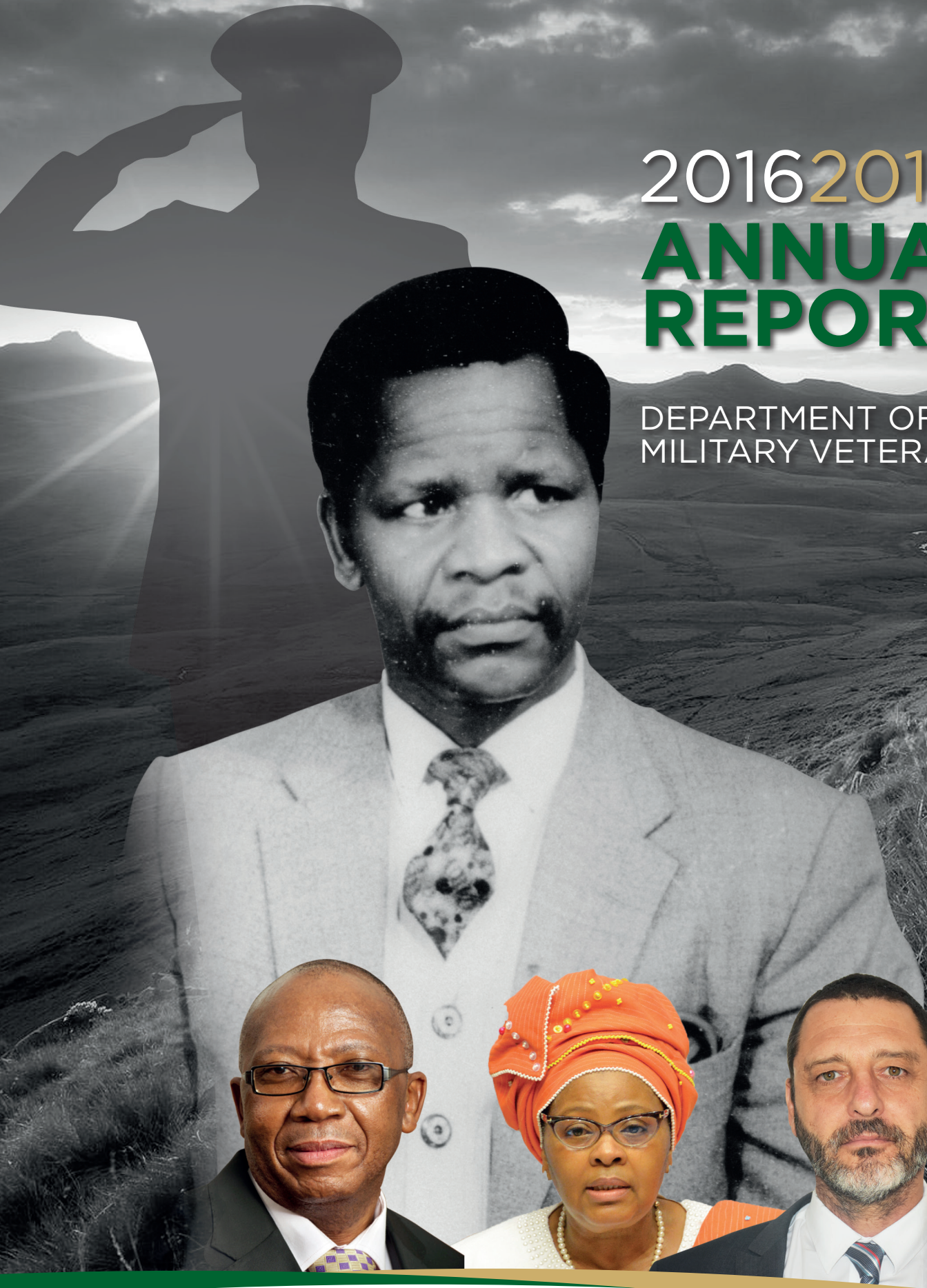


# 20162017 ANNUAL REPORT

DEPARTMENT OF  
MILITARY VETERANS



**military veterans**

Department:  
Military Veterans  
REPUBLIC OF SOUTH AFRICA

Life and legacy of  
**OR TAMBO.**  
**100 YEARS**







DEPARTMENT OF  
MILITARY VETERANS

VOTE 19

20162017  
**ANNUAL  
REPORT**



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Department:  
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REPUBLIC OF SOUTH AFRICA

Life and legacy of  
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100 YEARS**



# DEPARTMENT OF MILITARY VETERANS ANNUAL REPORT FOR THE 2016/17 FINANCIAL YEAR

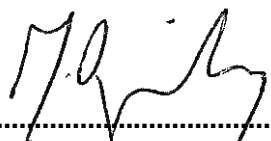
**Ms NN Mapisa-Nqakula, MP Minister of Defence and Military Veterans**

## **DEAR HONOURABLE MINISTER**

I have the honour of submitting to you, in accordance with the Public Finance Management Act, 1999 (Act No 1 of 1999), the Department of Military Annual Report for the reporting period 1 April 2016 to 31 March 2017.

In terms of Section 40(1)(d) of the Public Finance Management Act 1 of 1999 (as amended), read together with Treasury Regulation 18.3, I hereby submit to the Executive Authority, the Annual Report 2016/17 financial year as a statutory requirement to Parliament.

Kindly submit this performance report for the financial year ending 31 March 2017 to the National Assembly in compliance with Section 40(1) (e) of the Public Finance Management Act (PFMA).



.....  
**Mr. Max Ozinsky**  
**Accounting Officer: Department of Military Veterans**  
**Date: 6 September 2017**

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## PART A General Information





# PART A General Information

## 1. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
AO	Accounting Officer
BAS	Basic Accounting Systems
DAC	Department of Arts and Culture
DDSI	Defence Decision Support Institute
DHS	Department of Human Settlements
DMV	Department of Military Veterans
ESM	Empowerment and Stakeholder Management
HDI	Historically disadvantaged individual
ICT	Information Communication Technology
JSCD	Joint Standing Committee on Defence
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
PCD&MV	Portfolio Committee on Defence and Military Veterans
PFMA	Public Finance Management Act
SAMHS	South African Military Health Services
SANMVA	South African National Military Veterans Association
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SES	Socio Economic Support
SITA	State Information Technology Agency
SLA	Service Level Agreement
SRD	Social Relief of Distress
TR	Treasury Regulations
TSI	Turnaround Strategic Initiative

### 3. FOREWORD BY THE MINISTER OF DEFENCE AND MILITARY VETERANS



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



*The DMV management team is now hard at work to put in place the necessary systems to attain the mandate of providing military veterans with the basic needs.*

This Annual Report details the progress made and challenges faced by the Department of Military Veterans (DMV) during the 2016/17 financial year.

I present this report against the backdrop of the Turnaround Strategic Initiative (TSI) the Ministry introduced during 2015/16. The DMV started to implement the TSI recommendations in earnest during the year under review. Its main objective was to assist the DMV to work effectively and efficiently in delivering on its mandate, namely that of changing the lives of military veterans for the better, and to ensure that the DMV adheres to sound governance systems and processes, and the principles of transparency and accountability.

The 2016/17 financial year indicates that TSI is beginning to yield concrete, positive results in ensuring sound financial management and accelerated delivery of benefits.

#### **Financial expenditure**

The DMV managed to spend 84% of its allocated budget in 2016/17, as opposed to 60% expenditure in the previous year. The DMV management team is now hard at work to put in place the necessary systems to attain the mandate of providing military veterans with the basic needs.

#### **Legislative and policy development**

Proposals for the overdue process of amending the Military Veterans Act, 2011 are now firmly on course and will be put before Parliament during the course of the 2017/18.

Furthermore, the development of policies relating to the delivery of benefits is now well on track. The education policy, for example, has been drafted and its implementation is now being consulted with various stakeholders.

This will ensure that the DMV progressively provides quality education support to military veterans and their beneficiaries in an effective and efficient manner in line with available resources.

## Education

One of the greatest achievements made during the past financial year was to increase the provision of education to military veterans and their dependants. The DMV's 2016/17 target for education support was 4 000, but demand exceeded the set targets, resulting in the DMV having 7 146 approved applicants for the year.

## Burial support

The Department continues to support military veterans and assist their families to give them a dignified send-off through the burial support benefit. The DMV also participated in, and provided assistance for, funerals of veterans cited as special by the Presidency.

The year under review also saw the DMV piloting the rollout of tombstones for the graves of military veterans, enhancing the dignity accorded under the burial support programme.

This initiative came at a huge cost and put great strain on the human resources and budget of the DMV.

## Social relief of distress (SRD)

Key development indicators of poverty and employment continue to paint a picture of despair for the majority of military veterans and their dependants.

Notwithstanding these persistent challenges, the financial year under review also gave practical meaning to government's commitment to distress relief for veterans.

The Department had initially planned to assist 2 000 beneficiaries, but, to date, 2 243 military veterans and their dependents have been assisted through SRD. Though minimal, this has gone a long way to bring relief from poverty in many military veterans' households.

## Compensation of military veterans who sustained disabling injuries

The compensation benefit is regulated and is provided to military veterans who sustained disabling injuries or severe psychological and neuron-psychiatric trauma or who suffer from a terminal disease resulting from their participation in military activities.

During the 2016/17 financial year, the DMV started rolling out this important benefit and 105 military veterans benefited.

## Honouring and memorialisation

In honouring military veterans, the DMV took part in historic events both nationally and internationally. These included:

- Battle of Delville Wood;
- Honouring of members of the South African Native Labour Corp buried in Arques-la-Battalle in France;
- The centenary commemoration of the sinking of SS Mendi troopship, which saw the Department taking the descendants of deceased crew members to pay their last respects at the site where their forefathers drowned to honour their commitment to protect the unity of South Africa in 1917;
- Exhumations and dignified reburials of 14 POQO struggle veterans from Bhaziya in the Eastern Cape, who were hanged more than five decades ago by the apartheid government. This has brought closure to a painful chapter in the affected families' lives.

## Strengthening governance

The establishment of the Advisory Council and the Appeals Board in the past two years is beginning to bear fruit, as these bodies continue to provide the Ministry and the DMV with the necessary technical support in ensuring that policies are developed and the necessary systems and processes are put in place for effective running of the DMV.

This has brought closure and relief to many families and friends who have wondered for many years of what had become of their relatives and who have waited for decades to receive the remains of the loved ones.

## Provincial offices and stakeholder management

The Department has provincial coordinators in all nine provinces. Office space has been an inhibiting factor to many veterans to access these provincial offices. Currently three provinces have confirmed offices, namely North West with offices in Mafikeng, Mpumalanga with offices in the City of Mbombela and Eastern Cape with offices in East London.

## Database

The database is central to the functioning of the Department and to assisting other government departments and state organs to deliver services, but it has experienced many teething challenges since the inception of the DMV. With the TSI intervention, these challenges are now being firmly addressed and will soon be a thing of the past. The cooperation of the South African National Military Veterans Association (SANMVA) and its affiliate associations is proving mission critical in bringing about early closure to this challenge.

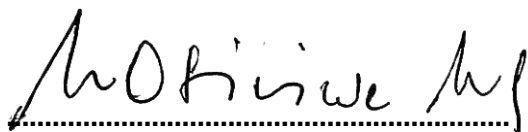
## Communication and marketing

The process towards an effective communication programme gained momentum through various programmes, including visit to provinces, media relations activities, the website, social media platforms and events management.

## Acknowledgements/appreciation

I take this opportunity to thank the Deputy Minister of Defence and Military Veterans, ERK Maphatsoe, the Council on Defence, the Acting Director-General of the DMV, Mr Max Ozinsky, and DMV management team and staff, the Advisory Council, SANMVA and the Appeals Board for their continued support.

**INDEED, WORKING TOGETHER WE CAN DO MORE!**



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

**Minister of the Department of Defence and Military Veterans**

**Date:** 14 SEPTEMBER, 2017



## 4. DEPUTY MINISTER STATEMENT



**Mr ERK Maphatsoe, MP**



*It is with pride that we report the education interventions have, thus far, produced 74 graduates.*

During my budget speech on 11 May 2016, I indicated that during the 2016/17 financial year, the Ministry will ensure that the DMV focuses on the delivery of benefits to military veterans and their dependents. During the 2016/17 financial year, the DMV focused on continuing the journey of implementation of eight Executive Authority priorities

The 2016/17 financial year presented an opportunity for significant achievements and milestones. It also brought about challenges and lessons in our quest to contribute towards the attainment of government outcomes in the context of the NDP.

### **Education support**

One of the greatest achievements made in 2016/17 financial year was in providing quality education to the military veterans and their dependants.

The Department provided basic and tertiary education support to 7 146 beneficiaries, against a target of 4 000. This was an exponential increase of almost 100%.

It is with pride that we report the education interventions have, thus far, produced 74 graduates. Education support in general forced the DMV to shift funds allocated for other benefits and this has brought about huge budget, administrative and capacity constraints for the Department.

### **Housing support**

During the year under review, 168 houses (five in Free State, 38 in Northern Cape, 19 in North West, 15 in Limpopo, six in Eastern Cape, 48 in Gauteng, one in KwaZulu-Natal and 36 in Mpumalanga) were built and handed over to military veterans. Owners of 104 mortgaged houses in distress were rescued.

Efforts between the DMV and the Department of Human Settlements (DHS) are underway to accelerate the delivery of this important benefit and a target of more than 1 400 has been set for 2017/18.

A joint task team between the DMV and the DHS has been set up to undertake that task.

## **Skills development**

The Department assisted 1 908 military veterans and their dependants with access to training and skills development during 2016/17.

## **Empowerment and stakeholder management**

Empowerment of military veterans is a catalyst to sustainable socio-economic development and it has a potential to improve their quality of life as well as reduce their dependency on the state.

The DMV will continue to work with sister departments to facilitate the empowerment of military veterans and their dependants through employment, skills and business development.

## **Business support**

During 2016/17, 37 new military veteran-run businesses were registered on the DMV Business Empowerment Register.

In addition, 179 military veterans were provided with general advice on business support and development.

The cumulative number of veteran-owned companies was 100 by year-end.

## **Heritage, honouring and memorialisation**

A majority of our fellow countrymen and -women went through oppression, severe hardship, obstacles and a long, protracted struggle before they achieved the freedom enjoyed today. Military veterans were on both sides of the struggle, some forced and some as a sacrifice for their beloved country. Honouring their sacrifices seems the only noble thing a country could do.

During 2016/17, significant strides were made in celebrating the rich heritage of military veterans which bore fruit in democratisation, which created the 23 years of freedom that the country has now enjoyed.

The Castle of Good Hope was turned into a historical memorial site and conference centre in partnership between Castle Control Board and Department of Military Veterans.

The 2016/17 financial year also saw the DMV piloting a tombstone project during the exhumation and reburial of 14 POQO struggle veterans from Bhaziya in the Eastern Cape who were hanged by the apartheid regime.

During the year, the Department provided support to 460 military veterans' families to ensure dignified burials of their loved ones.

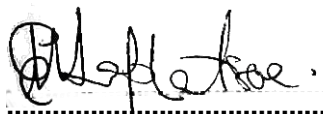
The Department also assisted in the historic commemoration of the 55<sup>th</sup> anniversary of uMkhonto we Sizwe by the MKMVA on 16 December 2016.

## **Conclusion**

All the achievements during the year were as a result of untiring work and dedication on the part of management and staff of the DMV, to whom I remain indebted. My appreciation also extends to our external and internal stakeholders whose partnerships with the Department is a key requirement for achieving the DMV's mandate of entrenching the restoration of dignity and appreciation of the contribution of military veterans to our freedom and nation building.

I would like to thank the Minister of Defence and Military Veterans, Honourable NN Mapisa-Nqakula, the support of the Portfolio Committee on Defence and Military Veterans (PCD&MV), the Standing Committee for Public Accounts (SCOPA), the Acting Director-General and all DMV staff for their dedication to improving the lives of military veterans.

Lastly, let me reiterate my appreciation to all our stakeholders, including labour and civil society, for engaging with us as we endeavour to find lasting solutions to the problems experienced by military veterans.



Handwritten signature of ERK Maphatsoe in black ink.

.....  
**Mr. ERK Maphatsoe, MP**

**Deputy Minister of the Department of Defence and Military Veterans**

**Date:** 08/09/2017

## 5. REPORT OF THE ACCOUNTING OFFICER



**Mr Max Ozinsky**



*Guided by the principles of Batho Pele, the Department aimed during the year under review, to administer military veterans' affairs with dignity and honour*

### 5.1 Overview of the operations of the Department

The DMV derives its mandate from the Military Veterans Act 18 of 2011, which stipulates that it provide 11 benefits to military veterans and their dependants, and facilitate partnerships with various government departments, state-owned enterprises, business, labour and civil society to help improve the lives of the military veterans community.

The core benefits include compensation for injury, housing assistance, healthcare and wellness support, education assistance, training and skills development, military veterans' pension, transport assistance and burial support.

Guided by the principles of Batho Pele, the Department aimed during the year under review, to administer military veterans' affairs with dignity and honour and cater appropriately for the needs of military veterans and their dependants. With these goals in mind, DMV has entered into memoranda of understanding (MoUs) with other government departments to assist in the delivery of its mandate.

#### Asset register

Since inception, DMV has faced a major challenge in creating an asset register. During the year, a team from DMV sister department, the Department of Defence (DoD) was engaged to assist in finalising the asset register. Unfortunately, it was not able to complete the task.

The DMV is now establishing internal capacity to manage its assets. In addition, steps are being taken to resolve the matters of the opening balance and missing assets.

#### Policy development

As a lack of policies has negatively affected the delivery of benefits by the department, policy development has been prioritised. During the year, the Education Support Policy was adopted but its implementation stalled due to delays in the consultation process with various stakeholders. The intention is that the applications of the new academic year will be processed in terms of the new Education Policy.

In addition, the Housing Policy been finalised internally in readiness for consultation with stakeholders.

A standard operating procedure (SOP) to create a reliable and secure database has been put in place with the assistance of the Defence Decision Support Institute (DDSI). An agreement with the State Information Technology Agency (SITA) is also being finalised through which DMV will become part of the e-government portal that allows applicants to apply online. It will also make the database the centre of a computerised benefit management system and put systems in place for the seamless migration of the call centre into the DMV.

Work on a database policy is also underway and will be completed during the first quarter of 2017/18.

Other policies that have been prioritised include transport, social relief of distress, compensation for injuries, health and wellness, and pensions for military veterans.

### **Memoranda of understanding (MoUs) and service level agreements (SLAs)**

The Partnership and Memoranda of Understanding (MoU) with other government departments were implemented. These included the MoU with National Students Financial Aid Scheme (NSFAS) where disbursements of funds at Public Tertiary Institutions are made on behalf of deserving military veterans and their dependants. Some teething administration challenge including payment of fees and other education needs emerged which are being attended to as matter of priority.

With regard to health and wellness support, 15 740 Military Veterans receive health benefits through partnership with the South African Military Health Services (SAMHS) within the context of the MoU with our sister Department, the Department of Defence.

## **5.2 Performance on predetermined objectives of the Department**

Overall, as mentioned above, the Department made significant progress in meeting the great demand by military veterans and their dependants for basic and higher education support.

### **Socio-economic support**

During 2016/17, the total number of military veterans with access to healthcare services grew to 15 740. The DMV, in partnership with DHS has delivered 168 new houses to military veterans.

In addition, counselling and treatment have been provided to 1 593 military veterans and their dependants.

### **Empowerment and stakeholder management**

In terms of the Business Development Support programme, 1 908 military veterans were provided with access to training and skills development during the period, while 179 business entities were supported.

## Overview of the financial results of the Department:

### Departmental receipts

Table 1: Departmental receipts

DEPARTMENTAL RECEIPTS	2015/16			2016/17		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licenses	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	-	23	-	-	28	-
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	766	-	-	302	-
<b>TOTAL</b>	<b>-</b>	<b>789</b>	<b>-</b>	<b>-</b>	<b>330</b>	<b>-</b>

### Programme expenditure

Table 2: Programme expenditure

PROGRAMME NAME	2015/16			2016/17		
	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
Programme 1: Administration	157 490	130 977	26 513	159 332	158 056	1 276
Programme 2: Socio-economic Support	266 305	136 177	130 128	313 541	243 472	70 069
Programme 3: Empowerment and Stakeholder Management	158 406	80 797	77 609	124 734	103 093	21 641
<b>TOTAL</b>	<b>582 201</b>	<b>347 951</b>	<b>234 250</b>	<b>597 607</b>	<b>504 621</b>	<b>92 986</b>

### **5.3 Virements/ rollovers**

Following the underspending of R234 million in 2015/16, the Department applied unsuccessfully to NT for rollover of funds. Another application was lodged for unused funds in 2016/17.

### **5.4 Reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence**

The Department did not incur unauthorised expenditure during 2016/17. As disclosed in the annual financial statements, irregular expenditure amounted to R106 million, R90 million of which has been condoned, and fruitless and wasteful expenditure totalled R1.8 million.

Plans are in place to investigate all remaining irregular and fruitless and wasteful expenditure, in line with the instruction of the oversight structures.

### **5.5 Future plans of the Department**

In 2016, the DMV started in earnest legislative review and, during the 2017/18 financial year, the focus will be on the finalisation and approval of amendments and the Military Veterans Benefits Regulations of 2014. The review will be tabled in Parliament at the end of July 2017.

### **5.6 Public private partnerships**

During 2016/17, the Department did not enter into any public private partnerships.

### **5.7 Discontinued activities/activities to be discontinued**

During 2016/17, no activities listed as discontinued/ or to be discontinued adversely affected operations and service delivery by the Department.

### **5.8 New or proposed activities**

The Department is revising its organisational structure to accommodate programmes intended to enhance the dignity of its services to military veterans and their dependants.

The revamp will also have huge financial implications.

### **5.9 Supply chain management**

The Department did not award any bids during 2016/17. The supply chain management (SCM) processes now taking shape include the establishment of bid committees, formalisation of supply chain policy and standard operating procedures.

The Department did not submit procurement plans during the year under review, but met the deadline of 31 March 2017 for submission of the 2017/18 procurement plan.

SCM processes are affected mainly by the lack of capacity driven by the structure of the Department, which was not properly conceived. Consultations are advanced on a final structure.

### **5.10 Gifts and donations received in kind from non-related parties**

During 2016/17, no goods nor services were received in kind by the Department from parties other than related parties.

### 5.11 Exemptions and deviations received from NT

During 2016/17, there were no exemptions from the PFMA or Treasury Regulations (TR), or deviations from the financial reporting requirements received for the current or previous financial year.

### 5.12 Events after the reporting date

During 2016/17, there were no events (adjusting and non-adjusting), favourable or unfavourable, after the reporting date and the date of approval of the Annual Financial Statements (AFS).

### 5.13 Acknowledgements/ appreciation

The ardent, visionary and steadfast leadership and guidance provided by the Minister and the Minister of Defence and Military Veterans, Honourable Nosiviwe Mapisa-Nqakula and Deputy Minister Kebby Maphatsoe were invaluable.

The commitment, patience, zeal, passion and commitment to duty displayed by senior management and administrative staff of the DMV has not gone unnoticed. To them, I am deeply indebted.

It would be remiss of me not to recognise, too, the immense support and cooperation received from the Advisory Council, SANMVA, the Appeals Board, the Parliamentary committees, other stakeholders and, most importantly, the entire military veterans community during the best and the worst of times.

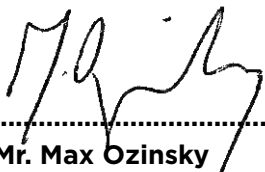
The invaluable support of the DoD, which included the provision of personnel and technical assistance that helped us navigate over various hurdles and challenges, is highly appreciated. My thanks go to the Secretary for Defence, Dr S Gulube; Chief of the South African National Defence Force (SANDF), General Solly Shoke; the Military Command Council and all the men and women from the DoD and the SANDF who have lent their support during the year.

### 5.14 Conclusion

I express my gratitude to the staff of DMV and senior personnel for their hard work and dedication. Without their selfless commitment, our challenges would not have been overcome, nor our achievements realised.

### 5.15 Approval and sign off

The AFS set out on pages 81 to 161 have been approved by the Acting Accounting Officer of the DMV.



.....  
**Mr. Max Ozinsky**  
**Accounting Officer: Department of Military Veterans**

**Date:** 6 September 2017



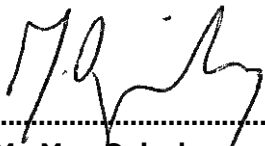
## 6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on annual reports issued by NT.
- The AFS (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by NT.
- The Accounting Officer (AO) is responsible for the preparation of the AFS and for the judgments made in this information.
- The AO is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance of the integrity and reliability of the performance information, the human resources information and the AFS.
- The external auditors are engaged to express an independent opinion on the AFS.

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. Max Ozinsky**

**Accounting Officer: Department of Military Veterans**

**Date:** 6 September 2017

## 7. STRATEGIC OVERVIEW

### 7.1 Vision

A dignified, unified, empowered and self-sufficient military veterans` community.

### 7.2 Mission

To facilitate delivery and co-ordinate all activities that recognise and entrench the restoration of dignity and appreciation of the contribution of military veterans to our freedom and nation building.

### 7.3 Values

Service Charter that Underpins the Delivery of Services to Military Veterans. As a Department, we pledge to manage and administer the affairs of military veterans with dignity and compassion and to ensure that the unique needs of all Military Veterans are provided for. This will be achieved through overall coordination and facilitation of the activities of Government and that of the private sector to ensure the provision of coherent assistance to all Military Veterans.

Our service delivery ethos is rooted in a value system characterised by the following:

- **Service Standards:** Service standards are based on clear direction and strong leadership. Our priority is to maximise the benefits and our contribution to the health and socio-economic support services to the military veterans of the Republic of South Africa. We will maintain high standards of excellence and professionalism in everything we do and will strive to:
  - Acknowledge receipt of a query by a military veteran within 24 hours and provide responses to queries lodged by no later than ten working days from the date of registration of the query,
  - Ensure that all telephones are answered without undue delay and that telephonic queries are responded to immediately,
  - Respond to all ministerial enquiries within the timeframes prescribed,
  - Endeavour to finalise payments to service providers for services rendered within the 30-day period prescribed in the Public Finance Management Act No. 1 of 1999 (PFMA) and applicable delegated legislation and Practice Notes promulgated from time to time,
  - Discharge our responsibilities in accordance with the Batho Pele principles.
- **Teamwork:** The Department is one team that embraces one purpose. In debating all issues comprehensively, each team member will represent his or her individual responsibilities rigorously with the overriding aim of reaching conclusions that will be best for the Department and the community of military veterans as a whole and act on them.
- **Discipline:** We will consistently strive towards upholding a high level of discipline. Individually and collectively, we will rebuild the profile and image of the Department establishment, as the best disciplined profession. We will promote mutual respect for military veterans at all times.
- **Excellence:** We will build on what we do well and actively foster a climate of success. We will invest in our people and encourage innovation. We will provide the right incentives and recognise individual and team contributions. We will provide services to military veterans with empathy and compassion at all times.
- **Ethics:** We will adopt and encourage reasonable working practices. We will not be deflected by the demands of vested interests. We will foster fairness and trustworthiness in all that we do. We will not avoid difficult issues. Our dealings with our stakeholders will be underscored by professionalism in service delivery to military veterans.

- **Openness and Transparency:** We will communicate with clarity to ensure better understanding of our priorities. We will ensure that our messages are understood. We will listen to the concerns of clients and ensure we understand their needs. We will aim to create a climate of trust and transparency in our decision making. We will further display the telephone numbers of the senior managers of the regions on the website of the Department and communicate them to the general public and the top management of the Department.
- **Consultation Rooted in Effective and Efficient Partnerships and Collaboration:** We will encourage and improve links with other government departments and other relevant organs of state. We will strengthen partnerships with industry, allies and the community at large. We will promote collaboration in the Department, harmonise activities and systems and where sensible, share knowledge. We will regularly consult the national umbrella body for military veterans and other entities, as well as individual military veterans.
- **Encourage Innovation and Reward Excellence:** We will create a learning organisation in which all employees seek and share knowledge and information while committing themselves to personal growth. We will lead by example and influence others to follow these principles. We will be sensible of the demands we make on people, recognising the unique commitment they make.
- **Redress:** We will seek to address the wrongs of the past in relation to military veterans and we will strive for equity in this sector.
- **Value for Money:** We will seek to ensure maximum returns on investment in programme implementation and manage finances accordingly.

## 8. LEGISLATIVE AND OTHER MANDATES

### 8.1. The DMV derives its mandate from the following legislations:

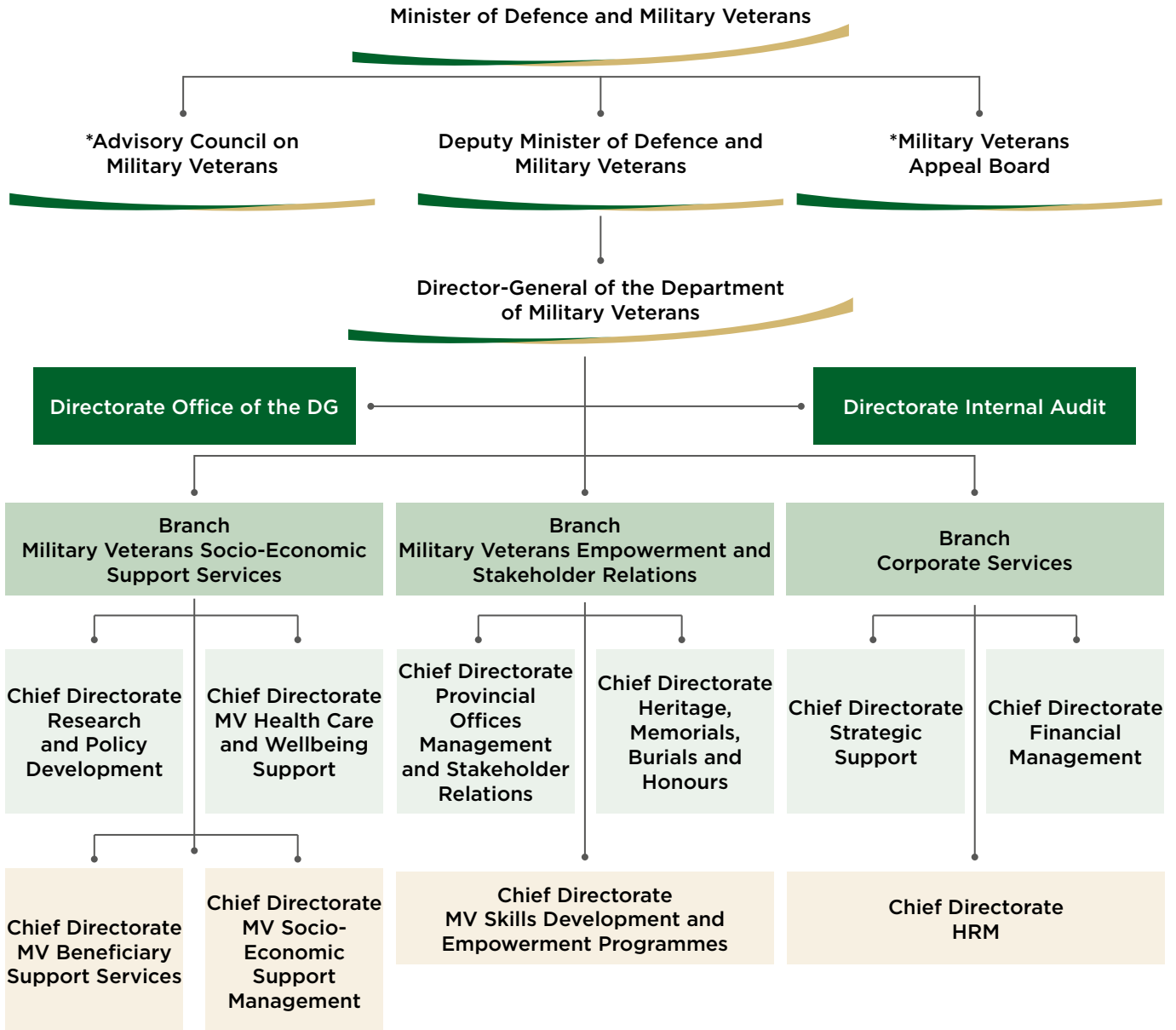
- Section 7 of the Bill of Rights in the Constitution of the Republic of South Africa;
- The 1996 White Paper on Defence;
- Proclamation 92 of 28 December 2009;
- Military Veterans Act No 18 of 2011.

### 8.2. Other legislations impacting on the lives of military veterans are:

- Military Pensions Act 84 of 1976, as amended;
- Special Pensions Act 69 of 1996, as amended;
- Transitional Executive Council Act 151 of 1993;
- Housing Act 107 of 1997;
- National Heritage Act 25 of 1999;
- National Health Act 61 of 2003;
- Social Assistance Act 13 of 2004;
- Promotion of Administrative Justice Act, No. 3 of 2000.

## 9. ORGANISATIONAL STRUCTURE

Figure 1: DMV approved organisational structure: 2010



\* The two statutory bodies provided for in the Military Veterans Act No 18 of 2011 have since been included in the functional structure

## 10. ENTITIES REPORTING TO THE MINISTER OF DEFENCE AND MILITARY VETERANS

No entities allocated to the DMV reported to the Minister of Defence and Military Veterans during the 2016/17 financial year.



## PART B Performance Information





# PART B Performance Information

## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 74 of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service delivery environment

The DMV derives its mandate from the Military Veterans Act No 18 of 2011; Section 7 of the Bill of Rights in the Constitution of the Republic of South Africa; Proclamation 92 of 28 December 2009 and the 1996 White Paper on Defence.

The legislation requires the Department to contribute to managing and administering the affairs of military veterans with dignity and compassion and to ensure that the unique needs of all military veterans are provided for.

The Strategic Plan (SP) 2015/16–2019/20 guided the work of the Department from the beginning of the financial year to the time of the approval of the Annual Performance Plan (APP) 2016/17.

The Department has provincial coordinators in all nine provinces, but lack of office space has been an inhibiting factor to many military veterans to access provincial offices. Currently, three provinces have confirmed offices - North West (office in Mafikeng), Mpumalanga (office in Mbombela) and Eastern Cape (office in East London).

At the end of 2016/17, the DMV had a total of 73 733 military veterans in the database.

The DMV made significant achievements with the following strategic service delivery issues during 2016/17:

**Health:** In ensuring a dignified lifestyle, safe and human/ healthy environment for military veterans, the DMV continued to provide needs-based healthcare programmes and services aimed at maintaining the wellbeing of military veterans. A total of 15 740 military veterans were provided with healthcare services in partnership with SAMHS. In addition, 1 593 military veterans were counselled during the period under review.

**Education:** During 2016/17, the department targeted 4 000 military veterans and their dependants for education support. However, the demand exceeded the targets resulting in the DMV having 7 146 approved applicants.

**Training and skills development:** Some 1 908 military veterans and their dependants received access to training and skills development.

**SRD:** The Department implemented the SRD project to alleviate poverty and unemployment. Although 2 000 veterans were targeted, 2 243 military veterans and their dependants were assisted.

In executing its mandate, the DMV recognises the importance of cooperation with its stakeholders, as their participation in strengthening and enhancing partnership is crucial.

### 2.2 Service delivery improvement plan

The Service Delivery Improvement Plan (SDIP) is being implemented.

## **2.3 Organisational environment**

The approved DMV staff establishment is 169 posts, 133 of which are filled and 36 vacant - a vacancy rate of 21%.

Due to operational imperatives, the Department created an additional 74 posts, which were filled on a contract basis. The Department continues to experience challenges in attracting and retaining critical and scarce skills.

The organisation continued to contribute to the implementation of the Medium-Term Strategic Framework (MTSF) 2014-2019. Despite all the challenges and the high staff turnover, most planned targets were met.

## **2.4 Key policy developments and legislative changes**

There were no changes to DMV legislation during the year. The legislative review was kick-started with a consultative stakeholder workshop that gave the project terms of reference. In terms of the Legislative Programme, the Bill to be tabled in Parliament by end-July 2017.

# **3. STRATEGIC OUTCOME ORIENTED GOALS**

## **Introduction**

In pursuance of its legislative mandate and to dispense benefits to military veterans, the DMV continued to support the government's MTSF outcomes relevant to its mandate.

This annual report details the achievement of the mandated strategic objectives of providing benefits to military veterans and their dependants, and ensuring sound administration and management. The DMV has progressed in many areas against priorities set.

In terms of its budget vote of May 2016, DMV will increase the number of beneficiaries of education support, healthcare, skills development and SRD.

During 2016/17, the Department contributed meaningfully to the realisation of the strategic outcome oriented goals as follows:

### 3.1 NDP, MTSF outcomes, Executive Authority (EA) priorities

Table 3: Contributions to NDP, MTSF outcomes and EA priorities

NDP	Government outcome	EA priorities	Progress at 31 March 2017
<p><b>Chapter 13:</b> Building a capable and developmental state</p> <ul style="list-style-type: none"> <li>Strengthen delegation, accountability and oversight</li> </ul>	<p><b>Outcome 12</b> - An efficient, effective and development-oriented public service</p>	<p><b>Priority 1: Ensuring a fully functional Department of Military Veterans with an independent vote, systems and processes</b></p>	<ul style="list-style-type: none"> <li>Risk-based audits conducted from the approved risk management plan.</li> <li>Quarterly risk assessment conducted as part of the internal auditing and risk management process.</li> <li>Fully operational business activity statements (BAS) and payroll systems.</li> <li>All statutory planning, monitoring and evaluation documents developed and submitted to external stakeholders.</li> </ul>
<p><b>Chapter 13:</b> Building a capable and developmental state</p> <ul style="list-style-type: none"> <li>Strengthen delegation, accountability and oversight</li> </ul> <p><b>Chapter 14:</b> Promoting accountability and fighting corruption</p>	<p><b>Outcome 12</b> - An efficient, effective and development-oriented public service</p>	<p><b>Priority 2: Strengthening governance and oversight protocols to give effect to the provisions of the Act</b></p> <p>The Act established the governance structures and institutions to provide advice to the executive authority on the delivery of services to Military Veterans</p> <ul style="list-style-type: none"> <li>SANMVA</li> <li>Advisory Board</li> <li>Appeals Board</li> <li>Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Operational Appeals Board and Advisory Council.</li> <li>SANMVA in place and fully operational.</li> <li>Fully operational Audit committee.</li> </ul>
<p><b>Chapter 6:</b> An integrated and inclusive rural economy: Human capital, social security, food security and basic services:</p> <ul style="list-style-type: none"> <li>Special nutritional services may be required for households with a shortage of able-bodied persons, child-headed households or those with chronically ill or elderly members</li> </ul>	<p><b>Outcome 7</b> - Vibrant, equitable, sustainable rural communities contributing towards food security for all</p>	<p><b>Priority 3: Provision of immediate social relief of distress to the most vulnerable of the Military Veterans</b></p>	<p>2 243 military veterans and/or dependants provided with SRD in a form of a monthly allowance of R1 200.</p>



NDP	Government outcome	EA priorities	Progress at 31 March 2017
<b>Chapter 9:</b> Improving education, training and innovation	<b>Outcome 1</b> - Quality basic education	<b>Priority 4:</b> To provide comprehensive support services to Military Veterans and where applicable, to their dependants: <ul style="list-style-type: none"> <li>Education, training and skills development</li> </ul>	<ul style="list-style-type: none"> <li>7 146 Military veterans and their dependants provided with bursaries for high and basic education, 50 of whom graduated.</li> <li>In addition, 1 849 received access to training and skills development.</li> </ul>
<b>Chapter 10:</b> Promoting health	<b>Outcome 2</b> – Long and healthy life for all South Africans	<b>Priority 4: To provide comprehensive support services to Military Veterans and where applicable, to their dependants:</b> <ul style="list-style-type: none"> <li>Acquiring a Healthcare and Wellness Centre.</li> <li>Access to health support.</li> </ul>	<ul style="list-style-type: none"> <li>1 074 military veterans authorised to access healthcare, bringing a total number of beneficiaries to 15 740.</li> <li>Dedicated counselling benefits provided to 1 593 military veterans and their dependants.</li> </ul>
<b>Chapter 3:</b> Economy and employment	<b>Outcome 4</b> – Decent employment through inclusive growth <b>Outcome 5</b> – Skilled and capable workforce to support inclusive growth	<b>Priority 4:</b> To provide comprehensive support services to Military Veterans and where applicable, to their dependants: <ul style="list-style-type: none"> <li>Education, training and skills development</li> <li>Facilitation of employment placement</li> <li>Facilitation of or advice on business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>No new job placements registered.</li> <li>179 military veterans provided with general advice on business support and development.</li> </ul>
<b>Chapter 6:</b> Integrated and inclusive rural economies: human capital, social security, food security and basic services.	<b>Outcome 8</b> - Transforming human settlements and the national space economy	Subsidisation or provision of <ul style="list-style-type: none"> <li>Housing</li> </ul>	<ul style="list-style-type: none"> <li>168 newly built houses handed over to military veterans (five in Free State; 38 in Northern Cape; 19 in North West; 15 in Limpopo; six in Eastern cape; 48 in Gauteng, one in KwaZulu-Natal and 36 in Mpumalanga).</li> <li>104 distressed owners of mortgaged houses rescued.</li> </ul>
<b>Chapter 15:</b> Transforming society and uniting the country:  Promoting social cohesion across society and righting the wrongs of the past	<b>Outcome 2</b> – Long and healthy life for all South Africans	Subsidisation or provision of <ul style="list-style-type: none"> <li>Burial support</li> <li>Compensation</li> </ul>	<ul style="list-style-type: none"> <li>Burial support funding provided to 460 military veterans` families.</li> <li>To date, 105 military veterans provided with a once-off compensation benefit.</li> </ul>

NDP	Government outcome	EA priorities	Progress at 31 March 2017
<p><b>Chapter 15:</b> Transforming society and uniting the country:</p> <p>Promoting social cohesion across society and righting the wrongs of the past</p>	<p><b>Outcome 4</b> – Decent employment through inclusive growth</p> <p><b>Outcome 5</b> – Skilled and capable workforce to support inclusive growth</p>	<p><b>Priority 5: Promote empowerment programmes for and of Military Veterans</b></p>	<ul style="list-style-type: none"> <li>• 179 military veterans provided with general advice on business support and development.</li> <li>• 22 letters of support issued for military veteran-run businesses seeking support from other state organs, submitting tender bids and striving for joint ventures with private business entities.</li> <li>• 132 military veteran company owners for 2016/17.</li> </ul>
<p><b>Chapter 15:</b> Transforming society and uniting the country:</p> <p>Promoting social cohesion across society and righting the wrongs of the past</p>	<p><b>Outcome 14</b> - Nation building and social cohesion</p>	<p>Empowerment of Military Veterans to Enhance Their Contribution to reconciliation and Nation Building</p>	<ul style="list-style-type: none"> <li>• National Heritage Council (NHC) and DMV stakeholder engagement meeting focused on collaboration on military veteran's projects that seek to honour and memorialise the role of military veterans in the attainment of freedom.</li> </ul>
<p><b>Chapter 15:</b> Transforming society and uniting the country:</p> <p>Promoting social cohesion across society and righting the wrongs of the past</p>	<p><b>Outcome 14</b> - Nation building and social cohesion</p>	<p><b>Priority 6: Promotion of Military Veterans' heritage as well as memorialisation and honouring</b></p>	<ul style="list-style-type: none"> <li>• Heritage and Memorialisation Centre, incorporating a conference centre, opened at the Castle of Good Hope by the Minister of Defence and Military Veterans.</li> <li>• 14 POQO struggle veterans hanged in 1964 by the apartheid government exhumed and reburied.</li> <li>• Centenary of 1917 sinking of SS Mendi troopship commemorated.</li> <li>• Members of the South African Native Labour Corp buried in Arques-la-Battalle in France honoured.</li> <li>• Those who fell in the Battle of Delville Wood honoured.</li> </ul>

NDP	Government outcome	EA priorities	Progress at 31 March 2017
<p><b>Chapter 15:</b> Transforming society and uniting the country:</p> <p>Promoting social cohesion across society and righting the wrongs of the past</p>	<p><b>Outcome 9</b> - Responsive, accountable, effective and efficient developmental local government system</p> <p><b>Outcome 12</b> - Efficient, effective and development-oriented public service</p> <p><b>Outcome 14</b> - Nation building and social cohesion</p>	<p><b>Priority 7: Maintain the credibility and security of the national military veteran database</b></p>	<p>Registration halted and DDSI consulted to assist with a comprehensive diagnosis of the database, revamp of the SOP, establishment of verification processes, and verification of the database against databases of the Department of Home Affairs and DoD</p>
<p><b>Chapter 15:</b> Transforming society and uniting the country:</p> <p>Promoting social cohesion across society and righting the wrongs of the past</p>	<p><b>Outcome 12</b> - Efficient, effective and development-oriented public service</p>	<p><b>Priority 8: Implementation of a high impact communication and marketing strategy and plan</b></p>	<p>Achievements made in the following areas during the year: Events management, stakeholder engagement, media campaigns and statements, website maintenance, promotion of DMV programmes through social media and media relations. Graphic design and internal communication took place.</p>

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

**Programme purpose:** To provide management and strategic administrative support to the Ministry, and overall management of the Department.

*Table 4: Sub-programmes of Programme 1*

Sub-programmes	Sub-programme purposes	Strategic objectives
Management	Provide departmental direction to ensure effective management of the Department	Provide strategic direction to the department
Corporate Services	Render corporate support services in the Department	
Financial Administration	Provide a cost-effective financial management services to the DMV within the evolving regulatory frameworks by means of a professional and representative financial management system.	
Internal Audit	Provides internal audit and risk management services to the Department by managing and conducting compliance audit services.	
Strategic Planning, Policy Development, Monitoring and Evaluation	Develop an equitable and sound environment for promoting Military veterans' interests through continuous research processes, Strategy development, Strategic forecast, Strategic Planning instruments, effective Monitoring and Evaluation, and the provision of information on managing Military veterans based on international standards.	
Office Accommodation	Manages the payment of accommodated charges, leases and municipal services as a direct result of the devolution of a portion of the national Department of Public Works' budget to national departments.	

#### **Strategic objective for the 2016/17 financial year:**

Provide strategic direction to the Department

#### **Strategic objectives, performance indicators, planned targets and actual achievements**

During 2016/17, the Department targeted 12 performance indicators to achieve an efficient and effective administration. This resulted in eight performance targets being achieved which constituted 67%.

Table 5: Performance indicators for Programme 1

PROGRAMME: ADMINISTRATION					
Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
PPI 101: Percentage of SMS Financial Disclosure forms filed with OPSC on time	100%	100%	100%	N/A	N/A
PPI 102: DMV Planning instruments approved and submitted to NT, AGSA, DPME and Parliament on time.	The SP and APP were approved and tabled in parliament as planned	1 SP and/or 1 APP	1 SP and/or 1 APP	N/A	N/A
PPI 103: Quarterly reports approved and submitted to NT, AGSA, DPME and Parliament on time	The Quarterly reports approved and submitted to NT, AGSA, DPME and Parliament on time as planned	4	4	N/A	N/A
PPI 104: Audited Annual Report approved and submitted to NT, AGSA, DPME and Parliament on time	Audited Annual Report approved and submitted to NT, AGSA, DPME and Parliament on time	1	1	N/A	N/A
PPI 105: Approved MPAT Improvement Plan	4	1	1	N/A	N/A
PPI 106: Percentage of Communication Strategy activities implemented	50%	50%	50%	N/A	N/A
PPI 107: Percentage of cases from the Presidential Hotline resolved	100%	100%	100%	N/A	N/A
PPI 108: Number of MSP implementation reports developed	0	4	4	N/A	N/A
PPI 109: Percentage of staff attended training initiatives	40%	100%	43%	(57%)	DMV currently does not have dedicated personnel to run training initiatives for staff

PROGRAMME: ADMINISTRATION					
Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
PPI 110: Percentage of signed Performance Agreement submitted to HRM	72%	100%	99%	1%	Performance agreement was not signed due to employee dissatisfaction with job descriptions
PPI 111: Percentage staffing of vacant funded posts	79%	90%	79%	(11%)	Vacant critical posts advertised in the fourth quarter and filling these will be fast tracked in the new financial year
PPI 112: Percentage of legitimate invoices paid within 30 days of receipt	82% invoices were paid within 30 days	90%	67%	(23%)	Reasons for deviation: <ul style="list-style-type: none"> <li>• Most invoices not paid date back to 2014/15 and 2015/16 financial years.</li> <li>• Invoices for health benefits claims from 2015/16 financial year resulted in arrears</li> </ul>

### Strategy to overcome areas of underperformance

To address underachieved performance targets, the Department will implement the following strategies:

- **Percentage of staff attended training initiatives:** The DMV structure is being reviewed and will make provision for personnel to deal with staff training.
- **Unsigned performance agreement:** HRM will hold a workshop with officials to create awareness of the importance of signing performance agreements.
- **Percentage staffing of vacant funded posts:** Vacant critical posts have been advertised and will be filled in the new financial year.
- **Legitimate invoices not paid within 30 days of receipt:** The invoice handling process has been centralised in logistics to ensure timeous payment and the SOP for health benefits will be updated to indicate only legitimate claims submitted.

### Changes to planned targets

During 2016/17, no changes were made to the planned targets as per Section 4.2 of The Framework for Strategic Plans and Annual Performance Plans.

Table 6: Sub-programme expenditure: Administration

Sub-programme	2015/16			2016/17		
	Final appropriation	Actual expenditure	(Over)/under-expenditure	Final appropriation	Actual expenditure	(Over)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management	8 415	8 369	46	10 035	10 035	-
Corporate Services	67 872	67 389	483	94 868	93 828	1 041
Financial Administration	17 435	16 374	1 061	21 926	21 926	-
Internal Audit	14 741	12 529	2 212	10 714	10 497	217
Strategic Planning, Policy Development, Monitoring and Evaluation	21 630	9 580	12 050	9 265	9 247	18
Office Accommodation	27 397	16 735	10 662	12 524	12 524	-
<b>TOTAL</b>	<b>157 490</b>	<b>130 977</b>	<b>26 513</b>	<b>159 332</b>	<b>158 056</b>	<b>1 276</b>

## 4.2 Programme 2: Socio-Economic Support (SES)

**Purpose of the programme:** To develop and monitor the implementation of legislation, policy frameworks and service delivery cooperation agreements on compensation for injury in military service, counselling, education, healthcare, public transport, pension and housing benefits to military veterans eligible for such support.

**Table 7: Sub-programmes of Programme 2**

Sub-programmes	Sub-programme purposes	Strategic objectives
Database and Benefits Management	Manage the national military veteran database and establish systems for smooth and seamless transition of servicemen and women from active military service to civilian life, ensure the integrity and security of updated information on the National Military veterans database	<ul style="list-style-type: none"> <li>• Ensure establishment of a secured National Military Veterans Database and smooth transition of military service men/women to civilian life.</li> <li>• Provide a comprehensive delivery system of benefits and services of Military veterans.</li> </ul>
Healthcare and Well-being Support	Develop and implement healthcare and well-being frameworks for Military veterans and establish healthcare and well-being partnerships.	
Socio-Economic Support Management	Develop and implement legislative and policy frameworks, protocols and systems, and establish partnerships to advance access by eligible Military veterans and dependants to legislated benefits pertaining to social development services.	

### Strategic objectives for the 2016/17 financial year:

- Ensure establishment of a secured national military veterans database and smooth transition of military servicemen and -women to civilian life.
- Provide a comprehensive delivery system of benefits and services of military veterans.

### Strategic objectives, performance indicators, planned targets and actual achievements

The Department planned to administer five performance indicators to deliver the socio-economic benefits to military veterans and their dependants. This resulted in four performance targets being achieved, which constituted 80%.

**Table 8: Performance indicators for Programme 2**

PROGRAMME: SOCIO-ECONOMIC SUPPORT					
Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
PPI 201: Total number of military veterans with access to healthcare services per year	14 666	14 500	15 740 * (1 074)	1 240	The benefit is demand driven, hence the over achievement.



**PROGRAMME: SOCIO-ECONOMIC SUPPORT**

Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
PPI 202: Number of deserving military veterans with decent housing per year	130	1 000	168	(832)	Unavailability of land for development of housing, inadequate coordination with municipalities on provision of bulk municipal services, and inefficient housing project management.
PPI 203: Average days taken to register and update personal records of Military Veterans on the National Military Veterans database	New indicator	60 days	61 days	1 day	Engaged the technical services of DDSI to assist in: <ul style="list-style-type: none"> <li>• Conducting a comprehensive diagnosis of the database.</li> <li>• Revamping the SOP and establishing verification processes</li> </ul>
PPI 204: Number of bursaries provided for military veterans and their dependants per year	5 482	4 000	7 146	3 146	<ul style="list-style-type: none"> <li>• The benefit is demand driven, hence the overachievement.</li> <li>• There is a need to implement policy as well as align budget with demand for the benefit</li> </ul>
PPI 205: Number of military veterans and their dependants who have been provided with counselling and treatment	New indicator	1 500	1 593	93	The benefit is demand driven, hence the overachievement.
<p><i>*This indicator (PPI 201) is a cumulative indicator. The achievement in 2016/17 was 1 074, which, when added to the cumulative output of 14 666 of 2015/16, results in a cumulative annual achievement of 15 740.</i></p>					

**Strategy to overcome areas of underperformance**

To address underperformance, the Department will implement the following strategies:

- **Provision of decent housing:** A national task team of the DMV and DHS is providing strategic direction on the housing programme.
- **Database:** A partnership with DDSI to develop a database policy framework globally supported by the military veterans sector and which will enable the Department to source and deploy a fit-for-purpose Information and Communications Technology (ICT) infrastructure.

### Changes to planned targets

During 2016/17, no changes were made to the planned targets as per Section 4.2 of The Framework for Strategic Plans and Annual Performance Plans.

**Table 9: Sub-programme expenditure: Socio-Economic Support**

SUB-PROGRAMME	2015/16			2016/17		
	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
Database and Benefits Management	12 019	11 568	451	8 237	6 344	1 893
Healthcare and Wellbeing Support	38 696	67 264	(28 568)	71 263	70 333	930
Socio-Economic Support Management	215 590	57 345	158 245	234 041	166 795	67 246
<b>TOTAL</b>	<b>266 305</b>	<b>136 177</b>	<b>130 128</b>	<b>313 541</b>	<b>243 472</b>	<b>70 069</b>

### 4.3 Programme 3: Empowerment and Stakeholder Management (ESM)

**Programme purpose:** To manage and facilitate the implementation of military veterans' empowerment and stakeholder management programmes.

**Table 10: Sub-programmes in Programme 3**

Sub-programmes	Sub-programme purposes	Strategic objectives
Provincial Offices and Stakeholder Relations	Facilitate and coordinate military veteran stakeholder institutions and provide administrative support to secure stakeholders from both public and private institutions willing to contribute towards the well-being of Military veterans.	<ul style="list-style-type: none"> <li>Contribute toward reconciliation and nation building</li> <li>Improve the quality of life for military veterans and that of their dependants.</li> <li>Recognise and honour Military veterans in life and memorialise them in death for their sacrifices on behalf of the nation</li> </ul>
Empowerment and Skills Development	Provide reskilling programmes and related activities to ensure that military veterans contribute positively to mainstream economic activities	
Heritage, Memorials, Burials and Honours	Provide services to honour the contributions made by military veterans and ensure that their memoirs are adequately secured, articulated in a dignified manner and captured in historical texts	

**Strategic objectives for the 2016/17 financial year:**

- Recognize and honour Military veterans in life and memorialise them in death for their sacrifices on behalf of the nation
- Contribute towards reconciliation and nation building
- Improve the quality of life for military veterans and their dependants

**Strategic objectives, performance indicators, planned targets and actual achievements**

The Department planned to administer six performance indicators in order to assist military veterans and their dependants to benefit from the empowerment programmes. This resulted in three performance targets being achieved which constituted 50%.

**Table 11: Performance indicators for Programme 3**

PROGRAMME: EMPOWERMENT AND STAKEHOLDER MANAGEMENT					
Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
PPI 301: Number of private sector companies and organs of state in partnership with the Department of Military veterans per year	11	60	-	(60)	Lack of strategy across the DMV in processing and concluding MoUs

**PROGRAMME: EMPOWERMENT AND STAKEHOLDER MANAGEMENT**

Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
PPI 302: Number of deserving military veterans with access for training and skills development per year	1 543	3 500	1 908	(1 592)	New service providers are now assisted to register on the Central Suppliers Database in order to fast track the quality training in order to train more military veterans
PPI 303: Number of military veteran-run business entities supported per year	New indicator	100	179	79	The benefit is demand driven, hence the over achievement
PPI 304: Number of agreements established at continental and international levels per year	0	30	-	(30)	Currently no established structures to effectively initiate international protocols and agreements
PPI 305: Number of military veterans' families provided with burial support per year	New indicator	200	460	260	Benefit is demand driven, hence the over achievement
PPI 306: Number of military veterans memorial sites erected per year	2	2	2	-	N/A

**Strategy to overcome areas of underperformance**

To address underperformance, the Department will implement these strategies:

- **Partnership with private sector companies and organs of state:** Processes will be fast-tracked in the new financial year.
- **Training and skills development:** The targets will be packaged into different programmes per province and the process will be decentralised to enable easier attainment of targets.
- **Continental and international agreements:** A stakeholder engagement policy will be fast-tracked to address interactions.

## Changes to planned targets

During 2016/17, no changes were made to the planned targets as per Section 4.2 of The Framework for Strategic Plans and Annual Performance Plans.

**Table 12: Sub-programme expenditure: Empowerment and Stakeholder Management**

Sub-programme	2015/16			2016/17		
	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
Provincial Offices and Stakeholder Relations	43 334	38 714	4 620	44 239	32 739	11 500
Empowerment and Skills Development	100 520	30 037	70 483	44 160	36 518	7 642
Heritage, Memorials, Burials and Honours	14 552	12 046	2 506	36 335	33 836	2 499
<b>TOTAL</b>	<b>158 406</b>	<b>80 797</b>	<b>77 609</b>	<b>124 734</b>	<b>103 093</b>	<b>21 641</b>

## 5. TRANSFER PAYMENTS

### 5.1 Capital investment, maintenance and asset management plan

**Table 13: Capital investment**

Infrastructure projects	2015/16			2016/17		
	Final appropriation	Actual expenditure	(Over)/under-expenditure	Final appropriation	Actual expenditure	(Over)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	-	-	-	-	-	-
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## PART C Governance





# PART C Governance

## 1. INTRODUCTION

The DMV is committed to maintaining the highest standards of governance in its management of public finances and resources. Formalised risk management structures and processes and a functioning internal Audit unit ensure good governance for effective, efficient and economically use state resources.

## 2. RISK MANAGEMENT

### 2.1. Nature of risk management

The DMV's overall risk management philosophy is to identify potential and emerging risks and implement risk management strategies to reduce the impact of risk on the achievement of strategic objectives.

Risk management in public sector institutions is part of the government's macro strategy to achieve national goals and objectives. In the year under review, the DMV reviewed and approved a risk management framework, a risk management strategy, risk management policy, and a risk management plan. Strategic and operational risk registers were developed.

The Risk Management Committee will be fully functional in 2017/18 to provide governance oversight on the entire risk management system and to provide the AO with performance risk management reports to ensure that Departmental strategic objectives are achieved. The committee will ensure implementation of an effective risk management framework, strategy and plan that enhance the Department's ability to achieve its strategic objectives.

The audit committee will also provide advice and oversight on the implementation of risk management activities throughout the organisation. Risk registers are compiled, updated with emerging risks and progress of mitigating actions are monitored by the Chief Risk Officer. Strategic and operational risk assessments are conducted quarterly with a view to reviewing and updating existing risks and identifying new and emerging risks.

In terms of the Risk Management Policy, the Department implements and maintains an effective, efficient and transparent system of risk management, identifying emerging risks, conducting both strategic and operational risk assessments and reporting progress to the Risk Management Committee quarterly.

A dedicated risk management unit reporting to the Risk Management Committee is responsible for implementing risk management processes across the three core branches.

### 2.2 Risk management strategies to identify and manage risks

Risks are identified at both strategic and operational levels. Strategic risks are linked to goals, objectives and programmes, while operational risks are linked to the objectives of branches and directorates.

The Department conducts an annual comprehensive risk assessment to review/update its risk register in terms of the approved Risk Management Strategy and as required by the NT Public Sector Risk Management Framework. It prepares quarterly reviews of emerging risks and status in the implementation of mitigation strategies. The responsibility for designing and implementing risk action plans for identified risks is delegated to specific risk owners.

The Risk Committee recommended the appointment of an independent risk management chairperson to monitor independently the effectiveness of the risk management system.

The Departmental risk register was adopted by the Executive Committee (EXCO) in 2016/17 and risk management champions will be appointed in 2017/18 to assist with risk action plans. Risk awareness workshops will be conducted, a risk maturing gap analysis completed, roles and responsibilities clarified and ongoing risk assessments conducted.

### **3. FRAUD AND CORRUPTION**

A Fraud Prevention Plan and a Fraud Policy are in place and the Department supports the National Anti-Corruption Hotline (NACH). In addition, employees are encouraged to report suspected fraud and corruption through internal reporting mechanisms such as the Internal Audit unit, Legal Services Unit and Security Management Unit.

The Department investigates all reported cases and refers them to other institutions if necessary. Due to capacity constraints, no formal awareness workshop was conducted during the financial year. However, OPSC was approached to assist with investigations on cases received from the NACH.

#### **3.1. Fraud and corruption mechanisms**

The Fraud Prevention Plan complies with the Protected Disclosure Act and outlines whistleblowing procedures.

Plans are underway to promote the plan using posters at strategic Departmental areas, over the intranet, and through maintenance of fraud and corruption risk registers.

Reported fraud cases may be investigated internally and action taken against individuals on the recommendation of Internal Audit, elevated to a disciplinary committee, or referred to the South African Police Service (SAPS) or the National Prosecuting Authority (NPA).

### **4. MINIMISING CONFLICT OF INTEREST**

The Department uses the following procedures to handle conflicts of interest:

- Financial disclosure procedures to encourage employees to disclose any registerable interests they might have or any remunerative work that is conducted outside of the Department.
- Engagement with employees who have identified and, where appropriate, implementation of standard disciplinary steps in terms of the disciplinary code and public service procedure.
- Participation in the Department of Public Service and Administration's eDisclosure system and timely submission of required information about business interests to the Public Service Commission by 30 April of each financial year, as legislated.
- Annual completion and submission to eDisclosure by SMS, failing which misconduct charges may be laid.
- Vetting and security checking of all SCM members involved in procurement process.
- Mandatory signing of conflict of interest forms by all Bid Committee members.
- Electronic disclosure of conflicts of interest to the DPSA by all SMS members.
- Use of a disclosure form for staff at level 12 and below. The form must be signed annually and by all new recruits. Forms are kept in the employee's personal file and the process is managed by HRM.

### **5. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

A committee has been established comprising nine officers, including the Director: HRM. It is responsible for employee wellness, health and safety in the workplace in line with the Departmental Occupational Health and Safety (OHS) Policy, which is in line with Section 16.2 of the Occupational Health and Safety Act.

The OHS policy is linked to the four procedures on incapacity leave and ill-health retirement (PILIR) of health and safety and the Personal Protective Equipment Policy. The Department's OHS strategic plan is in place and the



Occupational Health and Safety Management System 18 001 system is in progress. The OHS risk register is updated quarterly.

The safety officers or coordinators are appointed from all Departmental branches/programmes to ensure the implementation of OHS.

Other legal appointments such as health and safety representatives, first aiders and firefighters are to be appointed and trained, and regional health and safety committees established and functioning.

Routine inspection, risk assessments and internal OHS audits are conducted regularly and reports are submitted to the responsible officials for corrective actions. The Departmental National Occupational Health and Safety Committee is encouraged to meet quarterly to discuss OHS matters and formulate solutions.

Minutes and quarterly reports are sent to the AO and the DDGs for noting, and for intervention where required. October is OHS Month and it is celebrated throughout the Department to create awareness.

## 6. PORTFOLIO COMMITTEES

During 2016/17, the Portfolio Committee, as the oversight body, undertook the following activities with the DMV:

**Table 14: Activities of the Portfolio Committee**

Date of the meeting	Main activities undertaken between the Department and the Portfolio Committee
22-23 August 2016	Preparatory meeting for strategic planning workshop with the PCD&MV and Joint Standing Committee on Defence (JSCD).
5-7 September 2016	The Department briefed the PCD&MV on performance and expenditure for the first quarter of 2016/17 and the last quarter of 2015/16.
17-18 October 2016	The Department briefed the PCD&MV on the 2015/16 Annual Report.
25-28 October 2016	The Department accompanied the Deputy Minister of Defence and Military Veterans to the JSCD to table the TSI report.
1-2 November 2016	The Department appeared before PCD&MV to present the status of the MoUs and SLAs entered into with national departments and agencies supporting military veterans.
8-10 November 2016	The Department briefed the PCD&MV on its performance and expenditure and on the second and third quarterly reports for 2016/17, and made a presentation to the JSCD on the final TSI report.
28-30 November 2016	The Department briefed the PCD&MV on assistance provided to military veterans by the Department of Transport and its entities.
21-22 February 2017	The DMV and SITA briefed the PCD&MV on status and challenges of the National Military Veterans Database and on IT support and infrastructure.

## 7. SCOPA RESOLUTIONS

During 2016/17, no resolutions were received from Standing Committee on Public Accounts (SCOPA).

## 8. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit activity provides independent and objective assurance and insight to management on the effectiveness of the governance, risk management and internal control systems that assist the Department to achieve its objectives.

Audit projects as per the approved risk-based internal audit plan were undertaken during the year and reports presented to the Audit Committee. Management is in the process of attending to weaknesses identified.

The primary objective of Internal Audit is to assist the AO and the Audit Committee in the effective discharge of their responsibilities.

Internal Audit provides independent analyses, appraisals, recommendations, counsel and information on the activities reviewed, with a view to improving accountability and performance; assessing and making appropriate recommendations for improving the governance processes in achieving the Department's objectives; evaluating the adequacy and effectiveness of risk management governance and internal control, with a view to improving them, and assisting the AO to maintain efficient and effective controls and developing recommendations for improvement.

Internal Audit developed risk-based internal audit plans as required by TR. The three-year rolling strategic plan and the annual Internal Audit coverage plan, including projects for the year, were approved.

The annual plan was approved on the basis of a fully capacitated Internal Audit function throughout the financial year. As this did not materialise, the plan was not fully executed.

### 8.1. Key activities and objectives of the Audit Committee

The Audit Committee (AC) is a non-executive committee that advises the AO, who is primarily responsible for oversight of the Department's governance, control and risk management processes.

Operating according to written terms of reference, AC assists senior managers to fulfil their responsibility for financial and operating reporting processes, the system of internal controls, governance, risk management, audit process and monitoring compliance with applicable laws, regulations, relevant prescripts and directives.

**Table 15: Profile of Audit Committee members**

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date resigned	No. of Meetings attended
V Nondabula	MBA in Finance and International Business; <ul style="list-style-type: none"> <li>• MA in Political Science;</li> <li>• BA Honours in Political Science;</li> <li>• BA in History and Political Science;</li> <li>• Diploma in Financial Management; and</li> <li>• UED.</li> </ul>	External	N/A	12/06/2012	None	4
P Dala	Masters in Information Technology, CISA, CISM, CISSP, CEH, CHFI, ISO27001, QAR.	External	N/A	01/04/2013	None	3
O Matloa	BCom (Hons) and CTA, CA (SA)	External	N/A	01/04/2013	None	3
Mr Ameen Amod	B Com, MA, MBA, CIA, CGAP, CRMA	External	N/A	01/04/2013	None	4

## 9. AUDIT COMMITTEE REPORT

### Report of the Audit Committee for the year ended 31 March 2017

We are pleased to present our final report for the financial year ended 31 March, 2017.

#### Establishment of the Audit Committee

The Audit Committee is established in terms of section 38(1)(a)(ii) of the Public Finance Management Act, No. 1 of 1999 (PFMA) and the National Treasury Regulations. The Audit Committee is comprised of independent non-executive members.

#### Audit Committee Responsibility

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

#### The Effectiveness of Internal Control

The system of internal control is designed to provide cost-effective assurance that assets are safeguarded and that liabilities are effectively managed. In line with the PFMA requirements, Internal Audit and the Auditor-General of South Africa (AGSA) provide the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved through a quarterly reporting process to both management and the Audit Committee as well as the identification of corrective actions and recommended by means of enhancements to the controls and processes.

Through the reports from the various assurance providers, the system of internal control was effective during the year under review. In particular, we have noted the strides made by the Department with the asset register, as well as some improvement in leadership and appointment of key personnel.

However, a lot more still needs to be done to stabilize the control environment at DMV. There were instances of non-compliance and internal control deficiencies, such as the following:

- i. There were some discrepancies with regards the implementation of the prescribed framework for managing programme performance information for selected programmes, and this was also reflected in the AGSA's audit report;
- ii. Lack of documented and approved internal policies and procedures;
- iii. Irregular expenditure, fruitless and wasteful expenditure;
- iv. Fraud investigations: education;
- v. Consequence management not implemented;
- vi. Non compliance with laws and regulations;
- vii. Continuous delays to adequately resource the internal audit function;
- viii. Control weaknesses within the IT environment.

Management has committed to put some strategies and processes in place to address the above control deficiencies. The Committee will be monitoring the progress made by management to strengthen internal controls. As part of continuous improvement, we wish to highlight that the department needs to build a strong control environment by addressing all the control deficiencies, some gaps in financial and performance reporting as well as capacity issues. We therefore support management initiatives to address the control deficiencies, service delivery and resource challenges.

Overall, the Committee received some assurance from management as to the adequacy and effectiveness of internal controls within the department, and this was underscored by the AGSA's assessment of internal controls.

### Internal Audit

The Audit Committee reviewed and approved the annual internal audit plan for 2016/17 and monitored performance of Internal Audit against the plan on a quarterly basis. The Audit Committee is of the view that the internal audit function has not fully discharged its mandate, as the approved plan was not fully implemented. Consequently, the Committee could not receive adequate independent and objective assurance from internal audit on controls, governance and risk management, partly because it was not fully resourced. We urgently request the department to fast track the resourcing of internal audit during the 2017/18 financial period.

### In-Year Management and Monthly/ Quarterly Report

The Department has submitted monthly and quarterly management/ financial reports to National Treasury as per the PFMA requirements. Although we have noted some improvement in the content and quality of these reports, however, more improvement of performance reports is required in relation to the objectives to strictly adhere to the SMART principle.

### Evaluation of Financial Statements

The Committee has:

- reviewed and discussed the audited annual financial statements included in the annual report, with the AGSA and management;
- reviewed the department's performance information;
- reviewed AGSA's audit report, management letter and management's responses thereto;
- reviewed the department's compliance with legal and regulatory provisions;
- reviewed the adjustments resulting from the audit.

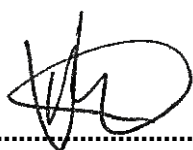
The Committee wishes to congratulate the department on achieving an unqualified audit outcome.

### Auditor General of South Africa

The Audit Committee concurs with and accepts the AGSA's audit opinion and conclusion expressed 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 AGSA.

### Appreciation

We wish to express our great appreciation to the Minister and Deputy Minister for their leadership and guidance, the Acting Director-General, management and staff for their commitment, as well as AGSA and internal audit for their useful contribution and dedication.



.....  
**Mr. V Nondabula**  
**Chairperson of the Audit Committee**  
**Department of Military Veterans**  
**Date: 31 July 2017**



## PART D Human Resource Management





# PART D Human Resource Management

## 1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

## 2. OVERVIEW OF HUMAN RESOURCES

It is important that the Department is capacitated adequately to deliver on its mandate. The Defence and Military Veterans Vote, through the Estimates of National Expenditure (ENE) 2016/17, presented the commitment to realising the human capital of 169 to service the footprint of the military veterans mandate during the 2016/17 financial year.

The approved DMV staff establishment has 169 posts, 133 of which are currently filled and 36 vacant. This translates to a vacancy rate of 21%. Due to operational imperatives, the Department created an additional 74 posts which were filled on a contract basis.

The Department continues to experience challenges in attracting and retaining critical and scarce skills. Despite this and a high staff turnover, it still managed to achieve most of its planned targets.

The vacancy rate for **Programme 1: Administration** was at 17% for the year under review, due to lack of operational posts on the Departmental structure, which creates service delivery challenges. A mechanism was initiated to appoint contract workers to alleviate service delivery challenges.

Currently, the Programme is reviewing the organisational structure. Adverts were published inviting graduate trainees to apply for 27 internships. The objective is to close the persistent skills gaps in the Department and fill critical vacant positions.

The vacancy rate for **Programme 2: SES** was at 20% during the year under review. The programme comprises 20 permanent posts on the approved structure, 17 of which are filled. However, one of the most crucial posts – Deputy Director-General - was vacated during the year. For the Programme to fulfil its responsibility for rolling out seven benefits for military veterans, the Department opted to appoint contract workers.

The vacancy rate for **Programme 3: ESM** was at 30% during the year under review, but these vacancies will be filled when the Programme completes the process of procuring provincial offices.

The Department has successfully implemented the training interventions detailed in the Workplace Skills Plan (WSP), with 102 employees undergoing training during the year under review.

Employees also attended courses on the compulsory induction programme (CIP) and PILIR in the public service, mainly through the DPSA's Public School of Governance.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1 Personnel-related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2016 to 31 March 2017

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
<b>1. Administration</b>	158 056	63 943	1 317	1 573	40.5	417.9
<b>2. SES</b>	243 472	18 148	31	-	7.5	465.3
<b>3. ESM</b>	103 093	26 372	8	-	25.6	694.0
<b>TOTAL</b>	<b>504 621</b>	<b>108 463</b>	<b>1 356</b>	<b>1 573</b>	<b>21.5</b>	<b>649.5</b>

Average number during the year is derived by calculating the total of each month and is divided by 12 months

Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	2 044	1.9	32	63.9
Skilled (levels 3-5)	3 961	3.7	22	180.0
Highly skilled production (levels 6-8)	24 264	22.4	80	303.3
Highly skilled supervision (levels 9-12)	54 169	49.9	83	652.6
Senior and top management (levels 13-16)	24 025	22.2	23	1 044.6
<b>TOTAL</b>	<b>108 463</b>	<b>100</b>	<b>240</b>	<b>451.9</b>

This is the total number of employees at 31 March 2017

Table 3.1.3 Salaries, overtime, home owners allowance and medical aid by programme for the period 1 April 2016 to 31 March 2017

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
<b>1. Administration</b>	44 608	41.1	2 490	2.3	757	0.7	1 109	1.7
<b>2. SES</b>	12 567	11.6	554	0.5	347	0.3	144	0.8
<b>3. ESM</b>	17 502	16.1	288	0.3	88	0.1	172	0.7
<b>TOTAL</b>	<b>74 677</b>	<b>68.8</b>	<b>3 332</b>	<b>3.1</b>	<b>1 192</b>	<b>1.1</b>	<b>1 425</b>	<b>1.3</b>

*Table 3.1.4 Salaries, overtime, home owners allowance and medical aid by salary band for the period 1 April 2016 to 31 March 2017*

Salary band	Salaries		Overtime		Home owners allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (levels 1-2)	1 920	1.8	124	0.1	-	-	-	-
Skilled (levels 3-5)	2 614	2.4	169	0.2	102	0.1	56	0.0
Highly skilled production (levels 6-8)	15 564	14.3	2 052	1.9	465	0.4	539	0.1
Highly skilled supervision (levels 9-12)	39 793	36.7	987	0.9	541	0.5	691	0.6
Senior management (levels 13-16)	14 786	13.6	-	-	84	0.1	139	0.1
<b>TOTAL</b>	<b>74 677</b>	<b>68.8</b>	<b>3 332</b>	<b>3.1</b>	<b>1 192</b>	<b>1.1</b>	<b>1 425</b>	<b>1.3</b>

## 3.2 Employment and vacancies

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2017*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
<b>1. Administration</b>	103	84	18.4%	45
<b>2. SES</b>	20	17	15.0%	22
<b>3. ESM</b>	46	32	30.4%	7
<b>TOTAL</b>	<b>169</b>	<b>133</b>	<b>21%</b>	<b>74</b>

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2017*

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (levels 1-2)	-	-	0%	-
Skilled (levels 3-5)	10	6	40%	15
Highly skilled production (levels 6-8)	56	35	38%	47
Highly skilled supervision (levels 9-12)	72	71	1%	11
Senior management (level 13-16)	31	21	32%	1
<b>TOTAL</b>	<b>169</b>	<b>133</b>	<b>21%</b>	<b>74</b>



Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2017

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Elementary occupation (levels 1-5)	10	6	40%	15
Administrative office workers (levels 6-9)	59	40	32%	48
Professionals and managers (levels 10-16)	100	87	13%	11
<b>TOTAL</b>	<b>169</b>	<b>133</b>	<b>21%</b>	<b>74</b>

### 3.3 Filling of SMS posts

Table 3.3.1 SMS post information as on 31 March 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ head of department	1	-	-	1	100%
Salary level 16	-	-	-	-	-
Salary level 15	3	2	66%	1	33%
Salary level 14	9	6	66%	3	33%
Salary level 13	18	13	72%	5	28%
<b>TOTAL</b>	<b>31</b>	<b>21</b>	<b>68%</b>	<b>10</b>	<b>32%</b>

Table 3.3.2 SMS post information as on 30 September 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ head of department	1	0	-	1	100%
Salary level 16	-	-	0%	-	0%
Salary level 15	3	3	100%	-	0%
Salary level 14	9	6	66%	3	33%
Salary level 13	18	13	72%	5	28%
<b>TOTAL</b>	<b>31</b>	<b>22</b>	<b>71%</b>	<b>9</b>	<b>29%</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-General/head of department	1	-	-
Salary level 16	-	-	-
Salary level 15	1	1	-
Salary level 14	3	1	-
Salary level 13	5	1	1
<b>TOTAL</b>	<b>8</b>	<b>3</b>	<b>1</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2016 to 31 March 2017**

Reasons for vacancies not advertised within 12 months
<ul style="list-style-type: none"> <li>The Department experienced a high rate of turnover of SMS members, but has advertised the vacated SMS posts, with a view to filling them during the 2017/18 financial year.</li> </ul>
<ul style="list-style-type: none"> <li>A turnaround team was appointed by the Minister to address challenges impacting the filling of posts.</li> </ul>
<ul style="list-style-type: none"> <li>The Department is establishing provincial offices, which will assist in filling vacant posts.</li> </ul>

Reasons for vacancies not filled within 12 months
<ul style="list-style-type: none"> <li>Lack of office accommodation.</li> </ul>
<ul style="list-style-type: none"> <li>Failing to appoint a Director-General for decision making.</li> </ul>
<ul style="list-style-type: none"> <li>Delays caused by administration challenges between the Department and external stakeholders.</li> </ul>

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 to 31 March 2017**

Reasons for vacancies not advertised within six months
None - some posts were advertised and filled within six months.

Reasons for vacancies not filled within six months
<ul style="list-style-type: none"> <li>Lack of office accommodation.</li> </ul>
<ul style="list-style-type: none"> <li>The Director-General post was advertised, but due to administration challenges between the DMV and DPSA, it was proposed that the posts be re-advertised.</li> </ul>

### 3.4 Job evaluation

**Table 3.4.1 Job evaluation by salary band for the period 1 April 2016 to 31 March 2017**

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1-2)	-	-	-	-	-	-	-
Skilled (levels 3-5)	-	-	-	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-	-	-	-
SMS Band A	-	-	-	-	-	-	-
SMS Band B	-	-	-	-	-	-	-
SMS Band C	-	-	-	-	-	-	-
SMS Band D	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017**

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

Employees with a disability	-
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**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2016 to 31 March 2017**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy-Director	-	None	None	No job evaluation was done in 2016/17
Assistant-Director	-	None	None	No job evaluation was done in 2016/17
VIP	-	None	None	No job evaluation was done in 2016/17
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				-
<b>Percentage of total employed</b>				-

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017**

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-
Employees with a disability	-	-	-	-	-
Total number of employees whose salaries exceeded the grades determined by job evaluation					<b>None</b>

### 3.5 Employment changes

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017**

Salary band	Number of employees at beginning of period - 1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	10	-	-	-
Highly skilled production (levels 6-8)	30	1	2	7%
Highly skilled supervision (levels 9-12)	71	9	5	7%
SMS Band A	-	-	-	-
SMS Band B	2	1	1	50%
SMS Band C	7	-	1	14%
SMS Band D	13	1	-	-
Contracts	78	-	4	4%
<b>TOTAL</b>	<b>211</b>	<b>12</b>	<b>13</b>	<b>6%</b>

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017*

Critical occupation	Number of employees at beginning of period - April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Elementary occupation (levels 1-5)	10	-	-	-
Administrative office workers (levels 6-9)	30	8	3	10%
Professionals and managers (levels 10-16)	93	4	6	6.4%
<b>TOTAL</b>	<b>133</b>	<b>12</b>	<b>9</b>	<b>6.8%</b>

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2016 to 31 March 2017*

Termination Type	Number	% of Total Resignations
Death	1	1%
Resignation	3	6%
Expiry of contract	74	100%
Dismissal – operational changes	-	-
Dismissal – misconduct	1	1%
Dismissal – inefficiency	-	-
Discharged due to ill health	-	-
Retirement	-	-
Transfer to other public service department	2	4%
Other	-	-
<b>TOTAL</b>	<b>81</b>	<b>38%</b>
<b>Total number of employees who left as a % of total employment</b>		<b>14%</b>

*Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 to 31 March 2017*

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Elementary occupation (levels 1-5)	10	-	-	-	-
Administrative office workers (levels 6-9)	30	1	1%	-	-
Professionals and managers (levels 10-16)	93	-	-	-	-
<b>TOTAL</b>	<b>133</b>	<b>1</b>	<b>1%</b>	<b>-</b>	<b>-</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2016 to 31 March 2017

Salary Band	Employees 1 April 2016	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	-	-	-	-	-
Skilled (levels 3-5)	10	-	-	-	-
Highly skilled production (levels 6-8)	30	-	-	-	-
Highly skilled supervision (levels 9-12)	71	1	1%	-	-
Senior management (levels 13-16)	22	-	-	-	-
<b>TOTAL</b>	<b>133</b>	<b>1</b>	<b>1%</b>	<b>-</b>	<b>-</b>

### 3.6 Employment equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (levels 13-16)	10	1	-	-	10	-	-	0	<b>21</b>
Professionals (levels 9-12)	35	1	-	3	30	-	-	2	<b>71</b>
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks (levels 1-8)	21	-	-	1	18	-	1	-	<b>41</b>
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>66</b>	<b>2</b>	<b>-</b>	<b>4</b>	<b>58</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>133</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15-16)	1	-	-	-	1	-	-	-	2
Senior management (levels 13-14)	9	1	-	-	9	-	-	-	19
Professionally qualified and experienced specialists and mid-management (levels 11-12)	23	-	-	2	15	-	-	2	42
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 1-10)	33	1	-	1	34	-	1	-	70
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>66</b>	<b>2</b>	<b>-</b>	<b>3</b>	<b>59</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>133</b>

**Table 3.6.3 Recruitment for the period 1 April 2016 to 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15-16)	1	-	-	-	1	-	-	-	2
Senior management (levels 13-14)	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management (levels 11-12)	-	-	-	-	1	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 1-10)	1	-	-	-	7	-	-	-	8
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

**Table 3.6.4 Promotions for the period 1 April 2016 to 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15-16)	-	-	-	-	-	-	-	-	-
Senior management (levels 13-14)	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (levels 11-12)	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 1-10)	-	-	-	-	1	-	-	-	1
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	1	-	-	-	1
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

**Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15-16)	1	-	-	-	-	-	-	-	1
Senior management (levels 13-14)	1	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management (levels 11-12)	-	-	-	-	1	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (levels 1-10)	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	2	-	-	-	1	-	-	-	3
<b>Employees with Disabilities</b>	-	-	-	-	-	-	-	-	-

Table 3.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
N/A	-	-	-	-	-	-	-	-	-

Table 3.6.7 Skills development for the period 1 April 2016 to 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (levels 13-16)	8	0	-	-	3	-	-	-	11
Professionals (levels 9-12)	23	-	-	-	20	-	-	1	44
Technicians and associate professionals	-	-	-	-	-	-	-	-	-
Clerks (levels 1-8)	23	-	-	-	24	-	-	-	47
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>102</b>
<b>Employees with disabilities</b>	1	-	-	-	-	-	-	-	-

### 3.7 Signing of performance agreements by SMS members

Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ head of department	1	-	-	-
Salary level 16	-	-	-	-
Salary level 15	3	2	2	100%
Salary level 14	9	6	5	83%
Salary level 13	18	13	13	100%
<b>TOTAL</b>	<b>31</b>	<b>21</b>	<b>20</b>	<b>95%</b>

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members by 31 March 2017

Reasons
The Department appointed the new DDG: ESM during June 2016, and the Chief Director had to present a case about his job description, which created delays in submission.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements by 31 March 2017

Reasons
The matter was escalated to the office of the Executive Authority for urgent intervention and way forward.



### 3.8 Performance rewards

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Asian</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Coloured</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>White</b>	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	-	-	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2016 to 31 March 2017

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Elementary occupation (levels 1-5)	-	-	-	-	-
Administrative office Workers (levels 6-9)	-	-	-	-	-
Professionals and managers (levels 10-16)	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

*Table 3.8.4 Performance-related rewards (cash bonus), by salary band for SMS for the period 1 April 2016 to 31 March 2017*

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

### 3.9 Foreign workers

*Table 3.9.1 Foreign workers by salary band for the period 1 April 2016 to 31 March 2017*

Salary band	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-	-	-
Contract (levels 9-12)	-	-	-	-	-	-
Contract (levels 13-16)	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

*Table 3.9.2 Foreign workers by major occupation for the period 1 April 2016 to 31 March 2017*

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupation (levels 1-5)	-	-	-	-	-	-
Administrative office workers (levels 6-9)	-	-	-	-	-	-
Professionals and managers (levels 10-16)	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

### 3.10 Leave utilisation

*Table 3.10.1 Sick leave for the period 1 January 2016 to 31 December 2016*

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	57	58%	6	4%	9.5	41
Highly skilled production (levels 6-8)	181	65%	29	19%	6.2	201
Highly skilled supervision (levels 9-12)	252	54%	41	27%	6.2	618
Top and senior management (levels 13-16)	104	60%	15	10%	6.9	380
<b>TOTAL</b>	<b>594</b>	<b>59%</b>	<b>91</b>	<b>15%</b>	<b>7.20</b>	<b>1 240</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016**

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	-	-	-	-	-	-
Highly skilled production (levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (levels 9-12)	-	-	-	-	-	-
Senior management (levels 13-16)	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.10.3 Annual leave for the period 1 January 2016 to 31 December 2016**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	-	-	-
Skilled (levels 3-5)	147	9	16.3
Highly skilled production (levels 6-8)	742	37	20.0
Highly skilled supervision (levels 9-12)	1 233	73	16.9
Senior management (levels 13-16)	403	24	16.8
<b>TOTAL</b>	<b>2 525</b>	<b>143</b>	<b>17.5</b>

**Table 3.10.4 Capped leave for the period 1 January 2016 to 31 December 2016**

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee at 31 March 2016
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	-	-	-	-
Highly skilled production (levels 6-8)	1	1	1	19.8
Highly skilled supervision (levels 9-12)	1	1	1	31.3
Senior management (levels 13-16)	1	1	1	19.2
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>28.2</b>

**Table 3.10.5 Leave pay-outs for the period 1 April 2016 to 31 March 2017**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2016/17 financial year due to non-utilisation of leave for the previous cycle	29 000	1	29 222
Capped leave pay-outs on termination of service for 2016/17 financial year	62 000	3	20 753
Current leave pay-out on termination of service for 2016/17 financial year	25 271	1	25 271
<b>TOTAL</b>	<b>116 271</b>	<b>5</b>	<b>23 350</b>

### 3.11 HIV/Aids and health promotion programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

Table 3.11.2 Details of health promotion and HIV/Aids programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		HR Mathobela Director: HRM
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		One assistant director for employee health and wellness. A Wellness, Health and Safety Committee has been constituted comprising other members.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		Not yet. A submission to appoint a service provider is still under consideration.
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 established committee is responsible for overall wellness and health and safety of employees in the workplace. The members are: 1. C Tun-Fong: Employee health and wellness 2. J Moche: Security and transport management 3. L Sono: ESM 4. SK Mncube: Office of the DG (cleaners' supervisor) 5. ND Malindi: (Office of the DG) 6. T Ramaru: Internal Audit 7. L Selokela: SES 8. S Mogoloa: Facilities management 9. T Kungwane: HRM
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		Reviewed and waiting for approval.
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		Policies are in place and there is continuous awareness of HIV in the Department.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		Presentations were conducted on voluntary counselling and testing in all aspects of employee health and wellness programmes.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		The Wellness, Health and Safety Committee has been trained in various aspects of health and safety. Health promotion has been conducted through this committee. An occupational health and safety service provider was appointed and a compliance audit conducted.

### 3.12 Labour relations

*Table 3.12.1 Collective agreements for the period 1 April 2016 to 31 March 2017*

Subject matter	Date
None	None
<b>Total number of collective agreements</b>	<b>None</b>

*Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 to 31 March 2017*

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	1	2%
Not guilty	-	-
Case withdrawn	4	8%
<b>TOTAL</b>	<b>5</b>	<b>10%</b>

<b>Total number of disciplinary hearings finalised</b>	<b>None</b>
--	-------------

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017*

Type of misconduct	Number	% of total
Sexual harassment	1	2%
Absenteeism	1	2%
<b>TOTAL</b>	<b>2</b>	<b>4%</b>

*Table 3.12.4 Grievances logged for the period 1 April 2016 to 31 March 2017*

Grievances	Number	% of total
Number of grievances resolved	3	6%
Number of grievances not resolved	2	4%
<b>Total number of grievances lodged</b>	<b>5</b>	<b>10.1%</b>

Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 to 31 March 2017

Disputes	Number	% of total
Number of disputes upheld	1	2%
Number of disputes dismissed	3	6%
<b>Total number of disputes lodged</b>	<b>4</b>	<b>8.1%</b>

Table 3.12.6 Strike action for the period 1 April 2016 to 31 March 2017

<b>Total number of persons working days lost</b>	-
<b>Total costs working days lost</b>	-
<b>Amount recovered as a result of no work no pay (R'000)</b>	-

Table 3.12.7 Precautionary suspensions for the period 1 April 2016 to 31 March 2017

Number of people suspended	1
<b>Number of people whose suspension exceeded 30 days</b>	<b>1</b>
<b>Average number of days suspended</b>	<b>171</b>
<b>Cost of suspension (R'000)</b>	<b>109 584</b>

### 3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2016 to 31 March 2017

Occupational category	Gender	Number of employees at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	-	9	-	9
	Male	11	-	13	-	13
Professionals	Female	33	-	-	-	-
	Male	38	-	-	-	-
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	19	18	6	-	24
	Male	22	10	2	-	12
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
<b>Sub-total</b>	<b>Female</b>	<b>62</b>	<b>18</b>	<b>15</b>	<b>-</b>	<b>33</b>
	<b>Male</b>	<b>71</b>	<b>10</b>	<b>15</b>	<b>-</b>	<b>25</b>
<b>TOTAL</b>		<b>133</b>	<b>28</b>	<b>30</b>	<b>-</b>	<b>58</b>

Table 3.13.2 Training provided for the period 1 April 2016 to 31 March 2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	-	3	-	3
	Male	11	-	8	-	8
Professionals	Female	33	-	21	-	21
	Male	38	-	23	-	23
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	19	-	24	-	24
	Male	22	-	23	-	23
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
<b>Sub-total</b>	<b>Female</b>	<b>62</b>	<b>-</b>	<b>48</b>	<b>-</b>	<b>48</b>
	<b>Male</b>	<b>71</b>	<b>-</b>	<b>54</b>	<b>-</b>	<b>54</b>
<b>TOTAL</b>		<b>133</b>	<b>-</b>	<b>102</b>	<b>-</b>	<b>102</b>

### 3.14 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2016 to 31 March 2017

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	-
Temporary total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### 3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None	-	-	-

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	-	-	-

*Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2016 to 31 March 2017*

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	-	-	-

*Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2016 to 1 March 2017*

Project title	Total number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	-	-	-

Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
None	-	-	-

*Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 to 31 March 2017*

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	-	-	-

### 3.16 Severance packages

*Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 to 31 March 2017*

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





**PART E** Financial Information





# PART E Financial Information

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# Report of the auditor-general to Parliament on vote no. 19: Department of Military Veterans

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Department of Military Veterans set out on pages 81 to 161, which comprise the appropriation statement, statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Military Veterans as at 31 March 2017, and their financial performance and cash flows for the year then ended in accordance with Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa (PFMA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and 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.

### Emphasis of matter

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

### Uncertainty relating to the future outcome of exceptional litigation

7. With reference to note 16 to the financial statements, the department is the defendant in contract cancellation lawsuit. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

### 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 154 to 161 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standard and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is either an intention to liquidate the department 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 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 department. 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 presented in the annual performance report of the department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2: socio-economic support	38-40
Programme 3: empowerment and stakeholder management	41-43

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. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

### **Programme 2: socio-economic support**

#### **Number of bursaries provided to military veterans and their dependants per year**

19. The reported achievement for the target for the number of bursaries provided to military veterans and dependents was misstated as the evidence provided indicated 6 193 and not 7 146 as reported.

#### **Average days taken to register and update personal records of military veterans on the database**

20. The target for this indicator was not measurable due to a lack of verifiable processes to measure actual performance. Consequently, reliability of the actual achievement reported could not be verified.

### **Programme 3: empowerment and stakeholder management**

#### **Number of deserving military veterans with access for training and skills development**

21. The reason for the variance between the planned target of 3 500 and the reported achievement of 1 908 was not reported in the annual performance report, as required by the Annual report guide for national and provincial departments. The department reported on mitigating strategies that will be undertaken to address under-performance going forward instead of reasons for variances.

In addition, the reported achievement for the target of deserving military veterans with access for training and skills development was misstated as the evidence provided indicated 2 480 and not 1 908 as reported.

#### **Number of military veterans' memorial sites erected per year**

22. The source information for the achievement of the planned indicator was not clearly defined, as required by the Framework for Managing Programme Performance Information (FMPPI). As a result, the planned performance was not measurable due to inconsistencies with regards to processes used for collection of data for reporting purposes. In addition, evidence provided to substantiate reported targets was not sufficient and appropriate and therefore 50% of the reported achievements could not be validated.

### **Other matters**

23. I draw attention to the matters below.

#### **Achievement of planned targets**

24. Refer to the annual performance report on pages 34 to 43 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a significant number of targets. This information should be considered in the context of the material findings expressed on the usefulness and reliability of the reported performance information in paragraphs 19 to 22 of this report.

#### **Adjustment of material misstatements**

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the socio-economic support and empowerment and stakeholder management programmes. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are included in the material findings reported.

## Report on audit of compliance with legislation

### Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
27. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

### Annual financial statements, performance and annual report

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements in assets and financial statement disclosures identified by the auditors in the submitted financial statements were corrected and the supporting records for goods and services and employee cost were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### Expenditure management

29. Effective steps were not taken to prevent irregular expenditure amounting to R105 999 000 as disclosed in note 21 to the annual financial statements, in contravention of section 38(1) (c)(ii) of the PFMA and treasury regulation 9.1.1. Most of the irregular expenditure (R89,6 million) was caused by non-adherence to approved financial delegations, which has since been addressed by the department. Irregular expenditure amounting to R11,9 million relates to contracts entered into in the previous financial years.
30. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 829 000 as disclosed in note 22 to the financial statements, in contravention of section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Most of the fruitless and wasteful expenditure was caused by one overpayment which the department is currently in a process of recovering.
31. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.
32. Money was spent without the approval of the accounting officer or a properly authorised official, as required by treasury regulation 8.2.1.
33. Contractual obligations or money owed by the department were not met and settled within 30 days, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

### Strategic planning and performance management

34. Specific and appropriate information systems to enable the department to monitor progress made towards achieving the goals, targets and core objectives, as indicated in the annual performance plan, were not implemented and operational as required by public service regulations 25(1), 25(3)(a) and 29.

### Procurement and contract management

35. Sufficient appropriate audit evidence could not be obtained that quotations were in some instances awarded to bidders based on points given for criteria that were stipulated in the original invitation for quotations, as required by treasury regulation 16A6.3(a) and the Preferential Procurement Regulations.
36. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1. Similar non-compliance was reported in the prior year. This non-compliance was identified in the procurement process for one service provider utilised as an agent for the provision of a service.

## Other information

37. The department's accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the director's report, the audit committee's report and the minister report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
38. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
39. 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.
40. If, based on the work I have performed, 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

41. I considered internal control relevant to my audit of financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the performance report and the findings on compliance with legislation included in this report.

## Leadership

42. The accounting officer did not exercise adequate oversight of the review of financial and performance reporting, compliance and related internal controls. Policies and procedures relating to core benefits paid by the department were not documented and approved for implementation. Action plans to address prior year audit matters were not properly documented and monitored, resulting in material adjustments to financial and performance reports and non-compliance with legislation.

## Financial and performance management

43. Management did not implement effective controls to ensure that information contained in the financial statements and performance report were reliable before submission for audit. This was mainly due to inadequate reviews and lack of proper record management systems. Management did not review and monitor compliance with regulations resulting in findings on non-compliance with legislation.

## Other reports

44. I draw attention to the following investigation conducted by one firm that could have an impact on the matters reported in the department's financial statements. This report did not form part of my opinion on the financial statements.
45. The department is currently conducting an investigation into one matter relating to alleged fraud with regards to benefits paid to military veterans. At the date of this report the investigation was still in progress.

*Auditor-General*

**Pretoria**  
**31 July 2017**



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## Annexure – Auditor-general’s responsibility for the audit

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

### Financial statements

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

### Communication with those charged with governance

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

# ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF MILITARY VETERANS

## VOTE 19

for the year ended  
31 March 2017



**military veterans**

Department:  
Military Veterans  
REPUBLIC OF SOUTH AFRICA

Life and legacy of  
**OR TAMBO.**  
**100 YEARS**



APPROPRIATION PER PROGRAMME										
2016/17										2015/16
<i>Voted funds and Direct charges</i>	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	R'000
<b>Programme</b>										
<b>1. Administration</b>	<b>143 732</b>	15 600	-	159 332	158 056	1 276	99.2%	157 490	130 977	
<b>2. Socio Economic Support</b>	<b>294 080</b>	19 461	-	313 541	243 472	70 069	77.7%	266 305	136 177	
<b>3. Empowerment and Stakeholder Management</b>	<b>159 795</b>	(35 061)	-	124 734	103 093	21 641	82.6%	158 406	80 797	
<b>SUB TOTAL</b>	<b>597 607</b>	-	-	<b>597 607</b>	<b>504 621</b>	<b>92 986</b>	<b>84.4%</b>	<b>582 201</b>	<b>347 951</b>	
<b>2016/17</b>										
<b>2015/16</b>										
<b>TOTAL (brought forward)</b>				<b>Final Appropriation</b>	<b>Actual Expenditure</b>			<b>Final Appropriation</b>	<b>Actual Expenditure</b>	
<b>Reconciliation with statement of financial performance</b>										
<b>ADD</b>										
Departmental receipts				330				789		
NRF Receipts				-				-		
Aid assistance				-				-		
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>597 937</b>				<b>582 990</b>		
<b>ADD</b>										
Aid assistance										
Prior year unauthorised expenditure approved without funding										
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>504 621</b>				<b>347 951</b>	

DEPARTMENT OF MILITARY VETERANS

VOTE 19

APPROPRIATION STATEMENT for the year ended 31 March 2017

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
<b>Economic classifications</b>	<b>336 635</b>	<b>19 044</b>	-	<b>355 679</b>	<b>326 948</b>	<b>28 731</b>	<b>91.9%</b>	<b>353 112</b>	<b>280 250</b>
<b>Current payments</b>	102 739	6 312	-	109 051	108 463	588	99.5%	97 485	100 638
Compensation of employees	83 170	14 676	-	97 846	99 662	(1 816)	101.9%	78 927	92 147
Salaries and wages	19 569	(8 364)	-	11 205	8 801	2 404	78.5%	18 558	8 490
Social contributions	233 896	12 732	-	246 628	218 485	28 143	88.6%	255 627	179 608
Goods and services	2 340	304	-	2 644	4 345	(1 702)	164.4%	2 416	3 667
Administrative fees	4 930	1 913	-	6 843	5 972	871	87.3%	6 522	12 056
Advertising	4 549	(742)	-	3 807	374	3 433	9.8%	4 380	1 843
Minor assets	5 346	615	-	5 961	5 961	-	100.0%	4 856	7 890
Audit costs: External	1 097	(272)	-	825	593	232	71.9%	433	526
Bursaries: Employees	3 518	(266)	-	3 252	1 590	1 662	48.9%	3 838	1 934
Catering: Departmental activities	3 749	(333)	-	3 416	2 975	440	87.1%	13 357	2 707
Communication	6 726	27 964	-	34 690	34 640	50	99.9%	4 750	887
Computer services	10 312	(9 085)	-	1 227	1 227	-	100.0%	13 701	1 646
Consultants: Business and advisory services	-	-	-	-	-	-	-	10 502	37
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	2 600	(1 361)	-	1 239	1 239	-	100.0%	634	833
Legal services	25 024	36 471	-	61 495	61 486	9	100.0%	18 725	56 949
Contractors	556	179	-	735	735	-	100.0%	1 057	380
Agency and support/outsourced services	24	(24)	-	-	-	-	-	264	-
Entertainment	2 320	818	-	3 138	1 888	1 250	60.2%	2 850	1 512
Fleet services	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	10	-
Inventory: Fuel oil and gas	-	-	-	-	-	-	-	25	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-

DEPARTMENT OF MILITARY VETERANS

VOTE 19

APPROPRIATION STATEMENT for the year ended 31 March 2017

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
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	185	-
Consumable supplies	2 296	(649)	-	1 647	1 000	647	60.7%	2 409	1 038
Consumable: Stationery printing and office supplies	6 693	367	-	7 061	6 135	926	86.9%	7 804	5 162
Operating leases	16 586	431	-	17 017	16 832	185	98.9%	17 260	15 383
Property payments	3 120	(185)	-	2 935	2 943	(8)	100.3%	4 886	6 131
Transport provided: Departmental activity	-	400	-	400	25	375	6.2%	-	-
Travel and subsistence	64 956	(14 242)	-	50 714	41 227	9 486	81.3%	54 253	37 310
Training and development	55 898	(25 416)	-	30 482	24 690	5 791	81.0%	73 351	16 543
Operating payments	2 940	(2 422)	-	518	447	72	86.1%	773	609
Venues and facilities	8 066	(1 732)	-	6 334	1 824	4 511	28.8%	6 376	3 808
Rental and hiring	250	-	-	250	337	(87)	134.6%	10	756
Interest and rent on land	-	-	-	-	-	-	-	-	4
Interest	-	-	-	-	-	-	-	-	4
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>248 628</b>	<b>(18 713)</b>	<b>-</b>	<b>229 915</b>	<b>166 135</b>	<b>63 780</b>	<b>72.3%</b>	<b>218 483</b>	<b>57 570</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-

DEPARTMENT OF MILITARY VETERANS

VOTE 19

APPROPRIATION STATEMENT for the year ended 31 March 2017

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
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	248 628	(18 713)	-	229 915	166 135	63 780	72.3%	218 483	57 570
Social benefits	66 769	(31 268)	-	35 501	35 496	5	100.0%	50 683	9 200
Other transfers to households	181 859	12 555	-	194 414	130 638	63 776	67.2%	167 800	48 370
<b>Payments for capital assets</b>	<b>12 344</b>	<b>(331)</b>	-	<b>12 013</b>	<b>11 538</b>	<b>475</b>	<b>96.0%</b>	<b>10 606</b>	<b>10 131</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 030	(3 353)	-	7 677	7 252	425	94.5%	10 606	10 102
Transport equipment	500	(500)	-	-	-	-	-	-	-
Other machinery and equipment	10 530	(2 853)	-	7 677	7 252	425	94.5%	10 606	10 102
Heritage assets	-	4 286	-	4 286	4 286	-	100.0%	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	1 314	(1 264)	-	50	-	50	-	-	29
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>597 607</b>	<b>-</b>	<b>-</b>	<b>597 607</b>	<b>504 621</b>	<b>92 986</b>	<b>84.4%</b>	<b>582 201</b>	<b>347 951</b>

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
<b>Economic classification</b>									
<b>Sub programme</b>									
1. MANAGEMENT	8 362	1 673	-	10 035	10 035	-	100.0%	8 415	8 369
2. CORPORATE SERVICES	59 688	35 180	-	94 868	93 828	1 041	98.9%	67 872	67 389
3. FINANCIAL ADMINISTRATION	18 173	3 753	-	21 926	21 926	-	100.0%	17 435	16 374
4. INTERNAL AUDITING	16 140	(5 426)	-	10 714	10 497	217	98.0%	14 741	12 529
5. STRATEGIC PLANNING AND MONITORING AND EVALUATION	21 100	(11 835)	-	9 265	9 247	18	99.8%	21 630	9 580
6. OFFICE ACCOMMODATION	20 269	(7 745)	-	12 524	12 524	-	100.0%	27 397	16 735
<b>Total for sub programmes</b>	<b>143 732</b>	<b>15 600</b>	<b>-</b>	<b>159 332</b>	<b>158 056</b>	<b>1 276</b>	<b>99.2%</b>	<b>157 490</b>	<b>130 977</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>135 932</b>	<b>16 677</b>	<b>-</b>	<b>152 609</b>	<b>151 579</b>	<b>1 030</b>	<b>99.3%</b>	<b>150 644</b>	<b>121 635</b>
Compensation of employees	59 585	4 358	-	63 943	63 943	-	100.0%	56 536	56 819
Salaries and wages	46 784	11 725	-	58 509	58 509	-	100.0%	44 391	51 683
Social contributions	12 801	(7 367)	-	5 434	5 434	-	100.0%	12 145	5 136
Goods and services	76 347	12 319	-	88 666	87 636	1 030	98.8%	94 108	64 816
Administrative fees	1 090	180	-	1 270	1 270	-	100.0%	466	516
Advertising	3 175	2 043	-	5 218	4 706	512	90.2%	6 522	12 041
Minor assets	905	(737)	-	168	168	-	100.0%	987	1 433
Audit costs: External	5 346	615	-	5 961	5 961	-	100.0%	4 656	7 890
Bursaries: Employees	859	(272)	-	587	587	-	100.0%	433	526
Catering: Departmental activities	632	(266)	-	366	366	-	100.0%	517	653
Communication	3 609	(333)	-	3 276	2 975	300	90.8%	12 622	2 707
Computer services	6 676	27 964	-	34 640	34 640	-	100.0%	4 750	887
Consultants: Business and advisory services	10 312	(9 085)	-	1 227	1 227	-	100.0%	10 281	1 646
Infrastructure and planning services	-	-	-	-	-	-	-	10 502	37
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 600	(1 361)	-	1 239	1 239	-	100.0%	634	833
Contractors	2 502	(2 482)	-	20	20	-	100.0%	1 280	743
Agency and support/ outsourced services	60	(60)	-	-	-	-	-	300	-

DEPARTMENT OF MILITARY VETERANS

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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	R'000	R'000	
<b>Economic classification</b>												
Entertainment	24	(24)	-	-	-	-	-	-	-	-	-	-
Fleet services	1 070	818	-	1 888	1 888	-	100.0%	1 550	1 509	-	-	
Housing	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Fuel oil and gas	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-	-	
Medsas Inventory	-	-	-	-	-	-	-	-	-	-	-	
Interface	-	-	-	-	-	-	-	-	-	-	-	
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-	-	
Consumable supplies	1 115	(649)	-	466	474	(9)	101.9%	2 331	957	-	-	
Consumable: Stationery printing and office supplies	3 124	191	-	3 315	3 297	18	99.5%	3 724	2 904	-	-	
Operating leases	16 363	431	-	16 794	16 794	-	100.0%	17 128	15 329	-	-	
Property payments	3 120	(185)	-	2 935	2 935	-	100.0%	4 886	6 131	-	-	
Transport provided:	-	-	-	-	-	-	-	-	-	-	-	
Departmental activity	7 114	(105)	-	7 009	7 008	-	100.0%	7 308	6 217	-	-	
Travel and subsistence	2 208	(691)	-	1 517	1 317	200	86.8%	1 951	632	-	-	
Training and development	2 836	(2 422)	-	414	406	8	98.0%	763	402	-	-	
Operating payments	1 607	(1 249)	-	358	358	-	100.0%	402	307	-	-	
Venues and facilities	-	-	-	-	-	-	-	-	-	-	-	
Rental and hiring	-	-	-	-	-	-	-	-	-	-	-	
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	
Rent on land	-	-	-	-	-	-	-	-	-	-	-	



DEPARTMENT OF MILITARY VETERANS

VOTE 19

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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	29	-	29	29	-	100%	-	269
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	29	-	29	29	-	100.0%	-	269
Social benefits	-	29	-	29	29	-	100.0%	-	269
Other transfers to households	-	-	-	-	-	-	-	-	-

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
<b>Economic classification</b>									
<b>Payments for capital assets</b>	<b>7 800</b>	<b>(1 106)</b>	-	<b>6 694</b>	<b>6 448</b>	<b>246</b>	<b>96.3%</b>	<b>6 846</b>	<b>9 072</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 760	(1 066)	-	6 694	6 448	246	96.3%	6 846	9 043
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	7 760	(1 066)	-	6 694	6 448	246	96.3%	6 846	9 043
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	40	(40)	-	-	-	-	-	-	29
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>143 732</b>	<b>15 600</b>	<b>-</b>	<b>159 332</b>	<b>158 056</b>	<b>1 276</b>	<b>99.2%</b>	<b>157 490</b>	<b>130 977</b>

DEPARTMENT OF MILITARY VETERANS

VOTE 19

APPROPRIATION STATEMENT for the year ended 31 March 2017

1.1 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 891</b>	<b>1 724</b>	-	<b>9 615</b>	<b>9 615</b>	-	<b>100.0%</b>	<b>8 035</b>	<b>8 045</b>
Compensation of employees	6 202	1 015	-	7 217	7 217	-	100.0%	5 885	6 723
Goods and services	1 689	709	-	2 398	2 397	-	100.0%	2 150	1 321
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>471</b>	<b>(51)</b>	-	<b>420</b>	<b>420</b>	-	<b>100.0%</b>	<b>380</b>	<b>325</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	471	(51)	-	420	420	-	100.0%	380	325
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>8 362</b>	<b>1 673</b>	-	<b>10 035</b>	<b>10 035</b>	-	<b>100.0%</b>	<b>8 415</b>	<b>8 369</b>

DEPARTMENT OF MILITARY VETERANS

VOTE 19

APPROPRIATION STATEMENT for the year ended 31 March 2017

	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>55 332</b>	<b>34 404</b>	-	<b>89 736</b>	<b>88 724</b>	<b>1 012</b>	<b>98.9%</b>	<b>66 050</b>	<b>60 734</b>
Compensation of employees	24 609	3 141	-	27 750	27 750	-	100.0%	22 451	27 024
Goods and services	30 723	31 264	-	61 987	60 975	1 012	98.4%	43 599	33 710
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	138
<b>Payments for capital assets</b>	<b>4 356</b>	<b>776</b>	<b>-</b>	<b>5 132</b>	<b>5 104</b>	<b>29</b>	<b>99.4%</b>	<b>1 822</b>	<b>6 517</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 316	816	-	5 132	5 104	29	99.4%	1 822	6 517
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	40	(40)	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>59 688</b>	<b>35 180</b>	<b>-</b>	<b>94 868</b>	<b>93 828</b>	<b>1 041</b>	<b>98.9%</b>	<b>67 872</b>	<b>67 389</b>

DEPARTMENT OF MILITARY VETERANS

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APPROPRIATION STATEMENT for the year ended 31 March 2017

1.3 FINANCIAL 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>17 458</b>	<b>4 133</b>	-	<b>21 591</b>	<b>21 591</b>	-	<b>100.0%</b>	<b>16 207</b>	<b>15 316</b>
Compensation of employees	14 044	4 773	-	18 817	18 817	-	100.0%	13 325	13 039
Goods and services	3 414	(640)	-	2 774	2 774	-	100.0%	2 882	2 277
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>29</b>	-	<b>29</b>	<b>29</b>	-	<b>100.0%</b>	<b>-</b>	<b>131</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	29	-	29	29	-	100.0%	-	131
<b>Payments for capital assets</b>	<b>715</b>	<b>(409)</b>	-	<b>306</b>	<b>306</b>	-	<b>100.0%</b>	<b>1 228</b>	<b>927</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	715	(409)	-	306	306	-	100.0%	1 228	927
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>18 173</b>	<b>3 753</b>	<b>-</b>	<b>21 926</b>	<b>21 926</b>	<b>-</b>	<b>100.0%</b>	<b>17 435</b>	<b>16 374</b>

DEPARTMENT OF MILITARY VETERANS

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APPROPRIATION STATEMENT for the year ended 31 March 2017

1.4 INTERNAL AUDIT	2016/17										2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000			
<b>Current payments</b>	<b>15 245</b>	<b>(4 748)</b>	-	<b>10 497</b>	<b>10 497</b>	-	<b>100.0%</b>	<b>14 681</b>	<b>12 183</b>			
Compensation of employees	2 701	304	-	3 005	3 005	-	100.0%	2 563	2 775			
Goods and services	12 544	(5 052)	-	7 492	7 492	-	100.0%	12 118	9 409			
Interest and rent on land	-	-	-	-	-	-	-	-	-			
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
Provinces and municipalities	-	-	-	-	-	-	-	-	-			
Departmental agencies	-	-	-	-	-	-	-	-	-			
and accounts	-	-	-	-	-	-	-	-	-			
Higher education institutions	-	-	-	-	-	-	-	-	-			
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-			
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-			
Non-profit institutions	-	-	-	-	-	-	-	-	-			
Households	-	-	-	-	-	-	-	-	-			
<b>Payments for capital assets</b>	<b>895</b>	<b>(678)</b>	-	<b>217</b>	<b>217</b>	<b>217</b>	<b>-</b>	<b>60</b>	<b>346</b>			
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-			
Machinery and equipment	895	(678)	-	217	-	217	-	60	346			
Heritage assets	-	-	-	-	-	-	-	-	-			
Specialised military assets	-	-	-	-	-	-	-	-	-			
Biological assets	-	-	-	-	-	-	-	-	-			
Land and subsoil assets	-	-	-	-	-	-	-	-	-			
Intangible assets	-	-	-	-	-	-	-	-	-			
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>TOTAL</b>	<b>16 140</b>	<b>(5 426)</b>	<b>-</b>	<b>10 714</b>	<b>10 497</b>	<b>217</b>	<b>98.0%</b>	<b>14 741</b>	<b>12 529</b>			

1.5 STRATEGIC PLANNING POLICY DEVELOPMENT AND MONITORING AND EVALUATION									
2016/17									2015/16
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>20 287</b>	<b>(11 172)</b>	-	<b>9 115</b>	<b>9 097</b>	<b>18</b>	<b>99.8%</b>	<b>19 874</b>	<b>9 189</b>
Compensation of employees	12 029	(4 874)	-	7 155	7 155	-	100.0%	11 413	7 257
Goods and services	8 258	(6 298)	-	1 960	1 943	18	99.1%	8 461	1 932
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>813</b>	<b>(663)</b>	-	<b>150</b>	<b>150</b>	<b>-</b>	<b>100.0%</b>	<b>1 756</b>	<b>390</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	813	(663)	-	150	150	-	100.0%	1 756	361
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	29
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>21 100</b>	<b>(11 835)</b>	<b>-</b>	<b>9 265</b>	<b>9 247</b>	<b>18</b>	<b>99.8%</b>	<b>21 630</b>	<b>9 580</b>

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APPROPRIATION STATEMENT for the year ended 31 March 2017

1.6 OFFICE ACCOMMODATION	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>19 719</b>	<b>(7 664)</b>	-	<b>12 055</b>	<b>12 055</b>	-	<b>100.0%</b>	<b>25 797</b>	<b>16 168</b>
Compensation of employees	-	-	-	-	-	-	-	899	-
Goods and services	19 719	(7 664)	-	12 055	12 055	-	100.0%	24 898	16 168
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>550</b>	<b>(82)</b>	-	<b>468</b>	<b>468</b>	-	<b>100.0%</b>	<b>1 600</b>	<b>567</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	550	(82)	-	468	468	-	100.0%	1 600	567
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>20 269</b>	<b>(7 745)</b>	<b>-</b>	<b>12 524</b>	<b>12 524</b>	<b>-</b>	<b>100.0%</b>	<b>27 397</b>	<b>16 735</b>



PROGRAMME 2: SOCIO ECONOMIC SUPPORT	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. DATABASE AND BENEFITS MANAGEMENT	11 220	(2 983)	-	8 237	6 344	1 893	77.0%	12 019	11 568
2. HEALTH CARE AND WELLBEING SUPPORT	56 855	14 408	-	71 263	70 333	930	98.7%	38 696	67 264
3. SOCIO ECONOMIC SUPPORT MANAGEMENT	226 005	8 036	-	234 041	166 795	67 246	71.3%	215 590	57 345
<b>Total for sub programmes</b>	<b>294 080</b>	<b>19 461</b>	<b>-</b>	<b>313 541</b>	<b>243 472</b>	<b>70 069</b>	<b>77.7%</b>	<b>266 305</b>	<b>136 177</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>50 308</b>	<b>42 453</b>	<b>-</b>	<b>92 761</b>	<b>86 471</b>	<b>6 289</b>	<b>93.2%</b>	<b>49 513</b>	<b>82 209</b>
Compensation of employees	16 194	1 954	-	18 148	18 148	-	100.0%	15 364	19 584
Salaries and wages	13 950	2 951	-	16 901	16 901	-	100.0%	13 238	18 298
Social contributions	2 244	(997)	-	1 247	1 247	-	100.0%	2 126	1 286
Goods and services	34 114	40 499	-	74 613	68 324	6 289	91.6%	34 149	62 625
Administrative fees	240	124	-	364	266	97	73.2%	450	269
Advertising	1 720	(130)	-	1 590	1 266	324	79.6%	-	61
Minor assets	329	(5)	-	324	5	319	1.5%	243	-
Audit costs: External	-	-	-	-	-	-	-	200	-
Bursaries: Employees	188	-	-	188	-	188	-	-	-
Catering: Departmental activities	427	-	-	427	195	232	45.6%	297	239
Communication	40	-	-	40	-	40	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	3 420	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	22 500	38 953	-	61 453	61 453	-	100.0%	17 340	55 585
Agency and support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	-	-	-	-	-	-	-	75	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-

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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 2: SOCIO ECONOMIC SUPPORT	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
<b>Economic classification</b>									
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel oil and gas	-	-	-	-	-	-	-	25	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	274	-	-	274	31	243	11.2%	23	25
Consumable: Stationery printing and office supplies	1 884	177	-	2 061	1 757	304	85.2%	1 972	1 488
Operating leases	85	-	-	85	23	62	26.9%	82	31
Property payments	-	-	-	-	-	-	-	-	-
Transport provided:	-	-	-	-	-	-	-	-	-
Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	5 090	1 863	-	6 953	3 217	3 736	46.3%	6 216	4 789
Training and development	260	-	-	260	31	229	11.8%	2 070	3
Operating payments	80	-	-	80	27	53	34.1%	-	109
Venues and facilities	967	(482)	-	485	36	449	7.5%	1 736	25
Rental and hiring	30	-	-	30	17	13	56.7%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>240 153</b>	<b>(19 481)</b>	<b>-</b>	<b>220 672</b>	<b>156 892</b>	<b>63 780</b>	<b>71.1%</b>	<b>215 092</b>	<b>53 410</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-

DEPARTMENT OF MILITARY VETERANS

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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 2: SOCIO ECONOMIC SUPPORT	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	240 153	(19 481)	-	220 672	156 892	63 780	71.1%	215 092	53 410
Social benefits	58 294	(32 036)	-	26 258	26 254	4	100.0%	47 292	5 195
Other transfers to households	181 859	12 555	-	194 414	130 638	63 776	67.2%	167 800	48 215
<b>Payments for capital assets</b>	<b>3 619</b>	<b>(3 511)</b>	-	<b>108</b>	<b>108</b>	-	<b>100.0%</b>	<b>1 700</b>	<b>558</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 395	(2 287)	-	108	108	-	100.0%	1 700	558
Transport equipment	500	(500)	-	-	-	-	-	-	-
Other machinery and equipment	1 895	(1 787)	-	108	108	-	100.0%	1 700	558

PROGRAMME 2: SOCIO ECONOMIC SUPPORT									
2016/17									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	1 224	(1 224)	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>294 080</b>	<b>19 461</b>	-	<b>313 541</b>	<b>243 472</b>	<b>70 069</b>	<b>77.7%</b>	<b>266 305</b>	<b>136 177</b>

2.1 DATABASE AND BENEFITS MANAGEMENT									
2016/17									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>8 925</b>	<b>(714)</b>	-	<b>8 211</b>	<b>6 319</b>	<b>1 893</b>	<b>76.9%</b>	<b>11 619</b>	<b>11 106</b>
Compensation of employees	5 272	(714)	-	4 558	4 558	-	100.0%	5 001	6 770
Goods and services	3 653	-	-	3 653	1 760	1 893	48.2%	6 618	4 336
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>26</b>	<b>-</b>	-	<b>26</b>	<b>25</b>	<b>1</b>	<b>97.2%</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	26	-	-	26	25	1	97.2%	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-

2.1 DATABASE AND BENEFITS 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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Payments for capital assets</b>	2 269	(2 269)	-	-	-	-	-	400	462
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 045	(1 045)	-	-	-	-	-	400	462
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	1 224	(1 224)	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>11 220</b>	<b>(2 983)</b>	<b>-</b>	<b>8 237</b>	<b>6 344</b>	<b>1 893</b>	<b>77.0%</b>	<b>12 019</b>	<b>11 568</b>

DEPARTMENT OF MILITARY VETERANS

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APPROPRIATION STATEMENT for the year ended 31 March 2017

	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>30 755</b>	<b>40 419</b>	-	<b>71 174</b>	<b>70 244</b>	<b>930</b>	<b>98.7%</b>	<b>24 424</b>	<b>63 781</b>
Compensation of employees	5 052	1 919	-	6 971	6 971	-	100.0%	4 793	6 745
Goods and services	25 703	38 500	-	64 203	63 273	930	98.6%	19 631	57 037
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>25 500</b>	<b>(25 500)</b>	-	-	-	-	-	<b>14 000</b>	<b>3 386</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	25 500	(25 500)	-	-	-	-	-	14 000	3 386
<b>Payments for capital assets</b>	<b>600</b>	<b>(511)</b>	-	<b>89</b>	<b>89</b>	-	<b>100.0%</b>	<b>272</b>	<b>96</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	600	(511)	-	89	89	-	100.0%	272	96
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>56 855</b>	<b>14 408</b>	-	<b>71 263</b>	<b>70 333</b>	<b>930</b>	<b>98.7%</b>	<b>38 696</b>	<b>67 264</b>

DEPARTMENT OF MILITARY VETERANS

VOTE 19

APPROPRIATION STATEMENT for the year ended 31 March 2017

2.3 SOCIO ECONOMIC SUPPORT 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	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Economic classification</b>										
<b>Current payments</b>	<b>10 628</b>	<b>2 748</b>	-	<b>13 376</b>	<b>9 909</b>	<b>3 467</b>	<b>74.1%</b>	<b>13 470</b>	<b>7 322</b>	
Compensation of employees	5 870	749	-	6 619	6 619	-	100.0%	5 570	6 069	
Goods and services	4 758	1 999	-	6 757	3 290	3 467	48.7%	7 900	1 253	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>214 627</b>	<b>6 019</b>	-	<b>220 646</b>	<b>156 867</b>	<b>63 779</b>	<b>71.1%</b>	<b>201 092</b>	<b>50 023</b>	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Higher education institutions	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	214 627	6 019	-	220 646	156 867	63 779	71.1%	201 092	50 023	
<b>Payments for capital assets</b>	<b>750</b>	<b>(731)</b>	-	<b>19</b>	<b>19</b>	-	<b>100.0%</b>	<b>1 028</b>	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	750	(731)	-	19	19	-	100.0%	1 028	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Intangible assets	-	-	-	-	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL</b>	<b>226 005</b>	<b>8 036</b>	<b>-</b>	<b>234 041</b>	<b>166 795</b>	<b>67 246</b>	<b>71.3%</b>	<b>215 590</b>	<b>57 345</b>	

DEPARTMENT OF MILITARY VETERANS

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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 3: EMPOWERMENT AND STAKEHOLDER 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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
1. PROVINCIAL OFFICES AND STAKEHOLDER RELATIONS	44 239	-	-	44 239	32 739	11 500	74.0%	43 334	38 714
2. EMPOWERMENT AND SKILLS DEVELOPMENT	84 485	(40 325)	-	44 160	36 518	7 642	82.7%	100 520	30 037
3. HERITAGE MEMORIAL BURIALS AND HONOURS	31 071	5 264	-	36 335	33 836	2 499	93.1%	14 552	12 046
<b>Total for sub programmes</b>	<b>159 795</b>	<b>(35 061)</b>	<b>-</b>	<b>124 734</b>	<b>103 093</b>	<b>21 641</b>	<b>82.6%</b>	<b>158 406</b>	<b>80 797</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>150 395</b>	<b>(40 086)</b>	<b>-</b>	<b>110 309</b>	<b>88 897</b>	<b>21 412</b>	<b>80.6%</b>	<b>152 955</b>	<b>76 405</b>
Compensation of employees	26 960	-	-	26 960	26 372	588	97.8%	25 585	24 235
Salaries and wages	22 436	-	-	22 436	24 252	(1 816)	108.1%	21 298	22 166
Social contributions	4 524	-	-	4 524	2 120	2 404	46.9%	4 287	2 069
Goods and services	123 435	(40 086)	-	83 349	62 525	20 824	75.0%	127 370	52 167
Administrative fees	1 010	-	-	1 010	2 809	(1 799)	278.1%	1 500	2 882
Advertising	35	-	-	35	-	35	-	-	15
Minor assets	3 315	-	-	3 315	201	3 114	6.1%	3 150	349
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	50	-	-	50	6	44	12.5%	-	-
Catering: Departmental activities	2 459	-	-	2 459	1 029	1 430	41.9%	3 024	1 041
Communication	100	-	-	100	-	100	-	735	-
Computer services	50	-	-	50	-	50	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	22	-	-	22	13	9	58.5%	105	620
Agency and support/outsourced services	496	239	-	735	735	-	100.0%	757	380
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	1 250	-	-	1 250	-	1 250	-	74	-
Housing	-	-	-	-	-	-	-	1 300	3



DEPARTMENT OF MILITARY VETERANS

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APPROPRIATION STATEMENT for the year ended 31 March 2017

PROGRAMME 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT									
2016/17									
2015/16									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	10	-
Inventory: Fuel oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory	-	-	-	-	-	-	-	-	-
Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	185	-
Consumable supplies	907	-	-	907	495	412	54.5%	55	56
Consumable: Stationery printing and office supplies	1 685	-	-	1 685	1 081	604	64.1%	2 108	770
Operating leases	138	-	-	138	15	123	11.1%	50	23
Property payments	-	-	-	-	8	(8)	-	-	-
Transport provided:	-	400	-	400	25	375	6.2%	-	-
Departmental activity	52 752	(16 000)	-	36 752	31 002	5 750	84.4%	40 729	26 305
Travel and subsistence	53 430	(24 725)	-	28 705	23 343	5 362	81.3%	69 330	15 909
Training and development	24	-	-	24	13	11	55.0%	10	98
Operating payments	5 492	-	-	5 492	1 430	4 062	26.0%	4 238	3 475
Venues and facilities	220	-	-	220	320	(100)	145.2%	10	241
Rental and hiring	-	-	-	-	-	-	-	-	4
Interest and rent on land	-	-	-	-	-	-	-	-	4
Interest	-	-	-	-	-	-	-	-	4
Rent on land	-	-	-	-	-	-	-	-	-

DEPARTMENT OF MILITARY VETERANS

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APPROPRIATION STATEMENT for the year ended 31 March 2017

	PROGRAMME 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT						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
<b>Economic classification</b>	<b>8 475</b>	<b>739</b>	-	<b>9 214</b>	<b>9 214</b>	-	<b>100.0%</b>	<b>3 391</b>	<b>3 891</b>
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8 475	739	-	9 214	9 214	-	100.0%	3 391	3 891
Social benefits	8 475	739	-	9 214	9 214	-	100.0%	3 391	3 735
Other transfers to households	-	-	-	-	-	-	-	-	156

	PROGRAMME 3: EMPOWERMENT AND STAKEHOLDER MANAGEMENT							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
<b>Economic classification</b>	<b>925</b>	<b>4 286</b>	-	<b>5 211</b>	<b>4 982</b>	<b>229</b>	<b>95.6%</b>	<b>2 060</b>	<b>500</b>
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	875	-	-	875	696	179	79.5%	2 060	500
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	875	-	-	875	696	179	79.5%	2 060	500
Heritage assets	-	4 286	-	4 286	4 286	-	100.0%	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	50	-	-	50	-	50	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>159 795</b>	<b>(35 061)</b>	<b>-</b>	<b>124 734</b>	<b>103 093</b>	<b>21 641</b>	<b>82.6%</b>	<b>158 406</b>	<b>80 797</b>

DEPARTMENT OF MILITARY VETERANS

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APPROPRIATION STATEMENT for the year ended 31 March 2017

	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>44 239</b>	-	-	<b>44 239</b>	<b>32 739</b>	<b>11 500</b>	<b>74.0%</b>	<b>42 534</b>	<b>38 315</b>
Compensation of employees	17 870	-	-	17 870	16 845	1 025	94.3%	16 955	16 346
Goods and services	26 369	-	-	26 369	15 893	10 476	60.3%	25 579	21 969
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>800</b>	<b>399</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	800	399
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>44 239</b>	-	-	<b>44 239</b>	<b>32 739</b>	<b>11 500</b>	<b>74.0%</b>	<b>43 334</b>	<b>38 714</b>

	2016/17						2015/16		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>83 760</b>	<b>(40 325)</b>	-	<b>43 435</b>	<b>35 985</b>	<b>7 450</b>	<b>82.8%</b>	<b>99 660</b>	<b>29 780</b>
Compensation of employees	5 564	-	-	5 564	7 376	(1 812)	132.6%	5 279	5 989
Goods and services	78 196	(40 325)	-	37 871	28 609	9 262	75.5%	94 381	23 789
Interest and rent on land	-	-	-	-	-	-	-	-	2
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	156
<b>Payments for capital assets</b>	<b>725</b>	<b>-</b>	<b>-</b>	<b>725</b>	<b>533</b>	<b>192</b>	<b>73.5%</b>	<b>860</b>	<b>102</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	675	-	-	675	533	142	78.9%	860	102
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	50	-	-	50	-	50	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>84 485</b>	<b>(40 325)</b>	<b>-</b>	<b>44 160</b>	<b>36 518</b>	<b>7 642</b>	<b>82.7%</b>	<b>100 520</b>	<b>30 037</b>

	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>22 396</b>	<b>239</b>	-	<b>22 635</b>	<b>20 173</b>	<b>2 462</b>	<b>89.1%</b>	<b>10 761</b>	<b>8 310</b>
Compensation of employees	3 526	-	-	3 526	2 150	1 376	61.0%	3 351	1 900
Goods and services	18 870	239	-	19 109	18 023	1 086	94.3%	7 410	6 409
Interest and rent on land	-	-	-	-	-	-	-	-	2
<b>Transfers and subsidies</b>	<b>8 475</b>	<b>739</b>	-	<b>9 214</b>	<b>9 214</b>	-	<b>100.0%</b>	<b>3 391</b>	<b>3 735</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8 475	739	-	9 214	9 214	-	100.0%	3 391	3 735
<b>Payments for capital assets</b>	<b>200</b>	<b>4 286</b>	-	<b>4 486</b>	<b>4 449</b>	<b>37</b>	<b>99.2%</b>	<b>400</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	200	-	-	200	163	37	81.5%	400	-
Heritage assets	-	4 286	-	4 286	4 286	-	100.0%	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>31 071</b>	<b>5 264</b>	<b>-</b>	<b>36 335</b>	<b>33 836</b>	<b>2 499</b>	<b>93.1%</b>	<b>14 552</b>	<b>12 046</b>

## 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 on Payments for financial assets to the Annual Financial Statements.

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

4.1 PER PROGRAMME	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	159 332	158 068	1 276	0.8%
Socio-Economic Support	313 541	243 472	70 069	22.3%
Empowerment and Stakeholder Management	124 734	103 093	21 641	17.4%

- A marginal underspend in Administration vs final appropriation mainly related to the reclassification of communication invoices. Overall Administration spend was ahead of budget due SITA accrual being paid in the year under review.
- Socio-Economic Support underspend of R70.1m was mainly driven by the system error at NSFAS, which led to the inability by NSFAS to disburse the funds.
- Empowerment and Stakeholder Management underspend was driven by slow delivery on benefits such as Skills and Business Development and a slow activities in Provincial Offices due to offices not yet procured. Offices in three (3) Provinces have now been procured.

DEPARTMENT OF MILITARY VETERANS

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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
<b>Current payments</b>	<b>355 679</b>	<b>326 948</b>	<b>28 731</b>	<b>8.08%</b>
Compensation of employees	109 051	108 463	588	0.54%
Goods and services	246 628	218 485	28 143	11.41%
Interest and rent on land	-	-	-	-
<b>Transfers and subsidies</b>	<b>229 915</b>	<b>166 135</b>	<b>63 780</b>	<b>27.74%</b>
Provinces and municipalities	-	-	-	-
Departmental agencies and accounts	-	-	-	-
Higher education institutions	-	-	-	-
Public corporations and private enterprises	-	-	-	-
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	229 915	166 135	63 780	27.74%
<b>Payments for capital assets</b>	<b>12 013</b>	<b>11 538</b>	<b>475</b>	<b>3.95%</b>
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	7 677	7 252	425	5.54%
Heritage assets	4 286	4 286	0	100.00%
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- Spend of less than target is mainly affected by slow delivery on benefits by the department, mainly in education support and skills development. Education support spend was mainly impacted by the system error at NSFAS that led to the inability to disburse the bursaries.



DEPARTMENT OF MILITARY VETERANS

VOTE 19

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
<b>REVENUE</b>			
Annual appropriation	1	597 607	582 201
Statutory appropriation		-	-
Departmental revenue	2	330	789
NRF Receipts		-	-
Aid assistance		-	-
<b>TOTAL REVENUE</b>		<b>597 937</b>	<b>582 990</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	108 463	100 638
Goods and services	4	218 486	179 609
Interest and rent on land	5	-	4
Aid assistance		-	-
<b>Total current expenditure</b>		<b>326 949</b>	<b>280 251</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	166 134	57 569
Aid assistance		-	-
<b>Total transfers and subsidies</b>		<b>166 134</b>	<b>57 569</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	11 538	10 102
Intangible assets	7	-	29
<b>Total expenditure for capital assets</b>		<b>11 538</b>	<b>10 131</b>
Unauthorised expenditure approved without funding		-	-
<b>Payments for financial assets</b>		-	-
<b>TOTAL EXPENDITURE</b>		<b>504 621</b>	<b>347 951</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>93 316</b>	<b>235 039</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		92 986	234 250
Annual appropriation		92 986	234 250
Conditional grants		-	-
Departmental revenue and NRF Receipts	12	330	789
Aid assistance		-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>93 316</b>	<b>235 039</b>

**DEPARTMENT OF MILITARY VETERANS**  
**VOTE 19**  
**STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2017**

	<i>Note</i>	<b>2016/17</b> R'000	<b>2015/16</b> R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>93 807</b>	<b>233 455</b>
Unauthorised expenditure		-	-
Cash and cash equivalents	8	89 343	225 405
Other financial assets		-	-
Prepayments and advances	9	1 445	4 060
Receivables	10	3 019	3 990
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
<b>Non-current assets</b>		-	-
Investments		-	-
Receivables		-	-
Loans		-	-
Other financial assets		-	-
<b>TOTAL ASSETS</b>		<b>93 807</b>	<b>233 455</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>93 807</b>	<b>233 455</b>
Voted funds to be surrendered to the Revenue Fund	11	93 644	233 408
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	121	(16)
Bank overdraft		-	-
Payables	13	42	63
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
<b>Non-current liabilities</b>		-	-
Payables		-	-
<b>TOTAL LIABILITIES</b>		<b>93 807</b>	<b>233 455</b>
<b>NET ASSETS</b>		-	-
<b>Represented by:</b>			
Capitalisation reserve		-	-
Recoverable revenue		-	-
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

**DEPARTMENT OF MILITARY VETERANS**  
**VOTE 19**  
**STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2017**

<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<b>R'000</b>	<b>R'000</b>
<b>NET ASSETS</b>		
<b>Capitalisation Reserves</b>		
Opening balance	-	-
Transfers:	-	-
Movement in Equity	-	-
Movement in Operational Funds	-	-
Other movements	-	-
Closing balance	-	-
<b>Recoverable revenue</b>		
Opening balance	-	-
Transfers:	-	-
Irrecoverable amounts written off	-	-
Debts revised	-	-
Debts recovered (included in departmental receipts)	-	-
Debts raised	-	-
Closing balance	-	-
<b>Retained funds</b>		
Opening balance	-	-
Transfer from voted funds to be surrendered (Parliament/ Legislatures ONLY)	-	-
Utilised during the year	-	-
Other transfers	-	-
Closing balance	-	-
<b>Revaluation Reserve</b>		
Opening balance	-	-
Revaluation adjustment (Housing departments)	-	-
Transfers	-	-
Other	-	-
Closing balance	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**DEPARTMENT OF MILITARY VETERANS**  
**VOTE 19**  
**CASH FLOW STATEMENT for the year ended 31 March 2017**

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>597 937</b>	<b>582 990</b>
Annual appropriated funds received	1.1	597 607	582 201
Statutory appropriated funds received		-	-
Departmental revenue received	2	330	789
Interest received		-	-
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		3 565	13 160
Surrendered to Revenue Fund		(232 943)	(44 289)
Surrendered to RDP Fund/Donor		-	-
Current payments		(326 949)	(280 247)
Interest paid	5	-	(4)
Payments for financial assets		-	-
Transfers and subsidies paid		(166 134)	(57 569)
<b>Net cash flow available from operating activities</b>	<b>14</b>	<b>(124 524)</b>	<b>214 041</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(11 538)	(10 131)
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
<b>Net cash flows from investing activities</b>		<b>(11 538)</b>	<b>(10 131)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		(136 062)	203 910
Cash and cash equivalents at beginning of period		225 405	21 495
Unrealised gains and losses within cash and cash equivalents		-	-
<b>Cash and cash equivalents at end of period</b>	<b>15</b>	<b>89 343</b>	<b>225 405</b>

## Summary of significant accounting policies

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

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

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

### 1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

### 2. Going concern

The financial statements have been prepared on a going concern basis.

### 3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

### 4. Rounding

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

### 5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.

### 6. Comparative information

#### 6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

#### 6.2 Current year comparison with budget

A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

## **7. Revenue**

### **7.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

### **7.2 Departmental revenue**

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

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

### **7.3 Accrued departmental revenue**

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

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

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

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

## **8. Expenditure**

### **8.1 Compensation of employees**

#### **8.1.1 Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

#### **8.1.2 Social contributions**

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

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

### **8.2 Other expenditure**

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

### 8.3 Accrued expenditure payable

Accrued expenditure payable is 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.

Accrued expenditure payable is 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 as capital expenditure in the statement of financial performance on the date of payment.

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

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

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

## 9. Aid Assistance

### 9.1 Aid assistance received

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

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

### 9.2 Aid assistance paid

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

## 10. Cash and cash equivalents

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

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

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

## **11. Prepayments and advances**

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Prepayments are expensed upon proof of expenditure. Proof of expenditure must be fully supported by all relevant documents.

## **12. Loans and receivables**

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest where interest is charged less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

## **13. Investments**

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

## **14. Financial assets**

### **14.1 Financial assets (not covered elsewhere)**

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.

At the reporting date a department shall measure its financial assets at cost less amounts already settled or written-off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.

### **14.2 Impairment of financial assets**

Where there is an indication of impairment of a financial asset an estimation of the reduction in the recorded carrying value to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset is recorded in the notes to the financial statements.

## **15. Payables**

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

## **16. Capital Assets**

### **16.1 Immovable capital assets**

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

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

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



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

### **16.2 Movable capital assets**

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

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

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

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

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

### **16.3 Intangible assets**

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

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

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

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

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

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

## **17. Provisions and Contingents**

### **17.1 Provisions**

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

### **17.2 Contingent liabilities**

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

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

### **17.3 Contingent assets**

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

### **17.4 Commitments**

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

## **18. Unauthorised expenditure**

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

## **19. Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

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

## **20. Irregular expenditure**

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

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

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

## **21. Changes in accounting policies accounting estimates and errors**

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

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

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

## **22. Events after the reporting date**

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

## **23. Principal-Agent arrangements**

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal/agent] and is responsible for [include details here]. All related revenues expenditures assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

## **24. Departures from the MCS requirements**

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

## **25. Capitalisation reserve**

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

## **26. Recoverable revenue**

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

## **27. Related party transactions**

A related party transaction is a transfer of resources services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

## **28. Inventories (*Effective from date determined in a Treasury Instruction*)**

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

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

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

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

## **29. Public-Private Partnerships**

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

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

## **30. Employee benefits**

The value of each major class of employee benefit obligation (accruals payables not recognised and provisions) is disclosed in the Employee benefits note.

## 1. Annual Appropriation

### 1.1 Annual Appropriation

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

	2016/17			2015/16	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	159 332	159 332	-	157 490	157 490
Socio Economics Support	313 541	313 541	-	266 305	266 305
Empowerment and Stakeholder Management	124 734	124 734	-	158 406	158 406
<b>TOTAL</b>	<b>597 607</b>	<b>597 607</b>	<b>-</b>	<b>582 201</b>	<b>582 201</b>

## 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	28	23
Fines penalties and forfeits		-	-
Interest dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities	2.2	302	766
Transfer received		-	-
Total revenue collected		<b>330</b>	<b>789</b>
Less: Own revenue included in appropriation		-	-
<b>Departmental revenue collected</b>		<b>330</b>	<b>789</b>

- Commission of 5% for administering of garnishee order on behalf of other entities
- Revenue generated reflects credit notes processed with reference to prior year

## 2.1 Sales of goods and services other than capital assets

	Note	2016/17	2015/16
	2	R'000	R'000
Sales of goods and services produced by the department		28	23
Sales by market establishment		-	-
Administrative fees		-	-
Other sales		28	23
Sales of scrap waste and other used current goods		-	-
<b>TOTAL</b>		<b>28</b>	<b>23</b>

- Commission of 5% received for administering of garnishee order on behalf of other entities

## 2.2 Transactions in financial assets and liabilities

	Note	2016/17	2015/16
	2	R'000	R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		302	766
Gains on GFECRA		-	-
<b>TOTAL</b>		<b>302</b>	<b>766</b>

- Revenue generated reflect credit notes processed with reference to prior year

## 3. Compensation of employees

### 3.1 Salaries and Wages

	Note	2016/17	2015/16
		R'000	R'000
Basic salary		74 676	69 074
Performance award		217	1 488
Service Based		42	96
Compensative/circumstantial		4 183	3 292
Periodic payments		410	142
Other non-pensionable allowances		20 134	18 056
<b>TOTAL</b>		<b>99 662</b>	<b>92 148</b>

- "Other non-pensionable allowances" include service bonus (13th cheque) paid to employees and also all allowances payable to employees who are not pensionable including housing allowance
- Performance awards for the 2015/16 not paid yet and has been disclosed as Payables under note 18.

### 3.2 Social contributions

	Note	2016/17 R'000	2015/16 R'000
<b>Employer contributions</b>			
Pension		7 359	6 881
Medical		1 426	1 594
UIF		-	1
Bargaining council		16	14
Official unions and associations		-	-
Insurance		-	-
<b>TOTAL</b>		<b>8 801</b>	<b>8 490</b>
<b>Total compensation of employees</b>			
		<b>108 463</b>	<b>100 638</b>
Average number of employees		231	227

### 4. Goods and services

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		4 345	3 667
Advertising		5 972	12 057
Minor assets	4.1	374	1 843
Bursaries (employees)		593	526
Catering		1 590	1 934
Communication		2 975	2 707
Computer services	4.2	34 640	887
Consultants: Business and advisory services		1 227	1 646
Infrastructure and planning services		-	37
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		1 239	833
Contractors		61 486	56 949
Agency and support/outsourced services		735	380
Entertainment		-	-
Audit cost – external	4.3	5 961	7 890
Fleet services		1 889	1 512
Inventory		-	-
Consumables	4.4	7 135	6 201
Housing		-	-
Operating leases		16 832	15 383
Property payments	4.5	2 944	6 131
Rental and hiring		337	756
Transport provided as part of the departmental activities		25	-
Travel and subsistence	4.6	41 227	37 310
Venues and facilities		1 823	3 808
Training and development		24 690	16 543
Other operating expenditure	4.7	447	609
<b>TOTAL</b>		<b>218 486</b>	<b>179 609</b>

- Contractors spend of R61 486 000 is mainly related to Health Services to Military Veterans amounting to R61 453 000.
- T&S relates mainly to travel by DMV officials and external stakeholders such as SAMNVA, Advisory Council and Appeals Board.
- Training and development is an aggregated amount related to the provisioning of Skills to military veterans as a benefit and mandatory training of DMV officials.
- Prior Year correction for invoices amounting to R658 140 not provided by GCIS.
- Correction of prior year misclassification of cellular phones usage from Finance lease to Communication account amounting to R1 416 987.
- Correction of prior year misclassification from Communication Cellular Phone to Training and development account amount of R7 970.

#### 4.1 Minor assets

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	4	R'000	R'000
<b>Tangible assets</b>		<b>374</b>	<b>1 843</b>
Buildings and other fixed structures			-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		374	1 843
Transport assets		-	-
Specialised military assets		-	-
<b>Intangible assets</b>		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents licences copyright brand names trademarks		-	-
Recipes formulae prototypes designs models		-	-
Services and operating rights		-	-
<b>TOTAL</b>		<b>374</b>	<b>1 843</b>

#### 4.2 Computer services

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	4	R'000	R'000
SITA computer services		34 069	21
External computer service providers		571	866
<b>TOTAL</b>		<b>34 640</b>	<b>887</b>

- The amount included SITA accruals and payable previous year invoices.



**4.3 Audit cost – External**

	Note	2016/17	2015/16
	4	R'000	R'000
Regularity audits		5 961	7 133
Performance audits		-	-
Investigations		-	757
Environmental audits		-	-
Computer audits		-	-
<b>TOTAL</b>		<b>5 961</b>	<b>7 890</b>

**4.4 Consumables**

	Note	2016/17	2015/16
	4	R'000	R'000
Consumable supplies		1 000	1 039
Uniform and clothing		159	222
Household supplies		355	161
Building material and supplies		161	484
Communication accessories		-	36
IT consumables		45	64
Other consumables		280	72
Stationery printing and office supplies		6 135	5 162
<b>TOTAL</b>		<b>7 135</b>	<b>6 201</b>

- This includes spend on printer cartridges of R4 837 988 and stationery of R629 858.

**4.5 Property payments**

	Note	2016/17	2015/16
	4	R'000	R'000
Municipal services		1 124	241
Property management fees		-	-
Property maintenance and repairs		124	351
Other		1 696	5 539
<b>TOTAL</b>		<b>2 944</b>	<b>6 131</b>

- Property other includes security services of R1 547 585.

**4.6 Travel and subsistence**

	Note	2016/17	2015/16
	4	R'000	R'000
Local		37 580	37 123
Foreign		3 647	187
<b>TOTAL</b>		<b>41 227</b>	<b>37 310</b>

- Travel and subsistence item includes payments made for Military Veterans and their beneficiaries.

#### 4.7 Other operating expenditure

	Note	2016/17	2015/16
	4	R'000	R'000
Professional bodies membership and subscription fees		8	-
Resettlement costs		41	166
Other		398	443
<b>TOTAL</b>		<b>447</b>	<b>609</b>

- Other operating expenditure relates to expenditure such as courier delivery service printing and publication services.

#### 5. Interest and rent on land

	Note	2016/17	2015/16
		R'000	R'000
Interest paid		-	4
Rent on land		-	-
<b>TOTAL</b>		<b>-</b>	<b>4</b>

#### 6. Transfers and subsidies

	Note	2016/17	2015/16
		R'000	R'000
Provinces and municipalities		-	-
Departmental agencies and accounts	<i>Annex 1B</i>	-	-
Higher education institutions	<i>Annex 1C</i>	-	-
Foreign governments and international organisations	<i>Annex 1E</i>	-	-
Public corporations and private enterprises	<i>Annex 1D</i>	-	-
Non-profit institutions	<i>Annex 1F</i>	-	-
Households	<i>Annex 1G</i>	166 134	57 569
<b>TOTAL</b>		<b>166 134</b>	<b>57 569</b>
<u>Unspent funds transferred to the above beneficiaries</u>			
Provinces and municipalities		-	-
Departmental agencies and accounts		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

## 7. Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
<b>Tangible assets</b>		<b>11 538</b>	<b>10 102</b>
Buildings and other fixed structures		-	-
Heritage assets	27	4 286	-
Machinery and equipment	27	7 252	10 102
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
<b>Intangible assets</b>			<b>29</b>
Software	28	-	29
Mastheads and publishing titles	28	-	-
Patents licences copyright brand names trademarks		-	-
Recipes formulae prototypes designs models		-	-
Services and operating rights		-	-
<b>TOTAL</b>		<b>11 538</b>	<b>10 131</b>

The following amounts have been included as project costs in Expenditure for capital assets

Compensation of employees	-	-
Goods and services	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

- Correction of prior year misclassification of cellular phones usage from Finance lease to communication account amounting to R1 416 987.

### 7.1 Analysis of funds utilised to acquire capital assets - 2016/17

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>11 538</b>	<b>-</b>	<b>11 538</b>
Buildings and other fixed structures	-	-	-
Heritage assets	4 286	-	<b>4 286</b>
Machinery and equipment	7 252	-	<b>7 252</b>
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
<b>Intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents licences copyright brand names trademarks	-	-	-
Recipes formulae prototypes designs models	-	-	-
Services and operating rights	-	-	-
<b>TOTAL</b>	<b>11 538</b>	<b>-</b>	<b>11 538</b>

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>10 102</b>	-	<b>10 102</b>
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	10 102	-	<b>10 102</b>
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
<b>Intangible assets</b>	<b>29</b>	-	<b>29</b>
Software	29	-	<b>29</b>
Mastheads and publishing titles	-	-	-
Patents licences copyright brand names trademarks	-	-	-
Recipes formulae prototypes designs models	-	-	-
Services and operating rights	-	-	-
<b>TOTAL</b>	<b>10 131</b>	-	<b>10 131</b>

## 7.3 Finance lease expenditure included in Expenditure for capital assets

	2016/17	2015/16
	R'000	R'000
<b>Tangible assets</b>		
Buildings and other fixed structures	-	-
Heritage assets	-	-
Machinery and equipment	3 417	4 308
Specialised military assets	-	-
Land and subsoil assets	-	-
Biological assets	-	-
<b>TOTAL</b>	<b>3 417</b>	<b>4 308</b>

- Correction of prior year misclassification of cellular phones usage from Finance lease to communication account amounting to R1 416 987.

## 8. Cash and cash equivalents

	2016/17	2015/16
	R'000	R'000
Consolidated Paymaster General Account	101 743	225 384
Cash receipts	-	-
Disbursements	(12 416)	-
Cash on hand	16	21
Investments (Domestic)	-	-
Investments (Foreign)	-	-
<b>TOTAL</b>	<b>89 343</b>	<b>225 405</b>

- There are no significant cash and cash equivalent balances held by the department that are not available for use.
- There are no amounts of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

## 9. Prepayments and advances

	Note	2016/17 R'000	2015/16 R'000
Staff advances		-	-
Travel and subsistence		143	-
Prepayments (Not expensed)		-	-
Advances paid (Not expensed)	9.1	1 302	4 060
SOCPEN advances		-	-
<b>TOTAL</b>		<b>1 445</b>	<b>4 060</b>

- Prior Year correction. Invoices amounting to R658 140 for advertising from GCIS not provided when the transaction was processed.

### 9.1 Advances paid (Not expensed)

	Note	2016/17 R'000	2015/16 R'000
National departments	Annex 8A	1 302	4 060
Provincial departments	Annex 8A	-	-
Public entities	Annex 8A	-	-
Other institutions	Annex8A	-	-
<b>TOTAL</b>		<b>1 302</b>	<b>4 060</b>

- Prior Year correction. Invoices amounting to R658 140 for advertising from GCIS not provided when the transaction was processed.

## 10. Receivables

	Note	2016/17			2015/16		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	2	-	2	180	-	180
Trade receivables		-	-	-	-	-	-
Recoverable expenditure	10.2	220	-	220	227	-	227
Staff debt	10.3	10	-	10	13	-	13
Fruitless and wasteful expenditure	10.6	1 047	-	1 047	389	-	389
Other debtors	10.5	1 740	-	1 740	3 181	-	3 181
<b>TOTAL</b>		<b>3 019</b>	<b>-</b>	<b>3 019</b>	<b>3 990</b>	<b>-</b>	<b>3 990</b>

**10.1 Claims recoverable**

	<i>Note 10 and Annex 4</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
National departments		2	180
Provincial departments		-	-
Foreign governments		-	-
Public entities		-	-
Private enterprises		-	-
Higher education institutions		-	-
Households and non-profit institutions		-	-
Local governments		-	-
<b>TOTAL</b>		<b>2</b>	<b>180</b>

- Referenced to Annexure 4 being Limpopo Department of Health (R1 000) and Limpopo Department of Public Works (R1 000)

**10.2 Recoverable expenditure (disallowance accounts)**

	<i>Note 10</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Debt account		220	227
<b>TOTAL</b>		<b>220</b>	<b>227</b>

- Being employee related debt.

**10.3 Staff debt**

	<i>Note 10</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Sal Reversal Control		4	11
Sal Tax Debt		6	2
<b>TOTAL</b>		<b>10</b>	<b>13</b>

- Services termination of employees.

**10.4 Other debtors**

	<i>Note 10</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Disall Damages & Losses		1 740	1 063
Disallowance Miscellaneous		-	2 118
<b>Total</b>		<b>1 740</b>	<b>3 181</b>

- This relates to accidents and damages on hired vehicles related to DMV officials and non-officials. Non officials refers to external stakeholders such as SANMVA and Advisory Council.
- Debt recovery with DMV Officials is underway, however, external stakeholders debt has been escalated to the Accounting Officer for intervention.

## 10.5 Fruitless and wasteful expenditure

	Note	2016/17	2015/16
	10	R'000	R'000
Opening balance		389	28
Less amounts recovered		-	-
Less amounts written off		-	-
Transfers from note 32 Fruitless and Wasteful Expenditure		658	361
Interest		-	-
<b>TOTAL</b>		<b>1 047</b>	<b>389</b>

- This payments refer to instances where bookings related to travel and accommodation where service recipients do not show up.

## 11. Voted funds to be surrendered to the Revenue Fund

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		233 408	41 097
Prior period error	11.1	-	-
As restated		233 408	41 097
Transfer from statement of financial performance (as restated)		92 986	234 250
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)		-	-
Paid during the year		(232 750)	(41 939)
<b>Closing balance</b>		<b>93 644</b>	<b>233 408</b>

- Prior Year correction. Invoices amounting to R658 140 for advertising from GCIS not provided when the transaction was processed.

### 11.1 Prior period error

	Note	2015/16
		R'000
<b>Nature of prior period error</b>		
		-
		-
		-
Relating to 2015/16		658
GCIS advanced paid		658
		-
<b>Total prior period errors</b>		<b>658</b>

- Prior Year correction. Invoices amounting to R658 140 for advertising from GCIS not provided when the transaction was processed.

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

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		(16)	1 545
Prior period error	12.1		-
As restated		(16)	1 545
Transfer from Statement of Financial Performance (as restated)		330	789
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)		-	-
Paid during the year		(193)	(2 350)
<b>Closing balance</b>		<b>121</b>	<b>(16)</b>

- This is an amount not paid to National Revenue Fund by 31 March 2017.

## 13. Payables – current

	Note	2016/17	2015/16
		R'000	R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	13.1	42	63
Other payables		-	-
<b>TOTAL</b>		<b>42</b>	<b>63</b>

- Salaries: Income tax – this is income tax for employees payable to SARS as at 31 March 2017 but was paid in April 2017, timing difference.

### 13.1 Clearing accounts

	Note	2016/17	2015/16
		R'000	R'000
Salaries: Income Tax	13	42	59
Salaries: Pension fund		-	4
<b>TOTAL</b>		<b>42</b>	<b>63</b>

- Salaries: Income tax – this is income tax for employees payable to SARS as at 31 March 2017 but was paid in April 2017, timing difference.



## 14. Net cash flow available from operating activities

<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<b>R'000</b>	<b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance	93 316	235 039
Add back non cash/cash movements not deemed operating activities	(217 840)	(20 998)
(Increase)/decrease in receivables – current	971	4 640
(Increase)/decrease in prepayments and advances	2 615	8 581
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	(21)	(61)
Proceeds from sale of capital assets	-	-
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	11 538	10 131
Surrenders to Revenue Fund	(232 943)	(44 289)
Surrenders to RDP Fund/Donor	-	-
Voted funds not requested/not received	-	-
Own revenue included in appropriation	-	-
Other non-cash items	-	-
<b>Net cash flow generated by operating activities</b>	<b>(124 524)</b>	<b>214 041</b>

- Cash flow position improvement mainly due to improved spend patterns.

## 15. Reconciliation of cash and cash equivalents for cash flow purposes

<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
	<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account	101 743	225 384
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	(12 416)	-
Cash on hand	16	21
Cash with commercial banks (Local)	-	-
Cash with commercial banks (Foreign)	-	-
<b>TOTAL</b>	<b>89 343</b>	<b>225 405</b>

- Petty cash account balance is affected by bank charges.

## 16. Contingent liabilities and contingent assets

### 16. Contingent liabilities

		Note	2016/17	2015/16
			R'000	R'000
<b>Liable to</b>	<b>Nature</b>			
Motor vehicle guarantees	Employees	<i>Annex 3A</i>	-	-
Housing loan guarantees	Employees	<i>Annex 3A</i>	-	-
Other guarantees		<i>Annex 3A</i>	-	-
Claims against the department		<i>Annex 3B</i>	205 993	205 580
Intergovernmental payables (unconfirmed balances)		<i>Annex 5</i>	23 501	29 496
Environmental rehabilitation liability		<i>Annex 3B</i>	-	-
Other		<i>Annex 3B</i>	-	-
<b>TOTAL</b>			<b>229 494</b>	<b>235 076</b>

- These are litigation matters pending court ruling, the cash outflow is uncertain.

## 17. Commitments

		Note	2016/17	2015/16
			R'000	R'000
<b>Current expenditure</b>				
Approved and contracted			977	610
Approved but not yet contracted			-	-
			977	610
<b>Capital expenditure</b>				
Approved and contracted			73	825
Approved but not yet contracted			-	-
			73	825
<b>Total Commitments</b>			<b>1 050</b>	<b>1 435</b>

- These commitments are less than a year.

## 18. Accruals and payables not recognised

### 18.1 Accruals

Listed by economic classification	2016/17			2015/16
	R'000			R'000
	30 Days	30+ Days	Total	Total
Good and services	1 195	-	1 195	11 179
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	7 800	7 800	34 002
Capital assets	-	-	-	-
Other	148	-	148	-
<b>TOTAL</b>	<b>1 343</b>	<b>7 800</b>	<b>9 143</b>	<b>45 181</b>

	Note	2016/17	2015/16
		R'000	R'000
Programme Administration		1 343	6 419
Programme Socio Economic Support		7 800	34 345
Programme Empowerment and Stakeholder Management			4 417
<b>TOTAL</b>		<b>9 143</b>	<b>45 181</b>

- FY2015/16 Accruals balance was understated by R32 841 035
- FY2016/17 - 78 Houses built in the Provinces but invoices not yet received by DMV amounting to R7 800 000.
- March 2017 Acting Director General salaries and allowance not yet claimed by the Department of Rural Development amounting to R148 000.

### 18.2 Payables not recognised

Listed by economic classification	2016/17			2015/16
	R'000			R'000
	30 Days	30+ Days	Total	Total
Goods and services	5 356	44 573	49 929	15 143
Interest and rent on land	-	-	-	-
Transfers and subsidies	15	19	34	1 039
Capital assets	-	-	-	63
Other	-	1 308	1 308	-
<b>TOTAL</b>	<b>5 371</b>	<b>45 900</b>	<b>51 271</b>	<b>16 245</b>

	Note	2016/17	2015/16
		R'000	R'000
Programme Administration		4 221	15 104
Programme Socio Economic Support		39 483	1 112
Programme Empowerment and Stakeholder Management		7 567	29
<b>TOTAL</b>		<b>51 271</b>	<b>16 245</b>

	Note	2016/17	2015/16
		R'000	R'000
<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	Annex 5	18 343	2 600
Confirmed balances with other government entities	Annex 5	726	-
<b>TOTAL</b>		<b>19 069</b>	<b>2 600</b>

- FY2015/16 - Performance bonus to be paid amounting R1 307 642.
- FY2015/16 Prior Year adjustment - Payables balance was understated by R2 383 500.

## 19. Employee benefits

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		5 028	4 117
Service bonus (Thirteenth cheque)		2 170	2 018
Performance awards		1 541	1 679
Capped leave commitments		767	717
Other		-	-
<b>TOTAL</b>		<b>9 506</b>	<b>8 531</b>

- Performance awards - FY2016/17 accruals at 1.5% of compensation of employees FY16/17 approved budget (R102 739 000\*1.5%).
- Accrual Prior Year errors performance awards for FY2015/16 at 1.5% (R97 485 000\*1.5%) and also included FY2013/14 performance bonus that was only paid in FY2016/17 amounting to R217 000.

## 20. Lease commitments

### 20.1 Operating leases expenditure

<b>2016/17</b>	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	9 666	3 932	13 598
Later than 1 year and not later than 5 years	-	-	10 160	350	10 510
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>19 826</b>	<b>4 282</b>	<b>24 108</b>

<b>2015/16</b>	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	5 108	99	5 207
Later than 1 year and not later than 5 years	-	-	17 214	-	17 214
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>22 322</b>	<b>99</b>	<b>22 421</b>

- This is an operating lease comprising of 6 photocopying machine and 1 franking machine.
- Lease commitments were overstated with an amount of R651 000.

- This is a five (5) year sublease of the DMV head office premises, Mpumalanga Province, Eastern Cape Province and North West province as arranged by the Department of Public Works.

**20.2 Finance leases expenditure\*\***

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 990	1 990
Later than 1 year and not later than 5 years	-	-	-	170	170
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 160</b>	<b>2 160</b>

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	623	623
Later than 1 year and not later than 5 years	-	-	-	1 121	1 121
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 744</b>	<b>1 744</b>

- This relates to a contract arrangement between DMV and Vodacom in relation to the provision of mobile devices and datalines.

**21. Irregular expenditure****21.1 Reconciliation of irregular expenditure**

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		172 487	50 182
Prior period error			(1 388)
As restated		172 487	48 794
Add: Irregular expenditure – relating to prior year			-
Add: Irregular expenditure – relating to current year		105 999	123 693
Less: Prior year amounts condoned		(106 515)	-
Less: Current year amounts condoned		(89 702)	-
Less: Amounts not condoned and recoverable		-	-
Less: Amounts not condoned and not recoverable		-	-
<b>Closing balance</b>		<b>82 269</b>	<b>172 487</b>

**Analysis of awaiting condonation per age classification**

Current year	16 297	123 693
Prior years	65 972	48 794
<b>TOTAL</b>	<b>82 269</b>	<b>172 487</b>

FY2013/14

- Irregular Expenditure disclosed was incorrectly overstated with an amount of R218 000. This incorrectly included GPG Catering, Red Alert and Skynet courier services.

FY2014/15

- Irregular Expenditure disclosed was incorrectly overstated and incorrectly calculated. An amount of R1 130 970 was incorrectly disclosed as current irregular expenditure.
- The following adjustments are updated on the register.
- Fetolo Mogopolo, amount of R1 455 470 was incorrectly included in opening balance of FY2013/14 and as current irregular expenditure of FY2014/15
- Ontoligent, amount of R42 000 was incorrectly included in opening balance of FY2013/14 and as current irregular expenditure of FY2014/15

Zwiito Cleaning services, amount of R98 952 was incorrectly included in opening balance of FY2013/14 and as current irregular expenditure of FY2014/15

Skynet, amount of R84 568 was incorrectly included in opening balance of FY2013/14 and as current irregular expenditure of FY2014/15

Skynet, amount R28 924 was overstated. The correct payment made for FY2014/15 was R35 737

TN Masivusane, amount of R9 520 was overstated. The correct payment made for FY2014/15 was R68 000.

GPG catering, amount of R48 000 was incorrectly disclosed as irregular expenditure which is not yet paid.

Red Alert, amount of R65 112 was overstated. The correct payment made for FY2014/15 was R934 100.

Upper Case, amount of R34 029 was incorrectly disclosed in FY2014/15 the claim was paid June 2015.

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

Incident	Disciplinary steps taken/criminal proceedings	2016/17
		R'000
8 Cases of non-compliance with procurement processes	Investigations commenced with some letters issued to potential transgressors for response	694
15 Cases of non-compliance with supply Chain Management processes	Investigations commenced with some letters issued to potential transgressors for response	12 464
Non-compliance with DMV approved Financial Delegations( period of 01 April to 11 August 2016)	Financial Delegations policy was formalised and signed on the 12 August 2016. The condonement letters were approved by the acting accounting officer	89 587
Non-compliance with Military Veterans regulations by not applying the Means Test.	Consequence management will be implemented by end quarter 2	247
Non-compliance with SCM processes. Payments for MV beneficiaries school accommodation and books where Tender process was avoided.	The investigation was outsourced and the Service Provider was appointed. Investigation is underway	2 886
6 Cases of non-compliance SCM. Deviation for 3 quotations	Investigations commenced with some letters issued to potential transgressors for response	121
<b>TOTAL</b>		<b>105 999</b>

**21.3 Details of irregular expenditure condoned**

Incident	Condoned by (condoning authority)	2016/17 R'000
Non-compliance with DMV approved Financial Delegations	Accounting Officer	106 489
Non-compliance with DMV approved Financial Delegations	Accounting Officer	89 587
4 Cases Non-compliance with SCM processes. Deviation for 3 quotations	Accounting Officer	64
3 Cases Non-compliance with SCM processes. Additional cost incurred within allowed %	Accounting Officer	77
<b>TOTAL</b>		<b>196 217</b>

**21.4 Details of irregular expenditures under investigation (not included in the main note)**

Incident	2016/17 R'000
Burial Support payments – Payments for Burial Support not compliant to Burial Support Regulation 16 (1) (a) & (b)	1 758
<b>TOTAL</b>	<b>1 758</b>

- Payments for Burial Support not compliant to Burial Support Regulation 16 (1) (a) & (b)

**21.5 Prior period error**

Nature of prior period error	Note	2015/16 R'000
Prior year irregular expenditure overstated because the payments amount were disclosed twice for some AG findings.		(1 539)
FY2014/15 Interim Management report AG finding was miscalculated by R150 914 which led to understate the irregular expenditure disclosed Relating to 2015/16		151
		<b>(1 388)</b>

FY2013/14 and FY2014/15 overstated amount:

- Ontoligent - Payment amounting to R162 500 was disclosed twice on the IE register.
- Destiny Cuisine - Payment amounting to R843 657 was disclosed twice on the IE register.
- Satecy Enterprises - Payment amounting to R35 000 was disclosed twice on the IE register.
- BEST CHOICE Caterers cc - Payment amounting to R50 000 was disclosed twice on the IE register.
- Marandi Supplier Distributors - Payment amounting to R76 629 was disclosed twice on the IE register.
- Bolshevicks Trading - Payment amounting to R141 000 was disclosed twice on the IE register.
- Regenesys Management TRAINING FOR EMS - Payment amounting to R230 400 was disclosed twice on the IE register.
- FY2014/15 Interim Management report AG finding was miscalculated by R150 914 which led to the understatement of irregular expenditure disclosed.

## 22. Fruitless and wasteful expenditure

### 22.1 Reconciliation of fruitless and wasteful expenditure

	Note	2016/17	2015/16
		R'000	R'000
Opening balance		2 022	1 572
Prior period error		-	-
As restated		2 022	1 572
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		1 829	811
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery	10.5	(658)	(361)
<b>Closing balance</b>		<b>3 193</b>	<b>2 022</b>

### 22.2 Analysis of awaiting resolution per economic classification

	Note	2016/17	2015/16
		R'000	R'000
		<b>3 193</b>	<b>2 022</b>
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
<b>TOTAL</b>		<b>3 193</b>	<b>2 022</b>

### 22.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2016/17
		R'000
Expenditure incurred by the department for the bookings of travel and subsistence where the travellers do not cancel if unable to travel or attend	No steps taken yet. Investigations underway	658
LOGIS system payments not yet being used by the department	No disciplinary steps required. The target date to use LOGIS is 01 April 2017	43
Catering for a meeting that was subsequently cancelled	No steps taken as yet. Investigation still in progress	4
Fruitless and wasteful of dental fee invoice paid for Military Veteran of R853 000 under investigation.	The follow up with DoD was done and the overcharged invoice must be recovered from DoD.	853
Procurement of very expensive computers	No steps taken as yet.	129
Duplicate payments on school fees	No steps taken as yet.	142
<b>TOTAL</b>		<b>1 829</b>



## 23. Related party transactions

<b>Revenue received</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines penalties and forfeits		-	-
Interest dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>
<b>Payments made</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		R'000	R'000
Goods and services		-	-
Interest and rent on land		-	-
Expenditure for capital assets		-	-
Payments for financial assets		-	-
Transfers		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>
<b>Year end balances arising from revenue/payments</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		R'000	R'000
Receivables from related parties		-	-
Payables to related parties		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>
<b>Loans to/from related parties</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		R'000	R'000
Non-interest bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>
<b>Other</b>	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		R'000	R'000
Guarantees issued/received		-	-
<i>List other contingent liabilities between department and related party</i>		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>
<b>In kind goods and services provided/received</b>	<i>Note</i>	<b>2016/17</b>	
		R'000	
<i>List in kind goods and services between the department and the related party</i>		-	
<b>TOTAL</b>		<b>-</b>	

As at 31 March 2017 the DMV had the following related parties, namely the:

- President of the RSA;
- Deputy President of the RSA;
- Cabinet of the Government of the RSA, including the Ministers of all National Departments;
- National Departments;
- Public Entities resorting under the National Departments;
- Key management personnel of the DMV; and
- All entities under the control, joint control or significant influence of a key management personnel member of the DMV.

Related party transactions

The Department is not aware of any related party transaction (i.e. transaction not at arm's length) that occurred during the period between the Department and the President of the RSA; the Deputy President of the RSA; the Cabinet of the Government of the RSA, including the Ministers of all National Departments, National Departments and public entities falling under these departments.

The Department is not aware of any related party transactions that occurred during the period between the related parties.

The Department did not identify any related party transaction during the period between the Department and its key management personnel, and the entities under the control, joint control or significant influence of key management personnel of the Department.

## 24. Key management personnel

	No. of Individuals	2016/17	2015/16
		R'000	R'000
Political office bearers (provide detail below)		-	-
Officials:		-	-
Level 15 to 16	3	3 480	2 509
Level 14 (incl. CFO if at a lower level)	7	7 824	6 859
Family members of key management personnel	-	-	-
<b>TOTAL</b>		<b>11 304</b>	<b>9 368</b>

### Key management personnel (Parliament/Legislatures)

	No. of Individuals	2016/17	2015/16
		R'000	R'000
Speaker to Parliament/the Legislature			
Deputy Speaker		-	-
Secretary to Parliament/the Legislature		-	-
Deputy Secretary		-	-
Chief Financial Officer		-	-
Legal Advisor		-	-
Other		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

- Key management officials included Acting Director General who is on secondment.

## 25. Provisions

	<i>Note</i>	<b>2016/17</b>	<b>2015/16</b>
		<b>R'000</b>	<b>R'000</b>
Settlement agreement to be paid to OJ Mabena for housing benefit		-	165
Settlement agreement to be paid to TM Msimang for housing benefit		-	165
<b>TOTAL</b>		<b>-</b>	<b>330</b>

- The applicant brought the matter before the high court to force the department to pay the full housing benefit of R175 000 in term Section 14 of the Military Veterans Act of 2011. An out of court settlement of R165 000 was reached

### 25.1 Reconciliation of movement in provisions – 2016/17

	<b>Provision 1</b>	<b>Provision 2</b>	<b>Provision 3</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	165	165	-	330
Increase in provision	-	-	-	-
Settlement of provision	(165)	(165)	-	(330)
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Reconciliation of movement in provisions – 2015/16

	<b>Provision 1</b>	<b>Provision 2</b>	<b>Provision 3</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	-	-	-	-
Increase in provision	165	165	-	330
Settlement of provision	-	-	-	-
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
<b>Closing balance</b>	<b>165</b>	<b>165</b>	<b>-</b>	<b>330</b>

- The applicants brought the matter to the high court to force the department to pay the full housing benefit of R175 000 in term Section 14 of the Military Veterans benefits regulations of 2011. An out of court settlement of R165 000 was reached and final settlement of the claim including costs.

## 26. Non-adjusting events after reporting date

	2016/17
<b>Nature of event</b>	R'000
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	-
<b>TOTAL</b>	<b>-</b>

- There were no non-adjusting events identified.

## 27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>16 253</b>	-	<b>3 835</b>	<b>89</b>	<b>19 999</b>
Transport assets	-	-	-	-	-
Computer equipment	6 434	-	1 111	-	7 545
Furniture and office equipment	5 308	-	1 845	-	7 153
Other machinery and equipment	4 511	-	879	89	5 301
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
<b>Capital Work-in-progress</b> <i>(Effective 1 April 2016)</i>	112	-	4 289	-	4 398
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>16 365</b>	-	<b>8 121</b>	<b>89</b>	<b>24 397</b>

### Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Heritage assets	-	-
Machinery and equipment	510	4 943
Specialised military assets	-	-
Biological assets	-	-

- As of Q2 reporting, the DoD opening balance for major assets was disclosed with the value of R2 605 656. This opening balance for major assets has subsequently been adjusted down by R416 337 and the revised opening balance is R2 189 319. This adjustment being a reclassification to Minor Assets. Of this opening balance, major assets to the value of R1 211 519 were still under investigation. This investigation mainly relates to lapse in controls when assets were bought under DoD systems and moved across to DMV new premises.
- FY2013/14 assets under investigation = 119 with an amount of R1 231 668.
- FY2014/15 assets under investigation = 95 with an amount of R 1 555 759.
- FY2015/16 assets under investigation = 60 with an amount of R840 019.
- FY2016/17 assets under investigation = 7 with an amount of R103 170.
- The total value of assets under investigation is R4 983 000, with various reasons such as assets having temporary asset numbers and missing assets with no incident reports. The AR is being rectified to ensure completeness with target completion of Mid Q3.

## 27.1 Additions

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

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current not paid (Paid current year received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	<b>4 286</b>	-	<b>(4 286)</b>	-	-
Heritage assets	4 286	-	(4 286)	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>7 252</b>	-	<b>(3 417)</b>	-	<b>3 835</b>
Transport assets	-	-	-	-	-
Computer equipment	1 111	-	-	-	1 111
Furniture and office equipment	1 845	-	-	-	1 845
Other machinery and equipment	4 296	-	(3 417)	-	879
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>11 538</b>	-	<b>(7 703)</b>	-	<b>3 835</b>

## 27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016				
	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	-	89	89	-
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	89	89	-
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-
Specialised military assets	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-
Biological assets	-	-	-	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	89	89	-

- These are Health Assets transferred to Military Veterans.

## 27.3 Movement for 2015/16

MOVEMENT IN 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
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	8 280	2 183	5 840	50	16 253
Transport assets	-	-	-	-	-
Computer equipment	3 597	1 681	1 156	-	6 434
Furniture and office equipment	1 838	62	3 408	-	5 308
Other machinery and equipment	2 845	440	1 276	50	4 511
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
Capital Working-in-progress (Effective 1 April 2016)	-	112	-	-	112
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	8 280	2 295	5 840	50	16 365

## 27.3.1 Prior period error

Note

	2015/16
	R'000
<b>Nature of prior period error</b>	
Relating to 2013/14 [affecting the opening balance]	2 295
DoD opening balance	2 183
Heritage assets ( Tomb Unknown soldier	112
Relating to 2015/16	-
<b>Total prior period errors</b>	<b>2 295</b>

- As of Q2 reporting, the DoD opening balance for major assets was disclosed with the value of R2 605 656. This opening balance for major assets has subsequently been adjusted down by R416 337.00 and the revised opening balance is R2 231 108. This adjustment being a reclassification to Minor Assets. Of this opening balance, major assets to the value of R1 278 308 were still under investigation. This investigation mainly relates to lapse in controls when assets were bought under DoD systems and moved across to DMV new premises.
- An amount of R112 000 Heritage assets represents work in progress.
- An amount of R1 000 for Other Machinery and Equipment was incorrectly classified on the assets register
- An amount of R490 000 was incorrectly classified as Furniture and Office Equipment on the assets register
- An amount of R310 000 for Computer equipment was incorrectly classified on the assets register.
- An amount of R112 000 Heritage assets represents work in progress.

## 27.4 Minor assets

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 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
Opening balance	-	5	-	4 607	-	4 612
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	374	-	374
Disposals	-	-	-	3	-	3
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>4 978</b>	<b>-</b>	<b>4 983</b>
Number of R1 minor assets						-
Number of minor assets at cost	-	-	-	171	-	171
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171</b>	<b>-</b>	<b>171</b>

**Minor Capital Assets under investigation**

	Number	Value R'000
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Specialised military assets		
Intangible assets		
Heritage assets		
Machinery and equipment	353	1 310
Biological assets		

- DoD minor assets under investigation = 8 amounting to R44 618
- FY2014/13 assets under investigation = 120 amounting to R338 214
- FY2014/15 assets under investigation = 85 amounting to R235 489
- FY2015/16 assets under investigation = 102 amounting to R260 551
- FY2016/17 assets under investigation = 12 amounting to R35 838
- The total minor assets under investigation is R1 265 000. The main reasons are that assets had temporary asset numbers as well as missing status due to assets being missing with no incident reports provided and AR adjusted. The AR is being rectified to ensure completeness with target completion of Mid Q3.

**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	-	-	-	2 342	-	2 342
Value adjustments	-	5	-	462	-	467
Additions	-	-	-	1 803	-	1 803
Disposals	-	-	-	-	-	-
<b>TOTAL MINOR ASSETS</b>		<b>5</b>		<b>4 607</b>		<b>4 612</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	2	-	1 917	-	1 919
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>1 917</b>	<b>-</b>	<b>1 919</b>

- DoD number of minor assets opening balance = R416 337.
- Prior period misclassification on minor intangible assets amounting to R4 788.



**27.4.1 Prior period error**

<i>Note</i>	<b>2015/16</b>
	<b>R'000</b>
<b>Nature of prior period error</b>	
Relating to 2013/14 <i>[affecting the opening balance]</i>	467
DoD opening balance	462
Prior period misclassification on minor intangible assets	5
Relating to 2015/16	-
Minor Assets	-
<b>Total prior period errors</b>	<b>467</b>

**28. Intangible Capital Assets**

<b>MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017</b>					
	<b>Opening balance</b>	<b>Value adjustments</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Balance</b>
	R'000	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	38		-	-	38
<b>MASTHEADS AND PUBLISHING TITLES</b>	-		-	-	-
<b>PATENTS LICENCES COPYRIGHT BRAND NAMES TRADEMARKS</b>	-		-	-	-
<b>RECIPES FORMULAE PROTOTYPES DESIGNS MODELS</b>	-		-	-	-
<b>SERVICES AND OPERATING RIGHTS</b>	-		-	-	-
<b>Capital Work-in-progress</b> <i>(Effective 1 April 2016)</i>					-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>

**Intangible Capital Assets under investigation**

	<b>Number</b>	<b>Value</b>
		R'000

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

Software  
Mastheads and publishing titles  
Patents licences copyright brand names trademarks  
Recipes formulae prototypes designs models  
Services and operating rights

## 28.1 Movement for 2015/16

MOVEMENT IN INTANGIBLE 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
SOFTWARE	-	9	29	-	38
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS LICENCES COPYRIGHT BRAND NAMES TRADEMARKS	-	-	-	-	-
RECIPES FORMULAE PROTOTYPES DESIGNS MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>9</b>	<b>29</b>	<b>-</b>	<b>38</b>

### 28.1.1 Prior period error

	Note	2015/16 R'000
<b>Nature of prior period error</b>		
Relating to 2014/15 <i>[affecting the opening balance]</i>		9
Software & other intangible assets incorrectly classified in FY2014/15		9
Relating to 2015/16		-
<b>Total prior period errors</b>		<b>9</b>

## 29. Prior period errors

### 29.1 Correction of prior period errors

	Note	2015/16 R'000
<b>Expenditure: Goods and services and Tangible capital assets</b>		
Communication account		1417
Training and development account		8
Advertising		(658)
Capital Expenditure overstated: Finance Lease account		(1 425)
<b>Net effect</b>		<b>(658)</b>
<b>Assets: Advances and Movable tangible capital assets</b>		
GCIS Advanced account		658
Other Machinery and Equipment was understated		1
Furniture and Office Equipment		(490)
Computer equipment was understated		310
<b>Net effect</b>		<b>479</b>

## Note

2015/16

R'000

**Liabilities: Payables and Accruals**

Accruals and Payables not recognized understated

35 224

**Net effect****35 224****Other: Irregular expenditure and Performance award**

Performance awards understated

1 679

Irregular Expenditure disclosure overstated

(1 388)

Dod Minor assets opening balance

395

Dod Movable tangible capital assets opening balance

2 211

Heritage Assets - Work in progress understated

112

**Net effect****3 009**

- Prior Year correction. Invoices amounting to R658 140 for advertising from GCIS not received.
- Prior year misclassification correction of cellular phones usage from Finance lease to Communication account amounting to R1 416 987.
- Prior year misclassification correction of Training and development account. An amount of R7 970 was incorrectly classified as Finance lease account.
- Prior year misclassification correction of Finance Lease account. An amount R1 424 957 was incorrectly classified.
- Accruals and Payables not recognized understated amounting to R 35 224 536
- Performance awards for FY2015/16 at 1.5% (R97 485 000\*1.5%) and also included FY2013/14 performance bonus that was only paid in FY2016/17 amounting to R217 000
- Irregular Expenditure disclosure note overstated:
  - Ontoligent - Payment amounting to R162 500 was disclosed twice on the IE register.
  - Destiny Cuisine - Payment amounting to R843 657 was disclosed twice on the IE register.
  - Satecy Enterprises - Payment amounting to R35 000 was disclosed twice on the IE register.
  - BEST CHOICE Caterers cc - Payment amounting to R50 000 was disclosed twice on the IE register.
  - Marandi Supplier Distributors - Payment amounting to R76 629 was disclosed twice on the IE register.
  - Bolshevicks Trading - Payment amounting to R141 000 was disclosed twice on the IE register.
  - Regenesis Management TRAINING FOR EMS -Payment amounting to R230 400 was disclosed twice on the IE register.
  - FY2014/15 Interim Management report AG finding was miscalculated by R150 914 which led to the understatement of irregular expenditure disclosed.
- Tangible Capital Assets:
  - As of Q2 reporting the DoD opening balance was R2 605 656, this balance has subsequently been adjusted by R394 698 this being a reclassification to Minor Assets.
  - An amount of R1 000 for Other Machinery and Equipment was incorrectly classified on the assets register
  - An amount of R490 0000 was incorrectly classified as Furniture and Office Equipment on the assets register
  - An amount of R310 000 for Computer equipment was incorrectly classified on the assets register.
  - An amount of R112 000 Heritage assets represents work in progress.

## ANNEXURE 1G

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE			2015/16
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
<b>Transfers</b>								
H/H EMPLOY/BEN: LEAVE GRATUITY	62	-	-	62	62	100%	-	-
H/H SOC ASS: WAR VETERANS	13 531	-	-	13 531	13 531	100%	50 683	50 683
H/H: BURSARIES( NON-EMPLOYEE)	176 400	-	-	176 400	112 624	64%	70 000	70 000
INDIVIDUAL SUPPORT(HOUSING)	12 210	-	-	12 210	12 163	100%	-	-
PROJECT LINKED SUPPORT(HOUSING)	5 304	-	-	5 304	5 304	100%	97 800	97 800
H/H SOC ASS:POVERTY RELIEF	21 904	-	-	-	21 903	-	-	-
EMERGENCY HOUSING ASSISTANCE	500	-	-	500	547	109%	-	-
<b>TOTAL</b>	<b>229 911</b>	<b>-</b>	<b>-</b>	<b>208 007</b>	<b>166 134</b>		<b>218 483</b>	<b>218 483</b>

**Subsidies**

-

-

## ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of Liability	Opening Balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Fetola Mogopolo Construction and Interior Design	4 006	-	-	-	4 006
B&M Catering Services	2 074	-	-	-	2 074
Zwito Cleaning	1 341	-	-	-	1 341
Zeal Health	198 159	-	-	-	198 159
Bakoena Entertainment	-	413	-	-	413
<b>Sub total</b>	<b>205 580</b>	<b>413</b>	<b>-</b>	<b>-</b>	<b>205 993</b>
<b>Environmental liability</b>					

**ANNEXURE 4**

**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	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>							
Gauteng Department of Infrastructure Development	-	6	-	-	-	6	
Limpopo Department of Health	1	-	-	-	1	-	
Limpopo Department of Public Works	-	-	1	-	1	-	
Eastern Cape Cooperative Governance & Traditional Affairs	-	114	-	-	-	144	
Eastern Cape Provincial Legislature	-	10	-	-	-	10	
Gauteng Office of the Premier	-	-	-	50	-	50	
	<b>1</b>	<b>130</b>	<b>1</b>	<b>50</b>	<b>2</b>	<b>180</b>	
<b>Other Government Entities</b>							
<b>Sub total</b>	<b>1</b>	<b>130</b>	<b>1</b>	<b>50</b>	<b>2</b>	<b>180</b>	

## ANNEXURE 5

## 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	
	R'000	R'000	R'000	R'000	R'000	R'000	Amount
<b>DEPARTMENTS</b>							
<b>Current</b>							
Department of Defence	18 343	2 558	15 529	29 447	33 872	32 005	-
Department of Justice & Constitutional Development	-	42	-	47	-	89	-
Department of Transport	-	-	-	2	-	2	-
Gauteng Province – Road and Transport (G-Fleet)	726	-	172	-	898	-	-
Limpopo Human Settlement Department	-	-	936	-	936	-	-
Gauteng Human Settlement Department	-	-	2 184	-	2 184	-	-
Northern Cape Human Settlement Department	-	-	2 964	-	2 964	-	-
Western Cape Human Settlement Department	-	-	1 716	-	1 716	-	-
<b>Sub total</b>	<b>19 069</b>	<b>2 600</b>	<b>23 501</b>	<b>29 496</b>	<b>42 570</b>	<b>32 096</b>	<b>-</b>
<b>Non-current</b>	-	-	-	-	-	-	-
<b>Sub total</b>	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>19 069</b>	<b>2 600</b>	<b>23 501</b>	<b>29 496</b>	<b>42 570</b>	<b>32 096</b>	<b>-</b>

## ANNEXURE 7

## 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
<b>HERITAGE ASSETS</b>	<b>112</b>	<b>4 286</b>	<b>-</b>	<b>4 398</b>
Heritage assets	112	4 286	-	4 398
<b>MACHINERY AND EQUIPMENT</b>	-	-	-	-
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	-	-	-
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-
Specialised military assets	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-
Biological assets	-	-	-	-
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
<b>LAND AND SUBSOIL ASSETS</b>	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
<b>SOFTWARE</b>	-	-	-	-
Software	-	-	-	-
<b>MASTHEADS AND PUBLISHING TITLES</b>	-	-	-	-
Mastheads and publishing titles	-	-	-	-
<b>PATENTS LICENCES COPYRIGHT BRAND NAMES TRADEMARKS</b>	-	-	-	-
Patents licences copyright brand names and trademarks	-	-	-	-
<b>RECIPES FORMULAE PROTOTYPES DESIGNS MODELS</b>	-	-	-	-
Recipes formulae prototypes designs models	-	-	-	-
<b>SERVICES AND OPERATING RIGHTS</b>	-	-	-	-
Services and operating rights	-	-	-	-
<b>TOTAL</b>	<b>112</b>	<b>4 286</b>	<b>-</b>	<b>4 398</b>

FY2014/15 Amount paid to Department of Public Works for building Tomb of the Unknown Soldiers



Age analysis on ongoing projects	Number of projects		2016/17
	Planned No construction started	Planned Construction started	Total
			R'000
0 to 1 Year	-	-	-
1 to 3 Years	-	-	-
3 to 5 Years	-	-	-
Longer than 5 Years	-	-	-
<b>TOTAL</b>	-	-	-

Include discussion on projects longer than 5 years in Capital WIP

**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
<b>HERITAGE ASSETS</b>	<b>112</b>	-	-	-	<b>112</b>
Heritage assets	112	-	-	-	112
<b>MACHINERY AND EQUIPMENT</b>	-	-	-	-	-
Transport assets	-	-	-	-	-
Furniture and office equipment	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
<b>LAND AND SUBSOIL ASSETS</b>	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
<b>SOFTWARE</b>	-	-	-	-	-
Software	-	-	-	-	-
<b>MASTHEADS AND PUBLISHING TITLES</b>	-	-	-	-	-
Mastheads and publishing titles	-	-	-	-	-
<b>PATENTS LICENCES COPYRIGHT BRAND NAMES TRADEMARKS</b>	-	-	-	-	-
Patents licences copyright brand names and trademarks	-	-	-	-	-
<b>RECIPES FORMULAE PROTOTYPES DESIGNS MODELS</b>	-	-	-	-	-
Recipes formulae prototypes designs models	-	-	-	-	-
<b>SERVICES AND OPERATING RIGHTS</b>	-	-	-	-	-
Services and operating rights	-	-	-	-	-
<b>TOTAL</b>	<b>112</b>	-	-	-	<b>112</b>

## ANNEXURE 8A

## INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Government Communication Information Systems	1 302	686	-	3 374	1 302	4 060
<b>Sub total</b>	<b>1 302</b>	<b>686</b>	<b>-</b>	<b>3 374</b>	<b>1 302</b>	<b>4 060</b>
<b>PROVINCIAL DEPARTMENTS</b>	-	-	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PUBLIC ENTITIES</b>	-	-	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER INSTITUTIONS</b>	-	-	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>











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MILITARY VETERANS**

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