security support tasks as well as to preserve life, health or property in emergency situations and in prevention of crime and maintenance of law and order, with specific reference to the enforcement of lockdown regulations.

42 Op LIGCOLO (Support to the SAPS with the enforcement of lockdown regulations) was executed as a sequel to Op PROSPER over the period 29 Dec 2020 to 31 Jan 2021.

43 Op DITABA (Repatriation of SA citizens from Wuhan Province (PRC)), as published in the DOD Annual Report of FY2019/20 (page 60), was executed as a sequel to Op CHARIOT over the period 01 Mar 2020 to 01 Apr 2020. Op NOTLELA (the SANDF's commitment to the Coronavirus pandemic in SA) was also executed as a sequel to Op CHARIOT over the period 27 Mar 2020 to 30 Sep 2020.

Linking Performance to Budget

The table below provides details of the Force Employment programme expenditure status as at 31 March 2021.

Force Employment Programme Expenditure Status for FY2020/21						
Sub-Programme	FY2020/21			FY2019/20		
	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	157 254	157 254	0	175 878	175 878	0
Operational Direction	368 230	368 230	0	373 124	373 124	0
Special Operations	1 541 819	1 541 819	0	954 933	954 933	0
Regional Security	672 994	672 994	0	886 151	886 151	0
Support to the People	1 920 641	1 920 641	0	1 101 422	1 101 422	0
Total	4 660 938	4 660 938	0	3 491 508	3 491 508	0

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.

Sub-Programmes

The Landward Defence programme comprises of the following sub-programmes:

- Strategic Direction
- General Training Capability
- Infantry Capability
- Armour Capability
- Artillery Capability
- Air Defence Artillery Capability
- Engineering Capability
- Operational Intelligence
- Command and Control Capability
- Support Capability
- Signal Capability

Overview

The SA Army supported the MTSF Priorities 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 **MTSF Priority 6** “Social Cohesion and Safer Communities” and **MTSF Priority 7** “A Better Africa and a Better World” as follows:

- The SA Army pledged forces as part of the Force Intervention Brigade for the external operation in the DRC (Op MISTRAL).
- 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

During the reporting period, the SA Army successfully employed its combat-ready capabilities to combat the COVID-19 pandemic through Op NOTLELA. The SA Army Infantry Formation contributed to the operational successes through surveillance troop teams deployed under Op NOTLELA, resulting in the confiscation of various contraband and other illicit items (drugs, stolen vehicles, weapons, clothing, cosmetics, alcohol and counterfeit cigarettes) and various arrests being made by the SAPS.

The SA Army prepared and maintained multiple quarantine facilities throughout the country in all provinces in various forms, being sickbays, tents, bungalows and weather havens.

The SA Army provide support to other Government departments as follows:

- Provided support to the SAPS and the National Department of Health where the main tasks included ensuring that the COVID-19 lockdown restrictions were adhered to by means of visible patrols, roadblocks and cordon and search.
- The SA Army Engineering Formation utilised water purification prime mission equipment of Project BLESBOK to purify water for local government and local forces deployed where Government could not provide such a service in accordance with priorities.
- The SA Army Engineering Formation was deployed through Op CHARIOT in support of the DPWI to address construction and critical infrastructure repair (low-cost bridge project) in the Eastern Cape and KwaZulu-Natal.

Performance Status

The table below provides details of the Landward Defence programme performance status, output indicators and an analysis of target achievement as specified in the Adjusted DOD Annual Performance Plan for 2020.

Landward Defence Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Landward Defence training targets	<p>Target 80% (2 813)</p> <p>Actual 69.85% (2 456)</p> <p>Deviation 357 less learners successfully completed training programmes.</p> <p>The non-achievement of targets wrt learning programmes and learners was exacerbated by COVID-19 restrictions.</p> <p>Comment Measurement of actual achievement is performed in relation to a full population of 3 516.25 learners.</p>
	Number of Landward Defence unique force training exercises conducted	<p>Target 0⁴⁴</p> <p>Actual 0</p>

⁴⁴ Due to the COVID-19 pandemic, all Landward Defence unique force training exercises planned for FY2020/21 were cancelled.

Landward Defence Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities provided	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> ⁴⁵
	Percentage combat-ready capabilities available for the SANDF	<i>Information Classified</i>
	Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment The SA Army provided all the required forces in support of the SAPS and other Government departments in order to preserve life, health or property in emergency or humanitarian operations in the prevention of crime and maintenance and preservation of law and order with specific reference to enforcement of lockdown regulations.</p>

Linking Performance to Budget

The table below provides details of the Landward Defence programme expenditure status as at 31 March 2021.

Landward Defence Programme Expenditure Status for FY2020/21						
Sub-Programme	FY2020/21			FY2019/20		
	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	467 153	467 153	0	496 052	496 052	0
Infantry Capability	6 716 040	6 716 040	0	6 723 407	6 723 407	0
Armour Capability	568 573	568 573	0	534 030	534 030	0
Artillery Capability	770 335	770 335	0	644 994	644 994	0
Air Defence Artillery Capability	547 615	547 615	0	483 965	483 965	0
Engineering Capability	983 481	983 481	0	882 226	882 226	0
Operational Intelligence	274 406	274 406	0	237 911	237 911	0
Command and Control Capability	227 957	227 957	0	232 105	232 105	0
Support Capability	4 573 015	4 573 015	0	4 552 980	4 552 980	0
General Training Capability	570 260	570 260	0	491 853	491 853	0
Signal Capability	1 487 811	1 487 811	0	1 484 183	1 484 183	0
Total	17 186 646	17 186 646	0	16 763 706	16 763 706	0

⁴⁵ Where the report refers to "Information Classified", it means that the information was not published for public consumption but managed through the appropriate oversight institutions. This classified information was duly audited/made available for audit.

Programme 4: Air Defence

Purpose

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

Sub-Programmes

The Air Defence programme comprises of the following sub-programmes:

- Strategic Direction
- Operational Direction
- Training Capability
- Operational Support and Intelligence Capability
- Command and Control Capability
- Base Support Capability
- Command Post
- Technical Support Services
- Helicopter Capability
- Transport and Maritime Capability
- Air Combat 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 17 100 flying hours for FY2020/21, consisting of 12 100 Force Preparation hours, 4 000 Force Employment hours and 1 000 Very, Very Important Person (VVIP) hours. A total of 13 726.40 hours were flown from 01 April 2020 to 31 March 2021, consisting of:

- 10 488.50 Force Preparation hours
- 2 914.00 Force Employment hours
- 323.90 VVIP hours

Performance Status

The table below provides details of the Air Defence programme performance status, output indicators and an analysis of target achievement as specified in the Adjusted DOD Annual Performance Plan for 2020.

Air Defence Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Air Defence training targets	<p>Target 80% (687)</p> <p>Actual 63.35% (544)</p> <p>Deviation 143 less learners successfully completed training programmes.</p> <p>The non-achievement of targets wrt learning programmes and learners was exacerbated by COVID-19 restrictions.</p> <p>Comment Measurement of actual achievement is performed in relation to a full population of 858.75 learners.</p>
	Number of Air Defence unique force training exercises conducted	<p>Target 0⁴⁶</p> <p>Actual 1</p> <p>Comment The SA Air Force unique force training Ex WINTER SOLSTICE took place from 16 to 27 Nov 2020. The exercise was aimed at testing internal and external SA Air Force Command and Control systems and procedures. In addition the Joint Operations and SA Air Force unique procedures for planning and execution of exercises were also evaluated.</p>

⁴⁶ Due to the COVID-19 pandemic, all Air Defence unique force training exercises planned for FY2020/21 have been cancelled.

Part B
Performance Information

Air Defence Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities provided	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> ⁴⁷
	Percentage combat-ready capabilities available for the SANDF	<i>Information Classified</i>
	Number of hours flown per year	<p>Target 17 100⁴⁸</p> <p>Actual 13 726.40</p> <p>Deviation The 13 726.40 hours flown, represents 80.3% of the planned target.</p> <p>The number of hours flown are dependent on the number of serviceable aircraft and operational taskings received.</p> <p>The delivery of spares was affected by COVID-19 restrictions which had an adverse impact on the maintenance and serviceability of aircraft.</p> <p>Comment The following hours were flown:</p> <ul style="list-style-type: none"> • 10 488.50 hours for force preparation • 2 914.00 hours for force employment • 323.90 VVIP hours
	Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment The SA Air Force provided all the required forces in support of the SAPS and other Government departments in order to preserve life, health or property in emergency or humanitarian operations in the prevention of crime and maintenance and preservation of law and order with specific reference to enforcement of lockdown regulations.</p>

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

48 During the FY2020/21 the “Number of hours flown per year” includes an estimated 4 000 hours for Force Employment, approximately 12 100 hours for Force Preparation and 1 000 VVIP hours.

Linking Performance to Budget

The table below provides details of the Air Defence programme expenditure status as at 31 March 2021.

Air Defence Programme Expenditure Status for FY2020/21						
Sub-Programme	FY2020/21			FY2019/20		
	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	20 479	20 479	0	23 637	23 637	0
Operational Direction	166 085	166 085	0	252 396	252 396	0
Helicopter Capability	1 398 789	1 398 789	0	761 944	761 944	0
Transport and Maritime Capability	933 377	933 377	0	564 708	564 708	0
Air Combat Capability	717 558	717 558	0	649 537	649 537	0
Operational Support and Intelligence Capability	362 263	362 263	0	361 636	361 636	0
Command and Control Capability	672 981	672 981	0	645 817	645 817	0
Base Support Capability	2 253 975	2 253 975	0	2 246 339	2 246 339	0
Command Post	61 558	61 558	0	66 845	66 845	0
Training Capability	450 776	450 776	0	457 008	457 008	0
Technical Support Services	646 955	646 955	0	671 281	671 281	0
Total	7 684 796	7 684 796	0	6 701 148	6 701 148	0

Programme 5: Maritime Defence

Purpose

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

Sub-Programmes

The Maritime Defence programme comprises of the following sub-programmes:

- Maritime Direction
- Maritime Human Resources and Training Capability
- Maritime Logistic Support Capability
- Base Support Capability
- Maritime Combat Capability

Overview

The SA Navy continued to prepare and support maritime defence capabilities necessary for the defence and protection of South Africa by providing prepared and supported maritime defence capabilities.

In support of the **MTSF Priority 6: “Social Cohesion and Safer Communities”**, the SA Navy’s primary strategic focus for FY2020/21 was to deploy seaward in support of Op NOTLELA, to contribute towards capabilities required to support national efforts in mitigating and combating the spread of COVID-19. To this extend, amongst others, the SA Navy Chemical, Biological and Radiological Detection Team from Simon’s Town supported the SA Military Health Service’s Institute of Maritime Medicine with decontamination duties.

During the period under review, three out of the planned four maritime coastal patrols⁴⁹ were conducted as follows:

- In support of Op NOTLELA, one maritime coastal patrol up to the Mozambican border was conducted by the Offshore Patrol Vessel SAS MAKHANDA, deployed under operational command of Joint Tactical Headquarters KwaZulu-Natal from 04 April 2020 to 16 October 2020 and operating from the Naval Base Durban.
- One Op CORONA maritime coastal patrol along the West Coast was conducted by the submarine SAS MANTHATISI over the period 11 May 2020 to 29 May 2020.
- One Op CORONA maritime coastal patrol along the South Coast of the Western Cape by the Offshore Patrol Vessel SAS GALESHEWE over the period 18 May 2020 to 29 May 2020. During this deployment three suspects were arrested in the Betty’s Bay area for illegal fishing. Crayfish, a ski boat and boat equipment with an estimated total value of R138 954 were confiscated and handed over to the SAPS.

⁴⁹ During FY2020/21, most of the SA Navy vessels were undergoing maintenance and repair and were alongside.

The SA Navy's Force Preparation comprised of two major service-unique force training exercises. An ad-hoc exercise, Ex IMVUBU, entailed the deployment of the Maritime Reaction Squadron Platoon Number Three, Operational Boats Element Number One, divers and members of the Dog Unit to Naval Island in Richard's Bay over the period 23 May 2020 to 31 July 2020. Thereafter, the Operational Boats Element continued to meet Ex IMVUBU objectives until incorporation into the Force Structure Element for Op NOTLELA. The second service-unique force training exercise, the scheduled Ex RED LION, was conducted in Simon's Town over the period 24 August 2020 to 27 October 2020, including planning, preparation, mobilisation, execution and demobilisation.

The two Op CORONA maritime patrols conducted were in support of Op PHAKISA, with specific reference to Initiative 5: "Enhanced and Coordinated Enforcement Programme".

The SA Navy planned for 10 000 hours at sea during FY2020/21; 6 818.43 hours at sea were achieved from 01 April 2020 to 31 March 2021, consisting of:

- 1 399.94 Force Preparation hours
- 5 418.49 Force Employment hours

Performance Status

The table below provides details of the Maritime Defence programme performance status, output indicators and an analysis of target achievement as specified in the Adjusted DOD Annual Performance Plan for 2020.

Maritime Defence Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Maritime Defence training targets	<p>Target 80% (257)</p> <p>Actual 87.19% (280)</p> <p>Deviation 23 more learners than planned successfully completed training programmes.</p> <p>Comment Measurement of actual achievement is performed in relation to a full population of 321.25 learners.</p>
	Number of Maritime Defence unique force training exercises conducted	<p>Target 1</p> <p>Actual 1</p> <p>Comment Ex RED LION was conducted from 24 Aug 2020 to 27 Oct 2020. The exercise focused on the SA Navy's mine warfare capability.</p>

Part B
Performance Information

Maritime Defence Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities provided	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> ⁵⁰
	Percentage combat-ready capabilities available for the SANDF	<i>Information Classified</i>
	Number of hours at sea per year	<p>Target 10 000⁵¹</p> <p>Actual 6 818.43</p> <p>Deviation The 6 818.43 hours at sea represents 68.2% of the planned target.</p> <p>Most SA Navy vessels were undergoing maintenance and repair during the reporting period.</p> <p>No Op COPPER deployment was ordered, and due to the requirement to prioritise the execution of Op NOTLELA, only two Op CORONA Maritime coastal patrols were ordered during FY2020/21. One maritime coastal patrol was conducted to enforce lockdown rules under Op NOTLELA.</p> <p>Comment Hours at sea includes:</p> <ul style="list-style-type: none"> • 1 399.94 for force preparation • 5 418.49 hours for force employment
Number of Maritime coastal patrols conducted per year	<p>Target 4</p> <p>Actual 3</p> <p>Deviation Due to reprioritisation to execute Op NOTLELA, only three Maritime coastal patrols were conducted during FY2020/21.</p> <p>Comment One maritime coastal patrol was conducted to enforce lockdown rules under Op NOTLELA whilst two coastal patrols were conducted in support of Op CORONA.</p>	
Defence capabilities provided	Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment The SA Navy provided all the required forces in support of the SAPS and other Government departments in order to preserve life, health or property in emergency or humanitarian operations in the prevention of crime and maintenance and preservation of law and order with specific reference to enforcement of lockdown regulations.</p>

50 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.

51 During the FY2020/21 the Department planned to spend the following hours at sea: force preparation 2 200 hours and 7 800 hours force employment. Force employment hours include the hours at sea during deployments for Op COPPER (long range patrols) and the conducting of maritime coastal patrols as part of Op CORONA.

Linking Performance to Budget

The table below provides details of the Maritime Defence programme expenditure status as at 31 March 2021.

Maritime Defence Programme Expenditure Status for FY2020/21						
Sub-Programme	FY2020/21			FY2019/20		
	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	701 569	701 569	0	690 304	690 304	0
Maritime Combat Capability	1 911 561	1 911 561	0	1 898 884	1 898 884	0
Maritime Logistic Support Capability	1 039 729	1 039 729	0	1 013 344	1 013 344	0
Maritime Human Resources and Training Capability	512 920	512 920	0	533 304	533 304	0
Base Support Capability	571 722	571 722	0	573 575	573 575	0
Total	4 737 501	4 737 501	0	4 709 411	4 709 411	0

Programme 6: Military Health Support

Purpose

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

Sub-Programmes

The Military Health Support programme comprises of the following sub-programmes:

- Strategic Direction
- Military Health Training Capability
- Military Health Maintenance Capability
- Mobile Military Health Support
- Area Military Health Service
- Specialist/Tertiary Health Service
- Military Health Product Support Capability

Overview

During the year under review, the SA Military Health Service provided health support for the full range of internal and external military deployments. These included Force Health Support, Force Preparation, Force Employment and Provision. The health of members of the Defence Force, their families and other clientele, eligible for health care was maintained as part of Force Health Sustainment.

The SANDF was tasked to manage the spread of the COVID-19 pandemic in the country, in conjunction with other relevant stakeholders. The SA Military Health Service continued to provide health support during Op NOTLELA and in collaboration with the National Department of Health, generated protocols to ensure effective measures to combat COVID-19. Healthcare to communities was provided, whilst continuing to support SANDF deployments across the country. The SA Military Health Service deployed healthcare professionals and mobilised its Reserve Force component to assist the National Department of Health in its efforts to contain the COVID-19 outbreak and to *flatten the curve* of infections.

Performance Status

The table below provides details of the Military Health Support programme performance status, output indicators and an analysis of target achievement as specified in the Adjusted DOD Annual Performance Plan for 2020.

Military Health Support Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities prepared	Percentage compliance with Military Health Service training targets	<p>Target 80% (648)</p> <p>Actual 29.14% (236)</p> <p>Deviation 412 less learners than planned successfully completed training programmes. The non-achievement of targets wrt learning programmes and learners was exacerbated by COVID-19 restrictions.</p> <p>Comment Measurement of actual achievement is performed in relation to a full population of 810 learners.</p>
Defence capabilities provided	Percentage compliance with Joint Force Employment requirements as resourced	<i>Information Classified</i> ⁵²
	Percentage combat-ready capabilities available for the SANDF	<i>Information Classified</i>
	Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment The SA Military Health Service provided all the required forces in support of the SAPS and other Government departments in order to preserve life, health or property in emergency or humanitarian operations in the prevention of crime and maintenance and preservation of law and order with specific reference to enforcement of lockdown regulations.</p>
Defence capabilities supported	Percentage compliance with availability of medical stock	<i>Information Classified</i>

⁵² 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.

Linking Performance to Budget

The table below provides details of the Military Health Support programme expenditure status as at 31 March 2021.

Military Health Support Programme Expenditure Status for FY2020/21						
Sub-Programme	FY2020/21			FY2019/20		
	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	304 610	304 395	215	250 495	250 495	0
Mobile Military Health Support	191 029	191 029	0	225 521	225 521	0
Area Military Health Service	1 917 125	1 917 125	0	1 911 226	1 911 226	0
Specialist/Tertiary Health Service	2 195 063	2 195 063	0	2 227 343	2 227 343	0
Military Health Product Support Capability	497 421	385 660	111 761	268 922	268 922	0
Military Health Maintenance Capability	121 722	121 722	0	121 236	121 236	0
Military Health Training Capability	372 146	372 146	0	358 165	358 165	0
Total	5 599 116	5 487 140	112 038	5 362 908	5 362 908	0

Programme 7: Defence Intelligence

Purpose

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

Sub-Programmes

The Defence Intelligence programme comprises of the following sub-programmes:

- Strategic Direction
- Operations
- Defence Intelligence Support Services

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 through virtual engagements.

Defence Intelligence ensured personnel integrity in the DOD, Department of Military Veterans and ARMSCOR by issuing security clearances through a comprehensive vetting and screening process. The expansion of the Defence Intelligence structure was prioritised to accommodate client demands and reduce the backlog.

Performance Status

The table below provides details of the Defence Intelligence programme performance status, output indicators and an analysis of target achievement as specified in the Adjusted DOD Annual Performance Plan for 2020.

Defence Intelligence Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities supported	Number of vetting decisions taken in accordance with requirements	<p>Target 4 500</p> <p>Actual 6 520</p> <p>Comment The progressive staffing and detachment of personnel from other Services/Divisions and within Defence Intelligence contributed towards the achievement of the target.</p>

Part B Performance Information

Defence Intelligence Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities supported	Number of Defence Intelligence products ⁵³	<p>Target 448</p> <p>Actual 1 114</p> <p>Comment The over achievement is attributed to regional, continental and global security dynamics and subsequent increase of intelligence and COVID-19 related requirements.</p>

Linking Performance to Budget

The table below provides details of the Defence Intelligence programme expenditure status as at 31 March 2021.

Defence Intelligence Programme Expenditure Status for FY2020/21						
Sub-Programme	FY2020/21			FY2019/20		
	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	642 302	642 302	0	0	0	0
Defence Intelligence Support Services	488 629	488 629	0	523 592	523 592	0
Total	1 130 931	1 130 931	0	478 770	478 770	0

⁵³ 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.

Sub-Programmes

The General Support programme comprises of the following sub-programmes:

- Joint Logistic Services
- Command and Management Information Systems
- Military Police
- Technology Development
- Departmental Support

Overview

During the year under review, the **Logistics Division** continued to manage the payment of accommodation charges, leases and municipal services⁵⁴, thereby providing appropriate and sustained facilities for the Department.

In collaboration with the DPWI, the Logistics Division also managed the DOD infrastructure portfolio, comprising of the rehabilitation and refurbishment and maintenance of infrastructure⁵⁵. 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 addressed⁵⁶.

In collaboration with the DPWI, Services and Divisions, the Defence Works Formation Regional Units executed individual projects to aid with maintenance backlogs. A total of 1 392 artisans, technicians, site supervisors and project managers were trained and qualified by the Defence Works Formation thus far.

The DOD National Technology Backbone Infrastructure was implemented and commissioned by the **Command and Management Information Systems Division**, and established in Bloemfontein, Durban and Kroonstad. The DOD Executive Management was equipped with an interim Internet Based Video Conference solution to facilitate meetings in support COVID-19 preventative measures.

The **Military Police Division** investigated 1 473 criminal cases that rolled-over from FY2019/20, 1 099 criminal cases reported during FY2020/21 and conducted 114 deliberate crime prevention operations during the reporting period.

⁵⁴ Refer to page 59 for the expenditure status on "Office Accommodating" (linking performance to budget).

⁵⁵ Refer to Appendix A on pages 87 to 93 for detailed performance information on "Capital Investment, Maintenance and Asset Management".

⁵⁶ Refer to the figure on page 35 for the state of DOD capital assets.

Performance Status

The table below provides details of the General Support Programme performance status, output indicators and an analysis of target achievement in terms of the Adjusted DOD Annual Performance Plan for 2020.

General Support Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities supported	Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of COVID-19 ⁵⁷	<p>Target 100%</p> <p>Actual 100%</p> <p>Comment Joint Logistics provided all the required forces in support of the SAPS and other Government departments in order to preserve life, health or property in emergency or humanitarian operations in the prevention of crime and maintenance and preservation of law and order with specific reference to enforcement of lockdown regulations.</p>
	Percentage procurement requests fully completed within 90 days from day of registration	<p>Target 95%</p> <p>Actual 99.87%</p> <p>Comment A total of 2 319 out of 2 322 procurement requests were processed within 90 days from registration. Overachievement against the target can be attributed to emergency Op NOTLELA procurements.</p>
	Percentage of expenditure in accordance with Facilities Plan (Payment of leases, accommodation charges and municipal services)	<p>Target 100%</p> <p>Actual 101.31%</p> <p>Comment The over expenditure of R35 450 180.00 is due to leases paid and annual escalations.</p>
	Percentage compliance to the DOD Information, Communication and Technology Capability Plan	<p>Target 90.4%</p> <p>Actual 91.73%</p> <p>Comment The overachievement was due to the services rendered by Specialised Information and Communication Technology resources in support of the execution of Information Systems related projects that reached targets beyond planned performance.</p>

⁵⁷ The Outcome Indicator was managed by the sub-programme Joint Logistic Services on behalf of the sub-programme Command Management and Information Systems and Military Police capability.

General Support Programme Performance Status for FY2020/21		
DOD Output	Output Indicator	Analysis
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments		
Defence capabilities supported	Number of deliberate crime prevention operations conducted	Target 124 Actual 114 Comment The deviation was caused by the redirecting of logistical and human resources to Op NOTLELA and Op LIGCOLO.
	Percentage of criminal cases investigated (backlog)	Target 40% Actual 56.57% Comment The Department investigated 1 473 criminal cases from the backlog of 2 604 criminal cases.
	Percentage of criminal cases investigated (in-year)	Target 25% Actual 44.59% Comment During FY2020/21, 1 099 new cases were received of which 490 cases were investigated.

Linking Performance to Budget

The table below provides details of the General Support programme expenditure status as at 31 March 2021.

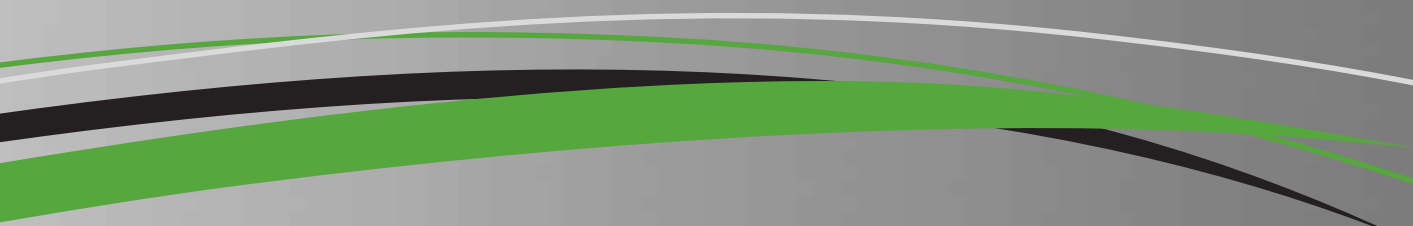
General Support Programme Expenditure Status for FY2020/21						
Sub-Programme	FY2020/21			FY2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Joint Logistic Services	4 493 264	4 493 264	0	3 523 273	3 523 273	0
Command and Management Information Systems	930 324	930 324	0	996 360	996 360	0
Military Police	720 038	720 038	0	719 260	719 260	0
Technology Development	681 519	681 519		440 294	440 294	0
Departmental Support	1 048 862	1 048 061	801	1 178 867	1 178 867	0
Total	7 874 007	7 873 206	801	6 858 054	6 858 054	0





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

Appendix A





Capital Investments, Maintenance and Asset Management Plan

Capital Infrastructure Projects in Progress

Capital infrastructure projects in progress during FY2020/21 are indicated in the table below.

Capital Infrastructure Projects in Progress during FY2020/21	
Project Description	Financial Year to be Completed
Bloemfontein	
Upgrading of Buildings 1175, 1176, 1178, 1179, 1181, 1182, 1184 & 1185 at DOD Mobilisation Centre	2021/22
Upgrading of water reservoir at Air Force Base Bloemspruit	Completed
Upgrading of kitchen equipment at 1 SA Tank Regiment	2022/23
Upgrading of kitchen equipment at DOD Mobilisation Centre (De Brug)	2022/23
Replacement of hot water storage vessels at 3 Military Hospital in Tempe	Completed
Installation of lead reinforced doors at the radiology section at 3 Military Hospital	2022/23
Construction of a corridor to connect the maternity ward to the main hospital at 3 Military Hospital	2023/24
Boekenhoutskloof	
Site clearance for the construction of a security fence at Boekenhoutskloof Military Base	2022/23
Camden	
Site Clearance for the refurbishment of waste water treatment plant at the Air Defence Artillery School	2022/23
Cape Town	
Installation of new high level security thermal and radar perimeter intrusion management system at 2 Military Hospital	2022/23
Replacement of a security fence at main entrance as well as canopy and guard house at Area Military Health Unit Western Cape	Completed
Upgrading of kitchen equipment at Army Support Base Western Cape, Officers Mess Wynberg	Completed
Upgrading of kitchen equipment at 9 SA Infantry Battalion	Completed
Replacement of perimeter fence with palisade fence at SAS Wingfield	Completed
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)	2021/22
Installation of air-conditioning and Heat, Ventilation and Air-Conditioning Systems in Buildings 1, 10, 11 and 19 at 9 SA Infantry Battalion	2022/23
Dunnottar	
Site clearance for the construction of vehicle storage facilities at SA Army Engineer Formation (Project PANTILE)	Completed
Durban	
Refurbishment of main kitchen at SAS Salisbury Island	Completed
Upgrading of critical accommodation facilities at SAS Salisbury Island	2021/22
Upgrading of kitchen equipment at Army Support Base KwaZulu-Natal Bluff Military Base	2022/23
Request for site clearance for the construction of a Health Centre in Durban	2022/23
Elandsfontein	
Upgrade facilities at the Works Training School	2022/23

Capital Infrastructure Projects in Progress during FY2020/21	
Project Description	Financial Year to be Completed
Fouriesburg	
Request for site clearance for the installation of re-deployable structures through own resources at Fouriesburg and Wepener Operational Bases (Op CORONA)	Completed
Heidelberg	
Upgrading of kitchen equipment at SA Army Gymnasium	2022/23
Hoedspruit	
Upgrading and renovation of infrastructure damaged by floods at Air Force Base Hoedspruit	2024/25
Jan Kempdorp	
Site clearance for the construction of a security fence around 93 Ammunition Depot	2021/22
Johannesburg	
Upgrading of kitchen equipment at Army Support Base Johannesburg	Completed
Purchase of a ten-bedroom residential house for the Defence Intelligence Division (Defence Foreign Relations)	Completed
Kimberly	
Resurfacing and tarring of access road to Diskobolos Military Base Sick Bay	Completed
Klipdrift	
Upgrade of the water supply at the School of Artillery	2022/23
Kroonstad	
Request for site clearance for the construction of facilities for the advanced and specialist training wings at School of Engineers	2023/24
Request for site clearance for the construction of an overhead power supply line to the waterpump station at the Bossiespruit Training Base	2021/22
Site clearance for the construction of a vehicle parking facility at School of Engineers Division (Project PANTILE)	2022/23
Ladysmith	
Upgrading of kitchen equipment at 5 SA Infantry Battalion	2022/23
Langebaan	
Erection of security fence at 4 Special Forces Regiment Headquarters	Completed
Erection of security fence at Ammunition Stores, Donkergat	Completed
Replacement of air-conditioning system in the Air Traffic Control Tower	2021/22
Upgrading of mess facilities at 4 Special Forces Regiment	Completed
Upgrading of high voltage electrical supply to the Donkergat Training Area at 4 Special Forces Regiment	2021/22
Site clearance for the construction of 20 married quarters at 4 Special Forces Regiment	2022/23
Site clearance for the placement of park home at 4 Special Forces Regiment	2021/22
Request for site clearance for the upgrading of the Donkergat and Flamingo jetties and slipway	2021/22
Limpopo	
Site Clearance for the upgrading of water reticulation systems at Air Force Base Hoedspruit	2021/22
Site Clearance for the upgrading of water reticulation systems at Air Force Base Makhado	2021/22
Lohatla	
Upgrading of Finance Accounting Service Centre at SA Army Combat Training Centre	Completed
Site Clearance for the refurbishment of the waste water treatment plant at SA Army Combat Training Centre	2021/22
Site Clearance for the drilling/equipping of boreholes and the building of dams/reservoirs at the SA Army Combat Training Centre	2021/22

Capital Infrastructure Projects in Progress during FY2020/21	
Project Description	Financial Year to be Completed
Madimbo / Limpopo	
Site Clearance for the assessment of water reticulation systems at various Bases in the Limpopo province (Ellisras Command Post, Hangklip, 523 Squadron Makhado and Ben Viljoen Training Area)	2021/22
Mahikeng	
Request for site clearance at the Mafikeng Border Safeguarding Base (Op CORONA)	2021/22
Request for site clearance for the replacement of leaking sewerage system at 10 SA Infantry Battalion	2021/22
Site clearance for the refurbishment of the waste water treatment plant at 10 SA Infantry Battalion	2021/22
Maluti	
Upgrading of water reticulation system at Maluti Base	2021/22
Middleburg	
Upgrading of building and construction of new sickbay at 4 SA Infantry Battalion	Completed
Mtubatuba	
Upgrading of South African Forces Institute Building at 121 SA Infantry Battalion for use by Defence Legal Services Division	2022/23
Murrayhill	
Request for site clearance for Phase 2 of the Master Plan for Special Forces School	2021/22
Musina	
Request for site clearance at the Musina Border Safeguarding Base (Op CORONA)	2021/22
Oudtshoorn	
Upgrading of kitchen equipment at Infantry School	2020/21
Phalaborwa	
Replacement of kitchen equipment at 7 SA Infantry Battalion	2022/23
Upgrading of aquatic training facility at 5 Special Forces Regiment	2022/23
Upgrading of kitchen equipment at 524 Signal Squadron	Completed
Upgrading of kitchen equipment at 5 Special Forces Regiment	Completed
Polokwane	
Request for site clearance for the construction of a Health Centre in Polokwane	2022/23
Site Clearance for the upgrading of the entire Karee Base in Polokwane	2022/23
Rehabilitation of the entire Karee Military Base	2022/23
Upgrading of kitchen equipment at Uitkoms Base Junior Ranks Mess	Completed
Potchefstroom	
Upgrading of pump station at 4 Artillery Regiment: request for site clearance	2021/22
Upgrading of kitchen and kitchen equipment at Shamrock Mess	Completed
Upgrading of kitchen equipment at Constand Viljoen Mess	2022/23
Pretoria	
Upgrade of main gate at Special Forces Headquarters (Swartkop Park)	Completed
Refurbishment of Belmont House for use as accommodation	2022/23
Upgrading of kitchen equipment at National Ceremonial Guard	Project cancelled, funds were spent in 2019/20
Upgrading of kitchen equipment at SA Army Engineer Formation Combined Mess	2021/22

Capital Infrastructure Projects in Progress during FY2020/21	
Project Description	Financial Year to be Completed
Pretoria	
Upgrading of Mess and replacement of kitchen equipment at Army Support Base Wonderboom	Completed
Construction of inner security fence at Special Forces Headquarters (Swartkop Park)	2022/23
Upgrade of infrastructure at SA Defence Intelligence College: Phase 1	2024/25
Request for site clearance for SA Defence Intelligence College and Education, Training and Development College	2022/23
Construction of New Fire Station and Air Traffic Control Tower at Air Force Base Waterkloof	2024/25
Upgrading of security fencing at DOD Main Ordnance Depot	Completed
Replacement of Uninterrupted Power Supply batteries at Blenny and Loftus buildings	Completed
Construction of new Head Office Building for Defence Intelligence Division (Old 91 Ammunition Depot) (Project SERETO)	2022/23
Upgrading and refurbishment of SA Military Health Services Training Formation (Nurses College): Phase 2	2025/26
Upgrading and installation of power supply to Defence Works Formation containerised office accommodation	Completed
Site clearance for the construction of eleven residential units/town houses	2022/23
Upgrading of power supply at School of Signals	2021/22
Replacement of two 400KVA Uninterrupted Power Supply batteries at 1 Military Hospital	2021/22
Site clearance for the refurbishment of the waste water treatment plant at Thaba Tshwane	2021/22
Site clearance for the repair and renovation at Military Police School	2022/23
Site clearance for the installation of a standby generator at Defence Works Formation Headquarters	2021/22
Upgrading of infrastructure at the Works Training School	2026/27
Replacement of sluice system at 1 Military Hospital	2022/23
Site clearance for the upgrading of the perimeter security fences at Air Force Base Swartkop	2021/22
Port Elizabeth	
Construction of Base Hospital and medical staff housing	2025/26
Site clearance for the erection of a security fence at the Cape Recife shooting range Army Support Base Eastern Cape	2021/22
Saldanha	
Replacement of fire alarm system at the Military Academy	2021/22
Construction of new sick bay at Saldanha Military Base	2022/23
Simon's Town	
Site clearance for the construction of a new security fence with main guard house equipped with a biometric access control system at Signal School	2021/22
Replace existing security fence with palisade fence at SA Navy Signal School	2021/22
Replace existing security fence with palisade fence at Glencairn Sports Complex	2021/22
Replacement of air-conditioning system in the Maritime Warfare Building	2021/22
Thaba Tshwane	
Upgrading of kitchen equipment at Joint Support Base Garrison, Gerbera Officers Mess	2021/22
Upgrading of kitchen equipment at Joint Support Base Garrison, Kiepersol Officers Mess	2021/22
Upgrading of kitchen equipment at SA Army College	2021/22
Construction of new requirements and repair maintenance and upgrade of Admin Building at SA Military Health Services Training Formation	2021/22

Capital Infrastructure Projects in Progress during FY2020/21	
Project Description	Financial Year to be Completed
Thabazimbi	
Request for site clearance for the installation of a water purification unit at Rooibokkraal Border Safeguarding Base (Op CORONA)	2021/22
Thohoyandou	
Upgrading of kitchen equipment at 15 SA Infantry Battalion	Completed
Umdloti	
Upgrading of kitchen equipment at Umdloti Signal Base	2021/22
Umtata	
Upgrading of Finance Accounting Service Centre at 14 SA Infantry Battalion	Completed
Vioolsdrift	
Request for site clearance for the installation of re-deployable structures through own resources at Vioolsdrift and Louisvale Operational Bases (Op CORONA)	2021/22
Wingfield	
Upgrading of water reticulation system at SAS Wingfield and Naval Stores Depot	2021/22
Wynberg	
Facilities Management Contract at 2 Military Hospital: site clearance	2021/22
Upgrading of Finance Accounting Service Centre at 2 Military Hospital	Completed
Youngsfield	
Upgrading of Finance Accounting Service Centre at Youngsfield	Completed
Zeerust	
Assessment and costing of kitchen equipment at 2 SA Infantry Battalion	2021/22


Major Maintenance (Refurbishment) Projects undertaken during FY2020/21

Major Maintenance (Refurbishment) projects undertaken during FY2020/21 are indicated in the table below.

Major Maintenance (Refurbishment) Projects undertaken during FY2020/21	
Project Description	Financial Year to be Completed
Bloemfontein	
Refurbishment of 1 SA Infantry Battalion	2024/25
Refurbishment of 44 Parachute Regiment	2024/25
Refurbishment of Military Health Training Satellite Bloemfontein	2024/25
Refurbishment of Club Mfezi at 3 Military Hospital	2024/25
Bloemspruit	
Refurbishment of Air Force Base Bloemspruit	2024/25
Bredasdorp	
Refurbishment of Air Force Base Overberg	Completed
Refurbishment of sewer plant at Air Force Base Overberg	Completed
Refurbishment and upgrade of Sickbay Complex at Air Force Base Overberg	Completed
Cape Town	
Refurbishment of 2 Military Hospital	Completed
Durban	
Refurbishment of SAS Salisbury Island: Phase 2	2025/26
Grahamstown	
Refurbishment of 6 SA Infantry Battalion	2024/25
Replacement of perimeter and internal security fencing at 6 SA Infantry Battalion	2022/23
Refurbishment and rehabilitation of infrastructure and buildings at 6 SA Infantry Battalion	2022/23
Kroonstad	
Refurbishment of School of Engineers	2023/24
Lephalale	
Upgrading, repair and renovations of all offices and training accommodation, logistics facilities and kitchen complex at SA Military Health Services Training Centre	2024/25
Middelburg	
Multidiscipline, design and construction at 4 SA Infantry Battalion	2022/23
Repair and maintenance to civil infrastructure at 4 SA Infantry Battalion	2022/23
Mmabatho	
Repair and maintenance of civil, building and wet services at 10 SA Infantry Battalion	Completed
Muizenberg	
Refurbishment of SA Navy Staff College	2022/23
Potchefstroom	
Refurbishment of 1 Tactical Intelligence Regiment	Completed
Installation of new air conditioners at Constand Viljoen Officers Mess	2022/23
Refurbishment of School of Artillery	2024/25
Refurbishment of 4 Artillery Regiment	2024/25

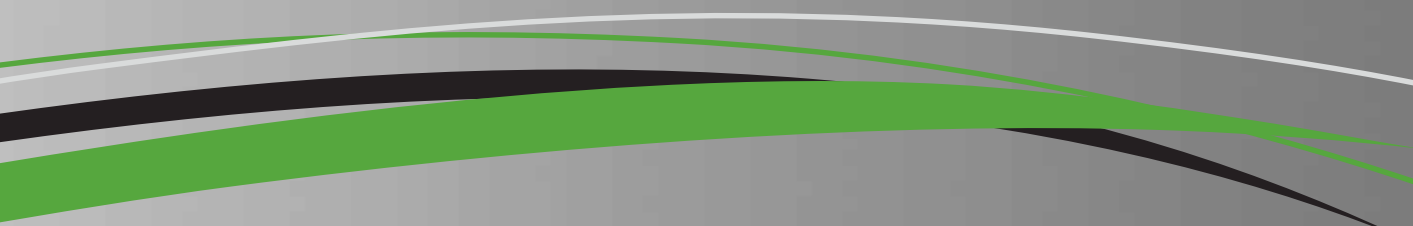
Major Maintenance (Refurbishment) Projects undertaken during FY2020/21	
Project Description	Financial Year to be Completed
Pretoria	
Refurbishment of Military Health Centre (Institute for Aviation Medicine) next to DOD Auction Centre	2022/23
Refurbishment of SA Military Health Services complex in Tek Base	2023/24
Refurbishment of Rooiwal Communication Facility	2022/23
Refurbishment of SA Air Force Blenny Complex	2026/27
Refurbishment of the single quarters at Air Force Base Waterkloof	2024/25
Refurbishment of SA Army Office in Dequar Road	2026/27
Waterproofing and sealing of roof at 1 Military Hospital	2021/22
Upgrade of power supply at 2 Signal Regiment	Completed
Saldanha	
Total Facilities Management Contract for 1 Military Hospital	Completed
Simon's Town	
Refurbishment Pharmacy (Building 70) Institute for Maritime Medicine	2022/23
Refurbishment and replacement of water distribution system	Completed
Swartkop Park	
Re-surface 2km road at Swartkop Park	2022/23
Thaba Tshwane	
Refurbishment of Finance Office at Joint Support Base Garrison	2021/22
Refurbishment of Defence College	2025/26
Refurbishment of Thaba Tshwane B-Mess	2021/22
Refurbishment of Thaba Tshwane A-Mess	Depending on availability of funds
Umtata	
Replacement of kitchen equipment at 14 SA Infantry Battalion	2021/22
Upington	
Major refurbishment of facilities and civil services at 8 SA Infantry Battalion	2020/21
Ysterplaat	
Major refurbishment of Jack Frost Court at Air Force Base Ysterplaat: building 340	2023/24

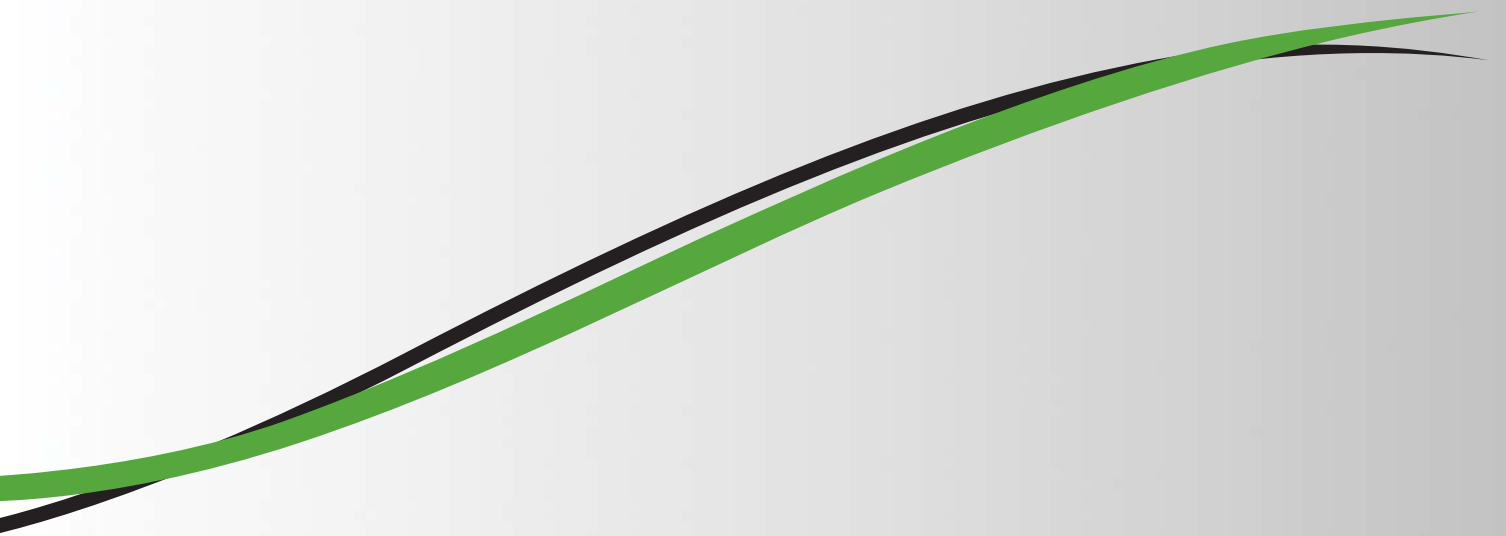




**DOD Selected
Performance
Indicators, Targets
and Actual
Achievements**

Appendix B





DOD Selected Performance Indicators included in the Estimates of National Expenditure for FY2020/21, Targets and Actual Achievements

The DOD's Selected Performance Indicators included in the Estimates of National Expenditure for FY2020/21, Targets and Actual Achievements for the period 01 April 2017 to 31 March 2021 is reflected in the table below.

DOD Estimates of National Expenditure / Selected Indicators, Targets and Actual Achievements over the period 01 April 2017 to 31 March 2021					
Performance Indicator	Accountability / Reporting Responsibility	Performance			
		Audited Achievement ¹			
		FY2017/18	FY2018/19	FY2019/20	FY2020/21
Total number of Defence Attaché Offices	Administration (Defence Foreign Relations)	Target	Target	Target	Target
		44	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
		3 651	3 568	3 510	3 604
		Actual	Actual	Actual	Actual
		3 476	3 554	3 761	1 956
Number of Reserve Force mandays	Administration (HR Services)	Target	Target	Target	Target
		1 817 104	2 674 761	2 693 048	2 695 963 ²
		Actual	Actual	Actual	Actual
		2 425 899	2 574 127	2 739 564	3 355 353
Percentage compliance with the Southern African Development Community Standby Force Pledge per year	Force Employment	Target	Target	Target	Target
		100%	100%	100%	100%
		Actual	Actual	Actual	Actual
		100%	100%	100%	87.50%
Percentage compliance with number of ordered commitments (external operations) per year ³	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 (internal operations) per year ⁴	Force Employment	Target	Target	Target	Target
		100%	100%	100%	100%
		Actual	Actual	Actual	Actual
		100%	100%	100%	100%

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

2 The FY2020/21 annual target was published as 3 098 866 in the AENE.

3 Output Indicator name as published in AENE of 2020, refers to "Percentage compliance with force levels for external operations" as published in the Adjusted DOD APP for 2020.

4 Output Indicator name as published in AENE of 2020, refers to "Percentage compliance with number of internal operations" as published in the Adjusted DOD APP for 2020. The aim of 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, safety and security support tasks as well as to preserve life, health or property in emergency situations and in prevention of crime and maintenance of law and order, with specific reference to the enforcement of lockdown regulations.

DOD Estimates of National Expenditure / Selected Indicators, Targets and Actual Achievements over the period 01 April 2017 to 31 March 2021

Performance Indicator	Accountability / Reporting Responsibility	Performance			
		Audited Achievement			
		FY2017/18	FY2018/19	FY2019/20	FY2020/21
Number of Joint, Interdepartmental, Interagency and Multinational military exercises conducted per year	Force Employment	Target 3	Target 4	Target 1	Target 0 ⁵
		Actual 3	Actual 3	Actual 1	Actual 0
Number of landward sub-units deployed on border safeguarding per year	Force Employment	Target 15	Target 15	Target 15	Target 15
		Actual 15	Actual 15	Actual 15	Actual 15
Number of force employment hours flown	Air Defence	Target 5 000	The Performance Indicator was amended from "Number of force employment hours flown per year" to "Number of hours flown per year"		
Number of hours flown per year ⁶		Actual 4 125.50	Target 25 000	Target 17 200 ⁷	Target 17 100 ⁸
		New Performance Indicator	Actual 17 870.20	Actual 16 232.60	Actual 13 726.40
Number of hours at sea per year	Maritime Defence	Target 12 000	Target 12 000	Target 10 000 ⁹	Target 10 000 ¹⁰
		Actual 6 046.68	Actual 7 704.13	Actual 6 612.55	Actual 6 818.43

5 Due to the COVID-19 pandemic the number of JIIM Exercises with foreign countries were reduced from five to zero in the Adjusted DOD APP for 2020 to prioritise the institutional response to COVID-19.

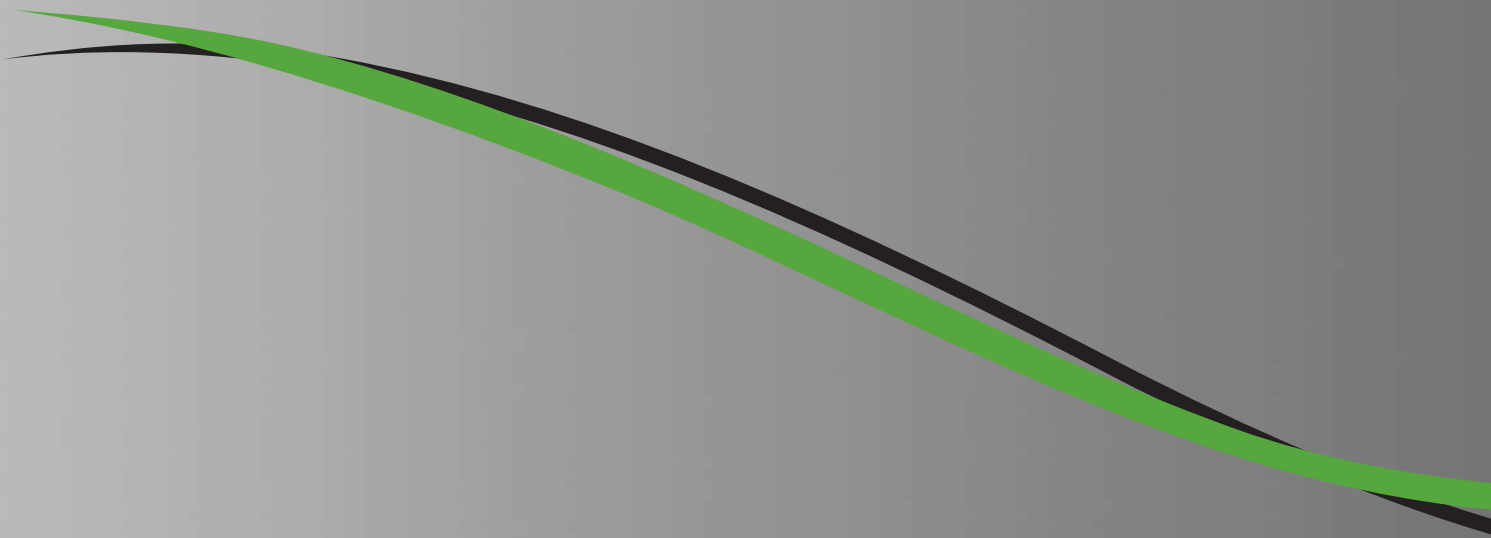
6 During FY2018/19 the Performance Indicator was amended from "Number of force employment hours flown per year". The Air Defence Programme have more control over the set target of 25 000 flying hours (inclusive of 5 000 Force Employment and 20 000 Force Preparation hours). For the FY2018/19 MTEF, the 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.

7 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.


8 During the FY2020/21 the "Number of hours flown per year" includes an estimated 4 000 hours for Force Employment, approximately 12 100 hours for Force Preparation and 1 000 VVIP hours.

9 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.

10 During the FY2020/21 the Department planned to spend the following hours at sea: force preparation 2 200 hours and 7 800 hours force employment. Force employment hours include the hours at sea during deployments for Op COPPER (long range patrols) and the conducting of maritime coastal patrols as part of Op CORONA.

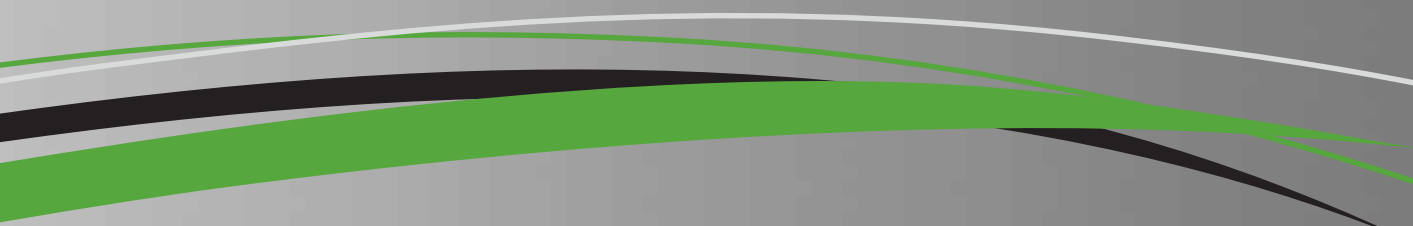






**DOD Output
Indicators,
Targets and Actual
Achievements
Across Multiple
Financial Years**

Appendix C





DOD Output Indicators, Targets and Actual Achievements Across Multiple Financial Years

The DOD's performance against its Output Indicators and Targets for the period 01 April 2017 to 31 March 2021 is reflected in the table below.

DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2017 to 31 March 2021								
S/No	FY2017/18		FY2018/19		FY2019/20		FY2020/21	
	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	Audited Achievement
Programme 1: Administration								
1	Percentage adherence to the DOD Master Record Index for Policies							
	100%	62.50%	100%	70%	≥40%	42%	≥80%	66.2%
2	Percentage adherence to the DOD Master Record Index for Strategies							
	100%	50%	100%	41.7%	50%	0%	50%	0%
3	Percentage adherence to the DOD Master Record Index for Plans							
	-	-	-	-	-	-	90%	84.2%
4	Number of Reserve Force mandays							
	1 817 104	2 425 899	2 674 761	2 574 127	2 693 048	2 739 564	2 695 963 ¹	3 355 353
5	Reduction in the number of Audit Qualifications							
	0	6	0	5	0	6	5	2
6	Percentage of audits completed in terms of the approved Internal Audit Plan							
	-	-	-	-	100%	59%	100%	83.3%
7	Percentage compliance with SANDF Battle fitness requirements							
	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>
8	Total number of Defence Attaché Offices							
	44	44	44	44	44	44	44 ²	44
9	Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19							
	-	-	-	-	-	-	100%	100%
Programme 2: Force Employment								
10	Number of planned joint, interdepartmental, interagency and multinational military exercises							
	3	3	4	3	1	1	0	0
11	Percentage compliance with Joint Force Employment requirements as resourced							
	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>

¹ The FY2020/21 annual target was published as 3 098 866 in the AENE.

² The number of 44 Defence Attaché Offices comprises: 10 offices in the SADC Region, 15 offices in the Rest of Africa and Middle East and 19 offices in the Rest of the World.

DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2017 to 31 March 2021								
S/No	FY2017/18		FY2018/19		FY2019/20		FY2020/21	
	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	Pre-Audited Achievement
Programme 2: Force Employment								
12	Percentage combat-ready capabilities available for the SANDF							
	-	-	-	-	-	-	Information Classified	Information Classified
13	Number of landward sub-units deployed on border safeguarding per year							
	15	15	15	15	15	15	15	15
14	Percentage compliance with number of external operations							
	100%	100% (2)	100%	100% (2)	100%	100%	100%	100%
15	Percentage compliance with force levels for external operations							
	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
16	Percentage of the value of reimbursement by the UN/AU recognised							
	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	70%	52%
17	Percentage compliance with the Southern African Development Community Standby Force Pledge							
	100%	100%	100%	100%	100%	100%	100%	87.50%
18	Percentage compliance with number of internal operations							
	100%	100% (4)	100%	100% (4)	100%	100%	100%	100%
19	Percentage compliance with self-sustainment of personnel for external operations							
	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
20	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
21	Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19							
	-	-	-	-	-	-	100%	100%
Programme 3: Landward Defence								
22	Percentage compliance with Landward Defence training targets							
	80% (2 302)	109% (3 144)	80% (3 681)	56.35% (2 593)	80% (2 485)	111.2% (3 454)	80% (2 813)	69.85% (2 456)
23	Number of Landward Defence unique force training exercises conducted							
	-	-	2	2	2	2	0 ³	0
24	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

³ Due to the COVID-19 pandemic, all Landward Defence unique force training exercises planned for FY2020/21 were cancelled.

DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2017 to 31 March 2021								
S/No	FY2017/18		FY2018/19		FY2019/20		FY2020/21	
	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	Pre-Audited Achievement
Programme 3: Landward Defence								
Percentage combat-ready capabilities available for the SANDF								
25	-	-	-	-	-	-	Information Classified	Information Classified
Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19								
26	-	-	-	-	-	-	100%	100%
Programme 4: Air Defence								
Percentage compliance with Air Defence training targets								
27	80% (682)	147% (1 250)	80% (682)	82% (699)	80% (686)	93.18% (799)	80% (687)	63.35% (544)
Number of Air Defence unique force training exercises conducted								
28	-	-	1	1	1	1	0 ⁴	1
Percentage compliance with Joint Force Employment requirements as resourced								
29	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
Percentage combat-ready capabilities available for the SANDF								
30	-	-	-	-	-	-	Information Classified	Information Classified
Number of hours flown per year								
31	5 000 ⁵	4 125.50	25 000	17 870.20	17 200	16 232.60	17 100 ⁶	13 726.40
Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19								
32	-	-	-	-	-	-	100%	100%
Programme 5: Maritime Defence								
Percentage compliance with Maritime Defence training targets								
33	80% (438)	121% (661)	80% (438)	102% (561)	80% (438)	71% (389)	80% (257)	87.19% (280)
Number of Maritime Defence unique force training exercises conducted								
34	-	-	1	1	1	1	1	1
Percentage compliance with Joint Force Employment requirements as resourced								
35	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified	Information Classified
Percentage combat-ready capabilities available for the SANDF								
36	-	-	-	-	-	-	Information Classified	Information Classified
Number of hours at sea per year								
37	12 000	6 046.68	12 000	7 704.13	10 000	6 612.55	10 000 ⁷	6 818.43

4 Due to the COVID-19 pandemic, all Air Defence unique force training exercises planned for FY2020/21 have been cancelled.

5 Excluding Force Preparation hours.

6 Inclusive of estimated 4 000 hours for Force Employment, 12 100 hours for Force Preparation and 1 000 hours for VVIP.

7 Inclusive of estimated 7 800 hours for Force Employment and 2 200 hours for Force Preparation. Force Employment hours include the hours at sea during deployments for Op COPPER (long range patrols) and the conducting of four maritime coastal patrols as part of Op CORONA.

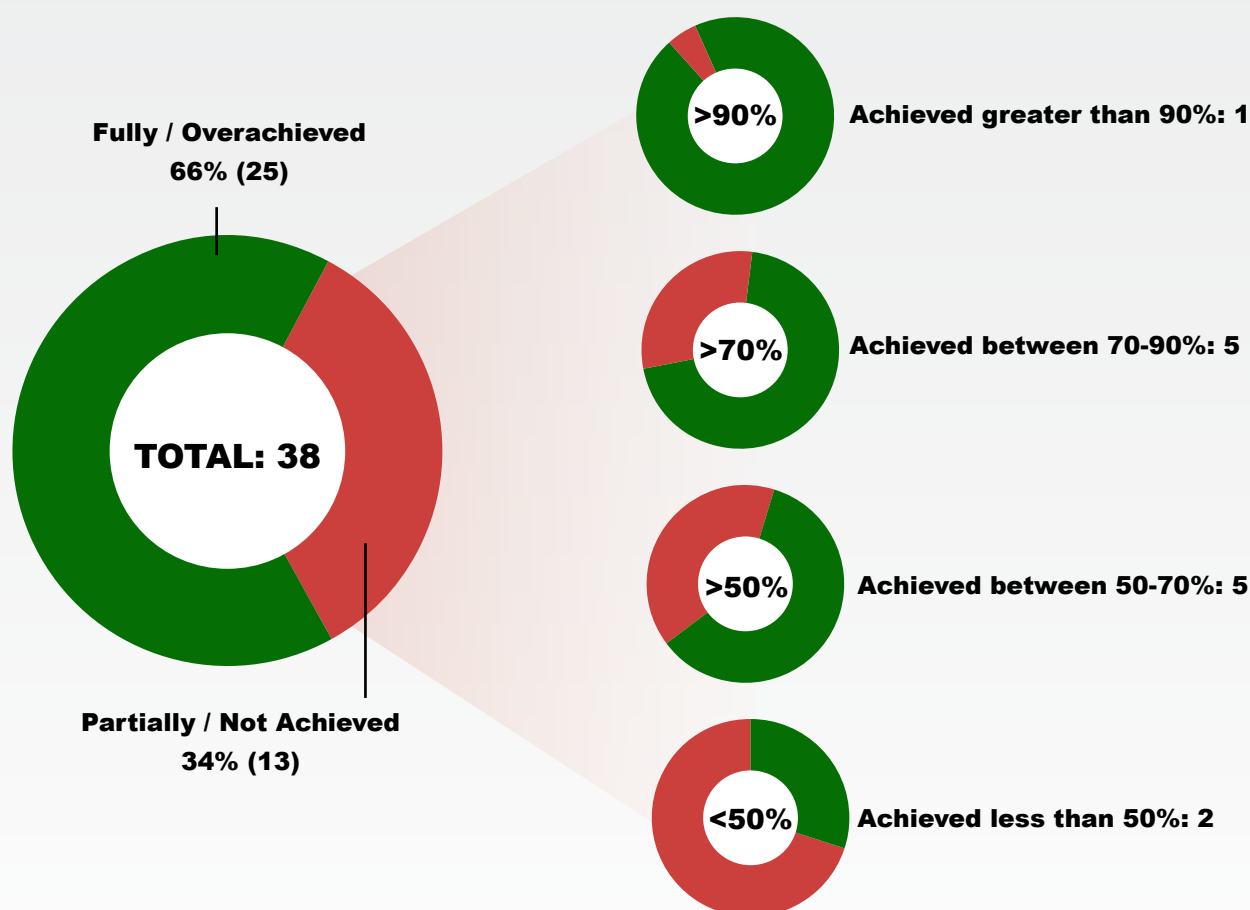
DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2017 to 31 March 2021								
S/No	FY2017/18		FY2018/19		FY2019/20		FY2020/21	
	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Actual Achievement	Annual Target as per APP	Pre-Audited Achievement
Programme 5: Maritime Defence								
38	Number of Maritime coastal patrols per year							
	-	-	-	-	-	-	4	3
39	Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19							
	-	-	-	-	-	-	100%	100%
Programme 6: Military Health Support								
40	Percentage compliance with Military Health Service training targets							
	80% (648)	98% (790)	80% (648)	80% (649)	80% (648)	79% (640)	80% (648)	29.14% (236)
41	Percentage compliance with Joint Force Employment requirements as resourced							
	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>
42	Percentage combat-ready capabilities available for the SANDF							
	-	-	-	-	-	-	<i>Information Classified</i>	<i>Information Classified</i>
43	Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19							
	-	-	-	-	-	-	100%	100%
44	Percentage compliance with availability of medical stock							
	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>	<i>Information Classified</i>
Programme 7: Defence Intelligence								
45	Number of vetting decisions taken in accordance with requirements							
	6 500	4 819	7 000	3 453	7 500	7 167	4 500	6 520
46	Number of Defence Intelligence products							
	448	603	448	597	448	908	448	1 114
Programme 8: General Support								
47	Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19							
	-	-	-	-	-	-	100%	100%
48	Percentage procurement requests fully completed within 90 days from day of registration							
	95%	87.54%	95%	99.75%	95%	99.76%	95%	99.87%
49	Percentage of expenditure in accordance with Facilities Plan (Payment of leases, accommodation charges and municipal services)							
	100%	99.21%	100%	94.31%	100%	103.75%	100%	101.31%
50	Percentage compliance to the DOD Information, Communication and Technology Capability Plan							
	-	-	-	-	-	-	90.4%	91.73%
51	Number of deliberate crime prevention operations conducted							
	124	184	124	178	124	174	124	114

DOD Output Indicators, Targets and Actual Achievements over the period 01 April 2017 to 31 March 2021								
S/No	FY2017/18		FY2018/19		FY2019/20		FY2020/21	
	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	Pre-Audited Achievement
Programme 8: General Support								
52	Percentage criminal cases investigated (backlog)							
	40%	56.14%	40%	87.03%	40%	56.75%	40%	56.57%
53	Percentage criminal cases investigated (in-year)							
	25%	22.73%	25%	30.80%	25%	47.32%	25%	44.59%

Summary

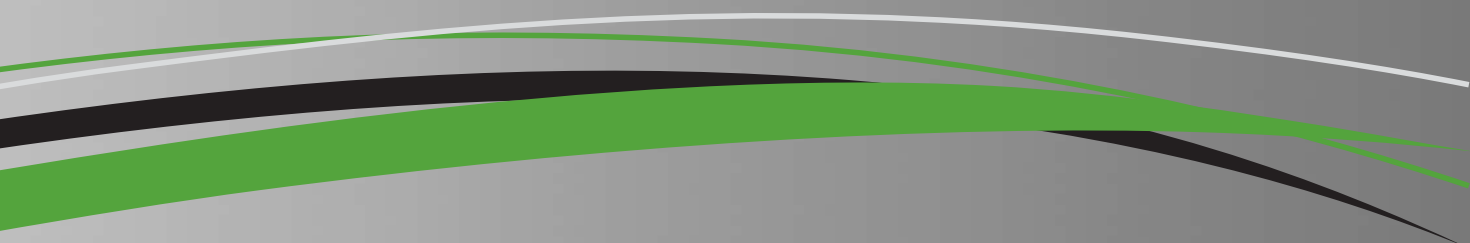
During the FY2020/21 the DOD performance was measured against 38 output indicators of which 25 (66%) were fully achieved⁸ and 13 (34%) were partially achieved.

The figure below relates to the 13 output indicators partially achieved, and provides the degree of progress toward full achievement.



⁸ Refer to Part E, page 182, par 24 for the AGSA conclusion on the outcome indicator "Percentage compliance with capabilities required to support national efforts in mitigating and combatting the spread of COVID-19".







Governance and Accountability

The Department of Defence (DOD) institutionalised the Result-Based Management Framework as prescribed in the Department of Planning, Monitoring and Evaluation's Revised Framework for Strategic Plans and Annual Performance Plans with effect from FY2020/21 as a tool to ensure that the Department fulfils its Constitutional mandate as expressed in terms of the intended impact, outcomes and outputs. Accountability for performance was upheld by the Accounting Officer, whom further delegated execution of specific responsibilities to Service and Divisional Heads. Respective Quarterly and Annual Reports were discussed and tabled at the Secretariat Council and the Military Command Council, mandated as DOD oversight structures. Organisational performance was continuously monitored against approved Plans and reporting was appropriately aligned for the development of corrective measures.

During the FY2019/20 statutory audit, the improvement of internal controls effected by the Department conceded a reduction in matters affecting the audit opinion of the Auditor-General. Improvement regarding disclosure of assets, project related work-in-progress, limitations relating to intangible assets and addressing prior year issues relating to information technology governance were some of the areas where operational control was exercised.

Risk Management

The DOD's risk management approach and practices are consistent with the approved DOD Risk Management Policy. The DOD Risk Management Policy, DOD Instruction 00099/2013 (Edition 2) "*Policy, Process and Procedures for Risk Management in the Department of Defence*" is currently being revised. The DOD Risk Management Strategy will be developed during the FY2021/22.

The DOD has a Strategic Risk Management Committee which is formally constituted. The transversal Enterprise Risks, impacting the DOD from the strategic outcome and output perspectives during the FY2020/21, continued to be subjected to regular monitoring and scrutiny by the Strategic Risk Management Committee which is responsible for oversight of the quality, integrity and reliability of the DOD's Risk Management Process and associated risk responses.

The DOD conducts both enterprise and strategic risk assessments to identify and analyse risks which have the potential to hamper the Departmental strategic objectives. New and emerging risks are regularly identified and monitored through appropriate Departmental reporting channels. These risks were presented to the Strategic Risk Management Committee for recommendation and approval by DOD Management.

The DOD Audit Committee consist of independent external members and provides assurance regarding the Departmental Risk Management System, including recommendations and advice to the Executive Authority and the Accounting Officer.

Risk analyses and reporting on a quarterly basis to improve performance of the Department and to prevent significant decrease in performance is conducted through appropriate mitigation and action plans.

During the year under review, dedicated efforts and commitment by management were made towards an improved and effective Departmental risk management approach.

The table below provides details with respect to progress made in the management and mitigation of DOD Enterprise Risks during FY2020/21.

DOD Enterprise Risk Management and Mitigation for FY2020/21	
Risk Response	Progress and Intervention
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence.	
DOD Output 1: Defence Strategic Direction provided.	
Enterprise Risk 1: Compromised Defence Direction	
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.	
Develop the Defence Strategy and subordinate strategies that provide direction to the DOD.	Matters relating to Defence Strategies (development, approval and promulgation) have been placed as a standing agenda item of the Defence Planning Board for purposes of direction and control of strategies. Engagements to be held internally on the need for an adjusted level of ambition that will inform the development of the DOD Strategy.
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 Policy on Process and Procedures for the Development, Promulgation and Maintenance of Departmental Level Policy in the DOD was distributed for inputs to the DOD Policy Board members during Jan 2021.
Monitor the DOD Policy Status Reports from the DOD Master Record Index for policy management and control purposes.	Quarterly Policy Status Reports were published on the DOD Policy Website. No DOD Policy Board was held owing to COVID-19 restrictions.
Present policy training interventions to ensure well trained and competent policy writers.	No DOD Policy Writers course could be presented at Regional or Provincial level as a result of budget cuts.
Report non-compliance and /or poor performance in terms of the DOD Policy on Policies to the DOD Policy Board.	No DOD Policy Board meetings were held during the period under review as a result of COVID-19 restrictions. Policy matters such as registrations, deferrals and cancellations were handled outside the DOD Policy Board.
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence.	
DOD Output 1: Defence Strategic Direction provided.	
Enterprise Risk 2: Prevalence in Fraud and Corruption	
Weaknesses of key internal controls may increase the opportunity for fraud and corruption, thus resulting in losses including future resources.	
Develop the DOD Fraud Prevention Policy.	The DOD did not developed a Fraud Prevention Policy, however a DOD Fraud Prevention Strategy and Plan were developed and promulgated.
Approval and implementation of the revised DOD Corruption and Fraud Prevention Plan.	The review of the DOD Corruption and Fraud Prevention Plan is in a consultative process. It is envisaged that the Plan will be promulgated during FY2021/22.
Implement the DOD Ethics/Moral Regeneration Programme.	The DOD Morale Survey FY2020/21 was not conducted due to COVID-19 restrictions.
Renew a culture of good governance and ethics in the DOD through the monitoring, reviewing and reporting on corruption and fraud awareness and prevention training to prevent re-occurrence and an increase in corruption and fraud.	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. Twenty three awareness activities were conducted during the reporting period within the provinces of KwaZulu-Natal, Northern Cape and the Free State.

DOD Enterprise Risk Management and Mitigation for FY2020/21	
Risk Response	Progress and Intervention
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence.	
DOD Output 1: Defence Strategic Direction provided.	
Enterprise Risk 2: Prevalence in Fraud and Corruption	
Weaknesses of key internal controls may increase the opportunity for fraud and corruption, thus resulting in losses including future resources.	
Maintain, monitor and report on the efficacy of the Whistleblowing Hotline.	A total of 33 whistleblowing reports were received during the reporting period, with 28 detected for investigation and four referred to Services/ Divisions. 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 FY2020/21.
Strengthen internal controls to reduce corruption and fraud, irregular, fruitless and wasteful expenditure resulting in losses to the Department.	The reduction in corruption and fraud will be managed by a multi-disciplinary team in the DOD.
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence.	
DOD Output 1: Defence Strategic Direction provided.	
Enterprise Risk 3: High Prevalence of Litigation	
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 Process and Procedures for the Development, Promulgation and Maintenance of Departmental Level Policy in the DOD clearly stipulate the contents and actions (control, accountability, obligation to comply and non-compliance) that must be addressed in all policies of the DOD.
The relevant monitoring and reporting mechanisms to be expanded and to include training to be provided to employees to prevent transgressions, and to ensure that transgressors who are liable by law are held accountable and thereby instituting 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 the development phase and will be promulgated pending the approval of the Policy on the Management of Litigation.
Provide legal advice on prior request to DOD management in order to enhance the legality of decision-making thereby curbing costly litigation to the DOD.	The Defence Legal Service Division received 1 058 requests for legal advice of which 1 041 of these requests were addressed during the reporting period.
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments.	
DOD Output 2: Defence capabilities prepared.	
Enterprise Risk 4: Deteriorating DOD Facilities and Infrastructure. Deteriorating DOD facilities and infrastructure may result in:	
<ul style="list-style-type: none"> • Compromised Defence Readiness (including training of Defence-Ready Personnel). • Prevalence in Occupational Health and Safety (OHS) fatalities and costly litigation. • Tarnished image of the DOD. • Negative impact on morale. • Possible escalation of leasing costs and wasteful expenditure to the DOD. • Increase in theft due to easy access into DOD facilities. 	
Promulgate and implement an Overarching Logistic Strategy (which includes the Procurement Policy, Stock Level Policy, Strategy and Joint Support Concept).	The Overarching Logistic Strategy has been developed and will be presented at the first DOD Logistic Board of 2021.
Approve and implement the Defence Facilities Master Plan that addresses the Defence facilities refurbishment and maintenance.	The DOD User Asset Management Plan for MTEF period FY2021/22 to FY2024/25 was submitted to NT and the DPWI on 31 Jul 2020 as planned.
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 (FRS) was finalised and submitted for approval by Chief of Logistics. Once approved, the FRS will be implemented and rolled out throughout the DOD. The Residential Accommodation Register (as a module of the FRS) was implemented and the roll-out will commence during FY2021/22.

DOD Enterprise Risk Management and Mitigation for FY2020/21	
Risk Response	Progress and Intervention
DOD Outcome 1: Accountable and effective governance of the DOD to enhance civil control of Defence.	
DOD Output 1: Defence Strategic Direction provided.	
Enterprise Risk 4: Deteriorating DOD Facilities and Infrastructure. Deteriorating DOD facilities and infrastructure may result in: <ul style="list-style-type: none"> • Compromised Defence Readiness (including training of Defence-Ready Personnel). • Prevalence in Occupational Health and Safety (OHS) fatalities and costly litigation. • Tarnished image of the DOD. • Negative impact on morale. • Possible escalation of leasing costs and wasteful expenditure to the DOD. • Increase in theft due to easy access into DOD facilities. 	
The devolvement of functions from DPWI to the DOD through an Implementation Plan, monitoring and reporting on the Plan.	The devolvement of functions from DPWI to the DOD is an ongoing process.
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments.	
DOD Output 2: Defence capabilities prepared.	
Enterprise Risk 5: Forfeited rights on DOD Property Current land claims and possible illegal land invasion on DOD facilities, may result in loss of DOD facilities which may impact on readiness and deployment capabilities in support of the Defence mandate.	
Early warnings from Chief Land Claims Commissioner escalated to command forums by C Log, for appropriate action to ensure business continuity.	The DOD is still awaiting the Regional Land Claims Commissioner to submit the official Request for the Release of State Land to DPWI (the custodian of state-owned land).
Identify alternative training facilities in the event of land claims.	The identification of alternative training facilities is an ongoing process and will only apply in the event of successful claims against DOD land.
DOD Outcome 2: An effective and sustainable Defence Force capacitated to execute ordered commitments.	
DOD Output 5: Defence capabilities supported.	
Enterprise Risk 6: Outdated and Non-integration of Information Communication Technology Systems The lack of modernisation and non-integration of DOD ICT Systems may lead to unreliable, unverifiable and loss of DOD financial, non-financial information and possible threat to business continuity.	
Develop the Enterprise Architecture Policy in the DOD.	The development of Enterprise Architecture (EA) Policy has been put on hold due to the identified ICT modernisation initiatives that need to take place e.g. collaboration sessions.
Modernise and upgrade DOD Core Information Systems [Integrated Defence Enterprise System (IDES)] through the implementation of the DOD ICT Capability Plan as resourced.	No progress was made on the development of an IDES due to funding constraints. IDES has currently been put on hold.
Implement the DOD Corporate Governance of Information and Communication Technology Policy.	The Corporate Governance of ICT Policy Implementation Plan was revised and approved by DOD Government Information Technology Officer on 12 Mar 2021. The establishment of the DOD ICT Steering Committee is in progress.

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 30 awareness activities against the Fraud and Corruption Prevention Plan.

The Whistleblowing Hotline service reported 33 whistleblowing cases. Directorate Anti-Corruption and Anti-Fraud completed 12 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 a 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, 1993 (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 FY2020/21, four 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.¹

The Department provided a number of guiding instructions indicating prescripts 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.

During the year under review, in terms of the fight against the COVID-19 pandemic, the DOD complied with the Department of Public Service and Administration Circular No. 07 of 2020 on “*The State of Disaster: Guidelines for the Containment/Management of the Corona Virus (COVID-19) in the Public Service*” dated 16 March 2020, issued to all Heads of Departments and Provincial Heads as follows:

- Established a Steering Committee to deal with issues concerning COVID-19.
- The SA Military Health Services issued a guideline on the Health Prevention and Promotion of Awareness on the outbreak of COVID-19.
- Developed an OHS COVID-19 Risk Assessment Process.
- Issued guidelines on implementation of OHS Regulations as COVID-19 Preventative Measures.
- Issued guidelines for Monitoring and Evaluation of COVID-19.
- Issued Deployment Safety Guidelines for personnel deployed during the lockdown.
- Issued various OHS COVID-19 related bulletins through print and digital platforms.

Additionally, to ensure health and safety of DOD personnel, the SA Military Health Services embarked on a mass screening and testing campaign to curb the spread of COVID-19.²

Parliamentary Oversight Committees

Appearances before Parliamentary Oversight Committees

The Minister, Deputy Minister, Accounting Officer and DOD officials appeared on 14 occasions before the Portfolio Committee on Defence and Military Veterans (PCD&MV) and four times before the Joint Standing Committee on Defence during the reporting period.

¹ Refer to the Overall State of DOD Facilities on page 34 and the DOD Enterprise Risk 4 on page 113.

² Refer page 52 for details on screening and testing.

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 Budget Review and Recommendations Report on the DOD Annual Report FY2019/20, dated 02 December 2020.

The most prominent matters raised by the PCD&MV during the period under review related to:

- The underfunding in the Compensation of Employees allocation.
- The status of the Defence Industry (ARMSCOR and Denel) and the impact on the SANDF's operational capability
- Funds earmarked for research and development as well as borderline technology.
- Status of outstanding DOD Strategies.
- Status of DOD facilities. The PCD&MV undertook two on-site visits to 1 Military Hospital and the Mobilisation Centre and Main Ordnance Sub-depot Wallmansthal.

Standing Committee on Public Accounts Resolutions

The DOD did not receive any Standing Committee on Public Accounts meeting invitations during the year under review.

Prior Modifications to Audit Reports

The table below provides details with respect to progress made in resolving the Auditor-General of South Africa (AGSA) FY2019/20 Audit Report matters.

Progress made in Resolving AGSA Audit Report Matters during the FY2020/21		
FY2019/20 AGSA Audit Report Reference	FY First Reported	Progress Made in Clearing / Resolving the Matter
<p>Qualification: Goods and Services and Investments. 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.</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> <p>A decision by the Joint Standing Committee on Intelligence and Parliament must be taken on how these type of transactions, which affect the SDA, Crime Intelligence and the State Security Agency must be audited and reported on.</p>

Progress made in Resolving AGSA Audit Report Matters during the FY2020/21		
FY2019/20 AGSA Audit Report Reference	FY First Reported	Progress Made in Clearing / Resolving the Matter
<p>Qualification: Irregular Expenditure. 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.</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.</p> <p>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.</p> <p>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>

Internal Control Unit

Within the DOD, the Directorate Financial Control Services, under the control of the Chief Financial Officer, executes a prominent function in the facilitation of internal and external audit functions. This Unit is at the centre where Auditor-General audit findings, responses and adjustments to the financial statements occurs. The Unit also coordinates the consolidation of action plans from DOD entities and ensures that they have been adequately addressed, based on prior year audit findings.

Directorate Financial Control Services furthermore manages the *Consolidated Control System* where all financial misconduct cases, such as irregular and fruitless expenditure and claims against the State are recorded and accounted for, for disclosure in Departmental financial records on a monthly and yearly basis.

The unit manages and chairs the Prosecution and Recovery Committee, a sub-committee of the Accountability Management Committee of the Department, which is attended by all Chiefs of Services and Divisions. This Prosecution and Recovery Committee deals with the confirmation of irregularities and financial misconduct, status of investigations into the occurrence of irregular and wasteful expenditure incurred and makes submissions to National Treasury for condonement, as prescribed by the PFMA.

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 CARES³.

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

Internal Audit had the following five objectives for the FY2020/21:

- Provision of internal audit assurance services with recommendations to improve and enhance DOD systems, in compliance with the Standards for the Professional Practice of Internal Auditing (Standards) and leading practices in accordance with the approved Risk Based Internal Audit Plan to ensure achievement of DOD objectives.
- Provision of relevant consulting services intended to add value and to improve DOD's operations by continuously responding to emerging risks in compliance with the Standards for the Professional Practice of Internal Auditing 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 Internal Audit Plan for the FY2020/21 was endorsed by DOD Management in February 2020. Due to COVID-19 restrictions, an Audit Committee meeting was not held during the first quarter of FY2020/21 to approve the Plan.

One member of the Audit Committee resigned in February 2020 whilst the Chairperson's contract ended on 31 July 2020.

In October 2020, four new Audit Committee members were appointed, including a new Chairperson. The first meeting of the new Audit Committee was a Special Meeting that took place during the third quarter of FY2020/21 on 29 October 2020. The Internal Audit Plan was approved during the next Audit Committee meeting which took place on 10 December 2020.

The table below indicates a summary of audit assignments completed during FY2020/21.

Summary of Audit Work done during FY2020/21			
Description of Project	Original Approved Plan	Completed during FY2020/21	Carried forward to FY2021/22
Risk-Based	34	29	5
Cyclical Reviews	5	3	2
Ad-Hoc Requests	3	3	0
Total	42	35	7

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 Audit Committee was scheduled to meet six times in the financial year under review to discuss matters pertaining to the Department as stipulated in the Audit Committee Charter and the Treasury Regulations. The Committee met four times in FY2020/21, during July 2020, October 2020, December 2020 and February 2021.

The Special and Fourth Quarter Audit Committee meetings of May 2020 were cancelled due to the COVID-19 restrictions. The Audit Committee had a virtual Special Meeting on 31 July 2020 for approval of the Annual Financial Statements and Annual Report for FY2019/20. The new Audit Committee members were appointed and there was a scheduled Special Audit Committee meeting in October 2020. The meetings scheduled for the first and second quarters (August and November 2020) were combined into one meeting held on 10 December 2020. The Third Quarter Audit Committee meeting was held on 25 February 2021. The Audit Committee chairperson requested an additional Audit Committee meeting to be scheduled for the end of March 2021; this meeting took place in FY2021/22 on 09 April 2021.

The new Committee furthermore attended a DOD Induction Meeting on 02 to 03 December 2020 and the new Chairperson and Mr Huma attended a PCD&MV Briefing on 17 March 2021.⁴

The table below indicates a list of members, qualifications and a record of attendance of meetings during FY2020/21:

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 LM Mangquku (Chairperson)	CA (SA), MBL, B Compt Hons, B Com, Advanced Company Law I&II	External	N/A	26 Oct 2020	Current	3
Mr W. Huma	LLM, LLB, B Proc	External	N/A	01 Feb 2017 – member 01 Jun 2019 – chairperson	31 Jul 2020	1
Dr (Ms) M.C. Peenze	PhD: Bus Adm, LLM: Human Rights, LLB, B IURIS	External	N/A	01 Feb 2018	31 Jul 2021	3

⁴ The Induction Meeting and the PCD&MV are not included in the Number of Meetings Attended in the table below.

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 M. Ndlangisa	MSc, BSc Hons in Computer Info Science, BSc in Computer Science, Higher Diploma in Computer Auditing	External	N/A	26 Oct 2020	Current	3
Mr Z. Jojwana	MBA, B Com Psych	External	N/A	26 Oct 2020	Current	3
Ms S. Hari	Honours in Acc Science, B Com Acc	External	N/A	26 Oct 2020	Current	3
R Adm A.G. Green (Retired)	ENSP, SA Navy Functional Courses, Gr 12	External	N/A	01 May 2019	Current	4

Audit Committee

The Audit Committee Report is included below.

The Audit Committee is pleased to present its report for the financial year ended 31 March 2021.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal Terms of Reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The Charter is updated regularly and complies with the principles of good governance as per King IV and the requirements of the PFMA. The Audit Committee performs an oversight function covering:

- a. Financial management
- b. Performance Information
- c. ICT governance
- d. Risk management
- e. Compliance with Laws, Regulations and Ethics
- f. Reporting practices
- g. External Audit

- h. Internal Audit, and
- i. Express intention of guiding the department to achieve a clean audit.

Activities of the Audit Committee

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

- a. Reviewed quarterly management reports
- b. Considered the effectiveness of the risk management process
- c. Considered the Internal Audit plans and reports and made recommendations as appropriate
- d. Monitored progress with the Internal Audit coverage plans as well as management's follow-up on matters requiring attention
- e. Monitored compliance with the department's policies and applicable legislation
- f. Considered the effectiveness of the fraud prevention measures
- g. Conducted separate informal meetings with management, internal and external audit
- h. Reviewed External Audit plans, reports and management's follow-up of matters requiring attention
- i. Provided guidance to the department on ICT governance issues and alignment to applicable legislations and ICT governance Frameworks.

However, it is worth noting that only from November 2020 was the audit committee was in full effect to be able to provide oversight on the remainder of the financial year ended 31 March 2021.

The Effectiveness of Internal Control

A risk management process is in place in the department. High risks are being monitored on a regular basis, with a number of them requiring urgent intervention. In addition, the appointment of an independent Chairperson of the Risk Management Committee remains pending.

The Internal Auditors and AGSA reported some deficiencies in the system of internal control in the department, and based on their reports, the Audit Committee is of the opinion that the internal control system was inadequate and ineffective during the year under review.

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed a number of weaknesses, which were then raised with management.

A total of 83% performance achievement was reported by the Internal Audit function in the year under review, with 35 of the planned 42 audits completed. Some of the key audit assignments undertaken in the current year include:

- a. Transfer Payments
- b. Asset Verification Review

- c. Review of procurement processes for Covid 19 expenditure
- d. Review of Operation Nettlela allowances payment processes for Covid 19
- e. Audit on commercialized messes
- f. Review of petty cash processes
- g. High level review of Annual Financial Statements
- h. High level Review of Annual Report
- i. Audit of a specific contract of the shipping agent in the Navy
- j. E-procure
- k. Receivables
- l. Review of the SAAF Asset Management Processes
- m. Review on the DOD State of Readiness in Combating the Covid-19 Pandemic
- n. High Level Review of the Procurement Processes for the Isolation Sites Within DOD
- o. Review of the Management of Assets
- p. Review of the Management of Procurement & Contract Processes
- q. Review of the Travel and Subsistence Allowance (S&T)
- r. Review of the Budget and Management Processes
- s. Review of the Skills, Training and Development Processes
- t. Review of the Leave Management Processes
- u. High Level Review of the State of Readiness of the Military Hospital for COVID-19

Significant breaches and weaknesses were found in a number of areas, including:

- a. Asset Management, compounded by the Manual Asset Register
- b. Supply Chain Management
- c. Expenditure Management
- d. Irregular, Fruitless and Wasteful Expenditure, with ineffective investigation process and failing consequence management
- e. Leave management
- f. Risk management on the e-Procure system
- g. Payment of supplier invoices within 30 days
- h. System access controls

- i. Changes management in the e-Procure system
- j. System down time logs
- k. Vulnerable and obsolete ICT Systems (hardware and software)

The Audit Committee noted, with concern, slow progress in the implementation of recommendations of Internal Audit and those of AGSA by management, and also expressed concern with the apparent lack of consequence management across all areas of transgressions. The Audit Committee strongly recommends visible consequence management to ensure expediency in the implementation of the recommendations.

In addition, concerns over undue delays in investigating irregular, fruitless and wasteful expenditure persist, resulting in failing consequence management in the department.

The continuing increase in irregular expenditure related to compensation of employment also remains a concern to the Audit Committee.

Despite some progress in investigating material irregularities identified by the external auditors in the prior year, adequate measures by the department against those responsible for the material irregularities remain pending and the delays are a cause for serious concern.

The Audit Committee took note of the structural challenges facing the Internal Audit function, and the constraints imposed in their ability to provide assurance on all auditable areas across the department, including all its military services and functions. If these challenges are not addressed as a matter of urgency, they have the potential to negatively impact the independence, objectivity and effectiveness of the Internal Audit function.

The Audit Committee noted the progress with the process of appointing the Chief Audit Executive and expects the appointment to be concluded shortly.

In-Year Management Monitoring /Quarterly Report

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

Evaluation of Financial Statements and Annual Performance Report

We reviewed the annual financial statements prepared by the department. In the main, the Audit Committee:

- a. Reviewed and discussed with the external auditors the audited annual financial statements to be included in the Annual Integrated Report
- b. Reviewed the reported performance against the predetermined objectives
- c. Reviewed the external auditors' management letter and management's response thereto
- d. Reviewed adjustments resulting from the audit
- e. Reviewed and discussed the external auditor's report
- f. Reviewed and confirmed the independence of external auditors

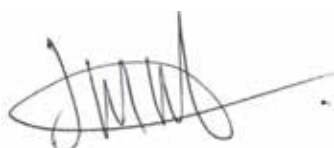
Auditor-General's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are not satisfied that the matters have been resolved adequately to prevent recurrence. Until the end of the year, a number of key findings were yet to be resolved and were reported as 'in-progress'. This means that management did not employ efficiency in ensuring that audit concerns are effectively addressed.

The Audit Committee wishes to express its gratitude for co-operation by the Secretary of Defence and the Chief of SANDF, including their Executive Management team, and the office of the Auditor General South Africa and the Internal Audit function.

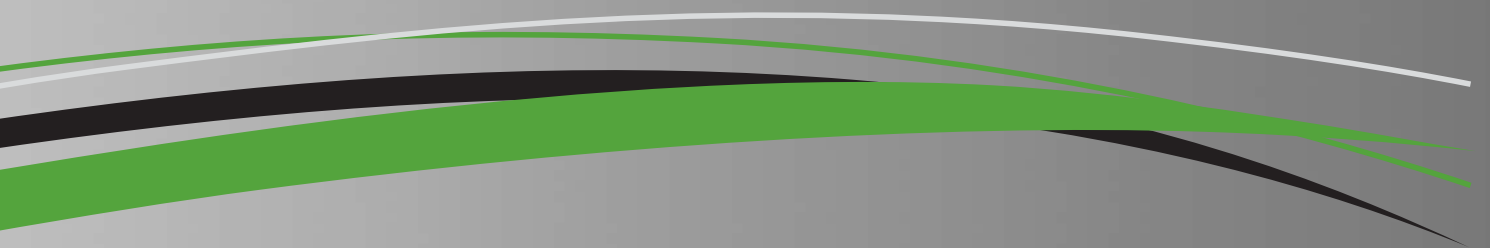
Also, our appreciation extends to the Portfolio Committee on Defence for the oversight role they played and in engaging the Audit Committee in our joint efforts to curb fraud and corruption in the department.

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



Luyanda M. Mangquku
Audit Committee Chairperson
Department of Defence
10 September 2021







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.

For the year under review, human resources were employed in military operations, missions and ordered commitments in the national interest of South Africa. The SA National Defence Force (SANDF) was employed to support other Government departments, i.e. the SA Police Service and the National Department of Health during Op NOTLELA and Op LICGOLO, as part of Government's efforts to curtail the spread of the COVID-19 pandemic.

Military operations within which human resources were employed have not decreased or ceased, and consequently do not commensurate with the funding restrictions faced by the DOD and more specifically, the SANDF. The disparity and disjuncture in funding requirements have increased and it is forecast to remain the situation for the foreseeable future and could possibly also increase in propensity given the poor economic outlook.

For the year under review, the Department endeavoured to find a funding solution and continued engagements with all role-players. These engagements have propelled consideration to reduce the cost of human resource as the Department shares the concern of the fiscal position of Government. It is expected that within the medium to long term the effects of a shift in the Department's human resource position will culminate in reaching equilibrium between the CoE allocation and human resource budget requirements.

For the year ended 31 March 2021, the planned average human resource capacity was 75 000, aimed at replacing personnel losses according to attrition and maintaining Reserve Force mandays at 2 695 963. The actual human resource capacity as at 31 March 2021 was 72 322. During the course of the year under review, the CoE allocation was adjusted downwards to R30,985 billion. This downward adjustment contributed to a CoE deficit of R1,775 billion for the year ended 31 March 2021. With concurrence by National Treasury, the DOD was able to internally reprioritise, mainly operating budgets, in order to fund the deficit of the CoE allocation for FY2020/21.

The DOD will continue its engagement with primary stakeholders in order to reach consensus on the defence mandate and function for South Africa.

Human Resources Oversight Statistics

The tables below provide the HR Oversight Statistics of the DOD during the FY2020/21.

Macro-Personnel Strength

DOD Planned Average Strength for FY2020/21 and Actual Strength on 31 March 2020		
Budget Holder	Planned	Actual
SA Army	38 745	36 952
SA Air Force	9 853	9 527
SA Navy	6 941	6 389
SA Military Health Service	7 368	7 276
Defence Legal Service Division	383	341
Defence Corporate Communication	63	59
Defence Reserves	28	25
Defence Foreign Relations Division	159	137
Corporate Staff Division	456	427
Military Policy, Strategy and Planning	31	28
Human Resources Division	1 437	1 370
Ministry of Defence	60	57
Chief of the SANDF Office	21	17
Defence Inspectorate Division	125	110
Chaplain General	17	15
Defence Policy, Strategy and Planning Division	92	80
Financial Management Division	836	758
Defence Secretariat	37	32
Defence International Affairs	17	15
Defence Enterprise Information Systems Management Division	19	13
Logistics Division	3 198	3 886
Command and Management Information Systems Division	152	141
Military Police Division	1 590	1 593
Defence Intelligence Division	893	891
Military Ombudsman	63	62
Internal Audit Division	69	54
Joint Operations Division	2 263	2 006
Defence Matériel Division	84	61
Total	75 000	72 322

Complaints Mechanisms	
Complaints Mechanism	Actual achievements
DOD Grievance System	<ul style="list-style-type: none"> • 113 Grievances were finalised for the period 01 April 2020 to 28 February 2021. • 10 Grievance Board meetings were held to finalise grievances referred to the Grievance Board level.

Personnel Related Expenditure

The following tables¹ 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 2020 to 31 March 2021 (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	5 325 031	2 076 462	37 004	2 259	39%	567
Landward Defence	17 186 646	13 872 176	7 866	3 835	81%	375
Air Defence	7 684 796	4 085 060	32 860	8 537	53%	429
Maritime Defence	4 737 501	2 406 524	28 693	744	51%	377
Military Health Support	5 487 139	4 036 375	17 005	504 793	74%	555
Defence Intelligence	1 130 930	461 375	6 134	1 355	41%	518
General Support	7 873 205	3 067 921	1 991	353 218	39%	546
Force Employment	4 660 938	2 899 969	21 336	5 549	62%	1 446
Total	54 086 186	32 905 862	152 889	880 290	61%	455

Note: Personnel expenditure includes payment to the value of R145,981 million which were made to Households in respect of attrition.

Personnel Costs by Salary Band for the period 01 April 2020 to 31 March 2021 (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)	550 909	1.682%	2 897	190
Skilled (Levels 3-5)	11 714 289	35.758%	34 455	340
Highly Skilled Production (Levels 6-8)	11 783 721	35.970%	24 751	476
Highly Skilled Supervision (Levels 9-12)	8 000 570	24.422%	9 819	815
Senior Professionals	360 031	1.099%	129	2 791
Senior and Top Management (Levels 13-16)	350 362	1.069%	271	1 293
Total	32 759 882	100%	72 322	453

¹ 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 2020 to 31 March 2021 (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	1 359 315	67%	2 818	0.1%	38 335	0%	34 331	0%
Landward Defence	9 224 177	68%	108 910	0.8%	370 070	1%	69 011	0%
Air Defence	2 754 162	69%	20 120	0.5%	92 270	0%	30 390	0%
Maritime Defence	1 737 592	74%	43 490	1.8%	57 320	0%	20 285	0%
Military Health Support	2 622 035	66%	293 890	7.3%	61 531	0%	19 800	0%
Defence Intelligence	329 135	73%	440	0.1%	9 932	0%	1 720	0%
General Support	1 685 035	56%	12 598	0.4%	59 660	0%	10 495	0%
Force Employment	626 797	22%	3 989	0.1%	17 330	0%	5 233	0%
Total	20 338 247	63%	486 255	1.5%	706 448	2%	191 265	1%

Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band for the period 01 April 2020 to 31 March 2021 (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)	311 331	58%	3 668	0.7%	36 116	6.6%	60 890	11%
Skilled (Levels 3-5)	7 052 228	62%	145 840	1.2%	308 083	2.6%	70 062	1%
Highly Skilled Production (Levels 6-8)	7 489 123	65%	119 917	1.0%	270 958	2.3%	51 817	0%
Highly Skilled Supervision (Levels 9-12)	5 119 415	64%	147 004	1.8%	91 291	1.1%	8 496	0%
Senior Professionals	168 738	48%	69 826	19.4%	0	0.0%	0	0%
Senior Management (Levels 13-16)	197 412	58%	0	0.0%	0	0.0%	0	0%
Total	20 338 247	63%	486 255	1.5%	706 448	2.2%	191 265	1%

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 2021 (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	3 661	26%	0
Landward Defence	44 193	36 952	16%	0
Air Defence	12 944	9 527	26%	0
Maritime Defence	7 887	6 389	19%	0
Military Health Support	9 920	7 276	27%	0
Defence Intelligence	1 121	891	21%	0
General Support	6 068	5 620	7%	0
Force Employment	2 430	2 006	17%	0
Total	89 500	72 322	19%	0

Note:

- Posts refer only to approved production posts captured on the post establishment of which only 75 000 were funded for FY2020/21.
- The DOD does not have members additional to the establishment.

Employment and Vacancies by Salary Band as on 31 March 2021 (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)	10 870	2 897	73%	7 973
Skilled (Levels 3-5)	35 699	34 455	3%	1 244
Highly Skilled Production (Levels 6-8)	30 292	24 751	18%	5 541
Highly Skilled Supervision (Levels 9-12)	12 022	9 819	18%	2 203
Senior Professionals	324	129	60%	195
Senior Management (Levels 13-16)	293	271	8%	22
Total	89 500	72 322	19%	17 178

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.

Employment and Vacancies by Critical Occupation as on 31 March 2021 (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	479	13%	70
Aircrew	612	475	22%	137
Anti-Aircraft	968	1 067	-10%	-99
Artillery	1 289	1 552	-20%	-263
Combat Navy	673	650	3%	23
Engineer	179	85	53%	94
Medical Professional*	1 654	1 496	10%	158
Nursing	1 659	1 400	16%	259
Technical	8 633	6 678	23%	1 955
Total	16 216	13 882	14%	2 334

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. Currently there are 315 MSDS members under training of which 59 are in the Artillery Occupation resulting in a shortfall of 263 members as additional to the establishment.

Notes

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

Filling of Senior Management Service/System Posts

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

SMS Post Information as on 31 March 2021 (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	100.00%	0	0.00%
Salary Level 16	4	4	100.00%	0	0.00%
Salary Level 15	15	11	73.33%	4	26.67%
Salary Level 14	52	57	109.62%	-5	-9.62%
Salary Level 13	217	194	89.40%	23	10.60%
Total	289	267	92.39%	22	7.61%

SMS Post Information as on 30 September 2020 (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	100.00%	0	0.00%
Salary Level 16	4	4	100.00%	0	0.00%
Salary Level 15	15	12	80.00%	3	20.00%
Salary Level 14	52	55	105.77%	-3	-5.77%
Salary Level 13	217	157	72.35%	60	27.65%
Total	289	229	79.24%	60	20.76%

Advertising and Filling of SMS Posts for the period 01 April 2020 to 31 March 2021 (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	1	1	0
Salary Level 16	0	0	0
Salary Level 15	4	0	0
Salary Level 14	0	0	0
Salary Level 13	1	0	0
Total	6	1	0

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 2020 to 31 March 2021 (Table 3.3.4)

Reasons for vacancies not advertised within six months

Request to advertise four Deputy Directors-General posts were received on 08 Jan 2021. These requests were submitted after the prescribed period of six months. The mandate to advertise these posts is vested with the MOD&MV / Secretary for Defence as the direct supervisor.

Closing date for applications was 05 Feb 2021 and shortlisting was conducted on 15 Mar 2021. This reflects that the posts will be filled within 12 months from the date the requests to advertise the posts were received.

Reasons for vacancies not filled within twelve months

It is pre-empted that the posts will be filled within 12 months. Closing date for applications of Deputy Directors-General posts was 05 Feb 2021 and shortlisting was conducted on 15 Mar 2021.

One Director post was advertised during Oct 2020 and shortlisting was conducted. The process is still not finalised. However timelines to fill the post is 30 Sep 2021 and it is likely that the post will be filled within 12 months.

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 2020 to 31 March 2021 (Table 3.3.5)

Reasons for vacancies not advertised within six months

None since the request to advertise were executed within timeframes.

Reasons for vacancies not filled within six months

None since request to advertise were executed within timeframes.

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 2020 to 31 March 2021 (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)	10 870	343	3.16%	0	0.00%	0	0.00%
Skilled (Levels 3-5)	35 699	166	0.46%	0	0.00%	0	0.00%
Highly Skilled Production (Levels 6-8)	30 292	198	0.65%	0	0.00%	0	0.00%
Highly Skilled Supervision (Levels 9-12)	12 022	40	0.33%	0	0.00%	0	0.00%
Senior Professionals	324	0	0.00%	0	0.00%	0	0.00%
Senior Management Service Band A	211	4	1.90%	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	3	0.00%	0	0.00%	0	0.00%
Senior Management Service Band D	3	1	0.00%	0	0.00%	0	0.00%
Minister/Deputy/Advisors	2	0	0.00%	0	0.00%	0	0.00%
Total	89 500	755	0.84%	0	0.00%	0	0.00%

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 2020 to 31 March 2021 (Table 3.4.2)					
Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability					0

Part D Human Resource Management

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 2020 to 31 March 2021 (Table 3.4.3)				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
Chief Financial Officer	1	15	16	Recruitment purposes
Total Number of Employees whose Salaries Exceeded the Level Determined by Job Evaluation				1
Percentage of total Employed				0%

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

Profile of Employees who have Salary Levels Higher than those Determined by Job Evaluation for the period 01 April 2020 to 31 March 2021 (Table 3.4.4)					
Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
Total	1	0	0	0	1
Employees with a Disability	0	0	0	0	0

Employment Changes

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

Annual Turnover Rates by Salary Band for the period 01 April 2020 to 31 March 2021 (Table 3.5.1)					
Salary Band		Number of Employees at Beginning of period 01 April 2020	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Lower Skilled (Levels 1-2)		2 713	287	55	8.55%
Skilled (Levels 3-5)		10 424	108	641	-5.11%
Highly Skilled Production (Levels 6-8)		12 874	35	650	-4.78%
Highly Skilled Supervision (Levels 9-12)		6 079	23	464	-7.25%
Senior Professionals		75	1	5	-5.33%
Senior Management Service Band A		171	0	17	-9.94%
Senior Management Service Band B		39	2	6	-10.26%
Senior Management Service Band C		9	0	1	-11.11%
Senior Management Service Band D		2	0	0	0.00%
Minister/Deputy/Advisors		3	0	0	0.00%
Contracts	MSDS	3 761	3	64	-1.62%
	CSS	37 499	168	484	-0.84%
	PSAP (Levels 1-17)	338	150	178	-8.28%
Total		73 987	777	2 565	-2.42%

Note in terms of table 3.5.1. 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.

Annual Turnover Rates by Critical Occupation for the period 01 April 2020 to 31 March 2021 (Table 3.5.2)				
Critical Occupation	Number of Employees at Beginning of period 01 April 2020	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Air Space Control	468	0	14	-3%
Aircrew	499	0	18	-4%
Anti-Aircraft	1 087	0	21	-2%
Artillery	1 574	9	16	0%
Combat Navy	645	0	18	-3%
Engineer	94	0	6	-6%
Medical Professional	1 509	162	183	-1%
Nursing	1 460	3	66	-4%
Technical	6 719	19	220	-3%
Total	14 055	193	562	-3%

Note: No 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 2020 to 31 March 2021 (Table 3.5.3)		
Termination Type	Number	% of total
Death	528	21%
Resignation	722	28%
Expiry of Contract	296	12%
Dismissal – Operational Requirements	0	0%
Dismissal – Misconduct	103	4%
Dismissal – Inefficiency	0	0%
Discharge due to Ill-Health	45	2%
Retirement	856	33%
Transfer to other Public Service Departments	15	1%
Other	0	0%
Total Number of Employees who left as a % of the total Employment	2 565	3%

Promotions by Critical Occupation for the period 01 April 2020 to 31 March 2021 (Table 3.5.4)					
Occupation	Employees as at 01 April 2020	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	468	60	13%	286	61%
Aircrew	499	154	31%	301	60%
Anti-Aircraft	1 087	81	7%	772	71%
Artillery	1 574	104	7%	1 140	72%
Combat Navy	645	83	13%	501	78%
Engineer	94	16	17%	59	63%
Medical Professional	1 509	131	9%	860	57%
Nursing	1 460	94	6%	460	32%
Technical	6 719	733	11%	4 507	67%
Total	14 055	1 456	10%	8 886	63%

Promotions by Salary Band for the period 01 April 2020 to 31 March 2021 (Table 3.5.5)					
Salary Band	Employees 01 April 2020	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)	2 732	0	0.00%	2 041	75%
Skilled (Levels 3-5)	36 228	2 883	7.96%	20 048	55%
Highly Skilled Production (Levels 6-8)	24 747	2 431	9.82%	16 674	67%
Highly Skilled Supervision (Levels 9-12)	9 905	781	7.88%	6 628	67%
Senior Professionals	130	11	8.46%	77	59%
Senior Management (Levels 13-16)	245	21	8.57%	164	67%
Total	73 987	6 127	8.28%	45 632	62%

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 2021 (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	827	73	123	279	843	73	195	399	2 812
Technicians and Associate Professionals	3 366	76	385	789	2 000	53	282	400	7 351
Clerks	5 289	102	1 129	695	4 646	91	770	1 200	13 922
Service and Sales Workers	19 385	207	2 529	1 249	5 148	45	907	359	29 829
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	5 146	150	888	1 418	1 764	12	252	163	9 793
Plant and Machine Operators and Assemblers	140	2	30	18	12	0	0	0	202
Elementary Occupations	4 145	45	758	385	2 428	21	493	136	8 411
Total	38 299	655	5 842	4 833	16 842	295	2 899	2 657	72 322
Employees with Disabilities	155	4	39	79	13	0	5	36	331

Total Number of Employees (Including Employees with Disabilities) in each of the Following Occupational Bands as on 31 March 2021 (Table 3.6.2)									
Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	14	0	0	1	4	0	0	1	20
Senior Management	175	18	14	52	72	13	10	26	380
Professionally Qualified and Experienced Specialists and Mid-Management	3 632	172	925	1 880	1 809	107	354	940	9 819
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	12 092	222	2 447	2 178	5 359	81	955	1 417	24 751
Semi-Skilled and Discretionary Decision Making	20 201	212	2 226	645	7 646	76	1 269	224	32 499
Unskilled and Defined Decision Making	1 125	4	146	23	1 332	8	227	32	2 897
MSDS	1 060	27	84	54	620	10	84	17	1 956
Interns	0	0	0	0	0	0	0	0	0
Total	38 299	655	5 842	4 833	16 842	295	2 899	2 657	72 322

Part D
Human Resource Management

Recruitment for the period 01 April 2020 to 31 March 2021 (Table 3.6.3)									
Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	2	0	0	1	0	0	0	1	4
Professionally Qualified and Experienced Specialists and Mid-Management	25	2	8	14	37	6	13	25	130
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	37	2	1	4	32	15	1	17	109
Semi-Skilled and Discretionary Decision Making	111	9	0	2	102	10	6	3	243
Unskilled and Defined Decision Making	135	13	0	1	127	9	1	1	287
MSDS	0	0	0	0	2	1	0	0	3
Interns	0	0	0	0	0	0	0	0	0
Total	310	26	9	22	301	41	21	47	777
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Note: The Department of Defence utilised 200 SASSETA Interns during FY2020/21. These Interns are not remunerated by the Department of Defence and are thus not reflected on PERSOL.

Promotions for the period 01 April 2020 to 31 March 2021 (Table 3.6.4)									
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	18	1	0	5	4	1	0	2	31
Professionally Qualified and Experienced Specialists and Mid-Management	316	69	23	105	170	30	8	60	781
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	1 317	174	23	102	638	105	9	63	2 431
Semi-Skilled and Discretionary Decision Making	1 614	121	22	72	883	129	9	33	2 883
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
Total	3 266	365	68	284	1 695	265	26	158	6 127
Employees with Disabilities	15	3	1	1	1	1	0	1	23

Terminations for the Period 01 April 2020 to 31 March 2021 (Table 3.6.5)									
Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	14	1	1	7	4	0	0	4	31
Professionally Qualified and Experienced Specialists and Mid-Management	162	51	26	211	90	20	11	84	655
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	449	72	7	105	135	30	7	106	911
Semi-Skilled and Discretionary Decision Making	584	77	4	13	138	26	0	2	844
Unskilled and Defined Decision Making	22	3	0	0	27	4	1	1	58
MSDS	20	1	1	10	26	4	0	2	64
Interns	0	0	0	0	0	0	0	0	0
Total	1 253	205	39	346	420	84	19	199	2 565
Employees with Disabilities	8	2	0	6	1	0	0	5	22

Disciplinary Action for the period 01 April 2020 to 31 March 2021 (Table 3.6.6)									
Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Counselling	0	0	0	0	1	0	0	0	1
Dismissal	2	0	0	0	1	0	0	0	3
Final Written Warning	5	1	0	0	0	0	0	0	6
Written Warning	3	0	0	0	5	1	0	0	9
Verbal Warning	2	0	0	0	2	0	0	0	4
Suspension without Pay	1	0	0	0	0	0	0	0	1
Cases Withdrawn	5	1	0	0	3	0	0	1	10
Not Guilty	0	0	0	0	3	0	0	0	3
Total	16	2	0	0	15	1	0	1	37

Skills Development for the period 01 April 2020 to 31 March 2021 (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	100	7	3	11	64	14	2	13	214
Technicians and Associate Professionals	797	82	21	91	381	42	13	25	1 452
Clerks	688	105	14	52	603	90	11	35	1 598
Service and Sales Workers	2 255	266	26	149	883	126	12	52	3 769
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	759	93	19	97	338	55	4	19	1 384
Plant and Machine Operators and Assemblers	9	6	0	1	3	0	0	0	19
Elementary Occupations	478	88	13	59	178	40	1	9	866
Total	5 086	647	96	460	2 450	367	43	153	9 302
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Signing of Performance Agreements by SMS Members

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

Signing of Performance Agreements by SMS members as on 31 May 2020 (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	15	12	12	100%
Salary Level 14	52	56	51	91%
Salary Level 13	217	179	170	95%
Total	289	251	236	94%

Note: With reference to DPSA Circular 32 of 2020, the MPSA has granted extension for the signing of Performance Agreements of SMS members until 31 Oct 2020.

Notes

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

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

Reasons for not having Concluded Performance Agreements for all SMS Members as on 31 March 2021 (31 May 2020 - Directive timelines)

- SMS strength for Uniform members as on 01 Apr 2020 was 186. (165 Active Uniform SMS members and two Suspended SMS Uniform Members). Total number of members/officials who had to submit Performance Agreements was 163. Chief Director Human Resource Management received 161 signed Performance Agreements. Two members did not submit signed/completed Performance Agreements.
- SMS strength for PSAP members as on 01 Apr 2020 was 65. (63 Active PSAP SMS Members and two employees administered by the Office of the Minister). Total number of members/officials who had to submit Performance Agreements was 63. Chief Director Human Resource Management received 55 signed Performance Agreements. Two PSP SMS members did not submit signed/completed Performance Agreements
- The main reasons for the late submission of Performance Agreements were Administrative challenges (i.e. Incomplete Performance Agreements) and Non-Completion due to expiry of term as Defence Attaché.

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

Disciplinary Steps Taken against SMS Members for not having Concluded Performance Agreements as on 31 March 2021

- The department reports on the status of non-compliance on a weekly, monthly and quarterly basis at several fora i.e. Plenary Defence Staff Council, Military Command Council, HR Board etc.
- The department issued reminder letters dated 11 Dec 2020 to all applicable Chiefs of Services and Divisions to address this matter with members concerned.
- Departmental HR Instructions 19/2020 and 20/2020 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 Chief Director Human Resource Management as a disciplinary control measure
- There were no disciplinary measures taken against the members who did not comply.

Performance Rewards

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

Performance Rewards by Race, Gender and Disability for the period 01 April 2020 to 31 March 2021 (Table 3.8.1)

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of total within Group	Cost (R'000)	Average Cost per Employee
African	0	52 804	0%	0	0
Male	0	37 093	0%	0	0
Female	0	15 711	0%	0	0
Indian	0	870	0%	0	0
Male	0	603	0%	0	0
Female	0	267	0%	0	0
Coloured	0	8 559	0%	0	0
Male	0	5 792	0%	0	0
Female	0	2 767	0%	0	0
White	0	7 748	0%	0	0
Male	0	4 989	0%	0	0
Female	0	2 759	0%	0	0
Total	0	69 981	0%	0	0
Employees with Disabilities	0	348	0%	0	0

Performance Rewards by Salary Band for Personnel below Senior Management Service for the period 01 April 2020 to 31 March 2021 (Table 3.8.2)

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)	0	2 732	0%	0	0	0%
Skilled (Levels 3-5)	0	32 467	0%	0	0	0%
Highly Skilled Production (Levels 6-8)	0	24 747	0%	0	0	0%
Highly Skilled Supervision (Levels 9-12)	0	9 905	0%	0	0	0%
Senior Professionals	0	130	0%	0	0	0%
Total	0	69 981	0%	0	0	0%

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. No Performance Rewards were paid during FY2020/21.

Performance Rewards by Critical Occupation for the period 01 April 2020 to 31 March 2021 (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	0	418	0%	0	0
Aircrew	0	429	0%	0	0
Anti-Aircraft	0	990	0%	0	0
Artillery	0	1 447	0%	0	0
Combat Navy	0	640	0%	0	0
Engineer	0	81	0%	0	0
Medical Prof	0	1 481	0%	0	0
Nursing	0	1 409	0%	0	0
Technical	0	6 520	0%	0	0
Total	0	13 415	0%	0	0

Note: MSDS members do 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 2020 to 31 March 2021 (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	0	183	0%	0	0	0%
Band B	0	42	0%	0	0	0%
Band C	0	11	0%	0	0	0%
Band D	0	4	0%	0	0	0%
Minister / Deputy Minister / Advisor	0	6	0%	0	0	0%
Total	0	246	0%	0	0	0%

Note: Members who qualified as Non-SMS (Subsequently promoted to SMS).

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 2020 to 31 March 2021 (Table 3.9.1)						
Salary Band	01 April 2020		31 March 2021		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%
Total	0	0%	0	0%	0	0%

Foreign Workers by Major Occupation for the period 01 April 2020 to 31 March 2021 (Table 3.9.2)						
Major Occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%

Leave Utilisation

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

Sick Leave for the period 01 January 2020 to 31 December 2020 (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)	13 716	100%	106	43%	129	2 482
Skilled (Levels 3-5)	94 525	100%	146	4%	647	3 134
Highly Skilled Production (Levels 6-8)	88 737	96%	4 958	50%	18	65 113
Highly Skilled Supervision (Levels 9-12)	33 067	93%	13 803	56%	2	103 172
Senior Professionals	600	100%	14 044	43%	0	79 157
Top and Senior Management (Levels 13-16)	757	89%	1 933	71%	0	5 897
Total	231 402	96%	34 990	47%	7	258 955

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

Disability Leave (Temporary and Permanent) for the period 01 January 2020 to 31 December 2020 (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)	715	100%	20	0.7%	36	322
Skilled (Levels 3-5)	30 352	100%	919	2.5%	33	26 531
Highly Skilled Production (Levels 6-8)	31 713	100%	923	3.7%	34	38 558
Highly Skilled Supervision (Levels 9-12)	10 564	100%	336	3.4%	31	20 848
Senior Professionals	363	100%	8	6.2%	45	1 542
Top and Senior Management (Levels 13-16)	334	100%	8	3.3%	42	1 126
Total	74 041	100%	2 214	3.0%	33	88 927

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

Annual Leave for the period 01 January 2020 to 31 December 2020 (Table 3.10.3)			
Salary Band	Total Days Taken	Number of Employees using Annual Leave	Average per Employee
Lower Skilled (Levels 1-2)	47 987	2 719	18
Skilled (Levels 3-5)	527 639	30 974	17
Highly Skilled Production (Levels 6-8)	431 823	23 897	18
Highly Skilled Supervision (Levels 9-12)	162 869	9 320	17
Senior Professionals	1 437	112	13
Top and Senior Management (Levels 13-16)	3 471	201	17
Total	1 175 226	67 223	17

Capped Leave for the period 01 January 2020 to 31 December 2020 (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 2021
Lower Skilled (Levels 1-2)	0	0	0	2
Skilled (Levels 3-5)	1 001	265	4	12
Highly Skilled Production (Levels 6-8)	778	213	4	14
Highly Skilled Supervision (Levels 9-12)	626	134	5	22
Senior Professionals	0	0	0	20
Top and Senior Management (Levels 13-16)	1	1	1	50
Total	2 406	613	4	15

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 2020 to 31 March 2021 (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 (2019/20) cycle	0	0	0
Capped leave pay-outs on termination of service for 2019/20	173 576 205	7 872	22 050
Current leave pay out on termination of service for 2019/20	147 394 898	1 983	74 329
Total	320 971 103	9 855	32 569

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"> • Information, Education and Communication: exposure to posters, pamphlets, television programmes and adverts, billboards, Soldier magazine articles, road shows, etc. • Chaplain periods education, information and communication. • Officer Commanding information and communication periods, health walks, etc. • Planned programmes for Health Month, World TB Day, World AIDS Day, Youth Day, Women's day, etc. • Peer education programmes. • Gender Equity programme. • CHATSEC programme (moral, ethical and value-based programme). • Availability first aid kits and personal protective equipment. • Condom distribution points for both males and females. • Health promotion programmes before and after deployments. • Education on Voluntary Male Medical Circumcision and appropriate referral to be circumcised. • Education on prevention of mother-to-child transmission. • Presenting the HIV / AIDS module at military training courses. • Annual and bi-annual HIV Counselling and Testing as part of the Comprehensive Health Assessments. • Ongoing Provider-Initiated Counselling and testing. • Screening for TB and STIs. • Provision of comprehensive sexual and reproductive health services. • Provision of post-exposure prophylaxis for e.g. needle stick injuries and sexual assault. • Provision of INH Preventive Therapy and infection control for TB prevention. STI partner notification. • Focussing on youth and adolescents by providing HIV prevention programmes to all members in the MSDS. • Provision of pre-exposure prophylaxis when indicated.
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"> • HIV / AIDS lectures given during all military courses and Clinical Mission Readiness Course. • Trained Operational Emergency Care Practitioners in HIV/AIDS/TB/STIs that deploy with other military personnel. • Mobile clinics deployed to support borders with HIV education and ARV and TB treatment. • HIV Training provided pre-deployment and mass awareness programmes in deployed regions. • All members undergo comprehensive health assessments before they deploy to ensure they are put on appropriate care, treatment and support during deployments (treatment as prevention). • Specific health promotion programmes during deployment. • Development of a specific module that addresses HIV and deployments for training of healthcare professionals. • All Health Care Professionals deploying in support of deployed soldiers undergo vigorous clinical training in HIV and TB management.
High risk: Members on deployment (external to RSA)	<ul style="list-style-type: none"> • All the programmes and interventions reflected for low and medium risk exposure. • Specific HIV prevention programmes aimed at reducing high risk behaviour e.g. targeting abuse of alcohol and other drugs/substance use and presentation of Resilience Programme by Social Work Officers. • Increasing the sport and recreation activities in external deployments. • Support given to families of deployed members.

Details of Health Promotion and HIV / AIDS 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		Brig Gen K.T. Ndaba Director HIV and AIDS Programme SANDF HIV and AIDS Programme Manager Tel: 012 367 9151
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>
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&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>

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 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"> • HIV Counselling and Testing. • Provider-Initiated Counselling and Testing. • Male and female condom provision and distribution. • Peer education training. • Gender based violence training. • Spiritual and ethical, moral and value-based prevention programmes (CHATSEC) provided by Chaplains. • HIV / AIDS workplace programmes (includes condom provision, behaviour modification programmes, peer education training, gender-based training, CHATSEC, mass awareness and occupational health and safety). • Mass awareness campaigns. • Management of occupational transmission e.g. supply of personal protective equipment. • Post-exposure prophylaxis. • Prevention of vertical transmission previously known as the prevention of mother to child transmission. • Prevention of opportunistic infections. • Utilisation of all awareness opportunities (e.g. National Health Days, Health Month, World AIDS Day, World TB Day, Condom Week, Youth Day, etc.). • Management of sexually transmitted infections. • Health education, HIV and ARV training and development. • Voluntary Medical Male Circumcision. • Prevention with positives. • Prevention and treatment of alcohol and drug abuse/substance abuse. • Comprehensive health assessments. • Health programmes targeting women of childbearing age. • Development and provision of HIV related Information and Educational Communication material. • Awareness programmes with involvement of non-governmental organisations e.g. Society for Family Health and Foundation for Professional Development. • Health Walks, etc. <p><u>The COVID-19 Pandemic:</u></p> <p>The Impact of the COVID-19 Pandemic must be taken into account for the FY2020/21. The COVID-19 pandemic presented unprecedented and catastrophic effects on the South African healthcare system society and economy. South Africa recorded its first cases of COVID-19 on 05 March 2020. A National State of Disaster was declared by the SA President. Besides the COVID-19 pandemic having a major global impact, it impacted South Africa and in this context impacted the DOD in particular the SAMHS that provides healthcare to all DOD clientele. The SAMHS and all the healthcare workers and support staff had to scale up prevention and treatment programmes for COVID-19 in addition to HIV and TB programmes.. These programmes provided by the same limited pool of healthcare workers.</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><u>Managing the COVID pandemic:</u></p> <p>COVID-19 management was given priority due to the high morbidity. High mortality increased mental health problems and the overwhelming impact on the healthcare facility capacity. The DOD was thus prompted to implement drastic measures its new policies, mitigation strategies and guidelines, embark on awareness campaigns, establish COVID-19 testing, surveillance and data management, physical / social distancing, self-isolation and quarantine, contact tracing, case management, closure of non-essentials services, implement travel restrictions, provision of PPE's, manage lockdowns, provide psycho-social support, disinfection, support the other services / divisions as they deployed, etc. This has stretched the HR, logistic and financial capacity in all health care facilities.</p>
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholders that they represent.	x		<ul style="list-style-type: none"> • 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. • Coordination within the SANDF through bilateral meetings between the SAMHS, the SA Army, the SA Navy and the SA Air Force. • 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. • At Military Unit level, HIV prevention and health promotion programmes are addressed via the Military Community Wellness Committees. • 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. • The Director HIV & AIDS has played a key role in assisting the other statutory directorates in the SAMHS to manage the COVID-19 pandemic. The Directorate HIV is a member of the Surgeon General Command and Staff Council as well as the Chief Director Military Health Force Preparation Council. It became clear that the management of HIV and TB in the era of COVID had to change and special council meetings were held in this regard.
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&MV are managed according to (amongst others):</p> <ul style="list-style-type: none"> • "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". • Joint Defence Publication: Policy on Health Care Delivery. • DOD Directive: Transformation Management in the Department of Defence. • DOD Instruction: Policy on Transformation Management in the DOD. • Joint Defence Publication: Process and Procedures for Transformation Management in the DOD. • DOD Operational Plan FY2019/20 for HIV / AIDS, Tuberculosis and Sexual Transmitted Infections that is sent to DPSA and DPME.

Details of Health Promotion and HIV / AIDS Programmes (Table 3.11.2)			
Question	Yes	No	Details, if Yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures.	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"> • No mandatory testing of PSAP officials. • Voluntary HIV testing of any official in the DOD may form part of a comprehensive health assessment as governed by the Medical Standards for the SANDF and as required by the Surgeon General in terms of Regulation 15 of the Defence Act. • HIV testing is voluntary and done with written informed consent, confidentiality and pre- and post-test counselling procedures. • Officials with HIV / AIDS may not be unfairly discriminated against in the allocation of employment benefits and are treated like any other official with a comparable life-threatening illness / chronic disease with regard to access to benefits. • Grievance procedures are confidential and do not result in the disclosure of a person's HIV status. • Respecting the privacy and confidentiality of those living with HIV is a priority.
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><u>Sources of data:</u></p> <ul style="list-style-type: none"> • Monthly Mortality Analysis. • Knowledge Attitude and Practice Surveys. • Health Informatics System - Clinical Data Management. • Project Feedback Forms submitted following the programmes/ projects and interventions (all planned HIV prevention interventions are monitored). • Care and treatment indicators as developed. • Information obtained from staff visits to the various units and Performance against Plan reports. • Site Improvement through Monitoring Systems visits to Military Health Units. • Inspector General visits to Military Health Units.

Labour Relations

Collective Agreements for the period 01 April 2020 to 31 March 2021 (Table 3.12.1)	
Subject Matter	Date
Total Number of Collective Agreements reached in the Departmental bargaining Chamber	In all the scheduled Departmental Bargaining Chamber meetings that took place during the reporting period 01 Apr 2020 to 31 Mar 2021 there was no formal collective agreement reached by the parties.

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 2020 to 31 March 2021 (Table 3.12.2)		
Outcomes of Disciplinary Hearings	Number	% of total
Correctional Counselling	1	3%
Verbal Warning	4	11%
Written Warning	9	24%
Final Written Warning	6	16%
Suspended Without Pay	1	3%
Fine	0	0%
Demotion	0	0%
Dismissal	3	8%
Not Guilty	3	8%
Case Withdrawn	10	27%
Total	37	100%

Types of Misconduct Addressed at Disciplinary Hearings for the period 01 April 2020 to 31 March 2021 (Table 3.12.3)		
Type of Misconduct	Number	% of total
Failure to Report for Roll Call	1	3%
Fraud and AWOP	1	3%
Absent Without Permission	14	38%
Theft of State Rations	2	5%
Falsification of Documents	1	3%
Sexual Misconduct	1	3%
Disrespect	1	3%
Failure to Carry Lawful Instruction	6	16%
Use of Vulgar Language	1	3%
Misuse of State Funds	3	8%
Discrimination	1	3%
Late Coming	1	3%
Consuming Alcohol While on Duty	4	11%
Total	37	100%

Part D
Human Resource Management

Grievances Lodged for the period 01 April 2020 to 31 March 2021 (Table 3.12.4)		
Grievances	Number	% of total
Number of Grievances Resolved	113	43%
Number of Grievances Not Resolved	150	57%
Total Number of Grievances Lodged	263	100%

Disputes Lodged with Councils for the period 01 April 2020 to 31 March 2021 (Table 3.12.5)		
Disputes	Number	% of total
Number of Disputes Upheld	3	25%
Number of Disputes Dismissed	5	42%
Number of Disputes Pending	4	33%
Total Number of Disputes Lodged	12	100%

Strike Actions for the period 01 April 2020 to 31 March 2021 (Table 3.12.6)	
Total Number of Person Working Days Lost	None
Total Cost of Working Days Lost	None
Amount Recovered as a Result of No Work No Pay (R'000)	None

Precautionary Suspensions for the period 01 April 2020 to 31 March 2021 – Military Personnel (Table 3.12.7(a))	
Number of People Suspended	57
Number of People whose Suspensions Exceeded 30 Days	57
Average Number of Days Suspended	57 660
Cost of Suspensions (R'000)	16 978 920

Precautionary Suspensions for the period 01 April 2020 to 31 March 2021 – Public Service Act Personnel (Table 3.12.7(b))	
Number of People Suspended	12
Number of People whose Suspensions Exceeded 30 Days	11
Average Number of Days Suspended	1 200
Cost of Suspensions (R'000)	2 719 239

Skills Development

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

Training Needs Identified for the period 01 April 2020 to 31 March 2021 (Table 3.13.1)						
Occupational Category	Gender	Number of Employees as at 01 April 2020	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	1 538	0	0	96	96
	Male	1 336	0	0	126	126
Technicians and Associate Professionals	Female	2 708	0	0	479	479
	Male	4 667	0	0	1 029	1 029
Clerks	Female	6 753	0	767	0	767
	Male	7 478	0	892	0	892
Service and Sales Workers	Female	6 614	0	0	1 114	1 114
	Male	24 122	0	0	2 799	2 799
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	2 212	0	0	432	432
	Male	7 773	0	0	1 005	1 005
Plant and Machine Operators and Assemblers	Female	11	0	0	3	3
	Male	206	0	0	17	17
Elementary Occupations	Female	3 128	0	0	237	237
	Male	5 439	0	0	662	662
Subtotal	Female	22 965	0	767	2 361	3 128
	Male	51 022	0	892	5 638	6 530
Total		73 987	0	1 659	7 999	9 658

Part D
Human Resource Management

Training Provided for the period 01 April 2020 to 31 March 2021 (Table 3.13.2)						
Occupational Category	Gender	Number of Employees as at 01 April 2020	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	1 538	0	0	93	93
	Male	1 336	0	0	121	121
Technicians and Associate Professionals	Female	2 708	0	0	461	461
	Male	4 667	0	0	991	991
Clerks	Female	6 753	0	739	0	739
	Male	7 478	0	859	0	859
Service and Sales Workers	Female	6 614	0	0	1 073	1 073
	Male	24 122	0	0	696	696
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	2 212	0	0	416	416
	Male	7 773	0	0	968	968
Plant and Machine Operators and Assemblers	Female	11	0	0	3	3
	Male	206	0	0	16	16
Elementary Occupations	Female	3 128	0	0	228	228
	Male	5 439	0	0	638	638
Subtotal	Female	22 965	0	739	2 274	3 013
	Male	51 022	0	859	3 430	4 289
Total		73 987	0	1 598	7 704	7 302

Injury on Duty

The following tables provide basic information on injury on duty.

Injury on duty for the period 01 April 2020 to 31 March 2021 (Table 3.14.1)		
Nature of Injury on Duty	Number	% of total
Required Basic Medical Attention Only	85	64%
Temporary Total Disablement	41	31%
Permanent Disablement	2	2%
Fatal	4	3%
Total	132	100%

Note:

- Required Basic Medical Attention Only. This is the action or manner of treating an individual medically or surgically to stabilise and promote healing.
- Temporary total Disablement. This is the temporary alteration of an individual's physical or mental status that limits activity. Medical or surgical treatment may 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.
- The numbers indicated above only reflect the Occupational Injuries, Diseases and Fatal cases in the line of duty that were reported to HR Maintenance (Service Benefits – Medical Section).

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 FY2020/21 (Table 3.15.1)		
DOD Entity	Project Title / Description of Service	Contract Value in Rand ²
Administration		
Defence Policy, Strategy and Planning Division	Payment of SMS Competency Assessment	16 882
Financial Management Division	Verification of Qualification	2 915
Human Resources Division	Vetting of Qualifications	22 555
	Administration of the Policy and Procedure on Incapacity Leave and Ill-Health Retirement in the DOD	1 256 285
Defence Legal Services	Translation, Transcript and Interpret Services	693 260
Chaplain General	Verification of Qualification	4 685
Defence Matériel Division	Intellectual Property Innovation Management ³	7 200 000
Force Employment		
Joint Operations	Verification of Qualification	1 200
Landward Defence		
SA Army	Verification of Qualification	1 995
	Quality Assurance ⁴	490 601
Air Defence		
SA Air Force	Boards, Commissions and Committees	2 644
	Verification of Qualification	41 200
	Quality Assurance	27 828
Maritime Defence		
SA Navy	Submarine Classification Support Services	149 298
	Fuel Sample Testing for SAS MAKHANDA	1 958
	Verification of Qualifications	39 595
	Inspection of Quality of Uniforms Manufactured for the SA Navy	114 764
Military Health Support		
SAMHS	Verification of Qualification	64 795
	Quality Assurance	198 581

² Total paid against Consultants on the Financial Management System.

³ Continuous service rendered by ARMSCOR.

⁴ Quality Assurance is rendered by the SABS. It is not feasible for the DOD to determine the respective number of consultants and number of working days.

Services Rendered and Paid for FY2020/21 (Table 3.15.1)		
DOD Entity	Project Title / Description of Service	Contract Value in Rand
Defence Intelligence		
Defence Intelligence	Verification of Qualification	980
General Support		
Logistics Division	Verification of Qualification	690
Military Police Division	Engineering Support Services	574 815
Total Paid against the Item 35 Budget on Consultants		10 907 526

Severance Packages

Granting of Employee Initiated Severance Packages for the period 01 April 2020 to 31 March 2021 (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
Total	0	0	0	0

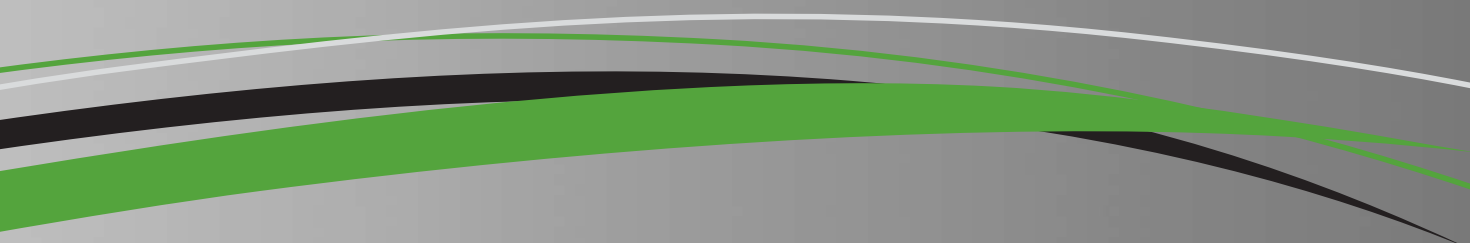
Note: The EISP was suspended in the DOD during 2018 and the MEM during 2017.

Overarching Statement Relating to Human Resources Tables

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

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







Report by the Accounting Officer, Ambassador G.S. Kudjoe, for the Period 01 April 2020 to 31 March 2021

Overview of the Financial Results of the Department¹

During the **FY2020/21**, the Department of Defence (DOD) received an appropriation of R54,201 billion², a 6.51% year-on-year increase from the FY2019/20 appropriation. This increase included an amount of R3 billion for the DOD's institution response to the COVID-19 pandemic, being provided through a Special Adjustments Appropriation which preceded the Adjustments Appropriation. In the absence of the R3 billion COVID-19 additional funding³ the increase on the prior year's appropriation would have been 0.79%. The DOD was able to spend 99.79% of its appropriated funds and surrendered R115,097 million to the National Revenue Fund.

The DOD's budget allocation continued to be reduced over the **2021/22 Medium-Term Expenditure Framework** (MTEF). During the 2021/22 to 2023/24 MTEF periods, the DOD's baseline is reduced with R15,406 billion, including a Compensation of Employees (CoE) reduction of R12,174 billion. This baseline reduction poses serious financial constraints on the Department and its ability to defend and protect the country, and to rapidly intervene during crises on the continent. The baseline reduction impacts on the contribution to the Special Defence Account (SDA), which in turn impacts on arresting the decline, by replacing and maintaining the ageing DOD assets.

To this end, the most challenging component of the Defence Vote relates to the CoE budget allocation. The DOD had numerous engagements, of which most is still ongoing, with the National Treasury to review the CoE allocation, based on the Department's commitments, but to no avail. Unfortunately, due to the underfunding of the CoE, the specifically appropriated CoE amount will be exceeded, since the actual feet on the ground within the Department must be compensated on a monthly basis. The compensation of the feet on the ground will result in the recording of irregular expenditure over the medium-term, as defined in terms of the Public Finance Management Act (PFMA).

Departmental Receipts (Revenue)

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

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

¹ Refer to Part B on pages 36 to 54 for the Overview of the Operations (Non-Financial) of the Department.

² The DOD's FY2019/20 appropriation included R652,553 million, which was specifically appropriated for the Department of Military Veterans, whose budget allocation became an independent Vote from the DOD's Vote with effect of FY2020/21.

³ Excluding the Department of Military Veteran's Vote 19 allocation.

Part E Accounting Officer Report

Enhancements to systems and the review of supporting and functional policies are continuously made to improve the collection of revenue. Training and empowerment of finance functionaries and line managers is of high priority and continuously provided to enhance revenue management.

Revenue collected increased by 3.9% annually over the last three financial years. Various policies have been updated and promulgated to ensure that revenue due to the Department is collected. 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 the FY2020/21 the responsible Budget Holders submitted documentation and obtained approval for the updating of the following revenue tariffs:

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

No requests were received for the updating of the following tariffs during the FY2020/21:

- Hiring of equipment
- Hiring of DOD vehicles

The Department under collected on the following items:

- Sale of goods and services other than capital assets, this was due to decreases in revenue collected from United Nations peacekeeping operations.
- Transfers received due to decrease in the United Nations reimbursements operations as claims were not submitted, as a Memorandum of Understanding is under consideration.
- Interest, dividends and rent on land due to a decrease in the interest received on the Department's bank accounts.
- Sale of capital assets due to equipment not sold on auctions, as auctioneers have not been appointed during FY2020/21.

The Department over collected on the following items:

- Fines, penalties and forfeits received due to more members being court martialled and higher fines being imposed.
- Financial transactions in assets and liabilities was due to an increase in the expected revenue for penalties imposed on ARMSCOR contracts.

The table below indicates DOD Sources of Revenue for FY2020/21.

Departmental Receipts / Sources of Revenue for FY2020/21						
Departmental Receipts	FY2020/21			FY2019/20		
	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	460 318	398 125	(62 193)	438 044	764 758	326 714
Transfers received	629 801	421 144	(208 657)	599 833	356 875	(242 958)
Fine, penalties and forfeits	1 333	1 547	214	1 274	1 804	530
Interest, dividends and rent on land	4 372	4 283	(89)	4 154	6 010	1 856
Sale of capital assets	30 345	5 947	(24 398)	28 901	2 504	(26 397)
Financial transactions in assets and liabilities	76 716	92 559	15 843	73 067	157 203	84 136
Total	1 202 885	923 605	(279 280)	1 145 273	1 289 154	143 881

Departmental Expenditure

The table below indicates the DOD Actual Expenditure Trends and Adjusted Appropriation for FY2018/19 to FY2020/21.

Summary of Actual Expenditure versus Adjusted Appropriation for Current and Prior Years			
	FY2018/19 ⁴	FY2019/20 ⁵	FY2020/21
	R'000	R'000	R'000
Adjusted Appropriation	48 496 235	50 888 132	54 201 287
Expenditure	48 492 073	50 882 257	54 086 190
Over expenditure	0	0	0
Amount overspent as percentage of Adjusted Appropriation	0	0	0
Amount surrendered	4 162	5 875	115 097
Amount surrendered as percentage of Adjusted Appropriation	0.009%	0.012%	0.212%

⁴ Including R627,087 million, which was specifically appropriated for the Department of Military Veterans.

⁵ Including R652,553 million, which was specifically appropriated for the Department of Military Veterans, whose budget allocation became an independent Vote from the DOD's Vote with effect of FY2020/21.

The table below indicates the DOD Actual Expenditure versus the Adjusted Appropriation for FY2020/21 on Programme level.

Actual Expenditure versus Adjusted Appropriation for Current and Prior Years at Programme Level						
Programme	FY2020/21			FY2019/20		
	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	5 327 352	5 325 032	2 320	5 999 035	5 993 160	5 875
Force Employment	4 660 938	4 660 938	0	3 491 508	3 491 508	0
Landward Defence	17 186 646	17 186 646	0	16 763 706	16 763 706	0
Air Defence	7 684 796	7 684 796	0	6 701 148	6 701 148	0
Maritime Defence	4 737 501	4 737 501	0	4 709 411	4 709 411	0
Military Health Support	5 599 116	5 487 140	111 976	5 362 908	5 362 908	0
Defence Intelligence	1 130 931	1 130 931	0	1 002 362	1 002 362	0
General Support	7 874 007	7 873 206	801	6 858 054	6 858 054	0
Total	54 201 287	54 086 190	115 097	50 888 132	50 882 257	5 875

Reasons for Under Expenditure

The underspending of R115,097 million consists of the following:

- **Administration Programme.** The under expenditure of R2,320 million (0.043%) was due to:
 - The Human Resources Support Services underspent its budget allocation with R58 000. This was mainly due to the transfer payment to the Safety and Security Sector Education and Training Authority (SASSETA) for FY2020/21 being less than what was anticipated.
 - The Military Ombud within the Legal Services' Subprogramme underspent its budget allocation with R2,262 million. This was mainly due to the unprecedented lockdown restrictions imposed to combat the spread of the COVID-19 pandemic.
- **Military Health Support Programme.** The under expenditure of R111,976 million (2%) was due to:
 - An under expenditure of R215 000 occurring within the transfers to non-profit institutions (Strategic Direction Subprogramme). This was mainly due to the transfer payment claim by the St John Ambulance Brigade being less than what was anticipated.
 - The Military Health Product Support Capability Subprogramme having an under expenditure of R111,761 million. This was mainly due to less patients being outsourced to private hospitals and/or for specialist health services. This formed part of the mitigation actions implemented to ensure that scarce medical resources were not being overburdened. Another reason for the under expenditure was that the planned establishment of a field hospital as well as the procurement of equipment could not materialise due to the lengthy international procurement processes which were hampered by the COVID-19 restrictions i.e. closing of borders.

- **General Support Programme.** The under expenditure of R801 000 (0.010%) was due to:
- A FOREX gain which resulted in lower expenditure within the transfer payment made to Foreign Government and International Organisations for the seed capital which was paid to the Southern Africa Development Community (SADC) Secretariat for the SADC Standby Force Regional Logistics Depot.

Additions to Main Appropriation

- The net effect of the Adjustments Vote for Defence was a decrease of R1,117 billion to R54,201 billion. The amount was calculated as follows:
 - R1,886 billion reduction in the DOD's CoE ceiling as announced in the 2020 Budget.
 - R41 million reduction in the transfer payment to ARMSCOR.
 - Revenue of R809,840 million 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 SDA. 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 one-off critical elements of the SA Defence Review 2015.

Virements / Shifts within the Vote

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

- **Approved by the National Treasury:**
 - R1,900 million increase of the transfer payment to the Castle Control Board which is listed as a Schedule 3A Public Entity within the General Support Programme.
 - R4,632 million increase in Transfers and Subsidies: Departmental Agencies to be transferred to the SASSETA, which acts as the Sector Education and Training Authority for Defence in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).
 - R335,322 million 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 MTEF process
- **Approved by the Accounting Officer:**
 - R26,142 million was reallocated to Current Transfers and Subsidies: Public Corporations from Goods and Services within the Maritime Defence Programme to increase the transfer payment to the ARMSCOR Dockyard.
 - R1,011 billion was reallocated from Goods and Services to Current Transfers and Subsidies: Departmental Agencies and Accounts (SDA). This was as a result of the closure of local and international businesses following the collective global responses to contain the spread of the COVID-19 pandemic. Activities such as planned maintenance and repairs of main equipment could not take place despite the increased demand for military assistance. Also taking into consideration that the SDA allocation was reduced in the 2021/22 MTEF, the Department decided to redistribute the savings to the SDA to partially fund the shortfalls within contractual commitments such as Project HOTEL and Project BIRO.

- 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 FY2020/21.

Roll-Overs

The Department requested an amount of R10 million to be rolled over to FY2020/21 from the underspending of the Department of International Relations and Cooperation. As mandated, the Department was tasked to charter an aircraft from the South African Airways in order to repatriate South African citizens from the People's Republic of China. This request was not considered by the National Treasury.

Donor funds

The DOD did not receive any donor funds from external sources during the period 01 April 2020 to 31 March 2021.

Irregular, Unauthorised, Fruitless and Wasteful Expenditure

Irregular Expenditure

Irregular expenditure to the amount of R2,182 billion was incurred during the year under review and the biggest contributors were categorised as follows:

- R1,775 billion for expenditure incurred above the CoE allocation. This was due to a budget reduction imposed by National Treasury versus compensation of actual employees in the service of the DOD.
- R12 million for two contracts awarded for spares concluded through an incorrect bidding process in the FY2017/18. These contracts ended in October 2020.
- R105 million for the asset verification project awarded in the FY2017/18. This contract will end in the FY2021/22.
- R39 million for an Information Communication Technology contract awarded in the FY2019/20. This contract will be concluded in the FY2022/23.
- R37 million was incurred for COVID-19 Personal Protective Equipment procurement, when the Department deviated from National Treasury's instruction.
- R37 million was incurred when the Department followed an unfair bidding process in awarding the fuel contract for the North-West and Gauteng provinces.
- R33 million was incurred when the Department did not comply with the South African Health Products Regulatory Authority, approval was not obtained prior to the importation of an immune booster medicine.
- R102 million was incurred for 11 different procurement deviations within the Sensitive Projects environment.
- The remaining incidents, to the amount of R42 million are being investigated by appointed designated officials within Services and Divisions.
- Eight incidents of various categories are under investigation by the Military Police Division, Defence Inspectorate Division and contracted independent Forensic Investigators.

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure of R4 million was incurred during the year under review. The main contributor relates to an incident of interest and foreign currency fluctuation for a late payment.

Investigations pertaining to these operational challenges, to determine their legitimacy or otherwise, are currently underway and decisions on the way forward will be determined and appropriate action taken.

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

- Training regarding prevention and management of irregular expenditure was provided to identified officials at Services and Divisions, with the intention to further train other officials within their area of responsibility.
- Letters have been written to and meetings held between Chiefs of Services and Divisions and the Accounting Officer to fast track and expedite investigations and Board of Inquiries into the incurrence of these irregularities.
- As instructed by the Accounting Officer and Chief of the SA National Defence Force, the Adjutant General and the Defence Legal Services Division have issued letters of reprimand and charged individuals involved in the incurrence of irregularities.

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 FY2020/21.

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

Unsolicited bid proposals concluded for the year under review

No unsolicited bids were concluded for the period under review.

Supply Chain Management processes and systems in place to prevent irregular expenditure

The announcement of the National Lockdown during the reporting period and the onset of COVID-19 have undoubtedly had an adverse impact on the requirements and procurement of emergency Personal Protective Equipment and other medical related items. This is a matter that has drawn global attention and the DOD has equally been in the spotlight, due to its intense involvement in curbing the pandemic and its related expenditure.

Despite the disruptions that were experienced due to the pandemic, procurement remained one of the focal areas. It is unfortunate that due to the need for social distancing and initial restrictions on travel and rotation of staff, oversight visits were kerbed to four, namely: Combined Training Centre, Army Support Base Bloemfontein, Army Support Base Kimberly and Department of Defence Headquarters Unit.

Efforts to finalise consultation on the Procurement Policy were halted by lockdown restrictions and the Report of the Task Team that was established by MOD&MV to address the Department's procurement challenges, as reported during FY2019/20, is yet to be finalised. National Treasury Instruction Notes were however effected through Departmental Implementation Instructions that were issued to reinforce prevention of irregular, fruitless and wasteful expenditure.

Challenges experienced in Supply Chain Management and how they were resolved

The DOD acknowledges that conflict of interest is an impediment to good governance. Based on this premise, minimising conflict is a prime factor in the culture of the DOD. Ethical values of responsibility, accountability, fairness, transparency and the moral duty to practice good governance find expression in the various tenets of the DOD. Chief of Human Resources Instruction No. 93/2016 regarding prohibiting DOD employees from doing business with the State has since April 2021 been supplemented with an arrangement between the DOD and Department of Public Service and Administration wherein an information management system will be utilised to detect DOD officials doing business with the State.

National Treasury wavered the submission of the Procurement Plan FY2020/21 from 31 March 2020 to 31 May 2020. The DOD Procurement Plan was duly submitted to the Office of the Chief Procurement Officer on the set date. This, however, negatively impacted on the alignment of quarterly reporting dates, this was further compounded by reporting on COVID-19 procurement. Despite this challenge, the Department processed all quarterly reports to National treasury and reported on the COVID-19 expenditure as prescribed by National Treasury.

Expenditure against the Procurement Plan for the period under review is very low due to the restrictions on advertising bids and briefing sessions that were effected as a result of the pandemic.

Procurement deviations received from the National Treasury

During the reporting period, only COVID-19 procurement deviations were executed by the Department as provided for in the National Treasury Instruction Notes.-

Asset Management

Work in Progress

The Department continues to ensure that there is compliance with the Modified Cash Standard on the matters of Work in Progress and Capital Components.

Other Machinery and Equipment

The DOD strives to maintain compliance in terms of accounting for these category of assets and ensures other machinery and equipment accounted for, are complete and do exist.

Other Matters

The ageing legacy accounting systems and capacitation and structuring within DOD Asset Management, remain a challenge for the DOD.

Gifts and Donations Received in Kind

Foreign aid assistance received by the DOD was mostly in kind, mainly from the People's Republic of China and the United States of America, in the form of Personal Protective Equipment. The actual cost incurred by 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.

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 since FY2017/18 to date on the CoE allocation of approximately R7,422 billion.

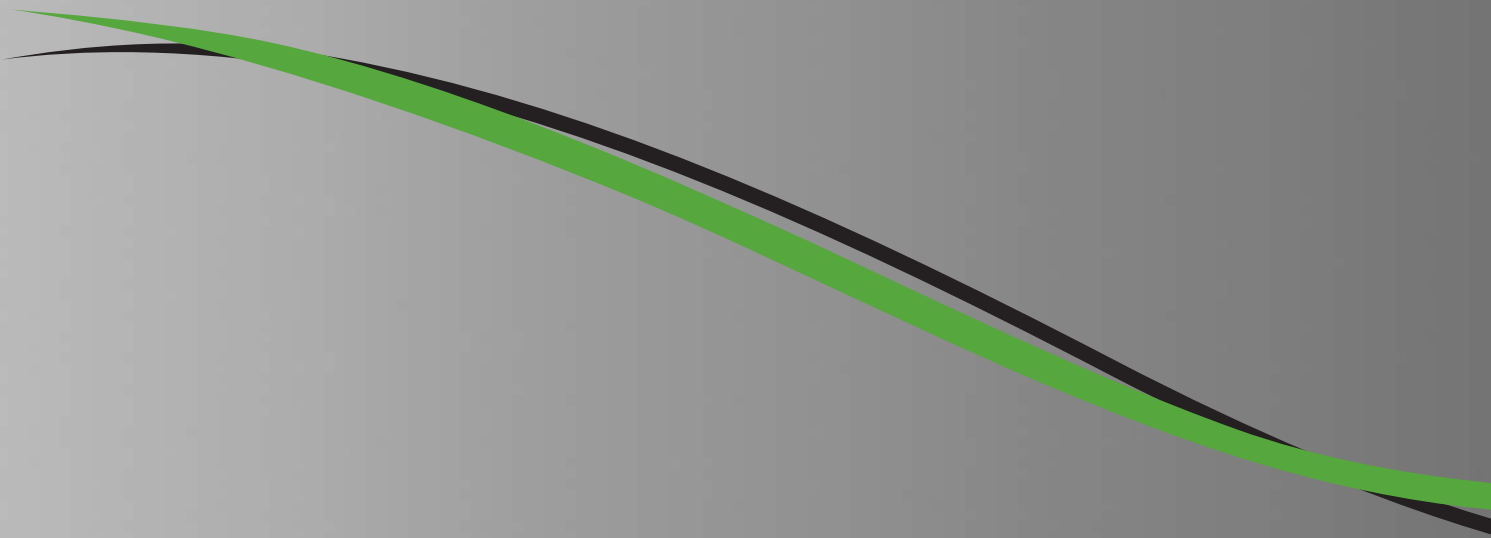
In terms of the PFMA, this underfunding has been recognised as Irregular Expenditure in the financial records of the Department. A request for condonement has been submitted to National Treasury over the previous MTEF and a response is awaited as at the reporting date.

Approval

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



(AMBASSADOR G.S. KUDJOE)
SECRETARY FOR DEFENCE: DIRECTOR-GENERAL

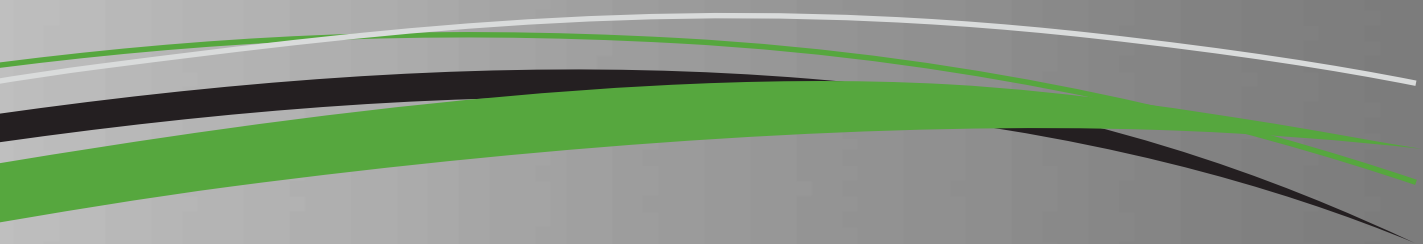


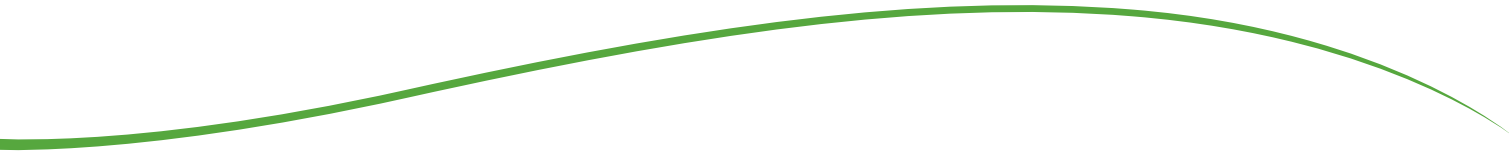




**Department
of
Defence**

Vote 23





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Report of the auditor-general to Parliament on vote no. 23: 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 191 to 345, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Defence as at 31 March 2021, 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 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 6 of 1974, as amended. I was unable to obtain sufficient appropriate audit evidence on 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 R14,26 billion (2020: R13,96 billion), as per note 4 to the financial statements, and investments for special defence activities included in the investment amount of R182,16 million (2020: 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 R10,40 billion (2020: R8,13 billion) in note 24 to the financial statements, as it was impracticable to do so.

Movable tangible capital assets

5. I was unable to obtain sufficient appropriate audit evidence for movable tangible capital assets as the department could not indicate where these assets are located or provide other information in support of these assets. I was unable to confirm or verify these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets, stated at R63,52 billion in note 30 to the financial statements.

Employee benefits

6. The department did not establish adequate internal controls to monitor leave processing. As a result, not all leave transactions were captured, which resulted in the leave balance and the provision being overstated. I was unable to confirm these employee benefits by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to employee benefits balance stated at R3,56 billion in note 21 to the financial statements.

Context for the opinion

7. 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 my report.
8. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

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 R276,07 million exceed the payment term of 30 days, in contravention of treasury regulation 8.2.3. This amount, in turn, exceeded the R115,09 million of voted funds to be surrendered by R160,97 million as per note 12 to the financial statements. The amount of R160,97 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 347 to 367 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.

Introduction and scope

- 19. In accordance with the Public Audit Act 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 department’s approved performance planning documents. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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 department’s annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 2: force employment	62 - 64

- 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. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 2 – force employment

Percentage compliance with capabilities required to support national efforts in mitigating and combating the spread of covid-19

- 24. The achievement of 100% was reported against a target of 100% in the annual performance report. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence to substantiate the reported achievement. This was mainly due to a delay in the roll-out of clear guidelines for reporting, which resulted in a lack of relevant and sufficient evidence to confirm the validity, accuracy, and completeness of the reported number of capabilities and members deployed. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Other matter

25. I draw attention to the matter below.

Achievement of planned targets

26. Refer to the annual performance report on pages 55 to 83 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over-achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 24 of this report.

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, performance and annual report

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 capital work in progress, capital commitments and provisions identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving 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 of R2,18 billion as disclosed in note 24 to the financial statements does not reflect the full extent of the irregular expenditure incurred. The majority of the irregular expenditure disclosed in the financial statements was caused by compensation of employee budget being exceeded without approval from the minister of Finance, in contravention of section 5(1)(b) of the Adjustments Appropriation Act 11 of 2020.
31. In some instances payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.
32. Payments were made before goods or services were received, in contravention of treasury regulation 15.10.1.2(c).

Asset management

33. Proper control systems were not in place at the department to ensure the safeguarding of assets, as required by treasury regulation 10.1.1(a).

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 and paragraph 3.3.1 of Practice Note 8 of 2007-08. 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, as required by treasury regulation 16A6.1 and paragraph 3.4.1 of Practice Note 8 of 2007-08 and treasury regulation 16A6.4. Similar non-compliance was also reported in the prior year.
36. Some of the contracts and quotations were awarded to bidders based on preference points that were not in accordance with the requirements of the PPPFA and Preferential Procurement Regulations.
37. Some of the construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board (CIDB) and/or did not qualify for the contract in accordance with section 18(1) of the CIDB Act 38 of 2000.
38. 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 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the prior year.
39. Some of the IT-related goods and services, classified as mandatory, were not procured through the State Information Technology Agency (SITA), as required by treasury regulation 16A6.3(e) and section 7(3) of the SITA Act 88 of 1998.
40. In some instances the prices of covid-19 personal protective equipment (PPE) items were higher than prices prescribed on annexure A of National Treasury Instruction Note 8 of 2019-20 in contravention of paragraph 3.7.6 of the same instruction note. The non-compliance resulted in a material irregularity as reported in the section on material irregularities.
41. In some instances, the prices of covid-19 PPE items were higher than the prescribed prices included in annexure A of National Treasury Instruction Note 5 of 2020-21, in contravention of paragraph 4.3 of the same instruction note.
42. In some instances, the covid-19 PPE items procured through the quotations exceeded the prices included in annexure A, in contravention of paragraph 4.6 of National Treasury Instruction Note 5 of 2020-21.

Consequence management

43. 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 because investigations into some irregular expenditure were not performed.
44. Disciplinary steps were not taken against some of the officials who permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.
45. 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 because investigations into some fruitless and wasteful expenditure were not performed.
46. Disciplinary steps were not taken against some of the officials who permitted fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA.

Other information

47. 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.
48. 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 on it.
49. 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.
50. If, based on the work I have performed, I conclude that there is a material misstatement included in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

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

Material irregularities

54. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities reported in the previous year's auditor's report.

Material irregularities identified during the audit

55. The material irregularities identified are as follows:

Personal protective equipment (PPE) not procured in cost-effective manner

56. On 14 April 2020, the department procured 1 000 infra-red (IR) thermometers at a price of R3 984,75 each, spending a total of R3 984 750 on this transaction. The price paid was above the recommended price of R2 727,86 per IR thermometer, as indicated in National Treasury Instruction Note 8 of 2019-20 (annexure A, table 2), issued on 19 March 2020. The procurement of IR thermometers at a higher price resulted in non-compliance with paragraph 3.7.6(ii) of the same instruction note.
57. This non-compliance is likely to result in a material financial loss for the department, as PPE items were procured at prices that were excessive.
58. I notified the accounting officer of the material irregularity on 15 July 2021 and invited the accounting officer to make a written submission on the actions that will be taken to address the matter. The accounting officer convened a board of inquiry on 16 August 2021 to investigate and report on the circumstances that led to the material irregularity. The board of inquiry is planned to complete its investigation on or before 20 September 2021. The accounting officer plans to take action against the person/s found responsible and to initiate steps to recover the financial loss based on the outcome of the investigation.
59. I will follow up on this investigation and the implementation of planned actions during my next audit.

Material irregularities in progress

60. I identified another material irregularity during the audit and notified the accounting officer thereof, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the response from the accounting officer. This material irregularity will be included in the next year's auditor's report.

Status of previously reported material irregularities

Inventory and asset management contract not awarded to only the bidder that scored the highest points in evaluation process

61. In February 2017, the department awarded a contract for services relating to inventory and asset verification for a period of 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 it 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 2020-21 financial year, the department had spent R556,92 million on the contract.
62. The accounting officer was notified of the material irregularity on 18 July 2019. 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 the National Treasury, which confirmed on 28 February 2020 that legislation had been contravened in the awarding of this contract.
63. I recommended that the accounting officer take the following actions to address the material irregularity by 30 November 2020:
 - a) 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.

- b) Effective and appropriate disciplinary steps must be taken 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.
 - c) Appropriate action must be taken 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.
64. The accounting officer submitted a written response and supporting evidence on the implementation of the recommendations on 30 November 2020. Based on my assessment of the written response and supporting evidence submitted, I concluded that the recommendations had not been adequately implemented.
65. The accounting officer was notified of the outcome of the assessment on 6 April 2021, and given an extension to 30 April 2021 to implement those recommendations. Although the accounting officer conducted an investigation, in their response, the accounting officer cited limitations in terms of the Defence Act 42 of 2002, in so far as it relates to taking disciplinary action against military command members. I concluded that the recommendations have not been adequately implemented, particularly those relating to non-military personnel over which the accounting officer has no limitations.
66. On 18 August 2021, I issued a directive to the accounting officer in terms of section 5A(3) of the PAA to determine the amount of the financial loss and recover such loss or make progress with the recovery of the loss from the responsible person by 18 November 2021.
67. In addition, I notified the accounting officer of the following remedial actions to address the material irregularity, which should be implemented by the same date:
- a) Effective and appropriate disciplinary steps must be taken against any civilian official whom 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.
 - b) Appropriate action must be taken to determine whether the responsible civilian official/s is/are liable for the losses suffered by the department for the purpose of recovery, as required by treasury regulations 9.1.4 and 12.7.1.
 - c) Steps must be taken to ensure that the chief of the South African National Defence Force takes:
 - i. effective and appropriate disciplinary action against any military command official whom 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
 - ii. appropriate action to determine whether the responsible military command official/s is/are liable for the losses suffered by the department for the purpose of recovery, as envisaged by treasury regulations 9.1.4 and 12.7.1.
 - d) If the chief of the South African National Defence Force fails to take effective and appropriate disciplinary action against military command official/s, and/or fails to take appropriate steps to determine whether the responsible command official/s is/are liable for the losses suffered by the department for the purposes of recovery, the accounting officer must promptly, and before the expiry of the three-month period envisaged in the notification of remedial action, notify the executive authority of such failure.

Lease payments made for unoccupied office buildings

68. The department made lease payments from the 2015-16 to the 2019-20 financial years for unoccupied office buildings, 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 closing balance of fruitless and wasteful expenditure disclosed in note 25 to the financial statements.
69. The accounting officer was notified of the material irregularity on 11 August 2020. On 8 September 2020, the accounting officer issued an instruction to investigate this material irregularity and conclude on it by 30 October 2020.
70. On 20 April 2021, I submitted a request for information on the progress made in addressing the material irregularity and invited the accounting officer to submit a written response and substantiating documents on the implementation of the planned actions and the outcomes of the actions taken within seven working days of the receipt of that letter.
71. I did not receive any response from the accounting officer on the implementation of the planned actions and the outcomes thereof. I concluded that appropriate action is not being taken.
72. I recommend that the accounting officer take the following actions to address the material irregularity, which should be implemented by 11 November 2021:
 - a) The financial loss should be quantified and the officials responsible for the financial loss identified, in accordance with the applicable instruction note(s) issued by the National Treasury dealing with fruitless and wasteful expenditure.
 - b) Effective and appropriate disciplinary steps should commence against any civilian official whom 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.
 - c) Effective and appropriate disciplinary steps should commence against any military command official whom 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.
 - d) Appropriate action must be taken to determine whether the responsible official(s) is/are 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.
73. I will follow up on the implementation of the recommendations after the due date.

Unfair award for supply of fuel

74. 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 would 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.

75. The accounting officer was notified of the material irregularity on 11 August 2020. On 8 September 2020, the accounting officer issued an instruction to investigate this material irregularity and conclude on it by 30 October 2020.
76. On 27 November 2020, the accounting officer completed the investigation on this material irregularity and disagreed that there was non-compliance with legislation in awarding this contract. I am in the process of referring the material irregularity to a public body for investigation, as provided for in section 5(1A) of the PAA.

Other reports

77. 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

78. The Special Investigating Unit conducted an investigation covering the 2018-19 period into allegations of procurement irregularities on information and communication technology (ICT) services and licences. The investigation, which is being conducted in terms of Proclamation No. R.41 of 2019, dated 25 June 2019, was still in progress at the date of this auditor's report.
79. The Special Investigating Unit conducted investigations into Covid-19 PPE procurement by state institutions. The investigation, which is being conducted in terms of Proclamation No. R23 of 2020, was still in progress at the date of this auditor's report.
80. The department conducted a forensic audit on the refurbishment of the One Military Hospital and on the contract with a service provider for the asset management contract. I had not yet received these reports at the date of this auditors' report.

Auditor - General

Pretoria

17 September 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2021

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.

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2021

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.

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2021

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

9. Cash and cash equivalents

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

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

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

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2021

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.

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2021

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.

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.

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2021

15.3 Intangible assets

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

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

All assets acquired prior to 1 April 2002 are recorded at R1.

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

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

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

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

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

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

16. Provisions and Contingents

16.1 Provisions

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

16.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department,

or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

16.3 Contingent assets

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

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2021

16.4 Commitments

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

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 after its assessment. 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 reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

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 estimates are applied prospectively in accordance with MCS requirements.

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

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.

Defence - Vote 23

Accounting Policies

for the year ended 31 March 2021

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 the full compensation of key management personnel is recorded in the notes to the financial statements.

25. Inventories

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

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

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

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

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 - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Appropriation per programme

	2020/21						2019/20		
	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
Voted funds and Direct charges									
Programme									
1. Administration	5 445 083	-	(117 730)	5 327 353	5 325 033	2 320	100.0%	5 999 035	5 993 160
2. Force Employment	4 620 674	-	40 263	4 660 937	4 660 937	-	100.0%	3 491 508	3 491 508
3. Landward Defence	16 617 184	-	569 462	17 186 646	17 186 646	-	100.0%	16 763 706	16 763 706
4. Air Defence	7 536 152	-	148 644	7 684 796	7 684 796	-	100.0%	6 701 148	6 701 148
5. Maritime Defence	4 958 731	-	(221 230)	4 737 501	4 737 501	-	100.0%	4 709 411	4 709 411
6. Military Health Support	6 077 410	-	(478 294)	5 599 116	5 487 140	111 976	98.0%	5 362 908	5 362 908
7. Defence Intelligence	1 147 862	-	(16 931)	1 130 931	1 130 931	-	100.0%	1 002 362	1 002 362
8. General Support	7 798 191	-	75 816	7 874 007	7 873 206	801	100.0%	6 858 054	6 858 054
Total	54 201 287	-	-	54 201 287	54 086 190	115 097	99.8%	50 888 132	50 882 257
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				923 605				1 289 155	-
NRF Receipts				-				-	-
Aid assistance				-				-	-
				55 124 892				52 177 287	
Actual amounts per Statement of Financial Performance (Total Revenue)									
Add:									
Aid assistance				-					-
Prior year unauthorised expenditure approved without funding									
Expenditure funded from retained funds (funds retained)				(2 958 696)					(2 958 696)
Actual amounts per Statement of Financial Performance Expenditure				51 127 494					50 859 371

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Appropriation per economic classification	2020/21						2019/20		
	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
Current payments	46 146 842	-	(1 736 563)	44 410 279	44 441 531	(31 252)	100.1%	42 769 085	42 763 210
Compensation of employees	30 984 861	-	-	30 984 861	32 759 882	(1 775 021)	105.7%	29 193 710	31 803 026
Salaries and wages	28 011 780	-	(182 738)	27 829 042	29 332 590	(1 503 548)	105.4%	26 226 848	28 389 650
Social contributions	2 973 081	-	182 738	3 155 819	3 427 292	(271 473)	108.6%	2 966 862	3 413 376
Goods and services	15 161 981	-	(1 736 563)	13 425 418	11 681 649	1 743 769	87.0%	13 575 375	10 960 184
Administrative fees	20 416	-	(9 007)	11 409	11 409	-	100.0%	15 367	15 367
Advertising	42 025	-	14 534	56 559	56 559	-	100.0%	72 785	72 785
Minor assets	276 835	-	(194 115)	82 720	82 720	-	100.0%	65 012	45 818
Audit costs: External	78 927	-	(30 314)	48 613	48 613	-	100.0%	60 319	60 319
Catering: Departmental activities	23 004	-	(16 253)	6 751	6 751	-	100.0%	28 183	28 183
Communication (G&S)	99 024	-	(9 409)	89 615	89 508	107	99.9%	91 371	77 878
Computer services	957 610	-	(116 037)	841 573	741 578	99 995	88.1%	836 071	716 448
Consultants: Business and advisory services	13 619	-	(2 711)	10 908	10 908	-	100.0%	14 512	14 512
Infrastructure and planning services	28 699	-	(6 134)	22 565	2 565	20 000	11.4%	9 617	2 717
Laboratory services	59 328	-	(2 973)	56 355	56 355	-	100.0%	51 320	51 320
Scientific and technological services	54 719	-	29 948	84 667	84 667	-	100.0%	103 046	103 046
Legal services	14 341	-	(1 918)	12 423	12 423	-	100.0%	26 924	26 924
Contractors	2 185 565	-	(329 693)	1 855 872	1 656 301	199 571	89.2%	2 985 399	1 681 331
Agency and support / outsourced services	521 242	-	359 051	880 293	880 293	-	100.0%	863 138	846 017
Entertainment	2 895	-	(2 057)	838	838	-	100.0%	3 135	3 135
Fleet services (including government motor transport)	359 913	-	(138 055)	221 858	122 848	99 010	55.4%	268 221	117 507
Inventory: Clothing material and accessories	219 553	-	27 552	247 105	142 385	104 720	57.6%	171 256	62 985
Inventory: Farming supplies	5 948	-	(2 653)	3 295	3 295	-	100.0%	2 480	2 480
Inventory: Food and food supplies	1 448 310	-	170 695	1 619 005	1 554 244	64 761	96.0%	1 311 116	1 311 116

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Appropriation per economic classification	2020/21							2019/20	
	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	955 550	-	(276 015)	679 535	449 661	229 874	66.2%	777 253	729 910
Inventory: Materials and supplies	108 618	-	(22 788)	85 830	65 830	20 000	76.7%	68 599	68 599
Inventory: Medical supplies	1 832 490	-	(790 373)	1 042 117	1 031 151	10 966	98.9%	155 021	81 366
Inventory: Medicine	469 932	-	(85 858)	384 074	274 774	109 300	71.5%	352 181	238 456
Inventory: Other supplies	273 449	-	(161 982)	111 467	68 927	42 540	61.8%	183 978	97 454
Consumable supplies	131 131	-	41 778	172 909	172 909	-	100.0%	144 898	136 973
Consumable: Stationery printing and office supplies	61 646	-	(19 494)	42 152	42 152	-	100.0%	42 143	42 143
Operating leases	1 644 539	-	564 892	2 209 431	2 209 431	-	100.0%	1 763 597	1 735 169
Property payments	1 702 675	-	(698 969)	1 003 706	709 021	294 685	70.6%	1 343 899	1 065 242
Travel and subsistence	906 987	-	93 407	1 000 394	745 827	254 567	74.6%	1 141 552	1 141 552
Training and development	258 993	-	(12 721)	246 272	152 895	93 377	62.1%	274 879	164 094
Operating payments	386 703	-	(99 334)	287 369	187 073	100 296	65.1%	328 829	200 064
Venues and facilities	17 215	-	(9 477)	7 738	7 738	-	100.0%	10 464	10 464
Rental and hiring	80	-	(80)	-	-	-	-	8 810	8 810
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6 835 889	-	1 378 680	8 214 549	8 168 995	45 554	99.4%	6 674 370	6 674 370
Provinces and municipalities	611	-	(474)	137	137	-	100.0%	141	141
Municipalities	611	-	(474)	137	137	-	100.0%	141	141
Municipal bank accounts	611	-	(474)	137	137	-	100.0%	141	141
Departmental agencies and accounts	5 259 749	-	1 017 728	6 277 477	6 277 419	58	100.0%	5 005 855	5 005 855
Departmental agencies	5 259 749	-	1 017 728	6 277 477	6 277 419	58	100.0%	5 005 855	5 005 855
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	22 978	-	(38)	22 940	22 139	801	96.5%	-	-
Public corporations and private enterprises	1 352 044	-	356 299	1 708 343	1 708 343	-	100.0%	1 469 152	1 469 152

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Appropriation per economic classification	2020/21						2019/20		
	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	1 352 044	-	356 299	1 708 343	1 708 343	-	100.0%	1 469 152	1 469 152
Public corporations	1 352 044	-	26 185	1 378 229	1 378 229	-	100.0%	1 469 023	1 469 023
Subsidies on products and production (pc)	1 352 044	-	26 142	1 378 186	1 378 186	-	100.0%	1 467 968	1 467 968
Other transfers to public corporations	-	-	43	43	43	-	100.0%	1 055	1 055
Private enterprises	-	-	330 114	330 114	330 114	-	100.0%	129	129
Other transfers to private enterprises	-	-	330 114	330 114	330 114	-	100.0%	129	129
Non-profit institutions	10 026	-	-	10 026	9 811	215	97.9%	9 550	9 550
Households	190 461	-	5 165	195 626	151 146	44 480	77.3%	189 672	189 672
Social benefits	190 461	-	-	190 461	145 981	44 480	76.6%	143 635	143 635
Other transfers to households	-	-	5 165	5 165	5 165	-	100.0%	46 037	46 037
Payments for capital assets	1 218 576	-	348 919	1 567 495	1 466 700	100 795	93.6%	1 417 666	1 417 666
Buildings and other fixed structures	460 392	-	403 988	864 380	864 380	-	100.0%	810 985	810 985
Buildings	460 392	-	403 988	864 380	864 380	-	100.0%	810 985	810 985
Machinery and equipment	685 382	-	(81 677)	603 705	502 910	100 795	83.3%	382 999	382 999
Transport equipment	23 846	-	119 819	143 665	143 665	-	100.0%	32 400	32 400
Other machinery and equipment	661 536	-	(201 496)	460 040	359 245	100 795	78.1%	350 599	350 599
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	1 806	-	(1 806)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	1 036	1 036
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	70 996	-	28 414	99 410	99 410	-	100.0%	222 646	222 646
Payment for financial assets	-	-	8 964	8 964	8 964	-	100.0%	27 011	27 011
Total	54 201 287	-	-	54 201 287	54 086 190	115 097	99.8%	50 888 132	50 882 257

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Programme 1: Administration

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Ministry	97 171	-	(10 477)	86 694	86 694	-	100.0%	108 942	108 942
2. Departmental Direction	49 982	-	(13 306)	36 676	36 676	-	100.0%	41 969	41 969
3. Policy and Planning	119 977	-	(16 150)	103 827	103 827	-	100.0%	109 550	109 550
4. Financial Services	416 867	-	(40 845)	376 022	376 022	-	100.0%	395 093	395 093
5. Human Resources Support Services	897 695	-	(11 832)	885 863	885 805	58	100.0%	871 658	871 658
6. Legal Services	345 029	-	(32 040)	312 989	310 727	2 262	99.3%	319 798	318 375
7. Inspection and Audit Services	150 818	-	(19 036)	131 782	131 782	-	100.0%	131 621	131 621
8. Acquisition Services	73 695	-	(5 590)	68 105	68 105	-	100.0%	80 893	80 893
9. Communication Services	80 533	-	25 265	105 798	105 798	-	100.0%	109 364	109 364
10. South African National Defence Force Command and Control	182 498	-	(4 629)	177 869	177 869	-	100.0%	194 950	194 950
11. Religious Services	19 970	-	(6 662)	13 308	13 308	-	100.0%	14 160	14 160
12. Defence Reserve Direction	35 407	-	(5 073)	30 334	30 334	-	100.0%	32 465	32 465
13. Defence Foreign Relations	271 363	-	(49 316)	222 047	222 047	-	100.0%	306 814	302 362
14. Office Accommodation	2 704 078	-	71 961	2 776 039	2 776 039	-	100.0%	2 629 205	2 629 205
15. Military Veterans Management	-	-	-	-	-	-	-	652 553	652 553
Total	5 445 083	-	(117 730)	5 327 353	5 325 033	2 320	100.0%	5 999 035	5 993 160
Economic classification									
Current payments	5 361 953	-	(130 455)	5 231 498	5 229 658	1 840	100.0%	5 253 709	5 247 834
Compensation of employees	2 105 739	-	(45 693)	2 060 046	2 060 046	-	100.0%	2 109 717	2 109 717
Salaries and wages	1 867 399	-	(57 964)	1 809 435	1 809 435	-	100.0%	1 862 231	1 862 231
Social contributions	238 340	-	12 271	250 611	250 611	-	100.0%	247 486	247 486
Goods and services	3 256 214	-	(84 762)	3 171 452	3 169 612	1 840	99.9%	3 143 992	3 138 117

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Programme 1: Administration

	2020/21						2019/20		
	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	6 121	-	(6 087)	34	34	-	100.0%	1 036	1 036
Advertising	38 656	-	16 735	55 391	55 391	-	100.0%	70 704	70 704
Minor assets	7 312	-	(4 591)	2 721	2 721	-	100.0%	4 252	2 829
Audit costs: External	1 907	-	53	1 960	1 960	-	100.0%	2 634	2 634
Catering: Departmental activities	3 744	-	(3 007)	737	737	-	100.0%	4 532	4 532
Communication (G&S)	16 414	-	(3 778)	12 636	12 528	108	99.1%	15 607	15 607
Computer services	107 990	-	(44 733)	63 257	63 257	-	100.0%	59 612	59 612
Consultants: Business and advisory services	7 581	-	1 617	9 198	9 198	-	100.0%	9 792	9 792
Scientific and technological services	3 306	-	(1)	3 305	3 305	-	100.0%	3 910	3 910
Legal services	-	-	4	4	4	-	100.0%	-	-
Contractors	7 352	-	(5 865)	1 487	1 487	-	100.0%	3 393	3 393
Agency and support / outsourced services	32 832	-	(30 572)	2 260	2 260	-	100.0%	1 952	1 952
Entertainment	2 413	-	(1 655)	758	758	-	100.0%	3 025	3 025
Fleet services (including government motor transport)	16 646	-	(6 250)	10 396	10 396	-	100.0%	10 326	10 326
Inventory: Clothing material and accessories	3 144	-	233	3 377	3 377	-	100.0%	350	350
Inventory: Food and food supplies	32 905	-	(9 568)	23 337	23 337	-	100.0%	11 554	11 554
Inventory: Fuel oil and gas	12 723	-	(4 280)	8 443	8 443	-	100.0%	21 816	21 816
Inventory: Materials and supplies	1 212	-	(208)	1 004	1 004	-	100.0%	1 239	1 239
Inventory: Medical supplies	12	-	348	360	360	-	100.0%	91	91
Inventory: Other supplies	1	-	(1)	-	-	-	-	-	-
Consumable supplies	13 070	-	1 672	14 742	14 742	-	100.0%	11 861	11 861
Consumable: Stationery printing and office supplies	9 379	-	(3 486)	5 893	5 893	-	100.0%	6 334	6 334
Operating leases	1 623 553	-	581 757	2 205 310	2 205 310	-	100.0%	1 720 782	1 716 330
Property payments	1 178 375	-	(560 546)	617 829	617 829	-	100.0%	980 482	980 482

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Programme 1: Administration

	2020/21						2019/20		
	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
Travel and subsistence	62 965	-	6 686	69 651	69 202	449	99.4%	134 272	134 272
Training and development	19 917	-	17 795	37 712	37 004	708	98.1%	29 180	29 180
Operating payments	41 544	-	(22 561)	18 983	18 408	575	97.0%	32 574	32 574
Venues and facilities	5 094	-	(4 427)	667	667	-	100.0%	2 673	2 673
Rental and hiring	46	-	(46)	-	-	-	-	9	9
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	54 276	-	369	54 645	54 165	480	99.1%	703 750	703 750
Provinces and municipalities	54	-	(10)	44	44	-	100.0%	45	45
Municipalities	54	-	(10)	44	44	-	100.0%	45	45
Municipal bank accounts	54	-	(10)	44	44	-	100.0%	45	45
Departmental agencies and accounts	24 052	-	4 632	28 684	28 626	58	99.8%	677 925	677 925
Departmental agencies	24 052	-	4 632	28 684	28 626	58	99.8%	677 925	677 925
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	43	43	43	-	100.0%	140	140
Public corporations	-	-	43	43	43	-	100.0%	100	100
Other transfers to public corporations	-	-	43	43	43	-	100.0%	100	100
Private enterprises	-	-	-	-	-	-	-	40	40
Other transfers to private enterprises	-	-	-	-	-	-	-	40	40
Non-profit institutions	8 995	-	-	8 995	8 995	-	100.0%	8 742	8 742
Households	21 175	-	(4 296)	16 879	16 457	422	97.5%	16 898	16 898
Social benefits	21 175	-	(4 336)	16 839	16 417	422	97.5%	16 890	16 890
Other transfers to households	-	-	40	40	40	-	100.0%	8	8

Defence - Vote 23 Appropriation Statement for the year ended 31 March 2021

Programme 1: Administration

	2020/21						2019/20		
	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
Payments for capital assets	28 854	-	8 261	37 115	37 115	-	100.0%	41 134	41 134
Buildings and other fixed structures	-	-	-	-	-	-	-	234	234
Buildings	-	-	-	-	-	-	-	234	234
Machinery and equipment	28 825	-	7 769	36 594	36 594	-	100.0%	34 951	34 951
Transport equipment	12 121	-	5 608	17 729	17 729	-	100.0%	5 401	5 401
Other machinery and equipment	16 704	-	2 161	18 865	18 865	-	100.0%	29 550	29 550
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	29	-	492	521	521	-	100.0%	5 949	5 949
Payment for financial assets	-	-	4 095	4 095	4 095	-	100.0%	442	442
Total	5 445 083	-	(117 730)	5 327 353	5 325 033	2 320	100.0%	5 999 035	5 993 160

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 1.1: Ministry

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	87 372	-	(11 376)	75 996	75 996	-	100.0%	107 779	107 779
Compensation of employees	36 935	-	2 929	39 864	39 864	-	100.0%	39 604	39 604
Goods and services	50 437	-	(14 305)	36 132	36 132	-	100.0%	68 175	68 175
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	152	-	(28)	124	124	-	100.0%	451	451
Provinces and municipalities	24	-	(10)	14	14	-	100.0%	13	13
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	128	-	(18)	110	110	-	100.0%	438	438
Payments for capital assets	9 647	-	110	9 757	9 757	-	100.0%	578	578
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 647	-	110	9 757	9 757	-	100.0%	578	578
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	817	817	817	-	100.0%	134	134
Total	97 171	-	(10 477)	86 694	86 694	-	100.0%	108 942	108 942

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 1.2: Departmental Direction	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	48 981	-	(13 551)	35 430	35 430	-	100.0%	40 475	40 475
Compensation of employees	41 717	-	(8 494)	33 223	33 223	-	100.0%	33 847	33 847
Goods and services	7 264	-	(5 057)	2 207	2 207	-	100.0%	6 628	6 628
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	228	-	(225)	3	3	-	100.0%	265	265
Provinces and municipalities	6	-	(3)	3	3	-	100.0%	2	2
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	222	-	(222)	-	-	-	-	263	263
Payments for capital assets	773	-	470	1 243	1 243	-	100.0%	1 202	1 202
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	773	-	470	1 243	1 243	-	100.0%	1 202	1 202
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	27	27
Total	49 982	-	(13 306)	36 676	36 676	-	100.0%	41 969	41 969

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 1.3: Policy and Planning

Economic classification	2020/21						2019/20		
	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
Current payments	118 701	-	(16 898)	101 803	101 803	-	100.0%	108 112	108 112
Compensation of employees	95 586	-	(8 181)	87 405	87 405	-	100.0%	89 815	89 815
Goods and services	23 115	-	(8 717)	14 398	14 398	-	100.0%	18 297	18 297
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	674	-	757	1 431	1 431	-	100.0%	402	402
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	674	-	751	1 425	1 425	-	100.0%	396	396
Payments for capital assets	602	-	(9)	593	593	-	100.0%	1 004	1 004
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	602	-	(9)	593	593	-	100.0%	1 004	1 004
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	119 977	-	(16 150)	103 827	103 827	-	100.0%	109 550	109 550

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 1.4: Financial Services	2020/21						2019/20		
	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
Economic classification									
Current payments	408 711	-	(46 305)	362 406	362 406	-	100.0%	379 699	379 699
Compensation of employees	354 038	-	(18 075)	335 963	335 963	-	100.0%	345 601	345 601
Goods and services	54 673	-	(28 230)	26 443	26 443	-	100.0%	34 098	34 098
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 734	-	(1 626)	3 108	3 108	-	100.0%	1 334	1 334
Provinces and municipalities	-	-	2	2	2	-	100.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	43	43	43	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 734	-	(1 671)	3 063	3 063	-	100.0%	1 334	1 334
Payments for capital assets	3 422	-	4 220	7 642	7 642	-	100.0%	13 971	13 971
Buildings and other fixed structures	-	-	-	-	-	-	-	98	98
Machinery and equipment	3 422	-	4 220	7 642	7 642	-	100.0%	13 873	13 873
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	2 866	2 866	2 866	-	100.0%	89	89
Total	416 867	-	(40 845)	376 022	376 022	-	100.0%	395 093	395 093

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 1.5: Human Resources Support Services

	2020/21						2019/20		
	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
Economic classification									
Current payments	860 996	-	(17 414)	843 582	843 582	-	100.0%	828 123	828 123
Compensation of employees	690 431	-	21 292	711 723	711 723	-	100.0%	703 982	703 982
Goods and services	170 565	-	(38 706)	131 859	131 859	-	100.0%	124 141	124 141
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	31 122	-	2 340	33 462	33 404	58	99.8%	31 402	31 402
Provinces and municipalities	-	-	2	2	2	-	100.0%	3	3
Departmental agencies and accounts	24 049	-	4 633	28 682	28 624	58	99.8%	25 371	25 371
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 073	-	(2 295)	4 778	4 778	-	100.0%	6 028	6 028
Payments for capital assets	5 577	-	3 239	8 816	8 816	-	100.0%	12 021	12 021
Buildings and other fixed structures	-	-	-	-	-	-	-	89	89
Machinery and equipment	5 548	-	3 137	8 685	8 685	-	100.0%	11 932	11 932
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	29	-	102	131	131	-	100.0%	-	-
Payment for financial assets	-	-	3	3	3	-	100.0%	112	112
Total	897 695	-	(11 832)	885 863	885 805	58	100.0%	871 658	871 658

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 1.6: Legal Services

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	341 323	-	(33 259)	308 064	306 224	1 840	99.4%	316 418	314 995
Compensation of employees	300 169	-	(17 265)	282 904	282 904	-	100.0%	282 608	282 608
Goods and services	41 154	-	(15 994)	25 160	23 320	1 840	92.7%	33 810	32 387
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 129	-	(375)	1 754	1 332	422	75.9%	1 931	1 931
Provinces and municipalities	9	-	(1)	8	8	-	100.0%	8	8
Departmental agencies and accounts	2	-	(1)	1	1	-	100.0%	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	100	100
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 118	-	(373)	1 745	1 323	422	75.8%	1 822	1 822
Payments for capital assets	1 577	-	1 592	3 169	3 169	-	100.0%	1 438	1 438
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 577	-	1 202	2 779	2 779	-	100.0%	1 438	1 438
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	390	390	390	-	100.0%	-	-
Payment for financial assets	-	-	2	2	2	-	100.0%	11	11
Total	345 029	-	(32 040)	312 989	310 727	2 262	99.3%	319 798	318 375

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 1.7: Inspection and Audit Services

	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	147 797	-	(19 759)	128 038	128 038	-	100.0%	129 536	129 536
Compensation of employees	127 261	-	(11 743)	115 518	115 518	-	100.0%	112 293	112 293
Goods and services	20 536	-	(8 016)	12 520	12 520	-	100.0%	17 243	17 243
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	633	-	(272)	361	361	-	100.0%	947	947
Provinces and municipalities	5	-	(3)	2	2	-	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	628	-	(269)	359	359	-	100.0%	943	943
Payments for capital assets	2 388	-	995	3 383	3 383	-	100.0%	1 132	1 132
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 388	-	995	3 383	3 383	-	100.0%	1 132	1 132
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	6	6
Total	150 818	-	(19 036)	131 782	131 782	-	100.0%	131 621	131 621

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Subprogramme: 1.8: Acquisition Services	2020/21						2019/20		
	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
Economic classification									
Current payments	72 721	-	(7 121)	65 600	65 600	-	100.0%	72 118	72 118
Compensation of employees	65 848	-	(10 243)	55 605	55 605	-	100.0%	60 036	60 036
Goods and services	6 873	-	3 122	9 995	9 995	-	100.0%	12 082	12 082
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	847	-	1 600	2 447	2 447	-	100.0%	2 463	2 463
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	847	-	1 600	2 447	2 447	-	100.0%	2 463	2 463
Payments for capital assets	127	-	(69)	58	58	-	100.0%	6 312	6 312
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	127	-	(69)	58	58	-	100.0%	363	363
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	5 949	5 949
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	73 695	-	(5 590)	68 105	68 105	-	100.0%	80 893	80 893

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for the year ended 31 March 2021

Subprogramme: 1.9: Communication Services

	2020/21						2019/20		
	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
Economic classification									
Current payments	80 124	-	25 347	105 471	105 471	-	100.0%	108 477	108 477
Compensation of employees	37 643	-	(3 812)	33 831	33 831	-	100.0%	33 179	33 179
Goods and services	42 481	-	29 159	71 640	71 640	-	100.0%	75 298	75 298
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	105	-	(104)	1	1	-	100.0%	155	155
Provinces and municipalities	-	-	1	1	1	-	100.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	40	40
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	105	-	(105)	-	-	-	-	115	115
Payments for capital assets	304	-	22	326	326	-	100.0%	719	719
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	304	-	22	326	326	-	100.0%	719	719
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	13	13
Total	80 533	-	25 265	105 798	105 798	-	100.0%	109 364	109 364

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for the year ended 31 March 2021

Subprogramme: 1.10: South African National Defence Force Command and Control

	2020/21					2019/20			
	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
Economic classification									
Current payments	178 433	-	(2 578)	175 855	175 855	-	100.0%	192 783	192 783
Compensation of employees	155 722	-	840	156 562	156 562	-	100.0%	154 275	154 275
Goods and services	22 711	-	(3 418)	19 293	19 293	-	100.0%	38 508	38 508
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	543	-	(121)	422	422	-	100.0%	925	925
Provinces and municipalities	10	-	(4)	6	6	-	100.0%	9	9
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	533	-	(117)	416	416	-	100.0%	916	916
Payments for capital assets	3 522	-	(2 337)	1 185	1 185	-	100.0%	1 224	1 224
Buildings and other fixed structures	-	-	-	-	-	-	-	47	47
Machinery and equipment	3 522	-	(2 337)	1 185	1 185	-	100.0%	1 177	1 177
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	407	407	407	-	100.0%	18	18
Total	182 498	-	(4 629)	177 869	177 869	-	100.0%	194 950	194 950

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for the year ended 31 March 2021

Subprogramme: 1.11: Religious Services

	2020/21						2019/20		
	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
Economic classification									
Current payments	17 640	-	(4 646)	12 994	12 994	-	100.0%	13 418	13 418
Compensation of employees	13 348	-	(2 619)	10 729	10 729	-	100.0%	9 886	9 886
Goods and services	4 292	-	(2 027)	2 265	2 265	-	100.0%	3 532	3 532
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 273	-	(2 173)	100	100	-	100.0%	508	508
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 273	-	(2 173)	100	100	-	100.0%	508	508
Payments for capital assets	57	-	157	214	214	-	100.0%	234	234
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	57	-	157	214	214	-	100.0%	234	234
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	19 970	-	(6 662)	13 308	13 308	-	100.0%	14 160	14 160

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for the year ended 31 March 2021

Subprogramme: 1.12: Defence Reserve Direction

	2020/21						2019/20		
	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
Economic classification									
Current payments	26 093	-	(6 110)	19 983	19 983	-	100.0%	22 595	22 595
Compensation of employees	18 655	-	(1 122)	17 533	17 533	-	100.0%	19 349	19 349
Goods and services	7 438	-	(4 988)	2 450	2 450	-	100.0%	3 246	3 246
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	9 158	-	600	9 758	9 758	-	100.0%	8 811	8 811
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	8 995	-	-	8 995	8 995	-	100.0%	8 742	8 742
Households	163	-	600	763	763	-	100.0%	69	69
Payments for capital assets	156	-	437	593	593	-	100.0%	1 059	1 059
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	156	-	437	593	593	-	100.0%	1 059	1 059
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	35 407	-	(5 073)	30 334	30 334	-	100.0%	32 465	32 465

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for the year ended 31 March 2021

Subprogramme: 1.13: Defence Foreign Relations

	2020/21						2019/20		
	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
Economic classification									
Current payments	268 983	-	(48 746)	220 237	220 237	-	100.0%	304 971	300 519
Compensation of employees	168 386	-	10 800	179 186	179 186	-	100.0%	225 242	225 242
Goods and services	100 597	-	(59 546)	41 051	41 051	-	100.0%	79 729	75 277
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 678	-	(4)	1 674	1 674	-	100.0%	1 603	1 603
Provinces and municipalities	-	-	-	-	-	-	-	-	-
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	1 677	-	(4)	1 673	1 673	-	100.0%	1 603	1 603
Payments for capital assets	702	-	(566)	136	136	-	100.0%	240	240
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	702	-	(566)	136	136	-	100.0%	240	240
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	271 363	-	(49 316)	222 047	222 047	-	100.0%	306 814	302 362

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 1.14: Office Accommodation

	2020/21					2019/20			
	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
Economic classification	2 704 078	-	71 961	2 776 039	2 776 039	-	100.0%	2 629 205	2 629 205
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	2 704 078	-	71 961	2 776 039	2 776 039	-	100.0%	2 629 205	2 629 205
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	2 704 078	-	71 961	2 776 039	2 776 039	-	100.0%	2 629 205	2 629 205

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for the year ended 31 March 2021

Subprogramme: 1.15: Military Veterans Management

	2020/21					2019/20			
	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
Economic classification									
Current payments									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	652 553	652 553
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	652 553	652 553
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets									
Total	-	-	-	-	-	-	-	652 553	652 553

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for the year ended 31 March 2021

Programme 2: Force Employment

	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Strategic Direction	191 934	-	(34 681)	157 253	157 253	-	100.0%	175 878	175 878
2. Operational Direction	369 543	-	(1 313)	368 230	368 230	-	100.0%	373 124	373 124
3. Special Operations	1 066 810	-	475 009	1 541 819	1 541 819	-	100.0%	954 933	954 933
4. Regional Security	876 566	-	(203 572)	672 994	672 994	-	100.0%	886 151	886 151
5. Support to the People	2 115 821	-	(195 180)	1 920 641	1 920 641	-	100.0%	1 101 422	1 101 422
Total	4 620 674	-	40 263	4 660 937	4 660 937	-	100.0%	3 491 508	3 491 508
Economic classification									
Current payments	4 185 137	-	(389 272)	3 795 865	3 795 865	-	100.0%	3 197 126	3 197 126
Compensation of employees	2 978 269	-	(87 296)	2 890 973	2 890 973	-	100.0%	2 102 948	2 338 519
Salaries and wages	2 881 267	-	(97 221)	2 784 046	2 784 046	-	100.0%	2 008 014	2 228 979
Social contributions	97 002	-	9 925	106 927	106 927	-	100.0%	94 934	109 540
Goods and services	1 206 868	-	(301 976)	904 892	904 892	-	100.0%	1 094 178	858 607
Administrative fees	33	-	(6)	27	27	-	100.0%	56	56
Advertising	649	-	(526)	123	123	-	100.0%	123	123
Minor assets	22 789	-	(17 834)	4 955	4 955	-	100.0%	7 894	7 894
Catering: Departmental activities	3 783	-	(2 037)	1 746	1 746	-	100.0%	4 247	4 247
Communication (G&S)	13 560	-	(170)	13 390	13 390	-	100.0%	13 489	13 489
Computer services	10 177	-	2 733	12 910	12 910	-	100.0%	6 692	6 692
Consultants: Business and advisory services	205	-	(204)	1	1	-	100.0%	-	-
Infrastructure and planning services	1 423	-	(1 136)	287	287	-	100.0%	573	573
Laboratory services	-	-	541	541	541	-	100.0%	928	928
Scientific and technological services	8 439	-	4 212	12 651	12 651	-	100.0%	31 138	31 138
Contractors	247 707	-	(114 454)	133 253	133 253	-	100.0%	330 764	149 121
Agency and support / outsourced services	2 554	-	2 995	5 549	5 549	-	100.0%	4 275	4 275
Entertainment	146	-	(139)	7	7	-	100.0%	11	11

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Programme 2: Force Employment

	2020/21					2019/20			
	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)	141 408	-	(117 965)	23 443	23 443	-	100.0%	25 512	25 512
Inventory: Clothing material and accessories	9 016	-	(520)	8 496	8 496	-	100.0%	9 338	9 338
Inventory: Farming supplies	1 243	-	(447)	796	796	-	100.0%	314	314
Inventory: Food and food supplies	228 348	-	161 397	389 745	389 745	-	100.0%	200 702	200 702
Inventory: Fuel oil and gas	198 053	-	(132 447)	65 606	65 606	-	100.0%	73 169	73 169
Inventory: Materials and supplies	17 020	-	(611)	16 409	16 409	-	100.0%	37 788	37 788
Inventory: Medical supplies	1 806	-	(920)	886	886	-	100.0%	497	497
Inventory: Medicine	-	-	37	37	37	-	100.0%	29	29
Inventory: Other supplies	310	-	145	455	455	-	100.0%	640	640
Consumable supplies	22 075	-	6 203	28 278	28 278	-	100.0%	23 210	23 210
Consumable: Stationery printing and office supplies	6 468	-	(1 426)	5 042	5 042	-	100.0%	3 337	3 337
Operating leases	5 256	-	(4 249)	1 007	1 007	-	100.0%	1 245	1 245
Property payments	39 160	-	(27 280)	11 880	11 880	-	100.0%	10 695	10 695
Travel and subsistence	150 482	-	(10 219)	140 263	140 263	-	100.0%	189 940	189 940
Training and development	10 524	-	(2 657)	7 867	7 867	-	100.0%	6 233	6 233
Operating payments	60 422	-	(41 998)	18 424	18 424	-	100.0%	106 254	52 326
Venues and facilities	3 812	-	(2 994)	818	818	-	100.0%	1 609	1 609
Rental and hiring	-	-	-	-	-	-	-	3 476	3 476
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	401 009	-	311 302	712 311	712 311	-	100.0%	260 497	260 497
Provinces and municipalities	5	-	1	6	6	-	100.0%	6	6
Municipalities	5	-	1	6	6	-	100.0%	6	6
Municipal bank accounts	5	-	1	6	6	-	100.0%	6	6
Departmental agencies and accounts	383 475	-	309 300	692 775	692 775	-	100.0%	241 741	241 741
Departmental agencies	383 475	-	309 300	692 775	692 775	-	100.0%	241 741	241 741

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Programme 2: Force Employment

	2020/21					2019/20			
	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	38	-	(38)	-	-	-	-	-	-
Public corporations and private enterprises	10 298	-	-	10 298	10 298	-	100.0%	9 808	9 808
Public corporations	10 298	-	-	10 298	10 298	-	100.0%	9 808	9 808
Subsidies on products and production (pc)	10 298	-	-	10 298	10 298	-	100.0%	9 808	9 808
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 193	-	2 039	9 232	9 232	-	100.0%	8 942	8 942
Social benefits	7 193	-	1 802	8 995	8 995	-	100.0%	8 650	8 650
Other transfers to households	-	-	237	237	237	-	100.0%	292	292
Payments for capital assets	34 528	-	118 194	152 722	152 722	-	100.0%	33 850	33 850
Buildings and other fixed structures	7 618	-	431	8 049	8 049	-	100.0%	4 108	4 108
Buildings	7 618	-	431	8 049	8 049	-	100.0%	4 108	4 108
Machinery and equipment	26 311	-	118 362	144 673	144 673	-	100.0%	29 742	29 742
Transport equipment	28	-	110 603	110 631	110 631	-	100.0%	9 449	9 449
Other machinery and equipment	26 283	-	7 759	34 042	34 042	-	100.0%	20 293	20 293
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	599	-	(599)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	39	39	39	-	100.0%	35	35
Total	4 620 674	-	40 263	4 660 937	4 660 937	-	100.0%	3 491 508	3 491 508

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 2.1: Strategic Direction

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	173 755	-	(35 276)	138 479	138 479	-	100.0%	160 294	160 294
Compensation of employees	116 928	-	(4 065)	112 863	112 863	-	100.0%	121 269	125 306
Goods and services	56 827	-	(31 211)	25 616	25 616	-	100.0%	39 025	34 988
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	12 702	-	961	13 663	13 663	-	100.0%	13 807	13 807
Provinces and municipalities	2	-	1	3	3	-	100.0%	3	3
Departmental agencies and accounts	69	-	(69)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	10 298	-	-	10 298	10 298	-	100.0%	9 808	9 808
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 333	-	1 029	3 362	3 362	-	100.0%	3 996	3 996
Payments for capital assets	5 477	-	(366)	5 111	5 111	-	100.0%	1 777	1 777
Buildings and other fixed structures	640	-	(640)	-	-	-	-	366	366
Machinery and equipment	4 837	-	274	5 111	5 111	-	100.0%	1 411	1 411
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	191 934	-	(34 68)	157 253	157 253	-	100.0%	175 878	175 878

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme. 2.2: Operational Direction

	2020/21					2019/20			
	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
Economic classification									
Current payments	360 972	-	192	361 164	361 164	-	100.0%	367 402	367 402
Compensation of employees	282 609	-	45 477	328 086	328 086	-	100.0%	328 158	328 158
Goods and services	78 363	-	(45 285)	33 078	33 078	-	100.0%	39 244	39 244
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 382	-	(727)	1 655	1 655	-	100.0%	2 367	2 367
Provinces and municipalities	3	-	-	3	3	-	100.0%	3	3
Departmental agencies and accounts	-	-	-	-	-	-	-	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	38	-	(38)	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 341	-	(689)	1 652	1 652	-	100.0%	2 363	2 363
Payments for capital assets	6 189	-	(778)	5 411	5 411	-	100.0%	3 351	3 351
Buildings and other fixed structures	-	-	320	320	320	-	100.0%	450	450
Machinery and equipment	6 189	-	(1 098)	5 091	5 091	-	100.0%	2 901	2 901
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	4	4
Total	369 543	-	(1 313)	368 230	368 230	-	100.0%	373 124	373 124

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 2.3: Special Operations

	2020/21					2019/20			
	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
Economic classification									
Current payments	717 844	-	44 718	762 562	762 562	-	100.0%	744 801	744 801
Compensation of employees	529 904	-	127 593	657 497	657 497	-	100.0%	543 946	637 259
Goods and services	187 940	-	(82 875)	105 065	105 065	-	100.0%	200 855	107 542
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	344 221	-	311 072	655 293	655 293	-	100.0%	194 122	194 122
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	341 702	-	309 373	651 075	651 075	-	100.0%	191 739	191 739
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 519	-	1 699	4 218	4 218	-	100.0%	2 383	2 383
Payments for capital assets	4 745	-	119 180	123 925	123 925	-	100.0%	15 981	15 981
Buildings and other fixed structures	-	-	1 376	1 376	1 376	-	100.0%	877	877
Machinery and equipment	4 146	-	118 403	122 549	122 549	-	100.0%	15 104	15 104
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	599	-	(599)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	39	39	39	-	100.0%	29	29
Total	1 066 810	-	475 009	1 541 819	1 541 819	-	100.0%	954 933	954 933

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 2.4: Regional Security	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	831 947	-	(205 144)	626 803	626 803	-	100.0%	829 531	829 531
Compensation of employees	491 536	-	(106 050)	385 486	385 486	-	100.0%	446 083	446 083
Goods and services	340 411	-	(99 094)	241 317	241 317	-	100.0%	383 448	383 448
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	41 700	-	-	41 700	41 700	-	100.0%	50 200	50 200
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	41 700	-	-	41 700	41 700	-	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
Payments for capital assets	2 919	-	1 572	4 491	4 491	-	100.0%	6 420	6 420
Buildings and other fixed structures	-	-	1 601	1 601	1 601	-	100.0%	2 105	2 105
Machinery and equipment	2 919	-	(29)	2 890	2 890	-	100.0%	4 315	4 315
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	876 566	-	(203 572)	672 994	672 994	-	100.0%	886 151	886 151

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for the year ended 31 March 2021

Subprogramme. 2.5: Support to the People

	2020/21					2019/20			
	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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments	2 100 619	-	(193 762)	1 906 857	1 906 857	-	100.0%	1 095 098	1 095 098
Compensation of employees	1 557 292	-	(150 251)	1 407 041	1 407 041	-	100.0%	663 492	801 713
Goods and services	543 327	-	(43 511)	499 816	499 816	-	100.0%	431 606	293 385
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4	-	(4)	-	-	-	-	1	1
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	4	-	(4)	-	-	-	-	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	15 198	-	(1 414)	13 784	13 784	-	100.0%	6 321	6 321
Buildings and other fixed structures	6 978	-	(2 226)	4 752	4 752	-	100.0%	310	310
Machinery and equipment	8 220	-	812	9 032	9 032	-	100.0%	6 011	6 011
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	2 115 821	-	(195 180)	1 920 641	1 920 641	-	100.0%	1 101 422	1 101 422

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Programme 3: Landward Defence

Subprogramme	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Strategic Direction	422 219	-	44 934	467 153	467 153	-	100.0%	496 052	496 052
2. Infantry Capability	6 706 654	-	9 386	6 716 040	6 716 040	-	100.0%	6 723 407	6 723 407
3. Armour Capability	484 465	-	84 108	568 573	568 573	-	100.0%	534 030	534 030
4. Artillery Capability	714 038	-	56 297	770 335	770 335	-	100.0%	644 994	644 994
5. Air Defence Artillery Capability	497 714	-	49 901	547 615	547 615	-	100.0%	483 965	483 965
6. Engineering Capability	814 181	-	169 300	983 481	983 481	-	100.0%	882 226	882 226
7. Operational Intelligence	239 234	-	35 172	274 406	274 406	-	100.0%	237 911	237 911
8. Command and Control Capability	228 463	-	(506)	227 957	227 957	-	100.0%	232 105	232 105
9. Support Capability	4 596 481	-	(23 466)	4 573 015	4 573 015	-	100.0%	4 552 980	4 552 980
10. General Training Capability	533 174	-	37 086	570 260	570 260	-	100.0%	491 853	491 853
11. Signal Capability	1 380 561	-	107 250	1 487 811	1 487 811	-	100.0%	1 484 183	1 484 183
Total	16 617 184	-	569 462	17 186 646	17 186 646	-	100.0%	16 763 706	16 763 706
Economic classification									
Current payments	15 101 058	-	504 048	15 605 106	15 634 735	(29 629)	100.2%	15 287 125	15 287 125
Compensation of employees	13 014 520	-	127 953	13 142 473	14 009 405	(866 932)	106.6%	12 292 190	13 611 602
Salaries and wages	11 731 705	-	22 174	11 753 879	12 485 401	(731 522)	106.2%	11 049 895	12 096 083
Social contributions	1 282 815	-	105 779	1 388 594	1 524 004	(135 410)	109.8%	1 242 295	1 515 519
Goods and services	2 086 538	-	376 095	2 462 633	1 625 330	837 303	66.0%	2 994 935	1 675 523
Administrative fees	-	-	-	-	-	-	-	9	9
Advertising	793	-	(549)	244	244	-	100.0%	313	313
Minor assets	15 104	-	(6 926)	8 178	8 178	-	100.0%	24 730	6 959
Catering: Departmental activities	2 029	-	(984)	1 045	1 045	-	100.0%	5 159	5 159
Communication (G&S)	19 533	-	(5 985)	13 548	13 549	(1)	100.0%	28 374	14 881

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Appropriation Statement

for the year ended 31 March 2021

Programme 3: Landward Defence

	2020/21						2019/20		
	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	86 696	-	52 231	138 927	38 932	99 995	28.0%	91 277	63 410
Consultants: Business and advisory services	800	-	(307)	493	493	-	100.0%	1 433	1 433
Infrastructure and planning services	4 679	-	(2 475)	2 204	2 204	-	100.0%	9 028	2 128
Scientific and technological services	-	-	16 675	16 675	16 675	-	100.0%	11 297	11 297
Contractors	92 102	-	147 676	239 778	76 624	163 154	32.0%	880 664	100 534
Agency and support / outsourced services	13 808	-	(9 973)	3 835	3 835	-	100.0%	21 567	4 446
Entertainment	64	-	(45)	19	19	-	100.0%	35	35
Fleet services (including government motor transport)	112 728	-	19 680	132 408	33 398	99 010	25.2%	178 143	27 429
Inventory: Clothing material and accessories	106 438	-	36 897	143 335	72 615	70 720	50.7%	120 148	11 877
Inventory: Farming supplies	3 243	-	(2 048)	1 195	1 195	-	100.0%	1 381	1 381
Inventory: Food and food supplies	808 947	-	26 621	835 568	777 788	57 780	93.1%	750 076	750 076
Inventory: Fuel oil and gas	184 076	-	19 246	203 322	182 630	20 692	89.8%	244 268	196 925
Inventory: Materials and supplies	16 774	-	3 011	19 785	19 785	-	100.0%	9 074	9 074
Inventory: Medical supplies	41	-	749	790	790	-	100.0%	130	130
Inventory: Medicine	9	-	(3)	6	6	-	100.0%	5	5
Inventory: Other supplies	112	-	21 434	21 546	6	21 540	0.0%	50 883	10
Consumable supplies	22 956	-	13 030	35 986	35 986	-	100.0%	39 640	31 715
Consumable: Stationery printing and office supplies	9 711	-	446	10 157	10 157	-	100.0%	8 670	8 670
Operating leases	664	-	(10)	654	654	-	100.0%	31 896	7 920
Property payments	58 182	-	11 579	69 761	18 666	51 095	26.8%	55 821	22 998
Travel and subsistence	409 053	-	37 899	446 952	254 273	192 679	56.9%	371 310	371 310
Training and development	87 684	-	(10 154)	77 530	32 861	44 669	42.4%	78 277	44 072
Operating payments	27 343	-	6 161	33 504	17 534	15 970	52.3%	(26 835)	(26 835)
Venues and facilities	2 967	-	2 221	5 188	5 188	-	100.0%	3 033	3 033

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for the year ended 31 March 2021

Programme 3: Landward Defence

	2020/21					2019/20			
	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	2	-	(2)	-	-	-	-	5 129	5 129
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 489 355	-	4 543	1 493 898	1 464 269	29 629	98.0%	1 427 137	1 427 137
Provinces and municipalities	6	-	11	17	17	-	100.0%	9	9
Municipalities	6	-	11	17	17	-	100.0%	9	9
Municipal bank accounts	6	-	11	17	17	-	100.0%	9	9
Departmental agencies and accounts	1 393 398	-	1	1 393 399	1 393 399	-	100.0%	1 318 042	1 318 042
Departmental agencies	1 393 398	-	1	1 393 399	1 393 399	-	100.0%	1 318 042	1 318 042
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	14 884	-	103	14 987	14 987	-	100.0%	21 683	21 683
Public corporations	14 884	-	-	14 884	14 884	-	100.0%	21 670	21 670
Subsidies on products and production (pc)	14 884	-	-	14 884	14 884	-	100.0%	21 670	21 670
Private enterprises	-	-	103	103	103	-	100.0%	13	13
Other transfers to private enterprises	-	-	103	103	103	-	100.0%	13	13
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	81 067	-	4 428	85 495	55 866	29 629	65.3%	87 403	87 403
Social benefits	81 067	-	-	81 067	51 438	29 629	63.5%	47 731	47 731
Other transfers to households	-	-	4 428	4 428	4 428	-	100.0%	39 672	39 672
Payments for capital assets	26 771	-	60 046	86 817	86 817	-	100.0%	25 625	25 625
Buildings and other fixed structures	1 941	-	(286)	1 655	1 655	-	100.0%	1 827	1 827
Buildings	1 941	-	(286)	1 655	1 655	-	100.0%	1 827	1 827
Machinery and equipment	23 623	-	61 539	85 162	85 162	-	100.0%	23 798	23 798
Transport equipment	1 843	-	1 055	2 898	2 898	-	100.0%	14	14

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for the year ended 31 March 2021

Programme 3: Landward Defence

	2020/21						2019/20		
	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	21 780	-	60 484	82 264	82 264	-	100.0%	23 784	23 784
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	1 207	-	(1 207)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	825	825	825	-	100.0%	23 819	23 819
Total	16 617 184	-	569 462	17 186 646	17 186 646	-	100.0%	16 763 706	16 763 706

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 3.1: Strategic Direction

	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	412 358	-	1 273	413 631	419 764	(6 133)	101.5%	488 973	488 973
Compensation of employees	294 095	-	40 657	334 752	367 910	(33 158)	109.9%	305 884	428 350
Goods and services	118 263	-	(39 384)	78 879	51 854	27 025	65.7%	183 089	60 623
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	9 297	-	12	9 309	3 176	6 133	34.1%	4 343	4 343
Provinces and municipalities	3	-	12	15	15	-	100.0%	9	9
Departmental agencies and accounts	-	-	-	-	-	-	-	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	9 294	-	-	9 294	3 161	6 133	34.0%	4 333	4 333
Payments for capital assets	564	-	43 610	44 174	44 174	-	100.0%	2 626	2 626
Buildings and other fixed structures	-	-	823	823	823	-	100.0%	381	381
Machinery and equipment	564	-	42 787	43 351	43 351	-	100.0%	2 245	2 245
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	39	39	39	-	100.0%	110	110
Total	422 219	-	44 934	467 153	467 153	-	100.0%	496 052	496 052

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for the year ended 31 March 2021

Subprogramme: 3.2: Infantry Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 067 769	-	11 173	6 078 942	6 078 942	-	100.0%	5 869 746	5 869 746
Compensation of employees	5 908 353	-	41 589	5 949 942	5 949 942	-	100.0%	5 028 571	5 678 517
Goods and services	159 416	-	(30 416)	129 000	129 000	-	100.0%	841 175	191 229
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	634 362	-	(4 423)	629 939	629 939	-	100.0%	849 009	849 009
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	608 960	-	-	608 960	608 960	-	100.0%	794 480	794 480
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	25 402	-	(4 423)	20 979	20 979	-	100.0%	54 529	54 529
Payments for capital assets	4 523	-	2 283	6 806	6 806	-	100.0%	3 971	3 971
Buildings and other fixed structures	472	-	85	557	557	-	100.0%	250	250
Machinery and equipment	4 051	-	2 198	6 249	6 249	-	100.0%	3 721	3 721
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	353	353	353	-	100.0%	681	681
Total	6 706 654	-	9 386	6 716 040	6 716 040	-	100.0%	6 723 407	6 723 407

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for the year ended 31 March 2021

Subprogramme: 3.3: Armour Capability

	2020/21					2019/20			
	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
Economic classification									
Current payments	482 079	-	84 212	566 291	566 987	(696)	100.1%	532 960	532 960
Compensation of employees	460 875	-	-	460 875	557 729	(96 854)	121.0%	471 508	521 990
Goods and services	21 204	-	84 212	105 416	9 258	96 158	8.8%	61 452	10 970
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 847	-	-	1 847	1 151	696	62.3%	576	576
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 847	-	-	1 847	1 151	696	62.3%	576	576
Payments for capital assets	539	-	(107)	432	432	-	100.0%	473	473
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	539	-	(107)	432	432	-	100.0%	473	473
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	3	3	3	-	100.0%	21	21
Total	484 465	-	84 108	568 573	568 573	-	100.0%	534 030	534 030

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for the year ended 31 March 2021

Subprogramme: 3.4: Artillery Capability

	2020/21						2019/20		
	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
Economic classification									
Current payments	487 940	-	56 144	544 084	545 021	(937)	100.2%	544 129	544 129
Compensation of employees	455 907	-	-	455 907	537 092	(81 185)	117.8%	466 383	529 786
Goods and services	32 033	-	56 144	88 177	7 929	80 248	9.0%	77 746	14 343
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	225 698	-	196	225 894	224 957	937	99.6%	100 531	100 531
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	224 242	-	-	224 242	224 242	-	100.0%	99 544	99 544
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 456	-	196	1 652	715	937	43.3%	987	987
Payments for capital assets	400	-	(53)	347	347	-	100.0%	245	245
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	400	-	(53)	347	347	-	100.0%	245	245
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	10	10	10	-	100.0%	89	89
Total	714 038	-	56 297	770 335	770 335	-	100.0%	644 994	644 994

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Subprogramme: 3.5: Air Defence Artillery Capability

	2020/21					2019/20			
	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
Economic classification									
Current payments	361 690	-	49 937	411 627	412 226	(599)	100.1%	394 870	394 870
Compensation of employees	336 196	-	-	336 196	396 069	(59 873)	117.8%	343 384	380 288
Goods and services	25 494	-	49 937	75 431	16 157	59 274	21.4%	51 486	14 582
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	135 703	-	-	135 703	135 104	599	99.6%	88 602	88 602
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	134 499	-	-	134 499	134 499	-	100.0%	87 588	87 588
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 204	-	-	1 204	605	599	50.2%	1 014	1 014
Payments for capital assets	321	-	(41)	280	280	-	100.0%	442	442
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	321	-	(41)	280	280	-	100.0%	442	442
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	5	5	5	-	100.0%	51	51
Total	497 714	-	49 901	547 615	547 615	-	100.0%	483 965	483 965

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Subprogramme: 3.6: Engineering Capability

	2020/21						2019/20		
	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
Economic classification	808 312	-	166 511	974 823	978 312	(3 489)	100.4%	857 788	857 788
Current payments	754 054	-	-	754 054	947 212	(193 158)	125.6%	773 397	856 718
Compensation of employees	54 258	-	166 511	220 769	31 100	189 669	14.1%	84 391	1 070
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 066	-	1 455	6 521	3 032	3 489	46.5%	1 638	1 638
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 066	-	1 455	6 521	3 032	3 489	46.5%	1 638	1 638
Payments for capital assets	803	-	1 263	2 066	2 066	-	100.0%	648	648
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	803	-	1 263	2 066	2 066	-	100.0%	648	648
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	814 181	-	169 300	983 481	983 481	-	100.0%	882 226	882 226

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for the year ended 31 March 2021

Subprogramme: 3.7: Operational Intelligence

	2020/21						2019/20		
	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
Economic classification									
Current payments	237 086	-	36 549	273 635	273 635	-	100.0%	236 988	236 988
Compensation of employees	230 807	-	33 703	264 510	264 510	-	100.0%	229 680	229 680
Goods and services	6 279	-	2 846	9 125	9 125	-	100.0%	7 308	7 308
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 852	-	(1 455)	397	397	-	100.0%	698	698
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 852	-	(1 455)	397	397	-	100.0%	698	698
Payments for capital assets	296	-	68	364	364	-	100.0%	190	190
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	296	-	68	364	364	-	100.0%	190	190
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	10	10	10	-	100.0%	35	35
Total	239 234	-	35 172	274 406	274 406	-	100.0%	237 911	237 911

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Subprogramme: 3.8: Command and Control Capability

	2020/21					2019/20			
	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
Economic classification									
Current payments	226 419	-	(110)	226 309	226 309	-	100.0%	230 018	230 018
Compensation of employees	205 197	-	9 380	214 577	214 577	-	100.0%	216 534	216 534
Goods and services	21 222	-	(9 490)	11 732	11 732	-	100.0%	13 484	13 484
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 594	-	(320)	1 274	1 274	-	100.0%	1 617	1 617
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 594	-	(320)	1 274	1 274	-	100.0%	1 617	1 617
Payments for capital assets	450	-	(95)	355	355	-	100.0%	459	459
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	450	-	(95)	355	355	-	100.0%	459	459
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	19	19	19	-	100.0%	11	11
Total	228 463	-	(506)	227 957	227 957	-	100.0%	232 105	232 105

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Subprogramme: 3.9: Support Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 121 047	-	(33 204)	4 087 843	4 100 063	(12 220)	100.3%	4 166 762	4 166 762
Compensation of employees	2 681 025	-	2 624	2 683 649	2 800 121	(116 472)	104.3%	2 733 287	2 877 391
Goods and services	1 440 022	-	(35 828)	1 404 194	1 299 942	104 252	92.6%	1 433 475	1 289 371
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	460 399	-	9 080	469 479	457 259	12 220	97.4%	373 918	373 918
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	425 696	-	2	425 698	425 698	-	100.0%	336 429	336 429
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	14 884	-	103	14 987	14 987	-	100.0%	21 683	21 683
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	19 819	-	8 975	28 794	16 574	12 220	57.6%	15 806	15 806
Payments for capital assets	15 035	-	569	15 604	15 604	-	100.0%	11 833	11 833
Buildings and other fixed structures	1 469	-	(1 350)	119	119	-	100.0%	1 099	1 099
Machinery and equipment	12 359	-	3 126	15 485	15 485	-	100.0%	10 734	10 734
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	1 207	-	(1 207)	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	89	89	89	-	100.0%	467	467
Total	4 596 481	-	(23 466)	4 573 015	4 573 015	-	100.0%	4 552 980	4 552 980

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Subprogramme: 3.10: General Training Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	527 837	-	36 798	564 635	566 413	(1 778)	100.3%	489 207	489 207
Compensation of employees	432 946	-	-	432 946	544 486	(111 540)	125.8%	441 242	468 129
Goods and services	94 891	-	36 798	131 689	21 927	109 762	16.7%	47 965	21 078
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 304	-	-	4 304	2 526	1 778	58.7%	1 697	1 697
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 304	-	-	4 304	2 526	1 778	58.7%	1 697	1 697
Payments for capital assets	1 033	-	255	1 288	1 288	-	100.0%	911	911
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 033	-	255	1 288	1 288	-	100.0%	911	911
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	33	33	33	-	100.0%	38	38
Total	533 174	-	37 086	570 260	570 260	-	100.0%	491 853	491 853

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Subprogramme: 3.11: Signal Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 368 521	-	94 765	1 463 286	1 467 063	(3 777)	100.3%	1 475 684	1 475 684
Compensation of employees	1 255 065	-	-	1 255 065	1 429 757	(174 692)	113.9%	1 282 320	1 424 219
Goods and services	113 456	-	94 765	208 221	37 306	170 915	17.9%	193 364	51 465
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	9 233	-	(2)	9 231	5 454	3 777	59.1%	4 508	4 508
Provinces and municipalities	3	-	(1)	2	2	-	100.0%	-	-
Departmental agencies and accounts	1	-	(1)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	9 229	-	-	9 229	5 452	3 777	59.1%	4 508	4 508
Payments for capital assets	2 807	-	12 294	15 101	15 101	-	100.0%	3 827	3 827
Buildings and other fixed structures	-	-	156	156	156	-	100.0%	97	97
Machinery and equipment	2 807	-	12 138	14 945	14 945	-	100.0%	3 730	3 730
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	193	193	193	-	100.0%	164	164
Total	1 380 561	-	107 250	1 487 811	1 487 811	-	100.0%	1 484 183	1 484 183

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for the year ended 31 March 2021

Programme 4: Air Defence

Subprogramme	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Strategic Direction	30 671	-	(10 192)	20 479	20 479	-	100.0%	23 637	23 637
2. Operational Direction	219 642	-	(53 557)	166 085	166 085	-	100.0%	252 396	252 396
3. Helicopter Capability	1 161 540	-	237 249	1 398 789	1 398 789	-	100.0%	761 944	761 944
4. Transport and Maritime Capability	987 661	-	(54 284)	933 377	933 377	-	100.0%	564 708	564 708
5. Air Combat Capability	866 455	-	(148 897)	717 558	717 558	-	100.0%	649 537	649 537
6. Operational Support and Intelligence Capability	397 885	-	(35 622)	362 263	362 263	-	100.0%	361 636	361 636
7. Command and Control Capability	617 602	-	55 379	672 981	672 981	-	100.0%	645 817	645 817
8. Base Support Capability	2 132 229	-	121 746	2 253 975	2 253 975	-	100.0%	2 246 339	2 246 339
9. Command Post	70 935	-	(9 377)	61 558	61 558	-	100.0%	66 845	66 845
10. Training Capability	497 156	-	(46 380)	450 776	450 776	-	100.0%	457 008	457 008
11. Technical Support Services	554 376	-	92 579	646 955	646 955	-	100.0%	671 281	671 281
Total	7 536 152	-	148 644	7 684 796	7 684 796	-	100.0%	6 701 148	6 701 148
Economic classification									
Current payments	6 285 095	-	(451 644)	5 833 451	5 840 499	(7 048)	100.1%	6 015 829	6 015 829
Compensation of employees	3 744 764	-	-	3 744 764	4 119 980	(375 216)	110.0%	3 678 900	4 132 775
Salaries and wages	3 353 823	-	(20 657)	3 333 166	3 640 967	(307 801)	109.2%	3 304 936	3 653 505
Social contributions	390 941	-	20 657	411 598	479 013	(67 415)	116.4%	373 964	479 270
Goods and services	2 540 331	-	(451 644)	2 088 687	1 720 519	368 168	82.4%	2 336 929	1 883 054
Administrative fees	-	-	2	2	2	-	100.0%	-	-
Advertising	630	-	(489)	141	141	-	100.0%	438	438
Minor assets	14 992	-	(8 982)	6 010	6 010	-	100.0%	4 763	4 763
Audit costs: External	-	-	-	-	-	-	-	10	10
Catering: Departmental activities	3 366	-	(2 365)	1 001	1 001	-	100.0%	3 473	3 473

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Appropriation Statement

for the year ended 31 March 2021

Programme 4: Air Defence

	2020/21						2019/20		
	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)	8 498	-	611	9 109	9 109	-	100.0%	10 352	10 352
Computer services	39 516	-	1 590	41 106	41 106	-	100.0%	35 362	35 362
Consultants: Business and advisory services	385	-	(313)	72	72	-	100.0%	97	97
Infrastructure and planning services	800	-	(767)	33	33	-	100.0%	14	14
Laboratory services	36	-	(36)	-	-	-	-	-	-
Scientific and technological services	5 921	-	(5 777)	144	144	-	100.0%	-	-
Contractors	1 420 523	-	(278 203)	1 142 320	1 120 903	21 417	98.1%	1 363 990	1 061 532
Agency and support / outsourced services	8 903	-	(366)	8 537	8 537	-	100.0%	8 902	8 902
Entertainment	41	-	(35)	6	6	-	100.0%	14	14
Fleet services (including government motor transport)	21 043	-	(3 406)	17 637	17 637	-	100.0%	15 281	15 281
Inventory: Clothing material and accessories	35 583	-	(774)	34 809	20 809	14 000	59.8%	16 514	16 514
Inventory: Farming supplies	595	-	82	677	677	-	100.0%	435	435
Inventory: Food and food supplies	100 144	-	8 902	109 046	109 046	-	100.0%	122 632	122 632
Inventory: Fuel oil and gas	358 159	-	(104 634)	253 525	123 525	130 000	48.7%	248 241	248 241
Inventory: Materials and supplies	30 020	-	(6 507)	23 513	3 513	20 000	14.9%	(18 699)	(18 699)
Inventory: Medical supplies	83	-	952	1 035	1 035	-	100.0%	239	239
Inventory: Medicine	-	-	52	52	52	-	100.0%	8	8
Inventory: Other supplies	58 376	-	2 377	60 753	39 753	21 000	65.4%	79 366	79 366
Consumable supplies	21 095	-	6 931	28 026	28 026	-	100.0%	19 682	19 682
Consumable: Stationery printing and office supplies	9 670	-	(3 901)	5 769	5 769	-	100.0%	6 290	6 290
Operating leases	2 879	-	(2 616)	263	263	-	100.0%	910	910
Property payments	101 552	-	(31 776)	69 776	19 776	50 000	28.3%	12 561	12 561
Travel and subsistence	71 934	-	(8 265)	63 669	63 669	-	100.0%	118 182	118 182
Training and development	57 411	-	(717)	56 694	28 694	28 000	50.6%	116 022	39 442

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for the year ended 31 March 2021

Programme 4: Air Defence

	2020/21						2019/20		
	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	167 848	-	(12 886)	154 962	71 211	83 751	46.0%	171 679	96 842
Venues and facilities	318	-	(318)	-	-	-	-	53	53
Rental and hiring	10	-	(10)	-	-	-	-	118	118
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 223 104	-	588 197	1 811 301	1 804 253	7 048	99.6%	651 657	651 657
Provinces and municipalities	5	-	(1)	4	4	-	100.0%	5	5
Municipalities	5	-	(1)	4	4	-	100.0%	5	5
Municipal bank accounts	5	-	(1)	4	4	-	100.0%	5	5
Departmental agencies and accounts	1 195 778	-	257 941	1 453 719	1 453 719	-	100.0%	630 601	630 601
Departmental agencies	1 195 778	-	257 941	1 453 719	1 453 719	-	100.0%	630 601	630 601
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	330 000	330 000	330 000	-	100.0%	62	62
Public corporations	-	-	-	-	-	-	-	16	16
Other transfers to public corporations	-	-	-	-	-	-	-	16	16
Private enterprises	-	-	330 000	330 000	330 000	-	100.0%	46	46
Other transfers to private enterprises	-	-	330 000	330 000	330 000	-	100.0%	46	46
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	27 321	-	257	27 578	20 530	7 048	74.4%	20 989	20 989
Social benefits	27 321	-	-	27 321	20 273	7 048	74.2%	20 793	20 793
Other transfers to households	-	-	257	257	257	-	100.0%	196	196
Payments for capital assets	27 953	-	11 408	39 361	39 361	-	100.0%	32 845	32 845
Buildings and other fixed structures	30	-	4 228	4 258	4 258	-	100.0%	2 909	2 909
Buildings	30	-	4 228	4 258	4 258	-	100.0%	2 909	2 909

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Programme 4: Air Defence

	2020/21						2019/20		
	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	27 923	-	7 180	35 103	35 103	-	100.0%	28 887	28 887
Transport equipment	4 032	-	(3 635)	397	397	-	100.0%	48	48
Other machinery and equipment	23 891	-	10 815	34 706	34 706	-	100.0%	28 839	28 839
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	1 036	1 036
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	13	13
Payment for financial assets	-	-	683	683	683	-	100.0%	817	817
Total	7 536 152	-	148 644	7 684 796	7 684 796	-	100.0%	6 701 148	6 701 148

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Subprogramme: 4.1: Strategic Direction

	2020/21						2019/20		
	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
Economic classification									
Current payments	30 260	-	(10 501)	19 759	19 759	-	100.0%	23 053	23 053
Compensation of employees	19 741	-	(1 969)	17 772	17 772	-	100.0%	17 519	17 519
Goods and services	10 519	-	(8 532)	1 987	1 987	-	100.0%	5 534	5 534
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5	-	(1)	4	4	-	100.0%	43	43
Provinces and municipalities	5	-	(1)	4	4	-	100.0%	5	5
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	38	38
Payments for capital assets	406	-	310	716	716	-	100.0%	541	541
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	406	-	310	716	716	-	100.0%	541	541
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	30 671	-	(10 192)	20 479	20 479	-	100.0%	23 637	23 637

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for the year ended 31 March 2021

Subprogramme: 4.2: Operational Direction

	2020/21						2019/20		
	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
Economic classification	218 610	-	(52 921)	165 689	165 689	-	100.0%	251 916	251 916
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	218 610	-	(52 921)	165 689	165 689	-	100.0%	251 916	251 916
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 032	-	(642)	390	390	-	100.0%	464	464
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 032	-	(642)	390	390	-	100.0%	464	464
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	6	6	6	-	100.0%	16	16
Total	219 642	-	(53 557)	166 085	166 085	-	100.0%	252 396	252 396

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for the year ended 31 March 2021

Subprogramme: 4.3: Helicopter Capability

	2020/21						2019/20		
	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
Economic classification									
Current payments	707 310	-	(21 726)	685 584	685 584	-	100.0%	700 030	700 030
Compensation of employees	242 685	-	9 929	252 614	252 614	-	100.0%	263 541	263 541
Goods and services	464 625	-	(31 655)	432 970	432 970	-	100.0%	436 489	436 489
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	453 559	-	258 158	711 717	711 717	-	100.0%	61 279	61 279
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	453 134	-	257 945	711 079	711 079	-	100.0%	60 440	60 440
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	46	46
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	425	-	213	638	638	-	100.0%	793	793
Payments for capital assets	671	-	671	1 342	1 342	-	100.0%	565	565
Buildings and other fixed structures	-	-	-	-	-	-	-	96	96
Machinery and equipment	671	-	671	1 342	1 342	-	100.0%	469	469
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	146	146	146	-	100.0%	70	70
Total	1 161 540	-	237 249	1 398 789	1 398 789	-	100.0%	761 944	761 944

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Subprogramme. 4.4: Transport and Maritime Capability

	2020/21						2019/20		
	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
Economic classification									
Current payments	911 090	-	(384 441)	526 649	526 649	-	100.0%	514 608	514 608
Compensation of employees	200 689	-	2 241	202 930	202 930	-	100.0%	201 363	201 363
Goods and services	710 401	-	(386 682)	323 719	323 719	-	100.0%	313 245	313 245
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	71 970	-	330 414	402 384	402 384	-	100.0%	47 643	47 643
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	71 738	-	-	71 738	71 738	-	100.0%	47 503	47 503
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	330 000	330 000	330 000	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	232	-	414	646	646	-	100.0%	140	140
Payments for capital assets	4 601	-	(292)	4 309	4 309	-	100.0%	2 411	2 411
Buildings and other fixed structures	-	-	530	530	530	-	100.0%	916	916
Machinery and equipment	4 601	-	(822)	3 779	3 779	-	100.0%	1 495	1 495
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	35	35	35	-	100.0%	46	46
Total	987 661	-	(54 284)	933 377	933 377	-	100.0%	564 708	564 708

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for the year ended 31 March 2021

Subprogramme: 4.5: Air Combat Capability

	2020/21					2019/20			
	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
Economic classification									
Current payments	466 920	-	(148 963)	317 957	317 957	-	100.0%	377 013	377 013
Compensation of employees	83 595	-	8 374	91 969	91 969	-	100.0%	83 693	85 759
Goods and services	383 325	-	(157 337)	225 988	225 988	-	100.0%	293 320	291 254
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	399 300	-	78	399 378	399 378	-	100.0%	272 226	272 226
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	399 171	-	-	399 171	399 171	-	100.0%	272 106	272 106
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	129	-	78	207	207	-	100.0%	120	120
Payments for capital assets	235	-	(14)	221	221	-	100.0%	283	283
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	235	-	(14)	221	221	-	100.0%	283	283
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	2	2	2	-	100.0%	15	15
Total	866 455	-	(148 897)	717 558	717 558	-	100.0%	649 537	649 537

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for the year ended 31 March 2021

Subprogramme. 4.6: Operational Support and Intelligence Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	388 846	-	(32 854)	355 992	355 992	-	100.0%	358 885	358 885
Compensation of employees	344 233	-	2 471	346 704	346 704	-	100.0%	344 459	344 459
Goods and services	44 613	-	(35 325)	9 288	9 288	-	100.0%	14 426	14 426
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 076	-	153	5 229	5 229	-	100.0%	775	775
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	5 061	-	(1)	5 060	5 060	-	100.0%	501	501
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15	-	154	169	169	-	100.0%	274	274
Payments for capital assets	3 963	-	(2 921)	1 042	1 042	-	100.0%	1 968	1 968
Buildings and other fixed structures	-	-	176	176	176	-	100.0%	197	197
Machinery and equipment	3 963	-	(3 097)	866	866	-	100.0%	735	735
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	1 036	1 036
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	8	8
Total	397 885	-	(35 622)	362 263	362 263	-	100.0%	361 636	361 636

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for the year ended 31 March 2021

Subprogramme. 4.7: Command and Control Capability

	2020/21					2019/20			
	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
Economic classification									
Current payments	352 970	-	54 168	407 138	407 138	-	100.0%	399 997	399 997
Compensation of employees	196 390	-	13 677	210 067	254 447	(44 380)	121.1%	219 144	252 270
Goods and services	156 580	-	40 491	197 071	152 691	44 380	77.5%	180 853	147 727
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	263 023	-	(137)	262 886	262 886	-	100.0%	244 663	244 663
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	262 683	-	-	262 683	262 683	-	100.0%	243 164	243 164
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	340	-	(137)	203	203	-	100.0%	1 499	1 499
Payments for capital assets	1 609	-	1 348	2 957	2 957	-	100.0%	1 131	1 131
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 609	-	1 348	2 957	2 957	-	100.0%	1 131	1 131
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	26	26
Total	617 602	-	55 379	672 981	672 981	-	100.0%	645 817	645 817

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for the year ended 31 March 2021

Subprogramme. 4.8: Base Support Capability

	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 096 118	-	115 696	2 211 814	2 218 862	(7 048)	100.3%	2 210 209	2 210 209
Compensation of employees	1 775 370	-	-	1 775 370	1 971 789	(196 419)	111.1%	1 588 694	1 963 688
Goods and services	320 748	-	115 696	436 444	247 073	189 371	56.6%	621 515	246 521
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	23 814	-	(1 001)	22 813	15 765	7 048	69.1%	14 578	14 578
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	5	-	(3)	2	2	-	100.0%	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	23 809	-	(998)	22 811	15 763	7 048	69.1%	14 576	14 576
Payments for capital assets	12 297	-	6 676	18 973	18 973	-	100.0%	21 194	21 194
Buildings and other fixed structures	30	-	3 242	3 272	3 272	-	100.0%	1 677	1 677
Machinery and equipment	12 267	-	3 434	15 701	15 701	-	100.0%	19 517	19 517
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	375	375	375	-	100.0%	358	358
Total	2 132 229	-	121 746	2 253 975	2 253 975	-	100.0%	2 246 339	2 246 339

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Subprogramme: 4.9: Command Post

	2020/21					2019/20			
	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
Economic classification									
Current payments	70 419	-	(10 034)	60 385	60 385	-	100.0%	65 638	65 638
Compensation of employees	61 875	-	(5 830)	56 045	56 045	-	100.0%	57 606	57 606
Goods and services	8 544	-	(4 204)	4 340	4 340	-	100.0%	8 032	8 032
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	259	-	(48)	211	211	-	100.0%	1 097	1 097
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	259	-	(48)	211	211	-	100.0%	1 097	1 097
Payments for capital assets	257	-	705	962	962	-	100.0%	110	110
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	257	-	705	962	962	-	100.0%	110	110
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	70 935	-	(9 377)	61 558	61 558	-	100.0%	66 845	66 845

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Subprogramme: 4.10: Training Capability

	2020/21						2019/20		
	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
Economic classification									
Current payments	491 906	-	(46 517)	445 389	445 389	-	100.0%	448 732	448 732
Compensation of employees	395 885	-	(28 893)	366 992	366 992	-	100.0%	380 350	380 350
Goods and services	96 021	-	(17 624)	78 397	78 397	-	100.0%	68 382	68 382
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 724	-	(138)	3 586	3 586	-	100.0%	6 219	6 219
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2 986	-	-	2 986	2 986	-	100.0%	5 835	5 835
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	738	-	(138)	600	600	-	100.0%	384	384
Payments for capital assets	1 526	-	156	1 682	1 682	-	100.0%	1 807	1 807
Buildings and other fixed structures	-	-	280	280	280	-	100.0%	-	-
Machinery and equipment	1 526	-	(124)	1 402	1 402	-	100.0%	1 807	1 807
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	119	119	119	-	100.0%	250	250
Total	497 156	-	(46 380)	450 776	450 776	-	100.0%	457 008	457 008

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Subprogramme: 4.11: Technical Support Services

	2020/21						2019/20		
	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
Economic classification									
Current payments	550 646	-	86 449	637 095	637 095	-	100.0%	665 748	665 748
Compensation of employees	424 301	-	-	424 301	558 718	(134 417)	131.7%	522 531	566 220
Goods and services	126 345	-	86 449	212 794	78 377	134 417	36.8%	143 217	99 528
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 374	-	719	3 093	3 093	-	100.0%	3 134	3 134
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 000	-	-	1 000	1 000	-	100.0%	1 050	1 050
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	16	16
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 374	-	719	2 093	2 093	-	100.0%	2 068	2 068
Payments for capital assets	1 356	-	5 411	6 767	6 767	-	100.0%	2 371	2 371
Buildings and other fixed structures	-	-	-	-	-	-	-	23	23
Machinery and equipment	1 356	-	5 411	6 767	6 767	-	100.0%	2 335	2 335
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	13	13
Payment for financial assets	-	-	-	-	-	-	-	28	28
Total	554 376	-	92 579	646 955	646 955	-	100.0%	671 281	671 281

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for the year ended 31 March 2021

Programme 5: Maritime Defence

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Maritime Direction	678 274	-	23 295	701 569	701 569	-	100.0%	690 304	690 304
2. Maritime Combat Capability	1 959 804	-	(48 243)	1 911 561	1 911 561	-	100.0%	1 898 884	1 898 884
3. Maritime Logistic Support Capability	1 198 757	-	(159 028)	1 039 729	1 039 729	-	100.0%	1 013 344	1 013 344
4. Maritime Human Resources and Training Capability	523 295	-	(10 375)	512 920	512 920	-	100.0%	533 304	533 304
5. Base Support Capability	598 601	-	(26 879)	571 722	571 722	-	100.0%	573 575	573 575
Total	4 958 731	-	(221 230)	4 737 501	4 737 501	-	100.0%	4 709 411	4 709 411
Economic classification									
Current payments	3 435 249	-	(480 505)	2 954 744	2 962 125	(7 381)	100.2%	3 188 015	3 188 015
Compensation of employees	2 455 304	-	-	2 455 304	2 501 867	(46 563)	101.9%	2 486 879	2 522 530
Salaries and wages	2 178 708	-	(28 773)	2 149 935	2 196 498	(46 563)	102.2%	2 186 105	2 221 756
Social contributions	276 596	-	28 773	305 369	305 369	-	100.0%	300 774	300 774
Goods and services	979 945	-	(480 505)	499 440	460 258	39 182	92.2%	701 136	665 485
Administrative fees	-	-	-	-	-	-	-	1	1
Advertising	373	-	(347)	26	26	-	100.0%	69	69
Minor assets	8 785	-	(5 713)	3 072	3 072	-	100.0%	1 342	1 342
Catering: Departmental activities	351	-	(175)	176	176	-	100.0%	900	900
Communication (G&S)	9 588	-	(1 928)	7 660	7 660	-	100.0%	6 742	6 742
Computer services	24 965	-	(8 451)	16 514	16 514	-	100.0%	13 407	13 407
Consultants: Business and advisory services	3 609	-	(3 304)	305	305	-	100.0%	1 998	1 998
Infrastructure and planning services	800	-	(800)	-	-	-	-	-	-
Contractors	260 040	-	(69 261)	200 779	200 779	-	100.0%	252 101	252 101
Agency and support / outsourced services	434	-	311	745	745	-	100.0%	4 999	4 999

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Programme 5: Maritime Defence

	2020/21						2019/20		
	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
Entertainment	41	-	(27)	14	14	-	100.0%	15	15
Fleet services (including government motor transport)	14 734	-	(10 025)	4 709	4 709	-	100.0%	2 962	2 962
Inventory: Clothing material and accessories	43 211	-	(13 331)	29 880	9 880	20 000	33.1%	11 177	11 177
Inventory: Farming supplies	-	-	251	251	251	-	100.0%	13	13
Inventory: Food and food supplies	117 520	-	(41 085)	76 435	76 435	-	100.0%	122 904	122 904
Inventory: Fuel oil and gas	107 727	-	(54 664)	53 063	33 881	19 182	63.9%	119 516	119 516
Inventory: Materials and supplies	31 188	-	(26 031)	5 157	5 157	-	100.0%	6 463	6 463
Inventory: Medical supplies	31	-	3 170	3 201	3 201	-	100.0%	59	59
Inventory: Other supplies	214 243	-	(185 530)	28 713	28 713	-	100.0%	53 089	17 438
Consumable supplies	11 806	-	(3 573)	8 233	8 233	-	100.0%	10 160	10 160
Consumable: Stationery printing and office supplies	3 391	-	(686)	2 705	2 705	-	100.0%	3 803	3 803
Operating leases	518	-	258	776	776	-	100.0%	3 453	3 453
Property payments	21 634	-	(18 362)	3 272	3 272	-	100.0%	3 572	3 572
Travel and subsistence	39 283	-	(6 438)	32 845	32 845	-	100.0%	68 226	68 226
Training and development	14 456	-	2 550	17 006	17 006	-	100.0%	9 213	9 213
Operating payments	50 194	-	(46 443)	3 751	3 751	-	100.0%	4 646	4 646
Venues and facilities	1 001	-	(849)	152	152	-	100.0%	274	274
Rental and hiring	22	-	(22)	-	-	-	-	32	32
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 502 381	-	253 979	1 756 360	1 748 979	7 381	99.6%	1 500 466	1 500 466
Provinces and municipalities	-	-	5	5	5	-	100.0%	5	5
Municipalities	-	-	5	5	5	-	100.0%	5	5
Municipal bank accounts	-	-	5	5	5	-	100.0%	5	5

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	2020/21						2019/20		
	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 5: Maritime Defence									
Departmental agencies and accounts	1 166 813	-	229 499	1 396 312	1 396 312	-	100.0%	1 187 218	1 187 218
Departmental agencies	1 166 813	-	229 499	1 396 312	1 396 312	-	100.0%	1 187 218	1 187 218
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	313 360	-	26 142	339 502	339 502	-	100.0%	298 437	298 437
Public corporations	313 360	-	26 142	339 502	339 502	-	100.0%	298 437	298 437
Subsidies on products and production (pc)	313 360	-	26 142	339 502	339 502	-	100.0%	298 437	298 437
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	22 208	-	(1 667)	20 541	13 160	7 381	64.1%	14 806	14 806
Social benefits	22 208	-	(1 712)	20 496	13 115	7 381	64.0%	14 740	14 740
Other transfers to households	-	-	45	45	45	-	100.0%	66	66
Payments for capital assets	21 101	-	5 128	26 229	26 229	-	100.0%	20 723	20 723
Buildings and other fixed structures	-	-	2 647	2 647	2 647	-	100.0%	-	-
Buildings	-	-	2 647	2 647	2 647	-	100.0%	-	-
Machinery and equipment	20 470	-	1 999	22 469	22 469	-	100.0%	20 723	20 723
Transport equipment	372	-	(346)	26	26	-	100.0%	-	-
Other machinery and equipment	20 098	-	2 345	22 443	22 443	-	100.0%	20 723	20 723
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	631	-	482	1 113	1 113	-	100.0%	-	-
Payment for financial assets	-	-	168	168	168	-	100.0%	207	207
Total	4 958 731	-	(221 230)	4 737 501	4 737 501	-	100.0%	4 709 411	4 709 411

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Subprogramme: 5.1: Maritime Direction

	2020/21						2019/20		
	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
Economic classification									
Current payments	650 360	-	20 182	670 542	677 923	(7 381)	101.1%	677 862	677 862
Compensation of employees	577 972	-	26 100	604 072	650 635	(46 563)	107.7%	600 260	635 911
Goods and services	72 388	-	(5 918)	66 470	27 288	39 182	41.1%	77 602	41 951
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	11 216	-	2 449	13 665	6 284	7 381	46.0%	6 181	6 181
Provinces and municipalities	-	-	5	5	5	-	100.0%	5	5
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	11 216	-	2 444	13 660	6 279	7 381	46.0%	6 176	6 176
Payments for capital assets	16 698	-	663	17 361	17 361	-	100.0%	6 233	6 233
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	16 067	-	928	16 995	16 995	-	100.0%	6 233	6 233
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	631	-	(265)	366	366	-	100.0%	-	-
Payment for financial assets	-	-	1	1	1	-	100.0%	28	28
Total	678 274	-	23 295	701 569	701 569	-	100.0%	690 304	690 304

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Subprogramme: 5.2: Maritime Combat Capability

	2020/21					2019/20			
	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
Economic classification									
Current payments	761 349	-	(89 206)	672 143	672 143	-	100.0%	769 569	769 569
Compensation of employees	630 889	-	14 512	645 401	645 401	-	100.0%	650 508	650 508
Goods and services	130 460	-	(103 718)	26 742	26 742	-	100.0%	119 061	119 061
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 198 418	-	40 172	1 238 590	1 238 590	-	100.0%	1 129 034	1 129 034
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 158 107	-	40 000	1 198 107	1 198 107	-	100.0%	1 090 849	1 090 849
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	39 316	-	-	39 316	39 316	-	100.0%	37 443	37 443
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	995	-	172	1 167	1 167	-	100.0%	742	742
Payments for capital assets	37	-	738	775	775	-	100.0%	267	267
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	37	-	139	176	176	-	100.0%	267	267
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	599	599	599	-	100.0%	-	-
Payment for financial assets	-	-	53	53	53	-	100.0%	14	14
Total	1 959 804	-	(48 243)	1 911 561	1 911 561	-	100.0%	1 898 884	1 898 884

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for the year ended 31 March 2021

Subprogramme: 5.3: Maritime Logistic Support Capability

	2020/21					2019/20			
	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
Economic classification									
Current payments	914 060	-	(374 811)	539 249	539 249	-	100.0%	641 271	641 271
Compensation of employees	218 346	-	(29 260)	189 086	189 086	-	100.0%	195 348	195 348
Goods and services	695 714	-	(345 551)	350 163	350 163	-	100.0%	445 923	445 923
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	284 003	-	215 747	499 750	499 750	-	100.0%	359 405	359 405
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	8 706	-	189 499	198 205	198 205	-	100.0%	96 369	96 369
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	274 044	-	26 142	300 186	300 186	-	100.0%	260 994	260 994
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 253	-	106	1 359	1 359	-	100.0%	2 042	2 042
Payments for capital assets	694	-	7	701	701	-	100.0%	12 662	12 662
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	694	-	7	701	701	-	100.0%	12 662	12 662
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	29	29	29	-	100.0%	6	6
Total	1 198 757	-	(159 028)	1 039 729	1 039 729	-	100.0%	1 013 344	1 013 344

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 5.4: Maritime Human Resources and Training Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	518 924	-	(9 685)	509 239	509 239	-	100.0%	531 269	531 269
Compensation of employees	502 634	-	(18 201)	484 433	484 433	-	100.0%	506 881	506 881
Goods and services	16 290	-	8 516	24 806	24 806	-	100.0%	24 388	24 388
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 304	-	(3 100)	1 204	1 204	-	100.0%	1 685	1 685
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 304	-	(3 100)	1 204	1 204	-	100.0%	1 685	1 685
Payments for capital assets	67	-	2 384	2 451	2 451	-	100.0%	272	272
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	67	-	2 236	2 303	2 303	-	100.0%	272	272
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	148	148	148	-	100.0%	-	-
Payment for financial assets	-	-	26	26	26	-	100.0%	78	78
Total	523 295	-	(10 375)	512 920	512 920	-	100.0%	533 304	533 304

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for the year ended 31 March 2021

Subprogramme. 5.5: Base Support Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	590 556	-	(26 985)	563 571	563 571	-	100.0%	568 044	568 044
Compensation of employees	525 463	-	6 849	532 312	532 312	-	100.0%	533 882	533 882
Goods and services	65 093	-	(33 834)	31 259	31 259	-	100.0%	34 162	34 162
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 440	-	(1 289)	3 151	3 151	-	100.0%	4 161	4 161
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 440	-	(1 289)	3 151	3 151	-	100.0%	4 161	4 161
Payments for capital assets	3 605	-	1 336	4 941	4 941	-	100.0%	1 289	1 289
Buildings and other fixed structures	-	-	2 647	2 647	2 647	-	100.0%	-	-
Machinery and equipment	3 605	-	(1 311)	2 294	2 294	-	100.0%	1 289	1 289
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	59	59	59	-	100.0%	81	81
Total	598 601	-	(26 879)	571 722	571 722	-	100.0%	573 575	573 575

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Programme 6: Military Health Support

	2020/21							2019/20	
	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	64 662	-	(16 566)	48 096	33 096	15 000	68.8%	72 894	34 738
Agency and support / outsourced services	261 735	-	243 059	504 794	504 794	-	100.0%	505 620	505 620
Entertainment	-	-	24	24	24	-	100.0%	25	25
Fleet services (including government motor transport)	35 728	-	(19 788)	15 940	15 940	-	100.0%	17 782	17 782
Inventory: Clothing material and accessories	16 087	-	6 367	22 454	22 454	-	100.0%	8 354	8 354
Inventory: Farming supplies	811	-	(443)	368	368	-	100.0%	252	252
Inventory: Food and food supplies	112 695	-	(13 371)	99 324	99 324	-	100.0%	73 851	73 851
Inventory: Fuel oil and gas	35 150	-	(933)	34 217	14 217	20 000	41.5%	34 006	34 006
Inventory: Materials and supplies	6 035	-	(4 143)	1 892	1 892	-	100.0%	1 877	1 877
Inventory: Medical supplies	373 976	-	(246 228)	127 748	116 782	10 966	91.4%	153 788	80 133
Inventory: Medicine	469 923	-	(85 944)	383 979	274 679	109 300	71.5%	352 139	238 414
Inventory: Other supplies	407	-	(407)	-	-	-	-	-	-
Consumable supplies	23 679	-	11 528	35 207	35 207	-	100.0%	14 957	14 957
Consumable: Stationery printing and office supplies	14 574	-	(8 365)	6 209	6 209	-	100.0%	6 330	6 330
Operating leases	8 744	-	(7 813)	931	931	-	100.0%	410	410
Property payments	54 413	-	(19 955)	34 458	20 404	14 054	59.2%	18 087	18 087
Travel and subsistence	107 556	-	956	108 512	47 073	61 439	43.4%	86 643	86 643
Training and development	8 306	-	(2 171)	6 135	6 135	-	100.0%	8 429	8 429
Operating payments	11 300	-	(1 579)	9 721	9 721	-	100.0%	5 567	5 567
Venues and facilities	519	-	(329)	190	190	-	100.0%	21	21
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	26 419	-	3 483	29 902	29 687	215	99.3%	64 234	64 234
Provinces and municipalities	488	-	(486)	2	2	-	100.0%	2	2
Municipalities	488	-	(486)	2	2	-	100.0%	2	2
Municipal bank accounts	488	-	(486)	2	2	-	100.0%	2	2
Departmental agencies and accounts	12 722	-	(21)	12 701	12 701	-	100.0%	40 827	40 827

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for the year ended 31 March 2021

Programme 6: Military Health Support

	2020/21						2019/20		
	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
Departmental agencies	12 722	-	(21)	12 701	12 701	-	100.0%	40 827	40 827
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	11	11	11	-	100.0%	-	-
Private enterprises	-	-	11	11	11	-	100.0%	-	-
Other transfers to private enterprises	-	-	11	11	11	-	100.0%	-	-
Non-profit institutions	1 031	-	-	1 031	816	215	79.1%	808	808
Households	12 178	-	3 979	16 157	16 157	-	100.0%	22 597	22 597
Social benefits	12 178	-	3 874	16 052	16 052	-	100.0%	17 130	17 130
Other transfers to households	-	-	105	105	105	-	100.0%	5 467	5 467
Payments for capital assets	362 851	-	(190 180)	172 671	71 876	100 795	41.6%	67 814	67 814
Buildings and other fixed structures	-	-	346	346	346	-	100.0%	3 665	3 665
Buildings	-	-	346	346	346	-	100.0%	3 665	3 665
Machinery and equipment	362 851	-	(190 526)	172 325	71 530	100 795	41.5%	64 006	64 006
Transport equipment	5 450	-	(5 450)	-	-	-	-	1 971	1 971
Other machinery and equipment	357 401	-	(185 076)	172 325	71 530	100 795	41.5%	62 035	62 035
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	143	143
Payment for financial assets	-	-	1 243	1 243	1 243	-	100.0%	1 399	1 399
Total	6 077 410	-	(478 294)	5 599 116	5 487 140	111 976	98.0%	5 362 908	5 362 908

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for the year ended 31 March 2021

Subprogramme: 6.1: Strategic Direction

	2020/21					2019/20			
	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
Economic classification									
Current payments	265 612	-	35 190	300 802	300 802	-	100.0%	245 731	245 731
Compensation of employees	226 428	-	-	226 428	285 728	(59 300)	126.2%	223 023	223 023
Goods and services	39 184	-	35 190	74 374	15 074	59 300	20.3%	22 708	22 708
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 459	-	91	1 550	1 335	215	86.1%	1 856	1 856
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 031	-	-	1 031	816	215	79.1%	808	808
Households	428	-	91	519	519	-	100.0%	1 048	1 048
Payments for capital assets	1 723	-	535	2 258	2 258	-	100.0%	2 907	2 907
Buildings and other fixed structures	-	-	346	346	346	-	100.0%	-	-
Machinery and equipment	1 723	-	189	1 912	1 912	-	100.0%	2 825	2 825
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	82	82
Payment for financial assets	-	-	-	-	-	-	-	1	1
Total	268 794	-	35 816	304 610	304 395	215	99.9%	250 495	250 495

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for the year ended 31 March 2021

Subprogramme: 6.2: Mobile Military Health Support

	2020/21						2019/20		
	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
Economic classification									
Current payments	198 904	-	(21 426)	177 478	177 478	-	100.0%	180 606	180 606
Compensation of employees	137 625	-	11 551	149 176	168 917	(19 741)	113.2%	169 065	169 065
Goods and services	61 279	-	(32 977)	28 302	8 561	19 741	30.2%	11 541	11 541
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	12 862	-	63	12 925	12 925	-	100.0%	41 444	41 444
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	12 700	-	-	12 700	12 700	-	100.0%	40 827	40 827
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	162	-	63	225	225	-	100.0%	617	617
Payments for capital assets	525	-	101	626	626	-	100.0%	3 462	3 462
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	525	-	101	626	626	-	100.0%	3 462	3 462
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	9	9
Total	212 291	-	(21 262)	191 029	191 029	-	100.0%	225 521	225 521

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Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 6.3: Area Military Health Service

	2020/21					2019/20			
	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
Economic classification									
Current payments	1 837 468	-	65 232	1 902 700	1 902 700	-	100.0%	1 884 831	1 884 831
Compensation of employees	1 382 684	-	87 103	1 469 787	1 469 787	-	100.0%	1 471 054	1 471 054
Goods and services	454 784	-	(21 871)	432 913	432 913	-	100.0%	413 777	413 777
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 471	-	2 523	6 994	6 994	-	100.0%	11 985	11 985
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	20	-	(20)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 451	-	2 543	6 994	6 994	-	100.0%	11 985	11 985
Payments for capital assets	18 488	-	(11 129)	7 359	7 359	-	100.0%	13 913	13 913
Buildings and other fixed structures	-	-	-	-	-	-	-	550	550
Machinery and equipment	18 488	-	(11 129)	7 359	7 359	-	100.0%	13 360	13 360
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	13	13
Payment for financial assets	-	-	72	72	72	-	100.0%	497	497
Total	1 860 427	-	56 698	1 917 125	1 917 125	-	100.0%	1 911 226	1 911 226

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for the year ended 31 March 2021

Subprogramme: 6.4: Specialist/Tertiary Health Service

	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 209 503	-	(30 422)	2 179 081	2 179 081	-	100.0%	2 190 513	2 190 513
Compensation of employees	1 570 559	-	20 796	1 591 355	1 613 053	(21 698)	101.4%	1 468 082	1 615 003
Goods and services	638 944	-	(51 218)	587 726	566 028	21 698	96.3%	722 431	575 510
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 233	-	1 482	6 715	6 715	-	100.0%	6 819	6 819
Provinces and municipalities	4	-	(4)	-	-	-	-	2	2
Departmental agencies and accounts	2	-	(2)	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 227	-	1 488	6 715	6 715	-	100.0%	6 817	6 817
Payments for capital assets	28 133	-	(19 062)	9 071	9 071	-	100.0%	29 340	29 340
Buildings and other fixed structures	-	-	-	-	-	-	-	3 115	3 115
Machinery and equipment	28 133	-	(19 062)	9 071	9 071	-	100.0%	26 177	26 177
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	48	48
Payment for financial assets	-	-	196	196	196	-	100.0%	671	671
Total	2 242 869	-	(47 806)	2 195 063	2 195 063	-	100.0%	2 227 343	2 227 343

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 6.5: Military Health Product Support Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	646 568	-	(299 541)	347 027	336 061	10 966	96.8%	251 716	251 716
Compensation of employees	72 662	-	-	72 662	167 237	(94 575)	230.2%	72 381	160 397
Goods and services	573 906	-	(299 541)	274 365	168 824	105 541	61.5%	179 335	91 319
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	997	-	(163)	834	834	-	100.0%	445	445
Provinces and municipalities	484	-	(482)	2	2	-	100.0%	-	-
Departmental agencies and accounts	-	-	1	1	1	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	11	11	11	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	513	-	307	820	820	-	100.0%	445	445
Payments for capital assets	312 421	-	(162 861)	149 560	48 765	100 795	32.6%	16 698	16 698
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	312 421	-	(162 861)	149 560	48 765	100 795	32.6%	16 698	16 698
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	63	63
Total	959 986	-	(462 565)	497 421	385 660	111 761	77.5%	268 922	268 922

Defence - Vote 23

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for the year ended 31 March 2021

Subprogramme: 6.6: Military Health Maintenance Capability

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	167 109	-	(46 123)	120 986	120 986	-	100.0%	120 442	120 442
Compensation of employees	127 109	-	(119 450)	7 659	7 659	-	100.0%	9 032	9 032
Goods and services	40 000	-	73 327	113 327	113 327	-	100.0%	111 410	111 410
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	365	-	(333)	32	32	-	100.0%	352	352
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	365	-	(333)	32	32	-	100.0%	352	352
Payments for capital assets	-	-	281	281	281	-	100.0%	353	353
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	281	281	281	-	100.0%	353	353
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	423	423	423	-	100.0%	89	89
Total	167 474	-	(45 752)	121 722	121 722	-	100.0%	121 236	121 236

Defence - Vote 23

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for the year ended 31 March 2021

Subprogramme: 6.7: Military Health Training Capability

	2020/21						2019/20		
	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
Economic classification									
Current payments	362 976	-	4 250	367 226	367 226	-	100.0%	355 622	355 622
Compensation of employees	329 475	-	-	329 475	353 954	(24 479)	107.4%	341 863	341 863
Goods and services	33 501	-	4 250	37 751	13 272	24 479	35.2%	13 759	13 759
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 032	-	(180)	852	852	-	100.0%	1 333	1 333
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 032	-	(180)	852	852	-	100.0%	1 333	1 333
Payments for capital assets	1 561	-	1 955	3 516	3 516	-	100.0%	1 141	1 141
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 561	-	1 955	3 516	3 516	-	100.0%	1 141	1 141
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	552	552	552	-	100.0%	69	69
Total	365 569	-	6 577	372 146	372 146	-	100.0%	358 165	358 165

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Programme 7: Defence Intelligence

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Operations	641 896	-	406	642 302	642 302	-	100.0%	523 592	523 592
2. Defence Intelligence Support Services	505 966	-	(17 337)	488 629	488 629	-	100.0%	478 770	478 770
Total	1 147 862	-	(16 931)	1 130 931	1 130 931	-	100.0%	1 002 362	1 002 362
Economic classification									
Current payments	501 588	-	(19 032)	482 556	482 556	-	100.0%	479 915	479 915
Compensation of employees	451 809	-	5 036	456 845	456 845	-	100.0%	445 419	447 100
Salaries and wages	401 735	-	(297)	401 438	401 438	-	100.0%	393 581	393 581
Social contributions	50 074	-	5 333	55 407	55 407	-	100.0%	51 838	53 519
Goods and services	49 779	-	(24 068)	25 711	25 711	-	100.0%	34 496	32 815
Advertising	112	-	(111)	1	1	-	100.0%	4	4
Minor assets	933	-	(7)	926	926	-	100.0%	460	460
Catering: Departmental activities	17	-	108	125	125	-	100.0%	238	238
Communication (G&S)	1 157	-	(322)	835	835	-	100.0%	1 009	1 009
Contractors	2 151	-	(2 018)	133	133	-	100.0%	1 784	1 03
Agency and support / outsourced services	424	-	931	1 355	1 355	-	100.0%	643	643
Entertainment	36	-	(34)	2	2	-	100.0%	-	-
Fleet services (including government motor transport)	3 031	-	(1 909)	1 122	1 122	-	100.0%	1 121	1 121
Inventory: Clothing material and accessories	60	-	(2)	58	58	-	100.0%	52	52
Inventory: Food and food supplies	9 845	-	(2 878)	6 967	6 967	-	100.0%	8 513	8 513
Inventory: Fuel oil and gas	6 642	-	(3 270)	3 372	3 372	-	100.0%	4 708	4 708
Inventory: Materials and supplies	224	-	431	655	655	-	100.0%	181	181
Consumable supplies	790	-	(24)	766	766	-	100.0%	1 754	1 754
Consumable: Stationery printing and office supplies	1 346	-	(38)	1 308	1 308	-	100.0%	1 523	1 523

Defence - Vote 23

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for the year ended 31 March 2021

Programme 7: Defence Intelligence

	2020/21						2019/20		
	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 leases	-	-	-	-	-	-	-	1 455	1 455
Property payments	3 882	-	(2 240)	1 642	1 642	-	100.0%	2 250	2 250
Travel and subsistence	15 144	-	(10 925)	4 219	4 219	-	100.0%	6 169	6 169
Training and development	2 558	-	(567)	1 991	1 991	-	100.0%	1 815	1 815
Operating payments	1 172	-	(993)	179	179	-	100.0%	326	326
Venues and facilities	255	-	(200)	55	55	-	100.0%	457	457
Rental and hiring	-	-	-	-	-	-	-	34	34
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	646 054	-	378	646 432	646 432	-	100.0%	521 936	521 936
Provinces and municipalities	-	-	5	5	5	-	100.0%	-	-
Municipalities	-	-	5	5	5	-	100.0%	-	-
Municipal bank accounts	-	-	5	5	5	-	100.0%	-	-
Departmental agencies and accounts	641 896	-	-	641 896	641 896	-	100.0%	518 739	518 739
Departmental agencies	641 896	-	-	641 896	641 896	-	100.0%	518 739	518 739
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 158	-	373	4 531	4 531	-	100.0%	3 197	3 197
Social benefits	4 158	-	373	4 531	4 531	-	100.0%	3 197	3 197
Payments for capital assets	220	-	1 698	1 918	1 918	-	100.0%	451	451
Buildings and other fixed structures	-	-	1 127	1 127	1 127	-	100.0%	-	-
Buildings	-	-	1 127	1 127	1 127	-	100.0%	-	-
Machinery and equipment	220	-	571	791	791	-	100.0%	451	451
Transport equipment	-	-	-	-	-	-	-	59	59
Other machinery and equipment	220	-	571	791	791	-	100.0%	392	392

Defence - Vote 23 Appropriation Statement for the year ended 31 March 2021

Programme 7: Defence Intelligence

	2020/21						2019/20		
	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	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	25	25	25	-	100.0%	60	60
Total	1 147 862	-	(16 931)	1 130 931	1 130 931	-	100.0%	1 002 362	1 002 362

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 7.1: Operations

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments			406	406	406		100.0%	4 844	4 844
Compensation of employees	-	-	103	103	103	-	100.0%	524	524
Goods and services	-	-	303	303	303	-	100.0%	4 320	4 320
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	641 896			641 896	641 896		100.0%	518 739	518 739
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	641 896	-	-	641 896	641 896	-	100.0%	518 739	518 739
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets									
Total	641 896	-	406	642 302	642 302	-	100.0%	523 592	523 592

Defence - Vote 23 Appropriation Statement for the year ended 31 March 2021

Subprogramme: 7.2: Defence Intelligence Support Services

	2020/21					2019/20			
	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
Economic classification									
Current payments	501 588	-	(19 438)	482 150	482 150	-	100.0%	475 071	475 071
Compensation of employees	451 809	-	4 933	456 742	456 742	-	100.0%	444 895	446 576
Goods and services	49 779	-	(24 371)	25 408	25 408	-	100.0%	30 176	28 495
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 158	-	378	4 536	4 536	-	100.0%	3 197	3 197
Provinces and municipalities	-	-	5	5	5	-	100.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 158	-	373	4 531	4 531	-	100.0%	3 197	3 197
Payments for capital assets	220	-	1 698	1 918	1 918	-	100.0%	451	451
Buildings and other fixed structures	-	-	1 127	1 127	1 127	-	100.0%	-	-
Machinery and equipment	220	-	571	791	791	-	100.0%	451	451
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	25	25	25	-	100.0%	51	51
Total	505 966	-	(17 337)	488 629	488 629	-	100.0%	478 770	478 770

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for the year ended 31 March 2021

Programme 8: General Support

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. Joint Logistic Services	4 509 667	-	(16 403)	4 493 264	4 493 264	-	100.0%	3 523 273	3 523 273
2. Command And Management Information Systems	1 032 748	-	(102 424)	930 324	930 324	-	100.0%	996 360	996 360
3. Military Police	706 518	-	13 520	720 038	720 038	-	100.0%	719 260	719 260
4. Technology Development	467 254	-	214 265	681 519	681 519	-	100.0%	440 294	440 294
5. Departmental Support	1 082 004	-	(33 142)	1 048 862	1 048 061	801	99.9%	1 178 867	1 178 867
Total	7 798 191	-	75 816	7 874 007	7 873 206	801	100.0%	6 858 054	6 858 054
Economic classification									
Current payments	5 588 622	-	(476 863)	5 111 759	5 111 759	-	100.0%	4 117 905	4 117 905
Compensation of employees	2 387 914	-	-	2 387 914	2 654 431	(266 517)	111.2%	2 323 157	2 651 346
Salaries and wages	2 132 204	-	-	2 132 204	2 376 742	(244 538)	111.5%	2 084 489	2 372 831
Social contributions	255 710	-	-	255 710	277 689	(21 979)	108.6%	238 668	278 515
Goods and services	3 200 708	-	(476 863)	2 723 845	2 457 328	266 517	90.2%	1 794 748	1 466 559
Administrative fees	14 262	-	(2 916)	11 346	11 346	-	100.0%	14 265	14 265
Advertising	550	-	(63)	487	487	-	100.0%	965	965
Minor assets	91 425	-	(41 123)	50 302	50 302	-	100.0%	18 370	18 370
Audit costs: External	77 020	-	(30 367)	46 653	46 653	-	100.0%	57 675	57 675
Catering: Departmental activities	8 045	-	(7 006)	1 039	1 039	-	100.0%	8 383	8 383
Communication (G&S)	21 647	-	5 647	27 294	27 294	-	100.0%	10 422	10 422
Computer services	654 752	-	(110 207)	544 545	544 545	-	100.0%	591 666	509 311
Consultants: Business and advisory services	-	-	576	576	576	-	100.0%	776	776
Infrastructure and planning services	20 997	-	(997)	20 000	-	20 000	-	2	2
Laboratory services	-	-	-	-	-	-	-	1	1
Scientific and technological services	21 653	-	14 839	36 492	36 492	-	100.0%	41 634	41 634
Legal services	14 341	-	(1 922)	12 419	12 419	-	100.0%	26 921	26 921
Contractors	91 028	-	(1 002)	90 026	90 026	-	100.0%	79 809	79 809

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for the year ended 31 March 2021

Programme 8: General Support

	2020/21						2019/20		
	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
Foreign governments and international organisations	22 940	-	-	22 940	22 139	801	96.5%	-	-
Public corporations and private enterprises	1 013 502	-	-	1 013 502	1 013 502	-	100.0%	1 139 022	1 139 022
Public corporations	1 013 502	-	-	1 013 502	1 013 502	-	100.0%	1 138 992	1 138 992
Subsidies on products and production (pc)	1 013 502	-	-	1 013 502	1 013 502	-	100.0%	1 138 053	1 138 053
Other transfers to public corporations	-	-	-	-	-	-	-	939	939
Private enterprises	-	-	-	-	-	-	-	30	30
Other transfers to private enterprises	-	-	-	-	-	-	-	30	30
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	15 161	-	52	15 213	15 213	-	100.0%	14 840	14 840
Social benefits	15 161	-	(1)	15 160	15 160	-	100.0%	14 504	14 504
Other transfers to households	-	-	53	53	53	-	100.0%	336	336
Payments for capital assets	716 298	-	334 364	1 050 662	1 050 662	-	100.0%	1 195 224	1 195 224
Buildings and other fixed structures	450 803	-	395 495	846 298	846 298	-	100.0%	798 242	798 242
Buildings	450 803	-	395 495	846 298	846 298	-	100.0%	798 242	798 242
Machinery and equipment	195 159	-	(88 571)	106 588	106 588	-	100.0%	180 441	180 441
Transport equipment	-	-	11 984	11 984	11 984	-	100.0%	15 458	15 458
Other machinery and equipment	195 159	-	(100 555)	94 604	94 604	-	100.0%	164 983	164 983
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	70 336	-	27 440	97 776	97 776	-	100.0%	216 541	216 541
Payment for financial assets	-	-	1 886	1 886	1 886	-	100.0%	232	232
Total	7 798 191	-	75 816	7 874 007	7 873 206	801	100.0%	6 858 054	6 858 054

Defence - Vote 23

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for the year ended 31 March 2021

Subprogramme: 8.1: Joint Logistic Services

	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 848 160	-	(268 386)	3 579 774	3 579 774	-	100.0%	2 668 252	2 668 252
Compensation of employees	1 654 789	-	-	1 654 789	1 904 325	(249 536)	115.1%	1 589 174	1 908 041
Goods and services	2 193 371	-	(268 386)	1 924 985	1 675 449	249 536	87.0%	1 079 078	760 211
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	23 403	-	1 659	25 062	25 062	-	100.0%	20 016	20 016
Provinces and municipalities	-	-	15	15	15	-	100.0%	19	19
Departmental agencies and accounts	3 004	-	1 896	4 900	4 900	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	9 074	-	-	9 074	9 074	-	100.0%	8 642	8 642
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	11 325	-	(252)	11 073	11 073	-	100.0%	11 355	11 355
Payments for capital assets	638 104	-	250 150	888 254	888 254	-	100.0%	834 927	834 927
Buildings and other fixed structures	450 803	-	392 468	843 271	843 271	-	100.0%	774 002	774 002
Machinery and equipment	186 887	-	(141 904)	44 983	44 983	-	100.0%	27 613	27 613
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	414	-	(414)	-	-	-	-	33 312	33 312
Payment for financial assets	-	-	174	174	174	-	100.0%	78	78
Total	4 509 667	-	(16 403)	4 493 264	4 493 264	-	100.0%	3 523 273	3 523 273

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 8.2: Command and Management Information Systems

	2020/21					2019/20			
	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
Economic classification									
Current payments	935 176	-	(171 178)	763 998	763 998	-	100.0%	649 542	649 542
Compensation of employees	92 229	-	(690)	91 539	91 539	-	100.0%	94 362	96 890
Goods and services	842 947	-	(170 488)	672 459	672 459	-	100.0%	555 180	552 652
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	21 974	-	(492)	21 482	21 482	-	100.0%	796	796
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	20 210	-	-	20 210	20 210	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 764	-	(492)	1 272	1 272	-	100.0%	796	796
Payments for capital assets	75 598	-	69 246	144 844	144 844	-	100.0%	346 022	346 022
Buildings and other fixed structures	-	-	1 827	1 827	1 827	-	100.0%	24 240	24 240
Machinery and equipment	5 676	-	39 565	45 241	45 241	-	100.0%	138 553	138 553
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	69 922	-	27 854	97 776	97 776	-	100.0%	183 229	183 229
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	1 032 748	-	(102 424)	930 324	930 324	-	100.0%	996 360	996 360

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 8.3: Military Police

	2020/21					2019/20			
	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
Economic classification									
Current payments	700 035	-	(2 235)	697 800	697 800	-	100.0%	701 189	701 189
Compensation of employees	640 896	-	690	641 586	658 567	(16 981)	102.6%	639 621	646 415
Goods and services	59 139	-	(2 925)	56 214	39 233	16 981	69.8%	61 568	54 774
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 887	-	782	4 669	4 669	-	100.0%	3 704	3 704
Provinces and municipalities	53	-	(14)	39	39	-	100.0%	50	50
Departmental agencies and accounts	1 762	-	-	1 762	1 762	-	100.0%	935	935
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	30	30
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 072	-	796	2 868	2 868	-	100.0%	2 689	2 689
Payments for capital assets	2 596	-	14 968	17 564	17 564	-	100.0%	14 275	14 275
Buildings and other fixed structures	-	-	1 200	1 200	1 200	-	100.0%	-	-
Machinery and equipment	2 596	-	13 768	16 364	16 364	-	100.0%	14 275	14 275
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	5	5	5	-	100.0%	92	92
Total	706 518	-	13 520	720 038	720 038	-	100.0%	719 260	719 260

Defence - Vote 23

Appropriation Statement

for the year ended 31 March 2021

Subprogramme: 8.4: Technology Development

	2020/21					2019/20			
	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
Economic classification									
Current payments	215	-	(215)	-	-	-	-	67	67
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	215	-	(215)	-	-	-	-	67	67
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	467 039	-	214 480	681 519	681 519	-	100.0%	440 227	440 227
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	416 639	-	214 480	631 119	631 119	-	100.0%	389 827	389 827
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	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	467 254	-	214 265	681 519	681 519	-	100.0%	440 294	440 294

Defence - Vote 23 Appropriation Statement for the year ended 31 March 2021

Subprogramme: 8.5: Departmental Support

	2020/21						2019/20		
	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
Economic classification									
Current payments	105 036	-	(34 849)	70 187	70 187	-	100.0%	98 855	98 855
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	105 036	-	(34 849)	70 187	70 187	-	100.0%	98 855	98 855
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	976 968	-	-	976 968	976 167	801	99.9%	1 079 950	1 079 950
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	22 940	-	-	22 940	22 139	801	96.5%	-	-
Public corporations and private enterprises	954 028	-	-	954 028	954 028	-	100.0%	1 079 950	1 079 950
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	1 707	1 707	1 707	-	-	62	62
Total	1 082 004	-	(33 142)	1 048 862	1 048 061	801	99.9%	1 178 867	1 178 867

Defence - Vote 23

Notes to the Appropriation Statement

for the year ended 31 March 2021

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 R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Administration	5 327 352	5 325 032	2 320	0.04%
<ul style="list-style-type: none"> • The Human Resources Support Services underspent its budget allocation with Rm0,058. This was mainly due to the transfer payment to the Safety and Security Sector Education and Training Authority (SASSETA) for FY2020/21 being less than what was anticipated. • The Military Ombud within the Legal Services' Subprogramme underspent its budget allocation with Rm2,262. This was mainly due to the unprecedented lockdown restrictions imposed to combat the spread of the COVID-19 pandemic. 				
Military Health Support	5 599 116	5 487 140	111 976	2.00%
<ul style="list-style-type: none"> • An under expenditure of Rm0,215 occurring within transfers to non-profit institutions (Strategic Direction Subprogramme). This was mainly due to the transfer payment claim by St John's Ambulance Brigade being less than what was anticipated. • The Military Health Product Support Capability Subprogramme has an under expenditure of Rm111,761. This was mainly due to less patients being outsourced to private hospitals and/or for specialist health services. This formed part of the mitigation actions implemented to ensure that scarce medical resources were not being overburdened. Another reason for the under expenditure was that the planned establishment of a field hospital as well as the procurement of equipment could not materialise due to the lengthy international procurement processes which were hampered by the COVID-19 restrictions i.e. closing of borders. 				
General Support	7 874 007	7 873 206	801	0.01%
<ul style="list-style-type: none"> • A FOREX gain resulted in lower expenditure within the transfer payment made to Foreign Government and International Organisations for the seed capital which was paid to the Southern Africa Development Community (SADC) Secretariat for the SADC Standby Force Regional Logistics Depot. 				

Defence - Vote 23

Notes to the Appropriation Statement

for the year ended 31 March 2021

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current Expenditure				
Compensation of employees	30 984 861	32 759 882	(1 775 021)	(5,73%)
Goods and services	13 425 418	11 681 649	1 743 769	12.99%
Transfers and Subsidies				
Departmental agencies and accounts	6 277 477	6 277 419	58	0.00%
Foreign governments and international organisations	22 940	22 139	801	3.49%
Non-profit institutions	10 026	9 811	215	2.14%
Households	195 626	151 146	44 480	22.74%
Payments for Capital Assets				
Machinery and equipment	1 567 495	1 466 700	100 795	6.42%

Compensation of Employees:

Compensation of Employees (CoE) vote allocations had been specifically and exclusively appropriated, with set ceiling amounts in the Appropriation Act, Act No 7 of 2020 dated 23 June 2020. The Department of Defence (DOD) was not able to remain within the budget ceiling set by the National Treasury (NT). In light of the workforce requirements of the DOD to meet its constitutional obligations, the ceiling did not support the current strength of the DOD. The Department did approach the NT during the AENE as well as prior to year-end to increase the ceiling, this was disapproved which resulted in the over expenditure of Rb1,775.

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 Military Ombud within the Legal Services' Subprogramme underspent its budget allocation with Rm2,262.
- This was mainly due to the unprecedented lockdown restrictions imposed to combat the spread of the COVID-19 pandemic.
- Military Health Services outsourced less patients to private hospitals and / or for specialist health services. This was part of the mitigation actions implemented to ensure scarce medical resources were not overburdened.

Transfers and Subsidies:

The under expenditure was mainly due to:

- The transfer payment to the Safety and Security Sector Education and Training Authority (SASSETA) for FY2020/21 was less than anticipated (Rm0,058).
- A FOREX gain of Rm0,801 resulted in lower expenditure within the transfer payment made to Foreign Government and International Organisations for the seed capital paid to the Southern Africa Development Community (SADC) Secretariat for the SADC Standby Force Regional Logistics Depot.
- An under expenditure of Rm0,215 occurring within the transfers to non-profit institutions (Strategic Direction Subprogramme). This was mainly due to the transfer payment claim by St John's Ambulance Brigade being less than what was anticipated.
- Expenditure in social benefits paid was less than budgeted for (Rm44,480). This is dependent on the trend with regards to personnel leaving on pension, early retirement and exit mechanisms and is mainly demand driven with very little influence that can be exerted on cash flow by the Department.

Payments for Capital Assets

The planned establishment of a field hospital, as well as the procurement of equipment, for the treatment of COVID-19 patients could not realise due to the lengthy international procurement processes hampered by COVID-19 restrictions i.e. closing of borders.

Defence - Vote 23

Statement of Financial Performance

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	1	54 201 287	50 888 132
Departmental revenue	2	923 605	1 289 155
TOTAL REVENUE		55 124 892	52 177 287
EXPENDITURE			
Current expenditure			
Compensation of employees	3	32 759 882	31 803 026
Goods and services	4	14 255 824	13 955 914
Total current expenditure		47 015 706	45 758 940
Transfers and subsidies	6	1 925 108	2 346 462
Expenditure for capital assets			
Tangible capital assets	7	2 076 475	2 504 312
Intangible assets	7	99 410	222 646
Total expenditure for capital assets		2 175 885	2 726 958
Payments for financial assets	5	10 795	27 011
TOTAL EXPENDITURE		51 127 494	50 859 371
NET SURPLUS FOR THE YEAR		3 997 398	1 317 916
Reconciliation of Net Surplus for the year			
Voted Funds		3 073 793	28 761
Departmental revenue and NRF Receipts	13	923 605	1 289 155
NET SURPLUS FOR THE YEAR		3 997 398	1 317 916

Defence - Vote 23

Statement of Financial Position

as at 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		10 605 925	8 134 158
Cash and cash equivalents	8	9 987 898	7 482 290
Prepayments and advances	9	351 411	239 994
Receivables	10	266 616	411 874
Non-current assets		1 013 815	871 976
Investments	11	182 164	182 164
Receivables	10	831 651	689 812
TOTAL ASSETS		11 619 740	9 006 134
LIABILITIES			
Current liabilities		354 297	704 902
Voted funds to be surrendered to the Revenue Fund	12	115 097	5 875
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	70 709	106 301
Payables	14	168 491	592 726
Non-Current liabilities			
Payables	15	835	266
TOTAL LIABILITIES		355 132	705 168
NET ASSETS		11 264 608	8 300 966
Represented by:			
Capitalisation Reserves		75 000	75 000
Recoverable revenue		948 985	944 039
Retained funds		10 240 623	7 281 927
TOTAL		11 264 608	8 300 966

Defence - Vote 23

Statement of Changes in Net Assets

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
NET ASSETS			
Capitalisation Reserves			
Opening balance		75 000	75 000
Other movements		-	-
Closing balance		75 000	75 000
Recoverable revenue			
Opening balance		944 039	1 112 149
Transfers		4 946	(168 110)
Irrecoverable amounts written off		(8 920)	(4 094)
Debts revised		(235 210)	(53 142)
Debts recovered (included in departmental receipts)		(58 061)	(474 624)
Debts raised		307 137	363 750
Closing balance		948 985	944 039
Retained funds			
Opening balance		7 281 927	7 259 041
Transferred to NRF		(67 999)	(60 678)
Retained fund or funds utilised during the year		3 026 694	83 565
Rounding differences		1	(1)
Closing balance		10 240 623	7 281 927
TOTAL		11 264 608	8 300 966

Defence - Vote 23

Cash Flow Statement

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		55 118 945	52 174 783
Annual appropriated funds received	1	54 201 287	50 888 132
Departmental revenue received	2	913 375	1 280 641
Interest received	2.3	4 283	6 010
Net decrease / (increase) in working capital		(390 394)	621 846
Surrendered to Revenue Fund		(965 072)	(1 308 632)
Current payments		(47 015 706)	(45 758 940)
Payments for financial assets		(10 795)	(27 011)
Transfers and subsidies paid		(1 925 108)	(2 346 462)
Net cash flows available from operating activities	16	4 811 870	3 355 584
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7.1	(2 175 885)	(2 726 958)
Proceeds from sale of capital assets	2.4	5 947	2 504
(Increase) / decrease in investments		-	-
(Increase) / decrease in non-current receivables		(141 839)	55 276
Net cash flows from investing activities		(2 311 777)	(2 669 178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (decrease) in net assets		4 946	(168 110)
Increase / (decrease) in non-current payables		569	(3 954)
Net cash flows from financing activities		5 515	(172 064)
Net increase / (decrease) in cash and cash equivalents		2 505 608	514 342
Cash and cash equivalents at beginning of period		7 482 290	6 967 948
Cash and cash equivalents at end of period	17	9 987 898	7 482 290

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2021

1. Annual Appropriation

1.1 Annual Appropriation

Programmes	2020/21			2019/20	
	Final Appropriation	Actual Funds Received	Funds not requested / not received	Final Appropriation	Appropriation Received
	R'000	R'000	R'000	R'000	R'000
Administration	5 327 352	5 327 352	-	5 999 035	5 999 035
Force Employment	4 660 938	4 660 938	-	3 491 508	3 491 508
Landward Defence	17 186 646	17 186 646	-	16 763 706	16 763 706
Air Defence	7 684 796	7 684 796	-	6 701 148	6 701 148
Maritime Defence	4 737 501	4 737 501	-	4 709 411	4 709 411
Military Health Support	5 599 116	5 599 116	-	5 362 908	5 362 908
Defence Intelligence	1 130 931	1 130 931	-	1 002 362	1 002 362
General Support	7 874 007	7 874 007	-	6 858 054	6 858 054
Total	54 201 287	54 201 287	-	50 888 132	50 888 132

	Note	2020/21 R'000	2019/20 R'000
2. Departmental Revenue			
Sales of goods and services other than capital assets	2.1	398 125	764 759
Fines, penalties and forfeits	2.2	1 547	1 804
Interest, dividends and rent on land	2.3	4 283	6 010
Sales of capital assets	2.4	5 947	2 504
Transactions in financial assets and liabilities	2.5	92 559	157 203
Transfers received	2.6	421 144	356 875
Departmental revenue collected		923 605	1 289 155
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		397 483	763 993
Administrative fees		14	23
Other sales		397 469	763 970
Sales of scrap, waste and other used current goods		642	766
Total		398 125	764 759
Included in Other sales is an amount of Rm25 475 (2019/20: Rm392 287) for services rendered to the United Nations iro Letters of Assist (LOA).			
2.2 Fines, penalties and forfeits	2		
Fines		1 547	1 804

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
2.3 Interest, dividends and rent on land	2		
Interest		<u>4 283</u>	<u>6 010</u>
2.4 Sales of capital assets	2		
Tangible assets			
Specialised military assets	30.2	<u>5 947</u>	<u>2 504</u>
2.5 Transactions in financial assets and liabilities	2		
Forex gain		-	51 289
Other Receipts including Recoverable Revenue		92 559	105 914
Total		<u>92 559</u>	<u>157 203</u>
2.6 Transfers received	2		
Foreign governments		<u>421 144</u>	<u>356 875</u>
United Nations MOU reimbursements.			
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		20 338 247	20 298 055
Performance award		382	224 545
Service Based		246 554	240 257
Compensative/circumstantial		3 445 962	2 798 951
Periodic payments		21 455	15 411
Other non-pensionable allowances		5 279 990	4 812 431
Total		<u>29 332 590</u>	<u>28 389 650</u>
3.2 Social contributions			
Employer contributions			
Pension		3 235 056	3 234 654
Medical		191 265	177 923
Bargaining council		971	799
Total		<u>3 427 292</u>	<u>3 413 376</u>
Total compensation of employees		<u>32 759 882</u>	<u>31 803 026</u>
Average number of employees		<u>73 065</u>	<u>73 609</u>

Included in the total compensation of employees is an amount of Rm4 228 paid for two members of legislature (Rm4 799 for 2019/20).

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2021

4. Goods and services	Note	2020/21 R'000	2019/20 R'000
Administrative fees		11 409	15 367
Advertising		56 559	72 785
Minor Assets	4.1	84 886	46 572
Catering		6 751	28 183
Communication		89 508	77 878
Computer services	4.2	741 578	716 448
Consultants: Business and advisory services		858 524	1 065 540
Infrastructure and planning services		3 453	17 288
Laboratory services		56 355	51 320
Scientific and technological services		891 056	907 448
Legal services		12 423	26 924
Contractors		1 814 900	1 928 132
Agency and support / outsourced services		880 293	846 017
Entertainment		839	3 135
Audit cost – external	4.3	48 613	60 319
Fleet services		137 827	127 832
Inventory	4.4	3 965 653	3 145 351
Consumables	4.5	215 061	179 116
Operating leases		2 209 431	1 735 169
Property payments	4.6	709 021	1 065 242
Rental and hiring		-	8 810
Travel and subsistence	4.7	745 827	1 141 552
Venues and facilities		7 738	10 464
Training and development		152 895	164 094
Other operating expenditure	4.8	555 224	514 928
Total		14 255 824	13 955 914
4.1 Minor assets			
Tangible assets	4	47 832	39 114
Buildings and other fixed structures		142	92
Machinery and equipment		45 505	38 246
Transport assets		19	15
Specialised military assets		2 166	761
Intangible assets		37 054	7 458
Software		37 054	7 458
Total		84 886	46 572

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
4.2 Computer services	4		
SITA computer services		637 683	627 386
External computer service providers		103 895	89 062
Total		741 578	716 448
4.3 Audit cost – external	4		
Regularity audits		43 899	54 916
Environmental audits		1 959	2 759
Computer audits		2 755	2 644
Total		48 613	60 319
4.4 Inventory	4		
Clothing material and accessories		142 385	63 047
Farming supplies		3 295	2 480
Food and food supplies		1 554 244	1 311 116
Fuel, oil and gas		449 661	729 910
Materials and supplies		68 912	96 896
Medical supplies		1 031 151	81 366
Medicine		274 774	238 456
Other supplies	4.4.1	441 231	622 080
Total		3 965 653	3 145 351
4.4.1 Other Supplies			
Other		441 231	622 080
Total		441 231	622 080
4.5 Consumables	4		
Consumables supplies		172 909	136 973
Uniform and clothing		494	771
Household supplies		67 257	49 215
IT consumables		77 354	52 533
Other consumables		27 804	34 454
Stationary, printing and office supplies		42 152	42 143
Total		215 061	179 116
4.6 Property payments	4		
Municipal services		600 744	954 496
Property maintenance and repairs		60 041	57 321
Other		48 236	53 425
Total		709 021	1 065 242

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
4.7 Travel and subsistence	4		
Local		640 066	933 393
Foreign		105 761	208 159
Total		<u><u>745 827</u></u>	<u><u>1 141 552</u></u>
4.8 Other operating expenditure	4		
Professional bodies, membership and subscription fees		3 307	3 807
Resettlement costs		44 149	46 367
Other		507 768	464 754
Total		<u><u>555 224</u></u>	<u><u>514 928</u></u>
5. Payments for financial assets			
Debts written off	5.1	7 257	27 011
Forex losses	5.2	3 538	-
Total		<u><u>10 795</u></u>	<u><u>27 011</u></u>
5.1 Debts written off	5		
Other debt written off			
State guarantees		35	943
Salary related		4 188	3 703
Operations		-	21 999
Suppliers in debt		-	30
Estates		87	195
Loss of state funds		2 894	10
Motor vehicle accidents		-	128
Study loans		-	3
Departmental transfer		53	-
Total debt written off		<u><u>7 257</u></u>	<u><u>27 011</u></u>
5.2 Forex losses	5		
Nature of losses			
Forex Losses		3 538	-
Total		<u><u>3 538</u></u>	<u><u>-</u></u>

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
6. Transfers and subsidies			
Provinces and municipalities	34 / Annex 1A	137	141
Departmental agencies and accounts	Annex 1B	33 532	677 946
Foreign governments and international organisations	Annex 1D	22 139	-
Public corporations and private enterprises	Annex 1C	1 708 343	1 469 153
Non-profit institutions	Annex 1E	9 811	9 549
Households	Annex 1F	151 146	189 673
Total		1 925 108	2 346 462

7. Expenditure for capital assets			
Tangible assets		2 076 475	2 504 312
Buildings and other fixed structures	32	864 380	810 985
Machinery and equipment	30	929 947	1 159 912
Specialised military assets	30	282 148	532 379
Biological assets	30	-	1 036
Intangible assets		99 410	222 646
Software	31	99 410	222 646
Total		2 175 885	2 726 958

7.1 Analysis of funds utilised to acquire capital assets - 2020/21	Voted Funds R'000	Aid assistance R'000	Total R'000
Tangible assets	2 076 475	-	2 076 475
Buildings and other fixed structures	864 380	-	864 380
Machinery and equipment	929 947	-	929 947
Specialised military assets	282 148	-	282 148
Biological assets	-	-	-
Intangible assets	99 410	-	99 410
Software	99 410	-	99 410
Total	2 175 885	-	2 175 885

Defence - Vote 23

Notes to the Annual Financial Statements

for the year ended 31 March 2021

7.2 Analysis of funds utilised to acquire capital assets - 2019/20	Voted Funds R'000	Aid assistance R'000	Total R'000
Tangible assets	2 504 312	-	2 504 312
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
Intangible assets	222 646	-	222 646
Software	222 646	-	222 646
Total	2 726 958	-	2 726 958

7.3 Finance lease expenditure included in Expenditure for Capital assets	Note	2020/21 R'000	2019/20 R'000
Tangible assets			
Machinery and equipment		<u>35 545</u>	<u>37 458</u>

8. Cash and cash equivalents

Consolidated Paymaster General Account	9 888 524	7 180 185
Cash on hand	57 599	105 660
Investments (Domestic)	41 775	196 445
Total	<u>9 987 898</u>	<u>7 482 290</u>

9. Prepayments and advances

Staff advances	1 220	14 969
Travel and subsistence	69 867	117 680
Advances paid (Not expensed)	9.1 280 324	107 345
Total	<u>351 411</u>	<u>239 994</u>

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Notes to the Annual Financial Statements

for the year ended 31 March 2021

9.1 Advances Paid (Not expensed)		Balance as at 1 April 2020	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year advances	Balance as at 31 March 2021
	Note	R'000	R'000	R'000	R'000	R'000
National Departments	9	106 247	(30 737)	-	165 655	241 165
Other Institutions		1 098	(50 016)	-	88 077	39 159
Total		107 345	(80 753)	-	253 732	280 324

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 2019	Less: Amount expensed in current year	Add / Less: Other	Add: Current Year advances	Amount 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
Total		108 851	(274 788)	-	273 282	107 345

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 2020	Less: Received in the current year	Add / Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
<i>Listed by economic classification</i>						
Goods and services		823 708	(230 889)	-	8 806	601 625
Capital assets		57 241	(43 866)	-	-	13 375
Total		880 949	(274 755)	-	8 806	615 000

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 2019	Less: Received in the current year	Add / Less: Other	Add: Current Year prepayments	Amount as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
<i>Listed by economic classification</i>						
Goods and services		1 295 267	(490 473)	-	18 914	823 708
Capital assets		136 273	(95 739)	-	16 707	57 241
Total		1 431 540	(586 212)	-	35 621	880 949

As a result of contractual obligations, ARMSCOR made prepayments to other institutions on behalf of the SDA which have been expensed.

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Notes to the Annual Financial Statements

for the year ended 31 March 2021

9.3 Advances paid (Expensed)	Balance as at 1 April 2020 R'000	Less: Received in the current year R'000	Add / Less: Other R'000	Add: Current Year advances R'000	Amount as at 31 March 2021 R'000
Public entities	2 450 540	(66 513)	-	58 390	2 442 417
Total	2 450 540	(66 513)	-	58 390	2 442 417

As a result of contractual obligations, ARMSCOR made advance payments to public entities on behalf of the SDA which have been expensed.

Advances paid (Expensed)	Balance as at 1 April 2019 R'000	Less: Received in the current year R'000	Add / Less: Other R'000	Add: Current Year advances R'000	Amount as at 31 March 2020 R'000
Public entities	2 535 006	(147 963)	-	63 497	2 450 540
Total	2 535 006	(147 963)	-	63 497	2 450 540

As a result of contractual obligations, ARMSCOR made advance payments to public entities on behalf of the SDA which have been expensed.

	Note	2020/21			2019/20		
		Current R'000	Non-Current R'000	Total R'000	Current R'000	Non-Current R'000	Total R'000
Claims recoverable	10.1 & Annex 4	37 781	93 352	131 133	24 637	86 839	111 476
Staff debt	10.2	51 009	34 177	85 186	47 991	32 432	80 423
Fruitless and wasteful expenditure	10.4	-	324	324	11	315	326
Other receivables	10.3	177 826	703 798	881 624	339 235	570 226	909 461
Total		266 616	831 651	1 098 267	411 874	689 812	1 101 686

10.1 Claims recoverable	2020/21 R'000	2019/20 R'000
National departments	130 819	111 026
Provincial departments	314	406
Local governments	-	44
Total	131 133	111 476

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Notes to the Annual Financial Statements

for the year ended 31 March 2021

	2020/21	2019/20
	R'000	R'000
10.2 Staff debt		
Salary related	51 088	46 460
Study loans - Students	25 136	26 050
Motor vehicle accidents	5 253	6 036
Travel and subsistence	2 196	562
Private patients	134	180
Loss of state money	928	731
Damage to state property	399	325
Irregular expenditure	52	79
Total	85 186	80 423
10.3 Other receivables		
Marketing support	-	150
Operations	208	208
Study loans - Students	95 146	95 171
Salary related	22 313	12 639
Salary overpayments	31 670	32 223
Aviation services	552	655
Suppliers	2 222	1 170
Motor vehicle accidents	12 830	13 617
Estates	2 719	2 523
State guarantees	-	166
Medical claims	1 378	1 365
Private patients	1 210	1 767
UN Services Rendered LOA	681 182	691 206
Aviation fuel	2 897	1 666
Private institutions	64	142
Damage to state property	144	143
Unallocated deposits	-	3
Loss of state money / property	5 710	11 666
UN Reimbursement MOA / MOU	12 823	12 282
ARMSCOR suspense account	6 817	4 700
Medical United Nations	115	115
Clearing account	-	6 905
Medical Embassy	288	411
Sales per tender	264	265
ARMSCOR Profit / Loss	1 072	16 824
ARMSCOR Royalties	-	1 479
Total	881 624	909 461

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Notes to the Annual Financial Statements

for the year ended 31 March 2021

	2020/21 R'000	2019/20 R'000
10.4 Fruitless and Wasteful Expenditure		
Opening balance	326	317
Less amounts recovered	(2)	(2)
Transfers from Note 25 Fruitless and Wasteful Expenditure	-	11
Total	324	326

10.5 Impairment of receivables

Estimate of impairment of receivables	131 733	136 567
Total	131 733	136 567

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

ARMSCOR	75 000	75 000
Special Defence activities	107 164	107 164
Total	182 164	182 164

Analysis of non-current investments

Opening balance	182 164	182 164
Additions in cash	-	-
Closing balance	182 164	182 164

An impairment test performed on the Investment in ARMSCOR, based on 2020/21 Annual Financial Statements, indicates no impairment.

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Notes to the Annual Financial Statements

for the year ended 31 March 2021

		2020/21 R'000	2019/20 R'000
12. Voted funds to be surrendered to the Revenue Fund			
Opening balance		5 875	4 162
Prior period error		-	-
As restated		5 875	4 162
Transfer from Statement of Financial Performance		3 073 793	28 761
Transferred to retained revenue		(2 958 696)	(22 886)
Paid during the year		(5 875)	(4 162)
Closing balance		115 097	5 875
13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		106 301	121 616
Prior period error		-	-
As restated		106 301	121 616
Transfer from Statement of Financial Performance		923 605	1 289 155
Paid during the year		(959 197)	(1 304 470)
Closing balance		70 709	106 301
14. Payables - current			
	Note		
Clearing accounts	14.1	29 677	50
Other payables	14.2	138 814	592 676
Total		168 491	592 726
14.1 Clearing accounts			
Insurance		-	3
Suppliers		35	47
ARMSCOR suspense account		29 642	-
Total		29 677	50
14.2 Other payables			
Salary related		27 315	20 801
Debtors in credit		159	106
Travel and subsistence		1 896	1 865
Unallocated deposits		162	181
Suppliers		29 075	481 581
Unallocated credits		45 534	204
ARMSCOR contract creditors		34 649	60 131
Compliance programme		24	23
UN operations		-	27 783
State guarantees		-	1
Total		138 814	592 676

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Notes to the Annual Financial Statements

for the year ended 31 March 2021

15. Payables non-current	Note	2020/21			Total	2019/20
		One to two years	Two to three years	More than three years		Total
Other payables	15.1	835	-	-	835	266
Total		835	-	-	835	266

15.1 Other Payables	15	2020/21 R'000	2019/20 R'000
Salary related		797	113
State guarantees		-	144
Suppliers		24	-
Unallocated credits		14	9
Total		835	266

16. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	3 997 398	1 317 916
Add back non cash/cash movements not deemed operating activities	814 472	2 037 668
(Increase)/decrease in receivables	145 258	134 668
(Increase)/decrease in prepayments and advances	(111 417)	(4 852)
Increase/(decrease) in payables – current	(424 235)	492 030
Proceeds from sale of capital assets	(5 947)	(2 504)
Expenditure on capital assets	2 175 885	2 726 958
Surrenders to Revenue Fund	(965 072)	(1 308 632)
Net cash flow generated by operating activities	4 811 870	3 355 584

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

Consolidated Paymaster General account	9 888 524	7 180 185
Cash on hand	57 599	105 660
Cash with commercial banks (Local)	41 775	196 445
Total	9 987 898	7 482 290

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Notes on Secondary Financial Information

for the year ended 31 March 2021

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	Notes	2020/21 R'000	2019/20 R'000
Housing loan guarantees	Employees	Annexure 3A	1 096	1 344
Claims against the department		Annexure 3B	5 510 490	5 423 852
Intergovernmental payables (unconfirmed balances)		Annexure 5	77	-
Environmental rehabilitation liability		Annexure 3B	1 325 297	1 288 390
Total			6 836 960	6 713 586

18.2 Contingent assets

Nature of contingent asset

Claim against SANDU due to damage to Military Police Vehicles during a protest	80	80
Damage to state property	678	678
Breach of contract	1 457	1 453
Diesel contamination (mixed with petrol)	347	347
Wrongful payment to a supplier	28	-
Total	2 590	2 558

Housing

- Not possible 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 2021.
- The claim against the Special Defence Account (SDA) relates to a commission claim of EUR 192 180 623 with a rand value of R3 336 161 636 (1 Euro = R17.359511) (2019/20: R3 763 556 543). 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. In this regard the Court in Lisbon has requested that the parties formulate the questions to be considered by the report panel by end April 2021. It was also noted that the Court in Portugal resumed activities following a prolonged lockdown.
- The claim against the SDA relates to a claim of payment in terms of contractual conditions of EUR 17 562 575 (2019/20: EUR 17 601 975 - EUR 9 964 583) (Paid in accordance with the agreement) + EUR 9 925 183 (new amount with amended particulars of claim) with a rand value of R305 135 896 (1 Euro = R17.359511 plus ZAR 258,168.19) (2019/20: R344 965 299). The Plaintiff filed amended particulars of claim to which ARMSCOR has responded by filing a plea. ARMSCOR has also agreed with Denel to proceed with payment of invoices that are payable in terms of the conditions of the contract. To this end, Denel has issued invoices for work done and completed, and ARMSCOR has paid all invoices issued by Denel. Patria has now submitted a settlement proposal for ARMSCOR to consider payment of the remaining goods packages from Patria to the amount of EUR 9 925 183. Legal Services are awaiting the decision of EXCO in this regard, however the settlement is not supported as ARMSCOR has instructed Denel not to continue with the associated work. The prospects of successfully defending the matter remains good.

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 line with CPI.

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Notes on Secondary Financial Information

for the year ended 31 March 2021

Salary related

- The Labour Appeal Court (LAC) declared the salary increases for the 2020/21 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the Department will be obligated to pay the salary increases in dispute.

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 2021.

19. Commitments	2020/21 R'000	2019/20 R'000
Class of assets		
Buildings	681 652	682 958
Machinery and equipment	893 407	1 148 651
Specialised Military assets	10 180 893	10 810 623
Software and Intangible assets	-	48 058
	11 755 952	12 690 290

Prior year Machinery and Equipment and Specialised Military Assets have been restated due to Rate of Exchange differences relating to Commitments now being disclosed as a provision.

Prior year Buildings have been restated to only include contracted Commitments for Capital Infrastructure projects at construction stage.

20. Accruals and Payables not recognised	2020/21 R'000			2019/20 R'000
20.1 Accruals				
Listed by economic classification	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services	78 996	4 003	82 999	160 966
Transfers and subsidies	-	19 296	19 296	-
Capital assets	19 395	140	19 535	11 579
Other	-	-	-	31
Total	98 391	23 439	121 830	172 576

Listed by programme level

Administration	33 290	7 336
Landward Defence	34 210	18 487
Air Defence	5 692	19 274
Maritime Defence	6 873	97 566
Military Medical Health Services	281	19 281
Defence Intelligence	-	6
General Support	11 394	9 892
Force Employment	30 090	734
Total	121 830	172 576

Restatement of prior year due to Factual Findings - uncorrected misstatements, as well as incorrect entry date of invoices received, utilised within ARMSCOR environment to determine the SDA accruals and payables.

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Notes on Secondary Financial Information

for the year ended 31 March 2021

20.2 Payables not recognised			2020/21	2019/20
			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	162 953	268 357	431 310	306 956
Capital assets	6 653	7 718	14 371	43 403
Other	-	-	-	-
Total	169 606	276 075	445 681	350 359

Listed by programme level

Administration	91 944	7 109
Landward Defence	46 598	143 142
Air Defence	12 562	86 878
Maritime Defence	7 415	13 455
Military Medical Health Services	4 548	29 777
Defence Intelligence	306	1 322
General Support	277 393	34 453
Force Employment	4 915	34 223
Total	445 681	350 359

Restatement due to Factual Findings - uncorrected misstatements, as well as incorrect entry date of invoices received, utilised within ARMSCOR environment.

Included in the above totals are the following:

Confirmed balances with departments	Annex 5	15 339	3 885
Confirmed balances with other government entities	Annex 5	-	-
Total		15 339	3 885

Prior year restated as a result of information provided in 2020/21, which relates to the prior year.

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Notes on Secondary Financial Information

for the year ended 31 March 2021

21. Employee benefits

Leave entitlement	1 701 994	1 088 967
Service bonus	902 121	897 161
Performance awards	-	-
Capped leave commitments	810 195	712 325
Other	145 300	148 475
Total	3 559 610	2 846 928

Leave entitlement with negative balances amounting to R33 582 983 for the 2020/21 financial year and R67 110 996 for the 2019/20 financial year are included in the above amounts.

22. Lease Commitments

22.1 Finance leases expenditure

2020/21	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	-	-	-	22 196	22 196
Later than 1 year and not later than 5 years	-	-	-	6 846	6 846
Total lease commitments	-	-	-	29 042	29 042

2019/20	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
Total lease commitments	-	-	-	36 589	36 589

The Department is not aware of any sub-leased assets

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Notes on Secondary Financial Information

for the year ended 31 March 2021

23. Accrued departmental revenue	2020/21	2019/20
	R'000	R'000
Transactions in financial assets and liabilities	552	-
Transfers received	181 211	232 746
Total	181 763	232 746

The prior year transfers received has been restated due to penalties that have been deducted for personnel reimbursements.

23.1 Analysis of accrued revenue

Opening balance	232 746	75 202
Less: Amounts received	421 144	356 052
Add: Amounts recognised	404 689	551 684
Less: Amounts written off / reversed as irrecoverable	35 080	38 088
Other (Specify)	552	-
Closing balance	181 763	232 746

Other - Penalties levied by ARMSCOR to the amount of R551 631.99 to be transferred to the Department of Defence in 2021/22.

23.2 Accrued departmental revenue written off

Penalty imposed by the United Nations	<u>35 080</u>	<u>38 088</u>
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The amount represents actual penalties deducted from revenue from the DOD for unserviceable equipment.

23.3 Impairment of accrued departmental revenue

Estimate is based on 7.71% of latest 2 quarters. The amount represents provision for penalties still to be deducted due to unserviceable equipment.	<u>15 122</u>	<u>52 709</u>
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Notes on Secondary Financial Information

for the year ended 31 March 2021

24. Irregular expenditure	Note	2020/21 R'000	2019/20 R'000
24.1 Reconciliation of irregular expenditure			
Opening balance		8 133 264	5 134 220
Prior period error		-	155 597
As restated		<u>8 133 264</u>	<u>5 289 817</u>
Add: Irregular expenditure - relating to prior year	24.2	101 325	3 347
Add: Irregular expenditure - relating to current year	24.2	2 182 089	2 840 464
Less: Prior year amounts condoned	24.3	(8 619)	(364)
Less: Current year amounts condoned		-	-
Less: Amounts recoverable (current and prior year)		-	-
Less: Amounts written off		-	-
Closing balance		<u><u>10 408 059</u></u>	<u><u>8 133 264</u></u>
Analysis of awaiting condonation per age classification			
Current		2 182 089	2 840 464
Prior years		8 225 970	5 292 800
Total		<u><u>10 408 059</u></u>	<u><u>8 133 264</u></u>

An ex post facto deviation request was submitted to NT for the SAA flight to Wuhan which was done under abnormal circumstances. The Department does not agree with AGSA's finding that the expenditure incurred is irregular.

24.2 Details of current and prior year Irregular expenditure - added current year (under determination and investigation)		2020/21 R'000
Incident	Disciplinary steps taken/criminal proceedings	
Points awarded for functionality were incorrectly calculated.	Under internal investigation	726
Incorrect bid evaluation process.	Under internal investigation	15 700
Unfair bidding process.	Under internal investigation	181 361
Bid not evaluated by bid evaluation committee.	Under internal investigation	1 469
Extension of a contract with more than 15% or Rm15 without NT approval.	Under internal investigation	6 862
Splitting.	Under internal investigation	1 896
Deviation from NT instructions.	Under internal investigation	37 394
Invalid tax clearance certificate.	Under internal investigation	76
No contract for services rendered.	Under internal investigation	9 022
GO submitted to wrong supplier.	Under internal investigation	16
Three quotations not obtained.	Under internal investigation	730
Expenditure above COE allocation due to the reduction imposed by NT through budget reduction.	Under internal investigation	1 775 021
Non-compliance with PPR of 2017.	Under internal investigation	9 332
Non-compliance with CIDB act and regulations.	Under internal investigation	1 236
Non-compliance with SITA regulations.	Under internal investigation	2 549
Non-compliance with the approval process.	Under internal investigation	3 544
Goods not procured from a transversal contract in which the Department participates.	Under internal investigation	19
Non-compliance with the SAHPRA where the DOD did not obtain approval prior to the importation of medicine.	Under internal investigation	33 497
Deviation from the procurement.	To be investigated	101 639
Prior year error (Note 24.5)	Under internal investigation	101 325
Total		<u><u>2 283 414</u></u>

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Notes on Secondary Financial Information

for the year ended 31 March 2021

24.3 Details of irregular expenditure condoned	2020/21 R'000	
Incident	Condoned by (condoning authority)	
2 x Splitting.	National Treasury	102
1 x Extension of a contract with more than 15% or Rm15 without NT approval.	National Treasury	8 517
Total		8 619
24.4 Details of irregular expenditure under assessment (not included in the main note)		
Incident		
5 x non-compliance with the procurement process, under assessment.		14 010
Total		14 010
24.5 Prior period error		
Nature of prior period error		
Relating to 2018/19 (affecting the opening balance)		155 597
2 x duplicate incidents were restated to be excluded from the IE register.		(40)
3 x incidents were restated as non-compliance.		(155)
Non-compliance with the approval process for payments made for the catering contract for 2 Military Hospital. The understatement of the prior period was corrected by adding the amount paid.		15 638
Evaluation criteria applied when evaluating the bid not the same as the one stipulated in the bidding documents. Payments made in terms of the fuel contract for the NW province were included in the register and disclosed as a prior period error.		17 851
Shortlisted bidders that did not comply with the mandatory requirements for the supply and delivery of various fuel commodities to the DOD in the Gauteng province for a period of five years, were included in the register and disclosure note.		122 303
Relating to 2019/20		101 325
Unfair bidding process and PPPFA non-compliance for the Asset verification project. Four invoices paid with the suspense account in 2019/2020 previously not disclosed were included in the register and disclosure note.		37 850
Shortlisted bidders that did not comply with the mandatory requirements for the supply and delivery of various fuel commodities to the DOD in the Gauteng province for a period of five years, were included in the register and disclosure note.		50 082
Evaluation criteria applied when evaluating the bid not the same as the one stipulated in the bidding documents. Payments made in terms of the fuel contract for the NW province were included in the register and disclosure note.		3 737
Non-compliance with the approval process for payments made for the catering contract for 2 Military Hospital. The understatement of the prior year was corrected by adding the amount paid in 2019/2020.		9 656
Total		256 922

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Notes on Secondary Financial Information

for the year ended 31 March 2021

25. Fruitless and wasteful expenditure	Note	2020/21 R'000	2019/20 R'000
25.1 Reconciliation of fruitless and wasteful expenditure			
Opening Balance		423 572	404 550
Prior period error		-	-
As restated		423 572	404 550
Fruitless and wasteful expenditure – relating to prior year		21	188
Fruitless and wasteful expenditure – relating to current year	25.2	4 255	18 870
Less: Amounts recoverable	10.4	-	(11)
Less: Amounts written off		-	(25)
Closing balance		427 848	423 572

25.2 Detail of current and prior year fruitless and wasteful expenditure - added current year (under determination and investigation)"

Incident	Disciplinary steps taken/criminal proceedings	
3 x Cancelled events.	Under investigation	88
1 x Storage fees paid.	Under investigation	51
1 x Air tickets paid for missed flight.	Under investigation	7
Interest and foreign currency fluctuation for late payment.	Under investigation	4 109
Prior year error (Note 25.3)	Under investigation	21
Total		4 276

25.3 Prior period error

Nature of prior period error

Relating to 2019/20	21
2 x Price inflations and penalties beyond contract agreement for international commercial flights.	21
Total	21

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Notes on Secondary Financial Information

for the year ended 31 March 2021

26. Identification and nature of related party relationship

As at 31 March 2021 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.

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Notes on Secondary Financial Information

for the year ended 31 March 2021

26. Identification and nature of related party relationship (continued)

- 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.

During the period the following related party transactions occurred between the Department and the State Information Technology Agency SOC Ltd. (SITA):

- The Department and SITA have a business agreement which governs the relationship between SITA and the DOD. Included in this agreement is the provisioning of accommodation by SITA and the DOD to officials from both parties to enhance service delivery and which is mutually beneficial, at no cost to either party.

27. Key management personnel		2020/21	2019/20
		R'000	R'000
Description	No. of Individuals		
Political Office Bearers:	2	4 228	4 799
Officials			
Level 15 to 16	15	28 539	28 484
Level 14	13	14 306	10 966
Level 12 to 13	6	6 998	6 741
Family members of key management personnel	6	1 837	1 520
Total		55 908	52 510

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for the year ended 31 March 2021

28. Provisions	2020/21	2019/20
	R'000	R'000
Environmental Liability - Aviation fuel contamination	156 219	156 219
ARMSCOR retention fees SDA	-	723
ARMSCOR retention fees GDA	-	6 616
ARMSCOR Rate of Exchange differences SDA	488 625	654 602
Total	644 844	818 160

Reconciliation of movement in provisions - 2020/21	ARMSCOR retention fees SDA	ARMSCOR retention fees GDA	ARMSCOR Rate of Exchange differences SDA	Environmental Liability	Total Provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	723	6 616	654 602	156 219	818 160
Increase in provision	-	-	-	-	-
Settlement of provision	(723)	(6 616)	(92 837)	-	(100 176)
Change in provision due to change in estimation of inputs	-	-	(73 140)	-	(73 140)
Closing balance	-	-	488 625	156 219	644 844

Reconciliation of movement in provisions - 2019/20	ARMSCOR retention fees SDA	ARMSCOR retention fees GDA	ARMSCOR Rate of Exchange differences SDA	Environmental Liability	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	443	6 616	-	172 935	179 994
Increase in provision	280	-	654 602	-	654 882
Settlement of provision	-	-	-	-	-
Unused amount reversed	-	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	(16 716)	(16 716)
Closing balance	723	6 616	654 602	156 219	818 160

ARMSCOR retention fees

- Delays in the contract renewal has resulted in the Department not being able to reliably determine the estimated amount of the obligation.
- ARMSCOR, prior to September 2014 withheld 10% in retention fees for suppliers that are not BEE compliant.
- Once the supplier has submitted proof that the company is compliant, the retention fee is released.

ARMSCOR Rate of Exchange differences

- Rate of Exchange differences relating to Commitments are disclosed as a provision.

Environmental Liability

- Delays in contract renewal had demanded that the monthly contract value be escalated to CPIX to establish a new estimated contract value.
- However, as no contract has been in place for 29 months, no recent data has been generated. Anomalous rainfall patterns have also disrupted and destabilised subsurface conditions which has resulted in historical data becoming obsolete. All these factors have resulted in calculating a reliable provision impossible for FY 2020/21.

29. Non-adjusting events after reporting date

The Department is not aware of any non-adjusting events.

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Notes on Secondary Financial Information

for the year ended 31 March 2021

30. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	274	-	-	-	274
Heritage assets	274	-	-	-	274
MACHINERY AND EQUIPMENT	13 072 880	-	808 843	26 996	13 854 727
Transport assets	4 736 408	-	310 158	-	5 046 566
Computer equipment	1 187 237	-	117 645	15 379	1 289 503
Furniture and office equipment	264 253	-	15 110	1 344	278 019
Other machinery and equipment	6 884 982	-	365 930	10 273	7 240 639
SPECIALISED MILITARY ASSETS	49 650 032	-	20 666	-	49 670 698
Specialised military assets	49 650 032	-	20 666	-	49 670 698
BIOLOGICAL ASSETS	4 121	-	3	137	3 987
Biological assets	4 121	-	3	137	3 987
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	62 727 307	-	829 512	27 133	63 529 686

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Notes on Secondary Financial Information

for the year ended 31 March 2021

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash	Non-cash	(Capital work-in-progress current cost and finance lease payment)	Received current not Paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	313 203	412 916	(35 545)	118 269	808 843
Transport assets	29 831	167 095	-	113 232	310 158
Computer equipment	118 277	208	-	(840)	117 645
Furniture and office equipment	14 141	815	-	154	15 110
Other machinery and equipment	150 954	244 798	(35 545)	5 723	365 930
SPECIALISED MILITARY ASSETS	-	20 666	-	-	20 666
Specialised military assets	-	20 666	-	-	20 666
BIOLOGICAL ASSETS	-	3	-	-	3
Biological assets	-	3	-	-	3
TOTAL ADDITIONS TO MOVEABLE TANGIBLE CAPITAL ASSETS	313 203	433 585	(35 545)	118 269	829 512

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Notes on Secondary Financial Information

for the year ended 31 March 2021

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash R'000	Non-cash disposals R'000	Total disposals R'000	Cash received Actual R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	26 996	26 996	-
Transport assets	-	-	-	-
Computer equipment	-	15 379	15 379	-
Furniture and office equipment	-	1 344	1 344	-
Other machinery and equipment	-	10 273	10 273	-
SPECIALISED MILITARY ASSETS	-	-	-	5 947
Specialised military assets	-	-	-	5 947
BIOLOGICAL ASSETS	-	137	137	-
Biological assets	-	137	137	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	27 133	27 133	5 947

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Notes on Secondary Financial Information

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30.3 Movement for 2019/20

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	260	14	-	-	274
Heritage assets	260	14	-	-	274
MACHINERY AND EQUIPMENT	12 230 505	41 564	809 684	8 873	13 072 880
Transport assets	4 436 455	11 079	288 874	-	4 736 408
Computer equipment	1 087 592	21 368	83 370	5 093	1 187 237
Furniture and office equipment	247 765	4 318	12 241	71	264 253
Other machinery and equipment	6 458 693	4 799	425 199	3 709	6 884 982
SPECIALISED MILITARY ASSETS	49 691 351	(56 208)	14 889	-	49 650 032
Specialised military assets	49 691 351	(56 208)	14 889	-	49 650 032
BIOLOGICAL ASSETS	5 361	(2 193)	1 038	85	4 121
Biological assets	5 361	(2 193)	1 038	85	4 121
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	61 927 477	(16 823)	825 611	8 958	62 727 307

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Notes on Secondary Financial Information

for the year ended 31 March 2021

30.3.1 Prior period error

Nature of prior period error	R'000
Relating to 2018/19 (Affecting the opening balance)	
Assets reclassified / derecognised	(16 823)
Assets recognised	(11 490)
Price changes / Projects	19 381
	(24 714)
Relating to 2019/20	
Assets reclassified / derecognised	(8 661)
Assets recognised	-
Price changes / Projects	(8 661)
Total	(25 484)

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.

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for the year ended 31 March 2021

30.4 Minor assets

MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	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	-	450 711	-	453 714
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	19 875	-	19 875
Disposals	-	-	-	5 950	-	5 950
TOTAL MINOR ASSETS	-	3 003	-	464 636	-	467 639

	Specialised Military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Closing balance
Number of R1 Minor assets	-	325	-	1 327 948	-	1 328 273
Number of minor assets at cost	-	1 594	-	239 233	-	240 827
TOTAL MINOR ASSETS	-	1 919	-	1 567 181	-	1 569 100

Minor capital assets under investigation

	Number	Value
Specialised military assets	40	3 130
Machinery and equipment	1 868	87 252
Biological assets	6	365

Assets are under investigation due to loss or damage to state property. Boards of inquiry are conducted to determine the liability. The outcome of the Board is referred to Legsafo for consideration and action.

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Notes on Secondary Financial Information

for the year ended 31 March 2021

30.4 Minor assets (continued)

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
Prior period error	-	-	-	3 878	-	3 878
Additions	-	-	-	11 849	-	11 849
Disposals	-	-	-	726	-	726
TOTAL MINOR ASSETS	-	3 003	-	450 711	-	453 714

	Specialised Military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Closing balance
Number of R1 Minor assets	-	-	-	1 320 535	-	1 320 535
Number of minor assets at cost	-	-	-	228 784	-	228 784
TOTAL NUMBER MINOR ASSETS	-	-	-	1 549 319	-	1 549 319

30.4.1 Nature of prior period error

Relating to 2018/19 (Affecting the opening balance)

Assets recognised / reclassified

Assets derecognised

Value adjustments

Total

	R'000
	3 878
	924
	(401)
	3 355
Total	3 878

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for the year ended 31 March 2021

30.5 Movable assets written-off

MOVABLE ASSETS WRITTEN-OFF FOR THE YEAR ENDED 31 MARCH 2021

	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	2	-	-	2 947	-	2 949
TOTAL MOVABLE ASSETS WRITTEN-OFF	2	-	-	2 947	-	2 949

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
TOTAL MOVABLE ASSETS WRITTEN-OFF	50	-	-	3 530	40	3 620

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Notes on Secondary Financial Information

for the year ended 31 March 2021

30.6 S42 Movable Capital Assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Specialised Military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No of Assets	-	-	-	16	-	16
Value of the asset (R'000)	-	-	-	2 520	-	2 520

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Specialised Military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No of Assets	-	-	-	-	-	-
Value of the asset (R'000)	-	-	-	-	-	-

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Notes on Secondary Financial Information

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31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	1 965 477	-	229 498	-	2 194 975
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	4 044 763	-	336 433	-	4 381 196
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	6 010 240	-	565 931	-	6 576 171

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Notes on Secondary Financial Information

for the year ended 31 March 2021

31.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	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
SOFTWARE	225 387	-	-	4 111	229 498
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	336 433	-	-	336 433
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	225 387	336 433	-	4 111	565 931

- 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. Software purchases with the costs being settled over a certain number of years instead of a single cash payment in a single financial year.

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31.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash R'000	Non- cash disposal R'000	Total disposals R'000	Cash received Actual R'000
SOFTWARE	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
TOTAL DISPOSALS TO INTANGIBLE CAPITAL ASSETS	-	-	-	-

31.3 Movement for 2019/20

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	1 801 606	17 773	212 106	66 008	1 965 477
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	3 024 747	-	1 029 389	9 373	4 044 763
TOTAL MOVEMENT IN INTANGIBLE CAPITAL ASSETS	4 826 353	17 773	1 241 495	75 381	6 010 240

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Notes on Secondary Financial Information

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31.3.1 PRIOR PERIOD ERROR

	2019/20	R'000
Nature of prior period error		
Relating to 2018/19 (affecting the opening balance)	17 773	
Recalculation of IP values (Audit Adjustments)	-	
Value adjustment in IP	-	
Understatement of Software opening balance	17 773	
Relating to 2019/20 (affecting the opening balance)	-	
Software received in 2018/19 paid in current year	-	
Overstatement of Software disposals	-	
Overstatement of Software additions	-	
Total		17 773

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32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	15 064 232	-	154 899	-	15 219 131
Dwellings	1 482 236	-	599	-	1 482 835
Non-residential buildings	13 159 542	-	154 300	-	13 313 842
Other fixed structures	422 454	-	-	-	422 454
HERITAGE ASSETS	2 880 806	-	-	-	2 880 806
Heritage assets	2 880 806	-	-	-	2 880 806
LAND AND SUBSOIL ASSETS	12 870 888	-	-	-	12 870 888
Land	12 870 888	-	-	-	12 870 888
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	30 815 926	-	154 899	-	30 970 825

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32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	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
BUILDINGS AND OTHER FIXED STRUCTURES	288 992	1 091	(135 184)	-	154 899
Dwellings	599	-	-	-	599
Non-residential buildings	288 367	1 091	(135 158)	-	154 300
Other fixed structures	26	-	(26)	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	288 992	1 091	(135 184)	-	154 899

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32.2 Movement for 2019/20 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	15 015 076	-	49 156	-	15 064 232
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
HERITAGE ASSETS	2 881 117	-	(311)	-	2 880 806
Heritage assets	2 881 117	-	(311)	-	2 880 806
LAND AND SUBSOIL ASSETS	12 870 888	-	-	-	12 870 888
Land	12 870 888	-	-	-	12 870 888
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	30 767 081	-	48 845	-	30 815 926

32.3.1 PRIOR PERIOD ERROR

Nature of prior period error	2019/20 R'000	Note
Relating to 2018/19 (affecting the opening balance)		
Assets derecognised	-	
Projects not recognised	-	
Corrections	-	
Total	-	

Defence - Vote 23

Notes on Secondary Financial Information

for the year ended 31 March 2021

32.4 Capital Work-in-progress CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

Note	Opening balance 1 April 2020	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2021
	R'000	R'000	R'000	R'000
Annexure 7				
Heritage assets				
Building and other fixed structures	1 506 020	135 184	1 091	1 640 113
Machinery and equipment	11 522 051	1 126 713	-	12 648 764
Specialised military assets	-	-	-	-
Intangible assets	-	-	-	-
TOTAL	13 028 071	1 261 897	1 091	14 288 877

Defence - Vote 23 Notes on Secondary Financial Information

for the year ended 31 March 2021

Age analysis on ongoing projects	Number of projects		2020/21 Total R'000
	Planned, construction not started	Planned, construction started	
0 to 1 year	-	3	8 036
1 to 3 year (s)	-	-	-
3 to 5 years	-	8	148 729
Longer than 5 years	-	46	14 132 113
TOTAL	-	57	14 288 878

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, Mmabatho, Polokwane, Nelspruit and Kimberley)
- Delays in planning i.e. site clearance, sketch plan approval and evaluation and award etc.
- Lack of construction procurement that supports effective delivery of infrastructure.
- Lack of internal capacity due to shortage of built environment practitioners such as project managers, architects, engineers and quantity surveyors.
- Failure to document Client Department needs during the project planning phase resulting in scope changes and variation orders during construction phase. This also results into huge financial costs.
- Poor performance of some contractors on certain contracts, resulting in extension of time with penalties.

Defence - Vote 23

Notes on Secondary Financial Information

for the year ended 31 March 2021

Payables not recognised relating to Capital WIP

	2020/21 R'000	2019/20 R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress	39 527	51 052
Total	39 527	51 052

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Opening balance R'000	Prior year error R'000	Current year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2020 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	(463 534)	1 427 775	-	11 522 051
Specialised military assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Total	11 896 099	(463 534)	1 615 878	20 372	13 028 071

Note
Annexure 7

Defence - Vote 23 Notes on Secondary Financial Information

for the year ended 31 March 2021

Age analysis on ongoing projects	Number of projects		2019/20 Total R'000
	Planned, construction not started	Planned, construction started	
0 to 1 year	-	-	-
1 to 3 year (s)	-	3	15 602
3 to 5 years	-	8	108 973
Longer than 5 years	-	49	12 903 496
Total	-	60	13 028 071

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, Mmabatho, Polokwane, Nelspruit and Kimberley)
- Delays in planning i.e. site clearance, sketch plan approval and evaluation and award etc.
- Lack of construction procurement that supports effective delivery of infrastructure.
- Lack of internal capacity due to shortage of built environment practitioners such as project managers, architects, engineers and quantity surveyors.
- Failure to document Client Department needs during the project planning phase resulting in scope changes and variation orders during construction phase. This also results into huge financial costs.
- Poor performance of some contractors on certain contracts, resulting in extension of time with penalties.

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.

Defence - Vote 23

Notes on Secondary Financial Information

for the year ended 31 March 2021

32.5 Immoveable assets additional information

a Properties deemed vested

	Estimated completion date	Note Annexure 9	2020/21 Number	2019/20 Number
Land parcels				
Facilities				
Training area			12	12
High site			5	5
Office accommodation			1	1
Operation facility			1	1
Military base			1	1
Historical Military base			3	3
			1	1

Defence - Vote 23

Notes on Secondary Financial Information

for the year ended 31 March 2021

33. Prior period errors	Note	Amount bef error correction R'000	2019/20 Prior period errors R'000	Restated Amount R'000
33.1 Correction of prior period errors				
Expenditure				
Goods and services - Inventory - Other supplies		-	-	-
Clothing material and accessories		-	-	-
Materials and supplies		-	-	-
Tangible assets - Machinery and equipment		-	-	-
Net effect		-	-	-
Assets:				
Accrued departmental revenue - opening balance	23	98 966	(23 764)	75 202
Movable Tangible Capital Assets - additions		834 272	(8 661)	825 611
Net effect		933 238	(32 425)	900 813

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Notes on Secondary Financial Information

for the year ended 31 March 2021

33. Prior period errors (Continued)

	Note	Amount bef error correction R'000	2019/20 Prior period errors R'000	Restated Amount R'000
Liabilities:				
<i>Accruals</i>				
Goods and services	20.1	57 753	103 213	160 966
Capital assets		-	10 860	10 860
<i>Payables</i>				
Goods and services	20.2	407 574	(100 618)	306 956
Capital assets		54 263	(10 860)	43 403
<i>Commitments</i>				
Buildings	19	6 005 843	(5 322 885)	682 958
Machinery and Equipment		1 208 172	(59 521)	1 148 651
Specialised Military Assets		11 405 704	(595 081)	10 810 623
<i>Provisions</i>				
ARMSCOR Rate of Exchange differences SDA	28	-	654 602	654 602
Net effect		19 139 309	(5 320 290)	13 819 019
Other:				
Reconciliation on Irregular expenditure - prior period error	24	5 134 220	155 597	5 289 817
Confirmed balances with departments - Note 20 / Annexure 5	30	-	3 885	3 885
Net effect		5 134 220	159 482	5 293 702

Defence - Vote 23

Notes on Secondary Financial Information

for the year ended 31 March 2021

34. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	2020/21					2019/20			
	TRANSFER ALLOCATION		TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	Appropriation Act	R'000
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer				
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Provincial and Local Governments	611	-	(474)	137	-	-	-	-	141
	611	-	(474)	137	-	-	-	-	141

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Notes on Secondary Financial Information

for the year ended 31 March 2021

35. COVID 19 Response Expenditure

	2020/21 R'000	2019/20 R'000
Compensation of employees	1 047 399	-
Goods and services	1 652 307	-
Transfers and subsidies	262 845	-
Expenditure for capital assets	220 630	-
Other	-	-
Total	3 183 181	-

Note
ANNEXURE 10

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Annexures to the Annual Financial Statements
for the year ended 31 March 2021

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT				2019/20		
	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	611	-	(474)	137	137	-	-	-	-	-	100%	141	-
TOTAL	611	-	(474)	137	137	-	-	-	-	-		141	-

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for the year ended 31 March 2021

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTS / AGENCY / ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2019/20 Appropriation Act 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)	24 049	-	4 633	28 682	28 624	100%	25 370
Department of Military Veterans	-	-	-	-	-	-	652 553
Communication Licences (Radio & TV)	148	-	(140)	8	8	100%	23
Castle Control Board	3 000	-	1 900	4 900	4 900	100%	-
TOTAL	27 197	-	6 393	33 590	33 532		677 946

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

NAME OF PUBLIC CORPORATION / PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2019/20 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
PUBLIC CORPORATION									
Transfers									
Armaments Corporation of South Africa	1 352 044	-	26 142	1 378 186	1 378 186	100%	-	-	1 467 968
Claims against the State	-	-	-	-	-	-	-	-	1 086
Sub total	1 352 044	-	26 142	1 378 186	1 378 186	100%	-	-	1 469 054
PRIVATE ENTERPRISES									
Transfers									
Claims against the State	-	-	330 157	330 157	330 157	100%	-	-	99
Sub total	-	-	330 157	330 157	330 157	100%	-	-	99
TOTAL	1 352 044	-	356 299	1 708 343	1 708 343	100%	-	-	1 469 153

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ANNEXURE 1D
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION			EXPENDITURE		2019/20 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 %
FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION							
Transfers							
Southern Africa Development Community	22 940	-	-	22 940	22 139	97%	
TOTAL	22 940	-	-	22 940	22 139	-	

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ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2019/20 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 %	
Transfers							
St John's Ambulance Brigade	1 031	-	-	1 031	816	79%	807
Reserve Force Council	8 995	-	-	8 995	8 995	100%	8 742
TOTAL	10 026	-	-	10 026	9 811		9 549

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ANNEXURE 1F
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2019/20 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 %	
	HOUSEHOLDS						
Transfers							
DOD members	190 461	-	-	190 461	145 981	77%	143 675
Claims against the State Act of Grace	-	-	5 165	5 165	5 165	100%	45 798
TOTAL	190 461	-	5 165	195 626	151 146		189 673

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ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

	NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21	2019/20
			R'000	R'000
Received in cash				
	Development Bank of South Africa	60 x Pods towards COVID-19 interventions	3 027	-
TOTAL			3 027	-

Defence - Vote 23

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for the year ended 31 March 2021

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 R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed Yes/No
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20			
National / Provincial Public Entity												
Castle Control Board (under control of the Minister of Defence).	3A	100%	100%	-	-	-	3 670	3 522	148	(27)	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	3 007 918	2 852 105	155 813	178 658	No	
TOTAL						75 000	3 011 588	2 855 627	155 961	178 631		

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for the year ended 31 March 2021

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
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Controlled entities									
Castle Control Board under control of the Minister of Defence	To preserve and protect the military and cultural heritage of the Castle, optimise the tourism potential of the Castle; and maximise the accessibility to the public of the whole or any part, as the case may be, of the Castle which is not used by the SANDF	-	-	3 670	3 522	-	-	-	-
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	3 007 918	2 852 105	-	-	-	-
TOTAL		75 000	75 000	3 011 588	2 855 627	-	-	-	-

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2021

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 - LOCAL

Guarantor Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening balance as at 1 April 2020	Guarantees drawdowns during the year	Guaranteed repayments / cancelled / reduced / released during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2021 R'000	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2021
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
ABSA		-	344	-	99	-	245	-	-
First National Bank		-	483	-	38	-	445	-	-
Free State Dev Corp		-	86	-	-	-	86	-	-
Greenstart Home Loans		-	82	-	-	-	82	-	-
Nedbank		-	-	-	-	-	-	-	-
Standard Bank		-	349	-	111	-	238	-	-
TOTAL		-	1 344	-	248	-	1 096	-	-

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for the year ended 31 March 2021

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 March 2021

Nature of Liability	Opening Balance	Liabilities	Liabilities paid /	Liabilities	Closing Balance
	1 April 2020	incurred during	cancelled / reduced	recoverable	31 March 2021
	R'000	the year	during the year	R'000	R'000
Claims against the Department					
Civil claims	1 303 927	6 11 270	56 315	-	1 858 882
Mobile assets accidents (MAA)	11 404	3 006	4 099	-	10 311
Claims - Special Defence Account	4 108 521	-	467 224	-	3 641 297
Sub Total	5 423 852	6 14 276	527 638	-	5 510 490
Environmental Liability					
UXO contamination and rehabilitation	1 288 390	36 907	-	-	1 325 297
Sub Total	1 288 390	36 907	-	-	1 325 297
TOTAL	6 712 242	651 183	527 638	-	6 835 787

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 2021.

The claim against the Special Defence Account (SDA) relates to a commission claim of EUR 192 180 623 with a rand value of R3 336 161 636 (1 Euro = R17.359511) (2019/20: R3 763 556 543). 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. In this regard the Court in Lisbon has requested that the parties formulate the questions to be considered by the report panel by end April 2021. It was also noted that the Court in Portugal resumed activities following a prolonged lockdown.

The claim against the SDA relates to a claim of payment in terms of contractual conditions of EUR 17 562 575 (2019/20: EUR 17 601 975 - EUR 9 964 583) (Paid in accordance with the agreement) + EUR 9 925 183 (new amount with amended particulars of claim) with a rand value of R305 135 896 (1 Euro = R17.359511 plus ZAR 258,168.19) (2019/20: R344 965 299). The Plaintiff filed amended particulars of claim to which ARMSCOR has responded by filing a plea. ARMSCOR has also agreed with Denel to proceed with payment of invoices that are payable in terms of the conditions of the contract. To this end, Denel has issued invoices for work done and completed, and ARMSCOR has paid all invoices issued by Denel. Patria has now submitted a settlement proposal for ARMSCOR to consider payment of the remaining goods packages from Patria to the amount of EUR 9 925 183. Legal Services are awaiting the decision of EXCO in this regard, however the settlement is not supported as ARMSCOR has instructed Denel not to continue with the associated work. The prospects of successfully defending the matter remains good.

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. The actual escalation in contract value has since proven to be below CPIX projections, therefore the reduction.

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for the year ended 31 March 2021

ANNEXURE 4 CLAIMS RECOVERABLE

Department	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/2021*	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	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
City of Cape Town	-	-	-	26	-	26	-	-
Department of Correctional Services	-	-	35	72	35	72	-	-
Department of Health Cape Town	-	-	74	74	74	74	-	-
Department of Health Gauteng	264	264	50	50	314	314	-	-
Department of Health KZN	-	8	-	-	-	8	-	-
Department of Health North West	-	-	12 275	12 275	12 275	12 275	-	-
Department of Military Veterans	-	-	99 042	84 386	99 042	84 386	-	-
Department of Public Works	-	-	12 569	8 117	12 569	8 117	-	-
National Treasury	-	-	6 724	5 939	6 724	5 939	-	-
Office of the Premier EC	-	-	-	84	-	84	-	-
San Parks	-	-	20	20	20	20	-	-
Sol Plaatjies Municipality	-	-	-	18	-	18	-	-
South African Police Services	-	-	76	35	76	35	-	-
South African Revenue Services	3	3	-	-	3	3	-	-
TOTAL	267	275	130 865	111 096	131 132	111 371		

Defence - Vote 23

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for the year ended 31 March 2021

ANNEXURE 5 INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/2021*	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	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								
Department of Agriculture, Forestry and Fisheries	-	-	35	-	35	-	-	-
Department of Health	-	-	38	-	38	-	-	-
Department of Justice and Constitutional Development	15 399	3 885	-	-	15 399	3 885	-	-
Department of Transport and Public Works Cape Town	-	-	4	-	4	-	-	-
TOTAL	15 399	3 885	77	-	15 476	3 885		-

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for the year ended 31 March 2021

ANNEXURE 6 INVENTORIES

INVENTORY FOR THE YEAR ENDED 31 MARCH 2021

	Food R'000	Fuel R'000	Medical supplies R'000	Other R'000	Total R'000
Opening balance	647 543	136 325	13 095	1 663 960	2 460 923
Add/ (Less): Adjustments to prior year balances	28 274	962 706	657 139	17 261 740	18 909 859
Add: Additions / Purchases - Cash	1 554 244	450 620	1 283 441	289 624	3 577 929
Add: Additions - Non-cash	-	-	-	29 287	29 287
(Less): Disposals	-	-	-	-	-
(Less): Issues	(1 202 450)	(701 842)	(806 178)	(1 103 050)	(3 813 520)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/ (Less): Adjustments	-	-	-	-	-
Closing balance	1 027 611	847 809	1 147 497	18 141 561	21 164 478

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): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/ (Less): Adjustments	-	-	-	-	-
Closing balance	647 543	136 325	13 095	1 663 960	2 460 923

Defence - Vote 23

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for the year ended 31 March 2021

ANNEXURE 7 Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-
Other machinery and equipment	-	-	-	-
SPECIALISED MILITARY ASSETS	11 522 051	1 126 713	-	12 648 764
Specialised military assets	11 522 051	1 126 713	-	12 648 764
BUILDINGS AND OTHER FIXED STRUCTURES	1 506 020	135 184	(1 091)	1 640 113
Dwellings	47 859	-	-	47 859
Non-residential buildings	1 440 942	135 158	(1 091)	1 575 009
Other fixed structures	17 219	26	-	17 245
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
COMPUTER SOFTWARE	-	-	-	-
Computer software	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
Mastheads and publishing titles	-	-	-	-

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Annexures to the Annual Financial Statements

for the year ended 31 March 2021

ANNEXURE 7 (CONTINUED)
Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
R'000	R'000	R'000	R'000
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
13 028 071	1 261 897	(1 091)	14 288 877

PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS

Patents, Licences, Copyright, Brand names, Trademarks

RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS

Recipes, formulae, prototypes, designs, models

SERVICES AND OPERATING RIGHTS

Services and operating rights

TOTAL

The ageing of projects was determined by the supplier agreements concluded by ARMSCOR and third party suppliers.

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2021

ANNEXURE 7 (CONTINUED)

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS					
Heritage assets	-	-	(311)	311	-
	-	-	(311)	311	-
MACHINERY AND EQUIPMENT					
Other machinery and equipment	-	-	-	-	-
	-	-	-	-	-
SPECIALISED MILITARY ASSETS					
Specialised military assets	10 557 810	(463 534)	1 427 775	-	11 522 051
	10 557 810	(463 534)	1 427 775	-	11 522 051
BUILDINGS AND OTHER FIXED STRUCTURES					
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
LAND AND SUBSOIL ASSETS					
Land	-	-	-	-	-
	-	-	-	-	-
COMPUTER SOFTWARE					
Computer software	-	-	-	-	-
	-	-	-	-	-

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2021

ANNEXURE 7 (CONTINUED)
Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
MASTHEADS AND PUBLISHING TITLES					
Mastheads and publishing titles	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS					
Patents, Licences, Copyright, Brand names, Trademarks	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS					
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
SERVICES AND OPERATING RIGHTS					
Services and operating rights	-	-	-	-	-
TOTAL	11 896 099	(463 534)	1 615 878	(20 372)	13 028 071

The ageing of projects was determined by the supplier agreements concluded by ARMSCOR and third party suppliers.

Defence - Vote 23 Annexures to the Annual Financial Statements for the year ended 31 March 2021

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 9)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Advance paid to DIRCO	-	-	241 164	106 247	241 164	106 247
Sub Total	-	-	241 164	106 247	241 164	106 247
OTHER INSTITUTIONS						
AB Logistics	-	-	39 158	1 098	39 158	1 098
Sub Total	-	-	39 158	1 098	39 158	1 098
TOTAL	-	-	280 322	107 345	280 322	107 345

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2021

ANNEXURE 9
Immoveable assets additional information

Properties deemed vested	Note	2020/2021 Number
Land parcels		
Facilities		
Training area	32.7	12
High site		5
Office accommodation		1
Operation facility		1
Military base		1
Historical Military base		3
		1

Estimated completion date

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.

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2021

ANNEXURE 10
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	APRIL		MAY		JUN		JUL		AUG		SEPT		OCT		NOV		DEC		Subtotal		JAN		FEB		MAR		Subtotal		2020/21		2019/20	
	2020	R'000	2020	R'000	2020	R'000	2020	R'000	2020	R'000	2020	R'000	2020	R'000	2020	R'000	2020	R'000	2020	R'000	Q1	Q2	Q3	Q4	2021	R'000	2021	R'000	Q4	TOTAL	TOTAL	
Compensation of employees	33 501	68 703	141 417	243 621	162 023	153 570	141 369	456 962	157 207	86 150	37 187	280 544	22 417	18 557	25 298	66 272	1 047 399	-	-	243 621	456 962	280 544	280 544	22 417	18 557	25 298	66 272	1 047 399	-	-		
Goods and services	53 193	163 825	248 655	465 673	221 676	362 079	132 117	715 872	140 571	102 153	47 566	290 290	9 238	39 411	131 823	180 472	1 652 307	-	-	465 673	715 872	290 290	290 290	9 238	39 411	131 823	180 472	1 652 307	-	-		
<i>SCOA level 4 items:</i>																																
Minor assets	-	-	-	-	-	30	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Catering: Departmental Activities	2	4 631	4 220	8 853	263	224	1 004	1 491	2 117	1 042	2 514	5 673	2 243	1 657	(5 506)	(1 606)	14 411	-	-	-	-	-	-	-	-	-	-	-	-	-		
Communication (G&S)	-	-	-	-	-	5	5	-	3	-	22	25	-	-	-	-	30	-	-	-	-	-	-	-	-	-	-	-	-	-		
Computer services	-	-	-	-	-	-	-	-	31	1	2	34	-	-	46	53	133	-	-	-	-	-	-	-	-	-	-	-	-	-		
Laboratory Services	-	-	-	-	-	-	949	949	-	-	-	-	-	-	17 362	2 775	20 137	-	-	-	-	-	-	-	-	-	-	-	-	-		
Contractors	-	-	38 849	38 849	(38 455)	(121)	71	(38 505)	3	-	-	3	122	194	277	593	940	-	-	-	-	-	-	122	194	277	593	940	-	-		
Agency and support/outsourced services	-	-	-	-	49 482	301	592	50 375	-	(33 497)	11 614	(21 883)	(316)	8 342	5 002	13 028	41 520	-	-	-	-	-	-	(316)	8 342	5 002	13 028	41 520	-	-		
Fleet services (including government motor transport)	5	5 311	42	5 358	78	99	60	237	280	37 693	178	38 151	207	26	186	419	44 165	-	-	-	-	-	-	207	26	186	419	44 165	-	-		
Inventory: Clothing material and accessories	3 188	4 396	15 061	22 645	9 379	16 463	2 858	28 700	3 193	1 619	753	5 565	563	512	1 056	2 131	59 041	-	-	-	-	-	-	563	512	1 056	2 131	59 041	-	-		
Inventory: Food and food supplies	4	6 817	17 376	24 197	5 857	13 525	52 420	71 802	98 907	25 266	55	124 228	-	1 453	7 277	8 730	228 957	-	-	-	-	-	-	-	1 453	7 277	8 730	228 957	-	-		
Inventory: Fuel, oil and gas	-	4 930	6 659	11 589	(4 322)	681	2 994	(647)	7 774	23 076	8 332	39 182	940	3 937	24 382	29 259	79 383	-	-	-	-	-	-	940	3 937	24 382	29 259	79 383	-	-		
Inventory: Materials and supplies	-	4 219	23	4 242	3 231	95	84	3 410	145	86	185	416	-	21	39	60	8 128	-	-	-	-	-	-	-	21	39	60	8 128	-	-		
Inventory: Medical supplies	33 833	108 596	159 257	301 686	192 730	304 579	50 735	548 044	19 025	7 571	7 534	34 130	1 871	1 940	74 782	78 593	962 453	-	-	-	-	-	-	1 871	1 940	74 782	78 593	962 453	-	-		
Inventory: Medicine	-	168	2 346	2 514	563	491	1 042	2 096	290	33 964	154	34 398	381	237	179	797	39 805	-	-	-	-	-	-	381	237	179	797	39 805	-	-		
Consumable supplies	48	420	869	1 337	391	692	4 792	5 875	5 739	4 691	49	10 479	2 159	226	4 948	7 333	25 024	-	-	-	-	-	-	2 159	226	4 948	7 333	25 024	-	-		
Consumables: Stationery, printing and office supplies	32	68	36	136	76	114	65	255	27	16	-	43	31	-	5	36	470	-	-	-	-	-	-	31	-	5	36	470	-	-		
Operating Leases	-	-	-	-	-	-	7	7	7	10	4	21	90	-	70	160	188	-	-	-	-	-	-	90	-	70	160	188	-	-		
Property payments	-	198	1 239	1 437	346	343	52	741	286	182	189	657	-	53	637	690	3 525	-	-	-	-	-	-	-	53	637	690	3 525	-	-		
Travel and subsistence	-	24 071	2 678	26 749	1 919	11 258	14 340	27 517	2 744	443	9 020	12 207	947	3 405	1 773	6 125	72 598	-	-	-	-	-	-	947	3 405	1 773	6 125	72 598	-	-		
Operating payments	16 081	-	-	16 081	138	13 300	52	13 490	-	-	6 961	6 961	-	-	13 888	13 888	50 420	-	-	-	-	-	-	-	-	13 888	13 888	50 420	-	-		

Defence - Vote 23

Annexures to the Annual Financial Statements

for the year ended 31 March 2021

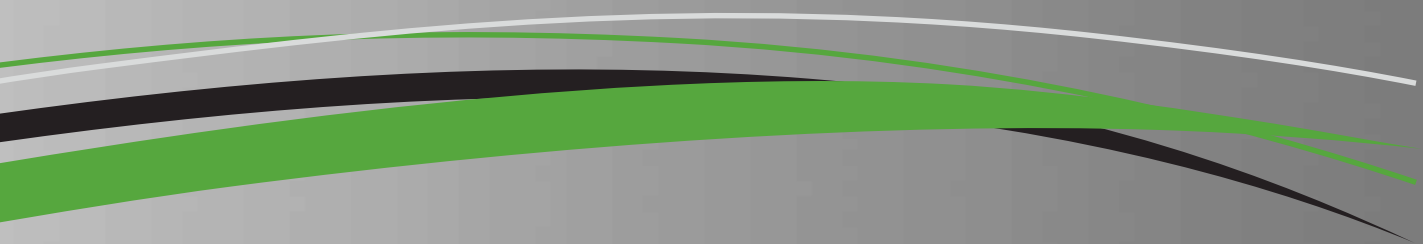
ANNEXURE 10
COVID 19 RESPONSE EXPENDITURE
 Per quarter and in total

Expenditure per economic classification	APRIL 2020	MAY 2020	JUN 2020	Subtotal Q1		JUL 2020	AUG 2020	SEPT 2020	Subtotal Q2		OCT 2020	NOV 2020	DEC 2020	Subtotal Q3		JAN 2021	FEB 2021	MAR 2021	Subtotal Q4		2020/21 TOTAL	2019/20 TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	-	-	3 000	3 000	-	-	-	-	-	-	-	-	-	-	-	1 900	-	257 945	259 845	262 845	-	-
<i>SCOA level 4 items:</i>																						
Departmental agencies (non-business entities)	-	-	3 000	3 000	-	-	-	-	-	-	-	-	-	-	-	1 900	-	257 945	259 845	262 845	-	-
Expenditure for capital assets	-	1 299	8 280	9 579	1 977	155 583	4 013	161 573	16 682	3 939	264	20 885	1 490	7 447	19 656	28 593	220 630	-	-	-	-	-
<i>SCOA level 4 items:</i>																						
Machinery and equipment	-	1 299	8 280	9 579	1 977	4 164	3 578	9 719	16 325	3 939	69	20 333	1 490	7 447	20 276	29 213	68 844	-	-	-	-	-
Buildings	-	-	-	-	-	151 419	435	151 854	357	-	195	552	-	-	(620)	(620)	151 786	-	-	-	-	-
Other expenditure not listed above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>SCOA level 4 items</i>																						
TOTAL COVID 19 RESPONSE EXPENDITURE	86 694	233 827	401 352	721 873	385 676	671 232	277 499	1 334 407	314 460	192 242	85 017	591 719	35 045	65 415	434 722	535 182	3 183 181	-	-	-	-	-



Assurance Report

**National
Conventional
Arms Control
Committee**



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 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 2021.
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 (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 2021. My limited assurance procedures included the following specific procedures related to the affairs of the NCACC:
- Inspecting the processes and structures established by the NCACC for the effective control of, trade in and possession of controlled items
 - Inspecting the processes and structures established by the NCACC for the effective regulation of the rendering of certain assistance or services in a country of armed conflict
 - Inspecting the guidelines, structures and processes established by the NCACC for the scrutiny and assessment of the application for the issuing of a permit under the Act
 - Confirming whether the NCACC has liaised with the relevant government agencies regarding the enforcement of the Act
 - Inspecting a sample of the authorisation or refusal of issuing any permits as contemplated in section 14 of the Act
 - Performing procedures to verify compliance with the conditions under which a permit was issued
 - Inspecting the register that must be kept in the prescribed form of persons involved in the trade in and possession of controlled items
 - Inspecting the register that must be kept of every permit issued:
 - Selecting a sample of permits issued and following them through to the register
 - Selecting a sample of entries in the register and following them through to the permits
 - Confirming whether all reports were issued as specified in section 23 of the Act
 - Analysing reported data to identify anomalies
 - Verifying whether information supplied was relevant, reliable, complete and understandable
 - Verifying whether the NCACC performed any of the engagements as per section 4(2), 4(3), 4(4) and 4(5) of the Act, and performing additional audit procedures to obtain evidence of compliance with these sections, if applicable
 - Performing procedures to obtain evidence regarding the affairs of the NCACC as required by any regulations or notices published in the Government Gazette, as indicated in section 27 of the Act
8. My procedures for gathering evidence were limited due to the nature of a limited assurance engagement; therefore, less assurance was obtained than would have been the case in a reasonable assurance engagement
9. I believe that the audit evidence obtained as part of my assurance engagement with the NCACC for the period ended 31 March 2021 is sufficient and appropriate to provide a basis for my conclusion expressed below

Internal control

10. I considered internal control relevant to my audit of compliance with legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Conclusion

11. Based on my work described in this report, nothing has come to my attention that caused me to believe that the conduct of the affairs of the NCACC did not comply with the terms of the Act in all material respects.



Pretoria

31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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