

Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Policies are in place and are implemented. Information sessions are conducted to educate employees
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		HTS and HRA campaigns are conducted every six months. The services are brought to the workplace to ensure accessibility to services
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		DPSA monitors the EHW Programme
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.	Yes		Acting Director: OHRD
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.	Yes		Five employees are appointed for the task Allocated budget was R1.1m
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.	Yes		The EHWP implements the four pillars that includes Health and Productivity, HIV/AIDS Management, Wellness Management and Occupational Health and Safety.
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.	Yes		The EHWP committee was appointed
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.	Yes		HIV Policies are in place, EE Act is also implemented



Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Policies are in place and are implemented. Information sessions are conducted to educate employees
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		HTS and HRA campaigns are conducted every six months. The services are brought to the workplace to ensure accessibility to services
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		DPSA monitors the EHW Programme

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018

Subject matter	Date
None	

Notes

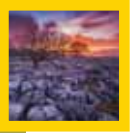
- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	0
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 and 31 March 2018

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	50
Suspended without pay	1	50
Fine	0	0



Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	2	100

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018

Type of misconduct	Number	% of total
Theft	-	-
Performing remunerative work	1	4.5
Insubordination	20	91
Absenteeism	1	4.5
TOTAL	22	100

Table 3.12.3.1 Total misconduct cases for the period 1 April 2017 - 31 March 2018

Type of misconduct	Number of cases outstanding 01 April 2017	Number of cases added in 2017/18	Number of cases finalised in 2017/18	Number of Cases outstanding 31 March 2018
Performing remunerative work	1	0	1	0
Insubordination	6	3	1	8
Absenteeism	0	1	0	1
Fraud	10	0	0	10
TOTAL	17	4	2	19

Table 3.12.4 Grievances lodged for the period 1 April 2017 and 31 March 2018

Grievances	Number	% of Total
Number of grievances resolved	34	100
Number of grievances not resolved	0	0
Total number of grievances lodged	34	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 and 31 March 2018

Disputes	Number	% of Total
Number of disputes upheld	4	17.4
Number of disputes dismissed	19	82.6
Total number of disputes lodged	23	100

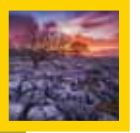


Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018

Number of people suspended	8
Number of people who's suspension exceeded 30 days	7
Average number of days suspended	400
Cost of suspension(R'000)	4 870



3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	44	0	4	0	4
	Male	79	0	0	0	0
Professionals	Female	1	0	0	0	0
	Male	4	0	0	0	0
Technicians and associate professionals	Female	4	0	1	0	1
	Male	4	0	0	0	0
Clerks	Female	125	0	5	0	5
	Male	100	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	87	0	8	0	8
	Male	194	0	0	0	0
Sub Total	Female	261	0	18	0	18
	Male	381	0	0	0	0
Total		642	0	18	0	18

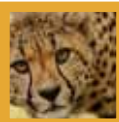


Table 3.13.2 Training provided for the period 1 April 2017 and 31 March 2018

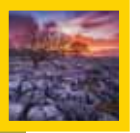
Occupational category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	44	0	3	0	3
	Male	79	0	0	0	0
Professionals	Female	1	0	0	0	0
	Male	4	0	0	0	0
Technicians and associate professionals	Female	4	0	1	0	1
	Male	4	0	0	0	0
Clerks	Female	125	0	7	0	7
	Male	100	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	87	0	6	0	6
	Male	194	0	0	0	0
Sub Total	Female	261	0	0	0	0
	Male	381	0	0	0	0
Total		642	0	17	0	17

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2017 and 31 March 2018

Nature of injury on duty	Number	% of total
Required basic medical attention only	25	3.6
Temporary Total Disablement	1	0.14
Permanent Disablement	0	0
Fatal	0	0
Total	26	3.76



3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

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

- **The Department did not appoint consultants for the period under review.**

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	N/A	N/A	N/A

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018

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

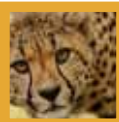


Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2017 and 31 March 2018

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	N/A	N/A	N/A

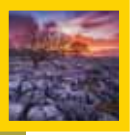
Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A			

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2017 and 31 March 2018

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



PART E: FINANCIAL INFORMATION



Report of the auditor-general to the Free State Legislature on Vote no. 3: Department of Economic, Small Business Development, Tourism and Environmental Affairs

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Department of Economic, Small Business Development, Tourism and Environmental Affairs set out on pages 140 to 223, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, 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, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Economic, Small Business Development, Tourism and Environmental Affairs as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

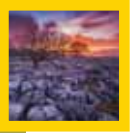
Basis for qualified opinion

Goods and services

3. I was unable to obtain sufficient appropriate audit evidence for expenditure relating to goods and services. This was due to the unavailability of supporting documentation to confirm that the goods and services for the national tourism career expo incurred in the current year and the micro-enterprises support programme incurred in the prior year had actually been received and correctly accounted for. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to goods and services stated at R115 289 000 (2017: R99 610 000) in note 5 to the financial statements.

Operating lease commitments

4. The department did not disclose operating lease commitments in accordance with chapter 13, *Leases*, in the MCS. This was due to incorrect tariffs applied per vehicle by the lessor, Fleet Management Trading Entity, in the calculation of the lease commitments. The department also did not confirm the tariffs were in line with the approved fee structure and service level agreement with the lessor. I was unable to determine the full extent of the overstatement of operating lease commitments disclosed in note 22 to the financial statements as it was impracticable to do so.



Context for the opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
6. I am independent of the department in accordance with 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.
9. Note 19 to the financial statements indicates that the department had significant commitments of R24 282 000 and outstanding accruals of R5 522 000 as per note 20.1 as at 31 March 2018. As stated in note 19, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the department's ability to continue as a going concern.

Emphasis of matters

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

Irregular expenditure

11. As disclosed in note 24 to the financial statements, irregular expenditure of R20 958 000 (2017: R8 303 000) was incurred due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure is still in the process of being determined.

Material impairments

12. As disclosed in note 23.2 to the financial statements, a provision for impairment of R10 863 000 (2017: R7 609 000) has been made with regard to accrued departmental revenue as a result of possible non-recovery of rental income from a debtor.

Uncertainty regarding future outcomes of litigation

13. As disclosed in note 18 to the financial statements, the department is the defendant in various claims against the department. The department is opposing these claims. The ultimate outcome of the matter could not be determined and no provision for any liability that may result was made in the financial statements



Restatement of corresponding figures

14. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2017 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2018.

Other matters

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

Unaudited supplementary schedules

16. The supplementary information set out on pages 224 to 231 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on thereon.

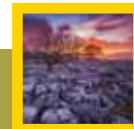
Service delivery

Small, micro and medium enterprises (SMME) support

17. The department has implemented the following programmes to support small business development, but the full benefit to the beneficiaries has not yet realised.
18. The development of the Mangaung SMME hub will accommodate 35 SMMEs without paying rent for three years. The department had incurred expenditure of R3 million through the Free State Development Corporation as at 31 March 2018. The hub was not yet operational at year-end.
19. The department transferred a total of R22 million to the Free State Development Corporation during 2017-18 for SMME support through loans and grants. As at 31 March 2018, R14 million of the amount transferred had not been spent.

Infrastructure development

20. The project for the upgrade of the train bush camp to provide accommodation facilities at the Soetdoering resort, commenced in 2014 at a budgeted cost of R30 million. The project should have been completed within 20 months but was still in the practical completion stage at the date of this report. Due to budgetary constraints and the need to redirect funds, the scope of work was significantly reduced. The reductions in costs should have resulted in significant savings. The actual cumulative costs on the project amounted to R29 110 574 at 31 March 2018, even though the scope of work was significantly reduced. However, it was not practical to determine if the anticipated savings would be realised as the final payment certificate was pending from the principal agent. Furthermore, the department has subsequently abandoned an educational hall where construction has not been completed. This hall was not part of the initial project plan. This could result in losses to the department.



Responsibilities of accounting officer for the financial statements

21. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
22. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Economic, Small Business Development, Tourism and Environmental Affairs' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

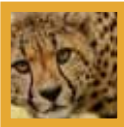
Auditor-general's responsibilities for the audit of the financial statements

23. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
24. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

25. 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.
26. 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/ measures 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.



27. 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 2018:

Programmes	Pages in the annual performance report
Programme 2 – environmental affairs	56 – 63
Programme 3 – economic and small business development	63 – 69

28. 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.

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

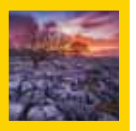
Programme 2 – environmental affairs

Number of completed green issues criminal investigations handed to the national prosecuting authority (NPA) for prosecution

30. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target number of completed green issues criminal investigations handed to the NPA for prosecution. This was due to limitations placed on the scope of my work as I was unable to distinguish the different categories of investigations included in the report from the NPA. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the performance achievement of 26 as reported in the annual performance report.

Various indicators

31. The department did not have an adequate record-keeping system to enable reliable reporting on the achievement of the indicators listed below. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievement in the annual performance report. I was also unable to further confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators listed below:



Indicator	Reported achievement
Number of compliance inspections conducted for green issues	800
Number of environmental awareness activities conducted (community)	69
Number of environmental capacity building activities conducted through workshops and informal training conducted	38

Programme 3 – economic and small business development

Various indicators

32. The department did not have an adequate record-keeping system to enable reliable reporting on achievement of the indicators listed below. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievement in the annual performance report. I was also unable to further confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators listed below:

Indicator	Reported achievement	Audited value
Number of enterprises assisted with access to markets	31	24
Number of enterprises developed and supported	649	745

Other matters

33. I draw attention to the matters below.

Achievement of planned targets

34. Refer to the annual performance report on pages 43 to 73 for information on the achievement of planned targets for the year and explanations provided for the under and over achievement of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 30 to 32 of this report.

Adjustment of material misstatements

35. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 2: environmental affairs and programme 3: economic and small business development. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.



Report on the audit of compliance with legislation

Introduction and scope

36. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
37. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

38. 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 of expenditure, payables and disclosure notes were identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Strategic planning and performance management

39. Specific information systems were not established to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

Expenditure management

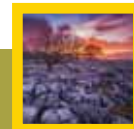
40. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The value, as disclosed in note 24 to the financial statements, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with SCM requirements.

Procurement and contract management

41. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1. Similar non-compliance was also reported in the prior year.
42. Invitations for competitive bidding were not advertised for a required minimum period, as required by treasury regulations 16A6.3(c).

Consequence management

43. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.



Other information

44. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
45. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
46. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
47. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

48. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
49. The leadership of the department did not implement adequate oversight over the implementation of internal controls and action plans to address material misstatements reported in the prior year. This resulted in similar findings being reported in the current year. This was mainly due to slow response by leadership as deficiencies in the design and implementation of actions plans were not timely identified and addressed. Furthermore, the department has seen a high turnover in senior managerial positions.
50. The department changed premises during the period under review. However, the new premises did not have access to the transversal information systems of BAS, Persal and Logis and internet connections for an extended period of time. Daily and monthly disciplines involving transversal systems could not be performed. In addition, key communications that required internet connections could not be performed.
51. Senior management did not provide adequate supervisory and monitoring controls over financial and performance reporting and compliance with legislation. This was mainly due to a lack of consequences as no action is taken for non-compliance and incorrect financial and performance reporting. In addition, management applied an incorrect interpretation of the accounting standards to record expenditure for SMME support despite similar findings raised in the prior year.



52. Management did not implement appropriate risk management strategies to identify, prevent and mitigate current and emerging risks faced by the department. This was mainly due to slow response by management as major risks have not been mitigated.

Other reports

53. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
54. Management was conducting an investigation of possible abuse of travel and subsistence claims by departmental staff. The investigation started in 2015 and was ongoing at the reporting date.

Auditor General

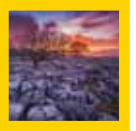
Bloemfontein

31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

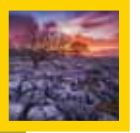
Communication with those charged with governance

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



ANNUAL FINANCIAL STATEMENTS FOR DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENT AFFAIRS

For the year ended
31 March 2018



**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS
VOTE 3**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018**

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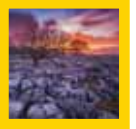
DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2018

Appropriation per programme											
Programme	2017/18					2016/17					
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000		
1. ADMINISTRATION	139 999	-	1 100	141 099	141 056	43	100.0%	136 439	134 744		
2. ENVIRONMENTAL AFFAIRS	140 633	-	(3 942)	136 691	137 858	(1 167)	10.9%	146 442	139 488		
3. ECONOMIC DEVELOPMENT	215 185	-	2 982	218 167	201 075	17 092	92.2%	114 378	113 353		
4. TOURISM	9 331	-	(140)	9 191	8 937	254	97.2%	77 737	75 491		
TOTAL	505 148	-	-	505 148	488 926	16 222	96.8%	474 996	463 076		

2017/18			2016/17		
Final Appropriation R'000	Actual Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	
505 148	488 926		474 996	463 076	
	51			403	
	488 977			463 479	

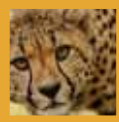
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
Actual amounts per statement of financial performance (total revenue)				
ADD				
Aid assistance		51		403
Actual amounts per statement of financial performance (total expenditure)		488 977		463 479



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

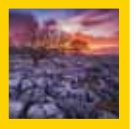
Appropriation per economic classification	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	347 435	3 147	(5 100)	345 482	350 538	(5 056)	101.5%	323 434	318 540
Compensation of employees	232 665	(200)	-	232 465	235 249	(2 787)	101.2%	219 757	218 930
Salaries and wages	212 048	(100)	-	211 948	201 362	10 586	95.0%	191 791	187 937
Social contributions	20 617	(100)	-	20 517	33 887	(13 373)	165.2%	27 966	30 993
Goods and services	114 770	3 347	(5 100)	113,017	115 289	(2 269)	102.0%	103 677	99 610
Administrative fees	457	(213)	(10)	234	282	(48)	120.5%	409	342
Advertising	3 881	847	603	5 331	5 376	(45)	100.8%	4 501	4 004
Minor assets	2 714	(866)	(150)	1 698	749	914	45.0%	1 287	311
Audit costs: External	4 300	1 631	465	6 396	6 467	(36)	100.6%	5 203	5 146
Bursaries: Employees	405	32	-	437	410	27	93.8%	127	211
Catering: Departmental activities	4 105	1 258	(60)	5 303	5 014	289	94.6%	3 574	2 603
Communication (G&S)	4 394	155	-	4 549	4 263	286	93.7%	4 435	5 513
Computer services	2 997	(770)	-	2 227	1 340	887	60.2%	2 066	1 575
Consultants: Business and advisory services	16 391	(6 918)	(3 703)	5 770	5 533	237	95.9%	12 185	11 811
Legal services	680	(250)	(15)	415	333	82	80.2%	484	484
Contractors	7 665	2 471	(40)	10 096	8 129	1 967	80.5%	8 161	6 232
Agency and support / outsourced services	2 336	7 943	-	10 279	13 093	(2 814)	127.4%	13 118	12 631



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2018

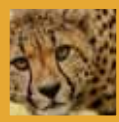
Appropriation per economic classification	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	10	9	-	19	14	5	73.7%	1	1
Fleet services (including government motor transport)	11 300	200	950	12 450	12 538	(88)	100.7%	6 904	8 355
Inventory: Clothing material and accessories	-	-	-	-	-	-	0.0%	537	-
Inventory: Farming supplies	-	-	-	-	-	-	0.0%	338	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	0.0%	393	-
Inventory: Materials and supplies	-	-	-	-	-	-	0.0%	1 453	-
Consumable supplies	6 434	375	(70)	6 739	5 875	864	87.2%	6 061	5 034
Consumable: Stationery, printing and office supplies	4 990	(870)	(50)	4 070	3 237	833	79.5%	4 451	3 694
Operating leases	7 300	33	1 900	9 233	12 933	(3,733)	140.6%	10 714	13 036
Property payments	11 511	2 265	(4 050)	9 726	10 021	(295)	103.0%	96	36
Travel and subsistence	16 645	(3,539)	(190)	12 916	14 877	(1,961)	115.2%	11 552	14 037
Training and development	3 251	(315)	(170)	2 766	2 532	234	91.5%	2 814	2 316
Operating payments	1 483	(712)	-	771	863	(92)	111.9%	843	1 114
Venues and facilities	936	65	-	1,001	886	115	88.5%	1 930	1 100
Rental and hiring	585	549	(510)	624	521	103	83.5%	40	24
Transfers and subsidies	147 115	(6 465)	6 985	147 635	128 906	18 729	87.3%	128 974	128 677
Provinces and municipalities	-	-	-	-	-	-	0.0%	230	149
Municipalities	-	-	-	-	-	-	0.0%	230	149



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2018

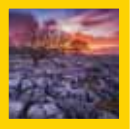
Appropriation per economic classification	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal agencies and funds	-	-	-	-	-	-	0.0%	230	149
Departmental agencies and accounts	109 755	(3 830)	7 000	112 925	112 809	116	99.9%	117 269	117 134
Departmental agencies (non-business entities)	109 755	(3 830)	7 000	112 925	112 809	116	99.9%	117 269	117 134
Public corporations and private enterprises	35 260	(3 000)	-	32 260	14 465	17 795	44.8%	10 200	10 200
Public corporations	35 260	(3 000)	-	32 260	14 465	17 795	44.8%	10 200	10 200
Other transfers to public corporations	35 260	(3 000)	-	32 260	14 465	17 795	44.8%	10 200	10 200
Households	2 100	365	(15)	2 450	1 632	818	66.6%	1 275	1 194
Social benefits	80	-	360	440	593	(153)	134.8%	975	634
Other transfers to households	2 020	365	(375)	2 010	1 039	971	51.7%	300	560
Payments for capital assets	10 598	3 303	(1 900)	12 001	9 441	2 560	78.7%	22 177	15 452
Buildings and other fixed structures	5 405	-	(1 700)	3 705	3 892	(187)	105.0%	18 275	13 124
Buildings	1 700	-	(1 450)	250	847	(597)	338.8%	-	-
Other fixed structures	3 705	-	(250)	3 455	3 045	410	88.1%	18 275	13 124
Machinery and equipment	4 848	3 303	(200)	7 951	5 549	2 402	69.8%	3 886	2 328
Transport equipment	-	40	-	40	-	40	0.0%	-	-
Other machinery and equipment	4 848	3 263	(200)	7 911	5 549	2 362	70.1%	3 886	2 328
Software and other intangible assets	345	-	-	345	-	345	0.0%	16	-
Payment for financial assets	-	15	15	30	41	(11)	136.7%	411	407
TOTAL	505 148	-	-	505 148	488 926	16 222	96.8%	474 996	463 076



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE MEC	11 856	(277)	-	11 579	10 067	1 512	86.9%	8 097	7 936
2. MANAGEMENT SERVICES	26 548	174	250	26 972	27 424	(452)	101.7%	25 690	25 333
3. FINANCIAL MANAGEMENT	63 636	1 883	850	66 369	70 482	(4 113)	106.2%	62 924	62 648
4. CORPORATE SERVICES	37 959	(1 780)	-	36 179	33 083	3 096	91.4%	39 728	38 827
Total for sub programmes	139 999	-	1 100	141 099	141 056	43	100.0%	136 439	134 744
Current payments	137 120	(1 831)	850	136 139	137 737	(1 598)	101.2%	134 806	133 415
Compensation of employees	83 316	(200)	(2 500)	80 616	80 558	58	99.9%	87 585	86 967
Salaries and wages	73 557	(100)	(2 500)	70 957	73 421	(2 464)	103.5%	76 952	75 217
Social contributions	9 759	(100)	-	9 659	7 137	2 522	73.9%	10 633	11 750
Goods and services	53 804	(1 631)	3 350	55 523	57 179	(1 656)	103.0%	47 221	46 448
Administrative fees	240	(90)	-	150	200	(50)	133.3%	200	142
Advertising	3 546	172	-	3 718	3 671	47	98.7%	2 097	1 906
Minor assets	907	(132)	-	775	543	232	70.1%	324	127
Audit costs: External	4 300	1 626	500	6 426	6 426	-	100.0%	5 203	5 146
Bursaries: Employees	405	32	-	437	410	27	93.8%	127	211



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2018

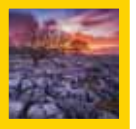
	2017/18				2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Catering: Departmental activities	1 861	311	-	2 172	2 094	78	96.4%	1 765	1 075
Communication (G&S)	3 414	264	-	3 678	3 413	265	92.8%	3 023	4 384
Computer services	2 995	(770)	-	2 225	1 326	899	59.6%	1 277	1 218
Consultants: Business and advisory services	523	(14)	-	509	326	183	64.0%	230	210
Legal services	660	(250)	-	410	329	81	80.2%	484	484
Contractors	2 861	(159)	-	2 702	2 594	108	96.0%	1 524	283
Agency and support / outsourced services	-	-	-	-	-	-	-	112	107
Fleet services (including government motor transport)	11 300	200	950	12 450	12 538	(88)	100.7%	6 904	8 355
Consumable supplies	1 479	(189)	-	1 290	913	377	70.8%	2 768	1 142
Consumable: Stationery, printing and office supplies	2 662	(481)	-	2 181	1 736	444	79.6%	2 742	2 187
Operating leases	7 300	-	1 900	9 200	12 933	(3 700)	140.1%	10 694	12 954
Property payments	105	(45)	-	60	702	(642)	1 170.0%	80	28
Travel and subsistence	6 150	(1 454)	-	4 696	4 522	174	96.3%	5 209	4 524
Training and development	2 459	(719)	-	1 740	1 855	(115)	106.6%	2 086	1 771
Operating payments	406	(89)	-	317	305	12	96.2%	249	146
Venues and facilities	211	(174)	-	37	30	7	81.1%	123	48



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18					2016/17			
	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
Rental and hiring	20	297	-	317	312	5	98.4%	-	-
Transfers and subsidies	194	-	250	444	414	30	93.2%	310	304
Departmental agencies and accounts	4	-	-	4	-	4	-	4	-
Departmental agencies (non-business entities)	4	-	-	4	-	4	-	4	-
Households	190	-	250	440	414	26	94.1%	306	304
Social benefits	-	-	250	250	224	26	89.6%	206	204
Other transfers to households	190	-	-	190	190	-	100.0%	100	100
Payments for capital assets	2 685	1 831	-	4 516	2 886	1 630	63.9%	1 264	967
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 685	1 831	-	4 516	2 886	1 630	63.9%	1 264	967
Other machinery and equipment	2 685	1 831	-	4 516	2 886	1 630	63.9%	1 264	967
Payment for financial assets	-	-	-	-	19	(19)	-	59	58
TOTAL	139 999	-	1 100	141 099	141 056	43	100.0%	136 439	134 744



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
 VOTE 3

APPROPRIATION STATEMENT
 for the year ended 31 March 2018

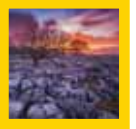
1.1 OFFICE OF THE MEC	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11 494	(75)	-	11 419	9 882	1 537	86.5%	8 009	7 867
Compensation of employees	8 281	-	-	8 281	7 371	910	89.0%	5 736	5 772
Goods and services	3 213	(75)	-	3 138	2 510	627	80.0%	2 273	2 095
Transfers and subsidies	-	-	-	-	60	(60)	-	-	-
Households	-	-	-	-	60	(60)	-	-	-
Payments for capital assets	362	(202)	-	160	106	54	66.3%	88	69
Machinery and equipment	362	(202)	-	160	106	54	66.3%	88	69
Payments for financial assets	-	-	-	-	19	(19)	-	-	-
TOTAL	11 856	(277)	-	11 579	10 067	1 512	86.9%	8 097	7 936



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
 VOTE 3

APPROPRIATION STATEMENT
 for the year ended 31 March 2018

1.2 MANAGEMENT SERVICES	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	25 093	(589)	-	24 504	25 981	(1 477)	106,0%	25 399	25 070
Compensation of employees	21 696	-	-	21 696	22 746	(1 050)	104,8%	21 323	22 160
Goods and services	3 397	(589)	-	2 808	3 235	(427)	115,2%	4 076	2 910
Transfers and subsidies	190	-	250	440	304	136	69,1%	105	104
Households	190	-	250	440	304	136	69,1%	105	104
Payments for capital assets	1 265	763	-	2 028	1 139	889	56,2%	171	144
Machinery and equipment	1 265	763	-	2 028	1 139	889	56,2%	171	144
Payments for financial assets	-	-	-	-	-	-	-	15	15
TOTAL	26 548	174	250	26 972	27 424	(452)	101,7%	25 690	25 333



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
 for the year ended 31 March 2018

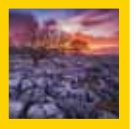
1.3. FINANCIAL MANAGEMENT		2017/18						2016/17		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments		62 510	1 143	850	64 503	69 245	(4 742)	107.4%	62 100	62 021
Compensation of employees		29 338	-	(2 500)	26 838	28 070	(1 232)	104.6%	29 393	28 564
Goods and services		33 172	1 143	3 350	37 665	41 175	(3 510)	109.3%	32 707	33 457
Transfers and subsidies		2	-	-	2	13	(11)	650.0%	125	123
Departmental agencies and accounts		2	-	-	2	-	2	-	2	-
Households		-	-	-	-	13	(13)	-	123	123
Payments for capital assets		1 124	740	-	1 864	1 224	640	65.7%	667	473
Machinery and equipment		1 124	740	-	1 864	1 224	640	65.7%	667	473
Payments for financial assets		-	-	-	-	-	-	-	32	31
TOTAL		63 636	1 883	850	66 369	70 482	(4 113)	106.2%	69 924	62 648



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
 for the year ended 31 March 2018

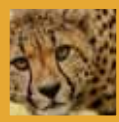
1.4. CORPORATE SERVICES	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	38 023	(2 310)	-	35 713	32 629	3 084	91.4%	39 298	38 457
Compensation of employees	24 001	(200)	-	23 801	22 372	1 429	94.0%	31 133	30 471
Goods and services	14 022	(2 110)	-	11 912	10 257	1 655	86.1%	8 165	7 986
Transfers and subsidies	2	-	-	2	37	(35)	1 850.0%	80	77
Departmental agencies and accounts	2	-	-	2	-	2	-	2	-
Households	-	-	-	-	37	(37)	-	78	77
Payments for capital assets	(66)	530	-	464	417	47	89.9%	338	281
Machinery and equipment	(66)	530	-	464	417	47	89.9%	338	281
Payments for financial assets	-	-	-	-	-	-	-	12	12
TOTAL	37 959	(1 780)	-	36 179	33 063	3 096	91.4%	39 728	38 827



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

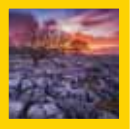
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 2: ENVIRONMENTAL AFFAIRS									
Sub programme									
1. ENVIRONMENTAL POLICY, PLANNING AND COORDINATION	7 317	-	1 700	9 017	7 190	1 827	79.7%	7 209	7 718
2. COMPLIANCE AND ENFORCEMENT	15 399	(965)	-	14 434	15 609	(1 175)	108.1%	13 170	10 996
3. ENVIRONMENTAL QUALITY MANAGEMENT	23 051	(608)	115	22 588	23 655	(1 097)	104.7%	11 244	7 447
4. BIODIVERSITY MANAGEMENT	82 599	2 101	(5 757)	78 943	80 503	(1 560)	102.0%	99 343	105 177
5. ENVIRONMENTAL EMPOWERMENT SERVICES	12 267	(528)	-	11 739	10 901	838	92.9%	15 476	8 150
Total for sub programmes	140 633	-	(3 942)	136 691	137 858	(1 167)	100.9%	146 442	139 488
Economic classification									
Current payments	131 172	910	(2 357)	129 725	131 608	(1 883)	101.5%	125 617	124 774
Compensation of employees	95 681	-	4 500	100 181	103 226	(3 045)	103.0%	96 063	95 998
Salaries and wages	86 576	-	4 500	91 076	81 628	9 448	89.6%	83 429	81 325
Social contributions	9 105	-	-	9 105	21 598	(12 493)	237.2%	12 634	14 673
Goods and services	35 491	910	(6 857)	29 544	28 382	1 162	96.1%	29 554	28 776
Administrative fees	4	80	-	84	82	2	97.6%	-	-
Advertising	(513)	(29)	643	101	140	(39)	138.6%	283	122



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for the year ended 31 March 2018

	2017/18						2016/17		
	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
Advertising	(513)	(29)	643	101	140	(39)	138.6%	283	122
Minor assets	1 628	(670)	(150)	808	124	684	15.3%	886	127
Catering: Departmental activities	906	(24)	-	882	794	88	90.0%	458	422
Communication (G&S)	434	(17)	-	417	467	(50)	112.0%	1 044	791
Computer services	2	-	-	2	14	(12)	700.0%	789	357
Consultants: Business and advisory services	4 000	(236)	(2 800)	964	591	373	61.3%	7 463	7 341
Contractors	4 322	2 005	-	6 327	4 438	1 889	70.1%	5 660	4 925
Agency and support/ outsourced services	732	(689)	-	43	17	26	39.5%	3 694	3 503
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	537	-
Inventory: Farming supplies	-	-	-	-	-	-	-	338	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	393	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	1 253	-
Consumable supplies	4 731	575	-	5 306	4 795	511	90.4%	2 677	3 684
Consumable: Stationery, printing and office supplies	1 601	(213)	-	1 388	1 146	242	82.6%	1 074	959
Operating leases	-	-	-	-	-	-	-	-	66
Property payments	11 406	2 310	(4 050)	9 666	9 320	346	96.4%	16	8



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	5 138	(2 396)	-	2 742	5 439	(2 697)	198.4%	2 056	5 401
Training and development	465	(50)	-	415	348	67	83.9%	367	189
Operating payments	621	(436)	-	185	498	(313)	269.2%	510	833
Venues and facilities	-	-	-	-	-	-	-	56	48
Rental and hiring	14	700	(500)	214	169	45	79.0%	-	-
Transfers and subsidies	406	-	100	506	339	167	67.0%	732	512
Provinces and municipalities	-	-	-	-	-	-	-	230	149
Departmental agencies and accounts	326	(130)	-	196	39	157	19.9%	182	51
Households	80	130	100	310	300	10	96.8%	320	312
Social benefits	80	-	100	180	270	(90)	150.0%	320	312
Other transfers to households	-	130	-	130	30	100	23.1%	-	-
Payments for capital assets	9 055	(910)	(1 700)	6 445	5 899	546	91.5%	19 743	13 855
Buildings and other fixed structures	5 405	-	(1 700)	3 705	3 892	(187)	105.0%	18 275	13 124
Buildings	1 700	-	(1 450)	250	847	(597)	338.8%	-	-
Other fixed structures	3 705	-	(250)	3 455	3 045	410	88.1%	18 275	13 124
Machinery and equipment	3 305	(910)	-	2 395	2 007	388	83.8%	1 452	731



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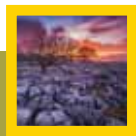
APPROPRIATION STATEMENT
 for the year ended 31 March 2018

	2017/18							2016/17	
	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
Transport equipment	-	40	-	40	-	40	0.0%	-	-
Other machinery and equipment	3 305	(950)	-	2 355	2 007	348	85.2%	1 452	731
Software and other intangible assets	345	-	-	345	-	345	0%	16	-
Payment for financial assets	-	-	15	15	12	3	80.0%	350	347
TOTAL	140 633	-	(3 942)	136 691	137 858	(1 167)	100.9%	146 442	139 488

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

2.1 ENVIRONMENTAL POLICY, PLANNING AND COORDINATION									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7 196	-	1 700	8 896	7 162	1 734	80.5%	7 209	7 712
Compensation of employees	3 812	-	4 500	8 312	6 373	1 939	76.7%	6 331	6 831
Goods and services	3 384	-	(2 800)	584	789	(204)	134.9%	878	881
Transfers and subsidies	-	-	-	-	35	(35)	-	-	6
Households	-	-	-	-	35	(35)	-	-	6
Payments for capital assets	-	-	-	-	(7)	128	(5.8%)	406	-
Machinery and equipment	121	-	-	121	(7)	128	(5.8%)	-	-
TOTAL	7 317	-	1 700	9 017	7 190	1 827	79.7%	7 209	7 718

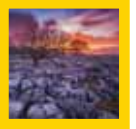




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APPROPRIATION STATEMENT
 for the year ended 31 March 2018

2.2 COMPLIANCE AND ENFORCEMENT	2017/18		2016/17						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14 993	(1 110)	-	13 883	15 534	(1 651)	111.9%	13 116	10 907
Compensation of employees	12 241	-	-	12 241	13 789	(1 548)	112.6%	11 658	8 602
Goods and services	2 752	(1 110)	-	1 642	1 745	(103)	106.3%	1 458	2 305
Transfers and subsidies	-	-	-	-	-	-	-	-	49
Households	-	-	-	-	-	-	-	-	49
Payments for capital assets	406	145	-	551	75	476	13.6%	54	40
Machinery and equipment	76	105	-	181	75	106	41.4%	54	40
Transport Equipment	-	40	-	40	-	40	-	-	-
Intangible assets	330	-	-	330	-	330	-	-	-
TOTAL	15 399	(965)	-	14 434	15 609	(1 175)	108.1%	13 170	10 996



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
 for the year ended 31 March 2018

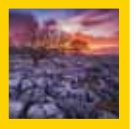
2.3. ENVIRONMENTAL QUALITY MANAGEMENT	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	20 605	578	-	21 183	21 926	(743)	103.5%	9 819	6 930
Compensation of employees	14 319	-	-	14 319	16 539	(2 220)	115.5%	7 592	5 840
Goods and services	6 286	578	-	6 864	5 387	1 477	78.5%	2 227	1 090
Transfers and subsidies	5	-	100	105	92	13	87.6%	230	167
Provinces and municipalities	-	-	-	-	-	-	-	230	149
Departmental Agencies and Accounts	5	-	-	5	-	5	-	-	-
Households	-	-	100	100	92	8	92.0%	-	18
Payments for capital assets	2 441	(1 186)	-	1 255	1 637	(382)	130.4%	1 145	343
Machinery and equipment	2 441	(1 186)	-	1 255	1 637	(382)	130.4%	1 145	343
Payments for financial assets	-	-	15	15	-	15	-	50	7
TOTAL	23 051	(608)	115	22 558	23 655	(1 097)	104.9%	11 244	7 447



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APPROPRIATION STATEMENT
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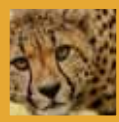
2.4. BIODIVERSITY MANAGEMENT	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	76 338	1 940	(4 057)	74 221	76 208	(1 987)	102.7%	80 717	91 503
Compensation of employees	55 343	-	-	55 343	57 582	(2 239)	104.0%	58 666	68 929
Goods and services	20 995	1 940	(4 057)	18 848	18 626	252	98.7%	22 051	22 574
Transfers and subsidies	271	-	-	271	171	100	63.1%	182	212
Departmental agencies and accounts	191	-	-	191	39	152	20.4%	182	51
Households	80	-	-	80	132	(52)	165.0%	-	161
Payments for capital assets	5 990	161	(1 700)	4 451	4 121	330	92.6%	18 444	13 381
Buildings and other fixed structures	5 405	-	(1 700)	3 705	3 892	(187)	105.0%	18 275	13 124
Machinery and equipment	585	161	-	746	229	517	30.7%	169	257
Payments for financial assets	-	-	-	-	3	(3)	-	81	81
TOTAL	82 599	2 101	(5 757)	78 943	80 503	(1 560)	102.0%	99 343	105 177



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
 for the year ended 31 March 2018

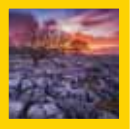
2.5. ENVIRONMENTAL EMPOWERMENT SERVICES	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	12 040	(498)	-	11 542	10 778	764	93.4%	14 756	7 722
Compensation of employees	9 966	-	-	9 966	8 943	(1 023)	89.7%	11 816	5 796
Goods and services	2 074	(498)	-	1 576	1 835	(259)	116.4%	2 940	1 926
Transfers and subsidies	130	-	-	130	41	89	31.5%	320	78
Departmental agencies and accounts	130	(130)	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	130	(130)	-	-	-	-	-	-	-
Households	-	130	-	130	41	89	31.5%	320	78
Payments for capital assets	97	(30)	-	67	73	(6)	109.0%	100	91
Machinery and equipment	82	(30)	-	52	73	(21)	140.4%	84	91
Intangible assets	15	-	-	15	-	15	-	16	-
Payments for financial assets	-	-	-	-	9	(9)	-	300	259
TOTAL	12 267	(528)	-	11 739	10 901	838	92.9%	15 476	8 150



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	Programme 3: ECONOMIC AND SMALL BUSINESS DEVELOPMENT						2017/18		2016/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. INTERGRATED ECONOMIC DEVELOPMENT	49 182	(4 023)	(212)	44 947	32 750	12 197	72.9%	24 256	23 103
2. ECONOMIC PLANNING	129 329	(236)	6 412	135 505	139 428	(3 923)	102.9%	70 357	68 370
3. SMALL BUSINESS DEVELOPMENT	36 674	4 259	(3 218)	37 715	28 897	8 818	76.6%	19 765	21 880
Total for sub programmes	215 185	-	2 982	218 167	201 075	17 092	92.2%	114 378	113 353
Economic classification									
Current payments	69 883	4 068	(3 443)	70 508	72 323	(1 815)	102.6%	47 209	46 542
Compensation of employees	45 690	-	(2 000)	43 690	43 662	28	99.9%	29 261	29 181
Salaries and wages	44 403	-	(2 000)	42 403	39 276	3 127	92.6%	25 416	25 623
Social contributions	1 287	-	-	1 287	4 386	(3 099)	340.8%	3 845	3 558
Goods and services	24 193	4 068	(1 443)	26 818	28 661	(1 843)	106.9%	17 948	17 361
Administrative fees	213	(203)	(10)	-	-	-	-	199	198
Advertising	833	704	(40)	1 497	1 530	(33)	102.2%	390	321
Minor assets	179	(64)	-	115	82	33	71.3%	53	41
Audit costs: External	-	5	(35)	(30)	41	(71)	(136.7%)	-	-



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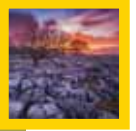
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	1 268	971	(60)	2 179	2 061	118	94.6%	879	667
Communication (G&S)	494	(82)	-	412	371	41	90.0%	328	300
Consultants: Business and advisory services	11 868	(6 668)	(903)	4 297	4 617	(320)	107.4%	3 693	3 461
Legal services	20	-	(15)	5	4	1	80.0%	-	-
Contractors	320	647	(40)	927	960	(33)	103.6%	463	451
Agency and support / outsourced services	1 500	8 736	-	10 236	13 076	(2 840)	127.7%	9 011	8 996
Entertainment	10	9	-	19	14	5	73.7%	1	1
Consumable supplies	211	(11)	(70)	130	162	(32)	124.6%	486	91
Consumable: Stationery, printing and office supplies	663	(146)	(50)	467	329	138	70.4%	577	504
Operating leases	-	-	-	-	-	-	-	20	16
Travel and subsistence	4 720	281	(170)	4 831	4 226	605	87.5%	1 517	1 994
Training and development	327	318	(40)	605	329	276	54.4%	10	10
Operating payments	396	(220)	-	176	60	116	34.1%	84	135
Venues and facilities	620	239	-	859	759	100	88.4%	227	175
Rental and hiring	551	(448)	(10)	93	40	53	43.0%	10	-



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	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	146 485	(6 465)	6 625	146 645	128 117	18 528	87.4%	66 300	66 280
Departmental agencies and accounts	109 425	(3 700)	7 000	112 725	112 770	(45)	100.0%	55 551	55 551
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	109 425	(3 700)	7 000	112 725	112 770	(45)	100.0%	55 551	55 551
Public corporations and private enterprises	35 260	(3 000)	-	32 260	14 465	17 795	44.8%	10 200	10 200
Public corporations	35 260	(3 000)	-	32 260	14 465	17 795	44.8%	10 200	10 200
Other transfers to public corporations	35 260	(3 000)	-	32 260	14 465	17 795	44.8%	10 200	10 200
Households	1 800	235	(375)	1 660	882	778	53.1%	549	529
Social benefits	-	-	-	-	63	(63)	-	449	118
Other transfers to households	1 800	235	(375)	1 660	819	841	49.3%	100	411
Payments for capital assets	(1 183)	2 382	(200)	999	625	374	62.6%	869	531
Machinery and equipment	(1 183)	2 382	(200)	999	625	374	62.6%	869	531
Other machinery and equipment	(1 183)	2 382	(200)	999	625	374	62.6%	869	531
Payment for financial assets	-	15	-	15	10	5	66.7%	-	-
TOTAL	215 185	-	2 982	218 167	201 075	17 092	92.2%	114 378	113 353



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APPROPRIATION STATEMENT
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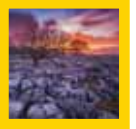
3.1 INTERGRATED ECONOMIC DEVELOPMENT	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	18 922	(1 023)	(212)	17 687	23 285	(5 598)	131.7%	13 958	12 813
Compensation of employees	11 605	-	-	11 605	13 483	(1 878)	116.2%	9 340	8 582
Goods and services	7 317	(1 023)	(212)	6 082	9 802	(3 720)	161.2%	4 618	4 231
Transfers and subsidies	30 260	(3 000)	-	27 260	9 465	17 795	34.7%	10 200	10 226
Higher education institutions				-			-		
Public corporations and private enterprises	30 260	(3 000)	-	27 260	9 465	17 795	34.7%	10 200	10 200
Households	-	-	-	-	-	-	-	-	26
Payments for capital assets	-	-	-	-	-	-	-	98	64
Machinery and equipment	-	-	-	-	-	-	-	98	64
TOTAL	49 182	(4 023)	(212)	44 947	32 750	12 197	72.9%	24 256	23 103



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
 VOTE 3

APPROPRIATION STATEMENT
 for the year ended 31 March 2018

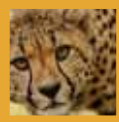
3.2 ECONOMIC PLANNING	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 839	3 423	(588)	22 674	26 485	(3 811)	116.8%	14 619	12 586
Compensation of employees	15 057	-	-	15 057	19 001	(3 944)	126.2%	12 626	10 751
Goods and services	4 782	3 423	(588)	7 617	7 484	133	98.3%	1 993	1 835
Transfers and subsidies	109 425	(3 700)	7 000	112 725	112 770	(45)	100.0%	55 651	55 730
Departmental agencies and accounts	109 425	(3 700)	7 000	112 725	112 770	(45)	100.0%	55 551	55 551
Households	-	-	-	-	-	-	-	100	179
Payments for capital assets	65	41	-	106	173	(67)	163.2%	87	54
Machinery and equipment	65	41	-	106	173	(67)	163.2%	87	54
TOTAL	129 329	(236)	6 412	135 505	139 428	(3 923)	102.9%	70 357	68 370



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2018

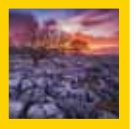
3.3 SMALL BUSINESS DEVELOPMENT	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	31 122	1 668	(2 643)	30 147	22 553	7 594	74.8%	10 324	12 835
Compensation of employees	19 028	-	(2 000)	17 028	11 178	5 850	65.6%	7 295	9 848
Goods and services	12 094	1 668	(643)	13 119	11 375	1 744	86.7%	11 337	11 295
Transfers and subsidies	6 800	235	(375)	6 660	5 882	778	88.3%	449	324
Public corporations and private enterprises	5 000	-	-	5 000	5 000	-	100.0%	-	-
Households	1 800	235	(375)	1 660	882	778	53.1%	449	324
Payments for capital assets	(1 248)	2 341	(200)	893	452	441	50.6%	684	413
Machinery and equipment	(1 248)	2 341	(200)	893	452	441	50.6%	684	413
Payments for financial assets	-	15	-	15	10	5	66.7%	-	-
TOTAL	36 674	4 259	(3 218)	37 715	28 897	8 818	76.6%	19 765	21 880



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18				2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 4: TOURISM									
Sub programme									
1. TOURISM PLANNING	5 992	179	(140)	6 031	5 102	929	84.6%	77 237	75 491
2. TOURISM GROWTH AND DEVELOPMENT	1 145	(75)	-	1 070	3 150	(2 080)	294.4%	250	-
3. TOURISM SECTOR TRANSFORMATION	2 194	(104)	-	2 090	685	1 405	32.8%	250	-
Total for sub programmes	9 331	-	(140)	9 191	8 937	254	97.2%	77 737	75 491
Economic classification									
Current payments	9 260	-	(150)	9 110	8 870	240	97.4%	11 547	9 554
Compensation of employees	7 978	-	-	7 978	7 803	175	97.8%	6 848	6 784
Salaries and wages	7 512	-	-	7 512	7 037	475	93.7%	5 994	5 772
Social contributions	466	-	-	466	766	(300)	164.4%	854	1 012
Goods and services	1 282	-	(150)	1 132	1 067	65	94.3%	8 954	7 025
Administrative fees	-	-	-	-	-	-	-	10	2
Advertising	15	-	-	15	35	(20)	233.3%	1 731	1 655
Minor assets	-	-	-	-	-	-	-	24	16
Catering: Departmental activities	70	-	-	70	65	5	92.9%	472	439
Communication	52	(10)	-	42	12	30	28.6%	40	38
Consultants: Business and advisory services	162	(22)	-	140	137	3	97.9%	799	799
Contractors	104	(104)	-	-	-	-	-	514	573
Agency and support / outsourced services	-	-	-	-	-	-	-	301	25



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2018

	2017/18		2016/17						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 4: TOURISM									
Inventory: Materials and supplies	-	-	-	-	-	-	-	200	-
Consumable supplies	13	-	-	13	5	8	38.5%	130	117
Consumable: Stationery, printing and office supplies	64	(30)	-	34	26	8	76.5%	58	44
Travel and subsistence	637	30	(20)	647	690	(23)	103.4%	2 770	2 118
Training and development	-	136	(130)	6	-	136	-	351	346
Operating payments	60	-	-	60	-	60	-	1 524	829
Venues and facilities	105	-	-	105	97	8	92.4%	30	24
Rental and hiring	-	-	-	-	-	-	-	61 632	61 581
Transfers and subsidies	30	-	10	40	36	4	90.0%	61 532	61 532
Departmental agencies and accounts	-	-	-	-	-	-	-	61 532	61 532
Departmental agencies	-	-	-	-	-	-	-	61 532	61 532
Households	30	-	10	40	36	4	90.0%	100	49
Social benefits	-	-	10	10	36	(26)	360.0%	-	-
Other transfers to households	30	-	-	30	-	30	-	100	49
Payments for capital assets	41	-	-	41	31	10	75.6%	301	99
Machinery and equipment	41	-	-	41	31	10	75.6%	301	99
Other machinery and equipment	41	-	-	41	31	10	75.6%	301	99



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
 VOTE 3

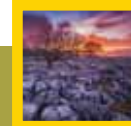
APPROPRIATION STATEMENT
 for the year ended 31 March 2018

	2017/18							2016/17	
	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
Payments for financial assets	-	-	-	-	-	-	-	2	2
Total	9 331	-	(140)	9 191	8 937	254	97.2%	77 737	75 491

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2018

4.1. TOURISM PLANNING	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 921	179	(150)	5 950	5 071	879	83.1%	11 047	9 554
Compensation of employees	4 978	-	-	4 978	4 177	801	83.9%	6 848	6 784
Goods and services	943	179	(150)	972	894	78	79.7%	8 454	7 025
Transfers and subsidies	30	-	10	40	-	40	-	61 632	61 581
Departmental agencies and accounts	-	-	-	-	-	-	-	61 532	61 532
Households	30	-	10	40	-	40	-	100	49
Payments for capital assets	41	-	-	41	31	10	75.6%	301	99
Machinery and equipment	41	-	-	41	31	10	75.6%	301	99
Payments for financial assets	-	-	-	-	-	-	-	2	2
TOTAL	5 992	179	(140)	6 031	5 102	929	84.6%	77 237	75 491

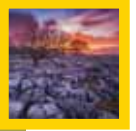




DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
 VOTE 3

APPROPRIATION STATEMENT
 for the year ended 31 March 2018

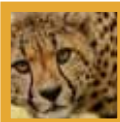
4.2 TOURISM GROWTH AND DEVELOPMENT	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 145	(75)	-	1 070	3 114	(2 044)	291.0%	250	-
Compensation of employees	1 000			1 000	2 958	(1 958)	295.8%	250	-
Goods and services	145	(75)	-	70	156	(86)	222.9%	-	-
Transfers and subsidies	-	-	-	-	36	(36)	-	-	-
Households	-	-	-	-	36	(36)	-	-	-
TOTAL	1 145	(75)	-	1 070	3 150	(2 080)	294.4%	250	-



DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
 VOTE 3

APPROPRIATION STATEMENT
 for the year ended 31 March 2018

4.3. TOURISM SECTOR TRANSFORMATION										
		2017/18					2016/17			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification										
Current payments		2 194	(104)	-	2 090	685	1 405	32.8%	250	-
Compensation of employees		2 000			2 000	668	1 332	33.4%		
Goods and services		194	(104)	-	90	17	73	18.9%	250	-
TOTAL		2 194	(104)	-	2 090	685	1 405	32.8%	250	-



**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018**

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):

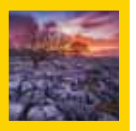
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

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
1. ADMINISTRATION	141 099	141 056	43	0.03
2. ENVIRONMENTAL AFFAIRS	136 691	137 858	(1 167)	(0.85)
3. ECONOMIC DEVELOPMENT	218 167	201 075	17 092	7.83
4. TOURISM	9 191	8 937	254	2.76
4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	232 465	235 249	(2 784)	(1.20)
Goods and services	113 017	115 289	(2 272)	(2.01)
Transfers and subsidies				
Departmental agencies and accounts	112 925	112 809	116	0.10
Public corporations and private enterprises	32 260	14 465	17 795	55.16
Households	2 450	1 632	818	33.39
Payments for capital assets				
Buildings and other fixed structures	3 705	3 892	(187)	(5.05)
Machinery and equipment	7 951	5 549	2 402	30.21
Software and other intangible assets	345	-	345	100.00
Payments for financial assets	30	41	(11)	(36.67)



**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
 VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
 for the year ended 31 March 2018**

The department spent 100% of the budget allocated.

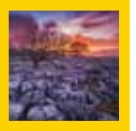
4.3 Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
EPWP Incentive Grant	2 000	1 820	180	9.00

The department spent 91% on conditional grants, The R180 that was not spent was due to employees who did not come to work and were not paid as such.



**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS
VOTE 3
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
REVENUE			
Annual appropriation	1	505 148	474 996
Departmental revenue	2	-	-
TOTAL REVENUE		505 148	474 996
EXPENDITURE			
Current expenditure			
Compensation of employees	4	235 249	218 930
Goods and services	5	115 289	99 610
Aid assistance	3	51	403
Total current expenditure		350 589	318 943
Transfers and subsidies			
Transfers and subsidies	7	128 904	128 677
Total transfers and subsidies		128 904	128 677
Expenditure for capital assets			
Tangible assets	8	9 443	15 452
Total expenditure for capital assets		9 443	15 452
Payments for financial assets	6	41	407
TOTAL EXPENDITURE		488 977	463 479
SURPLUS/(DEFICIT) FOR THE YEAR		16 171	11 517
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		16 222	11 920
Annual appropriation		16 042	11 154
Conditional grants		180	766
Aid assistance	3	(51)	(403)
SURPLUS/(DEFICIT) FOR THE YEAR		16 171	11 517



**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND
 ENVIRONMENTAL AFFAIRS
 VOTE 3**

**STATEMENT OF FINANCIAL POSITION
 as at 31 March 2018**

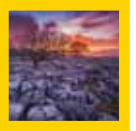
	Note	2017/18 R'000	2016/17 R'000
ASSETS			
Current assets		17 379	12 284
Unauthorised expenditure	9	1 167	-
Cash and cash equivalents	10	530	10 620
Prepayments and advances	11	13 617	17
Receivables	12	2 065	1 647
Non-current assets		2 126	1 753
Receivables	12	2 126	1 753
TOTAL ASSETS		19 505	14 037
LIABILITIES			
Current liabilities		18 439	13 108
Voted funds to be surrendered to the Revenue Fund	13	17 389	11 920
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	801	894
Payables	15	6	-
Aid assistance unutilised	3	243	294
TOTAL LIABILITIES		18 439	13 108
NET ASSETS		1 066	929
	Note	2017/18 R'000	2016/17 R'000
Represented by:			
Recoverable revenue		1 066	929
TOTAL		1 066	929



**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND
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VOTE 3**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2018**

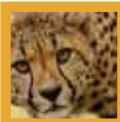
	<i>Note</i>	2017/18 R'000	2016/17 R'000
Recoverable revenue			
Opening balance		929	386
Transfers:		137	543
Irrecoverable amounts written off	6.1	19	264
Debts revised		62	-
Debts recovered (included in departmental receipts)		(1 093)	(445)
Debts raised		1 147	724
Closing balance		1 066	929
TOTAL		1 066	929



**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND
 ENVIRONMENTAL AFFAIRS
 VOTE 3**

**CASH FLOW STATEMENT
 for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		518 956	486 332
Annual appropriated funds received	1.1	505 148	474 996
Departmental revenue received	2	13 780	11 308
Interest received	2.3	28	28
Net (increase)/decrease in working capital		(15 552)	72
Surrendered to Revenue Fund		(33 947)	(16 931)
Current payments		(349 422)	(306 380)
Payments for financial assets		(41)	(407)
Transfers and subsidies paid		(128 904)	(141 240)
Net cash flow available from operating activities	16	(8 910)	21 446
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(9 443)	(15 452)
Proceeds from sale of capital assets	2.4	8 126	-
Net cash flows from investing activities		(1 317)	(15 452)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		137	543
Net cash flows from financing activities		137	543
Net increase/(decrease) in cash and cash equivalents		(10 090)	6 537
Cash and cash equivalents at beginning of period		10 620	4 083
Cash and cash equivalents at end of period	16	530	10 620



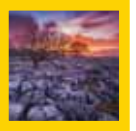
**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
 VOTE 3**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department’s primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R’000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year’s financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year’s financial statements.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>

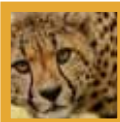


**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS
VOTE 3**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

7	Revenue
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations.</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>

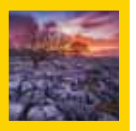


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8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised 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: <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid 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

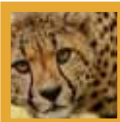


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	receivable in the statement of financial position.
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Receivables</p> <p>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.</p>
13	Financial assets
13.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
13.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
14	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
15	Capital Assets

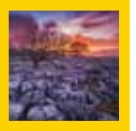


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<p>15.1</p>	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<p>15.2</p>	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2005 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
<p>15.3</p>	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2005 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of</p>

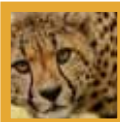


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	the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
15.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
16	Provisions and Contingents
16.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
16.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
16.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
16.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
17	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p>

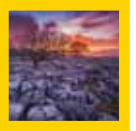


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	<ul style="list-style-type: none"> approved by the Provincial Legislature with funding and the related funds are received; or approved by the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
18	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
19	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
21	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>



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22	Departures from the MCS requirements Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.
23	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
24	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.



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PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1 Annual Appropriation

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

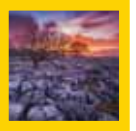
	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	141 099	141 099	-	136 439	136 439
Environmental Affairs	136 691	136 691	-	146 442	146 442
Economic and Small Business Development	218 167	218 167	-	114 378	114 378
Tourism	9 191	9 191	-	77 737	77 737
Total	505 148	505 148	-	474 996	474 996

1.2 Conditional grants

	Note	2017/18	2016/17
		R'000	R'000
Total grants received	47	<u>2 000</u>	<u>2 790</u>
Provincial grants included in Total Grants received		<u>2 000</u>	<u>2 790</u>

2. Departmental revenue

	Note	2017/18	2016/17
		R'000	R'000
Sales of goods and services other than capital assets	2.1	12 218	10 428
Fines, penalties and forfeits	2.2	393	30
Interest, dividends and rent on land	2.3	28	28
Sales of capital assets	2.4	8 126	-
Transactions in financial assets and liabilities	2.5	1 169	850
Total revenue collected		21 934	11 336
Less: Own revenue included in appropriation	13	21 934	11 336
Departmental revenue collected		-	-



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2.1 Sales of goods and services other than capital assets

	Note 2	2017/18 R'000	2016/17 R'000
Sales of goods and services produced by the department		12 210	10 401
Sales by market establishment		-	20
Administrative fees		2 109	2 158
Other sales		10 101	8 223
Sales of scrap, waste and other used current goods		8	27
Total		12 218	10 428

2.2 Fines, penalties and forfeits

	Note 2	2017/18 R'000	2016/17 R'000
Fines		393	30
Total		393	30

2.3 Interest, dividends and rent on land

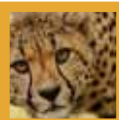
	Note 2	2017/18 R'000	2016/17 R'000
Interest		28	28
Total		28	28

2.4 Sale of capital assets

	Note 2	2017/18 R'000	2016/17 R'000
Tangible assets		8 126	-
Biological assets	27	8 126	-
Total		8 126	-

2.5 Transactions in financial assets and liabilities

	Note 2	2017/18 R'000	2016/17 R'000
Receivables		1 159	846
Stale cheques written back		10	4
Total		1 169	850



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3. Aid assistance

	2017/18 R'000	2016/17 R'000
Opening Balance	294	697
Prior period error	-	-
As restated	294	697
Transferred from statement of financial performance	(51)	(403)
Closing Balance	243	294

3.1 Analysis of balance by source

	2017/18 R'000	2016/17 R'000
Aid assistance from other sources	243	294
Closing balance	243	294

3.2 Analysis of balance

	2017/18 R'000	2016/17 R'000
Aid assistance unutilised	243	294
Closing balance	243	294
Aid assistance not requested/not received	-	-

Note
3

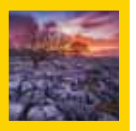
3.3 Aid assistance expenditure per economic classification

	2017/18 R'000	2016/17 R'000
Current	51	403
Total aid assistance expenditure	51	403

4. Compensation of employees

4.1 Salaries and Wages

	2017/18 R'000	2016/17 R'000
Basic salary	160 344	148 640
Performance award	57	-
Service Based	430	1 106
Compensative/circumstantial	7 244	5 555
Periodic payments	1 237	-
Other non-pensionable allowances	32 051	32 636
Total	201 363	187 937



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4.2 Social contributions

	2017/18 R'000	2016/17 R'000
Employer contributions		
Pension	20 643	18 732
Medical	13 188	12 212
Bargaining council	55	49
Total	33 886	30 993
Total compensation of employees	235 249	218 930
Average number of employees	693	669

5. Goods and services

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		282	342
Advertising		5 378	4 004
Minor assets	5.1	749	311
Bursaries (employees)		410	211
Catering		5 014	2 604
Communication		4 262	5 512
Computer services	5.2	1 341	1 575
Consultants: Business and advisory services		5 534	11 810
Legal services		333	484
Contractors		8 131	6 233
Agency and support / outsourced services		13 094	5 289
Entertainment		14	-
Audit cost – external	5.3	6 467	5 146
Fleet services		12 538	8 354
Consumables	5.4	9 111	8 727
Operating leases		12 933	13 036
Property payments	5.5	10 021	7 378
Rental and hiring		522	24
Travel and subsistence	5.6	14 877	14 038
Venues and facilities		886	1 101
Training and development		2 532	2 317
Other operating expenditure	5.7	860	1 114
Total		115 289	99 610



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5.1 Minor assets

	Note 5	2017/18 R'000	2016/17 R'000
Tangible assets			
Machinery and equipment		749	311
Total		749	311

5.2 Computer services

	Note 5	2017/18 R'000	2016/17 R'000
SITA computer services		1 020	722
External computer service providers		321	853
Total		1 341	1 575

5.3 Audit cost – External

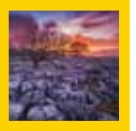
	Note 5	2017/18 R'000	2016/17 R'000
Regularity audits		6 426	5 146
Performance audits		41	-
Total		6 467	5 146

5.4 Consumables

	Note 5	2017/18 R'000	2016/17 R'000
Consumable supplies		5 875	5 194
Uniform and clothing		1 366	1 533
Household supplies		1 101	1 087
Building material and supplies		1 819	1 380
IT consumables		57	94
Other consumables		1 532	1 100
Stationery, printing and office supplies		3 226	3 533
Total		9 111	8 727

5.5 Property payments

	Note 5	2017/18 R'000	2016/17 R'000
Municipal Services		26	-
Property maintenance and repairs		9 985	7 341
Other		10	37
Total		10 021	7 378



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5.6 Travel and subsistence

	Note	2017/18	2016/17
	5	R'000	R'000
Local		11 955	12 256
Foreign		2 922	1 782
Total		14 877	14 038

5.7 Other operating expenditure

	Note	2017/18	2016/17
	5	R'000	R'000
Resettlement costs		31	224
Other		829	890
Total		860	1 114

6. Payments for financial assets

	Note	2017/18	2016/17
		R'000	R'000
Material losses through criminal conduct		22	143
Theft	6.2	22	143
Debts written off	6.1	19	264
Total		41	407

6.1 Debts written off

	Note	2017/18	2016/17
	6	R'000	R'000
Nature of debts written off			
Recoverable revenue written off			
Debt write-off		19	264
Total		19	264

6.2 Details of theft

	Note	2017/18	2016/17
	6	R'000	R'000
Nature of theft			
Assets stolen from possession of officials and at the resorts and reserves (i.e. laptops, desktops, TV's and decoder)		22	143
Total		22	143



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7. Transfers and subsidies

		2017/18 R'000	2016/17 R'000
	<i>Note</i>		
Provinces and municipalities	<i>Annex 1A</i>	-	149
Departmental agencies and accounts	<i>Annex 1B</i>	112 809	117 134
Public corporations and private enterprises	<i>Annex 1D</i>	14 465	10 200
Households	<i>Annex 1G</i>	1 630	1 194
Total		128 904	128 677

8. Expenditure for capital assets

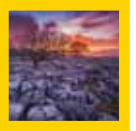
	<i>Note</i>	2017/18 R'000	2016/17 R'000
Tangible assets		9 443	15 452
Buildings and other fixed structures	29	3 893	13 124
Machinery and equipment	28	5 550	2 328
Total		9 443	15 452

8.1 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Buildings and other fixed structures	3 893	-	3 893
Machinery and equipment	5 550	-	5 550
Total	9 443	-	9 443

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Buildings and other fixed structures	13 124	-	13 124
Machinery and equipment	2 328	-	2 328
Total	15 452	-	15 452



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8.3 Finance lease expenditure included in Expenditure for capital assets

	2017/18 R'000	2017/18 R'000
Tangible assets		
Machinery and equipment	1 760	1 142
Total	<u>1 760</u>	<u>1 142</u>

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

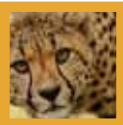
	Note 2017/18 R'000	2016/17 R'000
Opening balance	-	-
Prior period error	-	-
As restated	-	-
Unauthorised expenditure – discovered in current year (as restated)	1 167	-
Closing balance	<u>1 167</u>	<u>-</u>
Analysis of closing balance		
Unauthorised expenditure awaiting authorisation	1 167	-
Total	<u>1 167</u>	<u>-</u>

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2017/18 R'000	2016/17 R'000
Current	1 167	-
Total	<u>1 167</u>	<u>-</u>

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2017/18 R'000	2016/17 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	1 167	-
Total	<u>1 167</u>	<u>-</u>



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9.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Overspending on a main division within the vote	Under investigation	1 167
Total		1 167

9.5 Unauthorised expenditure split into current and non-current asset

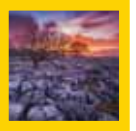
Details	2017/18			2016/17		
	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Overspending on a main division within the vote	1 167	-	1 167			
Total	1 167	-	1 167			

10. Cash and cash equivalents

	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account	262	10 550
Disbursements	198	-
Cash on hand	70	70
Total	530	10 620

11. Prepayments and advances

	2017/18 R'000	2016/17 R'000
Travel and subsistence	17	17
Prepayments (Not expensed)	13 600	-
Total	13 617	17



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11.1 Prepayments (Not expensed)

	Amount as at 1 April 2017	Less: Received in the current year	Add: Current Year prepayments	Amount as at 31 March 2018
	R'000	R'000	R'000	R'000
Transfers and subsidies	-	-	13 600	13 600
Total	-	-	13 600	13 600

11.2 Prepayments (Expensed)

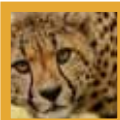
	Amount as at 1 April 2017	Less: Received in the current year	Add: Current Year prepayments	Amount as at 31 March 2018
	R'000	R'000	R'000	R'000
Goods and services	17	467	467	17
Total	17	467	467	17

12. Receivables

	Current	2017/18 Non- current	Total	Current	2016/17 Non- current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	1 688	-	1 688	1 204	-	1 204
Recoverable expenditure	158	-	158	49	-	49
Staff debt	239	598	837	394	335	729
Other debtors	-	1 528	1 528	-	1 418	1 418
Total	2 065	2 126	4 191	1 647	1 753	3 400

12.1 Claims recoverable

	Note 12 and Annex 4	2017/18 R'000	2016/17 R'000
Provincial departments		1 668	1 204
Total		1 668	1 204



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12.2 Recoverable expenditure (disallowance accounts)

	Note 12	2017/18 R'000	2016/17 R'000
DISALL DAMAGES & LOSSES:CA		115	49
SAL:DEDUCTION DISALL ACC:CA		1	-
SAL:REVERSAL CONTROL:CA		33	-
SAL:TAX DEBT:CA		1	-
SAL:GEHS REFUND CONTROL ACC:CL		8	-
Total		158	49

12.3 Staff debt

	Note 12	2017/18 R'000	2016/17 R'000
Bursary debt(employee and non-employee)		194	184
Cellphone debt		-	4
Communication debt		109	113
Employee debt		29	48
Ex- employee debt		76	73
Salary overpayment		364	239
Tax debt		23	28
Losses		42	40
		837	729

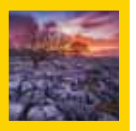
12.4 Other debtors

	Note 12	2017/18 R'000	2016/17 R'000
Supplier		1 528	1 418
Total		1 528	1 418

12.5 Impairment of receivables

	2017/18 R'000	2016/17 R'000
Estimate of impairment of receivables	1 536	1 422
Total	1 536	1 422

The basis for the impairment is based on debts older than 3 years excluding the debts with active instalment repayments.



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13. Voted funds to be surrendered to the Revenue Fund

	2017/18 R'000	2016/17 R'000
Opening balance	11 920	5 374
Prior period error	-	-
As restated	11 920	5 374
Transfer from statement of financial performance (as restated)	16 222	11 920
Add: Unauthorised expenditure for current year	1 167	-
Paid during the year	(11 920)	(5 374)
Closing balance	17 389	11 920

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

	2017/18 R'000	2016/17 R'000
Opening balance	894	1 115
Prior period error	-	-
As restated	894	1 115
Own revenue included in appropriation	21 934	11 336
Paid during the year	(22 027)	(11 557)
Closing balance	801	894

15. Payables – current

	Note	2017/18 R'000	2016/17 R'000
Clearing accounts	15.1	6	-
Total		6	-

15.1 Clearing accounts

	Note	2017/18 R'000	2016/17 R'000
SAL:ACB RECALLS:CA	15	6	-
Total		6	-



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16. Net cash flow available from operating activities

	2017/18 R'000	2016/17 R'000
Net surplus/(deficit) as per Statement of Financial Performance	16 171	11 517
Add back non cash/cash movements not deemed operating activities	(25 081)	9 929
(Increase)/decrease in receivables – current	(791)	52
(Increase)/decrease in prepayments and advances	(13 600)	20
Increase/(decrease) in payables – current	6	-
Proceeds from sale of capital assets	(8 126)	-
Expenditure on capital assets	9 443	15 452
Surrenders to Revenue Fund	(33 947)	(16 931)
Own revenue included in appropriation	21 934	11 336
Net cash flow generated by operating activities	(8 910)	21 446

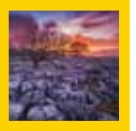
17. Reconciliation of cash and cash equivalents for cash flow purposes

	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General account	262	10 550
Disbursements	198	-
Cash on hand	70	70
Total	530	10 620

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	Note	2017/18 R'000	2016/17 R'000
Claims against the department		Annex 3B	24 713	24 713
Intergovernmental payables (unconfirmed balances)		Annex 5	-	29
Total			24 713	24 742



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

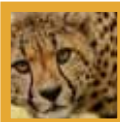
	Note	2017/18 R'000	2016/17 R'000
Liable to			
Nature			
Claims against the department	Annex 3B	24 713	24 713
Intergovernmental payables (unconfirmed balances)	Annex 5	-	29
Total		24 713	24 742

19. Commitments

	2017/18 R'000	2016/17 R'000
Current expenditure		
Approved and contracted	9 914	22 940
Approved but not yet contracted	913	688
	10 827	23 628
Capital expenditure		
Approved and contracted	13 307	17 045
Approved but not yet contracted	148	19
	13 455	17 064
Total Commitments	24 282	40 692

Going concern assumption - The department will continue to operate in the foreseeable future without the need or intention to liquidate or significantly curtail its operational activities. However, due to the commitments as at year end, there is significant doubt on the department's ability to meet its financial obligations as they fall due and achievement of service delivery as outlined in the Annual Performance Plan.

Construction of Fence at Sandveld Nature Reserve contract, Implementation, Coordination and Management of the Free State Programme to Clean Up Water Resources (Dams & Rivers) and Exhibition Management Services is for longer than 1 year.



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20. Accruals and payables not recognised

20.1 Accruals

	2017/18 R'000			2016/17 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	5 522	-	5 522	576
Total	5 522	-	5 522	576

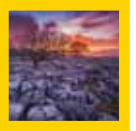
	2017/18 R'000	2016/17 R'000
Listed by programme level		
Administration	4 632	-
Environmental Affairs	84	-
Economic Development	806	576
Tourism	-	-
Total	5 522	576

20.2 Payables not recognised

	2017/18 R'000			2016/17 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	486	-	486	1 622
Total	486	-	486	1 622

	2017/18 R'000	2016/17 R'000
Listed by programme level		
Administration	105	1 427
Environmental Affairs	-	91
Economic Development	381	60
Tourism	-	44
Total	486	1 622

	Note	2017/18 R'000	2016/17 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	24	624
Total		24	624



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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21. Employee benefits

	2017/18 R'000	2016/17 R'000
Leave entitlement	11 626	9 314
Service bonus (Thirteenth cheque)	6 496	5 704
Performance awards	9 117	1 557
Capped leave commitments	6 183	6 671
Other	501	144
Total	33 923	23 990

At this stage the department is not able to reliably measure the long term portion of the long service awards.

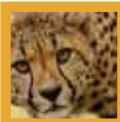
Included in leave entitlement are negative leave credits amounting to R189 651.51. Other employee benefits includes overtime due as at 31 March 2018 and the payment of the 10% HOD allowance.

22. Lease commitments

22.1 Operating leases

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2017/18					
Not later than 1 year	-	-	-	10 882	10 882
Later than 1 year and not later than 5 years	-	-	-	10 813	10 813
Total lease commitments	-	-	-	21 695	21 695

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2016/17					
Not later than 1 year	-	-	-	8 188	8 188
Later than 1 year and not later than 5 years	-	-	-	6 251	6 251
Later than five years	-	-	-	63	63
Total lease commitments	-	-	-	14 502	14 502



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The major operating lease arrangement of the department is for the government owned vehicles that are being leased from Fleet Management.

22.2 Finance leases

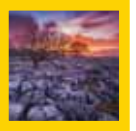
2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1 216	1 216
Later than 1 year and not later than 5 years	-	-	-	517	517
Total lease commitments	-	-	-	1 733	1 733

2016/17	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	768	768
Later than 1 year and not later than 5 years	-	-	-	593	593
Total lease commitments	-	-	-	1 361	1 361

The major lease arrangement for the department is for the photocopiers.

23. Accrued departmental revenue

	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets	20 349	18 167
Sales of capital assets	619	-
Total	20 968	18 167



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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23.1 Analysis of accrued departmental revenue

	2017/18 R'000	2016/17 R'000
Opening balance	18 167	14 504
Add: amounts recorded	2 801	3 663
Closing balance	20 968	18 167

23.2 Impairment of accrued departmental revenue

	2017/18 R'000	2016/17 R'000
Estimate of impairment of accrued departmental revenue	10 863	7 609
Total	10 863	7 609

The basis of impairment is calculated on the R150 000 monthly rental out of the original R250,000. Only R100 000 may be recoverable and the R150 000 deemed irrecoverable from the service provider.

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	2017/18 R'000	2016/17 R'000
Opening balance	78 382	69 480
Prior period error	-	594
As restated	78 382	70 074
Add: Irregular expenditure – relating to prior year	9 171	-
Add: Irregular expenditure – relating to current year	11 787	8 308
Less: Prior year amounts condoned	(2 084)	-
Closing balance	97 256	78 382

Analysis of awaiting condonation per age classification

Current year	11 787	8 308
Prior years	85 469	70 074
Total	97 256	78 382

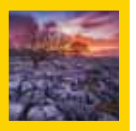


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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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24.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Travel agent used instead of sourcing quotations	Under investigation	540
Supplier not on CSD and not approved at appropriate level	Under investigation	30
No deviation for obtaining one quotation	Under investigation	14
Approval by delegated official after payment was made - BBEEE certificate not attached	Under investigation	520
Quotations, BBEEE, tax, SBD, approval, prospective suppliers	Under investigation	444
SCM processes not followed for NTCE	Under investigation	12 015
Addition made to contract via a variation order (Soetdoring)	Under investigation	1 330
Expenditure incurred on expired transversal contract which was extended on month to month basis.	Under investigation	1 258
75% of procurement relating to the advertising of posts at the OPM was through deviations and the reasons provided were invalid, deviations were not due to emergency or sole supplier cases and it was neither impractical for the department to follow bidding process. In certain instances, suppliers that were used for advertising were also not registered on the central supplier database.	Under investigation	1 435
Quotations not obtained	Under investigation	1 043
Expenditure incurred on expired transversal contract which was extended on month to month basis.	Under investigation	2 329
TOTAL		20 958



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24.3	Details of irregular expenditure condoned		
	Incident	Condoned by (condoning authority)	2017/18 R'000
	Payments relating to Event Management Transversal Contract which were not part of the events transversal contract pricing list.	National Treasury	2 084
	Total		2 084
24.4	Details of irregular expenditures under determination or investigation (not included in the main note)		
	Incident		2017/18 R'000
	Splitting of orders		1 446
	Tender not advertised for 21 Days		1 596
	Total		3 042
24.5	Prior period error		
	Nature of prior period error		2016/17 R'000
	Relating to 2014/15 – 2016/17 <i>[affecting the opening balance]</i>		594
	Payments relating to Event Management Transversal Contract which were not part of the events transversal contract pricing list.		594
	Total prior period errors		594



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25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	2017/18 R'000	2016/17 R'000
Opening balance	-	105
Prior period error	-	-
As restated	-	105
Fruitless and wasteful expenditure – relating to prior year	2 205	-
Less: Amounts transferred to receivables for recovery 11.6	-	105
Closing balance	2 205	-

25.2 Analysis of awaiting resolution per economic classification

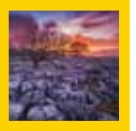
	2017/18 R'000	2016/17 R'000
Capital	2 205	-
Total	2 205	-

25.3 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Penalties and interest incurred due to late payment of contractor.	Under investigation	2 205
Total		2 205

25.4 Details of fruitless and wasteful expenditures under investigation (not included in the main note)

Incident	2017/18 R'000
Possible fruitless and wasteful expenditure on the work done on a project that was suspended. The amount cannot be determined at this stage until the final account is received for this project.	-
Total	-



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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26. Key management personnel

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers (provide detail below)	1	1 978	2 138
Officials:			
Level 15 to 16	3	2 855	4 346
Level 14 (incl. CFO if at a lower level)	7	7 924	8 077
Total		12 757	14 561

27. Provisions

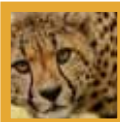
	2017/18 R'000	2016/17 R'000
Retention monies	-	243
Total	-	243

27.1 Reconciliation of movement in provisions – 2017/18

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	243	-	-	243
Settlement of provision	(243)	-	-	(243)
Closing balance	-	-	-	-

Reconciliation of movement in provisions – 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	243	-	-	243
Closing balance	243	-	-	243



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The provision relates to retention monies on the Maria Moroka project. The retention is 10% of the amount that was certified as being due to the contractor on the interim certificate, which was deducted from the amount due and retained by the department. The purpose of retention is to ensure that the contractor properly completes the activities required of them under the contract.

The amount retained was released as the contract has reached practical completion which means the point where all building work is complete or all but completed, in accordance with the contract, and the property is reasonably fit for occupation.

28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

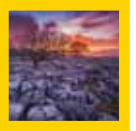
	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	31 377	-	3 792	1 391	33 314
Transport assets	5 527	-	-	779	4 748
Computer equipment	9 600	-	1 492	7	11 085
Furniture and office equipment	8 626	-	1 268	-	9 894
Other machinery and equipment	7 624	-	568	605	7 587
SPECIALISED MILITARY ASSETS	1 036	-	-	-	1 036
Specialised military assets	1 036	-	-	-	1 036
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	32 413	-	3 328	1 391	34 350

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	318	4 762

1. Some of the assets under investigation could not been found during the Asset Verification process. For these assets further investigations will be conducted with respective asset holders so that all assets are accounted for.

2. Some of the assets under investigation include those assets that were transferred to resorts and reserves during the movement.



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28.1 Additions

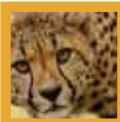
**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
 YEAR ENDED 31 MARCH 2018**

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	5 088		(1 760)	-	3 328
Computer equipment	1 492	-	-	-	1 492
Furniture and office equipment	1 268	-	-	-	1 268
Other machinery and equipment	2 328	-	(1 760)	-	568
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	5 088	-	(1 760)	-	3 328

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	1 391	1 391	-
Transport assets	-	779	779	-
Computer equipment	-	7	7	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	605	605	-
BIOLOGICAL ASSETS				
Biological assets				8 126
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	1 391	1 391	8 126



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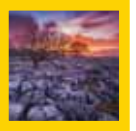
28.3 Movement for 2016/17

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	30 164	404	1 328	519	31 377
Transport assets	5 153	404	-	30	5 527
Computer equipment	8 902	-	704	6	9 600
Furniture and office equipment	8 537	-	89	-	8 626
Other machinery and equipment	7 572	-	535	483	7 624
SPECIALISED MILITARY ASSETS	1 036	-	-	-	1 036
Specialised military assets	1 036	-	-	-	1 036
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	31 200	404	1 328	519	32 413

28.3.1 Prior period error

	2016/17 R'000
Nature of prior period error	
Relating to 2015/16 <i>[affecting the opening balance]</i>	
Tractors not included in opening balance	404
Total prior period errors	404



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

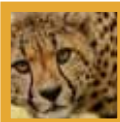
	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	314	-	-	26 121	-	26 435
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	737	-	737
Disposals	-	-	-	128	-	128
TOTAL MINOR ASSETS	314	-	-	26 730	-	27 044

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1	-	1
Number of minor assets at cost	129	-	-	17 308	-	17 437
TOTAL NUMBER OF MINOR ASSETS	129	-	-	17 309	-	17 438

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	1 644	2 579

1. Some of the assets under investigation could not been found during the Asset Verification process. For these assets further investigations will be conducted with respective asset holders so that all assets are accounted for.
 2. Some the assets under investigation include those assets that were transferred to resorts and reserves during the movement.



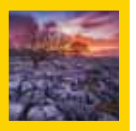
**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018**

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	314	-	-	25 910	-	26 224
Prior period error	-	-	-	-	-	-
Additions	-	-	-	337	-	337
Disposals	-	-	-	126	-	126
TOTAL MINOR ASSETS	314	-	-	26 121	-	26 435

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1	-	1
Number of minor assets at cost	129	-	-	17 308	-	17 437
TOTAL NUMBER OF MINOR ASSETS	129	-	-	17 309	-	17 438



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018**

29. Immovable Tangible Capital Assets

29.1 Additions

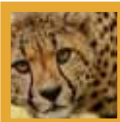
**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR
 THE YEAR ENDED 31 MARCH 2018**

	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
BUILDING AND OTHER FIXED STRUCTURES					
Other fixed structures	4 100		(4 100)		-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	4 100		(4 100)		-

29.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

	Opening balance 1 April 2017	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2018
<i>Note</i>	R'000	R'000	R'000	R'000
Buildings and other fixed structures	56 926	4 100	-	61 026
TOTAL	56 926	4 100	-	61 026



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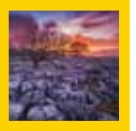
Age analysis on ongoing projects	Number of projects		2017/18
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	-	-	-
1 to 3 Years	-	1	5 535
3 to 5 Years	-	2	31 324
Longer than 5 Years	-	1	24 167
Total	-	4	61 026

Maria Moroka Resort - The project is on a Practical Completion stage and the retention monies have been paid.

Accruals and payables not recognised relating to Capital WIP	Note	2017/18 R'000	2016/17 R'000
<i>Maria Moroka Project</i>		115	
Total		115	-

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017

	Opening balance 1 April 2016 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2017 R'000
Buildings and other fixed structures	43 802	-	13 124	-	56 926
TOTAL	43 802	-	13 124	-	56 926



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018**

30. Prior period errors

30.1 Correction of prior period errors

	<i>Note</i>	Amount bef error correction 2016/17 R'000	Prior period error 2016/17 R'000	Restated Amount 2016/17 R'000
Expenditure:				
Goods and Services				
Payment made to service provider for MESP incorrectly classified as a transfer payment instead of goods and services.	5	87 047	12 563	99 610
Transfers and subsidies				
Payment made to service provider for MESP incorrectly classified as a transfer payment instead of goods and services.	7	141 240	(12 563)	128 677
Net effect		228 287	-	228 287

30.2 Correction of prior period errors

	<i>Note</i>	Amount bef error correction 2016/17 R'000	Prior period error 2016/17 R'000	Restated Amount 2016/17 R'000
Other:				
Liabilities				
Accruals – payments due to service provider for services rendered	20.1	-	576	576
Net effect		-	576	576



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018**

30.3 Correction of prior period errors

	Note	Amount bef error correction 2016/17 R'000	Prior period error 2016/17 R'000	Restated Amount 2016/17 R'000
Other:				
Fruitless Expenditure				
Payments relating to Event Management Transversal Contract which were not part of the events transversal contract pricing list.	23	1 490	594	2 084
S42 Movable Capital Assets				
The baler machines were already transferred in terms of S42 during the 2016/17 financial year.	39.6	379	(379)	-
Net effect		1 869	215	2 084

Payments relating to Event Management Transversal Contract which were not part of the events transversal contract pricing list.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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31. Transfer of functions

The Free State Executive Council approved on 10 October 2017 to transfer the function of Horticulture i.e. Karee Nursery which falls under Environmental Management to the Department of Agriculture and Rural Development with effect from 01 November 2017. Karee Nursery has 23 employees. Due to the EXCO Resolution to transfer Karee Nursery to the Department of Agriculture and Rural Development, it will also be appropriate that the affected officials be transferred. Section 14 (4) of the Public Service Act, 1994, as amended, was adhered to.

The Department of Agriculture and Rural Development was engaged about the transfer of Karee Nursery and its personnel to their department and it was agreed that the affected officials would assume duty in the Department with effect from 01 November 2017. The two recognised unions in the Department, namely PSA and NEHAWU, were engaged about the transfer of Karee Nursery during the special DTT meetings held on 24 and 30 October 2017 respectively. The two unions agreed to the transfer.

The compensation budget for the remainder of the financial year from 01 November 2017 to 31 March 2017, which amounts to R2 370 678.00 will be transferred to the Department of Agriculture and Rural Development in April 2018.

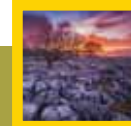
31.1 Statement of Financial Position

ASSETS

Current Assets

Cash and cash equivalents
Prepayments and advances
Receivables

<i>Note</i>	Bal per dept 2016/17 AFS before transfer 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	2016/17 Bal after transfer 2016/17 R'000
	12 284	-	-	12 284
	10 620	-	-	10 620
	17	-	-	17
	1 647	-	-	1 647





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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018

Non-Current Assets				
Receivables	1 753	-	-	1 753
TOTAL ASSETS	14 037	-	-	14 037
LIABILITIES				
Current Liabilities				
Voted funds to be surrendered to the Revenue Fund	11 920	-	-	11 920
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	894	-	-	894
Aid assistance unutilised	294	-	-	294
TOTAL LIABILITIES	13 108	-	-	13 108
NET ASSETS	929	-	-	929

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

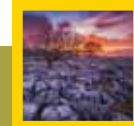
31.2 Notes

Note	Bal per dept 2016/17 AFS before transfer 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	Functions per dept (transferred) / received 2016/17 R'000	2016/17 Bal after transfer R'000
Contingent liabilities	24 713	-	-	-	24 713
Commitments	40 692	-	-	-	40 692
Payables not recognised	1 622	-	-	-	1 622
Employee benefits	23 390	-	-	-	23 390
Lease commitments – Operating lease	14 502	-	-	-	14 502
Lease commitments – Finance lease	1 361	-	-	-	1 361
Accrued departmental revenue	18 167	-	-	-	18 167
Irregular expenditure	77 788	-	-	-	77 788
Provisions	243	-	-	-	243
Movable tangible capital assets	59 330	-	-	-	59 330

Provide a description of actions taken to ensure compliance with the PFMA S42

All records of affected officials (this is inclusive of all HR and PERSAL files and records) will be transferred to Agriculture and Rural Development and a list of all officials to be transferred has been drawn up.

All movable assets will be transferred to Department of Agriculture and Rural Development and a list of all assets to be transferred has been drawn up for the signature of DESTEA HOD and acceptance by the HOD of Agriculture and Rural Development.





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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Provide a reference to the proclamation or declaration giving effect to the transfer or receipt of functions

Free State Executive Council resolution approved by the Premier, Mr ES Magashule, on 10 October 2017.

Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.

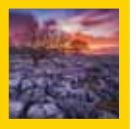
A submission for the transfer of officials to the Department of Agriculture and Rural Development was approved by the DESTEA MEC, MEC B Malakoane, on 14 December 2017. It was clearly stated that the conditions of employment for the transferred officials will not, in any way, be negatively affected as they will retain their current salaries and benefits.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018**

32. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2016/17	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Incentive grant for Infrastructure	2 000	-	-	-	2 000	2 000	1 820	180	91%	2 790	2 024
	2 000	-	-	-	2 000	2 000	1 820	180	91%	2 790	2 024





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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2018

ANNEXURE 1A
 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

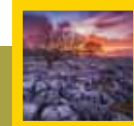
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	
Masilonyana and Setsoto Municipality	-	-	-	-	-	-	-	-	-	-	-	230
TOTAL	-	-	-	-	-	-	-	-	-	-	-	230

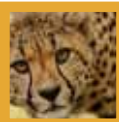
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17 Final Appropriation R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
PROV DA: FS GAMBLING & LIQUOR AUTH	58 349	-	-	58 349	53 695	92%	55 551
PROV DA: FS TOURISM AUTHORITY COM: LICENCES (RADIO & TV)	46 506 200	-	7 870	54 376 200	59 076 39	109% 90%	65 505 186
TOTAL	105 055	-	7 870	112 925	112 809		121 242





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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1D
 STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2016/17 Final Appropriation R'000	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000		Current R'000
Public Corporations									
Transfers									
FREE DEVELOPMENT CORPORATION	32 260	-	-	32 260	9 465	29.3%	-	9 465	10 200
Total	32 260	-	-	32 260	9 465		-	9 465	10 200
Private Enterprises									
Transfers									
OTHER TRANSFERS PRIVATE ENTERPR	-	-	-	-	-	-	-	-	-
FREE STATE BUSINESS CHAMBER	5 000	-	-	5 000	5 000	100%	-	5 000	-
Total	5 000	-	-	5 000	5 000		-	5 000	-
TOTAL	37 260	-	-	37 260	14 465		-	14 465	10 200

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS
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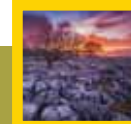
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Final Appropriation R'000
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
H/H EMPL S/BEN: LEAVE GRATUITY	80	-	360	440	591	134%	626
H/H: DONATIONS & GIFTS (CASH)	2 020	-	(10)	2 010	1 039	52%	649
TOTAL	2 100	-	350	2 450	1 630		1 275

ANNEXURE 1I
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE R'000
Received in cash						
Department of Environmental Affairs	Free State Priority Biodiversity Rehabilitation Project (FSPBR)	294	-	51	-	243
TOTAL		294	-	51	-	243





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ANNEXURE 3B
 STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

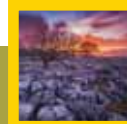
Nature of Liability	Opening Balance 1 April 2017 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2018 R'000
Claims against the department					
Home Made Retail	12 272	-	-	-	12 272
PKX Capital	12 441	-	-	-	12 441
TOTAL	24 713	-	-	-	24 713

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18 *	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Receipt date up to six (6) working days after year end	Amount R'000
Department								
Health: FS	226	-	-	1 020	226	1 020	-	-
Human Settlement: GP	-	-	165	165	165	165	-	-
Legislature: FS	-	-	-	19	-	19	-	-
Agriculture: FS	1 278	-	-	-	1 278	-	-	-
TOTAL	1 504	-	165	1 204	1 669	1 204	-	-



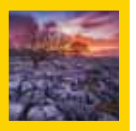


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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 5
 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18*	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Payment date up to six (6) working days before year end	Amount R'000
DEPARTMENTS								
Current								
Premier	24	624	-	-	24	624	-	-
SAPS	-	-	-	23	-	23	-	-
Department of Rural, Environmental and Agricultural Development	-	-	-	6	-	6	-	-
TOTAL	24	624	-	29	24	653		



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ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	56 926	4 100		61 026
TOTAL	56 926	4 100		61 026

Age analysis on ongoing projects	Number of projects		2016/17
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year			-
1 to 3 Years		1	5 535
3 to 5 Years		2	31 324
Longer than 5 Years		1	24 164
Total		4	61 026

Include discussion on projects longer than 5 years in Capital WIP

Maria Moroka Resort - The project is on a Practical Completion stage and the retention monies have been paid.

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

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	43 802	-	13 124	-	56 926
TOTAL	43 802	-	13 124	-	56 926

**Free State Department of Economic,
Small Business Development, Tourism and
Environmental Affairs
Annual Report 2017/ 2018**

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