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Department:
Treasury
PROVINCE OF KWAZULU-NATAL

ANNUAL REPORT

2016/17

**SPENDING YOUR MONEY
WISELY**

**UKUSETSHENZISWA
KWEMALI YAKHO
NGOBUHLAKANI**

**DATE OF TABLING TO THE PROVINCIAL LEGISLATURE
31 AUGUST 2017**



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Department:
Treasury
PROVINCE OF KWAZULU-NATAL

KWAZULU-NATAL PROVINCIAL TREASURY VOTE: 6

KWAZULU-NATAL PROVINCIAL TREASURY



ANNUAL REPORT 2016/17



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LIST OF ABBREVIATIONS

ABBREVIATION	FULL DESCRIPTION
AEPRE	Adjustments Estimate of Provincial Revenue and Expenditure
AFS	Annual Financial Statements
CARC	Cluster Audit and Risk Committees
CD	Chief Director
DDG	Deputy Director General
EH&W	Employee Health and Wellness
EPRE	Estimate of Provincial Revenue and Expenditure
FLP	Financial Literacy Programme
FMCM	Financial Management Capability Maturity Model
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HOD	Head of Department
HRP	Human Resource Plan
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plans
IGCC	Inter-Governmental Cash Co-ordination
IPMP	Infrastructure Programme Management Plan
IRM	Infrastructure Reporting Model
KZNFLA	KwaZulu-Natal Financial Literacy Association
LED	Local Economic Development
MBAT	Municipal Bid Appeals Tribunals
MBRR	Municipal Budget and Reporting Regulations
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MPAT	Monitoring Performance Assessment Tool
MSP	Municipal Support Programme
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
OES	Organisational Efficiency Services
PARC	Provincial Audit Risk Committee
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PMG	Pay Master-General
PPP	Public Private Partnerships
SAICA	South African Institute of Chartered Accountants
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SERO	Social-Economic Review and Outlook
SLA	Service Level Agreement
U-AMPs	User Asset Management Plans
WSP	Workplace Skills Plan



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PROVINCE OF KWAZULU-NATAL

PART A: GENERAL INFORMATION

A1: FOREWORD BY THE MEC OF FINANCE, MS BF SCOTT



**MEC for Finance
Ms BF Scott**

The South African economy is officially in a technical recession. Nonetheless, the gross domestic product (GDP) growth is expected to remain under severe pressure and grow between 0.5 per cent and 1 per cent this year, mainly due to lethargic domestic demand as well as low business and consumer confidence. Similar to the national projections, the provincial economy is expected to grow at 0.5 per cent in 2017. Slow economic growth means fewer employment opportunities in the country and further lowers tax revenue for government to fund the many competing needs the country is faced with, while at the same time being a severe hindrance to debt stabilisation.

Despite these economic woes, the World Economic Forum's 2017 Global competitive index ranks South Africa (SA) number 47 out of 138 countries. This ranking maintains SA's regional leadership in terms of financial markets, competition and infrastructure.

It is partly through these leadership qualities that regardless of the dire economic conditions, KwaZulu-Natal ended 2016/17 with a positive net financial position, having over-collected its provincial own revenue, and having under-spent against the provincial budget. This also means that the province's cash balances remained positive at the end of the financial year.

While under-spending in itself is not something the provincial government aspires towards, it is important to note that the province ended the 2016/17 year with under-spending of a mere 0.3 per cent. This makes it the sixth consecutive year that the province has a less than 1 per cent deviation from its annual budget. This is, indeed, a magnificent achievement and is testament to the fiscal discipline and budgetary control

that this province practices. The cost-cutting measures are a significant part of this fiscal discipline and are a continuous reminder for departments to focus their spending on government's priority programmes, in line with the National Development Plan, as well as the Provincial Growth and Development Plan.

It is especially laudable to have maintained this positive fiscal position, despite the fiscal consolidation programme rolled out by National Treasury which saw significant budget cuts implemented against the province's equitable share and conditional grant allocations in 2016/17. These budget cuts were implemented by the province while taking cognisance of national's directive to reduce wasteful and inefficient spending, decreasing the cost of Compensation of employees, closing down under-performing programmes, rationalisation and possible closure of public entities, among others. The rationalisation of public entities exercise has made significant progress in 2016/17. The recommendations of the Rationalisation of Public Entities Task Team (ROPETT) were presented to the Provincial Executive Council, and the public entities, as well as organised labour have been engaged with in this regard. It is anticipated that the rationalisation exercise will be completed by December 2018.

There is no doubt that budgetary control was not a simple exercise in 2016/17, in light of the significant budget cuts implemented against the provincial budget. Despite these cuts, the province has focused resolutely on protecting the service delivery spending of the province, so as to ensure that the people of this province continue to receive decent and relevant services from the provincial government. As we had undertaken when the provincial budget was tabled in the Provincial Legislature, our proven fiscal discipline helped us to deal with the fiscal consolidation cuts without dramatically affecting our service delivery spending areas.

Part of our challenge remains to empower our new Local Government administration which came into office after the local government elections in August 2016. Sections 5 (3) and (4) of the Municipal Finance Management Act (Act No. 56 of 2003) highlight the supervisory responsibilities of Provincial Treasuries in relation to ensuring sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities, which is the overall purpose of the Municipal Finance unit. Given the prior year's audit outcome, greater reliance has been placed on the Municipal Finance unit to support municipalities in the areas of budgeting, accounting and reporting as well as improving Financial Management processes and controls. In order to meet the increasing demand, the unit will be augmenting its capacity over the MTEF. The roll out of the Municipal Standard Chart of Accounts (mSCOA) has seen positive gains with only one municipality in the province not having submitted their budget data strings by 14 June 2017. The journey of implementing mSCOA is ongoing and we will be supporting our municipalities to ensure that they are correctly transacting in terms of mSCOA.

Our goal remains to be the leaders in financial and fiscal management, and it is a goal that was well achieved in 2017/18. It is our intention to continue to lead by example and to inspire others to follow our lead.

I am also proud to mention that through our outreach programme, KZN Treasury has been able to extend the much-needed support to many households, Non-Profit Organisations, preschool and school children who are either orphaned and are from poor families. This is the difference that, while carefully managing the public purse and forging partnerships with the private sector, we want to make sure that the impact of the fight against poverty is enhanced and the quality of people's lives is improved.

I want to convey my sincere gratitude to the entire staff of the department led by the Head of Department, S'miso Magagula, and by the Provincial Accountant-General, Mr Santanu Moodley, for ably sailing the KZN Treasury boat during this difficult economic climate. This is the spirit that will help us remain afloat and achieve our goal for many years to come.

A stylized, handwritten signature in black ink, appearing to read 'B. F. Scott'.

**Ms B. F. Scott
MEC for Finance**



A.2: INTRODUCTION BY THE HEAD OF DEPARTMENT



**Head of Department
Mr LS Magagula**

As in the previous financial years, 2016/17 has been a challenging year particularly from the fiscal perspective. Faced with a declining equitable and increasing expenditure pressures, Treasury has had to maintain a tight fiscal balancing act. Through robust budget and cash management by the Budget Office and Banking Section, respectively, the province ended the financial year with a positive cash balance of R2.8 billion. Expenditure of the provincial budget had a negligible under spending of 0.3 percent. This is remarkable. I must also appreciate the efforts of all CFOs and Accounting Officers in the province for this achievement.

Good progress was made on the development of techno-hubs funded via the European Union donor funding programme. With the exception of Pietermaritzburg techno-hub, the Newcastle, Richards Bay and Port Shepstone techno-hubs will be ready for hand-over to the respective municipalities in November 2017.

While on donor funding, Treasury received R430 million from the Global Fund in the year under review. This funding is to support HIV and Aids and TB prevention programmes of government. Working jointly with the Office of the Premier, Departments of Education, Health and Social Development, the programme is now on full rollout in the King Cetshwayo District.

Thanks to the Treasury infrastructure crack team, upgrades of the Royal Palaces have now been completed and within budget. Only minor interior works remain and these will be completed in 2017/18.

The Municipal Finance unit assessed the 2016/17 tabled and approved budgets of all delegated municipalities and reports containing feedback on the key findings of the assessments were submitted to the respective municipalities. Also, the VAT Review initiative was implemented at fifteen municipalities in the 2016/17 financial year. The initiative is intended to address the shortcomings relating to the management of VAT.

During the 2016/2017 financial year, the tax section continued to provide a support service to the KZN provincial departments to ensure that legislative amendments which impacted on the payroll functions were communicated to all departments and to ensure compliance with the tax legislation and SARS requirements.

The PPP unit assisted the KZN Department of Public Works in drafting the procurement documents and applying for Treasury Approval IIA (TA IIA) with respect to the government precinct project. The revised PPPFA roadshows and the Central Supplier Database (CSD) outreach programmes were facilitated by Treasury (SCM unit) for all municipalities. The financial management unit continued to provide accounting support on some of the following areas:

- guidance and oversight in the asset register preparation process and asset management processes or assist in the preparation of the asset register as required,
- preparation of annual financial statements and supporting reconciliations and schedules, as required;

Assurance Services provided a shared Internal Audit function to all Provincial Departments and ten Public Entities during the 2016/17 financial year. This function involved the independent assessment of the effectiveness of controls implemented by management. The unit completed 225 audits on various processes and focus areas identified by the risk profiles of the relevant institutions. These audits provided management with findings on control weaknesses as well as recommendations for the improvement thereof; thereby assisting in strengthening the overall control environment of the institutions.

The Risk and Advisory Services continued to provide risk management support and advisory services to provincial departments, public entities and municipalities. With regard to provincial departments, the unit performed a risk maturity gap analysis to assess all departments' compliance with risk management best practices and the minimum risk management standards as set by the Provincial Executive Council. As at the end of March 2017, Forensic Audit Services, since 2009 had received 349 allegations of fraud and corruption. There has been a number of criminal arrests made, successful disciplinary hearing enquiries conducted and of recent, there has been an AFU order granted to the value of R546 million against an official within a Provincial Department and various service providers.

The office of the Head of Department has also been involved in Operation Sukuma Sakhe programme. Some of the achievements include:

- Donation of 480 full school uniforms to needy learners,
- Installation of water tanks & water reticulation in schools, including the facilitation of R30 000 sponsorship for the same purpose.

Treasury continues to sponsor 79 students from the previously disadvantaged communities who are studying towards chartered accounting in partnership with SAICA. These students will be deployed in departments and municipalities after completion of their studies.

It is my pleasure to present the 2016/17 Annual Report.

A handwritten signature in black ink, appearing to read 'L. S. Magagula'.

**Mr L. S. Magagula
Head: Provincial Treasury**

Programme 1 : Administration



Accounting Officer
Mr. S Moodley CA(SA)



Chief Financial Officer
Mr. IT Ndlovu



Head of Ministry
Mr. N Maphisa



CD: IGR
Mr M. Kubheka



CD: Corporate Services
Ms. INN Dlomo-Zwane



Director: Information
Technology Management
Mr. C Rajah



Director: Security
Services
Ms. N Zulu



Director:
Human Resource
Management and
Development
Ms. K Chetty



Director: Legal
Services
Mr. N Nkomo



Director: Auxiliary
Services
Mr. EVN Xulu



Director: Corporate
Communications
Mr. M Cebisa



Director: IGR
Ms. R Smith-Petersen

Programme 2 : Resource Management



DDG: Fiscal Resource
Management
Ms N Shezi



CD: Municipal Finance
Mr. F Cassimjee



CD: Public Finance
Ms. T Stielau



CD: Economic Analysis and
Infrastructure
Management
Dr. C Coetzee



Director: Infrastructure
Management
Ms. F Mkhize



Director: Macro
Economic Analysis
Ms N Lembethe



Director: Municipal
Finance
Mr. A Soopal



Director: Provincial
Own Revenue
Mr. E Musasiwa



Director: Municipal
Finance
Mr M Ndumo



Director: Provincial
Budget Management
Ms N Mjuza



Director: Municipal
Finance
Ms. S Balgobind



Director: Special
Advisory Support
Services
Ms L Curtis



Director: Municipal
Finance
Mr. W Donelly



Director: Municipal
Finance
Mr. N Radebe



Director: Municipal
Finance
Ms. R Bhagwandeem



Director: Municipal
Finance
Ms. K Pillay



Director: Municipal
Finance
Ms K Mare



Programme 3 : Financial Management



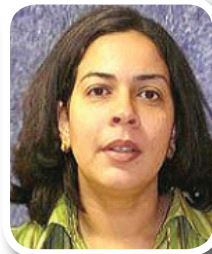
CD: Accounting Practices
Ms. A Singh



CD: Public Private
Partnership
Ms. T Kankqu



CD: Supply Chain
Management
Adv. S Mthethwa



Director: Supply Chain
Management
Ms. L Naidoo



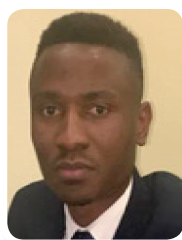
Director: Financial
Reporting
Ms. K Sewnarain



Director: SCM
(Governance & Admin
Cluster)
Mr. K Mtshali



Director: SCM Policy &
Contract Management
Mr. N Sphengane



Specialist: Project
Technical Advisory
Services
Mr. M Dladla



Director: Cash
Management
and Liabilities
Mr. F Pretorius



Director: Norms and
Standards
Mr. N Price



Director: Information
Management: SCM
Ms. R Madhan

Programme 4 : Internal Audit



DDG: Internal Audit
Ms. M Radebe



CD: Assurance
Services
Ms. M Bhaw CA(SA),
IIA (SA)



CD: Forensic
Services
Ms. J Naidoo CA
(SA), MBA, ICFP



CD: Risk
Management
Mr. N Ndandza



Director: Performance
Audit
Mr. K Lamola



Director: IT Audit
Mr. N Mabaso



Director: Assurance
Services Social Cluster
Mr. A Mlambo



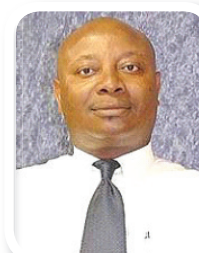
Director: Assurance
Services (Economic
Cluster)
Ms. L Japi



Director: Assurance Services
(Governance and
Administration Cluster)
Ms. L Xaba



Director: Municipal
Support
Mr. P Moloi



Director: Strategy
Development and
Management
Mr. T Madlala



Director: Financial
Management and Reporting
Mr. J Ramharak



Director: Information
Technology
Mr. K Malapane



Director: Forensic
Services
Dr. M Singh



Director: Forensic
Services
Mr. M Mollo

A.3 Report by the Accounting Officer to the Executive Authority and the KwaZulu-Natal Legislature

General review of the state of financial affairs

The table below shows the revenue budget for Provincial Treasury for 2015/16 Financial Year, and the revenue collected for the year-ending 2016/17.

	2016/17			2015/16		
	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
Departmental Receipts						
Sale of Goods and Services other than Capital Assets	204	351	(147)	203	346	(143)
Fines, Penalties and Forfeits	-	1	(1)	-	-	-
Interest, Dividends and Rent on Land	301 754	284 822	16 932	283 341	391 253	(107 912)
Sale of Capital Assets	181	119	62	170	790	(620)
Financial Transactions in Assets and Liabilities	382	3 595	(3 213)	380	4 027	(3 647)
Total	302 521	288 888	13 633	284 094	396 416	(112 322)

Actual revenue collected in 2016/17 is R288 887 million, resulting in an under collection at year end of R13.634 million. The under-collection is explained as follows per economic classification:

- **Sale of goods and services other than capital assets** - The revenue collected under this category relates mainly to parking fees, gaming licences, commission received on PERSAL deductions and sale of tender documents. The over collection was mainly due to sale of tender documents sold by the Department which was higher than anticipated.
- **Fines, penalties and Forfeits** – The collection of revenue in this category was generated from penalties due to late submission of library books.
- **Interest, dividends and rent on land** - had an under collection mainly due to all funds being utilised, therefore the positive bank balance will show a decline on decrease on the interest earned.
- **Sale of capital assets** - The under collection was due to delays in the auctioning process of cars.
- **Transactions in financial assets and liabilities** - revenue collected against this category is mainly attributed to recoveries of departmental claims and debts of previous financial years. It is often difficult to accurately forecast for this category due to its indeterminate nature.



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6

Programme Expenditure

Programme Name	2016/17			2015/16		
	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	145 123	135 831	9 292	128 089	112 194	15 895
Fiscal Resources Management	98 785	97 059	1 726	103 567	84 294	19 273
Financial Management	237 034	230 362	6 672	292 078	276 560	15 518
Internal Audit	146 782	132 745	14 037	151 758	134 604	17 154
Growth and Development	23 582	23 270	312	42 377	33 395	8 982
Total	651 306	619 267	32 039	717 869	641 047	76 822

The main appropriation of Provincial Treasury was R675.280 million in 2016/17. During the year, the department suspended funds amounting to R23.974 million, hence the adjusted appropriation is R651.306 million. The main adjustments that led to the overall decrease in the budget are summarised below,

- The MEC for Finance undertook at a Sub-committee on Major events held on 10 August 2016 that an amount of R1.500 million would be suspended to Vote 11(COGTA) towards the Mandela Day Marathon.
- An amount of R22.474 million was suspended to Vote 1 (OTP) due to movement of both KZNGBB and the administration unit dealing with gaming and betting with effect 28 September 2016.

Spending in respect of **Programmes** can be summarised as follows:

- Programme 1 - The under-spending of R9.292 million (6.4%) was mainly due to delays in the filling of vacant funded posts as a result of the moratorium on the filling of post. The savings were realised from the Audit Fees, external bursaries: Thuthuka Bursary Fund and on various operational items in line with the cost-cutting measures including machinery and equipment.
- Programme 2 - The under-spending of R1.726 million (1.7%) was mainly due to slow spending on the Infrastructure Crack team due to change of project managers, hence the slower than anticipated implementation of projects.
- Programme 3 - The under-spending of R6.672 million (2.8%) resulted from delays in the filling of vacant funded posts.
- Programme 4 - The under-spending of R14.037 million (9.6%) was mainly due to slow spending on Forensics and Criminal Investigation projects due to investigations taking longer than expected. In addition to this, there was a slow receipt of invoices from the service providers and some invoices were sent back and forth as they had queries. In addition to the above was the non-filling of vacant funded posts.
- Programme 5 - This underspending of R312 000 (1.3%) was mainly due to Inkosi Albert Luthuli Hospital Exit Strategy where the full allocation was not utilised by the Department of Health.



Spending in respect of **Economic Classification** can be summarised as follows:

- Compensation of Employees was under-spent by R11.611 million (4.4%) mainly due to:
 - delays in the filling of vacant funded posts as a result of the moratorium on the filling of posts, and further approval to be obtained from OTP and Security Clearance process which must be completed before appointment.
- Goods and Services was under-spent by R17.950 million (5.1%). This was attributed to the following:
 - Consultants as a result of slow spending on Forensics and Criminal Investigation projects due to investigations taking longer than expected as well as slow receipt of invoices from the service providers and some invoices were sent back and forth as they had queries.
 - Savings from the Audit Fees that were lower than anticipated.
 - Savings from S&T as they were lower than budgeted.
 - Strict adherence to the cost-cutting measure circular resulted on savings on most of the operational costs.
- Interest and Rent on Land was under-spent by R26 000 (4.2%) as there was no Interest paid on the bank overdraft during 2016/17 financial year.
- Transfers and Subsidies was under-spent at year-end by R2.180 million (7.2%) mainly due to:
 - Departmental Agencies was under-spent at year-end by R1.025 million (21.6%) in respect of Legal Fees relating to KZNGBB.
 - The saving of R1.153 million relates to the Thuthuka Bursary Fund due to the number of intake being lower than anticipated as a result of percentage of students that qualified and unutilised pension provision.
- Payments for Capital Assets
 - Machinery and Equipment was underspent by R272 000 (5.4%) mainly due to adherence to the cost-cutting measures circular.

The following post virements were made between Programmes:

Table 6.1: Summary by programmes

	Adjusted Appropriation	POST ADJUSTMENTS APPROPRIATION		Total adjustments appropriation	Post Adjusted appropriation
		Virement	Shifts		
R thousand					
1. Administration	149 552	(4 429)	-	(4 429)	145 123
2. Fiscal Resource Management	95 056	3 729	-	3 729	98 785
3. Financial Management	236 789	245	-	245	237 034
4. Internal Audit	146 983	(201)	-	(201)	146 782
5. Growth and Development	22 926	656	-	656	23 582
Total	651 306	-	-	-	651 306



Programme 1

An amount of R4.429 million was moved to other programmes as follows:

- R3.636 million was moved to programme 2 for salary back pay that was not budgeted for (R3.042 COE, and R594 000 for Interest).
- R519 000 was moved to programme 5 under Goods and Services towards MEC community outreach programmes.
- R273 000 was moved to other programmes under Transfers and Subsidies.
- R1 000 was moved to programme 3 under Machinery and Equipment.

Programme 4

A net amount of R201 000 was moved to other programmes as follows:

- R54 000 was moved to programme 5 under Non-profit Institutions for Donations made that were higher than budgeted.
- R149 000 was moved to other programmes under Machinery and Equipment
- This was off-set by an amount of R2 000 that was received from other programmes for Households and Payment for Financial Assets.

The following post virements were made between Economic Classification:

Table 6.2: Summary by economic classification

R thousand	Adjusted Appropriation	POST ADJUSTMENTS APPROPRIATION		Total adjustments appropriation	Post Adjusted appropriation
		Virement	Shifts		
Current payments	615 925	(21)	-	(21)	615 904
Compensation of employees	274 430	(8 493)	-	(8 493)	265 937
Goods and services	340 895	8 452	-	8 452	349 347
Interest and rent on land	600	20	-	20	620
Transfers and subsidies to:	30 369	-	-	-	30 369
Provinces and municipalities	24	-	-	-	24
Departmental agencies and accounts	21 137	-	-	-	21 137
Public corporations and private enterprises	-	8	-	8	8
Non-profit institutions	3 741	117	-	117	3 858
Households	5 467	(125)	-	(125)	5 342
Payments for capital assets	5 012	-	-	-	5 012
Machinery and equipment	5 012	-	-	-	5 012
Payments for financial assets	-	21	-	21	21
Total	651 306	-	-	-	651 306

R8.493 million was moved from Compensation of employees as follows:

These amounts were allocated to the following items:

- R8.452 million was moved to Goods and Services.
- R20 000 was moved to Interest and Rent on Land.
- R21 000 was moved to Payment for Financial Assets.



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6

Various post virements were made between economic classifications within the various programmes and sub-programmes.

All virements were approved by the Accounting Officer of the department in terms of Section 43(1) of the Public Finance Management Act.

2016/17 Rollovers

The department has requested a roll-over of R9.500 million under its Goods and Services budget in respect of Internal Audit Investigations.

Fruitless, Wasteful or Irregular Expenditure

There was no fruitless, wasteful or irregular expenditure not condoned during 2016/17 financial year.

Future plans of the department

The department continued to implement its strategic plan targets as contained in the tabled APP document.

Public Private Partnerships

The department had no PPP project in the past financial years and there is no current project.

Discontinued activities / activities to be discontinued

The department had moved the function of KZNGBB to Vote 1 as at 30 September 2016.

New or proposed activities

The department received funding from the Global Funds and is working hand in hand with other provincial departments and NGO's in fighting against HIV/Aids, Tuberculosis and Malaria.

Supply chain management

TENDER NO	DESCRIPTION	STATUS
ZNT1191/2014-F	Crack team	Ongoing panel appointed for duration of 3 years.
ZNT1193/2014-F	Panel of internal audit	Ongoing panel appointed for duration of 3 years.
ZNT1194/2014-F	Panel of financial management	Ongoing panel appointed for duration of 3 years.
ZNT1195/2014-F	KZN regional technology hubs projects	National pride t/a GWI project managers appointed at a value R13, 860, 000.00
ZNT1196/2014-F	Panel of municipal finance	Ongoing panel appointed for duration of 3 years.
ZNT1197/2014-F	KZN Winter Air tour	Cancelled
ZNT 1198/2015-F	Barometer Project	Project cancelled and re-advertised as ZNT 1202/2016-F
ZNT1199/2014-F	Events management service	Ongoing panel



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6

ZNT 1200/2015-F	Thatching of rondavels at Enyokeni Royal Palace	Arabest 158 cc at a value R1, 849, 942.69
ZNT 1201/2015-F	Waterproofing & ceiling at KwaKhangela Royal Palace	Project cancelled and re-advertised as ZNT 1203/2016-F
ZNT 1202/2016-F	Barometer Project	Cancelled
ZNT 1203/2016-F	Waterproofing & ceiling at KwaKhangela Royal Palace	Trufix Industrial services appointed at a value R2, 093, 205.32

Prevention of Irregular expenditure and SCM challenges

The department has policies and practice notes that should be followed in executing SCM functions to avoid irregular expenditure. There were no serious challenges encountered in the SCM area that threatened the smooth functioning of the Department.

Gifts and Donations from non-related parties

- Donations Received (R'000)**

None

- Donations made in Kind (R'000)**

DONATION MADE IN KIND	2016/17 R'000
Made in kind	
Coastal Horse Care Unit (Consumable and Equipment Project)	269
Isixaxa Disabled Group (Baking Mixer Machine)	8
ABASA Lunch (Purchase of Function Table)	10
Mzwamandla Khanyile Primary School (School Uniforms for Leaners)	12
Umthombomuhle Primary School (School Uniforms for Leaners)	10
Thamela Primary School (School Uniforms for Leaners)	176
Sawpits Combined Primary School (School Uniforms for Leaners)	10
Ekuthuleni Creche (Plates, Cutlery, Educational Toys and Future Life Porridge)	25
Siphesihle Day Care Creche (Plates, Crockery & Cutlery, Educational Toys and Future Life Porridge)	12
Khanyisani Stoffelton Hlth ORG (Crockery & Cutlery, Laptop and Recreational items)	7
Impendle Community Centre (Crockery & Cutlery, Laptop and Recreational items)	7
Comfort Zone Creche (Blankets, Paints, Soccer balls, Brushes and Chairs)	23
Khanya's Child Minding (Pots, Toys and Chairs)	4
Richmond Riders & Runners (Protective Helmets, Cotbeds and Crayons)	28
Richmond Daycare Centre (Coloring Books, Educational Charts and Crayons)	1
Vusumusa Community Project (Trophies and Bottled Water)	8
KZN Provincial Treasury (Memorial Service: Ms N. Cele)	7
KwaThintwa School of the Deaf in Inchanga (Black Plastic Chairs, Books and Food Parcels)	43
Ntokozweni Village for the Vulnerable (Catering for Outreach Campaign and Toiletries)	26
Qongwane Primary School (Installation of Water Tanks)	21
TOTAL	707

Donor Funding

The department was allocated a donor funding from (European Union) for the development of Science Technology Hubs. The construction of these Science Parks has commenced in the four municipalities within KZN.

Exemptions and deviations received from the National Treasury

There were no exemptions received by the department during the year 2016/17.



Events after the reporting date

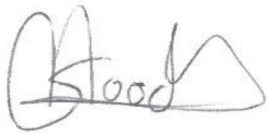
There were no subsequent events occurred after reporting date.

Acknowledgement/s or Appreciation

I would like to express my special thanks to MEC for Finance for her support, Treasury management and staff for their hard work during the year.

Conclusion

This report presents the annual financial statements and performance information report for the financial year 2016/17.



Mr S. Moodley
Accounting Officer
31 May 2017



A.4 Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

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

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

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

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

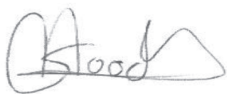
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2017.

Yours faithfully



Mr S. Moodley
Accounting Officer
31 May 2017



A.5 Strategic Overview

a) Vision

Be the centre of excellence in financial and fiscal management in the country.

b) Mission

We, the KZN Provincial Treasury, seek to enhance the KwaZulu-Natal Provincial Government service delivery by responding to the expectations of all stakeholders in the value chain as a key driver through:-

- Optimum and transparent allocation of financial resources whilst enhancing revenue generation and financial management practices in compliance with applicable legislation and corporate governance principles;
- Our competent and dedicated employees who are at centre of ensuring best value of our stakeholders.

c) Values

The core values of the Department are as follows:

- Responsibility
- Efficiency
- Service Excellence
- Financial Discipline
- Professionalism
- Integrity
- Respect
- Loyalty

A.6 Legislative and Other Mandates

The Department is governed by the following pieces of legislation and policy directives:

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended).
- Municipal Finance Management Act (Act No. 56 of 2003)



- Promotion of Access to Information Act (Act No. 2 of 2000)
- Annual Division of Revenue Act
- Annual Provincial Appropriation Acts
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Borrowing Powers of Provincial Governments Act (Act No. 48 of 1996)
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Public Audit Act (Act No. 25 of 2004)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)

4.1 Constitutional Mandates

Sections 213, 215, 216, 217, 218, 219, 226, and 228 of the Constitution of the Republic of South Africa (Act 208 of 1996) deal with general financial matters for the national and provincial spheres of government. These sections require the national legislation to give effect to the following;

- To establish a national treasury,
- To introduce generally recognised accounting practices,
- To introduce uniform treasury norms and standards,
- To prescribe measures to ensure transparency and expenditure control in all spheres of government, and
- To set the operational procedures for borrowing, guarantees, procurement and oversight over the various national and provincial revenue funds.

4.2 Legislative Mandates

The following pieces of legislation that give mandate and outline the key responsibilities on the Department are as follows:

4.2.1 Public Finance Management Act (Act No. 1 of 1999, as amended) and its regulations

The Act promotes the objective of good financial management in order to maximise delivery through the efficient and effective use of limited resources.

The key objectives of the Act may be summarised as being to:

- Modernise the system of financial management;
- Enable public sector managers to manage, but at the same time be more accountable;



- c) Ensure the timely provision of quality information; and
- d) Eliminate waste and corruption in the use of public assets.

4.2.2 Municipal Finance Management Act (Act No. 56 of 2003)

Chapter 2 of MFMA outlines the general functions of National and Provincial Treasuries.

Section 5(3) and (4) of the MFMA highlight the supervisory responsibilities of Provincial Treasuries in relation to ensuring sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements.

To the extent necessary, to comply with its responsibilities in terms of the MFMA, a provincial treasury:

- a) must monitor:*
 - i. compliance with the MFMA by municipalities and municipal entities in the province;*
 - ii. the preparation by municipalities in the province of their budgets;*
 - iii. the monthly outcome of those budgets; and*
 - iv. submission of reports by municipalities in the province as required in terms of the MFMA;*
- b) may assist municipalities in the province in the preparation of their budgets;*
- c) may exercise any powers and perform any duties delegated to it by the National Treasury in terms of the MFMA; and*
- d) may take appropriate steps if a municipality or municipal entity in the province commits a breach of the MFMA.*

4.2.3 Promotion of Access to Information Act (Act No. 2 of 2000)

Section 14 requires the Department to produce a manual with detailed information about the Department's procedure to access it, the form to be used and which information is readily available and which needs to be requested. Section 32 of the Act stipulates that the Department must submit an annual report to the Minister of Justice detailing requests received, those acceded or rejected and reasons for rejection.

4.2.4 Annual Division of Revenue Act

- a) This Act provides for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government.
- b) It promotes better co-ordination between policy, planning, budget preparation and execution processes between and within the different spheres of government.



- c) It promotes predictability and certainty in respect of all allocations to provinces and municipalities in order that such governments may plan their budgets over a multi-year period.
- d) It promotes transparency and equity in the resource allocation process.
- e) It promotes accountability by ensuring that all allocations are reflected on the budgets of receiving provinces and municipalities.

4.2.5 Annual Provincial Appropriation Acts

These Acts provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province.

4.2.6 Preferential Procurement Policy Framework Act (Act No. 5 of 2000)

This act gives effect to Section 217 (3) of the Constitution by providing a framework for the implementation of procurement policy.

The framework for the implementation of preferential procurement policy requires all organs of state to have their preferential procurement policy and implement them within a prescribed set of criteria that applies preference points system with emphasis to previously disadvantaged groups.

4.2.7 Intergovernmental Relations Framework Act (Act No. 13 of 2005)

The object of this act is to provide within the principle of co-operative government set out in Chapter 3 of the Constitution a framework for the national government, provincial governments and local governments, to facilitate co-ordination in the implementation of policy and legislation, including:

- (a) Coherent government;
- (b) Effective provision of services;
- (c) Monitoring implementation of policy and legislation; and
- (d) Realisation of national priorities.

4.2.8 Provincial Borrowing Powers Act (Act No. 48 of 1996)

This Act provides for norms and conditions in respect of the borrowing powers of Provincial governments and for matters incidental thereto.

4.2.9 Government Immovable Asset Management Act (Act No. 19 of 2007)

The Department has a responsibility to implement all applicable sections of this Act in managing its immovable assets or when providing support and advisory services to the provincial Departments.



4.2.10 Public Audit Act (Act No. 25 of 2004)

The Department has a responsibility to comply with all applicable provisions of the Public Audit Act as an auditee.

4.2.11 Provincial Tax Regulation Process Act (Act No. 53 of 2001)

This Act provides the regulation of intergovernmental process that must be followed by provinces in the exercise of their power in terms of section 228 of the Constitution to impose taxes, levies and duties, the flat-rate surcharges on the tax basis of any tax, levy or duty imposed by national legislation; and to provide for connected therewith.

4.3 Policy Mandates

The following policies outline the key responsibilities for the Department:

- (a) PPP policy, this policy provides guidelines for administration and managing Public Private Partnership's transactions in the public sector environment.
- (b) SCM and PPPFA policy, this policy provides guidelines for the administration of a Supply Chain Management in line with broad government objectives. It also aims at promoting emerging enterprises with particular emphasis on black economic empowerment.
- (c) Budgeting process policies, they provide framework within which budgeting process must be managed in the public sector in line with the relevant Acts.
- (d) Treasury Regulations, provides procedural guidelines of implementation of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999).



4.3 Service Delivery Improvement Plan

HR OVERSIGHT - APRIL 2016 to MARCH 2017 - KwaZulu Natal - Finance				
TABLE 1.1 - Main Service for Service Delivery Improvement and Standards				
Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
HR Administration; Employee Relations & OES Services	Staff and Prospective	Graduates, Government Employees and members of the Public	100% compliance to standards contained in the Service commitment Charter	100%
Human Resource Development	Staff and learners	Graduates	100% achievement of WSP strategies	100.00%
Human Resource Planning	Staff and Prospective Employees	Prospective Employees	100% achievement of HRP strategies	100.00%
Employee Health & Wellness	Staff		Referrals within 5 days and 4 information seminars	100% compliance and 7 EHW information seminars
Policy Development	Staff	Prospective	8 policies and 8 seminars	22 policies and 8 policy related seminars

TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Consultative Forum	Organised labour & representatives of every Business Unit within the Department.	n/a	Conducted 4 Meetings
Customer surveys	Treasury staff	n/a	2 Surveys
Exit Interviews	Exiting Employees	n/a	16 Exit Interviews

TABLE 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
HR Portal developed and continuously maintained	Fully updated portal



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TABLE 1.4 - Service Information Tool	
Type of Information Tool	Actual Achievements
Information Seminars	08 seminars.
HR Portal developed and continuously maintained	Fully updated portal

TABLE 1.5 - Complaint Mechanism	
Complaint Mechanism	Actual Achievements
Complaint procedure	100% compliant
HR Customer Services	100% per charter



4.5 Organisational Environment

During 2016/17, the national economic outlook remained subdued and there were expectations of very low economic growth. In fact, the fourth quarter of 2016 and the first quarter of 2017 recorded negative growth, which means that the country had gone into a technical recession.

As a result of this economic outlook, government had to act decisively to ensure the sustainability of the country's finances and government programmes. Increasing borrowing to finance the gap between expenditure and revenue was not an option that could be pursued, with the only plausible option being to accelerate the fiscal consolidation programme which first commenced in 2014/15. As such, the expenditure ceiling of the country was cut by R25 billion. While the expenditure ceiling was reduced, there were also a few new priority areas that government needed to fund, and this required a reprioritisation exercise. As such, the fiscal consolidation cuts were termed Round 1 cuts, while the reprioritisation cuts were termed Round 2 cuts. The weaker than expected economic performance, rising debt costs and falling revenue projections, and the need to fund new national policy priorities while restoring fiscal sustainability, necessitated reconsideration of the budget allocations across all three spheres of government.

In this regard, KwaZulu-Natal's Round 1 and Round 2 budget cuts amounted to R3.162 billion over the 2016/17 MTEF. The province also suffered reductions as a result of the annual update of the Provincial Equitable Share (PES) formula, as well as Provincial Own Revenue revisions. Fortunately, though, National Treasury also added some funds to the provincial baseline towards the carry-through costs of the above-budget wage agreements. While national had to undertake a reprioritisation exercise to fund various policy priorities, the province had to undertake a similar exercise largely to protect the Department of Health's baseline as a result of significant exchange rate pressures in procuring medicines, medical supplies and medical equipment, which are largely procured from abroad and are, therefore, severely negatively impacted by the weakening Rand. Health's baseline also had to be adjusted to allow Health the space to pay the National Health Laboratory Services at the new fee-for-service rate, as opposed to the flat fee the province was previously paying.

All these factors meant that the province had to cut provincial departments' baselines by an aggregate amount of R2.349 billion, R1.469 billion and R1.361 billion over the 2016/17 MTEF.

It is in this context, while being mindful of the budget cuts experienced since 2013/14 when the Census data was used to update the PES formula, followed by three consecutive years of fiscal consolidation cuts, that the province prepared its budget. Similarly, it is against this background that Vote 6: Provincial



Treasury prepared its budget for the 2016/17 financial year. The cost-cutting measures, first implemented in 2009/10, continued to remain in effect in 2016/17.

A.7 Strategic Outcome Oriented Goals

The strategic goals of the Provincial Treasury are as follows:

- To promote sound financial and fiscal management and good governance.
- To place strong emphasis on fighting poverty and creating jobs in partnership with provincial Departments through procurement targeting.
- To focus on the enhancement of broad-based BEE through effective Supply Chain Management policies.
- To implement a policy on zero tolerance on fraud and corruption.
- To ensure good financial management with the elimination of over-expenditure and the reduction of rollovers.
- To target government investment in service delivery.
- To promote sound cash management practices and improve liquidity in the province.



PART B: PROGRAMME PERFORMANCE

B.1 Programme 1: Administration

Purpose: *The purpose of this programme is to provide service support to the core programmes within the Department.*

The Strategic Objectives are:

1. Effective management of the departmental finances in line with statutory requirements
2. To provide optimal Human resource services to the Department.
3. To provide IT Technical and IT functional support to the Department.

Service Delivery Achievements:

Office of the MEC

Community outreach and Social Responsibility

The constitution of South Africa, puts emphasis on high levels of transparency, openness, participatory democracy, and direct communication with the people in improving their lives. In line with this mandate, Provincial Treasury continues to maintain positive stakeholder engagement as a two-way, relational, give-and-take between the department and stakeholders/public with the intended goal of making decisions that benefit all parties involved and fostering a fully functioning society.

In a bid of eradicating poverty focusing on local problems for those who serve the poor and disadvantaged communities and households, Provincial Treasury continues to touch the lives of the most impoverished citizens, in its integrated community outreach and social responsibility programmes, which are aimed at reaching out and backing the NGOs, NPOs, and legitimate social formations, impacting the lives of hundreds, yielding successful and favourable outcomes. This matrix arrangement of working with local social formations has proved to be the most effective, sustainable means of tackling poverty because they understand better the unique needs and challenges of their communities.

In preparation and a build-up towards the 2016 International AIDS Conference in Durban, the MEC addressed local municipalities to reduce the numbers of new HIV infections combatting the number of people dying of Aids in most parts of the district. For the commemoration of the World Aids Day event, uMgungundlovu District Champion MEC together with uMgungundlovu District



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Mayor, distributed pamphlets with messages on the fight against HIV and Aids, and condoms. Later, the leadership joined the community at Caluza Community Hall where there were dialogues on issues around combating the spread of HIV and AIDS.

The department has also been part of Operation Sukuma Sakhe (OSS) programmes like the flame to Celebrate 16 Years of Democracy in Local Government which was taken to all seven local municipalities in uMgungundlovu District. The cabinet OSS has been hosted in the District with flying colours. All the newly elected councillors who were elected in councils during the local government election on 03 August 2016 at uMgungundlovu District were all called under one roof and edified by District Champion MEC on OSS.

The Provincial Treasury Staff, MEC and HOD exchanged their swanky daily clothes for overalls to celebrate the Mandela Day by getting their hands dirty as part of the 67 minutes celebration in Molweni. The department also handed over multi-million rand infrastructure projects to stimulate economic growth in Nongoma and Kokstad. The team also joined various local stakeholders to visit households at homes and public spaces to encourage them to save money and make their input of the tabling of the 2017/18 budget in different parts of the province. In a move to improve the economy and create jobs in Mkhambathini, MEC officially handed over a new horse facility. The centre is also going to provide training to local people.

It is our belief that Government needs to forge strong relations with the private sector institutions to improve service delivery and address challenges ahead. The department has also forged a good partnership with the South African Institute for Chartered Accountant (SAICA) to train students from all municipal areas to become Chartered Accountants. Consequently, a total of 64 students are being trained and funded through the Thuthuka Bursary Fund in this partnership. The Department has been accredited to be a training office. Indeed, this is another stripe we pride ourselves with.

Further, we have been forging strong partnerships with the private sector in a bid to maximise impact in communities and create a better understanding between government and the private sector. Our professional relationship with Absa Bank is a good example of what we want to do throughout the province. These efforts will continue even in the next financial years because government needs social partners to fight poverty, unemployment and inequality in our society.



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Cost Cutting Measures

The Department, after receipt of the support of the Executive Council, has continued to witness careful expenditure of the budget due to the uncompromising implementation of the provincial cost-cutting measures. With the issuing of the Circular no. PT(5) of 2017/18 to all Departments and public entities, the Department continues to oversee the implementation of these measures by Departments and public entities alike, and municipalities.

In line with cost cutting measures, the department has been partnering with other departments on some community engagements, this initiative really enhanced the Human Rights Day celebrations in uMgungundlovu District, which saw Champion MEC, together with uMgungundlovu District Mayor, Social Development MEC, MEC for Education and Msunduzi Mayor taking the district by a storm.

The Office of the MEC has implemented the following in terms of cost-cutting measures:-

- Cut down number of public events;
- Minimal support staff to accompany MEC;
- Cut down on overnight accommodation;
- Freezing of vacant posts;
- Cut down on use of marquees;
- Hire or use government-owned properties to avoid high costs;
- In-house printing of pamphlets;
- Cut down on lavish and expensively decorated events;
- Programme Director or MC services at department events done by departmental officials.

Office of the Head of Department

This sub-programme provides support to the Executive Authority in providing strategic and political direction to provincial department, municipalities and public entities.

Some achievements of the Office of the Head of Department are:

- (a) The Office of the Head of Department continues to ensure that the department fulfils its mandate in terms of the PFMA & MFMA. This includes facilitating the tabling of the MTEF and Budget Adjustment process to Cabinet.
- (b) The HOD continues without fail to emphasise the need to save by continuing with the implementation of the cost cutting measures that have bared fruit and have been embraced at a National level.



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- (c) The Head of department also continues to be very instrumental in the implementation of key projects that have an impact on financial management and social governance in KZN, such as the Provincial Recovery Plan, Contract Management.
- (d) The Head of department provides strategic leadership in policy development through his co-chairmanship of the Economic Sector and Infrastructure Development Cluster and his participation in various policy discussion on financial management and economic development.
- (e) The office of the HOD had been very instrumental in driving certain programmes which have received a good success over the 2016/17 financial year:
 - Minimum Competency Regulation
 - Operation Sukuma Sakhe
 - School Adoption Programme
- In supporting National Treasury with the coordination of the Minimum Competency Regulation, the Office of the HOD has been active in ensuring that KZN Municipalities conform with the Minimum Competency Regulation in tracking the level of compliance by municipal managers, chief financial officers and supply chain managers and a significant positive shift in a number of affected officials within municipalities have attained the required minimum competencies.
- The Head of Department's active role as the OSS Champion of Ethekwini District saw a number of **72** functional war rooms in Ethekwini District.
- Also mobile resources so that war rooms are equipped with basis needs such as office equipment as a results 3 Laptops were donated to war rooms in Ethekwini District.
- Through the school adoption programme, the HOD managed to support the schools by donating the following:
 - 450 school uniform to the identified poor learners;
 - 5 Laptops were donated in a schools around Amajuba District;
- Office of the HOD extended support to schools that suffered due to drought situation by providing the following assistance:
 - Installation of Water tanks & water reticulation
 - Facilitated a sponsorship of R30 000, this support was provided to different schools around the Province.
- (f) The HOD continued to be active in his participation in the financial government summits which are convened in conjunction with the Office of the Premier as part of the strategy to reduce the over-indebtedness of government employees, these summits have been



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conducted in various Districts of KwaZulu-Natal and through these financial education summit the province has seen a reduction in a number of emolument orders issued to government employees across all KZN Provincial Departments.

(g) Lastly the HOD has set the tone for good financial management in Treasury; as a result the department has received consecutive “Clean” Audit Opinions from AG.

Office of the CFO

The objectives of this unit are to render financial and supply chain management functions to Provincial Treasury.

Some achievements of the Office of the CFO include the following:

- The department continued to maintain an error free asset register and there were no audit findings raised in this area of work.
- The Treasury internal control unit has been responsible for the reviewing of all invoices submitted for payment by services providers, the unit has been able to prevent, detect and correct any internal control deficiencies.
- Averages of 98% of all invoices received were settled within prescribed 30 days period as per treasury regulations.
- The CFO office has facilitated the departmental audit and received 8th consecutive clean audit for the 2016/17 financial year and the target is to maintain the status quo through continuous improvement. All audit issues raised during the previous audit were resolved timeously.
- The Supply Chain Management unit has achieved its legislative mandates, there was no unauthorised / wasteful expenditure during the year 2016/2017. The unit has continued to implement optimal supply chain management processes.
- The budget of the department was managed successfully and there was no over spending.
- Various strategies to bring down the vacancy rate were explored hence various vacant funded posts were filled within the Office of the Chief Financial Officer, the asset management and SCM unit have now been fully capacitated.
- The Office of the Chief Financial Officer has continued to attract, motivate and retained competent personnel through developing skills and empowering our employees. We also help them perform at consistently high level by encouraging their professional and personal development.

Corporate Services

This sub-programme contains various support services to ensure that the service delivery units of Provincial Treasury have the required telecom system, transport fleet, etc. to support their operations. Besides this, though, the Human Resource Management unit within Provincial



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Treasury provides strategic human resources management and development support services to the Department and ensures compliance with relevant national and provincial legislative mandates.

Human Resource Management

Achievements for 2016/2017 are as follows:

- During 2016/2017, the Human Resource Management Directorate fulfilled all of its legislative mandates and delivered an efficient and professional Human Resources function to the Department. The Unit's success in HR legislative compliance was further recognized through the MPAT assessment administered by the Office of the Presidency, where the Unit was once again identified as a top performer in respect of KPA3 – Human Resource Management at both a National and Provincial level in respect of MPAT 1.5 results.
- The unit has successfully implemented all planned Human Resource Planning and WSP strategies for the year, thereby ensuring a well capacitated and healthy workforce that is appropriately skilled and empowered.
- The unit has exceeded its requirements in terms of empowering the organisation as a whole on all Human Resource related knowledge and information in terms of the number of policies that were developed and work-shopped. The organisation as a whole is 100 per cent compliant to all requirements of the performance management and development system, which is efficiently and professionally implemented and monitored by the Human Resources Directorate.
- The Employee Health and Wellness Section within HRM continues to make a visible impact on the lives of employees by increasing the number of Wellness Clinics per month within the Department, with noticeable improvements in the number of voluntary on-site testing. Monthly articles instilling responsible life style disease management as well as encouraging physical fitness and awareness are distributed throughout the organization and have been extremely well received. The Work and Play policy was actively implemented during this year with the introduction of Yoga and Aerobics during Office hours, as approved by the Head of Department.
- There had been a significant reduction in the number of grievances and misconduct cases within the Department which is largely attributed to the monthly articles that stem from the Labour Desk of the Directorate as well as engagements at Line Directorate meetings to



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empower both staff and management on the managing of sound employer/employee relations. Leadership impact surveys have also contributed positively in this area.

- The Unit continues with strategies to implement the Head of Department's commitment to improving EE targets of women in management and people with disabilities. Six females were appointed into permanent SMS positions during the 16/17 financial year, and the purchase of assistive devices and office configuration for people with disabilities were also undertaken. Integrated efforts of the sections within HRM during the year has ensured a strong drive for policy compliance, eradication of fraud and corruption, responsible sick leave management, well aligned departmental structures, adequately skilled employees and a healthy and well informed workforce.
- Provincial Treasury's partnership with SAICA on the Thuthuka Bursary Fund, where Treasury is currently sponsoring 79 previously disadvantaged students studying towards becoming Chartered Accountants is in its 5th year since inception. The partnership has further resulted in the Department receiving SAICA accreditation as a Training Office during December 2015, and the Department has received its 2nd allocation of two Trainee Accountants as at January 2017 making it a total of five (5) trainees who are currently undergoing training towards becoming chartered accountants. The program is yielding positive results which at the end will ensure the necessary skills within Departments, municipalities and entities, to assist with prudent financial and fiscal management
- The Department continues with its empowerment strategy for women in the form of the management training program for unemployed Chartered Accountants who are employed for a three year duration and empowered with the necessary management competencies and skills at MMS and SMS level, thereby empowering them to compete equally for management vacancies within the Department and the open labour market at large. Two candidates are currently on this program.

Information Technology Management

Achievements for 2016/2017 are as follows:

- During 2016/2017, the unit once again excelled in the area of ICT governance as reflected in the top score achieved in MPAT 1.5. This meant from an ICT governance perspective IT was able to provide business value to the department and assist it in achieving its strategic objectives.



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- The project undertaken to migrate all departmental users from Novell to Microsoft remained on track. By the end of the reporting period almost 60% of the users had been successfully migrated. The project is necessary to ensure that the department is able to leverage of new and exciting technologies going forward. This will ensure units are given the best possible IT system support to carry out their duties.



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PROGRAMME ONE: ADMINISTRATION											
1.1 Office of the CFO: Effective management of the departmental finances in line with statutory requirements											
Programme / Sub-programme Output	Performance Measures	1st Qtr Planned Output	1st Qtr Actual Output	2nd Qtr Planned Output	2nd Qtr Actual Output	3rd Qtr Planned Output	3rd Qtr Actual Output	4th Qtr Planned Output	4th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Financial Management Support Plan	Compile budget submission and strategic planning documents (EPRE; APP*4; AR; PP; ADJ Est. CF; SP & MTEF)	2	2	3	3	2	2	3	3	10	10
Financial Management Support Plan	Provide legislative financial reports (IYM*12; QPR*4 & AFS*1)	5	5	4	5	4	5	4	5	17	20
Number of reports produced	Supply Chain Management compliance reports	3	3	3	3	3	3	3	3	12	12
Implemented Financial Reform	Updated asset register – Asset count	1	1	N/A	N/A	1	1	N/A	N/A	2	2
MPAT moderated rating of 3	Overall annual MPAT rating on KPA4: Financial Management	Finalised moderated rating of 3	Only applic in QR4 - error on APP	N/A	N/A	N/A	N/A	Finalised moderated rating of 3	3	Overall annual MPAT rating of 3	Finalised moderated rating of 3



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1.2 Human Resource Management and Development: To provide optimal Human resource services to the Department											
Programme / Sub-programme Output	Performance Measures	1st Qtr Planned Output	1st Qtr Actual Output	2nd Qtr Planned Output	2nd Qtr Actual Output	3rd Qtr Planned Output	3rd Qtr Actual Output	4th Qtr Planned Output	4th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Overall Annual MPAT rating of 3	Overall annual MPAT rating on Human Resource Management	Finalized moderated rating of 3	Only apply in QR4 - error on APP	N/A	N/A	N/A	N/A	Finalized moderated rating of 3	Finalized moderated rating of 4	Overall annual MPAT rating of 3	Finalized moderated rating of 4
No. of HR seminars conducted	No. of HR seminars	2 seminars	2 seminars	2 seminars	2 seminars	2 seminars	2 seminars	2 seminars	2 seminars	8 seminars	8 seminars
No. of EWP seminars conducted	No. of EWP seminars	1 information seminar	2 seminars	1 information seminar	1 information seminar	1 information seminar	1 information seminar	1 information seminar	2 information seminar	4 information seminars	6 information seminars
No. of policies developed/ reviewed.	No. of policies developed/ reviewed and seminars conducted	2 policies and 2 policy related seminars	2 policies and 2 policy related seminars	2 policies and 2 policy related seminars	3 policies and 2 policy related seminars	2 policies and 2 policy related seminars	10 policies and 2 policy related seminars	2 policies and 2 policy related seminars	7 policies and 2 policy related seminars	8 policies and 8 seminars	22 policies and 8 policy related seminars
HR Plan and Quarterly Implementation Monitoring Reports	Annual Human Resource(HR) Plan developed	Annual HR Plan	Annual HR Plan (MTEF)	N/A	N/A	N/A	N/A	N/A	N/A	1X Annual HR Plan	Annual HR Plan (MTEF)
HRP Quarterly Monitoring Reports	Quarterly monitoring reports to ensure implementation of HRP	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	4 quarterly HRP implementation monitoring reports	4 quarterly HRP implementation monitoring reports



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Work Skills Plan and Quarterly Implementation Monitoring Reports	Annual Work Plan Skills Plan developed	Annual WSP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1X Annual WSP	Annual WSP
WSP Quarterly Monitoring Reports	Quarterly monitoring reports to ensure implementation of WSP	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	4 quarterly WSP implementation monitoring reports	4 quarterly WSP implementation monitoring reports
1.3. Information Technology Management: To provide IT Technical and IT functional support to the Department												
Initiatives Implemented	Number of initiatives implemented	N/A	1	1	N/A	N/A	1	1	1	1	2	2
Policy Reviews	Number of policy reviews completed	1	1	1	1	1	1	1	1	1	4	4
Compliance Reports	Number of compliance reports completed	3	3	3	3	3	3	3	3	3	12	12
Policy Information Sessions	Number of information sessions conducted	1	1	1	1	1	1	1	1	1	4	4
Mean Time To Resolve (MTTR) - Provincial	Mean time to resolve(MTTR) - Treasury	4 hr MTTR	48 min	44 min	4 hr MTTR	4 hr MTTR	48 Min	4 hr MTTR	52 min	4hr MTTR	48 min	48 min
Percentage network uptime	Percentage network uptime	99%	99%	98%	99%	99%	99%	99%	99%	99%	99%	99%



B.2 Programme 2: Fiscal Resource Management

This programme consists of three service delivery units, namely Economic Analysis and Infrastructure, Public Finance and Municipal Finance. The main aim of the programme is the effective management and monitoring of the provincial and local government fiscal resources and budget processes. It also includes the management of the Infrastructure Crack Team. The achievements of the teams responsible for these functions are commendable, and include the careful monitoring of in-year spending of provincial departments' and public entities' spending. This has resulted in a less than 1 per cent deviation of aggregate actual spending against the annual budget for the province as a whole for the past six consecutive years. These teams play a pivotal role in the continued improvement of fiscal stability in the province.

The Strategic Objectives are:

1. Determine and evaluate economic parameters and socio-economic imperatives that inform provincial and local resource allocation;
2. Provide platform to enhance regional economic growth and development through quality research;
3. Support efficient Infrastructure planning and management in KZN that contributes to effective economic and social infrastructure for KZN;
4. To facilitate implementation and institutionalisation of the Integrated Development Municipal Support (IDMS) in all KZN provincial departments and municipalities;
5. To assist and provide technical support to the development of the KZN Provincial Infrastructure Master Plan;
6. To assist and provide infrastructure funding support to all KZN provincial departments and municipalities;
7. Promote effective and optimal financial resource allocation for provincial government (including public entities);
8. Ensure efficient budget and expenditure management and accurate financial reporting for provincial government (including public entities);
9. Promote optimal and sustainable revenue generation and collection by provincial departments and public entities;
10. To ensure efficient budget and expenditure management and accurate financial reporting for the delegated municipalities in the province ; and
11. To assist and provide technical support to the delegated municipalities in financial distress in the province



Economic Analysis and Infrastructure

Service Delivery Achievements:

- **Infrastructure Management and Economic Services**

This sub-programme will continue to *support and enhance infrastructure and economic development in the province by:*

- *Developing strategic policies and frameworks;*
- *Ensuring the implementation of policies and frameworks;*
- *Managing the implementation through monitoring and evaluation; and*
- *Providing continuous support to the relevant stakeholders*

The mandate of the sub-programme is fivefold, namely.

- To provide and oversee the provisioning of infrastructure management and economic services in the province in terms of legislative mandates.
- To determine and evaluate economic parameters and socio-economic imperatives that inform the provincial and local resource allocation and to provide a platform to enhance regional economic growth and development through quality research.
- To monitor infrastructure planning and delivery performance in the province.
- To co-ordinate and facilitate the implementation and institutionalisation of the Infrastructure Development Management System (IDMS) regulations and methodologies.
- To support the funding and implementation of strategic infrastructure projects in the province

- *Economic Services*

The economic analysis unit continues with its mandate of providing an informed, and well-researched fiscal framework for the allocation of resources within the provincial government departments.

The economic analysis unit has several publications which are accessible on the departmental website for both internal and external stakeholders who wish to do business in the province. The speeches of the MEC are prepared within the unit. Participation in the assessment of the Integrated Development Plans (IDPs) and Local Economic Development (LED) forums in the municipalities were conducted. National Public Sector Economic Forum is coordinated and chaired in KZN by the unit. The support was also provided at municipal level through projects such as the Financial Literacy

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Programme (FLP) and Operation Sukuma Sakhe (OSS). Budget information was made accessible to the public through the media (The Mercury Newspaper).

Economic presentations were conducted in various organisations including public, private, institutions of higher education, Non Profit Organisations (NPOs), to name a few: Durban Chamber of Commerce, South African Diversity Council and University of KwaZulu-Natal (UKZN). In addition, the unit prepared a presentation for international conference which was delivered by the MEC in France.

Achievement of silver was realised through participation in the Batho Pele Premier's Service Excellence Award where a second place was secured in the province. It also participated in the bid evaluation committee, provided newsletters for the department's quarterly publication "Dialogue" and produced a report on the Agri-Business Development Agency.

Publications such as Provincial Economic Review and Outlook (PERO), Socio-Economic Review and Outlook (SERO) and departmental analysis reports were produced in house as well as contributions towards in-house publications such as Municipal Finance's Close-Out Report, Public Finance's Estimates of Provincial Revenue and Expenditure (EPRE) and Human Resource Management and Development's Policy Documents.

In addition the following reports were produced:

- KZN Provincial GDP
- KZN Provincial Risk Monitor
- KZN Provincial Labour Market Review

The following research articles were produced:

- Public Capital Stock and Economic Growth – KZN Case Study
- Multi Regional Economic Multipliers
- The Influence of Space on Business Confidence
- Newsletters



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- *Infrastructure Management*

The Infrastructure unit has maintained its focus on planning, reporting and delivery performance management. This is initiated by the issuing of annual planning schedule in a form of circular that is presented during the Treasury Guideline workshop for awareness.

The financial year commences by evaluating the previous financial year planning (2015/16) where Department is required to submit their End of Year Evaluations Report. This report is then analysed and the feedback with recommendations is provided for improvement for planning. In preparation for the upcoming financial year (2017/18), all Provincial Departments prepare their User Asset Management Plans (U-AMPs) which get analysed if the plans are in line with the National Treasury guideline. Education and Health received incentives on Education Infrastructure Grant (EIG) and HFRG respectively for the 2017/18 financial year.

For reporting and monitoring all provincial departments were provided training on the Infrastructure Reporting Model (IRM) and are then required to report the infrastructure delivery progress in the IRM. The unit analysed the submitted IRM Reports before submission to National Treasury. The analysis report mainly highlights the expenditure trends and project progress made on different projects.

In order to evaluate the IRM report the site visits were conducted throughout the year. The principle focus is based on project triple constraint of time, cost and quality in relation to the implementation of the plans.

During 2016/17 financial year the unit facilitated a National Treasury's Standard for Infrastructure Procurement and Delivery Management (SIPDM) workshop where all Provincial Departments were required to attend. This was in preparation of the SIPDM implementation in 2016/17.

Infrastructure Delivery Management System (IDMS)

Government's Infrastructure Delivery Management System (IDMS) comprises three core systems, namely, a planning and budgeting, a supply chain management and an asset management system, all of which have forward and backward linkages. These core systems are located within portfolio, programme and project management, and operation and maintenance processes. Collectively these processes and systems, together with a performance management system, establish the institutional system for infrastructure delivery.



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- Current National Treasury strategic direction and initiatives in IDMS implementation - National Treasury Instruction Note 4 of 2015: Standard for Infrastructure Procurement and Delivery Management (SIPDM) – was issued on 6 November 2015. The Instruction applies to all Departments, constitutional institutions and public entities listed in Schedules 2 and 3 of the PFMA. The Treasury instruction takes effect from 1 July 2016.
- The KZN EXCO approved the KZN-IDMS Framework document for the Departments of Health, Education, Public Works and Treasury on 22 September 2012. Given the time lapsed to implement the KZN-IDMS Framework; the PT Infrastructure Unit determined that a detailed progress review be undertaken. The progress review is also informed by the DoRA 2016/17, Chapter 4, Section 27:
 - 4(a) For purposes of the Education Infrastructure Grant or the Health Facility Revitalisation Grant in the 2016/17 financial year, the receiving officer of the relevant Provincial Department must, in the format and on the date determined by National Treasury submit to the Transferring officer, the relevant Provincial Treasury and National Treasury:-*
 - (iv) a document that outlines how the infrastructure delivery management system will be implemented in the Province and that is approved by the Executive Council of the Province before or after the commencement of this Act; and*
 - (b) If any substantive change is made to the document referred to in (a)(iv) during the 2016/17 financial year, the amended document must be approved by the Executive Council of the province before submission to the National Treasury within 14 days of such approval.*
- Progress: The 2012 KZN-IDMS Framework document progress review report was presented to the Department of Health, Education, Public Works and Treasury in November 2016 and a final report was circulated on 9th February 2017. The review findings are to be incorporated in the development of the new Provincial KZN-IDMS Framework Document aligned to the SIPDM. This will be applicable to all Provincial Departments that implement infrastructure capital projects and maintenance. New Provincial KZN-IDMS Framework Document is be completed and approved in 2017/18
- In March 2017 Provincial Treasury issued a circular to all Provincial Departments (PT/INFR 1 of 2016/17), which principally states: The Province of KwaZulu-Natal adopted the Infrastructure Delivery Management System (IDMS) for the planning, delivery, management and reporting on the infrastructure programme. The IDMS requires departments to have long, medium and short term plans for infrastructure delivery. The infrastructure long term plan known as the User Asset Management Plan (UAMP) is a 10 year plan, the Medium term plan known as the Infrastructure Programme Management Plan (IPMP) is a 3 year plan and the



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Infrastructure Programme Implementation Plan (IPIP) is the short term plan — 1 year plan. In year reporting on infrastructure spending and monitoring is reported in the Infrastructure Reporting Model

- *KZN Infrastructure Master Plan*

The KwaZulu-Natal Provincial Planning Commission developed the KwaZulu-Natal Provincial Growth and Development Plan (PGDP), which is underpinned by and aligned to the National Development Plan (NDP). Both the NDP and the PGDP emphasises the need for improved co-ordination, alignment and integration of infrastructure planning. This resulted in KZN Cabinet approving the establishment of an Infrastructure Co-ordination Work Group (ICWG) to facilitate integration and co-ordination of all Infrastructure programmes and projects in KwaZulu-Natal that are identified as being strategic to the extent that they have the ability to advance the strategic objectives and interventions identified in the PGDP. The ICWG is chaired and coordinated by KZN Department of Public Works with support from Provincial Treasury.

The development of a Provincial Infrastructure Master Plan (IMP) which provides a high level overview of the nature, extent and status of alignment of and between the abovementioned categories of infrastructure within the Province of KwaZulu-Natal, indicating critical and priority gaps to attend to in the short, medium and longer term. The need for such Provincial Infrastructure Master Plan is driven by the fact that there is no institutional framework to facilitate a coordinated and integrated approach to planning of strategic infrastructure at a provincial level.

Progress on the development of the IMP was presented in August/September 2016 and January/February 2017 to:

- KZN Provincial Planning Commission (PPC);
 - Economic Sector Infrastructure Development (ESID) Cluster; and
 - KZN Lekgotla
- *Infrastructure Crack Team*

The provision of public infrastructure is integral in the realisation of government's goal to provide basic services to all South Africans. However, low capital expenditure by Departments and municipalities necessitated the establishment of an infrastructure support initiative. The infrastructure support team (*or the infrastructure "crack team"*) was established in 2011 by the Provincial Executive to assist Departments and Municipalities in delivering cost effective and efficient infrastructure in the province. The initial panel consisted of 18 built environment professional companies which included engineers, town planners, architects, project managers, and



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quantity surveyors. The “new” three year contract commenced in April 2015 with 23 built environment professional companies.

The objective of the “Crack Team” is to assist provincial Departments, entities and municipalities in the infrastructure delivery value chain in assessing, planning, identifying and unblocking of bottlenecks in the delivery of the essential infrastructure services to communities.

Listed below are some of the projects undertaken in the 2016/17 financial year.

- Technical support at Umkhanyakude District Municipality
 - Technical support in preparation of the Asset register for Big Five False Bay
 - Technical infrastructure support and capacity in preparation of the Infrastructure Plan for Greater Kokstad Municipality
 - Technical support for eMadlangeni Municipality
 - Support at Bulwer Arts Centre Assessment
 - Infrastructure support in the development of Ray Nkonyeni Spatial Plans
- *Provincial Regional Technology Hub Project*

The focus and purpose of this project is based on what has been experienced and achieved internationally through the establishment and innovation of technology hubs. Using foreign examples as “best practice” but with a good understanding of conditions and opportunities in South Africa, the project will cater for:

- The establishment, financing, designing, initial construction and the preparation for the operating of FOUR regional technology hubs in the province.
- The four locations are:
 - uMshunduzi (at the Pietermaritzburg airport)
 - Newcastle (at the Newcastle airport)
 - Richards Bay (at the Richards Bay Industrial Development Zone (RBIDZ) Phase 1A site)
 - Hibiscus Coast (opposite the Shelly Mall, Shelly Beach)
- Funding of R120m through the General Budget Support Programme has been secured over the MTEF (2015/16 to 2017/18).
- The current funding will ONLY support the development of phases 1 at each location, (mostly for bulk infrastructure, some top structures to initiate the projects’ and development facilitation and planning).



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- Funding applications to both public and private entities will continue to be submitted to augment the current funding.
 - A professional team has been appointed to support the project over the Medium Term Expenditure Framework (MTEF).
 - Significant private sector participation is being facilitated for top structure development.
 - The four “**hub hosts**” (the three municipalities and the RBIDZ) will own the hubs and will have to put operations and maintenance budgets and plans forward.
 - Each hub host has put forward an incentive policy for prospective tenants and investors
- *King’s Palaces Maintenance Repairs Project*
The KZN Treasury was mandated by the Honourable Premier in November 2015 to implement the Palaces Maintenance Repairs Project. Funding of R8m was made available through the Office of the Premier for the 2016/17 financial year. The total projects awarded and estimated amounts committed amounted to R 7 890 327.37. The total expenditure for 2017/18 is R 5 149 951.87 the balance of work is the payment of retentions and final award to the interior works to the Kwakhangelala palace to be committed in 2017/18 financial year.

Public Finance

Service Delivery Achievements

The Public Finance unit continued to perform its mandate as prescribed by the PFMA and Treasury Regulations. This included following:

- The spending and service delivery achievements of 15 Votes and 16 public entities were monitored.
- The Finance Portfolio Committee was briefed on the mid-year and close-out budget performance of the province.
- The Standing Committee on Oversight was briefed on the budget performance of the Provincial Legislature.
- The Executive Council was kept informed of the provincial budget performance throughout the year.
- The 2016/17 *Adjustments Estimate of Provincial Revenue and Expenditure*, the Adjustments Appropriation Act and the Adjustments Estimate Budget Speech were prepared and MEC tabled this in the Legislature.



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- The 2017/18 *Estimates of Provincial Revenue and Expenditure*, the Appropriation Act, 2016 and the 2017/18 Budget Speech were prepared and MEC tabled these in the Legislature.
- Revenue enhancement, particularly by the Department of Health, continued to remain a focal point.
- The cost-cutting measures remained in place with Public Finance continuing to provide an oversight role in this regard.

The impact of these achievements is as follows:

- The fiscal discipline in KwaZulu-Natal continues to be noteworthy and is achieved through careful oversight and continued implementation of the cost-cutting measures, together with careful budget and cash management. These factors have all contributed to the province showing a less than one per cent deviation, when comparing spending to the annual budget, for the past six consecutive years. This is a remarkable achievement. In addition, the bank balance of the province continues to remain cash positive as it has done since May 2010.

These successes were sustained in 2016/17, with Provincial Treasury continuing to monitor departments' and public entities' spending patterns. KZN was thus able to manage its budget very well in 2016/17, with the province under-spending by a mere 0.3 per cent (according to unaudited numbers), which is well within the acceptable norms.

Municipal Finance

The strategic objectives of the Municipal Finance unit is to ensure efficient budget management and financial reporting at local government level. The unit is also required to provide technical support to delegated municipalities.

Service Delivery Achievements

During the 2016/17 financial year, the primary focus of the Municipal Finance unit was the promotion of credible and funded municipal budgets and sound fiscal management. Monitoring of the municipal budgets included the following:

- Provision of support to all delegated municipalities in the preparation of their 2016/17 Medium Term Revenue and Expenditure Framework (MTREF) Budgets;
- Assessment of the 2016/17 MTREF budgets to establish whether the budgets were credible, sustainable and complied with the provisions of the Municipal Finance Management Act (MFMA), the Municipal Budget and Reporting Regulations (MBRR) and other applicable legislation. It is critical



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that the funding position (i.e. funded or unfunded) of the municipal budgets are evaluated to determine the sustainability of municipalities in the province as this impacts on the municipality's ability to deliver services;

- Monitoring the implementation of municipal budgets and preparation of monthly and quarterly reports in terms of Sections 71(6) and 71(7) of the MFMA, as well as assessing the 2016/17 Mid-Year Budget and Performance Assessment Reports on the budget performance of all delegated municipalities; and
- Supporting municipalities through the Municipal Support Program (MSP).

The Municipal Finance unit assessed the 2016/17 Tabled and Approved Budgets of all delegated municipalities and reports containing feedback on the key findings of the assessments were submitted thereto.

Technical support for the 2016/17 budget preparation process was provided on request to the following 29 municipalities indicated below.

Onsite technical support to municipalities on the 2016/17 budget preparation process

No	Name of municipality	No	Name of municipality	No	Name of municipality	No	Name of municipality
1	Vulamehlo	10	Umtshezi	19	Maphumulo	28	Umzumbe
2	uMngeni	11	Mpofana	20	Endumeni	29	Mthonjaneni
3	uMuziwabantu	12	Newcastle	21	Mkhambathini		
4	Ezinqoleni	13	Impendle	22	Umdoni		
5	Ugu DM	14	eDumbe	23	Nkandla		
6	uMshwathi	15	The Big Five False Bay	24	Msinga		
7	Richmond	16	Umkhanyakude DM	25	uMfolozi		
8	uMgungundlovu DM	17	eMadlangeni	26	Ntambanana		
9	Ennambithi/Ladysmith	18	Mandeni	27	Ulundi		

Source: KZN Provincial Treasury

Provincial Treasury conducted the 2016/17 budget assessment in two phases. The objective of the first phase was to assess the Tabled Budgets of the municipalities and provide comments for consideration by municipalities as per the requirement of Section 23(1) of the MFMA. The assessment process also included compliance checks on all Tabled Budgets received to establish the level of compliance with the requirements of the MFMA and MBRR in general and to verify amongst others, whether the Tabled Budgets submitted were in the correct version of the prescribed format.

Copies of the 2016/17 Tabled Budgets were received from all 58 delegated municipalities in the prescribed format. Comprehensive assessments were conducted and feedback was provided to all 58 delegated municipalities.



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The second phase entailed the high level assessment of the budgets approved by the municipal Councils. The main purpose of the assessment of the Approved Budgets was to establish whether the Approved Budgets took into consideration the comments and recommendations of Provincial Treasury provided on the Tabled Budgets. This process also included a compliance check to establish the level of compliance of the Approved Budgets with the requirements of the MFMA and MBRR.

Copies of the 2016/17 Approved Budgets were received from all 58 delegated municipalities in the prescribed format. High level assessments were conducted and feedback was provided to all 58 delegated municipalities.

In addition to the above, Provincial Treasury also conducted High level assessments on the 2016/17 Approved Budgets of the post-election municipalities. Post-election municipalities were established based on the process of re-determination of municipal boundaries. The process included amongst others, the dis-establishment of some of the municipalities which were merged to form the new municipalities effectively from the date of the Local Government elections that were held on 03 August 2016. With exception of the iNkosi Langalibalele Local Municipality, the 2016/17 Approved Budgets for all post-election municipalities were deemed funded as shown in the Table below.

Post -election municipalities for which the 2016/17 Budgets were assessed

Pre-election Municipalities	No	Post election Municipalities	Funding Position
Ingwe Kwa Sani	1	Dr Nkosazana Dlamini Zuma (KZN436)	Funded
Ezingolweni Hibiscus Coast	2	Ray Nkonyeni (KZN216)	Funded
Emnambithi/Ladysmith Indaka	3	Alfred Duma (KZN238)	Funded
Umtshezi Imbabazane	4	iNkosi Langalibalele (KZN237)	Unfunded
The Big Five False Bay Hlabisa	5	Big Five Hlabisa (KZN276)	Funded
Ntambanana Mthonjaneni	6	Mthonjaneni (KZN285)	Funded
Vulamehlo uMdoni	7	uMdoni (KZN212)	Funded

Source: KZN Provincial Treasury

Provincial Treasury also monitored the submission of the 2016/17 Mid-Year Budget and Performance Assessment Reports which were due to both Provincial and National Treasuries by 25 January 2017, in line with the provisions of the MFMA.

Provincial Treasury conducted an assessment on the Mid-Year Budget and Performance Assessment Reports submitted by the delegated KZN municipalities, with a view of providing recommendations which



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would influence their 2016/17 Adjustments Budgets.

Provincial Treasury requested municipalities in Circular TC/RM 4 of 2016/17 (dated 07 December 2016) to refrain from tabling their 2016/17 Mid-Year Budget and Performance Assessment Reports together with their 2016/17 Adjustments Budgets. This was requested in order for the Provincial Treasury to effectively assess the 2016/17 Mid-Year Budget and Performance Assessment Reports and provide meaningful contribution thereon in the preparation of the municipalities' 2016/17 Adjustments Budgets.

Despite this request, the uMzombe Local Municipality tabled their 2016/17 Mid-Year Budget and Performance Assessment Report together with their 2016/17 Adjustments Budget. Therefore, Provincial Treasury was unable to conduct a comprehensive assessment for the municipality. Thus, only a high level assessment highlighting the main issues was undertaken and communicated to the municipality.

In order to improve on the quality of the bilateral engagements with municipalities, the Supply Chain Management (SCM) Unit of the Provincial Treasury was invited to participate at the engagements. Due to the large number of municipalities in the province, it was not feasible to conduct joint engagements with all municipalities but rather to select those to be visited for the joint engagements.

The 13 municipalities reflected in the Table below were selected for joint engagements on their 2016/17 Mid-Year Budget and Performance Assessment Reports in order to assess their SCM compliance at Mid-Year. Four (4) of the 13 municipalities were engaged jointly (namely, Harry Gwala District Municipality, iMpendle, Greater Kokstad and uMfolozi Local Municipalities). The Provincial Treasury could not engage jointly with nine municipalities due to the unavailability of the relevant municipal officials and numerous changes to the engagement dates amongst others.

Municipalities selected for joint engagements on their 2016/17 Mid-Year Budget and Performance Assessment Reports

No	Name of municipality	No	Name of municipality	No	Name of municipality
1	iMpendle	6	eNdumeni	11	Big Five Hlabisa
2	Harry Gwala DM	7	uMzinyathi DM	12	Mtubatuba
3	Greater Kokstad	8	uMvoti	13	Jozini
4	uMfolozi	9	Amajuba DM		
5	Mpoiana	10	AbaQulusi		

Source: KZN Provincial Treasury

Engagements on the 2016/17 Mid-Year Budget and Performance Assessments Reports were conducted with a total of 37 municipalities including the 4 municipalities where joint engagements with the Provincial Treasury's SCM Unit were held. The table below shows 37 municipalities which were engaged on their 2016/17 Mid-Year Budget and Performance Assessments Reports.



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List of the 37 Municipalities which were engaged on their 2016/17 Mid-Year Budget and Performance Assessments

No	Name of municipality	No	Name of municipality	No	Name of municipality
1	uMdoni	14	uThukela DM	27	uMfolozi
2	Ray Nkonyeni	15	eNdumeni	28	Mthonjaneni
3	Ugu DM	16	Nquthu	29	Nkandla
4	uMshwathi	17	uMzinga	30	Ndwedwe
5	uMngeni	18	uMvoti	31	Maphumulo
6	Mpofana	19	eMadlangeni	32	iLembe DM
7	iMpendle	20	Amajuba DM	33	Greater Kokstad
8	Mkhambathini	21	Ulundi	34	Ubuhlebezwe
9	Richmond	22	Zululand DM	35	Umzimkhulu
10	uMgungundlovu DM	23	uMhlabyalingana	36	Dr. Nkosazana Dlamini Zuma
11	Okhahlamba	24	Jozini	37	Harry Gwala DM
12	iNkosi Langalibalele	25	Mtubatuba		
13	Alfred Duma	26	uMkhanyakude DM		

Source: KZN Provincial Treasury

The Municipal Finance Unit prepared 12 monthly Consolidated Budget Performance reports on all delegated municipalities and submitted these reports to National Treasury as per Section 71(6) of the MFMA.

Four quarterly reports on the Consolidated Budget Performance for all delegated municipalities including the 3 non-delegated municipalities were prepared in line with Section 71(7) of the MFMA.

All municipalities which provide Electricity are expected to submit applications for an electricity tariff increase to the National Energy Regulator of South Africa (NERSA) in line with Section 43 of the MFMA. To ensure an improvement in the quality and timeliness of the tariff increase applications to be submitted, NERSA jointly with Provincial Treasury conducted a two day workshop from 20 to 21 September 2016 in Pietermaritzburg.

The purpose of the workshop was mainly to highlight the correct process of completing and submitting the relevant application forms and to remind municipalities of the deadlines for other related processes. The workshop was conducted for all delegated and non-delegated municipalities which are licenced to provide electricity services and was attended by 96 municipal officials from 25 municipalities.

Municipal Support Program (MSP)

The Municipal Support Program (MSP) within the Municipal Finance Unit was established to assist and provide technical support to delegated municipalities. The MSP is committed to supporting its clients and identifying ways to improve service delivery by supporting and assisting municipalities. The program also places emphasis on capacity building to ensure improvements effected are sustainable.



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The VAT Review initiative was implemented at fifteen municipalities in the 2016/17 financial year. The initiative is intended to address the shortcomings relating to the management of VAT. The filing of VAT returns by municipalities and the processes associated with this function have often been outsourced to service providers which resulted in external resources preparing and filing the returns on behalf of the municipality at a considerable cost thereto. In addition, the municipal officials have not necessarily been trained in the tasks involved and could be unaware of the best practices to follow in fulfilling these responsibilities. The VAT Review initiative aims to capacitate municipalities to undertake the function on their own.

In keeping with the Provincial Treasury's mandate to assist and support municipalities in strengthening and building their financial management capacity, an initiative was undertaken by the Financial Reporting sub-programme under the direction of Municipal Finance to provide financial management on-site support to identified municipalities within the Province. The aim of the initiative is to build and strengthen financial management capacity through the implementation of sustainable financial management practices which results in an improvement of audit outcomes. Twelve municipalities were supported in 2016/17 and annual financial statement reviews were conducted in an additional four municipalities

The MSP also engaged with other sub-programmes within Provincial Treasury to support municipalities with challenges that they are specifically skilled to assist with. These included initiatives to support municipalities on fixed asset management, mSCOA, supply chain management and infrastructure management.

The MSP support provided, together with the commitment and determination of the municipalities supported, has resulted in a positive impact thereto.



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PROGRAMME TWO: FISCAL RESOURCE MANAGEMENT											
2.2.1 Economic Analysis: <ul style="list-style-type: none"> Determine and evaluate economic parameters and socio-economic imperatives that inform provincial and local resource allocation Provide platform to enhance regional economic growth and development through quality research 											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Provision of economic analysis for the province	To provide an economic analysis for the province	1	0	1	0	1	3	1	1	Produce 4 provincial department economic reports	Produce 4 provincial department economic reports
		N/A	N/A	N/A	N/A	N/A	N/A	1	1	Produce 1 SERO	Produce 1 SERO
		N/A	N/A	1	0	N/A	1	N/A	N/A	Produce 1 PERO	Produce 1 PERO
		3	2	3	3	3	3	N/A	1	Produce 9 districts socio-economic reports	Produce 9 districts socio-economic reports
Input to OPRE	To provide input to the Overview of Provincial Revenue and Expenditure (OPRE)	N/A	N/A	N/A	N/A	N/A	N/A	1	1	OPRE submitted on time for tabling	OPRE submitted on time for tabling
Research papers	To provide quality research for regional policy analysis	1	1	2	1	2	2	N/A	1	Produce 5 economic research projects	Produce 5 economic research projects
2.2.2 Infrastructure Management: <ul style="list-style-type: none"> Support efficient Infrastructure planning and management in KZN that contributes to effective economic and social infrastructure for KZN; To facilitate implementation and institutionalisation of the Integrated Development Municipal Support (IDMS) in all KZN provincial departments and municipalities; To assist and provide technical support to the development of the KZN Provincial Infrastructure Master Plan; To assist and provide infrastructure funding support to all KZN provincial departments and municipalities. 											

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Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
User Asset Management Plans	Assessment report on the User Asset Management Plans (U-AMPs)	N/A	N/A	1	1	N/A	N/A	N/A	N/A	Compile a consolidated assessment report on U-AMPs	Compiled a consolidated assessment report on U-AMPs
Reports on the implementation of the IDMS in KZN	Reports on the implementation of the IDMS in KZN	1	1	1	1	1	1	1	1	Produce 4 reports on the implementation of IDMS in the province	Produced 4 reports on the implementation of IDMS in the province
Reports on site visits conducted	Progress reports on infrastructure budgets and delivery plans using IRM data	1	1	1	1	1	1	1	1	Submit 4 reports on the site visits conducted	Submitted 4 reports on the infrastructure expenditure in the province
Progress reports on infrastructure budgets and delivery plans	Reports on the infrastructure site visits conducted	1	1	1	1	1	1	1	1	Submit 4 reports on the infrastructure expenditure in the province	Submitted 4 reports on the infrastructure site visits conducted
Estimates of Provincial revenue and Expenditure (EPRE)	Estimates of Provincial Revenue and Expenditure (EPRE)	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Input into OPRE on time for tabling	Input into OPRE on time for tabling
Reports on support to develop the Provincial Infrastructure Master Plan (IMP) KZN	Reports on support to develop the Provincial Infrastructure Plan(IMP) KZN	1	1	1	1	1	1	1	1	Produce 4 reports on the support to develop Prov IMP	Produced 4 reports on the support to develop Prov IMP
Reports on infrastructure mechanisms in the province	Reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework	1	1	1	1	1	1	1	1	Produce 4 reports on the infrastructure mechanisms in the province	Produced 4 reports on the infrastructure mechanisms in the province



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2.3 Public Finance : Provincial Budget Management:												
<div><div></div><div><ul style="list-style-type: none">Promote effective and optimal financial resource allocation for provincial governmentEnsure efficient budget and expenditure management and accurate financial reporting for provincial government (including public entities)</div></div>												
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17	
No. of chapters in MTEC reports	No. of chapters in MTEC reports	N/A	N/A	15	15	N/A	N/A	N/A	N/A	15 chapters completed 1 working day before MTEC as per budget process timetable	15 chapters completed 1 working day before MTEC as per budget process timetable	
Estimates of Provincial Revenue & Expenditure	Estimates of Provincial Revenue & Expenditure	N/A	N/A	N/A	N/A	N/A	N/A	1	1	EPRE on time for tabling	EPRE on time for tabling	
Adjusted Estimates of Provincial Revenue and Expenditure(AEPRE)	Adjusted Estimates of Provincial Revenue and Expenditure(AEPRE)	N/A	N/A	N/A	N/A	1	1	N/A	1	AEPRE on time for tabling	2x AEPRE submitted on time for tabling	
Section 32 report (Monthly provincial IYM report)	Section 32 report (Monthly provincial IYM report)	3	3	3	3	3	3	3	3	12 IYM reports p/a (submitted to NT by 22nd monthly)	12 IYM reports p/a (submitted to NT by 22nd monthly)	
Quarterly performance reports for provincial department	Quarterly performance reports for provincial department	1	1	1	1	1	1	N/A	N/A	3 quarterly performance reports	3 quarterly performance reports	
2.3 Public Finance : Provincial Own Revenue : Promote optimal and sustainable revenue generation and collection by provincial departments and public entities												
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17	
Provincial Revenue Forum	Conduct and co-ordinate quarterly Provincial Revenue Forums	N/A	N/A	N/A	N/A	1	1	N/A	N/A	1 Forum per year	1 Forum held	
Quarterly Reports	Monitoring of departmental revenue collection	1	1	1	1	1	1	N/A	N/A	3 Revenue Quarterly Performance Reports	3 Revenue Quarterly Performance Reports	



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Revenue input into EPRE and OPRE	Revenue input into Overview of Provincial Revenue(OPRE) and Estimates of Provincial Revenue and Expenditure(EPRE)	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Revenue input into OPRE and EPRE on time for tabling	Revenue input into OPRE and EPRE submitted on time for tabling
2.3 Public Finance: Special Advisory Support services: Promote effective and optimal financial resource allocation for provincial government (including public entities)											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Input into the revision and maintenance of DORA	Input into the revision and maintenance of DORA	Input to be submitted by due date as set by NT	0	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input submitted	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input was submitted by due date as set by NT
Institutionalise framework for the monitoring of provincial public entities	Institutionalise framework for the monitoring of provincial public entities	N/A	N/A	1	1	1	1	N/A	N/A	Report bi-annually for all listed public entities	Reported bi-annually for all listed public entities
2.4 Municipal Finance:											
• To ensure efficient budget and expenditure management and accurate financial reporting for the delegated municipalities in the province ;											
• To assist and provide technical support to the delegated municipalities in financial distress in the province											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Section 71(6) report (Monthly municipal IYM report) within prescribed time frame	Section 71(6) report (Monthly municipal IYM report) within prescribed time frame	3 reports	3 reports	3 reports	3 reports	3 reports	3 reports	3 reports	3 reports	12 Section 71(6) reports, 22 working days after end of each month	12 Section 71(6) reports
Section 71(7) quarterly budget	Section 71(7) quarterly budget	1 report	1 report	1 report	1 report	1 report	1 report	1 report	1 report	4 Section 71(7) Quarterly	4 Section 71(7) Quarterly



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performance reports	performance reports									quarterly budget performance reports, 45 days after end of quarter	budget performance reports
Municipalities supported through Municipal Support Programme (MSP)	No. of municipalities supported by the Municipal Support Programme (MSP)	2	24	2	23	3	25	3	20	10	25
		Municipalities	Municipalities	Municipalities	Municipalities	Municipalities	Municipalities	Municipalities	Municipalities	Municipalities to be supported through the MSP	Municipalities supported through the MSP



B.3 Programme 3: Financial Management

Purpose: *To enhance financial management in the Province by taking the necessary steps to assist and support Departments and municipalities in the spheres of Financial Reporting, Asset Management, Supply Chain Management, Public Private Partnerships, Financial Management Norms & Standards and Gaming Betting in obtaining clean audit reports on an annual basis.*

The Strategic Objectives are:

1. To assist departments in improving cash management.
2. To provide substantial technical, financial and legal advice in support of all provincial PPP projects in line with the PPP Project Cycle as regulated by National Treasury guidelines.
3. To support and monitor adherence of departments, public entities and municipalities to SCM prescripts.
4. To assist departments, public entities and municipalities in the attainment of positive audit outcomes for the Province, with respect to financial management.
5. To develop, facilitate implementation and monitor compliance with financial norms and standards in provincial departments, municipalities and entities to enhance financial management.
6. To provide technical and functional support to supporting and interlinked financial systems.
7. Enhance the Gaming and Betting Regulatory environment in KwaZulu-Natal.

Cash Management and Liabilities

Service Delivery Achievements

During the 2016/2017 financial year the tax section continued to provide a support service to the KZN provincial departments to ensure that legislative amendments which impacted on the payroll functions were communicated to all departments and to ensure compliance with the tax legislation and SARS requirements. A quarterly risk analysis of the tax functions and processes was conducted per department, and in areas where risks were identified which would impact negatively on a particular department, the CFO was informed and where necessary asked to intervene. An Annual Tax information session was conducted to continue enhancing the knowledge and skills of tax officials at the departments and the technical tax manual was updated to keep abreast of changes to the payroll tax legislation. Development and training during this financial year was aimed at the tax supervisory level and was successful in that there was a noticeable improvement in the knowledge and skills of the tax supervisors overseeing the payroll tax functions.

The banking section provided a support function to KZN departments in all areas of the banking function.



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Continued liaison with departments on a monthly basis has had a positive impact on the status of the banking-related suspense accounts and zero balances. In instances where any risks were identified regarding outstanding transactions, the Chief Financial Officers of the relevant departments were informed.

Municipalities continued to be advised of the reporting requirements in terms of the Municipal Finance Management Act and there was an improvement in the level of compliance from municipalities during the 2016/2017 financial year with regards to the submission of reports to Treasury.

The Cash Blocking system ensured more effective cash management by the departments during the 2016/2017 financial year, as departments were not able to disburse payments to suppliers unless they had the funds available in their cashbook.

Public Private Partnerships (PPPs)

The **Public Private Partnership Unit** housed in this programme, provides technical support on any possible PPP project envisaged by the Departments, Public Entities and Municipalities in the province. The Unit, in collaboration with the National Treasury's PPP Unit, is presently assisting:

- KZN Provincial Department of Health in implementing and the recommendation of both contract and review report of an Exit Strategy for the Inkosi Albert Luthuli Central Hospital PPP Project;
- KZN Public Works in procurement of the Office Park through a PPP;
- KZN Legislature in updating the feasibility study for office accommodation project for the Provincial Parliament as a PPP; and
- KZN Department of Economic Development, Tourism and Environmental Affairs in initiating the investigation of a possible Rapid Rail in KZN.

In Municipalities, the Unit assists in the following:

- ILembe District Municipality in its Water and Sanitation concession contract management;
- KwaDukuza Local Municipality in its investigation into a Solid Waste Management PPP; and
- Mtubatuba Local Municipality in its investigation into a possible municipal office accommodation PPP.

Service Delivery Achievements

- Completion of both Project Review Report, and Exit Strategy where a review of the Public Private Partnership Agreement between the Department of Health and the Project Company for the provision of equipment, information management & technology, facilities management and all



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associated services at Inkosi Albert Luthuli Central Hospital was undertaken and development of Exit Strategy indicating various options available to the Department post concession period.

- Assisted the KZN Department of Public Works in drafting the procurement documents and applying for Treasury Approval IIA (TA IIA). Participated in the development of the B-BBEE and communication strategies for the project.
- Assisted the KZN Provincial Legislature in updating the feasibility study to procure a new Legislature Complex through providing guidance in updating Solutions Options Analysis, Due Diligence and Value Assessment.
- Assisted Ilembe District Municipality in the implementation of the third review of the Ilembe Water and Sanitation Concession Agreement and five year implementation plan for period 2014 – 2019. The Unit further assisted the municipality with a legal review of the Concession Agreement which aims to align the Concession Agreement with the current legislative prescripts via a third supplementary agreement.
- KZN Economic Development, Tourism and Environmental Affairs in drafting the terms of reference to appoint transaction advisor's to conduct a feasibility study for a possible Rapid Rail in KZN.

Commitments

- Assisting the Department of Health with the implementation of recommendation of both contract review and exit report.
- Assisting the Department of Public Works in the procurement process for the Office Park Project by assisting in the preparation and issuing of the bid documents, approving bid documents and preparing the PPP agreement.
- Finalising the B-BBEE and communication strategies for the Office Park Project.
- Continuing to assist the KZN Provincial Legislature in updating feasibility study for the Legislature Complex.
- Assisting the Department of Economic Development, Tourism and Environmental Affairs in the inception phase of the Rapid Rail in KZN.
- Continuing to assist the Ilembe District Municipality in implementing the concessionaire's five-year plan and in planning for the next five-year cycle after the current five-year period expires.
- Assisting Mtubatuba Local Municipality in the inception phase for the proposed municipal office accommodation.



Provincial Supply Chain Management (SCM)

The Provincial SCM Unit is responsible for enforcing compliance with all Supply Chain Management prescripts by Provincial Departments, Municipalities and Public Entities in the province through monitoring and support.

Service Delivery Achievements

- The Unit continued to provide operational support to departments, municipalities and public entities with regard to SCM policies and procedures and the unit conducted compliance assessments to determine the necessary support interventions and the provision of training, where required.
- The Department provided specific support to Departments, Municipalities and Public Entities which were found to be in distress in relation to their procurement systems. SCM Interventions at the Department of Arts and Culture and uMkhanyakude District Municipality were undertaken during the 2016/17 financial year. The support was provided by rendering hands-on resources at the client site to be responsible for identifying all weaknesses and gaps and the implementation of sustainable reforms.
- The Unit further finalised the i-Develop Pilot in partnership with National Treasury and is awaiting the outcome thereof.
- The revised PPPFA roadshows and the Central Supplier Database (CSD) outreach programmes were facilitated for all municipalities. Effective review of policies and updating of practice notes and circulars were undertaken, in line with relevant legislative prescripts and National Treasury requirements. The Unit also started a process of implementing transversal contracts for all Departments and Public Entities.
- Contract Management has now been rolled out to all Municipalities in the Province. The approach undertaken in the previous financial years was applied with the exception of a third phase roll-out which entailed the introduction of post-implementation monitoring and support to those Municipalities that had benefitted from this contract management system implementation.

In addition, the Unit issued two (2) significant circulars to assist in the monitoring of contract management. Firstly, the Provincial Circulars 1 and 1 A of 2016/2017, requires that vetting be conducted by the KZN Provincial Treasury before a Municipality can utilise the provisions of Regulation 32 of the MFMA SCM Regulations. Based on the findings in the implementation of Contract Management, a significant portion of irregular expenditure was incurred as a result of the



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incorrect application and usage of the provisions of Regulation 32. This Circular aims to overcome this by vetting the process before conclusion of the proposed contract.

The second, is Provincial Circular 2 of 2016/2017, which requires Municipalities, every alternative month, to submit their Contract Registers and Expenditure Reports to the KZN Provincial Treasury. This serves the purpose of monitoring the proper implementation of the Contract Management system; ensuring that all contracts are entered onto the contract register; identifying any potentially irregular expenditure; and, providing action plans and recommendations to overcome the challenges highlighted.

- The implementation of the e-Procurement system continues to be on hold, pending the outcome of the audit investigation.
- The Provincial Bid Appeals Tribunal has facilitated a number of cases relating to the appeals against bids that were awarded by the Departments in the Province.
- The Municipal Bid Appeals Tribunals (MBAT) have been facilitating appeal matters throughout the Province. The Provincial SCM Unit conducted MBAT training in municipalities, including the provision of active support for the hearing of MBAT matters.

The tables below reflect a summary of appeals handled by the Provincial Bid Appeal Tribunal and Municipal Bid Appeals Tribunal for Departments and Municipalities, during the period of 2016/2017 financial year.

SCHEDULE OF APPEALS – DEPARTMENTS				
DEPARTMENTS	APPEALS RECEIVED	STATUS		
		PENDING	WITHDRAWN	FINALISED
AGRICULTURE	0	0	0	0
ARTS & CULTURE	2	0	0	2
EDUCATION	1	0	1	0
HEALTH	221	42	104	75
TRANSPORT	12	3	8	1
TREASURY	1	0	0	1
WORKS	30	4	17	9
DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS	14	3	8	3
DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM	0	0	0	0
DEPARTMENT OF SPORTS AND RECREATION	0	0	0	0
PREMIER	0	0	0	0
TOTAL	286	52	137	97



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SCHEDULE OF APPEALS – MUNICIPALITIES				
MUNICIPALITY	APPEALS RECEIVED	STATUS		
		PENDING	WITHDRAWN	FINALISED
AMAJUBA MUNICIPALITY	2		1	1
GREATER KOKSTAD MUNICIPALITY	2		2	
UGU DISTRICT MUNICIPALITY	6		1	5
UMGUNGUNDLOVU DISTRICT MUNICIPALITY	7		5	2
RICHMOND MUNICIPALITY	2			2
UHLATHUZE MUNICIPALITY	3		1	2
NQUTHU MUNICIPALITY	1			1
ENDUMENI MUNICIPALITY	5		3	2
EDUMBE MUNICIPALITY	2			2
RAY NKONYENI MUNICIPALITY	1		1	
UBUHLEBEZWE MUNICIPALITY	2		2	
KWADUKUZA MUNICIPALITY	7		3	4
NONGOMA MUNICIPALITY	1			1
MSUNDUSIZI MUNICIPALITY	3			3
MANDENI MUNICIPALITY	2			2
ZULULAND DISTRICT MUNICIPALITY	2	2		
INDAKA MUNICIPALITY	1		1	
JOZINI MUNICIPALITY	2			2
UMVOTI MUNICIPALITY	2		1	1
UMKHANYAKUDE DISTRICT MUNICIPALITY	3		2	1
MTHONJANENI MUNICIPALITY	1			1
ILEMBE MUNICIPALITY	5			5
HARRY GWALA DISTRICT MUNICIPALITY	1			1
ALFRED DUMA MUNICIPALITY	4			4
UPHONGOLO MUNICIPALITY	1		1	
ABAUQULUSI MUNICIPALITY	2			2
DR NKOSAZANEE DLAMINI ZUMA MUNICIPALITY	4		4	
UMLALAZI MUNICIPALITY	4			4
TOTAL	78	2	28	48

Financial Reporting

Service Delivery Achievements

Municipal Financial Management Support Program

In terms of the Provincial Treasury's mandate to support municipalities in strengthening their financial management capacity, Provincial Treasury continued to provide financial management on-site support to identified municipalities within the Province during this financial year. The fundamental objective of this program to improve financial management practice by building the required skill and capacity to enable effective financial management practice and therefore improve the audit opinions received by these municipalities.

The on-site support intervention strategy conducted by the Financial Reporting Unit entails the following:

- An assessment of the status of financial management practice at identified municipalities and the development of a project plan;
- Review or perform monthly general ledger reconciliations and monitoring of the quality of financial management reconciliations and accounting processes, as required;



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- Address prior year audit matters as raised by the Auditor General to ensure that such matters are resolved adequately;
- Provide guidance and oversight in the asset register preparation process and asset management processes or assist in the preparation of the asset register as required;
- Monitor and assist in the preparation of interim financial statements and annual financial statements;
- Preparation of annual financial statements and supporting reconciliations and schedules, as required;
- Assistance in preparation and review of audit working paper file and address all financial management audit queries;
- Training and development of municipal officials in terms of financial management, including the preparation of the annual financial statements;
- Monitor and implement compliance with the Municipal Finance Management Act, and other relevant local government legislation;
- Provision of financial management support in areas of budgeting, income, expenditure and supply chain management;
- Attendance at audit steering committee meetings, provide guidance and support during the audit process until the issue of the final audit report; and
- Attendance at management meetings that relate to financial management within the municipality.

Audit outcomes of municipalities supported in the Financial Management Municipal Support Programme for the 2015/16 municipal financial year

The success of the implementation of the Financial Management Municipal on-site support to the selected municipalities is reflected in Table 1 below:

Table 1: Audit Outcomes

	<i>Name of Municipality</i>	<i>2015-16 Audit Opinion</i>	<i>2014-15 Audit Opinion</i>
1	Amajuba District	Qualified	Qualified
2	Hlabisa	Unqualified	Unqualified
3	Big Five False Bay	Qualified	Unqualified
4	Emadlangeni	Unqualified	Unqualified
5	Ladysmith	Clean	Unqualified
6	Maphumulo	Unqualified	Unqualified
7	Mkhambathini	Unqualified	Unqualified
8	Ndwedwe	Unqualified	Unqualified
9	Umkhanyakude District	Adverse	Disclaimer
10	Umvoti	Unqualified	Unqualified

From the audit results presented in Table1 above, it must be noted that the success of the intervention by Financial Reporting resulted in a significant improvement in the audit outcomes for the following municipalities:



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- Ladysmith Local Municipality moved from a Unqualified Audit Opinion in the financial year 2014/2015 to a Clean Audit Opinion in financial year 2015/2016;
- Amajuba District Municipality maintained the Qualified Audit Opinion in financial year 2015/2016, however the number of qualification matters have reduced to one qualification matter. This qualification was due to the completeness of revenue as a result of the municipality not reading meters timeously, and therefore could not be corrected during the support;
- Umkhanyakude District Municipality moved from a Disclaimer Audit Opinion in the FY2014/2015 to an Adverse Audit Opinion in financial year 2015/2016, with a reduction in the number of audit matters. The remaining audit matters relate to the lack of supporting documentation, which the municipality is required to address;
- Big Five False Bay Local Municipality has regressed from an Unqualified Audit Opinion in the financial year 2014/2015 to a Qualified Audit Opinion in financial year 2015/2016. However it must be noted that assistance from Provincial Treasury was requested at a late stage, and therefore we were not in a position to resolve all matters prior to the closure of the audit.

Provincial Treasury has successfully addressed all qualification matters for the one month 2016/17 financial statements due to the Auditor General prior to the establishment of the merged municipality, with the municipality receiving an **Unqualified Audit Opinion**;

- All other municipalities maintained their **Unqualified Audit Opinion** in financial year 2015/2016.

Implementation of the Municipal Regulations on Standard Chart of Accounts (mSCOA)

The Minister of Finance promulgated Government Gazette No. 37577, Municipal Regulations on Standard Chart of Accounts (mSCOA), on 22 April 2014. All municipalities and related municipal entities are required to transact in compliance with the mSCOA Regulations from 01 July 2017.

The objective of the Regulation is to provide a national standard for uniform recording and classification of municipal budget and financial information at a transactional level by providing a Standardised Chart of Accounts:

- Aligned to budget formats and accounting standards with those of national and provincial government;
- Enable uniform information sets across the whole of government to better inform national policy coordination and reporting, benchmarking and performance measurement.

The Kwa-Zulu Natal Provincial Treasury has actively engaged the local government through various Forums, training workshops, one on one sessions and district engagements. A summary of the support implemented is indicated below:



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- **National Treasury training on the mSCOA regulations and the mSCOA chart** – October to December 2015. It must be noted all municipalities were trained during these sessions
- **District mSCOA Readiness Session Engagements – Unpacking the general ledger, governance matters and assessment of systems** - June and July 2016
- **Alignment of mSCOA to the IDP Working Group Sessions** – November 2016
- **mSCOA Readiness Working Group Sessions – Alignment of the Budget to mSCOA including version 6.1 changes and using the chart** - January and February 2017
- **Councillor mSCOA workshops** –February 2016 and March 2017
- **KZN Provincial mSCOA Forums** – May 2015, July 2015, April 2016, October 2016 and April 2017.

The following key matters were addressed at these forums:

- Understanding of the mSCOA Regulations and implementation thereof
- Impact on Business Processes as highlighted in MFMA Circular No. 80
- Preparation of the risk registers
- Assessment of the Core financial system and sub-systems in terms of MFMA Circular No. 80 and Addendum to MFMA Circular No. 80
- Process for Registration on the Local Government Portal
- Linking of the Integrated Development Plan to the Budget
- Budgeting across the mSCOA segments including zero based budgeting
- Unpacking the current general ledger into mSCOA requirements
- The role of the internal auditor
- Guidelines in terms of testing prior to data migration
- mSCOA testing and Validation Rules
- Statutory Reporting in terms of A schedule requirements

In addition to the above mentioned, Provincial Treasury conducted multiple mSCOA training and presentations to individual municipalities, as requested, which included EXCO, MANCO, Project steering committee, Implementation team, key personnel and internal auditors. Provincial Treasury further presented at SALGA and CIGFARO (previously known as IMFO) workshops on mSCOA implementation, as well as COGTA MuniMec and Technical MuniMec meetings.

Provincial Treasury has further established a dedicated support team to assist municipalities, with a resource allocated to two districts each in order to provide hands on support as required. All mSCOA team members assist the various municipalities in terms of addressing queries with the chart and provide



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assistance with budgeting and clearing of validation errors on the data files. An audit file checklist has further been developed, and has been issued to municipalities to commence the compilation of the audit file, to ensure readiness for the audit ahead. Provincial Treasury shall be reviewing these files during May and June 2017 to ensure completeness of the audit file.

It must be noted that 100% of delegated municipalities in KwaZulu-Natal submitted an adopted budget in terms of the mSCOA requirements. This was largely achieved through the support initiatives of the mSCOA support team at Provincial Treasury.

Assistance to Departments and Public Entities

Support was provided to Departments and Public Entities in the following areas for the 2016/17 financial year:

- Joint project undertaken by Treasury and Department of Human Settlements to address audit qualification.
- Ongoing full-time Financial Management support to Department of Social Development, including the compilation of annual financial statements for the 2016/17 financial year
- Guidance provided on technical issues for Department of Transport audit qualification, with support from National Treasury.
- Assistance with updating of the disclosure notes at the Department of Arts and Culture and addressing audit queries.
- Financial Management Support at Department of Health.
- Joint project between Treasury and Department of Education to update Capped Leave, Assets and other disclosure notes in the annual financial statements.
- Reviewed the Annual Financial Statements of 14 Departments and 7 Public Entities.
- Financial Management support provided at Dube Trade Port to assist with the creditors function and conduct contract compliance reviews.

Future Plans

Municipalities supported in the Financial Management Municipal Support Programme for the 2016/17 municipal financial year:

The Financial Management Support Programme continues to be implemented during the 2016/17 financial year, as municipalities are gearing toward the upcoming preparation of the annual financial statements.

Provincial Treasury has completed an assessment of audit opinions received by municipalities for the 2015/16 financial year and has identified the following municipalities for support, as per Table 2 below:



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	<i>Name of Municipality</i>	<i>2015-16 Audit Opinion</i>	<i>Extent of support</i>
1	Amajuba District	Qualified	One week a month
2	Inkosi Langalibalele (merge between Umtshezi and Imbabazane)	New municipality (Umtshezi was previously disclaimed and Imbabazane was unqualified)	Full time support
3	Big Five Hlabisa (merge between Big Five and Hlabisa)	New municipality (Big Five was qualified (subsequently unqualified) and Hlabisa was unqualified)	Full time support
4	Maphumulo	Unqualified	One week a month
5	Ndwedwe	Unqualified	Two weeks a month
6	Mkhambathini	Unqualified	Two weeks a month
7	Dr Nkosana Dlamini Zuma (merge between Kwa Sani and Ingwe)	New municipality (Kwa Sani and Ingwe were unqualified)	Three weeks a month
8	Mpofana	Disclaimer	Three weeks a month

In addition to the support based on audit opinions, it was considered necessary that Provincial Treasury supports identified municipalities affected by the Municipal Demarcation Act, and hence merged municipalities were included in the support program. Maphumulo, Ndwedwe and Mkhambathini Local Municipalities and Amajuba District Municipality will continue to be supported, with the review of reconciliations and accounting processes, to ensure that skill has been adequately transferred to these municipalities. The support program commenced in January 2017 and it is anticipated to be concluded in November 2017.

The Provincial Treasury will continue to support municipalities and their entities in implementation of the mSCOA Regulation, by means of training, onsite support and the review of system implementation in the Province.

Departments:

The Financial Management and the Internal Audit units will continue to complement each other by both proactively identifying and addressing key financial management risks at Departments.

The following special areas of concern will require proactive intervention in 2017/18 to improve the audit opinions in 2017/18.

- Financial Management support to be provided in the Interim and Annual Financial statement preparation process
- The Financial Reporting unit is to embark on an intensive training program to ensure that departmental staff are highly competent in both preparation and review of financial statements in both Departments and Public Entities.



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- Provide support to departments on fixed asset management and the updating of the asset register.
- Review the monthly reconciliations of the interdepartmental accounts.
- Review the status of debt management.
- Provide guidance on the investigation and condonement of irregular expenditure.

Norms and Standards

Service Delivery Achievements

Policy assistance to Departments

The unit reviewed thirty-one (31) existing instruction notes as per the annually determined review schedule. All proposed amendments were consulted with departments and proposals incorporated, where applicable, prior to adoption and implementation.

Eight draft standard operating procedures were developed and the corresponding instruction notes reviewed to ensure alignment with legislative prescripts and uniformity in the application of financial norms and standards within provincial departments.

Policy assistance to Municipalities

The unit provided support on finance-related policies to nine municipalities and three entities that included Ugu District, Uphongolo Local and Uthukela Water (Pty) Ltd. The unit's annual plan is informed by the annual policy survey conducted prior to commencement of the financial year as well as numerous ad-hoc requests received during the financial year. The policy assistance rendered to Uthukela Water (Pty) Ltd encompassed an extensive support and involvement of the Entity's operational staff and senior management within finance.

Monitoring Compliance and Evaluation

A compliance monitoring and evaluation exercise was conducted to assess financial management compliance within provincial departments. A questionnaire was developed which assessed Expenditure Management; Unauthorised, Irregular and Fruitless and Wasteful Expenditure; Management of Petty Cash; Revenue Management and Debt Management and included a compliance checklist where documentary evidence was requested to support the responses indicated in the questionnaire. Departments were required to provide reasons for non-compliance when completing the questionnaire and formulate action plans with stipulated deadlines to address deviations.

The completed questionnaire was analysed and thereafter compliance assessment reports issued per department which detailed compliance achievements and provided recommendations to address identified weaknesses or non-compliance. Additional guidelines were provided for incorporation within



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the working environment, where applicable, to strengthen existing internal control measures and enhance financial management and control.

A compliance feedback report was subsequently issued per department detailing compliance achievements following the implementation of remedial measures, where applicable, and highlighted outstanding compliance matters.

Development and Implementation of FMCMM

The implementation of the upgraded diagnostic compliance tool, Financial Management Capability Maturity Model (FMCMM) was delayed by National Treasury.

Implementation of the Financial Delegation Framework

In pursuance of Presidential Outcome 12, a continuous evaluation of the implementation of financial delegations in municipalities within KZN Province is undertaken. The initial roll-out of the financial delegations framework commenced in early 2011. The 2015/16 monitoring and evaluation exercise was conducted in delegated municipalities to assess the implementation of the framework as envisaged in the principles document. Financial delegations support was provided to the same municipalities that were part of the policy support. The major challenge identified since the initial roll-out of the framework was the frequent change of senior management and senior positions occupied by acting personnel. This hinders a consistent and uninterrupted delegation, implementation and feedback on execution of delegated powers/functions. The unit furthermore provided support that emanated from ad-hoc requests.

Supporting and Interlinked Financial Systems

Service Delivery Achievements

The IT unit in Provincial Treasury continues to provide technical and functional support to departments on the transversal systems, namely, Basic Accounting System (BAS) for payment to suppliers, Persal for processing of the provinces payroll, Hardcat for asset management and Biometrics Application Control System (BACS) as an additional layer of security to BAS and Persal.

- The initiative to replace all biometric scanners in the province was successfully completed in 2017. The Biometrics Access Control System (BACS) makes use of biometric scanners to access BAS and PERSAL. Two key enhancements to BACS were the implementation of finger randomisation during authentication to BAS and Persal and the use of 2048 encryption on the smartcards to bolster security controls.



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- In April 2017 all departments were upgrade from BAS version 4 to version 5 with the assistance of the State Information Technology Agency (SITA) in the province. The upgrade to BAS version 5 necessitated changes to the BACS client software as well.
- The Department continues to perform well in the area of Corporate Governance for ICT. Excellent results were achieved in the Auditor General's IT audit and the MPAT.

Gaming and Betting

Service Delivery Achievements

The Chief Directorate: Gaming and Betting provides a gambling policy development, line function support and monitoring service for the MEC responsible for gambling and top management in the Department. The Chief Directorate: Gaming and Betting provides, to national and provincial gambling regulatory bodies, stakeholders and the general public, an information and advice service, on gambling policy and law.

As per the Premier's Minute No 2/2016, the Gaming and Betting function had moved from the Provincial Treasury to Office of the Premier with effect October 2017, as a result the process of promulgating the KZN Gaming and Betting Amendment Bill had started afresh. Nevertheless this unit, positively monitored the functionality and activities of the KZN Gaming and Betting Boards through timeous submissions on their quarterly performance reports and minutes of meetings. The revenue returns and taxes were paid within the allocated time therefore confirming payment of taxes.



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PROGRAMME THREE: FINANCIAL MANAGEMENT											
3.1 Cash Management and Liabilities: <ul style="list-style-type: none"> To assist departments in improving cash management 											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Inform Departments on tax legislation and regulations i.to payroll tax	Conduct Tax Information Seminar annually	NIL	NIL	1 session	1 session	NIL	NIL	Nil	Nil	1 session	1 session
Quarterly Reports	Risk analysis per dept to ensure compliance to tax legislation	14 Risk Analysis reports	15 Risk Analysis reports	14 Risk Analysis reports	14 Risk Analysis reports	14 Risk Analysis reports	14 Risk Analysis Reports	14 Risk Analysis reports	14 Risk Analysis reports	56 reports	57 reports
Assessment Report on status of suspense account	Provide quarterly assessment reports to depts on the status of bank related suspense accounts	14 assessment reports	14 assessment reports	14 assessment reports	14 assessment reports	14 assessment reports	14 Assessment reports	14 Assessment reports	14 Assessment reports	56 assessment reports	56 assessment reports
Monitor early completion of Bank Reconciliation	Review monthly bank reconciliations per department	42 reconciled bank reconciliation	42 reconciled bank reconciliation	42 reconciled bank reconciliation	42 bank reconciliations	42 reconciled bank reconciliation	42 reconciled bank reconciliations	42 reconciled bank reconciliation	42 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation
Municipal bank accounts.	Produce quarterly report on withdrawals from municipal bank accounts	1 report	1 report	1 report	1 report	1 report	1 report	1 report	1 report	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts



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3.2 Public Private Partnership (PPP): To provide substantial technical, financial and legal advice in support of all provincial PPP projects in line with the PPP Project Cycle as regulated by National Treasury guidelines.											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Number of seminar/workshops conducted for Provincial departments, Public entities, Municipalities, Municipal entities and the Private sector	Number of seminar/workshops conducted for Provincial departments, Public entities, Municipalities, Municipal entities and the Private sector.	N/A	N/A	1	1	N/A	1	1	0	2	2
Reports for Prov. Treasury management and NT PPP unit	No. of reports for Provincial Treasury management and NT PPP unit	3	3	3	3	3	3	3	3	12	12
Reports on closed deal.	Contract management reports on closed deals	3	3	3	3	3	3	3	3	12	12
3.3 Supply Chain Management: To support and monitor adherence of departments, public entities and municipalities to SCM prescripts											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Training SCM practitioners in Provincial departments and municipalities	No. of SCM training sessions and information sessions conducted	2	6	2	4	2	4	2	2	Conduct 8 SCM training, information sessions, workshops and forums for state institutions	Conducted 16 SCM training, information sessions, workshops and forums for state institutions

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No. of assessments	No. of assessments	15	23	15	29	15	14	15	21	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	Conducted 87 SCM assessments in depts, munic. and public entities & investigate complaints
No. of policies and practice notes reviewed and issued	No. of policies reviewed and issued	1	1	1	1	1	1	1	1	Review and update policies (4)	Reviewed and updated 4 policies
No. of contract management analysis conducted	No. of contract management analysis conducted	2	2	2	2	2	13	2	2	Conduct 8 contract management reviews for state institutions	Conducted 19 contract management reviews for state institutions
3.4 Financial Reporting:											
<ul style="list-style-type: none"> To assist departments, public entities and municipalities in the attainment of positive audit outcomes for the Province, with respect to financial management 											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Tabling of Consolidated Financial Statements for Departments, Public Entities and Revenue Fund	Consolidated of AFS for Provincial Departments and Revenue Fund	N/A	N/A	N/A	N/A	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	Audited Consolidated AFS for FY 2015/16 by 31 December 2016	N/A	N/A	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	Audited Consolidated AFS for FY 2015/16 by 30 December 2016
Consolidated of AFS for Public Entities tabled in Legislature	Consolidated of AFS for Public Entities tabled in Legislature	N/A	N/A	N/A	N/A	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	Audited Consolidated AFS for FY 2015/16 by 31 December 2016	N/A	N/A	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	Audited Consolidated AFS for FY 2015/16 by 31 December 2016



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	Annual Financial Statements for the Revenue Fund tabled in Legislature	N/A	N/A	N/A	Audited Revenue Fund for FY 2015/16 by 30 November 2016	Audited Revenue Fund for FY 2015/16 by 31 December 2016	N/A	N/A	Audited Revenue Fund for FY 2015/16 by 30 November 2016	Audited Revenue Fund for FY 2015/16 by 31 December 2016
Positive Audit Outcomes to Departments and Public Entities	Provincial Audit Outcome Analysis for Municipalities, Departments and Public Entities	N/A	N/A	N/A	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016	N/A	N/A	N/A	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016
		N/A	N/A	N/A	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016	N/A	N/A	N/A	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016
		N/A	N/A	N/A	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016	N/A	N/A	N/A	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016
Positive Audit Outcomes to Departments and Public Entities	AFS Support and Training to Provincial Departments	1 AFS training workshop by 30 April 2016	Not achieved.	N/A	N/A	N/A	N/A	N/A	1 AFS training workshop by 30 April 2016	Not Achieved
		Pre-audit review in 15 Departments by 31 May 2016	Not achieved.	N/A	N/A	N/A	N/A	N/A	Pre-audit review in 15 Departments by 31 May 2016	Not Achieved



treasury

Department:
Treasury

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3.6 Support and Interlinked Financial Systems: To provide technical and functional support to supporting and interlinked financial systems.											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Mean Time To Resolve (MTTR) – Transversal Systems	Mean time to resolve (Transversal systems)	8-16 hr MTTR	1hr53min	8-16 hr MTTR	2hr48min	8-16 hr MTTR	1hr 30 min	8-16 hr MTTR	1hr 29min	8-16 hr MTTR	2hr 05 min

3.7 Gaming and Betting: Enhance the Gaming and Betting Regulatory environment in KwaZulu-Natal.											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Implementation of the KZN Gaming and Betting	Implementation of KZN Gaming and Betting legislation	1	0	1	0	1	0	1	0	Implementation of the 2016 Act and Number of draft Regulations	0
Quarterly Regulatory Reports	Number of Quarterly Regulatory reports on Board Activities	1	1	1	1	1	1	1	1	4 quarterly reports	4 quarterly reports
Reconciled Tax Returns	4 Reconciled Tax Returns	1	1	1	1	1	1	1	1	4 Reconciled Tax Returns	4 Reconciled Tax Returns
KZN Gaming and Betting Boarding	Functionality of the KZN Gaming and Betting Board	1	1	1	1	1	1	1	1	4 Minutes of Board meetings	4 Minutes of Board meetings



B.4 Programme 4: Internal Audit

Purpose: *The Internal Audit component provides a legislated function which covers an independent objective assurance and consulting services on issues of internal control, risk management and governance as provided in the PFMA and Standards for the Professional Practice of Internal Auditing and in line with the principles in the King Report and its scope, comprehensively defined in chapter 3 of Treasury Regulations.*

The Provincial Internal Audit Services (PIAS) component of Provincial Treasury supports all provincial Departments, as well as some public entities and municipalities in areas of internal audit, risk management, governance and forensic investigations. The component has formulated a three-lines-of-defence mechanism which entails:

- Providing assurance on the effectiveness of governance.
- Risk management.
- Compliance systems and controls.

The Strategic Objectives are:

1. An efficient, effective and economical assurance service.
2. Build and maintain solid client relationships through providing value added service.
3. Enhance capacity within and outside the Unit.
4. To promote good governance through assisting provincial departments, public entities and municipalities with risk assessments, risk management and internal audit capacity building exercises.
5. Promote a culture of zero tolerance for fraud and corruption

Service Delivery Achievements

Assurance Services

Assurance Services provided a shared Internal Audit function to all Provincial Departments and ten Public Entities during the 2016/17 financial year. This function involved the independent assessment of the effectiveness of controls implemented by management. The unit completed 225 audits on various processes and focus areas identified by the risk profiles of the relevant institutions. These audits provided management with findings on control weaknesses as well as recommendations for the improvement thereof; thereby assisting in strengthening the overall control environment of the institutions.



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The audits conducted covered various financial and service delivery processes, in particular critical operational activities such as Supply Chain Management (SCM), Performance Information, Transfer Payments, IT Governance and related processes, Asset Management, Human Resource Management and reviews on AG matters raised in the previous statutory audits. The unit also continued to support the larger service delivery departments such as Health and Education by conducting audits at a hospital and district level respectively to provide independent assurance on internal controls at an institutional level.

With regards to Supply Chain Management, this area has continued to be a transversal risk across Departments and Public entities and audits were conducted across all institutions supported by the Unit. Twenty two audits on SCM were completed and these identified areas of non-compliance and the potential for irregular expenditure where applicable.

The Unit also continued to provide Performance Audit services where value for money on service delivery programmes and other transversal processes were assessed. These audits provided an extensive analysis of amongst others, the economic utilisation of funding, the effectiveness of the programmes and the efficiency in the delivery of the related outputs.

Furthermore, the unit completed 29 audits on Performance Information where multiple reviews were conducted in some Departments and Entities to assess the reliability, usefulness and completeness of achieved performance activities related to strategic objectives set by management. Performance information still remains an area for improvement across a number of institutions.

The unit is also pleased to report that its focus for the year under review was extended to IT Governance controls. 38 IT Audits focussing on IT Internal Controls around IT inventory was conducted and controls to enhance the IT environment provided to the relevant management.

In order to ensure that the Internal Audit function remains effective in assisting Departments with control improvements, the unit conducted a number of follow up reviews to determine the extent of the implementation of action plans by management on previous audit findings. These follow up reviews included both Internal Audit findings and findings raised by the AG, monitored and evaluated on a regular basis. The unit reported to management on a quarterly basis on the status of audit findings and the aging thereof using the Consolidated Audit Log tool developed for this purpose.

The Unit continued to report functionally to the Provincial Audit & Risk Committee (PARC) and the Cluster Audit & Risk Committees (CARC) on all Internal Audit activities and findings. The unit also



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supported these Committees in ensuring that they discharged their oversight functions effectively. The unit continued to provide written reports to the Accounting Officers via the PARC and CARC processes on all activities relating to both Internal Audit and Audit Committee activities. In addition to the provincial audit committee structures, the Unit also reported to individual Audit Committees of Public Entities regular throughout the year. The MEC for Finance as well as the Cabinet were appraised of the status of the internal control environment in departments. The PARC report also presented recommendations to improve the control environment.

Training and development both formal and on the job has continued to be provided by management and through the Institute of Internal Auditors (SA). The unit will continue to train internal auditors and wish that management strategy to retain these resources after their 3 year training program can be reconsidered.

Our efforts to collaborate with the Auditor General on audits conducted is yielding very good results. The unit and the external auditors has agreed on a formal arrangement to ensure that focus on audits conducted demonstrate future maximum impact on AG strategies, e.g. reduction of AG audit fees.

Risk and Advisory Services

The Risk and Advisory Services continued to provide risk management support and advisory services to provincial departments, public entities and municipalities. With regard to provincial departments, the unit performed a risk maturity gap analysis to assess all departments' compliance with risk management best practices and the minimum risk management standards as set by the Provincial Executive Council. The Unit also assessed all departments' management practices relating to Occupational Health and Safety; Fraud Prevention Plan; and Business Continuity Management. The Unit is currently working with all these departments to address various weaknesses identified in these reviews.

A high level review of the existing functioning of internal control components within departments has also been conducted with a view to assist departments on realising the importance of this function and subsequently capacitating these component in order to strengthen the control environment, upholding good corporate governance and minimising audit queries.

Towards the end of the 16/17 financial year, the Unit's support to public entities and municipalities was stopped due to financial constraints, so some of the projects, which included fraud prevention plan & OHS reviews for municipalities and public entities were not finalised on time. The Unit is now wrapping-up these projects, and finalised reports will be issued to these institutions during the 17/18 financial year.



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We are still forging ahead with our plans to ensure that Accounting Officers assume their responsibility to implement risk management within the departments. It should however be noted that there is a very slow progress in this regard due to the moratorium on recruitment of employees.

Forensic Services

As at the end of March 2017, Forensic Audit Services have since 2009 received three hundred and forty nine (349) allegations of fraud and corruption. Due to the number of these requests, the complexity of the matters reported and some specialised skilled required from time to time, the unit sourced some of the resources from contracted service providers. Our oversight role with regard to forensic investigations has been limited to provincial departments through the provincial audit and risk committee— two hundred and thirty six (236) of the three hundred and forty nine (349) allegations received.

The unit has continued to work hand-in-hand with the law enforcement agencies such as the ACTT, NPA, SAPS and AFU on matters that required criminal investigations. There has been a number of criminal arrests made, successful disciplinary hearing enquiries conducted and of recent, there has been an AFU order granted to the value of R546 million against an official within a Provincial Department and various service providers.



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PROGRAMME FOUR: INTERNAL AUDIT											
4.1 Assurance Services: To provide departments, municipalities and public entities with the following; <ul style="list-style-type: none"> • An efficient, effective and economical assurance service. • Build and maintain solid client relationships through providing value added service. • Enhance capacity within and outside the Unit. 											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
Developed IA Annual operational plans and a rolling three year strategic plan	No. of IA Annual operational plans and a rolling three year strategic plan developed and approved	22	0	N/A	16	N/A	N/A	N/A	6	22	22
Audit Committee reports to the Cabinet	Annual Audit & Risk Committee report on clients' areas of risk management, governance and internal control submitted to MEC: Finance	N/A	N/A	1	0	N/A	N/A	N/A	1	1	1
Internal Audit Reports	No. of risk based audit reports including follow up audit reports and reports on financial, IT, performance and governance audits.	30	30	50	33	40	44	56	72	176	179
Internal Audit Reports on Performance Information	No. of audit reports on predetermined objectives.	N/A	N/A	N/A	N/A	11	7	11	15	22	22
CARC meetings held	No. of meetings held between clients, the Cluster Audit & Risk Committee (CARC) and Provincial Audit	15	15	15	15	15	15	15	15	60	60



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	for departments and public entities																	
Developed DPSA compliant IT governance framework	Review and assist with development of DPSA compliant IT Governance Framework, including BCP for departments, municipalities, and public entities	10	0	30	4	N/A	N/A	N/A	36	40							40	
Audit services provided to municipalities and municipal entities	Assist with the provision of complex internal audit services/reviews provided to municipalities and municipal entities	5	0	5	1	5	3	N/A	11	15							15	
Conformation of the requirements of the institute of internal auditors	Review of internal audit and audit committee practices Of municipalities and municipal entities. Auditors	30	0	10	0	N/A	N/A	N/A	47	40							47	
Conference/ forums on risk and governance conducted.	Risk and governance-related conferences/forums held for provincial government departments, municipalities, and public entities.	1	1	2	1	1	1	1	2	5							5	
Risk management/ governance guidelines and policies produced	Best risk management/governance guidelines/transversal risk policies produced by the unit – i.e. review and update of provincial and municipal risk frameworks	N/A	N/A	1	0	N/A	N/A	N/A	1	1							1	
Risk Management Information	Risk Management Information System	N/A	N/A	5	7	N/A	N/A	N/A	N/A	5							7	



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PROGRAMME PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2017

System developed.	developed and rolled-out to provincial departments, municipalities, and public entities																			
Fraud prevention strategies developed and reviewed	Review and/or assist with development of fraud prevention plans for provincial departments, municipalities, and public entities	N/A	N/A	N/A	15	35	22	35	33	70	70									
Training on governance and risk management conducted.	Risk/Governance-related training/awareness provided to risk officials of departments, public entities and municipalities	10	15	10	16	10	25	10	8	40	64									

4.2 Forensic Services: Promote a culture of zero tolerance for fraud and corruption.

Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
No. of forensic audits reports	No. of Forensic Audits performed and investigations as per clients requests and referrals from the Assurance team	10	10	10	13	10	19	10	12	40	54
MEC Report	Updated register of forensic investigations – MEC Report	1	1	1	1	1	1	1	1	4	4
Follow ups on investigations completed	Number of follow ups on completed investigations per institution	30	30	30	33	30	34	30	30	120	127



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PROGRAMME PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2017

Developed Fraud Case Management System	Development and roll-out of Fraud Case Management System	1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	0
Updated report on the Case Management System	Update the Fraud Case Management System with forensic investigations per provincial department	N/A	17	5	9	5	5	5	5	12	15	43



B.5 Programme 5: Growth and Development

Purpose: *The aim of this programme is to provide for specific Departmental approved events and initiatives not catered for in any other programmes which will provide development for the province.*

The Strategic Objectives are:

1. To provide specific departmental approved events and initiatives not catered for in any other programmes that will provide development for the province.

Service Delivery Achievements

As we look back on our achievements under this sub-programme it is incredibly copacetic to note that in 2016/17 we have realized our goal of ensuring that the people of the province including, civil society, communities and the business sector work together to move the province forward, as it was alluded to some programmes above under the 'Office of the MEC - Community Outreach and service delivery'.

To reflect on our 2016/17 financial year journey, and on the progress we have made to realise a better life for the people of KwaZulu-Natal, it is encouraging to discern that through **Budget Communication** sub-programme, the office of the MEC together with HOD's Office continue to establish and maintain mutually beneficial relationships between Provincial Treasury and the stakeholders/publics with the intended goal of making decisions that benefit all parties involved and fostering a fully functioning society.

The willingness from the effective Provincial Treasury officials to undertake this function, really kicked it up a notch, resulting to a number of success stories to tell during the 2016/17 financial year. This sub-programme seen Provincial Treasury officials becoming HIV/AIDS activist, promoting equal rights and opportunities for people living with HIV under many HIV/AIDS initiatives in the province which were aligned to the World Aids Day activities and the 2016 International AIDS Conference in Durban.

Provincial Treasury officially opened and handed over a number of infrastructure projects in the province that intended to transform our economic landscape while simultaneously creating significant numbers of new jobs, and strengthening the delivery of basic services. Amongst those were but not limited to: Emahhashini Horse Care Rehabilitation Centre in Mkhambathini Municipality, Nongoma Bus and Taxi Rank, Kokstad town rehabilitation and Business Projects to stimulate economic growth in the area.



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6

PROGRAMME PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2017

PROGRAMME FIVE: GROWTH AND DEVELOPMENT											
5.1 Other Developmental Initiatives: To provide specific departmental approved events and initiatives not catered for in any other programmes that will provide development for the province.											
Programme / Sub-programme Output	Performance Measures	1 st Qtr Planned Output	1 st Qtr Actual Output	2 nd Qtr Planned Output	2 nd Qtr Actual Output	3 rd Qtr Planned Output	3 rd Qtr Actual Output	4 th Qtr Planned Output	4 th Qtr Actual Output	Target for 2016/17 as per APP	Actual Output 2016/17
100% response to determinations of Technical Committee	Number of events co-ordinated successfully (Budget Communication)	2	5	1	5	1	4	1	1	5	15



PART C: GOVERNANCE

C. 1 Introduction

Citizens deserve the assurance from government that their tax paying funds are being utilized effectively, efficiently and in the most economical manner possible in the delivery of public services. To this end, KZN Provincial Treasury is committed to continue to maintain the highest standards of good corporate governance in the management of public finances and resources.

The department continues to maintain good governance structures to facilitate information sharing, planning and decision making, policy formulation, performance monitoring and review. These governance structures include amongst others, executive committee, management committee, finance and risk committee, IT steering committee, bid committees. The department's oversight committees, such as the audit committee continues to provide sound guidance and advice on issues of governance, internal control and risk management. The department is satisfied that every effort has been made to comply in all material aspects with applicable legislation, and policies.

C. 2 Risk Management

Risk is inherent to any activity. It is neither possible, nor advantageous, to entirely eliminate risk from an activity without ceasing that activity. "The safest ships are the ones that do not sail, but that is not what they are designed for". Risk management is recognised as an integral part of responsible management and the department continues to foster a comprehensive approach to the management of risk.

KZN Provincial Treasury recognises risk management as a holistic and ongoing institution wide process. It is the responsibility of every employee at every level of the organization. Hence, an institution-wide approach to risk management has been adopted. All risk management efforts has been focused on supporting the institution's objectives.

The department has an approved risk policy. The purpose of this policy is to emphasise our commitment to effective risk management as well as to communicate broad risk management principles to guide the department. In support of the department's Risk Management Policy, the department has also adopted a Risk Management Strategy with the intention of improving and enhancing existing risk management practices.



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GOVERNANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

During the current financial year, the department adopted a risk appetite statement which summarises the department's tolerance for risk - the amount and type of risk that the department is prepared to pursue, retain or take.

The risk management committee continues to assist the Accounting Officer in discharging his accountability for risk management by reviewing the effectiveness of the departments risk management system, practices and procedures and providing recommendations for improvement. During the period under review, the committee's terms of reference have been reviewed.

The department has a consolidated risk register maintained by a Chief Risk Officer under the office of the Head of Department. Risks are assigned to risk owners who track, monitor, control and report on the status and effectiveness of each risk action plan. In addition, regular risk assessments are undertaken with each business unit to identify new and emerging risks as well as gauging the effectiveness of existing action plans linked to risks.

The Audit Committee continues to provide an independent oversight over the system of risk management and monitors the effectiveness of the system of risk management. The Audit and Risk Management Committee plays a key role in fulfilling the departments' corporate governance and monitoring responsibilities in relation to reporting, internal control structure, risk management systems, external audit and internal audit functions.

During the period under review, a strategic risk assessment was undertaken, fraud risks and business continuity risks were included in the departments consolidated risk register. In addition, various policies in support of proactive risk management has been implemented. Quarterly risk committee meetings chaired by the Accounting Officer have been undertaken where the risk register amongst other, has been deliberated and vetted. The department has been significant progress in the area of Enterprise Risk Management with the ultimate goal of improving its performance.

C. 3 Fraud and Corruption

Provincial Treasury has a duty to ensure that public funds are employed as rationally as possible in the interests of the public. In this regard our obligation as the Provincial Treasury is also to ensure that funds are used in the most transparent way possible. The fight against fraud and corruption is integral to what we do. The department supports and fosters a culture of zero tolerance to fraud in all its manifestations. Our employees are encouraged to report all incidents of fraud to their immediate supervisors. All fraud is investigated by our forensic division and followed up by the



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application of all remedies available within the full extent of the law as well as application of appropriate prevention and detection controls.

The department's fraud prevention policy and plan as well as the whistle blowing policy was implemented on an on-going basis. This plan is communicated to all departmental officials through the intranet, quarterly meetings and fraud awareness campaigns/posters. The department also utilises the National anti-corruption hotline for the reporting of suspected fraud and corruption incidents. The department follows up on all information received through the hotline. The department also continued to conduct fraud and corruption awareness sessions to sensitize the employees on fraud and fraud prevention.

C. 4 Minimising Conflict of Interest

All officials in the department are expected to avoid all personal activities and financial interests which could conflict with their responsibilities to the department. In preventing conflict of interest, all officials were obliged to complete financial disclosure, which is an annual practice. The financial disclosures statements includes certification that the assets and financial activities of each staff member, their spouses and family do not pose a conflict of interest with their official duties. Due to the nature of their duties all employees in the Chief Financial Office (CFO) unit were further expected to sign a code of conduct.

Declaration of interests and impartiality forms were signed by bid committee members during each evaluation sitting. Bid Committee members are required to excuse themselves if a conflict of interest exists in the process. Bidders are expected to declare their personal and business interests on the standard bidding documents when submitting proposals.

To further minimise conflicts of interests all employees found to be conducting business with an Organ of State were requested to resign from the same by 31 January 2017. Follow ups of the same were carried out and proof of resignation from Companies were duly submitted to the DPSA. RWOPs applications are rigorously monitored and endorsed as having no conflict of interests by the appointed Ethics Officer prior to being approved by the Head of Department.

C. 5 Code of Conduct

The department continued to conduct workshops on the amended code of conduct in terms of the new Public Service Regulations 2016, to ensure that employees understand and adhere to the



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expectations of the public service code of conduct. Employees are discouraged to receive gifts or payments which are or may be construed as being a bribe.

C. 6 Health, Safety and Environmental Issues

The Department is committed to create a healthy and safe working environment for all its employees. Health and Safety is an element of an approved departmental Business Continuity Plan. In compliance with the Occupational Health and Safety Act 85 of 1993, the department has provided and maintained as far as reasonable and practicable a working environment that is safe and without risk to the health of its employees and its customers. The OHS Policy was also developed to further enforced compliance supported by Policy Statement both endorsed accordingly.

Both the employer and employees have a joint responsibility in ensuring their safety and that of others by complying with all the safety measures that are put in place. Mandatory fire drills are conducted within prescribed intervals while risk assessments are conducted by appointed and trained OHS representative. The representatives further identify potential hazards and where possible, reduce the level of risk by recommending and putting in place safety precautions while elevating such in quarterly OHS Committee meetings for discussion.

Employees are encouraged to report any potential risk emanating from their work and all incidents that happen within their workspace that might cause injury, in order to prevent recurring incidents of the same nature. First Aid provision is available to Departmental employees through the appointed and trained First Aiders for minor injuries.

C. 7 Portfolio Committee

To date the department has had three meetings with the Portfolio committee to discuss issues such as performance information, budget and financial performance, external audit outcomes and forensic investigation issues. The department responded to all matters raised at the meetings in the form of written and oral representations. No major concerns were raised by the portfolio committee during the year.

C. 8 SCOPA Resolutions

There were no SCOPA resolutions specific to Provincial Treasury in the current financial year. KZN Treasury continued to maintain a clean audit opinion in the current year's audit.



C. 9 Prior Modifications to Audit Reports

There were no prior modifications to the previous year's audit report.

C. 10 Internal Control Unit

Treasury's internal control unit continued to provide a reasonable assurance regarding the achievement of the departments' objectives relating to operations, reporting and compliance. The unit performed controls sufficient to prevent risks from occurring, tested the adherence to policies for effectiveness and reported thereon on non-adherence for management consideration. The identified weaknesses resulting from this process were promptly addressed. During the year under review, internal control activities included amongst others the following:

- Providing compliance function with the department's applicable laws, regulations and internal policies thus ensuring that relevant processes are being executed;
- Ensuring that risk mitigation action plans for the finance office are implemented
- Ensuring the monitoring and evaluation on the implementation of effective and efficient internal controls within the department;
- Developing and reviewing finance policies thereby ensuring its relevance, accuracy and alignment with legislation;
- It continued to verify payments before and after processing in order to ensure validity and accuracy;
- Checking of monthly and quarterly reports to ensure to ensure reliable financial reporting;
- Identification of internal control weaknesses and provision of recommendations;
- Monitoring the implementation of internal and external audit recommendations as well as those of MPAT;
- In addition it has issued circulars to regulate internal processes and procedures.

C. 11 Internal Audit and Audit Committees

1. Audit Committee

1.1 Objective of the Provincial Audit and Risk Committee

The Executive Council has established the Provincial Audit and Risk Committee (PARC) in accordance with regulations and instructions prescribed in terms of sections 76 and 77 of the Public Finance Management Act, Act No. 1 of 1999 as amended by Act No. 29 of 1999 (PFMA). The PARC reports to the Member of Executive Council (MEC) for Finance.



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The KwaZulu- Natal Provincial Government has also established the following three Cluster Audit and Risk Committees (CARC), which report directly to the PARC:

- Governance and Administration Cluster
- Economic Sector and Infrastructure Development Cluster
- Social Protection, Community & Human Development Cluster

The Provincial Treasury is governed by the Economic Cluster Audit & Risk Committee which is constituted by 3 members of the PARC.

1.2 Key Activities of the Provincial Audit and Risk Committee during the year

The PARC exercised their responsibility as embedded in the audit and risk committee Charter as follows:

Internal Controls, Accounting Systems & Internal Audit
Review of the internal audit reports to manage critical risks and to ensure the adequacy and effectiveness of the departmental internal control structure including: <ul style="list-style-type: none"> • Financial and internal controls, • Accounting systems and reporting and • Corporate governance
Review any significant matters reported by the internal auditors and the extent to which the recommendations have been implemented by management; and provide any additional recommendations to Accounting Officers.
Direct the Accounting Officer to provide status reports detailing the progress made in implementing the Committee's recommendations.
Through PIAS reports, evaluate IT governance systems and the related internal controls.
Ensure that the relevant departmental management demonstrates accountability over internal control functions.
Consider the fact and potential of any limitation on the scope of internal audit, and if there is, report to the MEC for Finance.
Fraud Prevention
Ensure that the Accounting Officer develops and implement strategies, policies, procedures and systems to prevent and detect fraud and corruption
Ensure that the Accounting Officer demonstrates some pro-activeness in maintaining anti-fraud and corruption strategies to protect the Provincial assets entrusted to them
Review and evaluate the effectiveness of such strategies, policies/procedures.



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Should a report to the Audit Committee, whether from the PIAS or any other source, implicate the Accounting Officer in fraud, corruption or negligence, the chairperson of Audit Committee must promptly report this to the relevant executive authority via the MEC for Finance.
Financial Statements
Ensure that the timing and nature of reports from the external auditor(s) are in accordance and comply with the requirements of the PFMA.
Consider key matters arising in the AGSA management report and audit report (including illegal acts or irregularities) and satisfy themselves that they are being properly followed up and resolved.
Consider the reports and function of the External Audit Steering committee to ensure that external audits are performed efficiently and that management co-operates with the AGSA.
Comment on its evaluation of the annual financial statements, the interim financial reports, the preliminary announcement of the AGSA report and any other announcement regarding the KZNPG's results or other financial information to be made public, prior to the submission to and approval by the Accounting Officer and/or Executive Authority.
Consider any accounting treatments, significant unusual transactions, or accounting judgments, which could be contentious to ensure that these are properly addressed.
In line with TR 3.1.13 (b), comment on the quality of IYM and monthly/quarterly reports submitted in terms of the PFMA and DoRA.
Risk Oversight
The Committee is an integral component of the risk management process and shall oversee: <ul style="list-style-type: none"> • Financial reporting risks • Fraud risk as it relates to financial reporting • IT risk as it relates to financial reporting • All other strategic and operational risks that may impede the department from achieving their business objectives.
Review the procedures for identifying business risks and mitigating their impact on the department.
Ensure that the Accounting Officer and Accounting Authority maintains and regularly reviews the system of risk management within their areas of responsibilities.
Review the results of the risk assessment to determine the material risks to which the departments may be exposed and evaluate strategies to mitigate those risks.
Ensure that the Accounting Officer has incorporated reputational and ethical risks and opportunities in the risk management process.
Ethics
Review the internal audit reports on compliance with the ethical code of conduct and policies of the Department based on the number of statutory, common law and other requirements which cover the ethical behaviour of senior management, and officials of the Departments.
Identify through PIAS reports, any violation of ethical conduct, environmental and social issues.
Provide advice on any identified potential conflict of interest.



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Reporting Responsibilities
The Committees must report and make recommendations to the Accounting Officer on a regular basis (TR 3.1.12).
The Committees should engage with Accounting Officers of respective departments at least on a quarterly basis.
The Committees may communicate any concerns they deem necessary to the executive authorities, Head of Provincial Treasury and the AG SA (TR 3.1.15).

1.3 Information on the Audit Committee Members

The following five members served as Provincial Audit & Risk Committee members during the period under review. The Committee members' attendance of meetings during the 2016/17 financial year is as depicted in the following table:

Name	Qualifications	Internal or External member	If Internal, position in the Department	Date Appointed	Date Contract Renewed	No. of meetings attended
Mr S P Simelane (Acting Chairperson of PARC and Economic CARC)	CA(SA)	External	N/A	23 February 2015	30 October 2015	4
Mr P Christianson (Economic CARC)	CA(SA)	External	N/A	23 February 2015	30 October 2015	4
Mr V Ramphal (Economic CARC)	CA(SA)	External	N/A	23 February 2015	30 October 2015	4
Ms T Njozela		External	N/A	23 February 2015	30 October 2015	4
Mr D O'Connor	CA(SA)	External	N/A	23 February 2015	30 October 2015	4

C. 12 Report of the Audit Committee

1. Objective and responsibility of the Audit and Risk Committee

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts and is pleased to present its report for the financial year ended 31 March 2017.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees



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(CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The KZN Provincial Treasury is served by the Economic Cluster Audit & Risk Committee.

The Committee has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter; and reports that it has discharged all of its responsibilities as contained therein.

2. Audit Committee Members and Attendance

The PARC and Economic CARC consists of the members listed hereunder who have met as reflected below, in line with the its approved terms of reference.

#	Name of Member	PARC Meetings Attended	Economic CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	4 of 4	4 of 4
2	Mr V Ramphal	4 of 4	4 of 4
3.	Mr P Christianson	4 of 4	4 of 4
4.	Ms T Njozela	4 of 4	N/A*
5.	Mr D O'Connor	4 of 4	N/A*

** Refers to PARC members who do not serve on the Economic CARC*

3. The Effectiveness of Internal Control

Our review of the reports provided by the Provincial Internal Audit Service (PIAS), revealed that the systems of internal controls were effective in the Department, except for the problems surrounding the development of the E-Procurement system.

The Committee considered the appropriateness of the agreed management interventions to the address the control weaknesses identified and advised management to implement same timeously, to avoid the recurrence of findings.

4. Effectiveness of Internal Audit

The Committee has, through the CARC monitoring processes, considered internal audit reports on the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the Department, at its quarterly meetings.



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The PIAS planned to conduct seven (7) audit assignments for the period under review, of which six (6) were finalised and one (1) was carried over to the 2017/18 financial year with the approval of the Audit Committee.

The PIAS performed effectively during the period under review; notwithstanding concerns raised by the Committee in respect of the financial and other limitations imposed upon the unit. The Committee will monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the department.

5. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the Risk Management Operational Plan.

As at the end of the 2016/17 financial year, the status of the Department's risk register was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	2	2	11	29	5	49
Number of Identified Action Plans	5	8	18	8	1	40
Number of Completed Action Plans.	5	8	16	8	1	38

Although the department is commended on the recently updated risk register and the high completion rate of its risk mitigation plans, the Committee is still concerned about the department's failure to update its risk register regularly on a quarterly basis. The Department is urged to ensure the implementation of the outstanding risk mitigation plans and to regard the risk register as a dynamic document which should be reviewed and updated on a quarterly basis. The Department is also requested to address the slow progress it has made in implementing the agreed action plans in respect of Risk Maturity and Fraud Prevention.



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6. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review, in terms of the PFMA and the Division of Revenue Act.

7. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions and did not identify any instances of material non-compliance; and
- Reviewed the conclusions regarding the reliability and usefulness of performance information.

8. Forensics Investigations

The Committee noted that there were thirteen (13) forensic investigations from 2009 to date, all relating to alleged procurement irregularities, HR irregularities and mismanagement of funds, which the Department has referred to the PIAS for investigation. Twelve (12) of these investigations were completed and one (1) is in-progress. The Committee further noted that there is a recommendation to register a criminal case emanating from one (1) investigation.

The department and the PIAS are urged to promptly finalize the outstanding investigation, and work together to implement the recommendations made in the finalised investigations.

The Committee further noted the PIAS' failure to develop and roll-out the Case Management System as planned.

9. Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings



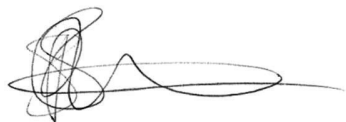
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emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs and accepts the conclusion of the Auditor General's unqualified opinion 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. The Committee commends the Department on obtaining an unqualified audit opinion without findings.

10. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



Mr S Simelane

Acting Chairman: Provincial Audit and Risk Committee

07 August 2017



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PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
ADMINISTRATION	106 628	56 068	0.00	0.00	53	108	122
FINANCIAL MANAGEMENT	175 933	50 743	0.00	0.00	29	98	92
FISCAL RESOURCE MANAGEMENT	106 653	51 929	0.00	0.00	49	100	69
GROWTH & DEVELOPMENT	19 835		0.00	0.00	1		0
INTERNAL AUDIT	104 811	56 224	0.00	0.00	54	108	90
Total as on Financial Systems (BAS)	513 861	214 965	0.00	0.00	42	413	373

TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)	Number of Employees
Contract (Levels 13-16)	18 896	7.13		265 147	13
Contract (Levels 3-5)	6 128	2.31	161 262	265 147	54
Contract (Levels 6-8)	7 462	2.81	257 326	265 147	27
Contract (Levels 9-12)	7 948	3.00	529 855	265 147	17
Contract Other	963	0.36	64 193	265 147	
Highly skilled production (Levels 6-8)	35 350	13.33	380 104	265 147	86
Highly skilled supervision (Levels 9-12)	111 849	42.18	624 852	265 147	179
Lower skilled (Levels 1-2)	34	0.01		265 147	
Periodical Remunerations	4 823	1.82	137 796	265 147	48
Senior management (Levels 13-16)	56 822	21.43	1 052 264	265 147	55
Skilled (Levels 3-5)	8 838	3.33	200 873	265 147	53
TOTAL	259 113	97.72	498 294	265 147	532



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TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
ADMINISTRATION	50 903	75.1	1 115	1.6	1 503	2.2	2 290	3.4	67 763
FINANCIAL MANAGEMENT	51 905	75.9			1 417	2.1	1 507	2.2	68 363
FISCAL RESOURCE MANAGEMENT	46 525	80.4			1 216	2.1	732	1.3	57 900
INTERNAL AUDIT	56 864	80	4		1 339	1.9	1 297	1.8	71 121
TOTAL	206 197	77.8	1 118	.4	5 475	2.1	5 826	2.2	265 147

TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary Bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Contract (Levels 13-16)	17 894	92.2					68	.3	19 404
Contract (Levels 3-5)	6 122	96.7	5	.1					6 331
Contract (Levels 6-8)	7 367	97.9	13	.2	14	.2	1		7 521
Contract (Levels 9-12)	7 735	94.6					29	.4	8 179
Contract Other	957	99.1	6	.6					965
Highly skilled production (Levels 6-8)	25 029	70.4	968	2.7	1 185	3.3	1 904	5.4	35 567
Highly skilled supervision (Levels 9-12)	87 666	76.6	104	.1	2 564	2.2	2 372	2.1	114 406
Lower skilled (Levels 1-2)	24	71.8			4	10.7	3	8.1	34
Periodical Remunerations									5 152
Senior management (Levels 13-16)	47 281	80.5			1 260	2.1	570	1	58 739
Skilled (Levels 3-5)	6 122	69.2	22	.2	449	5.1	879	9.9	8 849
TOTAL	206 197	77.8	1 118	.4	5 475	2.1	5 826	2.2	265 147



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TABLE 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
ADMINISTRATION, Permanent	142	122	13.98	26
FINANCIAL MANAGEMENT, Permanent	119	92	22.68	27
FISCAL RESOURCE MANAGEMENT, Permanent	77	69	10.38	9
INTERNAL AUDIT, Permanent	104	90	13.46	49
TOTAL	442	373	15.57	111

TABLE 3.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
Skilled (Levels 3-5), Permanent	63	53	15.87	0
Highly Skilled Production (Levels 6-8), Permanent	108	86	19.62	0
Highly Skilled Supervision (Levels 9-12), Permanent	208	179	13.94	0
Senior Management (Levels 13-16), Permanent	64	55	13.84	0
Other, Permanent	0	0	0.00	0
Contract (Levels 3-5), Permanent	0	0	0.00	54
Contract (Levels 6-8), Permanent	0	0	0.00	27
Contract (Levels 9-12), Permanent	0	0	0.00	17
Contract (Levels 13-16), Permanent	0	0	0.00	13
TOTAL	443	373	15.57	111



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TABLE 3.3 - Employment and Vacancies by Critical Occupations at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
Administrative Related, Permanent	47	43	8.51	0
Bus And Heavy Vehicle Drivers, Permanent	6	6	0.00	0
Client Inform Clerks(Switchb Receipt Inform Clerks), Permanent	2	2	0.00	0
Communication And Information Related, Permanent	3	2	33.33	0
Finance And Economics Related, Permanent	39	34	12.82	0
Financial And Related Professionals, Permanent	60	48	20.00	4
Financial Clerks And Credit Controllers, Permanent	27	21	22.22	25
General Legal Administration & Rel. Professionals, Permanent	1	0	100.00	0
Head Of Department/Chief Executive Officer, Permanent	1	1	0.00	0
Human Resources & Organisat Developm & Relate Prof, Permanent	25	21	16.00	0
Human Resources Clerks, Permanent	17	12	29.41	0
Human Resources Related, Permanent	4	4	0.00	0
Information Technology Related, Permanent	2	0	100.00	0
Library Mail And Related Clerks, Permanent	7	7	0.00	0
Material-Recording And Transport Clerks, Permanent	2	2	0.00	0
Messengers Porters And Deliverers, Permanent	2	2	0.00	0
Other Administrat & Related Clerks And Organisers, Permanent	52	44	15.38	59
Other Administrative Policy And Related Officers, Permanent	44	36	18.18	11
Other Information Technology Personnel., Permanent	8	7	12.50	0
Other Occupations, Permanent	1	1	0.00	0
Risk Management And Security Services, Permanent	0	0	0.00	0
Secretaries & Other Keyboard Operating Clerks, Permanent	32	27	15.62	0
Senior Managers, Permanent	60	53	11.66	12
TOTAL	442	373	15.57	111



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TABLE 3.4 - Signing of performance Agreements by SMS Members as at 31 May 2016

SMS LEVEL	Total Number of Funded SMS Posts Per Level	Total Number of SMS Members per Level	Total Number of Signed Performance Agreements per Level	Signed performance agreements as % of total number of SMS members per level
Director-General/Head of Department	1	1	1	0
Salary Level 16, but not HOD				0
Salary Level 15	3	3	3	100
Salary Level 14	13	11	11	100
Salary Level 13	47	37	37	100
TOTAL	64	52	52	100

TABLE 3.5 - SMS Post Information as at 31 March 2017

SMS LEVEL	Total Number of Funded SMS Posts Per Level	Total Number of SMS Posts filled per Level	%age of SMS posts filled per level	Total number of SMS posts vacant per level	%age of SMS posts vacant per level
Director-General/Head of Department	1	1	100.00	0	0
Salary Level 16, but not HOD	0	0	0.00	0	0
Salary Level 15	4	4	100.00	0	0
Salary Level 14	12	12	100.00	0	0
Salary Level 13	47	38	80.85	9	17.02
TOTAL	64	55	87.09	9	12.90



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TABLE 3.6 - Advertising and filling of SMS posts as at 31 March 2017

SMS LEVEL	ADVERTISING		FILLING OF POSTS	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months of becoming vacant but in 12 months	
Director-General/Head of Department	0	0	0	
Salary Level 16, but not HOD	0	0	0	
Salary Level 15	0	0	0	
Salary Level 14	0	0	0	
Salary Level 13	0	0	1	
TOTAL	0	0	1	

TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Skilled (Levels 3-5)	63	0	0.00	0	0.00	0	0.00
Highly Skilled Production (Levels 6-8)	107	0	0.00	0	0.00	0	0.00
Highly Skilled Supervision (Levels 9-12)	208	0	0.00	0	0.00	0	0.00
Senior Management Service Band A	47	0	0.00	0	0.00	0	0.00
Senior Management Service Band B	12	0	0.00	0	0.00	0	0.00
Senior Management Service Band C	4	0	0.00	0	0.00	0	0.00
Senior Management Service Band D	1	0	0.00	0	0.00	0	0.00
Other	0	0	0.00	0	0.00	0	0.00
Contract (Levels 3-5)	54	0	0.00	0	0.00	0	0.00
Contract (Levels 6-8)	27	0	0.00	0	0.00	0	0.00



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Contract (Levels 6-8)	27	0	0.00	0	0.00	0	0.00	0	0.00
Contract (Levels 9-12)	17	0	0.00	0	0.00	0	0.00	0	0.00
Contract Band A	8	0	0.00	0	0.00	0	0.00	0	0.00
Contract Band B	2	0	0.00	0	0.00	0	0.00	0	0.00
Contract Band C	3	0	0.00	0	0.00	0	0.00	0	0.00
Contract Band D	0	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL	553	0	0.00	0	0.00	0	0.00	0	0.00

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded – NOT APPLICABLE

Beneficiaries	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	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3] – NOT APPLICABLE

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Department
None					
TOTAL					
Percentage of Total Employment					



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TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.e. PSR 1.V.C.3] – NOT APPLICABLE

Beneficiaries	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	0	0	0	0

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period April 2016	Appointments	Terminations	Turnover Rate
Lower Skilled (Levels 1-2) Permanent	0	0	0	0.00
Skilled (Levels 3-5) Permanent	56	1	2	3.57
Highly Skilled Production (Levels 6-8) Permanent	83	3	6	7.22
Highly Skilled Supervision (Levels 9-12) Permanent	168	10	5	3.57
Senior Management Service Band A Permanent	34	4	1	2.94
Senior Management Service Band B Permanent	11	0	2	18.18
Senior Management Service Band C Permanent	3	0	0	0.00
Senior Management Service Band D Permanent	1	0	0	0.00
Contract (Levels 1-2) Permanent	0	20	17	100.00
Contract (Levels 3-5) Permanent	38	37	33	89.18
Contract (Levels 6-8) Permanent	16	14	10	62.50
Contract (Levels 9-12) Permanent	13	5	5	38.46
Contract Band A Permanent	9	3	6	66.66
Contract Band B Permanent	2	1	2	100.00
Contract Band C Permanent	1	1	0	0.00
Contract Band D Permanent	1	0	0	0.00
TOTAL	436	99	89	18.80



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TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative Related Permanent	43	2	2	4.65
Bus And Heavy Vehicle Drivers Permanent	6	0	0	0.00
Client Inform Clerks(Switchb Receipt Inform Clerks) Permanent	2	0	0	0.00
Communication And Information Related Permanent	2	0	0	0.00
Finance And Economics Related Permanent	31	2	0	0.00
Financial And Related Professionals Permanent	48	1	1	2.08
Financial Clerks And Credit Controllers Permanent	16	1	0	0.00
Head Of Department/Chief Executive Officer Permanent	2	0	0	0.00
Human Resources & Organisat Developm & Relate Prof Permanent	21	0	0	0.00
Human Resources Clerks Permanent	13	0	0	0.00
Human Resources Related Permanent	3	1	0	0.00
Information Technology Related Permanent	2	0	2	100.00
Library Mail And Related Clerks Permanent	7	0	0	0.00
Material-Recording And Transport Clerks Permanent	2	0	0	0.00
Messengers Porters And Deliverers Permanent	2	0	0	0.00
Other Administrat & Related Clerks And Organisers Permanent	30	5	4	13.33
Other Administrative Policy And Related Officers Permanent	42	2	3	7.14
Other Information Technology Personnel, Permanent	7	0	0	0.00
Other Occupations Permanent	0	0	0	0.00
Risk Management And Security Services Permanent	0	0	0	0.00
Secretaries & Other Keyboard Operating Clerks Permanent	30	0	2	0.00
Senior Managers Permanent	47	4	2	4.25
TOTAL	356	18	16	4.49



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TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	1	6.25	0.26	1	373
Resignation, Permanent	6	37.50	1.60	6	373
Transfers, Permanent	8	50.00	2.01	8	373
Retirement, Permanent	1	6.25	0.26	1	373
TOTAL	16	100.00	4.27	16	373

TABLE 5.4 - Granting of Employee Initiated Severance Packages – NOT APPLICABLE

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by Department
02 Skilled (Levels 3-5)	0	0	0	0
03 Highly Skilled Production (Levels 6-8)	0	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	0	0	0	0
05 Senior Management Service Band A	0	0	0	0
06 Senior Management Service Band B	0	0	0	0
07 Senior Management Service Band C	0	0	0	0
08 Senior Management Service Band D	0	0	0	0
09 Other	0	0	0	0
11 Contract (Levels 3-5)	0	0	0	0
12 Contract (Levels 6-8)	0	0	0	0
13 Contract (Levels 9-12)	0	0	0	0
14 Contract Band A	0	0	0	0
15 Contract Band B	0	0	0	0
16 Contract Band C	0	0	0	0
17 Contract Band D	0	0	0	0
TOTAL	0	0	0	0



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TABLE 5.5 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative Related	43	0	0.00	0	0.00
Bus And Heavy Vehicle Drivers	6	0	0.00	0	0.00
Client Inform Clerks(Switchb Receipt Inform Clerks)	2	0	0.00	0	0.00
Communication And Information Related	2	0	0.00	0	0.00
Finance And Economics Related	31	1	3.22	0	0.00
Financial And Related Professionals	48	0	0.00	0	0.00
Financial Clerks And Credit Controllers	16	4	25.00	0	0.00
Head Of Department/Chief Executive Officer	2	0	0.00	0	0.00
Human Resources & Organisat Developm & Relate Prof	21	1	4.76	0	0.00
Human Resources Clerks	13	0	0.00	0	0.00
Human Resources Related	3	1	33.33	0	0.00
Information Technology Related	2	0	0.00	0	0.00
Library Mail And Related Clerks	7	0	0.00	0	0.00
Material-Recording And Transport Clerks	2	0	0.00	0	0.00
Messengers Porters And Deliverers	2	0	0.00	0	0.00
Other Administrat & Related Clerks And Organisers	30	6	20.00	0	0.00
Other Administrative Policy And Related Officers	42	1	2.38	0	0.00
Other Information Technology Personnel.	7	0	0.00	0	0.00
Other Occupations	0	0	0.00	0	0.00
Risk Management And Security Services	0	0	0.00	0	0.00
Secretaries & Other Keyboard Operating Clerks	30	0	0.00	0	0.00
Senior Managers	47	2	4.25	0	0.00
TOTAL	356	16	4.49	0	0.00



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TABLE 5.6 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower Skilled (Levels 1-2), Permanent	0	0	0.00	0	0.00
Skilled (Levels 3-5), Permanent	53	0	0.00	0	0.00
Highly Skilled Production (Levels 6-8), Permanent	86	5	5.81	0	0.00
Highly Skilled Supervision (Levels 9-12), Permanent	179	9	5.03	0	0.00
Senior Management (Levels 13-16), Permanent	56	2	3.57	0	0.00
Other, Permanent	0	0	0.00	0	0.00
Contract (Levels 3-5), Permanent	54	0	0.00	0	0.00
Contract (Levels 6-8), Permanent	27	0	0.00	0	0.00
Contract (Levels 9-12), Permanent	17	0	0.00	0	0.00
Contract (Levels 13-16), Permanent	13	0	0.00	0	0.00
TOTAL	393	16	4.07	0	0.00

TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Officials And Managers	19	2	5	26	2	11	2	11	24	3	55
Professionals	83	2	8	93	2	63	1	10	74	10	179
Technicians And Associate Professionals	34	0	0	34	0	43	1	3	47	5	86
Clerks	11	1	0	12	0	30	1	5	36	5	53
Service Shop And Market Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Plant And Machine Operators And Assemblers	0	0	0	0	0	0	0	0	0	0	0
Labourers And Related Workers	0	0	0	0	0	0	0	0	0	0	0
TOTAL	147	5	13	165	4	147	5	29	181	24	373

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TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	0	0	0	0	0	0
Senior Management, Permanent	19	2	5	26	2	11	2	11	24	3	55
Professionally qualified and experienced specialists and mid-management, Permanent	83	2	8	93	2	63	1	10	74	10	179
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	34	0	0	34	0	43	1	3	47	5	86
Semi-skilled and discretionary decision making, Permanent	11	1	0	12	0	30	1	5	36	5	53
Not Available, Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Top Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	4	0	2	6	2	4	0	1	5	0	13
Contract (Professionally Qualified), Permanent	5	0	0	5	0	11	0	1	12	0	17
Contract (Skilled Technical), Permanent	10	0	1	11	0	16	0	0	16	0	27
Contract (Semi-Skilled), Permanent	45	0	0	15	0	39	0	0	39	0	54
TOTAL	181	5	16	202	6	217	5	31	253	23	484



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TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	2	0	0	2	0	1	0	1	2	0	4
Professionally qualified and experienced specialists and mid-management, Permanent	5	1	0	5	0	4	0	0	4	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	2	0	1	0	0	1	0	3
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	1	0	0	1	0	1
Not Available, Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Top Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	1	0	0	1	0	3	0	1	4	0	5
Contract (Professionally qualified), Permanent	2	0	0	2	0	2	0	1	3	0	5
Contract (Skilled technical), Permanent	3	0	1	4	0	10	0	0	10	0	14
Contract (Semi-skilled), Permanent	17	0	0	17	0	40	0	0	40	0	57
TOTAL	32	1	1	33	0	62	0	3	65	0	99



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TABLE 6.3B - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	3	0	0	3	0	3

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	0	0	0	0	0	0	0	1	1	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	1	0	1	0	0	1	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	2	0	5	0	0	5	0	7
Semi-skilled and discretionary decision making, Permanent	1	0	0	1	0	5	0	0	5	0	6
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0	0	0
TOTAL	4	0	0	4	0	11	0	1	12	0	16

TABLE 6.4B - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	1	2	0	0	0	0	0	0	2

TABLE 6.5 - Terminations

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TABLE 6.5 - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	2	0	2	0	0	2	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	1	0	2	0	0	2	0	3
Not Available, Permanent	5	0	0	5	0	12	0	0	12	0	17
Contract (Senior Management), Permanent	1	0	0	1	0	1	0	1	2	1	4
Contract (Professionally qualified), Permanent	0	0	1	1	0	1	1	0	2	0	3
Contract (Skilled technical), Permanent	2	0	1	3	0	4	0	0	4	0	7
Contract (Semi-skilled), Permanent	8	0	0	8	0	7	0	0	7	0	15
TOTAL	19	0	2	21	0	30	1	1	32	1	54

TABLE 6.5B - Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	3	0	0	3	0	3

TABLE 6.6 - Disciplinary Action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total	Not Available
TOTAL	0	0	0	0	0	0	1	0	0	0	1	0

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TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	7	0	2	9	1	22	3	14	39	4	53
Professionals	183	1	3	187	1	240	1	14	255	11	454
Technicians and Associate Professionals	24	0	2	26	0	63	3	2	68	6	100
Clerks	16	0	0	16	0	39	2	5	46	5	67
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	2	0	0	2	0	1	0	0	1	0	3
Elementary Occupations	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	9	0	0	0	0
Employees with disabilities	0	0	0	0	0	5	0	1	6	0	6



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TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	21	147	14.28	400.98	19,094.28
African, Male	27	147	18.36	720.50	26,685.19
Asian, Female	11	29	37.93	280.88	25,534.67
Asian, Male	2	13	15.38	220.50	110,248.79
Coloured, Female	1	5	20.00	5.54	5,536.95
Coloured, Male	1	5	20.00	46.99	46,990.50
Total Blacks, Female	33	181	18.23	687.40	20,830.25
Total Blacks, Male	30	165	18.18	987.99	32,932.94
White, Female	10	24	41.66	383.45	38,345.17
White, Male	1	4	25	29.52	29,522.16
Employees with a disability	1	6	16.66	14.62	14,624.82
TOTAL	74	374	19.78	2,102.99	28,039.80

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employees	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	7	53	13.20	55.90	7,985.01
Highly Skilled Production (Levels 6-8)	20	86	23.25	249.58	12,479.09
Highly Skilled Supervision (Levels 9-12)	39	179	21.79	1,139.02	29,205.59
Other	0	0	0.00	0.00	0.00
Contract (Levels 3-5)	0	0	0.00	0.00	0.00
Contract (Levels 6-8)	0	0	0.00	0.00	0.00
Contract (Levels 9-12)	0	0	0.00	0.00	0.00
TOTAL	66	318	20.75	1,444.50	21,886.29



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TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative Related	3	43	4.97	60.97	20,322.72
Bus And Heavy Vehicle Drivers	0	6	0.00	0.00	0.00
Client Inform Clerks(Switchb Receipt Inform Clerks)	0	2	0.00	0.00	0.00
Communication And Information Related	0	2	0.00	0.00	0.00
Finance And Economics Related	13	34	38.23	388.70	29,899.68
Financial And Related Professionals	18	48	37.50	522.95	30,761.96
Financial Clerks And Credit Controllers	5	21	23.80	64.07	12,813.32
Head Of Department/Chief Executive Officer	0	1	0.00	79.24	79,237.80
Human Resources & Organisat Developm & Relate Prof	2	21	9.52	50.67	25,335.17
Human Resources Clerks	4	12	33.33	78.57	19,643.12
Human Resources Related	0	4	0.00	0.00	0.00
Library Mail And Related Clerks	0	7	0.00	0.00	0.00
Material-Recording And Transport Clerks	0	2	0.00	0.00	0.00
Messengers Porters And Deliverers	0	2	0.00	0.00	0.00
Other Administrat & Related Clerks And Organisers	9	46	19.56	105.54	11,726.22
Other Administrative Policy And Related Officers	1	36	2.77	21.85	21,850.50
Other Information Technology Personnel.	0	7	0.00	0.00	0.00
Other Occupations	0	0	0.00	0.00	0.00
Risk Management And Security Services	0	0	0.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks	11	27	40.74	120.77	10,978.87
Senior Managers	8	53	15.09	579.25	72,406.54
TOTAL	74	374	19.78	2,102.99	28,039.80



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TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employees	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	5	47	10.62	296.02	59,203.78	0.01	45,048.52
Band B	3	12	27.27	136.84	68,422.13	0.01	19,113.90
Band C	0	4	0.00	146.39	146,389.20	0.02	7,974.71
Band D	0	1	0.00	79.24	79,237.80	0.01	6,005.83
TOTAL	8	64	12.90	658.49	73,165.57	0.01	78,142.96

TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning of Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	2	33.33	1	25.00	1	20.00	2	1	1
Senior management (Levels 13-16)	2	66.67	2	75.00	0	80.00	2	2	0
TOTAL	4	100.00	3	100.00	1	100.00	4	3	1

TABLE 8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning of Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Professionals and managers	2	100.00	3	100.00	1	100.00	4	3	1
TOTAL	2	100.00	3	100.00	1	100.00	4	3	1



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TABLE 9.1 - Sick Leave

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Contract (Levels 13-16)	44	56.82	10	2.35	4.4	156.00	426	25
Contract (Levels 3-5)	121	36.36	40	9.39	3.03	73.00	426	44
Contract (Levels 6-8)	59	30.51	18	4.23	3.28	72.00	426	18
Contract (Levels 9-12)	26	73.08	9	2.11	2.89	68.00	426	19
Contract Other	41	41.98	11	2.58	3.68	12.00	426	17
Highly skilled production (Levels 6-8)	737	50.88	101	23.71	7.3	945.00	426	375
Highly skilled supervision (Levels 9-12)	1165	50.99	151	35.45	7.72	2795.00	426	594
Lower skilled (Levels 1-2)	2	0	1	.23	2	1.00	426	0
Senior management (Levels 13-16)	203	47.29	38	8.92	5.34	803.00	426	96
Skilled (Levels 3-5)	364	58.52	47	11.03	7.74	248.00	426	213
TOTAL	2762	50.73	426	100	6.48	5174.00	426	1401

TABLE 9.2 - Disability Leave (Temporary and Permanent)

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Highly skilled production (Levels 6-8)	33	100	1	25	33	37.00	33.00	4
Highly skilled supervision (Levels 9-12)	24	100	2	50	12	73.00	24.00	4
Skilled (Levels 3-5)	12	100	1	25	12	7.00	12.00	4
TOTAL	69	100	4	100	17.25	117.00	69.00	4



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TABLE 9.3 - Annual Leave

Salary Band	Total Days Taken	Average Days per Employee	Number of Employees who took leave
Contract (Levels 13-16)	315	14.32	22
Contract (Levels 3-5)	659	9.28	71
Contract (Levels 6-8)	343	11.43	30
Contract (Levels 9-12)	206	10.84	19
Contract Other	185	7.11	26
Highly skilled production (Levels 6-8)	2183	18.82	116
Highly skilled supervision (Levels 9-12)	3630	19.11	190
Lower skilled (Levels 1-2)	1	1	1
Senior management (Levels 13-16)	1164	21.56	54
Skilled (Levels 3-5)	949	17.57	54
TOTAL	9635	16.53	583

TABLE 9.4 - Capped Leave

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period	Number of Employees as at end of period
Highly skilled production (Levels 6-8)	9	3	34.82	3	591.98	17
Highly skilled supervision (Levels 9-12)	1	1	56.39	1	1522.6	27
Senior management (Levels 13-16)			45.56		455.6	10
Skilled (Levels 3-5)	21	7	23.5	3	94	4
TOTAL	31	4.43	45.93	7	2664.18	58



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TABLE 9.5 - Leave Pay outs

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave pay outs on termination of service for current financial year	531	9	59 004
Current leave pay out on termination of service for current financial year	140	4	35 049
TOTAL	671	13	51 634

TABLE 10.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
xxx	xxx
xxx	xxx

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mrs. Kogje Chetty: Director : HRM
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Department has a dedicated EHWP Sub Directorate that reports directly to the Director: HRM. The Unit comprises of two employees at a Deputy Director (SL11) and Practitioner (SL07) level. The annual EHWP budget is R272 000, for the implementation of Wellness programmes.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		Assessment of cases, Professional Counselling services is rendered to cases and external referral for extensive intervention if necessary. Wellness Clinics and services are offered to employees on monthly basis which is aimed at managing Chronic Diseases to ensure health and productivity. Healthy lifestyle promotions through articles with educational information and fitness sessions.



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4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X	The Department has established a Consultative Forum which serves as the committee to monitor, discuss and evaluate all HR processes including the Employee Health and Wellness Program. The Committee is chaired by the Director: HRM and has representatives from all business Units in the Department and also comprises of relevant stakeholders via Organized labour representatives.
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X	All HR policies are reviewed annually to ensure that there are no elements of discrimination in the policies. The Department has an approved HIV/AIDS & TB Management Policy to address issues of human's rights and discrimination in the workplace. The Recruitment and Selection policy for the Department is being reviewed and all other relevant policies are reviewed annually to ensure that there is no unfair discrimination against any employee during the processes of recruitment and selection which includes employees who are HIV positive.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X	The Department has policies that guides all processes and specifically spells out against any discrimination of any employee on the basis of their HIV status. The Employee Health Wellness unit ensures confidentiality off all information disclosed in relation to any employees HIV status. The unit also create awareness campaigns on issues of stigma, HIV prevention and management as well as issues relating to adherence to treatment and the inclusion of a disciplinary clause on the HIV, AIDS & TB Management policy in case a discriminatory act is committed. Availability of an onsite Wellness clinic as well as quarterly GEMS HCT campaigns are strategies for prevention where employees are encouraged to know their status for early detection and better management of the disease and a way of dealing with stigma as all employees are encouraged to use the clinic, not just the HIV positive employees as a means to provide treatment, care and support for all employees including those that are infected and affected by HIV/AIDS.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X	Employees have excess to the Departmental Wellness Clinic on monthly basis and GEMS also renders the HTC services to employees which has been quarterly in the previous years but now offers the services twice a year. This has had a negative impact in the number of employees testing as it's not increasing as expected. There has been a slight increase in employees that tested HIV positive hence the intensification of HCT to prevent new infections.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X	Annual HR client satisfaction surveys which includes EHWP are conducted, evaluation questionnaires at the end of every workshop are distributed for feedback as part of evaluation of the services rendered by EHW.



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TABLE 11.1 - Collective Agreements

Subject Matter	Date
None	

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Guilty	1	100	100
TOTAL	1	100	100

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Un-authorised disclosure of confidential information	1	100	100
TOTAL	0	1	100

TABLE 11.4 - Grievances Lodged - NIL

Number of grievances addressed	Number	Percentage of Total	Total
TOTAL	0	0	0

TABLE 11.5 - Disputes Lodged - NIL

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	0	0
Total	0	0



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TABLE 11.6 - Strike Actions – NIL

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

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	79
Cost (R'000) of suspensions	253

TABLE 12.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	49	0	49
Legislators, senior officials and managers	Male	0	0	69	0	69
Professionals	Female	0	0	206	0	206
Professionals	Male	0	0	157	0	157
Technicians and associate professionals	Female	0	0	34	0	34
Technicians and associate professional	Male	0	0	23	0	23
Clerks	Female	0	0	89	0	89
Clerks	Male	0	0	23	0	23
Service and sales workers	Female	0	0	0	0	0
Service and sales workers	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0

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Craft and related trades workers	Male	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	5	0	5
Plant and machine operators and assemblers	Male	0	0	0	3	0	3
Elementary occupations	Female	0	0	0	0	0	0
Elementary occupations	Male	0	0	0	0	0	0
Gender sub totals	Female	0	0	0	383	0	0
Gender sub totals	Male	0	0	0	275	0	0
Total		0	0	0	658	0	658

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	43	0	43
Legislators, senior officials and managers	Male	0	0	10	0	10
Professionals	Female	0	122	144	0	266
Professionals	Male	0	39	149	0	188
Technicians and associate professionals	Female	0	0	74	0	74
Technicians and associate professional	Male	0	0	26	0	26
Clerks	Female	0	0	51	0	51
Clerks	Male	0	0	16	0	16
Service and sales workers	Female	0	0	0	0	0
Service and sales workers	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
Craft and related trades workers	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	2	0	0
Plant and machine operators and assemblers	Male	0	0	1	0	1
Elementary occupations	Female	0	0	0	0	2



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Elementary occupations	Male	0	0	0	0	0
Gender sub totals	Female	0	122	314	0	0
Gender sub totals	Male	0	39	202	0	0
Total		0	161	516	0	677

TABLE 13.1 - Injury on Duty

Nature of injury on duty	Number	% of Total
Required basic medical attention only	1	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	1	100

TABLE 14.1 – Report on consultant appointments using appropriated funds

Project Title	Duration of the project	Total Number of Consultants worked on the project	Contract Value in Rand
Municipal Financial Management Support At Maphumulo And Kwadukuza Municipality	1360HRS	Two Consultants	R 1 449 624.00
Municipal Financial Management Support At Amajuba Municipality	1360HRS	One Consultant	R 1 449 624.00
Appointment Of Resource To Assist With Municipal Financial Management Support	1800hrs	One Consultant	R 1 918 620.00
Municipal Financial Management Support At Umkhanyakude District Municipality	2720HRS	Two Consultants	R 2 379 864.00
Vat Review At The Maphumulo Municipality	360HRS	Three Consultant	R 545 690.64
Vat Review At The Umzimkhulu Municipality	360HRS	Three Consultant	R 474 513.60
Municipal Support Program VAT Review Initiative @ Maphumulo Municipality	360HRS	Three Consultant	R 551 690.64
Municipal Support Programme Msp Secondment Of Resource	1968HRS	Amber Patton	R 2 097 691.20
Municipal Financial Management - Umvoti Municipality	360HRS	Two Consultants	R 1 449 624.00



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Municipal Financial Management Support :Umkhanyakude ,Emnambith&Emadlangeni	340HOURS	Two Consultants	R 2 899 248.00
Municipal Financial Management Support-Umkhanyakude District Municipality	160 HRS	One Consultant	R 930 240.00
Municipal Financial Management Support -Hlabisa Local Municipality	1300 HOURS	One Consultant	R 1 385 670.00
Review Of Annual Financial Statements And Provide Technical Assistance At Amajuba & Umkhanyakude District Municipalities	100 HRS	One Consultant: Langellihle Hlengwa	R 106 590.00
Resources To Assist With Municipal Financial Management Support Programme:Big 5 Hlabisa,Inkosi Langalibalele Municipalities.	1840 HRS	Dawood Asmall,Zaheer Khan&Nkosinathi Wela	R 5 111 076.00
Municipal Financial Management Support At Ndwedwe Municipality	1300HRS	One Consultant	R 1 385 670.00
Municipal Financial Management Support At Nkandla,Edumbe And Newcastle Municipality	3Months	Suleman Chohan	R 134 303.40
Municipal Financial Management Support At Big 5 Hlabisa And Inkosi Langalibalele Municipality	1720 HRS	Rohaana Singh	R 1 833 348.00
Municipal Financial Management Support Secondment Of Resources	1300 HRS	One Consultant	R 1 385 670.00
Municipal Financial Management Support Vat Review Amajuba District Municipality	360HRS	Three Consultant	R 475 000.00
Secondment Of Resources Municipal Financial Management Support	160HRS	One Consultant	R 127 908.00
Review Of Annual Financial Statements And Provide Technical Assistance Emnambithi,Ndwedwe And Makhambathini Local Municipality	104 HRS	Prakashini Dhanje	R 110 853.60
Audit On In Year Monitoring At Kzn Provincial Treasury	120 HRS	One Consultants	R 54 720.00
Supply Chain Management & Transfer Payments At COGTA	56 HRS	4 Consultant	R 442 320.00
Audit On Traditional Council At Cogta	160HRS	Donald Maduna,Mepho Bhengu	R 145 920.00
Head Count Project At Department Of Education	56HRS	4 Consultant	R 216 258.00
It Inventory Audit For The Dept Of Transport	240HRS	Two Consultants	R 261 333.60
It Inventory Audit For The Dept Of Education	240HRS	2consultants(Junaaid Amra&Naresh Gokul)	R 261 333.60
It Governance Audit For The Dep Of Education	240HRS	Junaaid Amra & Naresh Gokul	R 261 333.60
It Inventory Audit For Kzn Trade & Investments	192HRS	Junaaid Amra & Owen Ranjit	R 218 697.60



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It Governance Audit For The Dept Of Transport	240HRS	Junaid Amra & Ridwan Haffjee	R 261 333.60
Review On Annual Financial Statements For Public Entities	160HRS	2consultants	R 118 560.00
Performance Audit On S & T Expenditure (PHASE II) : Departments Of Community Safety & Liaison And Office Of The Premier	220hrs	Ms Maria Monaledi	R 163 020.00
Review On Annual Financial Statements For Public Entities	120HRS	2consultants	R 94 848.00
IT Governance Audit For The KZN Provincial Treasury	240hrs	2consultants:Neo Shabalala & Obert Muyambi	R 261 333.60
IT Inventory Audit For The KZN Provincial Treasury	240hrs	2consultants:Neo Shabalala & Obert Muyambi	R 261 333.60
It Inventory Audit For The Dep Of Agriculture	240hrs	2consultants:Neo Shabalala & Obert Muyambi	R 261 333.60
It Inventory Audit For The Dep Of COGTA	240hrs	2consultants:Neo Shabalala & Obert Muyambi	R 261 333.60
Review Of Interim Financial Statements For Provincial Dept: Project Manager X1 & Junior Internal Auditors X5	160HRS	Project Manager :Nafisah Moodley Junior Internal Auditor :Shane Govender,Narissa Govender, Shaun Aarons, Lungile Khawula ,Menoca Vasanthala	R 523 260.00
Audit Of Learner Enrolment Verification At The Department Of Education	473HRS	Jeswene Sahibdeen	R 350 493.00
Audit Of Fleet Management, Scm & Department Of Education	639HRS	Sayurn Rajagopal	R 473 499.00
Audit On Scm At Trade And Investment	160HRS	Asathi Gogo&Sabelo Nsiba	R 191 520.00
Performance IT Governance Review At Department Of Agriculture And Rural Development	160HRS	1consultant	R 148 200.00
IT Strategy Follow Up Review @Kzn Dept Of Corp Governance & Traditional Affairs	160HRS	1consultant	R 170 544.00
It Governance Audit For Department Of Social Development	240HRS	Reniel Misra And Sayoushka Nayagar	R 261 333.60
It Governance At Department Of Sports And Recreation	240HRS	Raniel Misra And Mbhekeni Shazi	R 261 333.60
IT Audit Of E-Procurement Application	400HRS	7 Consultants	R 1 396 266.00



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Audit On Financial Management Art kzn Tourism Authority.	160HRS	Kavish Naidoo, Ayanda Ngangelizwe	R 173 280.00
Performance Audit On S&T Expenditure Phase 2 At Department Of Public Works,Agriculture, Treasury,Cogta And Office Of The Premier	1040HRS	Mario Redlinghys,Siyabonga Shange,Hlonelwa Zantsi And Namshe Kunene	R 922 944.00
Performance Audit On S & T Expenditure (PHASE II) : Departments Of Community Safety & Liaison, Transport, Economic Development, Health & Education	240HRS	5 Consultants: Khaya Mbuli, Andile Mthethwa, Mpho Khanyi, Siphon Khuzwayo, Nduduzo Dlamini	R 1 006 848.00
Audit On S&T Expenditure (Phase I) At Department Of Agriculture, Education And KZN Film Commission.	360 HRS	S Zungu	R 266 760.00
Scm Audit Amafa Kwa-Zulu Natal	152HRS	S Khuzwayo	R 112 632.00
It Inventory Audit For The Dept Of Arts And Culture	170HRS	Mpumelelo Moyo And Tania Mukonza	R 254 220.00
It Governance Audit Department Of Economic Development	160HRS		R 254 220.00
It Governance Audit For The Dept Of Art And Culture	220 HRS	MPUMELELO MOYO And VIMBAI CHARANDURA	R 254 220.00
IT GOVERNANCE AUDIT FOR THE DEPT OF Community Safety And Liaison	170 HRS	MPUMELELO MOYO And Alton Dewa	R 254 220.00
It Inventory Audit For The Dep Of Economic Development, Tourism & Environmental Affairs	220HRS	Mpumelelo Moyo & Tinyiko Shibambo	R 254 220.00
It Inventory Audit For The Dep Of Community Safety & Liaison	220HRS	Mpumelelo Moyo & Bongale Gwele	R 254 220.00
It Inventory Audit For Kzn Tourism Authority	140 HRS		R 207 480.00
It Inventory Audit For Kzn Film Commission	140 HRS	Mpumelelo Moyo, Tania Mukonza	R 207 480.00
It Inventory Audit For Kzn Liquor Authority	140 HRS	Mpumelelo Moyo, Tania Mukonza	R 207 480.00
It Inventory At Kzn Gambling & Betting Entity	180HRS	Mpumelelo Moyo, Tania Mukonza	R 207 480.00
Audit On Performance Information At Various Departments/Entities	800hrs	Nicollette A Murugen, Xolani S Nkosi,Amanda Sikhakhane, Renee Sing & Sibulele Mapekula	R 421 800.00



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Audit On Transferring Of Tittle Deeds At Department Of Human Settlements.	160hrs	Gonasagarie Naidoo, Renee Singh	R 257 640.00
It Inventory Audit Department Of Health	225 HRS	Ashodh Rajaram And Tapiwa Maketo	R 250 024.80
It Inventory Audit Department Of Health	225 HRS	Ashodh Rajaram And Tapiwa Maketo	R 250 024.80
It Inventory Audit For Richards Bay Industrial Development Zone	192 HRS	Ashodh Rajaram And Tapiwa Maketo	R 215 414.40
It Inventory Audit For The Department Of Human Settlements	223 HRS	Ishen Prithipal & Prisenatha Pillay	R 250 024.80
It Governance Audit For The Department Of Human Settlement	233 HRS	Ishen Prithipal & Prisenatha Pillay	R 250 024.80
Audit On Supply Chain Management At Department Of Social Development	80HRS	Zukiswa Magagula & Sandir Samar	R 132 240.00
It Inventory Audit Department Of Public Works	220 HRS	Branda Mwelase & Ngoni Songore	R 251 598.00
It Inventory Audit Department Of Public Works	227HRS	Branda Mwelase & Ngcinukufisa Nishangase	R 247 756.20
It Inventory Audit Department Of Public Works	190HRS	Branda Mwelase & Morula Mokoena	R 214 491.00
It Inventory Audit Department Of Department Of Social Development	218HRS	Branda Mwelase & Morula Mokoena	R 247 756.20
It Governance Audit For The Department Of The Office Of The Premier	240 HRS	Branda Mwelase & Nkosazana Sibiya	R 251 598.00
It Inventory Audit For The Department Of The Office Of The Premier	227 HRS	Branda Mwelase & Biggie Gambia	R 247 756.20
It Inventory Audit For Department Of Sport And Recreation	240HRS	Irfan Kazeem And Bilal Vallee	R 261 333.60
It Inventory Audit For Department For Kzn Sharks Board	192HRS	Irfan Kazeem And Bilal Vallee	R 218 697.60
Audit On Supply Chain Management Department Of Community Safety And Liaison Project No :08-2015 Dcsl.	120HRS	Grace Chikohora	R 54 720.00
Review Of Interim Financial Statement For Provincial Department : Project Manager & Junior Internal Auditor	160HRS	Two Consultants	R 400 083.00
It Audit Follow-Up On E-Procurement Project At Kzn Provincial Treasury	361HRS	Three Consultants	R 440 091.30
Review Of Interim Financial Statement For Dep Of Social Development	270HRS	Ben Siziba, Justin Lee Chenderudh And Gootyelwa Mbude	R 123 120.00



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Review Of Interim Financial Statement For Dep Of Education And Human Settlements	406HRS	Lauren Leigh Essaram, Muzi Mkhize, Neresha Rankomar And Salisicia Gounder	R 185 136.00
Audit On Performance Information At Various Departments/Entities: RHT, COGTA & EDUCATION	1120HRS	Priya Rambharos, Buhle Gigaba, Derisha Naidoo, Ruth Dicken & Tyren Bedhoo	R 590 520.00
Audit On Asset Management Follow Up At Richards Bay Industrial Zone	120HRS	Ahmen Paruk And Ebrahim Motata	R 143 640.00
Audits Human Resource Management Incl Follow Up Office The Premier	640HRS	Husayn Paruk, Mohamed Kade, Ashley, Narenrankomar	R 383 040.00
Audit On Performance Information At Various Departments/Entities: SOC DEV, DSR, AMAFA & RBIDZ	760HRS	Imtiaz Pater, Nzelu Melisizwe, Sinano Ntshanga, Riaz Hassan & Muhammad Chohan	R 392 160.00
Audit On Performance DEPT OF Community Safety And LIASON PROJECT	160HRS	Kabir Osman	R 118 560.00
Scm Audit At Economic Development, Tourism & Environmental Affairs	160HRS	Dashika Singh	R 72 960.00
Audit On Transfer Payments At The Kzn Dept Of Agriculture And Rural Development	240 HRS	Amaren Pillay And Tinani Gwiza	R 143 640.00
Audit On Transfer Payments At The Kzn Dept Of Economic Development, Tourism And Environmental Affairs	320 HRS	Kathija Rahim&Ashraf Ahmed	R 346 560.00
Interim Financial Statement Review Film Commission And Liquor Authority Project.	160HRS	Amaren Pillay , Nonuthuko Vilakazi And Thirusha Govender.	R 264 480.00
Audit On Supply Chain Management At Department Of Health	160 HRS	Valeris Francis, Siphosihle Ntinyala, Comfort Mosime, Neo Ngobeni	R 337 440.00
Audit On Supply Chain Management At Department Of Arts And Culture	160 HRS	Kamal Govind&Thabo Chinenyanga	R 191 520.00



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Audit On Asset Management At Department Of Health And Department Of Arts And Culture	480 HRS	Pumuza Tototo, Thobile Madikizela, Kganyiso Vayo Ayanda Mthethwa, Chenaimoyo Zvavanjanja, Lungile Malinga, Augustine Moyo Tawanda Hanyire	R 528 960.00
Audit On Auditor-General Follow Up At The Department Of Transport	160 HRS	Nkosinathi Shozi, Hlengiwe Ndlanzi, Jadoo Shivesh	R 200 000.00
Audit On Road Safety At The Dept Of Transport	180 HRS	Clever Jofirasi, Langalakhe Ntuli	R 283 860.00
Audit On Road Infrastructure Maintenance At Department Of Transport	120 HRS	Ryaan Lahidas	R 18 560.00
Audit On Human Resource At Department Of Human Settlements	160 HRS	Yollanda Matee, Nsimande Skhumbuzo	R 191 520.00
Panel Of Experts To Support Kzn Provincial Scm Unit Maphumulo Intervention	120 HRS	One Consultants	R 261 360.00
Roll-Out Of Contract Management To Municipalities	360HRS	Three Consultants	R 1 080 000.00
Appointment Of Resource For Post Implementation Support To 42 Municipalities	140HOURS	Yash Sookan, Sohail Hoorzook	R 448 000.00
Procurement Of Service Providers In Respect Of Bid No. 1176/2013 Panel Of Experts To Support Kzn Provincial Scm Unit Maphumulo Intervention	650 HRS	One Consultants	R 377 520.00
1x Legal Professional For 6 Months	850 HRS	One Consultants	R 987 360.00
Forensic Investigation Into Alleged Fraud And Mismanagement Of The National School Nutrition Programme Funds Umgungundlovu DISTRICT :KZN DEPT OF EDUCATION	650HRS	Three Consultants	R 569 200.00
SCM At Maphumulo Municipality	528 HRS	One Consultants	R 145 200.00
Resources To Provide SCM Expert At DEDTEA	960 HRS	One Consultants	R 739 200.00
Roll-Out Of Contract Management To Municipalities: Umlalazi	120 CONTRACTS	One Consultants	R 408 000.00
Roll-Out Of Contract Management To Municipalities	640HRS	One Consultant	R 950 000.00
Appointment Of Resource To Provide SCM Assistance For Dep Of Transport	1920hrs	Two Consultants	R 889 200.00
Post Implementation Support To:Mkhambathini&Umshwathi Municipality	280hrs	Two Consultants	R 196 000.00



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Appointment Of A Service Provider To Undertake Legal And Financial Reviews As Part Of The Roll-Out Of Contract Management To Umlalazi Municipality	120 HRS	Delvin Rajah	R 240 000.00
Inter-Governmental Debt Project	1280 HRS	Busisiwe Mlatha	R 656 640.00
Appointment Of Resources To Provide Mentorship And Training For Municipal Bid Appeals	2112hrs	Two Consultants	R 2 497 440.00
Appointment Of Service Provider To Perform SCM Duties At Department Of Arts And Culture	960 hrs	One Consultants: Senior Manager-Andile Zondo	R 897 600.00
Appointment Of Resources For The Post Implementation Support To 42 Municipalities: DR Nkosazana Dlamini-Zuma, Umzimkhulu, Endumeni, Nquthu, Zululand And Ulundi Municipalities	840hrs	Three Consultants	R 728 000.00
Service Provider To Perform SCM Duties At The Maphumulo Municipality	528HRS	One Consultants	R 261 360.00
Bid For SCM Support At Dept Of Transport	1520HRS	One Consulting	R 2 102 406.24
Provide Project Support Monitoring And Quality Assurance To Ensure That Contract Management Is Effectively Implement	640HRS	One Consultants	R 942 400.00
Roll-Out Of Contract Management To Municipalities: Uthungulu	120 CONTRACTS	One Consultants	R 408 000.00
Appointment Of Resource For Post Implementation Support To 42 Municipalities	140HOURS	Jane Koomgwar	R 196 000.00
To Undertake Legal And Financial Reviews As Part Of Roll Out Of Contract Management To Municipalities	120 HRS	Thomas Sarah	R 240 000.00
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities	280hrs	Five Consultants	R 786 000.00
Appointment Of A Service Provider To Undertake Legal And Financial Reviews As Part Of The Roll-Out Of Contract Management To: Kwasani, Greater Kokstad, Endumeni, Edumbe And Danhauser Municipalities	120 HRS	One Consultant: Khungeka Mdolomba	R 480 000.00
Resources For The Post Implementation Support To :Umfolozo, Uthungulu District ,Kwadukuza And Ilembe Municipality	160HRS	Vuyo Mkhize(Umfolozo&Uthungulu) Unathi Zingato(Kwadukuza &Ilembe)	R 476 000.00
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities	280hrs	Five Consultants	R 768 000.00



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Appointment Of Resources To Post Implementation Support To The 42 Municipalities	560 hrs.	Two Consultants: Asma Moola & Presheh Govender	R 490 000.00
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities- Ilembe District Municipalities	400HRS	One Consultant	R 360 000.00
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities	400HRS	One Consultant	R 1 080 000.00
Preparing Training Material For AD Hoc Appeals Tribunal Members	120 HRS	One Consultant	R 7 799.99
Roll Out Contract Management To Municipalities: Umngeni, Richmond, Impendle, Nongoma, Mthonjaneni, Ilembe And Emnambithi Municipalities	400HRS	7 Consultants	R 960 000.00
Appointment Of Resources To Implement Contract Management System 43 Municipalities	400HRS	5 Consultants	R 768 000.00
Appointment Of Resources To Post Implementation Support To Municipalities	280HRS	4 Consultants	R 462 000.00
Legal And Financial Reviews As Part Of The Roll-Out Of Contract Management At Phongolo, Mandeni, Maphumulo & Ndwedwe Municipalities	40 CONTRACTS	Mbali Ndlovu	R 480 000.00
Roll-Out Of Contract Management At (Umgungundlovu, Mkhambathini, Mtubatuba And Mbonambi)	240 CONTRACTS	Two Consultants	R 720 000.00
Roll-Out Of Contract Management At (Emadlangeni Local And Abaqulusi)	90HRS	One Consultant	R 768 000.00
Appointment Of Resource For Post Implementation Support To 42 Municipalities	140HOURS	Nokwethemba P Dlamini, Anoshe Maharaj	R 504 000.00
Roll-Out Of Contract Management To Municipalities: Nquthu	120 CONTRACTS	One Consultants	R 408 000.00
Roll-Out Of Contract Management To Municipalities: Umshwathi, Umvoti, Ubuhlebezwe And Umzumbi Municipality	240 CONTRACTS	Four Consultants	R 672 000.00
Appointment Of A Service Provider To Undertake Legal And Financial Reviews As Part Of The Roll-Out Of Contract Management To: Umshwathi, Umvoti, Ubuhlebezwe, Umzumbi Local And Nquthu Municipalities	60 CONTRACTS	One Consultant: Sd Moloi	R 720 000.00
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities	160HRS	Three Consultants	R 768 000.00



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Appointment Of Resource For Post Implementation Support To 42 Municipalities: Emandlangeni, Edumbe, Umlalazi And Mandeni	560hrs	TWO Consultants: Mark Tucker And Matt Harrison	R 490 000.00
Appointment Of Resource To Undertake Legal And Financial Reviews As Part Of Roll Out Contract Management To Okhahlamba, Ulundi And Nkandla Local Municipality.	40 CONTRACTS	One Consultants: Clem Swanepoel	R 480 000.00
Appointment Of Service Provider From ZNT1176/2012F Bid For Scm Support At Department Of Transport	1920 hrs	Three Consultants	R 1 301 364.96
Appointment Of Resources To Implement Contract Management System To The Remaining 43 Municipalities	120 hrs	One Consultants	R 360 000.00
Bid No 1176/2016- F Scm Experts To Assist The Dept Of Art & Culture	960 hrs	3 Assistant Manager Alaoddeen Muslim, Quotation Clerk Samantha Barnard And Nkanyiso Mkhize	R 1 392 000.00
Appointment Of Senior Consultant Financial And Legal Review As Part Of Roll Out Of Contract Management	160 HRS	Sandisha Singh	R 480 000.00
Appointment Of SADL Legal & Financial Review	160 HRS	Hiresh Girhanri	R 720 000.00
To Undertake Legal And Financial Reviews As Part Of Roll Out Of Contract Management To Municipalities	960 hrs	Mama Jackson	R 480 000.00
Appointment Of Ernest And Young At Ubuhlebezwe And Harry Gwala For Post Implementation Of Contract Management	560 hrs	Nishana Salikram	R 448 000.00
Appointment Of Genius Management At Maphumulo Local And Ndwedwe Local For Post Implementation Of Contract Management	560 hrs	Thokozane Vilakazi	R 420 000.00
Global Fund Set-Up And Planning Project	903 HOURS	Two Consultants	R 1 890 921.00
Provide An Analysis & Advise On Possible Options For St Marys Hospital	1440hrs	Four Consultants	R 5 691 792.00
HARDCAT Resource At Department Of Education	160hrs	One Consultants	R 400 000.00
Assistance With Vulindlela Housing Project: Human Settlements For The 2015/16 Financial Year	160hrs	One Consultant	R 2 000 000.00
Variation For Irregular Expenditure Project On Behalf Of KZN Treasury	317 HOURS		R 487 863.00
Assist Legislature For The Preparation Of The 2015/16 AFS	80 HOURS	P. Dhanjee	R 123 120.00
Appointment Of Resource Human Settlement Irregular Expenditure	80 HRS	Prakashni Dhanjee	R 153 900.00



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Assist Public Works With Commitments	660HRS	Shiraz Patel	R 338 580.00
Mscosa Project Advisor	2820 HOURS	One Consultant (Bronwyn Govender)	R 3 063 300.00
Inter-Governmental Debt Project	1280HRS	Busisiwe Mlatha	R 656 640.00
Inter-Governmental Debt Project	1280hrs	One Consultant	R 656 640.00
Assist The Dep Of Social Development With Financial Matters	1580HRS	S Ponnann	R 1 891 260.00
Assist Public Works With Commitments	660HRS	Sandhir Samah,Nonhlanhla Mdletshe	R 827 640.00
Kzn Dept Of Public Works -Immovable Ass	513HRS	Zwelethu Magwaza	R 492 480.00
Inter-Governmental Debt Project To Municipalities And Departments In KZN	1360HRS	Imraan Cassim,Salmaaan Merchant,Erwin Kikia	R 2 517 120.00
Assist Public Works With Commitments	1150HRS	Yesho Singh,Nkumbulo Mabaso,Gugu Mkhize	R 2 044 240.00
Kzn Dept Of Public Works -Immovable Ass	1150HRS	Melissa Rajah	R 1 610 000.00
Assist With Mfmsp:Big 5,Hlabisa,Inkosi Langalibalele Municipality	1800HRS	Dawood Asmal,Zaheer Khan,Nkosinathi Wela	R 1 168 956.00
Assist With Commitments At Department Of Public Works	660HRS	Nokuthula Ndlovu	R 338 580.00
Assist Public Works With Commitments	660HRS	Siphiwe Bhengu	R 489 060.00
Kzn Dept Of Public Works -Immovable Ass	960 HRS	Ummi Rawat	R 492 480.00
Mscosa Implementation	1540HRS	Khungeka Mdolo	R 1 053 360.00
Immovable Assets At Kzn Public Works	960HRS	B Patel	R 492 480.00
Assist Scm Doh	200HRS	Gavyn Wirth	R 132 354.00
Lack Of Capacity Within The Unit For Forensic Investigation	120 hrs.	Five Consultants	R 771 557.70
Forensic Investigation Into Alleged Procurement Irregularities In The Appointment Of Service Providers Within KZN Dep Of Sports And Recreation	60hrs	Four Consultants	R 790 681.20
Forensic Investigation At KZN Department Of Health	80hrs	Twelve Consultants	R 1 498 028.40
Forensic Investigation Into Alleged Irregularities Related To The Award Of Contract Plant Hire To Construct Roads At KZN Department Of Transport	80hrs	Eleven Consultants	R 3 598 068.00
Assistance Relating To Criminal Matters Emanating From A Forensic	160HRS	One Consultant	R 79 754.40



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Forensic Investigation Into Alleged Fraud, Corruption And Non-Compliance Of The ZNB2800 PLANT HIRE Contract At KZN Department Of Transport	60hrs	One Consultant	R 3 947 934.00
Forensic Investigation At Department Of Transport:FR25/2016	80hrs	One Consultant	R 1 550 000.00
Lack Of Capacity Within The Unit For Forensic Investigation	160HRS	One Consultant	R 2 058 321.30
Forensic Investigation Into Alleged Irregularities Within KZN Dept Of Economic Development, Tourism And Environmental Affairs	60hrs	Twenty Consultants	R 798 353.40
Forensic Investigation Into Alleged Irregularities Within KZN Dept Of Economic Development, Tourism And Environmental Affairs Into SCM Irregularities	80hrs	Three Consultants	R 2 196 694.50
Forensic Investigation Into Alleged Irregularities Within KZN Dept Of Economic Development, Tourism And Environmental Affairs	60hrs	Eighteen Consultants	R 350 128.20
Forensic Services Criminal Litigation Support	40hrs	Three Consultants	R 457 630.00
Forensic Services Criminal Litigation Support Scm Irregularities At Department Of Arts And Culture	20hrs	Six Consultants	R 1 121 931.00
Forensic Investigation Into Allegations Of Fraud And Misappropriation Of Foster Care Grants At Four Services Centre Of Social Development Service Offices	60hrs	Seven Consultants	R 3 483 406.80
Review Of Internal Audit Function For Municipalities	60hrs	Five Consultants	R 1 000 000.00
Forensic Investigation Into Alleged Fraud In Respect Of The Qualifications And Criminal Record Of The SCM Manager And Allegations Of Contraventions Of SCM Policies And Procedures Followed By SCM Manager	80hrs	Five Consultants	R 463 638.00
Lack Of Capacity For Forensic Investigation In Internal Audit.	60hrs	Three Consultants	R 980 970.00
Forensic Investigation Into Irregular Unauthorised And Wasteful Expenditure At Umzinyathi District Municipality	20hrs	Three Consultants	R 1 223 174.00
Forensic Investigation Alleged Fraudulent At Department Of Transport	60hrs	One Consultant	R 108 729.00
Forensic Investigation Into Alleged Irregularities Regarding SCM At The KZN Of The Premier	60hrs	Two Consultants	R 760 300.20
Forensic Investigation Into Allegations Of Procurement Irregularities At Newcastle Municipality	60hrs	Two Consultants	R 823 878.00
Lack Of Capacity Within The Unit For Forensic Investigation	60hrs	Five Consultants	R 771 557.70



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Lack Of Capacity Within (AIU) For Forensic Investigation	60hrs	Four Consultants	R 990 888.00
Lack Of Capacity Within (AIU) For Forensic Investigation In Supply Chain Management Ukhahlamba Service Centre	60hrs	P Gwamanda ,R Humpries, Fkloka, Pngobese	R 1 836 968.00
Project Establishment Of A Suitable Legislature Complex	60hrs	One Consultant	R 4 483 214.78
Palaces Upgrade Programme	150HOURS	Two Consultants	R 180 000.00
Appointment Of Resource For The Palace Upgrade Programme	150HRS	Two Consultants	R 180 000.00
Appointment Of Resource For The Palace Upgrade Programme	463hrs	Three Consultants	R 480 000.00
Asset Register For Big5 False Bay.	300hrs	Two Consultants	R 180 000.00
Technical Infrastructure Assistance And Capacity In Preparation Of The Infrastructure Plan For The Greater Kokstad Local Municipality	50hours	Vishnu Somaru	R 60 000.00
Infrastructure Support Team To Support KZN Treasury With Regards To The Bulwer Arts Centre.	50HRS	One Consultant	R 55 000.00
Construction Of New Rondavel	320 hrs	One Consultant	R 431 196.62
Technical Support At Umkhanyakude District Municipality	500hrs	Three Consultants	R 600 000.00
Appointment Of Resources For The Preparation Of The Asset Register For The Big 5 False Bay Local Municipality	150HRS	Warick Pearce	R 180 000.00
Technical Infrastructure Assistance And Capacity In Preparation Of The Infrastructure Plan For The Greater Kokstad Local Municipality	250hrs	TWO Consultants: Warick Pearce And Kurt Smith	R 300 000.00
Follow Up Review Of Business Continuity Management Practices/Plans And Assistance With The Development Of Business Continuity Management Practices At Dep Of Health, Community Safety & Liaison, Kzn Provincial Treasury, Office Of The Premier And Cogta	320hrs	Four Consultants	R 250 000.00
Provision Of IT General Controls Review To Municipalities	320hrs	One Consultant	R 200 000.00
REVIEW OF OCCUPATIONAL Health And Safety (OHS) PRACTICES 5PUBLIC ENTITIES AND 3MUNICIPALITIES	480hrs	Four Consultants	R 1 200 000.00
Follow Up Review Of Business Continuity Management Practices/Plans And Assistance With The Development Of Business Continuity Management Practices At Dep Of Sport & Recreation , Agriculture, Arts, Human Settlements And Economic Development	320hrs	Two Consultants	R 219 298.25



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Review Of Internal Audit Functions And Audit Committee Practices For Municipalities	400hrs	Ten Consultants	R 400 000.00
Follow Up Review Of Business Continuity Management Practices /Plans And Assistance	320hrs	Two Consultants	R 250 000.00
REVIEW OF OCCUPATIONAL Health And Safety (OHS)PRACTICES 1 PUBLIC ENTITIES AND 4MUNICIPALITIES	480hrs	Five Consultants	R 750 000.00
Review Of Internal Audit Functions And Audit Committee Practices For Municipalities	400hrs	Twelve Consultants	R 400 000.00
Provision Of IT General Controls Review To Municipalities	320hrs	Five Consultants	R 200 000.00
Review Of Internal Auditor Functions And Audit Committee Practices	400hrs	Five Consultants	R 300 000.00
Provision Of IT General Controls Review To Municipalities	160hrs	Five Consultants	R 200 000.00
Lack Of Capacity Within The Unit Provision Of The It General Inc	160hrs	Five Consultants	R 200 000.00
Review Of Internal Audit Functions And Audit Committee Practices For Municipalities	400hrs	Three Consultants	R 300 000.00
Review Of Occupational Health And Safety Ohs Practices	400hrs	Three Consultants	R 650 259.00
Repairs & Renovations To Gogo Hut	320hrs	One Consultants	R 210 032.46
Roof Waterproofing At Kwakhangela Royal Palace	640HRS	Two Consultants	R 2 093 205.32
			R 160 658 050.80

TABLE 14.2 – Analysis of consultants appointments using appropriated funds i.t.o HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	No. Of consultant from HDI groups that work on project
Municipal Financial Management Support At Maphumulo And KwaDukuza Municipality	35.82	61.54	1
Municipal Financial Management Support At Amajuba Municipality	0%	0%	1
Appointment Of Resource To Assist With Municipal Financial Management Support	0%	0%	1
Municipal Financial Management Support At Umkhanyakude District Municipality	25.66%	50%	1
Vat Review At The Maphumulo Municipality	25.66%	50%	1



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Vat Review At The Umzimkhulu Municipality	25.66%	50%	1
Municipal Support Program VAT Review Initiative @ Maphumulo Municipality	25.66%	50%	1
Municipal Support Programme Msp Secondment Of Resource	25.66%	50%	1
Municipal Financial Management - Umvoti Municipality	100%	100%	1
Municipal Financial Management Support :Umkhanyakude .Emnambithi&Emadlangeni	100%	100%	1
Municipal Financial Management Support-Umkhanyakude District Municipality	35.82%	61.54%	1
Municipal Financial Management Support -Hlabisa Local Municipality	35.82	61.54	1
Review Of Annual Financial Statements And Provide Technical Assistance At Amajuba & Umkhanyakude District Municipalities	35.82	61.54	1
Resources To Assist With Municipal Financial Management Support Programme:Big 5 Hlabisa,Inkosi Langalibalele Municipalities.	35.82	61.54	1
Municipal Financial Management Support At Ndwedwe Municipality	96%	82%	1
Municipal Financial Management Support At Nkandla,Edumbe And Newcastle Municipality	96%	82%	1
Municipal Financial Management Support At Big 5 Hlabisa And Inkosi Langalibalele Municipality	96%	82%	1
Municipal Financial Management Support Secondment Of Resources	100%	100%	1
Municipal Financial Management Support Vat Review Amajuba District Municipality	28.10%	43%	1
Secondment Of Resources Municipal Financial Management Support	100%	100%	1
Review Of Annual Financial Statements And Provide Technical Assistance Emnambithi,Ndwedwe And Makhambathini Local Municipality	100%	100%	1
Audit On In Year Monitoring At Kzn Provincial Treasury	100%	100%	1
Supply Chain Management & Transfer Payments At COGTA	100%	100%	1
Audit On Traditional Council At Cogta	28.10%	43%	1
Head Count Project At Department Of Education	28.10%	43%	1
It Inventory Audit For The Dept Of Transport	28.10%	43%	1
It Inventory Audit For The Dept Of Education	28.10%	43%	1



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PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

It Governance Audit For The Dep Of Education	28.10%	43%	1
It Inventory Audit For Kzn Trade & Investments	28.10%	43%	1
It Governance Audit For The Dept Of Transport	76%	76%	1
Review On Annual Financial Statements For Public Entities	76%	76%	1
Performance Audit On S & T Expenditure (PHASE II) : Departments Of Community Safety & Liaison And Office Of The Premier	25.66%	50%	1
Review On Annual Financial Statements For Public Entities	25.66%	50%	1
IT Governance Audit For The KZN Provincial Treasury	25.66%	50%	1
IT Inventory Audit For The KZN Provincial Treasury	25.66%	50%	1
It Inventory Audit For The Dep Of Agriculture	25.66%	50%	1
It Inventory Audit For The Dep Of COGTA	25.66%	50%	1
Review Of Interim Financial Statements For Provincial Dept: Project Manager X1 & Junior Internal Auditors X5	25.66%	50%	1
Audit Of Learner Enrolment Verification At The Department Of Education	25.66%	50%	1
Audit Of Fleet Management, Scm & Department Of Education	25.66%	50%	1
Audit On Scm At Trade And Investment	49%	94.30%	1
Performance IT Governance Review At Department Of Agriculture And Rural Development	49%	94.30%	1
IT Strategy Follow Up Review @Kzn Dept Of Corp Governance & Traditional Affairs	49%	94.30%	1
It Governance Audit For Department Of Social Development	49%	94.30%	1
It Governance At Department Of Sports And Recreation	35.82%	61.54%	1
IT Audit Of E-Procurement Application	35.82%	61.54%	1
Audit On Financial Management Art kzn Tourism Authority.	100%	100%	1
Performance Audit On S&T Expenditure Phase 2 At Department Of Public Works,Agriculture,Treasury,Cogta And Office Of The Premier	100%	100%	1
Performance Audit On S & T Expenditure (PHASE II) : Departments Of Community Safety & Liaison, Transport, Economic Development, Health & Education	100%	100%	1



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Audit On S&T Expenditure (Phase II) At Department Of Agriculture, Education And KZN Film Commission.	100%	100%	1
Scm Audit Amafa Kwa -Zulu Natal	90%	90%	1
It Inventory Audit For The Dept Of Arts And Culture	90%	90%	1
It Governance Audit Department Of Economic Development	90%	90%	1
It Governance Audit For The Dept Of Art And Culture	90%	90%	1
It Governance Audit For The Dept Of Community Safety And Liaison	90%	90%	1
It Inventory Audit For The Dep Of Economic Development, Tourism & Environmental Affairs	90%	90%	1
It Inventory Audit For The Dep Of Community Safety & Liaison	90%	90%	1
It Inventory Audit For Kzn Tourism Authority	90%	90%	1
It Inventory Audit For Kzn Film Commission	90%	90%	1
It Inventory Audit For Kzn Liquor Authority	90%	90%	1
It Inventory At Kzn Gambling & Betting Entity	90%	90%	1
Audit On Performance Information At Various Departments/Entities	90%	90%	1
Audit On Transferring Of Title Deeds At Department Of Human Settlements.	96%	82%	1
It Inventory Audit Department Of Health	96%	82%	1
It Inventory Audit Department Of Health	96%	82%	1
It Inventory Audit For Richards Bay Industrial Development Zone	96%	82%	1
It Inventory Audit For The Department Of Human Settlements	96%	82%	1
It Governance Audit For The Department Of Human Settlement	96%	82%	1
Audit On Supply Chain Management At Department Of Social Development	100%	100%	1
It Inventory Audit Department Of Public Works	100%	100%	1
It Inventory Audit Department Of Public Works	100%	100%	1
It Inventory Audit Department Of Public Works	100%	100%	1
It Inventory Audit Department Of Department Of Social Development	100%	100%	1
It Governance Audit For The Department Of The Office Of The Premier	100%	100%	1



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

It Inventory Audit For The Department Of The Office Of The Premier	100%	100%	1
It Inventory Audit For Department Of Sport And Recreation	100%	100%	1
It Inventory Audit For Department For Kzn Sharks Board	100%	100%	1
Audit On Supply Chain Management Department Of Community Safety And Liaison Project No :08-2015 Dcsl.	35.82%	61.54%	1
Review Of Interim Financial Statement For Provincial Department : Project Manager & Junior Internal Auditor	35.82%	61.54%	1
It Audit Follow-Up On E-Procurement Project At Kzn Provincial Treasury	100%	100%	1
Review Of Interim Financial Statement For Dep Of Social Development	100%	100%	1
Review Of Interim Financial Statement For Dep Of Education And Human Settlements	100%	100%	1
Audit On Performance Information At Various Departments/Entities: RHT, COGTA & EDUCATION	100%	100%	1
Audit On Asset Management Follow Up At Richards Bay Industrial Zone	100%	100%	1
Audits Human Resource Management Incl Follow Up Office The Premier	100%	100%	1
Audit On Performance Information At Various Departments/Entities: SOC DEV, DSR, AMAFA & RBIDZ	100%	100%	1
Audit On Performance DEPT OF Community Safety And LIASON PROJECT	100%	100%	1
Scrn Audit At Economic Development, Tourism & Environmental Affairs	100%	100%	1
Audit On Transfer Payments At The Kzn Dept Of Agriculture And Rural Development	100%	100%	1
Audit On Transfer Payments At The Kzn Dept Of Economic Development, Tourism And Environmental Affairs	100%	100%	1
Interim Financial Statement review Film Commission And Liquor Authority Project.	92%	92%	1
Audit On Supply Chain Management At Department Of Health	92%	92%	1
Audit On Supply Chain Management At Department Of Arts And Culture	92%	92%	1
Audit On Asset Management At Department Of Health And Department Of Arts And Culture	100%	100%	1



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Audit On Auditor-General Follow Up At The Department Of Transport	100%	100%	1
Audit On Road Safety At The Dept Of Transport	100%	100%	1
Audit On Road Infrastructure Maintenance At Department Of Transport	100%	100%	1
Audit On Human Resource At Department Of Human Settlements	100%	100%	1
Panel Of Experts To Support Kzn Provincial Scm Unit Maphumulo Intervention	100%	100%	1
Roll-Out Of Contract Management To Municipalities	100%	100%	1
Appointment Of Resource For Post Implementation Support To 42 Municipalities	25.66%	50%	
Procurement Of Service Providers In Respect Of Bid No. 1176/2013 Panel Of Experts To Support Kzn Provincial Scm Unit Maphumulo Intervention	100%	100%	1
1x Legal Professional For 6 Months	100%	100%	1
Forensic Investigation Into Alleged Fraud And Mismanagement Of The National School Nutrition Programme Funds Umgungundlovu DISTRICT :KZN DEPT OF EDUCATION	90%	90%	1
SCM At Maphumulo Municipality	47.71%	80%	1
Resources To Provide SCM Expert At DEDTEA	47.71%	80%	1
Roll-Out Of Contract Management To Municipalities: Umlalazi	47.71%	80%	1
Roll-Out Of Contract Management To Municipalities	47.71%	80%	1
Appointment Of Resource To Provide SCM Assistance For Dep Of Transport	47.71%	80%	1
Post Implementation Support To:Mkhambathini&Umshwathi Municipality	47.71%	80%	1
Appointment Of A Service Provider To Undertake Legal And Financial Reviews As Part Of The Roll-Out Of Contract Management To Umlalazi Municipality	47.71%	80%	1
Inter-Governmental Debt Project	100%	100%	1
Appointment Of Resources To Provide Mentorship And Training For Municipal Bid Appeals	100%	100%	1
Appointment Of Service Provider To Perform SCM Duties At Department Of Arts And Culture	100%	100%	1



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Appointment Of Resources For The Post Implementation Support To 42 Municipalities: DR Nkosazana Dlamini-Zuma, Umzimkhulu, Endumeni, Nguthu, Zululand And Ulundi Municipalities	96%	82%	1
Service Provider To Perform SCM Duties At The Maphumulo Municipality	96%	82%	1
Bid For SCM Support At Dept Of Transport	28.10%	43%	1
Provide Project Support Monitoring And Quality Assurance To Ensure That Contract Management Is Effectively Implement	28.10%	43%	1
Roll-Out Of Contract Management To Municipalities: Uthungulu	28.10%	43%	1
Appointment Of Resource For Post Implementation Support To 42 Municipalities	28.10%	43%	1
To Undertake Legal And Financial Reviews As Part Of Roll Out Of Contract Management To Municipalities	35.82%	61.54%	1
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities	35.82%	61.54%	1
Appointment Of A Service Provider To Undertake Legal And Financial Reviews As Part Of The Roll-Out Of Contract Management To: Kwasani, Greater Kokstad, Endumeni, Edumbe And Danhauser Municipalities	35.82%	61.54%	1
Resources For The Post Implementation Support To :Umfolozi, Uthungulu District ,Kwadukuza And Ilembe Municipality	25.66%	50%	1
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities	25.66%	50%	1
Appointment Of Resources To Post Implementation Support To The 42 Municipalities	100%	100%	1
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities- Ilembe District Municipalities	100%	100%	1
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities	100%	100%	1
Preparing Training Material For AD Hoc Bid Appeals Tribunal Members	100%	100%	1



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Roll Out Contract Management To Municipalities: Umngeni, Richmond, Impendle, Nongoma, Mthonjaneni, Ilembe And Ennambithi Municipalities	25.20%	20%	1
Appointment Of Resources To Implement Contract Management System 43 Municipalities	25.20%	20%	1
Appointment Of Resources To Post Implementation Support To Municipalities	25.20%	20%	1
Legal And Financial Reviews As Part Of The Roll-Out Of Contract Management At Phongolo, Mandeni, Maphumulo & Ndwedwe Municipalities	49%	94.30%	1
Roll-Out Of Contract Management At (Umgungundlovu, Mkhambathini, Mtubatuba And Mbonambi)	100%	100%	1
Roll-Out Of Contract Management At (Emadlangeni Local And Abaqulusi)	100%	100%	1
Appointment Of Resource For Post Implementation Support To 42 Municipalities	100%	100%	
Roll-Out Of Contract Management To Municipalities: Nquthu	100%	100%	1
Roll-Out Of Contract Management To Municipalities: Umshwathi, Umvoti, Ubuhlebezwe And Umzumbe Municipality	0%	50%	1
Appointment Of A Service Provider To Undertake Legal And Financial Reviews As Part Of The Roll-Out Of Contract Management To: Umshwathi, Umvoti, Ubuhlebezwe, Umzumbe Local And Nquthu Municipalities	0%	50%	1
Appointment Of Resources To Implement Contract Management System To The 43 Municipalities	0%	50%	1
Appointment Of Resource For Post Implementation Support To 42 Municipalities: Emadlangeni, Edumbe, Umlalazi And Mandeni	35.82%	61.54%	1
Appointment Of Resource To Undertake Legal And Financial Reviews As Part Of Roll Out Contract Management To Okhahlamba, Ulundi And Nkandla Local Municipality.	100%	100%	1
Appointment Of Service Provider From ZNT1176/2012F Bid Fr Scm Support At Department Of Transport	47.71%	80%	1
Appointment Of Resources To Implement Contract Management System To The Remaining 43 Municipalities	25.66%	50%	



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Bid No 1176/2016- F Scm Experts To Assist The Dept Of Art & Culture	100%	100%	1
Appointment Of Senior Consultant Financial And Legal Review As Part Of Roll Out Of Contract Management	49%	94.30%	1
Appointment Of SADL Legal & Financial Review	49%	94.30%	1
To Undertake Legal And Financial Reviews As Part Of Roll Out Of Contract Management To Municipalities	100%	100%	1
Appointment Of Ernest And Young At Ubuhlebezwe And Harry Gwala For Post Implementation Of Contract Management	100%	100%	1
Appointment Of Genius Management At Maphumulo Local And Ndwedwe Local For Post Implementation Of Contract Management	100%	100%	1
Global Fund Set-Up And Planning Project	100%	100%	1
Provide An Analysis & Advise On Possible Options For St Marys Hospital	100%	100%	1
HARDCAT Resource At Department Of Education	100%	100%	1
Assistance With Vulindlela Housing Project: Human Settlements For The 2015/16 Financial Year	100%	100%	1
Variation For Irregular Expenditure Project On Behalf Of KZN Treasury	100%	100%	1
Assist Legislature For The Preparation Of The 2015/16 AFS	100%	100%	1
Appointment Of Resource Human Settlement Irregular Expenditure	25.66%	50%	
Assist Public Works With Commitments	47.71%	80%	1
Msoa Project Advisor	25.66%	50%	
Inter-Governmental Debt Project	96%	82%	1
Inter-Governmental Debt Project	96%	82%	1
Assist The Dep Of Social Development With Financial Matters	96%	82%	1
Assist Public Works With Commitments	35.82	61.54	1
Kzn Dept Of Public Works -Immovable Ass	35.82	61.54	1
Inter-Governmental Debt Project To Municipalities And Departments In KZN	35.82	61.54	1
Assist Public Works With Commitments	35.82	61.54	1
Kzn Dept Of Public Works -Immovable Ass	35.82	61.54	1



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Assist With Mfmsp:Big 5,Hlabisa,Inkosi Langelibalele Municipality	100%	100%	1
Assist With Commitments At Department Of Public Works	35.82%	61.54%	1
Assist Public Works With Commitments	35.82%	61.54%	1
Kzn Dept Of Public Works -Immovable Ass	100%	1%	
Msoa Implementation	100%	100%	1
Immovable Assets At Kzn Public Works	28.10%	43%	1
Lack Of Capacity Within The Unit For Forensic Investigation	35.82%	61.54%	1
Forensic Investigation Into Alleged Procurement Irregularities In The Appointment Of Service Providers Within KZN Dep Of Sports And Recreation	35.82%	61.54%	1
Forensic Investigation At KZN Department Of Health	35.82%	61.54%	1
Forensic Investigation Into Alleged Irregularities Related To The Award Of Contract Plant Hire To Construct Roads At KZN Department Of Transport	100%	100%	1
Assistance Relating To Criminal Matters Emanating From A Forensic	100%	100%	1
Forensic Investigation Into Alleged Fraud, Corruption And Non-Compliance Of The ZNB2800 PLANT HIRE Contract At KZN Department Of Transport	25.66%	50%	1
Forensic Investigation At Department Of Transport:FR25/2016	25.66%	50%	1
Lack Of Capacity Within The Unit For Forensic Investigation	25.66%	50%	1
Forensic Investigation Into Alleged Irregularities Within KZN Dept Of Economic Development, Tourism And Environmental Affairs	25.66%	50%	1
Forensic Investigation Into Alleged Irregularities Within KZN Dept Of Economic Development, Tourism And Environmental Affairs Into SCM Irregularities	25.66%	50%	1
Forensic Investigation Into Alleged Irregularities Within KZN Dept Of Economic Development, Tourism And Environmental Affairs	25.66%	50%	1
Forensic Services Criminal Litigation Support	49%	94.30%	1
Forensic Services Criminal Litigation Support Scm Irregularities At Department Of Arts And Culture	49%	94.30%	1
Forensic Investigation Into Allegations Of Fraud And Misappropriation Of Foster Care Grants At Four Services Centre Of Social Development Service Offices	100%	100%	1



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Review Of Internal Audit Function For Municipalities	100%	100%	1
Forensic Investigation Into Alleged Fraud In Respect Of The Qualifications And Criminal Record Of The SCM Manager And Allegations Of Contraventions Of SCM Policies And Procedures Followed By SCM Manager	96%	82%	1
Lack Of Capacity For Forensic Investigation In Internal Audit.	25.66%	50%	
Forensic Investigation Into Irregular Unauthorised And Wasteful Expenditure At Umzinyathi District Municipality	100%	100%	1
Forensic Investigation Alleged Fraudulent At Department Of Transport	100%	100%	1
Forensic Investigation Into Alleged Irregularities Regarding SCM At The KZN Of The Premier	28.10%	43%	1
Forensic Investigation Into Allegations Of Procurement Irregularities At Newcastle Municipality	25.66%	50%	1
Lack Of Capacity Within The Unit For Forensic Investigation	25.66%	50%	1
Lack Of Capacity Within (AIU) For Forensic Investigation	28.10%	43%	1
Lack Of Capacity Within (AIU) For Forensic Investigation In Supply Chain Management Ukhahlamba Service Centre	100%	100%	1
Project Establishment Of A Suitable Legislature Complex	50.26%	50%	1
Palaces Upgrade Programme	58.80%	66.70%	1
Appointment Of Resource For The Palace Upgrade Programme	58.80%	66.70%	1
Appointment Of Resource For The Palace Upgrade Programme	58.80%	66.70%	1
Asset Register For Big5 False Bay.	76%	28%	1
Infrastructure Support Team To Support KZN Treasury With Regards To The Bulwer Arts Centre.	100%	100%	1
Construction Of New Rondavel	22.18%	31.82%	1
Technical Support At Umkhanyakude District Municipality	22.18%	31.82%	1
Appointment Of Resources For The Preparation Of The Asset Register For The Big 5 False Bay Local Municipality	25.66%	50%	1
Technical Infrastructure Assistance And Capacity In Preparation Of The Infrastructure Plan For The Greater Kokstad Local Municipality	25.66%	50%	1
Follow Up Review Of Business Continuity Management Practices/Plans And Assistance With The Development Of Business Continuity Management Practices At Dep Of Health, Community Safety & Liaison, Kzn Provincial Treasury, Office Of The Premier And Cogta	100%	100%	1



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART D: HUMAN RESOURCE MANAGEMENT INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Provision Of IT General Controls Review To Municipalities	100%	100%	1
Review Of Occupational Health And Safety (Ohs) Practices 5 public Entities And 3 municipalities	28.10%	43%	1
Follow Up Review Of Business Continuity Management Practices/Plans And Assistance With The Development Of Business Continuity Management Practices At Dep Of Sport & Recreation , Agriculture, Arts, Human Settlements And Economic Development	28.10%	43%	1
Review Of Internal Audit Functions And Audit Committee Practices For Municipalities	49%	94.30%	1
Follow Up Review Of Business Continuity Management Practices /Plans And Assistance	49%	94.30%	1
Review Of Occupational Health And Safety (Ohs) Practices 1 Public Entities And 4 municipalities	35.82%	61.54%	1
Review Of Internal Audit Functions And Audit Committee Practices For Municipalities	35.82%	61.54%	1
Provision Of IT General Controls Review To Municipalities	100%	100%	1
Review Of Internal Auditor Functions And Audit Committee Practices	100%	100%	1
Provision Of IT General Controls Review To Municipalities	96%	82%	1
Lack Of Capacity Within The Unit Provision Of The It General Inc	50%	50%	1
Review Of Internal Audit Functions And Audit Committee Practices For Municipalities	100%	100%	1
Review Of Occupational Health And Safety Ohs practices	100%	100%	1
Repairs & Renovations To Gogo Hut	100%	100%	1
Roof Waterproofing At Kwakhangela Royal Palace	100%	100%	1



Report of the Auditor-General to the KwaZulu-Natal Provincial Legislature on vote no. 6: Provincial Treasury

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Provincial Treasury set out on pages 158 to 236, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, and cash flow for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Treasury as at 31 March 2017, and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for opinion

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

4. I am independent of the Provincial Treasury in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART E: FINANCIAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

Emphasis of matter

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

Material underspending of the budget

7. As disclosed in the appropriation statement, Provincial Treasury materially underspent its total budget on all programmes by R 32, 04 million. This was mainly due to delays in filling budgeted vacant positions, delays in the initiation of forensic audit projects and the discontinuation of planned supply chain management projects.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 221 to 236 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 accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the PFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, the accounting officer is responsible for assessing the Provincial Treasury'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 there is an intention to liquidate or cease operations, or there is no realistic alternative but to do so.



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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Provincial Treasury. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes



KWAZULU-NATAL PROVINCIAL TREASURY: VOTE 6
PART E: FINANCIAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2017

presented in the annual performance report of the Provincial Treasury for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 3 – Financial Management	56 – 76
Programme 4 – Internal Audit	77 – 85

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

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the programmes tabulated in paragraph 16 of my report.

Other matter

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

Achievement of planned targets

20. The annual performance report on pages 26 to 87 includes information on the achievement of planned targets for the year and explanations are also provided for the under/overachievement of a number of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for the financial management and internal audit programmes. As management subsequently corrected the misstatements, I did not report any material findings on the usefulness and reliability of the reported performance information.



Report on audit of compliance with legislation

Introduction and scope

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

23. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report and other information as required by the PFMA. The other information does not include the financial statements, the auditor's report thereon and the selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

25. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

26. 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. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.



Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Other reports

28. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the Provincial Treasury'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 audit on the reported performance information or compliance with legislation.

29. There were four investigations conducted during the 2016-17. Three investigations have been completed and one regarding the alleged fraudulent practices by a service provider in January 2017 is still in progress. Field work for this investigation has been completed and the report was handed over to the chief forensic director for further analysis.

Auditor-General

Pietermaritzburg

31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per programme									
Voted funds and direct charges	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. ADMINISTRATION	149 552	-	(4 429)	145 123	135 831	9 292	93.6%	128 089	112 194
2. FISCAL RESOURCE MANAGEMENT	95 056	-	3 729	98 785	97 059	1 726	98.3%	103 567	84 294
3. FINANCIAL MANAGEMENT	236 789	-	245	237 034	230 362	6 672	97.2%	292 078	276 560
4. INTERNAL AUDIT	146 983	-	(201)	146 782	132 745	14 037	90.4%	151 758	134 604
5. GROWTH AND DEVELOPMENT	22 926	-	656	23 582	23 270	312	98.7%	42 377	33 395
Subtotal	651 306	-	-	651 306	619 267	32 039	95.1%	717 869	641 047
Statutory Appropriation									
President and Deputy President salary	-	-	-	-	-	-	-	-	-
Members' remuneration	-	-	-	-	-	-	-	-	-
TOTAL	651 306	-	-	651 306	619 267	32 039	95.1%	717 869	641 047

**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

	2016/17		2015/16	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	113 413		130 702	
NRF Receipts	-		-	
Aid assistance	60 874		41 668	
Actual amounts per statement of financial performance	825 593		890 239	
ADD				
Aid assistance		45 684		7 074
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance		664 951		648 121



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Appropriation per economic classification									
	2016/17						2015/16		
	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	615 925	-	(21)	615 904	586 317	29 587	95.2%	646 108	573 093
Compensation of employees	274 430	-	(8 493)	265 937	254 326	11 611	95.6%	251 793	231 285
Salaries and wages	242 699	-	(5 762)	236 937	228 884	8 053	96.6%	222 785	208 142
Social contributions	31 731	-	(2 731)	29 000	25 442	3 558	87.7%	29 008	23 143
Goods and services	340 895	-	8 452	349 347	331 397	17 950	94.9%	393 965	341 808
Administrative fees	9 978	-	433	10 411	10 175	236	97.7%	9 757	9 328
Advertising	2 901	-	427	3 328	3 186	142	95.7%	1 962	1 787
Minor assets	7 683	-	27	7 710	7 511	199	97.4%	9 935	9 430
Audit costs: External	6 991	-	(661)	6 330	4 448	1 882	70.3%	6 632	3 813
Bursaries: Employees	328	-	254	582	582	-	100%	320	320
Catering: Departmental activities	1 456	-	470	1 926	1 690	236	87.7%	1 623	455
Communication	3 404	6	(372)	3 038	2 808	230	92.4%	3 533	3 086
Computer services	115 568	152	(183)	115 537	115 405	132	99.9%	111 623	110 604
Consultants: Business and advisory services	129 663	(163)	5 347	134 847	124 868	9 979	92.6%	165 658	132 598
Legal services	1 857	-	2 367	4 224	4 175	49	98.9%	2 533	2 305
Contractors	10 128	-	235	10 363	10 123	240	97.7%	23 384	20 421
Agency and support / outsourced services	200	-	(109)	91	81	10	89.0%	958	182
Entertainment	13	-	(8)	5	-	5	-	14	-
Fleet services	2 039	-	(399)	1 640	1 632	8	99.5%	1 526	1 416
Inventory: Other supplies	-	-	198	198	-	198	-	-	-



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Consumable supplies	580	-	69	649	531	118	81.8%	993	443
Consumable: Stationery, printing and office supplies	2 368	5	19	2 392	1 841	551	77.0%	3 006	2 445
Operating leases	15 107	-	(1 163)	13 944	14 170	(226)	101.6%	18 091	17 366
Property payments	7 723	-	1 194	8 917	8 873	44	99.5%	8 188	7 815
Transport provided: Departmental activity	532	-	(417)	115	115	-	100.0%	376	26
Travel and subsistence	15 034	-	748	15 782	13 713	2 069	86.9%	17 276	13 545
Training and development	2 629	-	(275)	2 354	2 033	321	86.4%	2 834	2 071
Operating payments	3 179	-	215	3 394	2 580	814	76.0%	2 705	2 108
Venues and facilities	1 534	-	36	1 570	857	713	54.6%	1 038	244
Interest and rent on land	600	-	20	620	594	26	95.8%	350	-
Interest(Incl. interest on unitary payments (PPP))	600	-	20	620	594	26	95.8%	350	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	30 369	-	-	30 369	28 189	2 180	92.8%	56 144	53 573
Provinces and municipalities	24	-	-	24	24	-	100.0%	10 732	10 501
Provinces	24	-	-	24	24	-	100.0%	452	350
Provincial Revenue Funds	24	-	-	24	24	-	100.0%	452	350
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	21 137	-	-	21 137	20 112	1 025	95.2%	32 534	32 534
Social security funds	-	-	-	-	-	-	-	-	-



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Departmental agencies and accounts	21 137	-	21 137	20 112	1 025	95.2%	32 534	32 534
Public corporations and private enterprises	-	-	8	7	1	87.5%	4	4
Public corporations	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-
Private enterprises	-	-	8	7	1	87.5%	4	4
Subsidies on products and production	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	8	7	1	87.5%	4	4
Non-profit institutions	3 741	-	117	3 857	1	100.0%	4 383	4 140
Households	5 467	-	(125)	4 189	1 153	78.4%	8 491	6 394
Social benefits	1 209	-	203	856	556	60.6%	2 738	2 297
Other transfers to households	4 258	-	(328)	3 333	597	84.8%	5 753	4 097
Payments for capital assets	5 012	-	5 012	4 740	272	94.6%	15 273	14 037
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	5 012	-	5 012	4 740	272	94.6%	15 273	14 037
Transport equipment	1 675	-	(296)	1 379	-	100.0%	1 394	1 393
Other machinery and equipment	3 337	-	296	3 361	272	92.5%	13 879	12 644
Payments for financial assets	-	-	21	21	-	100.0%	344	344
	651 306	-	-	619 267	32 039	95.1%	717 869	641 047



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 1: ADMINISTRATION									
2016/17							2015/16		
	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
Sub programme									
1. OFFICE OF THE MEC	26 045	-	(735)	25 310	25 213	97	99.6%	26 768	25 214
2. HEAD OF DEPARTMENT	8 989	-	90	9 079	8 221	858	90.5%	8 486	6 987
3. CHIEF FINANCIAL OFFICE	30 560	-	(4 540)	26 020	21 830	4 190	83.9%	28 687	19 117
4. CORPORATE SERVICES	83 958	-	756	84 714	80 567	4 147	95.1%	64 148	60 876
	149 552	-	(4 429)	145 123	135 831	9 292	93.6%	128 089	112 194
Economic classification									
Current payments	138 923	-	(4 175)	134 748	126 160	8 588	93.6%	115 761	101 996
Compensation of employees	78 694	-	(6 891)	71 803	67 170	4 633	93.5%	66 716	59 586
Salaries and wages	68 640	-	(5 860)	62 780	59 506	3 274	94.8%	57 727	52 713
Social contributions	10 054	-	(1 031)	9 023	7 664	1 359	84.9%	8 989	6 873
Goods and services	60 229	-	2 716	62 945	58 990	3 955	93.7%	49 045	42 410
Administrative fees	425	-	102	527	427	100	81.0%	420	215
Advertising	1 402	-	(669)	733	661	72	90.2%	775	713
Minor assets	220	-	105	325	326	(1)	100.3%	167	79
Audit costs: External	6 991	-	(661)	6 330	4 448	1 882	70.3%	6 632	3 813
Bursaries: Employees	328	-	254	582	582	-	100.0%	320	320
Catering: Departmental activities	303	-	(35)	268	70	198	26.1%	230	155
Communication	1 691	-	(231)	1 460	1 392	68	95.3%	1 834	1 759
Computer services	15 175	-	1 053	16 228	16 228	-	100.0%	62	54



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Consultants: Business and advisory services	204	-	(30)	174	123	51	70.7%	188	63
Legal services	1 717	-	1 482	3 199	3 150	49	98.5%	2 353	2 305
Contractors	707	-	165	872	798	74	91.5%	1 292	1 241
Agency and support / outsourced services	33	-	(16)	17	7	10	41.2%	252	166
Entertainment	8	-	(8)	-	-	-		10	-
Fleet services	2 039	-	(399)	1 640	1 632	8	99.5%	1 526	1 416
Consumable supplies	305	-	71	376	364	12	96.8%	746	332
Consumable: Stationery, printing and office supplies	1 334	-	1	1 335	936	399	70.1%	1 116	687
Operating leases	15 058	-	(921)	14 137	14 151	(14)	100.1%	17 498	17 322
Property payments	7 659	-	1 194	8 853	8 852	1	100.0%	8 188	7 815
Transport provided: Departmental activity	32	-	12	44	44	-	100.0%	26	26
Travel and subsistence	2 981	-	1 209	4 190	3 459	731	82.6%	4 006	2 928
Training and development	644	-	47	691	641	50	92.8%	844	606
Operating payments	756	-	91	847	683	164	80.6%	502	368
Venues and facilities	217	-	(100)	117	16	101	13.7%	58	27
Transfers and subsidies	7 945	-	(273)	7 672	7 053	619	91.9%	9 868	8 007
Provinces and municipalities	24	-	-	24	24	-	100.0%	166	64
Provinces	24	-	-	24	24	-	100.0%	166	64
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	24	-	-	24	24	-	100.0%	166	64
Departmental agencies and accounts								2	2
Social security funds								-	-
Departmental agencies								2	2



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Public corporations and private enterprises	-	7	7	7	7	100.0%	-	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-
Private enterprises	-	7	7	7	7	100.0%	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	7	7	7	7	100.0%	-	-
Non-profit institutions	3 393	34	3 427	3 426	1	100.0%	3 383	3 280
Households	4 528	(314)	4 214	3 596	618	85.3%	6 317	4 661
Social benefits	270	14	284	263	21	92.6%	564	564
Other transfers to households	4 258	(328)	3 930	3 333	597	84.8%	5 753	4 097
Payments for capital assets	2 684	(1)	2 683	2 598	85	96.8%	2 382	2 113
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	2 684	(1)	2 683	2 598	85	96.8%	2 382	2 113
Transport equipment	1 675	(296)	1 379	1 379	-	100.0%	1 394	1 393
Other machinery and equipment	1 009	295	1 304	1 219	85	93.5%	988	720
Payments for financial assets	-	20	20	20	-	100.0%	78	78
	149 552	(4 429)	145 123	135 831	9 292	93.6%	128 089	112 194



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 2: FISCAL RESOURCE MANAGEMENT									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2015/16	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PROGRAMME SUPPORT	3 165	-	4 733	7 898	7 824	74	99.1%	3 262	2 721
2. ECONOMIC ANALYSIS	24 520	-	(876)	23 644	22 244	1 400	94.1%	26 451	21 848
3. PUBLIC FINANCE	14 190	-	(160)	14 030	13 798	232	98.3%	14 188	13 688
4. MUNICIPAL FINANCE	53 181	-	32	53 213	53 193	20	100.0%	59 666	46 037
	95 056	-	3 729	98 785	97 059	1 726	98.3%	103 567	84 294
Economic classification									
Current payments	94 672	-	3 636	98 308	96 584	1 724	98.2%	102 958	83 789
Compensation of employees	59 397	-	1 430	60 827	60 714	113	99.8%	58 963	53 409
Salaries and wages	53 872	-	1 791	55 663	55 578	85	99.8%	53 684	48 632
Social contributions	5 525	-	(361)	5 164	5 136	28	99.5%	5 279	4 777
Goods and services	35 275	-	1 612	36 887	35 276	1 611	95.6%	43 995	30 380
Administrative fees	107	-	11	118	95	23	80.5%	113	85
Advertising	109	-	-	109	39	70	35.8%	194	194
Minor assets	104	-	(5)	99	99	-	100.0%	105	65
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	208	-	(85)	123	110	13	89.4%	116	83
Communication	316	-	6	322	304	18	94.4%	367	319
Computer services	120	-	-	120	98	22	81.7%	120	-



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Consultants: Business and advisory services	29 063	-	2 056	31 119	30 731	388	98.8%	37 123	24 986
Legal services	-	-	-	-	-	-	-	-	-
Contractors	30	-	7	37	29	8	78.4%	55	52
Consumable supplies	46	-	(14)	32	18	14	56.3%	41	15
Consumable: Stationery, printing and office supplies	325	-	19	344	332	12	96.5%	465	465
Operating leases	-	-	(112)	(112)	10	(122)	(8.9%)	135	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided:	-	-	-	-	-	-	-	-	-
Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 363	-	(190)	2 173	2 120	53	97.6%	2 770	2 334
Training and development	335	-	(31)	304	205	99	67.4%	281	248
Operating payments	1 411	-	88	1 499	1 086	413	72.4%	1 466	1 378
Venues and facilities	738	-	(138)	600	-	600	-	644	156
Interest and rent on land	-	-	594	594	594	-	100.0%	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	594	594	594	-	100.0%	-	-
Transfers and subsidies	-	-	1	1	-	1	-	78	78
Public corporations and private enterprises	-	-	1	1	-	1	-	-	-
Private enterprises	-	-	1	1	-	1	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	1	1	-	1	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	78	78
Social benefits	-	-	-	-	-	-	-	78	78
Payments for capital assets	384	-	92	476	475	1	99.8%	529	425
Machinery and equipment	384	-	92	476	475	1	99.8%	529	425



APPROPRIATION STATEMENT
for the year ended 31 March 2017

[illegible]

Programme 3: FINANCIAL MANAGEMENT									
	2016/17					2015/16			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. CASH MANAGEMENT AND LIABILITIES	17 548	-	(759)	16 789	14 101	2 688	84.0%	15 935	13 931
2. PUBLIC, PRIVATE PARTNERSHIPS	5 288	-	256	5 544	5 493	51	99.1%	5 911	4 916
3. SUPPLY CHAIN MANAGEMENT	39 272	-	528	39 800	39 769	31	99.9%	58 199	52 062
4. FINANCIAL REPORTING	33 947	-	1 729	35 676	35 087	589	98.3%	46 364	42 496
5. NORMS AND STANDARDS	5 168	-	(18)	5 150	4 927	223	95.7%	5 668	4 572
6. SUPPORT AND INTERLINKED FINANCIAL SYSTEMS	112 414	-	(2 516)	109 898	107 833	2 065	98.1%	122 450	122 056
7. GAMING AND BETTING	23 152	-	1 025	24 177	23 152	1 025	95.8%	37 551	36 527
	236 789	-	245	237 034	230 362	6 672	97.2%	292 078	276 560
Economic classification									
Current payments	214 105	-	(1)	214 104	209 051	5 053	97.6%	246 587	231 755

KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Compensation of employees	65 217	-	(2 172)	63 045	58 898	4 147	93.4%	65 469	58 849
Salaries and wages	56 605	-	(988)	55 617	52 780	2 837	94.9%	57 277	53 086
Social contributions	8 612	-	(1 184)	7 428	6 118	1 310	82.4%	8 192	5 763
Goods and services	148 288	-	2 745	151 033	150 153	880	99.4%	180 768	172 906
Administrative fees	9 106	-	352	9 458	9 436	22	99.8%	8 914	8 867
Advertising	433	-	712	1 145	1 145	-	100.0%	131	83
Minor assets	7 139	-	(65)	7 074	7 009	65	99.1%	9 473	9 272
Audit costs: External		-							
Bursaries: Employees		-							
Catering: Departmental activities	104	-	191	295	281	14	95.3%	136	101
Communication	728	-	42	770	739	31	96.0%	672	619
Computer services	99 681	-	(1 357)	98 324	98 324	-	100.0%	110 777	110 057
Consultants: Business and advisory services	24 502	-	2 255	26 757	26 748	9	100.0%	41 752	37 267
Legal services	140	-	885	1 025	1 025	-	100.0%	180	-
Contractors	111	-	17	128	50	78	39.1%	127	48
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	5	-	-	5	-	5	-	4	-
Inventory: Other supplies	-	-	198	198	-	198	-	-	-
Consumable supplies	177	-	16	193	131	62	67.9%	161	89
Consumable: Stationery, printing and office supplies	425	-	(9)	416	308	108	74.0%	797	693
Operating leases	-	-	(130)	(130)	9	(139)	(6.9%)	285	44
Property payments	64	-	-	64	21	43	32.8%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	4 552	-	(254)	4 298	4 231	67	98.4%	6 383	5 255
Training and development	560	-	(106)	454	371	83	81.7%	658	401
Operating payments	442	-	36	478	256	222	53.6%	161	110
Venues and facilities	119	-	(38)	81	69	12	85.2%	157	-



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Interest and rent on land	600	-	(574)	26	-	26	-	350	-
Interest(Incl. interest on unitary payments (PPP))	600	-	(574)	26	-	26	-	350	-
Transfers and subsidies	21 975	-	188	22 163	20 604	1 559	93.0%	33 948	33 507
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	21 137	-	-	21 137	20 112	1 025	95.2%	32 532	32 532
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	21 137	-	-	21 137	20 112	1 025	95.2%	32 532	32 532
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	838	-	188	1 026	492	534	48.0%	1 416	975
Social benefits	838	-	188	1 026	492	534	48.0%	1 416	975
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	709	-	58	767	707	60	92.2%	11 482	11 237
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	709	-	58	767	707	60	92.2%	11 482	11 237
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	709	-	58	767	707	60	92.2%	11 482	11 237
Payments for financial assets	-	-	-	-	-	-	-	61	61
	236 789	-	245	237 034	230 362	6 672	97.2%	292 078	276 560



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Programme 4: INTERNAL AUDIT								2015/16	
	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
Sub programme									
1. ASSURANCE SERVICES	75 775	-	2 359	78 134	78 037	97	99.9%	81 028	78 647
2. RISK MANAGEMENT	27 497	-	1	27 498	24 441	3 057	88.9%	70 730	55 957
3. FORENSIC SERVICES	43 711	-	(2 561)	41 150	30 267	10 883	73.6%	-	-
	146 983	-	(201)	146 782	132 745	14 037	90.4%	151 758	134 604
Economic classification									
Current payments	145 647	-	(54)	145 593	131 683	13 910	90.4%	149 991	133 455
Compensation of employees	71 122	-	(860)	70 262	67 544	2 718	96.1%	60 645	59 441
Salaries and wages	63 582	-	(705)	62 877	61 020	1 857	97.0%	54 097	53 711
Social contributions	7 540	-	(155)	7 385	6 524	861	88.3%	6 548	5 730
Goods and services	74 525	-	806	75 331	64 139	11 192	85.1%	89 346	74 014
Administrative fees	340	-	(32)	308	217	91	70.5%	310	161
Advertising	-	-	-	-	-	-	-	9	9
Minor assets	220	-	(8)	212	77	135	36.3%	190	14
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	69	-	6	75	64	11	85.3%	67	67
Communication	669	6	(189)	486	373	113	76.7%	660	389
Computer services	592	152	121	865	755	110	87.3%	664	493



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Consultants: Business and advisory services	65 494	(163)	1 057	66 388	57 089	9 299	86.0%	81 055	68 318
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	8	8	8	-	100.0%	-	-
Consumable supplies	52	-	(4)	48	18	30	37.5%	45	7
Consumable: Stationery, printing and office supplies	284	5	8	297	265	32	89.2%	628	600
Operating leases	49	-	-	49	-	49	-	173	-
Travel and subsistence	5 138	-	(17)	5 121	3 903	1 218	76.2%	4 117	3 028
Training and development	1 090	-	(186)	904	815	89	90.2%	1 051	816
Operating payments	528	-	42	570	555	15	97.4%	376	111
Venues and facilities	-	-	-	-	-	-	-	1	1
Transfers and subsidies	101	-	1	102	101	1	99.0%	684	684
Public corporations and private enterprises	-	-	-	-	-	-	-	4	4
Private enterprises	-	-	-	-	-	-	-	4	4
Other transfers to private enterprises	-	-	-	-	-	-	-	4	4
Households	101	-	1	102	101	1	99.0%	680	680
Social benefits	101	-	1	102	101	1	99.0%	680	680
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 235	-	(149)	1 086	960	126	88.4%	880	262
Machinery and equipment	1 235	-	(149)	1 086	960	126	88.4%	880	262
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 235	-	(149)	1 086	960	126	88.4%	880	262
Payments for financial assets	-	-	1	1	1	-	100.0%	203	203
	146 983	-	(201)	146 782	132 745	14 037	90.4%	151 758	134 604



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Programme 5: GROWTH AND DEVELOPMENT										
	2016/17						2015/16			
	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	
Sub programme										
1. BUDGET COMMUNICATION	3 256	-	656	3 912	3 911	1	100.0%	4 097	1 406	
2. SPECIAL PROJECTS	19 670	-	-	19 670	19 359	311	98.4%	38 280	31 989	
	22 926	-	656	23 582	23 270	312	98.7%	42 377	33 395	
Economic classification										
Current payments	22 578		573	23 151	22 839	312	98.7%	30 811	22 098	
Compensation of employees	-	-	-	-	-	-	-	-	-	
Salaries and wages	-	-	-	-	-	-	-	-	-	
Social contributions	-	-	-	-	-	-	-	-	-	
Goods and services	22 578	-	573	23 151	22 839	312	98.7%	30 811	22 098	
Administrative fees	-	-	-	-	-	-	-	-	-	
Advertising	957	-	384	1 341	1 341	-	100.0%	853	788	
Minor assets	-	-	-	-	-	-	-	-	-	
Audit costs: External	-	-	-	-	-	-	-	-	-	
Bursaries: Employees	-	-	-	-	-	-	-	-	-	
Catering: Departmental activities	772	-	393	1 165	1 165	-	100.0%	1 074	49	
Consultants: Business and advisory services	10 400	-	9	10 409	10 177	232	97.8%	5 540	1 964	
Legal services	-	-	-	-	-	-	-	-	-	
Contractors	9 280	-	38	9 318	9 238	80	99.1%	21 910	19 080	



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2017

Agency and support / outsourced services	167	-	(93)	74	74	-	100.0%	706	16
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	500	-	(429)	71	71	-	100.0%	350	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	1	1	1	-	100.0%	-	-
Operating payments	42	-	(42)	-	-	-	-	200	141
Venues and facilities	460	-	312	772	772	-	100.0%	178	60
Transfers and subsidies	348	-	83	431	431	-	100.0%	11 566	11 297
Provinces and municipalities	-	-	-	-	-	-	-	10 566	10 437
Provinces	-	-	-	-	-	-	-	286	286
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	286	286
Municipalities	-	-	-	-	-	-	-	10 280	10 151
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Non-profit institutions	348	-	83	431	431	-	100.0%	10 280	10 151
Payments for capital assets	-	-	-	-	-	-	-	1 000	860
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
	22 926	-	656	23 582	23 270	312	98.7%	42 377	33 395



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

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

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
ADMINISTRATION	145 123	135 831	9 292	6.4%
The under-spending was mainly due to delays in the filling of vacant funded posts as a result of the moratorium on the filling of post. The savings were realised from the Audit Fees, external bursaries: Thuthuka Bursary Fund and on various operational items in line with the cost-cutting measures including machinery and equipment.				
FISCAL RESOURCE MANAGEMENT	98 785	97 059	1 726	1.7%
This underspending of 1.7% was mainly due to slow spending on the Infrastructure Crack team due to change of project managers, hence the slower than anticipated implementation of projects.				
FINANCIAL MANAGEMENT	237 034	230 362	6 672	2.8%
The under-spending resulted from delays in the filling of vacant funded posts.				
INTERNAL AUDIT	146 782	132 745	14 037	9.6%
There was a slow spending on Forensics and Criminal Investigation projects due to investigations taking longer than expected. In addition to this, there was a slow receipt of invoices from the service providers and some invoices were sent back and forth as they had queries. In addition to the above was the non-filling of vacant funded posts.				
GROWTH AND DEVELOPMENT	23 582	23 270	312	1.3%
This underspending of 1.3% was mainly due to Inkosi Albert Luthuli Hospital Exit Strategy where the full allocation was not utilised by the Department of Health.				



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current expenditure				
Compensation of employees	265 937	254 326	11 611	4.4%
Goods and services	349 347	331 397	17 950	5.1%
Interest and rent on land	620	594	26	4.2%
Transfers and subsidies				
Provinces and municipalities	24	24	-	0.0%
Departmental agencies and accounts	21 137	20 112	1 025	4.8%
Higher education institutions	-	-	-	0.0%
Public corporations and private enterprises	8	7	1	12.5%
Non-profit institutions	3 858	3 857	1	0.0%
Households	5 342	4 189	1 153	21.6%
Payments for capital assets				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	5 012	4 740	272	5.4%
Heritage assets	-	-	-	-
Payments for financial assets	21	21	-	0.0%

Compensation of employees

This underspending of 4.4% was mainly due to delays in the filling of vacant funded posts as a result of the moratorium on the filling of posts, and further approval to be obtained from OTP and Security Clearance process which must be completed before appointment.

Goods and Services

This underspending of 5% was mainly due to a slow spending on Forensics and Criminal Investigation projects due to investigations taking longer than expected. In addition to this, there was a slow receipt of invoices from the service providers and some invoices were sent back and forth as they had queries. Further to this was savings from the Audit Fees that were lower than budgeted.

Interest on Rent on Land

There was no Interest on the bank overdraft paid during the financial year.

Transfers and Subsidies

The savings of 5.4% on Departmental Agencies relates to budget for legal fees that were incorrectly classified post adjustment estimates and 22% on households relates to the Thuthuka Bursary Fund due to the number of intake being lower than anticipated as a result of percentage of students that qualified and unutilised pension provision.

Expenditure for Capital Assets

The underspending of 5.4% was due to adherence to the cost-cutting measures.



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

	<i>Note</i>	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	<u>1</u>	651 306	717 869
Statutory appropriation		-	-
Departmental revenue	2	113 413	130 702
NRF Receipts		-	-
Aid assistance	3	60 874	41 668
TOTAL REVENUE		825 593	890 239
EXPENDITURE			
Current expenditure			
Compensation of employees	4	254 326	231 285
Goods and services	5	331 397	341 808
Interest and rent on land	6	594	-
Aid assistance	3	4 906	-
Total current expenditure		591 223	573 093
Transfers and subsidies			
Transfers and subsidies	8	28 189	53 573
Aid assistance	3	6 487	-
Total transfers and subsidies		34 676	53 573
Expenditure for capital assets			
Tangible assets	9	39 031	21 111
Intangible assets	9	-	-
Total expenditure for capital assets		39 031	21 111
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	7	21	344
TOTAL EXPENDITURE		664 951	648 121
SURPLUS/(DEFICIT) FOR THE YEAR		160 642	242 118



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		32 039	76 822
Annual appropriation		32 039	76 822
Conditional grants		-	-
Departmental revenue and NRF Receipts	2	113 413	130 702
Aid assistance	3	15 190	34 594
SURPLUS/(DEFICIT) FOR THE YEAR		160 642	242 118



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2017**

	<i>Note</i>	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		54 780	105 093
Unauthorised expenditure		-	-
Cash and cash equivalents	10	42 354	103 760
Other financial assets		-	-
Prepayments and advances	11	8	55
Receivables	12	12 418	1 278
Loans		-	-
Aid assistance prepayments	3	-	-
Aid assistance receivable	3	-	-
Non-current assets		64	40
Investments		-	-
Receivables	12	64	40
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		54 844	105 133
LIABILITIES			
Current liabilities		53 913	104 293
Voted funds to be surrendered to the Revenue Fund	13	32 039	47 075
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	6 660	20 927
Bank overdraft		-	-
Payables	15	24	1 697
Aid assistance repayable	3.2	3 883	34 594
Aid assistance unutilised	3.2	11 307	-
Non-current liabilities			
Payables	22	-	-
TOTAL LIABILITIES		53 913	104 293
NET ASSETS		931	840



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2017**

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		931	840
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		931	840



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2017**

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		<u>-</u>	<u>-</u>
Recoverable revenue			
Opening balance		840	992
Transfers:		91	(152)
Irrecoverable amounts written off	7	21	344
Debts revised		-	-
Debts recovered (included in departmental receipts)		(147)	(1 005)
Debts raised		217	509
Closing balance		<u>931</u>	<u>840</u>
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		<u>-</u>	<u>-</u>
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		<u>-</u>	<u>-</u>
TOTAL		<u>931</u>	<u>840</u>



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

CASH FLOW STATEMENT
for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		825 474	859 449
Annual appropriated funds received	1	651 306	687 869
Statutory appropriated funds received		-	-
Departmental revenue received	2	3 947	4 373
Interest received	<u>2.3</u>	109 347	125 539
NRF Receipts		-	-
Aid assistance received		60 874	41 668
Net (increase)/decrease in working capital		(12 790)	5 328
Surrendered to Revenue Fund		(174 755)	(148 049)
Surrendered to RDP Fund/Donor		(34 594)	-
Current payments		(590 629)	(573 093)
Interest paid	6	(594)	-
Payments for financial assets	7	(21)	(344)
Transfers and subsidies paid		(34 676)	(53 573)
Net cash flow available from operating activities	16	(22 585)	89 718
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(39 031)	(21 111)
Proceeds from sale of capital assets	<u>2.4</u>	119	790
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(38 912)	(20 321)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		91	(152)
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		91	(152)
Net increase/(decrease) in cash and cash equivalents		(61 406)	69 245
Cash and cash equivalents at beginning of period		103 760	34 515
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	10	42 354	103 760



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2017**

Summary of significant accounting policies	
<p>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.</p> <p>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.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	Basis of preparation <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	Going concern <p>The financial statements have been prepared on a going concern basis.</p>
3	Presentation currency <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	Rounding <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	Foreign currency translation <p>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.</p>
6	Comparative information
6.1	Prior period comparative information <p>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 and is consistent with the format of the current year's financial statements.</p>
6.2	Current year comparison with budget



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2017**

	A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	<p>Appropriated funds</p> <p>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.</p> <p>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.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p>



**KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6**

**ACCOUNTING POLICIES
for the year ended 31 March 2017**

	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 when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.
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 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: <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid



KWAZULU NATAL PROVINCIAL TREASURY
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2017

	Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	<p>Cash and cash equivalents</p> <p>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.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>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 debt management policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>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.</p>
14.2	<p>Impairment of financial assets</p> <p>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.</p>
15	Payables



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	Loans and payables are recognised in the statement of financial position at cost.
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>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.</p> <p>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. All assets acquired prior to 1 April 2004, in which the KZN Treasury letter dated 6 September 2005 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>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.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2004, in which the KZN Treasury letter dated 6 September 2005 (or a later date as approved by the OAG) are recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.3	<p>Intangible assets</p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.</p>



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	<p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>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.</p>
17.2	<p>Contingent liabilities</p> <p>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.</p>
17.3	<p>Contingent assets</p> <p>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.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by the Provincial Legislature with funding and the related funds are received; or • approved by the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery.



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	<p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>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.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>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.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>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.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date</p> <p>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</p>



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	classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	<p>Principal-Agent arrangements</p> <p>In terms of KwaZulu- Natal Gaming and Betting Act, every bookmaker must within the prescribed period pay to the board all monies due for betting taxes.</p> <p>The board must also pay within 15 days to the Provincial Revenue Fund the collected taxes in accordance with the KZN Gaming and Betting Tax Act.</p> <ol style="list-style-type: none"> a) The functions of the Department of Provincial Treasury (The Department) includes collecting and optimising Provincial own revenue. b) The Department has the power to direct the activities of the board in terms of the law. <ul style="list-style-type: none"> • The Board accounts and reports to the MEC for Finance. • The MEC for Finance has the final deciding powers over the activities of the entity. This includes: <ol style="list-style-type: none"> (i) Appointment of the board members (ii) Collecting the revenue, paying it over to the revenue fund to supplement the National Equitable Share of the KwaZulu Natal Province and, (iii) Attending to all legal matters that affect the Board's operations. c) The Department has the power to use the majority of the activity related resources (collected revenue) in pursuit of its functions which are: <ul style="list-style-type: none"> • Collecting own revenue. • Promoting effective and optimal financial resource allocation to the Provincial Departments and Public Entities. This function resides within Programme 2 and it is included as part of their Annual Performance Plan targets. • The collection of revenue specifically related to the Gaming and Betting is also included in Programme 3, sub-programme : Gaming and Betting d) The Department incurs sacrifice and economic benefits to ensure the proper/efficient functioning of Gaming and Betting industry within the province of KwaZulu Natal i.e. <ul style="list-style-type: none"> • It has appointed legal experts who are amending KwaZulu Natal Gaming and Betting Act. • Where there are dispute between the role players the department is expected to mediate or in case of litigations the department is expected to defend the decisions of the entity. e) The Department budgets for the collection of this revenue in its books over the Medium Term Expenditure Framework period. <p>Since this is a taxation collection function, the entity has no control or power over the usage of the collected taxes in terms of the law, hence it is a function of Treasury and only Treasury can redistribute taxes for service delivery purposes.</p>
24	<p>Departures from the MCS requirements</p> <p>The financial statements present fairly the department's primary and secondary information. The department complied with the Standard and have not departed from any particular requirement to achieve fair presentation.</p>
25	Capitalisation reserve



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	<p>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 Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>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 MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Inventories</p> <p>The department has no inventory</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>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.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>



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1. Annual Appropriation

	2016/17			2015/16	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received
Programmes	R'000	R'000	R'000	R'000	R'000
Administration	145 123	145 123	-	128 089	122 736
Fiscal Resource Management	98 785	98 785	-	103 567	99 239
Financial Management	237 034	237 034	-	292 078	279 872
Internal Audit	146 782	146 782	-	151 758	145 416
Growth And Development	23 582	23 582	-	42 377	40 606
Total	651 306	651 306	-	717 869	687 869

2. Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	352	346
Fines, penalties and forfeits	2.2	1	-
Interest, dividends and rent on land	2.3	109 347	125 539
Sales of capital assets	2.4	119	790
Transactions in financial assets and liabilities	2.5	3 594	4 027
Transfer received		-	-
Total revenue collected		113 413	130 702
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		113 413	130 702

2.1 Sales of goods and services other than capital assets

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the department	2	352	341
Sales by market establishment		106	102
Administrative fees		41	90
Other sales		205	149
Sales of scrap, waste and other used current goods		-	5
Total		352	346



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2.2 Fines, penalties and forfeits

	Note <u>2</u>	2016/17 R'000	2015/16 R'000
Fines		1	-
Penalties		-	-
Forfeits		-	-
Total		1	-

2.3 Interest, dividends and rent on land

	Note <u>2</u>	2016/17 R'000	2015/16 R'000
Interest		109 347	125 539
Dividends		-	-
Rent on land		-	-
Total		109 347	125 539

2.4 Sale of capital assets

	Note <u>2</u>	2016/17 R'000	2015/16 R'000
Tangible assets		119	790
Buildings and other fixed structures		-	-
Machinery and equipment	26	119	790
Specialised military assets		-	-
Land and subsoil assets		-	-
Total		119	790

2.5 Transactions in financial assets and liabilities

	Note <u>2</u>	2016/17 R'000	2015/16 R'000
Loans and advances		-	-
Receivables		3 594	4 027
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		-	-
Gains on GFECRA		-	-
Total		3 594	4 027



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2.6 Cash received not recognised (not included in the main note) – 2016/17

	Amount received	Amount paid to Revenue Fund	Balance
	R'000	R'000	R'000
Gaming and Betting	286 578	286 578	-
Total	286 578	286 578	-

Cash received not recognised (not included in the main note) – 2015/16

	Amount received	Amount paid to Revenue Fund	Balance
	R'000	R'000	R'000
Gaming and Betting	565 890	565 890	-
Total	565 890	565 890	-

3. Aid assistance

	Note	2016/17 R'000	2015/16 R'000
Opening Balance		34 594	-
Prior period error		-	34 594
As restated		34 594	34 594
Transferred from statement of financial performance		15 190	-
Transfers to or from retained funds		-	-
Paid during the year		(34 594)	-
Closing Balance		15 190	34 594

3.1 Analysis of balance by source

	Note	2016/17 R'000	2015/16 R'000
Aid assistance from RDP	3	-	-
Aid assistance from other sources		15 190	34 594
CARA		-	-
Closing balance		15 190	34 594



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3.2 Analysis of balance

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Aid assistance receivable	3	-	-
Aid assistance prepayments	3	-	-
Aid assistance unutilised	3	11 307	-
Aid assistance repayable	3	3 883	34 594
Closing balance		15 190	34 594
Aid assistance not requested/not received			

3.3 Prior period error

Nature of prior year error	<i>Note</i>	2015/16 R'000
Relating to 2014/15 (affecting the opening balance)		34 594
Aid Assistance closing balance as at 31/03/2016 as per EU bank statement		
Total prior period error		34 594

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Basic salary		178 924	159 906
Performance award		3 098	2 899
Service Based		149	53
Compensative/circumstantial		2 482	2 653
Periodic payments		40	1 082
Other non-pensionable allowances		44 190	41 549
Total		228 883	208 142



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4.2 Social contributions

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Employer contributions			
Pension		19 607	17 670
Medical		5 805	5 444
Bargaining council		31	29
Total		25 443	23 143
Total compensation of employees		254 326	231 285
Average number of employees		485	461

5. Goods and services

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Administrative fees		10 172	9 328
Advertising		3 186	1 785
Minor assets	<u>5.1</u>	7 511	9 431
Bursaries (employees)		582	320
Catering		1 689	456
Communication		2 809	3 087
Computer services	<u>5.2</u>	115 405	110 604
Consultants: Business and advisory services		124 869	132 597
Infrastructure and planning services		-	-
Laboratory services		-	-
Legal services		4 174	2 305
Contractors		10 123	20 421
Agency and support / outsourced services		82	182
Entertainment		-	-
Audit cost – external	<u>5.3</u>	4 448	3 813
Fleet services		1 632	1 416
Inventory		-	-
Consumables	<u>5.4</u>	2 371	2 886
Housing		-	-
Operating leases		14 170	17 366
Property payments	<u>5.5</u>	8 873	7 815
Rental and hiring		-	-
Transport provided as part of the departmental activities		115	26
Travel and subsistence	<u>5.6</u>	13 714	13 546
Venues and facilities		857	243
Training and development		2 032	2 071
Other operating expenditure	<u>5.7</u>	2 583	2 110
Total		331 397	341 808



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5.1 Minor assets

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Tangible assets		7 511	9 431
Buildings and other fixed structures		-	-
Machinery and equipment		7 511	9 431
Intangible assets		-	-
Software		-	-
Total		7 511	9 431

5.2 Computer services

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
SITA computer services		83 580	62 160
External computer service providers		31 825	48 444
Total		115 405	110 604

5.3 Audit cost – External

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Regularity audits		4 285	3 126
Performance audits		-	-
Environmental audits		-	-
Computer audits		163	687
Total		4 448	3 813

5.4 Consumables

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Consumable supplies		532	440
Uniform and clothing		17	9
Household supplies		223	175
Building material and supplies		-	83
Communication accessories		7	1
IT consumables		42	16
Other consumables		243	156
Stationery, printing and office supplies		1 839	2 446
Total		2 371	2 886



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The decrease in expenditure is mainly due to adherence to the cost cutting measure circular.

5.5 Property payments

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Municipal services		4 317	3 798
Property management fees		-	-
Property maintenance and repairs		4 556	4 017
Other		-	-
Total		8 873	7 815

5.6 Travel and subsistence

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Local		13 207	13 013
Foreign		507	533
Total		13 714	13 546

5.7 Other operating expenditure

	Note <u>5</u>	2016/17 R'000	2015/16 R'000
Professional bodies, membership and subscription fees		575	383
Resettlement costs		115	55
Other		1 893	1 672
Total		2 583	2 110

6. Interest and rent on land

	Note	2016/17 R'000	2015/16 R'000
Interest paid		594	-
Rent on land		-	-
Total		594	-



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7. Payments for financial assets

	Note	2016/17 R'000	2015/16 R'000
Debts written off	7.1	21	344
Debt take overs		-	-
Total		21	344

This expenditure relates to the high number of bad debts written off during the current financial year.

7.1 Debts written off

	Note	2016/17 R'000	2015/16 R'000
	7		
Nature of debts written off			
Other debt written off			
Learnership		-	76
Bursary		-	99
Salary overpayment, S&T, unpaid leave& pension (5+1+1+1)		8	96
Telephone		4	6
Loss of asset		-	9
Sub vehicle		-	16
Duplicate payment		-	2
Dishoured cheque		-	2
Tax debts		9	38
Total debt written off		21	344

8. Transfers and subsidies

		2016/17 R'000	2015/16 R'000
	Note		
Provinces and municipalities		707	11 470
Departmental agencies and accounts	Annex 1B	20 112	32 555
Public corporations and private enterprises	Annex 1C	7	4
Non-profit institutions	Annex 1D	3 150	3 150
Households	Annex 1E	4 189	6 394
Total		28 165	53 573
<u>Unspent funds transferred to the above beneficiaries</u>			
Provinces and municipalities		-	-
Departmental agencies and accounts		-	-
Total		-	-



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9. Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets		39 031	21 111
Buildings and other fixed structures	27	34 291	7 074
Heritage assets		-	-
Machinery and equipment	26	4 740	14 037
Specialised military assets		-	-
Total		39 031	21 111

The expenditure reflected under Buildings & Other Fix structure relates to the construction of the Technology Science Parks

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	4 740	34 291	39 031
Buildings and other fixed structures	-	34 291	34 291
Heritage assets	-	-	-
Machinery and equipment	4 740	-	4 740
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Total	4 740	34 291	39 031

9.2 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	14 037	7 074	21 111
Buildings and other fixed structures	-	7 074	7 074
Heritage assets	-	-	-
Machinery and equipment	14 037	-	14 037
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Total	14 037	7 074	21 111



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10. Cash and cash equivalents

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		25 664	69 162
Cash receipts		-	-
Disbursements		-	-
Cash on hand		4	4
Investments (Domestic)		16 686	34 594
Investments (Foreign)		-	-
Total		42 354	103 760

11. Prepayments and advances

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Staff advances		-	-
Travel and subsistence		8	55
Prepayments (Not expensed)		-	-
Advances paid (Not expensed)		-	-
SOCPEN advances		-	-
Total		8	55

12. Receivables

		2016/17			2015/16		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	<i>Note</i>						
Claims recoverable	<u>12.1</u>	11 288	-	11 288	169	-	169
Trade receivables	<u>12.2</u>	-	-	-	-	-	-
Recoverable expenditure	<u>12.3</u>	13	-	13	3	-	3
Staff debt	<u>12.4</u>	63	37	100	47	18	65
Fruitless and wasteful expenditure	<u>12.6</u>	-	-	-	-	-	-
Other debtors	<u>12.5</u>	1 054	27	1 081	1 059	22	1 081
Total		12 418	64	12 482	1 278	40	1 318



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12.1 Claims recoverable

	<i>Note</i> 12 and Annex 3	2016/17 R'000	2015/16 R'000
National departments		4	11
Provincial departments		10 932	58
Foreign governments		-	-
Public entities		-	-
Private enterprises		352	-
Local governments		-	100
Total		11 288	169

12.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i> 12	2016/17 R'000	2015/16 R'000
Pension recoverable acc		-	1
Sal tax debt		13	2
Disallowance damages and losses		183	510
Disallowance damages and losses		(183)	(510)
Total		13	3

12.3 Staff debt

	<i>Note</i> 12	2016/17 R'000	2015/16 R'000
Bursary debts		9	19
Other		78	-
Cell phones		11	29
Overpaid Salary		2	17
Total		100	65

12.4 Other debtors

	<i>Note</i> 12	2016/17 R'000	2015/16 R'000
Bursary debts		932	886
Tax		-	2
Overpaid salary		98	132
Private telephone		-	2
Other		51	59
Total		1 081	1 081



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13. Voted funds to be surrendered to the Revenue Fund

	Note	2016/17 R'000	2015/16 R'000
Opening balance		47 075	34 510
Prior period error		-	-
As restated		47 075	34 510
Transfer from statement of financial performance (as restated)		32 039	76 822
Add: Unauthorised expenditure for current year	<u>11</u>	-	-
Voted funds not requested/not received	<u>1.1</u>	-	(30 000)
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)		-	-
Paid during the year		(47 075)	(34 257)
Closing balance		32 039	47 075

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2016/17 R'000	2015/16 R'000
Opening balance		20 927	4 017
Prior period error	14.1	-	-
As restated		20 927	4 017
Transfer from Statement of Financial Performance (as restated)		113 413	130 702
Own revenue included in appropriation		-	-
Transfer from aid assistance	4	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)		-	-
Paid during the year		(127 680)	(113 792)
Closing balance		6 660	20 927

15. Payables – current

	Note	2016/17 R'000	2015/16 R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	<u>15.1</u>	24	83
Other payables	<u>15.2</u>	-	1 614
Total		24	1 697



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15.1 Clearing accounts

	<i>Note</i> 15	2016/17 R'000	2015/16 R'000
Sal income tax		15	-
Sal:Housing		9	83
Total		24	83

15.2 Other payables

	<i>Note</i> 15	2016/17 R'000	2015/16 R'000
Payables:Adv:P/Dept:KZN Adv acc: cl		-	13
Payables:Adv:Pub corp & priv ent Adv acc: cl		-	1 601
		-	-
Total		-	1 614

16. Net cash flow available from operating activities

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Net surplus/(deficit) as per Statement of Financial Performance		160 642	242 118
Add back non cash/cash movements not deemed operating activities		(183 227)	(152 400)
(Increase)/decrease in receivables – current		(11 164)	3 681
(Increase)/decrease in prepayments and advances		47	(48)
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(1 673)	1 695
Proceeds from sale of capital assets		(119)	(790)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		39 031	21 111
Surrenders to Revenue Fund		(174 755)	(148 049)
Surrenders to RDP Fund/Donor		(34 594)	-
Voted funds not requested/not received		-	(30 000)
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		(22 585)	89 718



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17. Reconciliation of cash and cash equivalents for cash flow purposes

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General account		25 664	69 162
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		4	4
Cash with commercial banks (Local)		16 686	34 594
Cash with commercial banks (Foreign)		-	-
Total		42 354	103 760

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		<i>Note</i>	2016/17 R'000	2015/16 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees		-	-
Housing loan guarantees	Employees	<i>Annex 3A</i>	90	90
Other guarantees			-	1 601
Claims against the department		<i>Annex 3B</i>	400	2 546
Intergovernmental payables (unconfirmed balances)		<i>Annex 5</i>	25	60
Environmental rehabilitation liability			-	-
Other			-	-
Total			515	4 297

19. Commitments

	<i>Note</i>	2016/17 R'000	2015/16 R'000
Current expenditure			
Approved and contracted		62 847	99 299
Approved but not yet contracted		-	-
		62 847	99 299
Capital expenditure			
Approved and contracted		74	445
Approved but not yet contracted		-	-
		74	445
Total Commitments		62 921	99 744

Included in the commitments balance is an amount of R10 850 million for commitments longer than one year. Excluded in commitments balance is an amount of R5 199million relates to donor fund commitment for the KZN Techno Hubs Projects.



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20. Accruals and payables not recognised

20.1 Accruals

			2016/17 R'000	2015/16 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	12 478	725	13 203	14 673
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	5
Capital assets	-	-	-	355
Other	-	-	-	-
Total	12 478	725	13 203	15 033

	Note	2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		1 381	1 447
Fiscal Resource Management		896	831
Financial Management		7 761	7 429
Internal Audit		2 520	4 783
Growth and Development		645	543
Total		13 203	15 033

Excluded in the accruals balance is an amount of R1 294million which relates to donor fund for the KZN Techno Hubs Projects.

20.2 Payables not recognised

			2016/17 R'000	2015/16 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	4 731	2 528	7 259	6 762
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	10	-	10	13
Other	-	-	-	-
Total	4 741	2 528	7 269	6 775



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	Note	2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		284	3
Fiscal Resource Management		55	441
Financial Management		5 995	5 141
Internal Audit		935	985
Growth and Development		-	205
Total		7 269	6 775

	Note	2016/17 R'000	2015/16 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	38	650
Confirmed balances with other government entities	Annex 5	-	-
Total		38	650

21. Employee benefits

	Note	2016/17 R'000	2015/16 R'000
Leave entitlement		10 452	8 117
Service bonus (Thirteenth cheque)		5 740	5 265
Performance awards		3 545	3 109
Capped leave commitments		4 856	5 239
Other		175	331
Total		24 768	22 061

The leave entitlement as disclosed above is the net of negative balance. The negative balance amounts to R178k.

22. Lease commitments

22.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2016/17					
Not later than 1 year	-	-	15 457	-	15 457
Later than 1 year and not later than 5 years	-	-	17 824	-	17 824
Later than five years	-	-	-	-	-
Total lease commitments	-	-	33 281	-	33 281



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	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2015/16					
Not later than 1 year	-	-	13 308	-	13 308
Later than 1 year and not later than 5 years	-	-	13 301	-	13 301
Later than five years	-	-	-	-	-
Total lease commitments			26 609	-	26 609

Lease consists of office accommodation and rented parking lots - Treasury House, Nomalanga Building and Gilttime.

22.2 Finance leases expenditure**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2016/17					
Not later than 1 year	-	-	-	2 562	2 562
Later than 1 year and not later than 5 years	-	-	-	2 331	2 331
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	4 893	4 893

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2015/16					
Not later than 1 year	-	-	-	2 345	2 345
Later than 1 year and not later than 5 years	-	-	-	4 097	4 097
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	6 442	6 442

Finance lease comprises cell phone and data cards contracts with network providers mainly with Vodacom SA.



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23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		794	874
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		(794)	(874)
Less: Amounts not condoned and recoverable	15	-	-
Less: Amounts not condoned and not recoverable		-	-
Closing balance		-	-

Analysis of awaiting condonation per age classification

Current year	-	-
Prior years	-	-
Total	-	-

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

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
SCM processes: PKX		420
SCM processes: Sifiso & Associates		88
SCM processes: Ndwandwe & Associate		274
Payment with expired contract - LIBWIN Library system		12
Total		794

Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2016/17 R'000
SCM processes: PKX Attorneys	Accounting Officer	420
SCM processes: Sifiso Chili & Associates	Accounting Officer	88
SCM processes: Ndwandwe & Associate	Accounting Officer	274
Payment with expired contract - LIBWIN Library system		12
Total		794



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24. Futile and wasteful expenditure

24.1 Reconciliation of futile and wasteful expenditure

	2016/17 R'000	2015/16 R'000
Opening balance	-	-
Prior period error	-	-
As restated	-	-
Futile and wasteful expenditure – relating to prior year	-	-
Futile and wasteful expenditure – relating to current year	244	-
Less: Amounts Resolved	(244)	-
Less: Amounts transferred to receivable for recovery	-	-
Total	-	-

24.2 Analysis of Current Year's Futile and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	R'000
Cancellation of international trip	No one was found liable as it was not through negligence	244
Total		244

25. Key management personnel

	No. of Individuals	2016/17 R'000	2015/16 R'000
Political office bearers (provide detail below)	1	1 936	1 902
Officials:			
Level 15 to 16	6	13 790	7 552
Level 14 (incl. CFO if at a lower level)	14	16 732	16 941
Family members of key management personnel	-	-	-
Total		32 458	26 395



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26. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	65 465	-	4 380	2 897	66 948
Transport assets	8 084	-	1 379	-	9 463
Computer equipment	52 547	-	2 615	2 831	52 331
Furniture and office equipment	4 455	-	357	66	4 746
Other machinery and equipment	379	-	29	-	408
Capital Work-in-progress <i>(Effective 1 April 2016)</i>	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	65 465	-	4 380	2 897	66 948

26.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash* R'000	Non-cash** R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	4 738	-	-	(358)	4 380
Transport assets	1 379	-	-	-	1 379
Computer equipment	2 973	-	-	(358)	2 615
Furniture and office equipment	357	-	-	-	357
Other machinery and equipment	29	-	-	-	29
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4 738	-	-	(358)	4 380



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26.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2 549	348	2 897	119
Transport assets	-	-	-	-
Computer equipment	2 533	298	2 831	119
Furniture and office equipment	16	50	66	-
Other machinery and equipment	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	2 549	348	2 897	119

26.3 Movement for 2015/16

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	52 769	-	14 530	1 834	65 465
Transport assets	8 410	-	1 394	1 720	8 084
Computer equipment	39 949	-	12 707	109	52 547
Furniture and office equipment	4 173	-	287	5	4 455
Other machinery and equipment	237	-	142	-	379
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	52 769	-	14 530	1 834	65 465



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26.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1 651	-	15 112	-	16 763
Additions	-	-	-	7 511	-	7 511
Disposals	-	223	-	310	-	533
TOTAL MINOR ASSETS	-	1 428	-	22 313	-	23 741

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	2 090	-	2 090
Number of minor assets at cost	-	21	-	3 331	-	3 352
TOTAL NUMBER OF MINOR ASSETS	-	21	-	5 421	-	5 442

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1 651	-	5 488	-	7 139
Prior period error	-	-	-	70	-	70
Additions	-	-	-	9 569	-	9 569
Disposals	-	-	-	15	-	15
TOTAL MINOR ASSETS	-	1 651	-	15 112	-	16 763



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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	2 351	-	2 351
Number of minor assets at cost	-	36	-	3 183	-	3 219
TOTAL	-	36	-	5 534	-	5 570

26.4.1 Prior period error

	Note	2015/16 R'000
Nature of prior period error		
Relating to 2014/15 <i>[affecting the opening balance]</i>		70
Relating to Library Books acquired in previous financial years		70
Relating to 2015/16		-
Total		70

26.5 Movable capital assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED - 31 MARCH 2017

	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	-	-	-	157	-	157
TOTAL	-	-	-	157	-	157

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED - 31 MARCH 2016

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Assets written off	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-



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26.6 S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets	-	-	-	13	-	13
Value of the assets (R'000)	-	-	-	139	-	139

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets	-	-	-	143	-	143
Value of the assets (R'000)	-	-	-	139	-	139

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016

	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	-	-	-	13	-	13
Value of the assets (R'000)	-	-	-	140	-	140

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2016

	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	-	-	-	142	-	142
Value of the assets (R'000)	-	-	-	138	-	138



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27. Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	28 515	2	-	5 358	23 159
	-	-	-	-	-
Capital Work-in-progress	-	-	-	-	-
<i>(Effective 1 April 2016)</i>					
TOTAL INTANGIBLE CAPITAL ASSETS	28 515	2	-	5 358	23 159

Adjustment is due to the rounding off between hardcat and the opening balances: intangibles

27.1 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE	-	5 358	5 358	
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	5 358	5 358	-

27.2 Movement for 2015/16

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	28 515	-	-	-	28 515
TOTAL INTANGIBLE CAPITAL ASSETS	28 515	-	-	-	28 515



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28. Immovable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-		-	
Dwellings	-	-	-	-	-
Non-residential buildings					
Other fixed structures	-	-	-	-	-
Capital Work-in-progress <i>(Effective 1 April 2016)</i>	7 074	-	34 291	-	41 365
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	7 074	-	34 291	-	41 365

28.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	34 291	-	(34 291)	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	34 291	-	(34 291)	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	34 291	-	(34 291)	-	-



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28.2 Movement for 2015/16

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
Capital Work-in-progress (Effective 1 April 2016)	(7 074)	-	-	-	(7 074)
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	(7 074)	-	-	-	(7 074)

29. Prior period errors

29.1 Correction of prior period errors

	2015/16 R'000
Revenue: (e.g. Annual appropriation, Departmental revenue, Aid assistance, etc.)	
The amount relates to Aid Ass revenue received from EU for Science Project.	34 594
Tax Revenue disclosed as secondary financial information	565 890
Net effect	600 484
Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)	
Relating to Library Books acquired in previous financial years	70
Net effect	70
Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)	
The amount relates to Aid Ass revenue received from EU for Science Project.	34 594
Net effect	34 594
Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)	
The amount relates to Aid Ass revenue received from EU for Science Project.	34 594
Net effect	34 594



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30. TRANSFER OF FUNCTIONS

Signed Premier's Minute No 2/2016 - Placing Gaming and Betting function from Department of Treasury to the Office of the Premier (OTP) with effect from 28/09/2016.

30.1 Statement of Financial Position

	Bal per dept 2015/16 AFS before transfer 2015/16	Functions per dept (transferred) / received 2016/17	Functions per dept (transferred) / received 2016/17	Functions per dept (transferred) / received 2016/17	2015/16 Bal after transfer 2016/17
ASSETS					
Current Assets	105 093	-	-	-	105 093
Unauthorised expenditure					
Cash and cash equivalents	103 760	-	-	-	103 760
Other financial assets					
Prepayments and advances	55	-	-	-	55
Receivables	1 278	-	-	-	1 278
Loans	-	-	-	-	-
Aid assistance prepayments	-	-	-	-	-
Aid assistance receivable	-	-	-	-	-
Non-Current Assets	40	-	-	-	40
Investments	-	-	-	-	-
Receivables	40	-	-	-	40
Loans	-	-	-	-	-
Other financial assets	-	-	-	-	-
TOTAL ASSETS	105 133	-	-	-	105 133
LIABILITIES					
Current Liabilities	104 293	-	-	-	104 293
Voted funds to be surrendered to the Revenue Fund	47 075	-	-	-	47 075
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	20 927	-	-	-	20 927
Bank Overdraft	-	-	-	-	-
Payables	1 697	-	-	-	1 697
Aid assistance repayable	34 594	-	-	-	34 594
Aid assistance unutilised	-	-	-	-	-



KWAZULU NATAL PROVINCIAL TREASURY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Non-Current Liabilities

Payables	-	-	-	-	-
TOTAL LIABILITIES	104 293	-	-	-	104 293
NET ASSETS	840	-	-	-	840

Disclosure Notes

	Bal per dept 2015/16AFS before transfer 2015/16 R'000	Functions per dept (transferred) / received 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	2015/16 Bal after transfer 2016/17 R'000
Contingent liabilities	4 297	-	-	-	4 297
Contingent assets					
Commitments	99 744	-	-	-	99 744
Accruals	15 033	-	-	-	15 033
Payables not recognised	6 775	-	-	-	6 775
Employee benefits	22 061	-	-	-	22 061
Lease commitments – Operating lease	26 609	-	-	-	26 609
Lease commitments – Finance lease	6 440	-	-	-	6 440
Movable tangible capital assets	65 465	(139)	-	-	65 326
Immovable tangible capital assets	-	-	-	-	-
Intangible capital assets	28 515	-	-	-	28 515

Both accounting officers of KZN Treasury- transferor and OTP- transferee have signed necessary documents in terms of S42 of the PFMA.

Refer to Premier's Minute No 2/2016.



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2015/16	
	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	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
KZ 225 Msunduzi	-	-	-	-	-	-	-	-	-	-	218
KZ 433 Greater Kokstad	-	-	-	-	-	-	-	-	-	-	10 062
PD: Vehicle Licences	24	-	-	24	24	-	-	-	-	-	23
TOTAL	24	-	-	24	24	-	-	-	-	-	10 303



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
KZN Gaming and Betting Board Com: licences	21 137			21 137	20 112	95%	32 532 2
TOTAL	21 137			21 137	20 112		32 534



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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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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				2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	Appropriation Act
Public Corporations									R'000
Transfers									
Damage to hired vehicle	-	-	8	8	7	87.5%	-	7	4
	-	-	8	8	7	87.5%	-	7	4
Total	-	-	8	8	7	87.5%	-	7	4



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
KZN Financial Literacy	3 150	-	-	3 150	3 150	100%	3 150
TOTAL	3 150			3 150	3 150		3 150



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Injury on duty	38		22	60	60	100%	-
Postretirement benefit	800			800	266	33%	724
Leave gratuity	371		160	531	531	100%	2 014
Bursaries(Non-employee)	4 258		(307)	3 951	3 332	84%	5 753
TOTAL	5 467		(125)	5 342	4 189		8 491



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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in cash		-	-
Subtotal		-	-
Received in kind ABSA	Sponsorship for the 2015: Budget Business Breakfast	-	100
TOTAL		-	100



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1G
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE R'000
Received in cash						
European Union	Construction of Technology Hubs Science Park	34 594	38 174	34 291	34 594	3883
Global Fund	Fight against Aids, HIV, TB and Malaria	-	22 700	11 394	-	11 306
Subtotal		34 594	60 874	45 685	34 594	15 189
Received in kind		-	-	-	-	-
TOTAL		34 594	60 874	45 685	34 594	15 189

Included in expenditure for Global Fund is an amount of R1 719 which was recorded in the general ledger and paid using voted funds; however this amount was not reimbursed from the Global Fund bank account.



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ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2016/17	2015/16
	R'000	R'000
Made in kind		
Tonga Junior Primary		41
Insizwakazi Primary		13
Indala High School(School Uniform)		9
Muziwabantu P (2 Jojo Tanks)		66
Jinga Primary School(School uniform)		4
Siyelulama High School(School uniform)		6
Sonkabi Primary School(School uniform)		6
Tholuthando Children's Home (10 double bank beds and 20 LP Mattresses)		35
Umduduzi Hospice (100 Educational Books)		8
Friends for life and Thembeni(Adult nappies and home base kits)		51
Vuma-Ntumeni Cooperatives and old age home (Goods)		49
Coastal Horse Care Unit (Mobilisation)		860
Umgungundlovu Municipality(Catering during President visit)	269	100
Isixaxa Disabled Group(Baking Mixer)	-	2
Ukhololwethu crèche	8	40
ABASA Lunch	-	10
Thandizwe crèche and Per-school (Foam mat Baby cot & Junior mattress)	10	19
Mzwamandla Khanyile Primary School	12	
Umthombomuhle Primary School	10	
Thamela Primary School	176	
Sawpits Combined Primary School	10	
Ekuthuleni crèche	25	



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Siphesihle Day care crèche	12
Khanyisani Stoffelton Hlth ORG	7
Impendle Community Centre	7
Comfort Zone crèche (Toys)	23
Khanya's Child Minding(Toys)	4
Richmond Riders & Runners(Helmets and Cot Beds & future life Porridge)	28
Richmond Daycare Centre	1
Vamumusa Community Project	8
KZN Provincial Treasury – Memorial Service: N. Cele	7
KwaThintwa School of the Deaf in Inchanga	43
Ntokozweni Village for the vulnerable	26
Qongwane Primary School	21
TOTAL	707
	1 319



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2016 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing balance 31 March 2017 R'000	Guaranteed interest for year ended 31 March 2017 R'000	Realised losses not recoverable i.e. claims paid out R'000
	Motor vehicles	-	-	-	-	-	-	-	-
Standard Bank	Housing	-	90	-	-	-	90	-	-
	Other	-	-	-	-	-	-	-	-
	TOTAL	-	90	-	-	-	90	-	-



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ANNEXURE 2A (continued)
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles	-	-	-	-	-	-	-	-
	Housing	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-



KWAZULU NATAL PROVINCIAL TREASURY
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of Liability	Opening Balance 1 April 2016 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancell ed/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2017 R'000
Claims against the department					
R Ranjith vs KZN Treasury (MMK Inc)	100	-	-	-	100
F Rouget v KZN Provincial Treasury (PKX Inc)	2 446	1 944	4 390	-	-
Poppy Ice Trading 18 (Pty) Ltd v MEC KZN Finance, The Premier and G & B Board - Case Number 7120/2016	-	24 000	24 000	-	-
Thembisile Cynthia Khumalo vs MEC for Finance (Case No. 11985/16)	-	300	-	-	300
Subtotal	2 546	26 244	28 390	-	400
Environmental Liability	-	-	-	-	-
TOTAL	2 546	26 244	28 390	-	400

The amount of R24m relates to the legal matter against Gaming and Betting. With effect from the 1/10/2016 the Gaming and Betting function was transferred back to the Office of the Premier. See Premier's Minute No. 2/2016 dated 28/09/2016.



KWAZULU NATAL PROVINCIAL TREASURY
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
KZ EDTEA	596	-	-	-	596	-	05/04/2017	596
N Justice	-	-	-	11	-	11		-
KZ Transport	-	6	3 091	-	3 091	6	06/04/2017	1 863
KZ Arts and Culture	-	26	278	-	278	26	05/04/2017	278
SAPS	-	26	-	-	-	26		-
KZ Office of the Premier	-	-	1 335	-	1 335	-	04/04/2017	1 335
KZ Education	-	-	(4)	-	(4)	-		-
KZ Health	4 997	-	-	-	4 997	-	10/04/2017	4 997
KZ Human Settlement	154	-	-	-	154	-		-
KZ Public Works	252	-	-	-	252	-	28/04/2017	252
KZ Social Development	-	-	153	-	153	-	02/05/2017	153
KZ Community Safety and Liaison	-	-	80	-	80	-		-
	5 999	58	4 933	11	10 932	69		9 474



**KWAZULU NATAL PROVINCIAL TREASURY
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

Other Government Entities					
Umsunduzi Municipality	-	100	-	-	100
PSETA	-	-	131	-	-
Global Fund	-	-	221	-	221
Office of the Public Service	-	-	4	-	-
TOTAL	-	100	356	-	100
	5 999	158	5 289	11	11 288
					169



KWAZULU NATAL PROVINCIAL TREASURY
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17 *	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
KZ Office of the Premier	-	650	-	-	-	650		-
KZ Transport	-	-	7	3	7	3	31/03/2017	3
SAPS	-	-	-	50	-	50		-
NW Public Works and Road	-	-	-	7	-	7		-
KZ Health	20	-	-	-	20	-		-
Government Printing Works	14	-	-	-	14	-		-
KZ Social Development	4	-	-	-	4	-		-
KZ Public Works	-	-	18	-	18	-		-
TOTAL	38	650	25	60	63	710		3
OTHER GOVERNMENT ENTITY	-	-	-	-	-	-		-
TOTAL INTERGOVERNMENTAL	38	650	25	60	63	710		3



ANNEXURE 5

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS				
Heritage assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	7 074	34 291	-	41 365
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	7 074	34 291	-	41 365
TOTAL	7 074	34 291	-	41 365

Age analysis on ongoing projects	Number of projects		2016/17
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	-	-	-
1 to 3 Years	-	4	41 365
3 to 5 Years	-	-	-
Longer than 5 Years	-	-	-
Total		4	41 365

There are four Science Technology Hub projects taking place at Richards Bay, Newcastle, Port Shepstone and Pietermaritzburg.

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period error	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	7 074	-	7 074
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	7 074	-	7 074
TOTAL	-	-	7 074	-	7 074

