



GAUTENG
DEPARTMENT
OF ECONOMIC
DEVELOPMENT

2020/2021
ANNUAL
REPORT



GAUTENG PROVINCE

ECONOMIC DEVELOPMENT
REPUBLIC OF SOUTH AFRICA



GGT2030
GROWING GAUTENG TOGETHER





GGT2030

GROWING GAUTENG TOGETHER

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LIST OF ABBREVIATIONS/ACRONYMS

ADRS	Applied Development Research Solutions
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AIDC	Automotive Industry Development Centre
AO	Accounting Officer
AOG	Agency Oversight and Governance
APP	Annual Performance Plan
ASP	Automotive Supplier Park
BBBEE	Broad-Based Black Economic Empowerment
BRG	Business Regulation and Governance
CAP	Co-operative Assistance Programme
CCBSA	Coca-Cola Beverages South Africa
CF	Community Fund
CFI	Co-operatives Financial Institutions
CFO	Chief Financial Officer
COHWHS	Cradle of Human Kind World Heritage Site
ConHill	Constitution Hill
CSD	Central Supplier Database
CSI	Corporate Social Investment
COVID-2019	Coronavirus Disease of 2019
DDI	Domestic Direct Investment
DFI	Development Finance Institutions
DID	Department of Infrastructure Development
EMT	Executive Management Team
EU	European Union
EXCO	Executive Council
FDI	Foreign Direct Investment
FIR	Fourth Industrial Revolution
GAS	Gauteng Audit Services
GCR	Gauteng City Region
GDP	Gross Domestic Product
GDED	Gauteng Department of Economic Development
GDEDAE	Gauteng Economic Development, Agriculture and Environment
GEM	Gauteng Entrepreneurship Model
GEMS	Government Employees Medical Scheme
GEP	Gauteng Enterprise Propeller
GGB	Gauteng Gambling Board
GGDA	Gauteng Growth and Development Agency
GGT2030	Growing Gauteng Together 2030
GIDZ	Gauteng Industrial Development Zone
GITRA	Gauteng Industry Transformation and Regulatory Authority
GLB	Gauteng Liquor Board
GPG	Gauteng Provincial Government
GRAP	Generally Recognised Accounting Practices
GTA	Gauteng Tourism Authority
GTSS	Gauteng Tourism Sector Strategy

HOD	Head of Department
ICT	Information Communications Technology
IDZ	Industrial Development Zone
IGR	Inter-Governmental Relations
ISA	International Standards on Auditing
JMP	Jewellery Manufacturing Precinct
MA	Management Authority
MAL	Maropeng a' Afrika Leisure
MEC	Member of the Executive Council
MOA	Memorandum of Agreement
MPSA	Minister of Public Service and Administration
MPL	Member of the Provincial Legislature
MTEF	Medium Term Expenditure Framework
MSC	Modified Cash Standards
NACH	National Anti-Corruption Hotline
NGO	Non-Governmental Organisations
NPA	National Prosecuting Authority
OHS	Occupational Health and Safety
ORTIA	OR Tambo International Airtime
PACCC	Provincial Anti-Corruption Coordinating Committee
PFMA	Public Finance Management Act
PPP	Public Private Partnership
PSEF	Public Sector Economist Forum
RAMC	Risk and Audit Management Committee
RFQ	Request for Quotation
RMU	Risk Management Unit
RWOEE	Remunerative Work Outside the Employee's Employment
SAPS	South African Police Service
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SEZ	Special Economic Zones
SITA	State Information Technology Agency
SME	Small Medium Enterprise
SDIP	Service Delivery Improvement Plan
SMME	Small Medium and Micro Enterprises
SMT	Senior Management Team
SOPA	State of the Province Address
SP	Strategic Plan
TBR	Township Business Renewal
TER	Township Economy Revitalisation
TIH	The Innovation Hub
TMR	Transformation, Modernisation and Re-industrialisation
TR	Treasury Regulations
WCRD	World Consumer Rights Day
WHO	World Health Organisation



PART | A

GENERAL INFORMATION

DEPARTMENT GENERAL INFORMATION

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1. EXECUTIVE SUMMARY

1.1 FOREWORD BY THE MEC

The 2020/21 financial year has been a challenging year from a service delivery and organisational performance point of view. It opened when South Africa had just declared a state of disaster and was on the cusp of the first wave of the Covid-19 pandemic. Needless to say, the Gauteng Department of Economic Development and its entities had to quickly adapt to the pandemic and find ways of continuing to pursue their mandate under what has now become known as 'the new normal'.

The GDED Group's relative ability to adapt to this cataclysmic development—and to continue to steer Gauteng along the economic trajectory the Sixth Administration set for it at the beginning of its term office—has been uneven. The group's overall performance during the year under review, to which we shall return later, is reflective of this reality. We hope

and pledge to turn the corner in the next financial year; and not only return to our previous performance levels in those areas where the performance has been unsatisfactory, but also to claw back and recover any lost ground, such that we are able to eventually meet goals the province has set itself in the Growing Gauteng Together 2030 (GGT 2030) plan.

In the challenging social and economic climate witnessed during the year under review, the Department achieved 46% of the targets set out in its 2020/21 Annual Performance Plan (APP). It would have been ideal to have delivered a better performance and there is clearly a lot of room for improvement. We undertake to fill the vacancies at senior level to restore stability. We owe it to the residents of Gauteng to deliver on the vision and mandate of the Sixth Administration. On this, we dare not falter.

In terms of the GGT 2030 plan, the tourism and hospitality sector is one of the 10 high-growth sectors that are expected to contribute to economic growth, thereby bringing Gauteng closer to the vision of an inclusive society. The rationalisation of the tourism mandate, which resulted in the Department focusing on the supply side of tourism and the Gauteng Tourism Authority (GTA) dedicating its attention to the demand side, was completed during the financial year under review. The GTA is expected to present its tourism strategy before EXCO for approval sometime during the 2021/22 financial year, which will undoubtedly play a key role in promoting Gauteng as a business and leisure tourism destination of choice in the slowly emerging post-pandemic dispensation.

Where performance is concerned, the GTA has grappled with the challenges of supporting tourism when it was buffeted by the waves of the Covid-19 pandemic. Despite limited human movement brought about by the closure of international borders during this period, GTA played a pivotal role in helping the sector in Gauteng to get back on its feet as the restrictions gradually eased in line with our adjusted lockdown levels. Going forward, projects that got underway to create township-based SMMEs in eventing, exhibitions and conferencing should stand such enterprises in a good stead to seize tourism opportunities that will come by as the roll-out of vaccination initiatives create population immunity and a safer world.

The Gauteng Growth and Development Agency (GGDA) has fared better, achieving 73% of its planned targets. As an implementing arm of the Department, the GGDA (including the entities it oversees), has an important role to play in ensuring the realisation of some of the goals and targets that have been elaborated in the Gauteng Provincial Government's Economic Response Plan; especially attracting the sort of investment needed to drive the re-industrialisation and modernisation of the Gauteng City Region's economy, as well as the roll-out of initiatives that will prop up the manufacturing sector in the province.

It is heartening that GGDA-affiliated entities such as the The Innovation Hub (TIH) and the Automotive Industry Development Corporation (AIDC) have performed relatively well in the climate that prevailed during the year under review. We expect to sustain that performance and to strive to do even better in the next financial year.

It is important that we continue to support small, medium and micro enterprise (SMMEs) financially and in kind, in line with efforts to rejuvenate the Gauteng economic as it slowly emerges out of the stranglehold of the Covid-19 pandemic. The importance of an efficient Gauteng Enterprise Propeller (GEP) in this process cannot be overemphasised. While GEP slightly exceeded its targeted of giving technical support to 2000 SMMEs during the period under review, a recovering economy will no doubt lead to a spike in demand for its services. We see a greater role it can play in the outer years – along with other development funding institutions and the private sector – in supporting emerging enterprises. The planned reconfiguration and recapitalisation of GEP to give greater effect to the Transformation, Modernisation and Re-industrialisation (TMR) strategy, should stand it in good stead to play this envisaged role. While it may seem like a mammoth task, it is achievable.

The year under review did see drafting and the release of the Gauteng Township Economic Bill. It's gazetting for public commenting elicited much public debate, which tended to focus on one or two aspects of the Bill. This unfortunately eclipsed the focus on other equally important aspects of the draft law – such as the creation of standard by-laws to facilitate the ease of doing business and the setting up of the Gauteng Economy Development Fund. We will no doubt ensure that the Bill reaches the Legislature and that it is eventually promulgated during the course of the 2021/22 financial year. This will be a crucial step towards realising the goal of ensuring that the township economy ceases to teeter and languish on the margins.

My gratitude for most of the work done during period under review goes to my immediate predecessor, MEC Morakane Mosupye. Without her stewardship and dedication, the foundation for the work we are continuing would not have been laid. I am also indebted to the Head of Department and the executive leadership of GDED and its agencies for the work they are doing to make Gauteng a better place to work and live in.



Parks Tau (MPL)

MEC of the Department for Economic Development, Environment, Agriculture and Rural Development.



1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

The Gauteng Economic Development (GDED) continues to facilitate and promote economic growth and development in the province; with a targeted commitment to focusing on enhancing the inclusivity of the economy, while improving its competitiveness. Central to this, is the ability to create an enabling environment for job creation in the province by making interventions in the identified 10 high-growth sectors. During the year under review, the Department focused on the continuous delivery of services in line with the Growing Gauteng Together (GGT 2030) plan, which recognises the need for government to aggregate its efforts across all spheres of government, as well as with the private and non-profit sectors, in pursuit of specific goals. These efforts have also been emphasised in the upcoming Annual Performance Plan.

The year under review started with the announcement of a hard lockdown in the first month of the first quarter. The emergency protocols introduced under the state of national disaster required citizens to stay at home in order to contain the spread of the SARS-CoV-2 virus. In the first quarter, the Department was seized with the task of ensuring the implementation of its business and service continuity plans in support of efforts to flatten

the Covid-19 curve and ensure the seamless delivery of services to the residents of Gauteng. During this period, the ICT unit identified critical online functions to ensure the continuous delivery of services.

Furthermore, the Department was tasked with spearheading the province's Economic Response Plan. All provincial departments under the economic cluster were mandated to align efforts to respond to the unfolding crisis. As an urgent response to the crisis, the province adopted a three-phase approach. The response phase focused on minimising the impact of the crisis by providing a "cushion" to both businesses and employees. This included such measures as payment holidays, employee benefits, etcetera. The second phase focused on activities that would support the restarting of economic sectors that were poised to grow, even as it fostered sectors that required fundamental change (e.g. the airline industry). The final phase focused on activities that would drive the growth of the economy to become competitive in both local and regional markets.

While the spread of the Covid-19 pandemic dampened the extent of delivery across the GDED Group, the Department delivered an achievement of 46% against its planned targets. Among other deliverables, the Township Economic Development Bill has been developed. This paves the way for the stakeholder engagement phase, which will eventually lead to the passing of the bill into law. The Department further developed the GPG Local Content and Production Framework and Implementation Plan, which is the provincial strategy for economic growth, job creation and overcoming the inequality gap. The framework guides the province on local manufacturing using local inputs. It also guides GPG entities in procuring locally manufactured goods and services. This should benefit those who were previously disadvantaged in line with the B-BBEE policy.

The Department hosted an engagement with stakeholders in the 10 high-growth sectors, with an emphasis on the transversal role of linking investment facilitation with value-chain transformation and SMME empowerment through active enterprise and supplier development. Currently the Department is seized with the responsibility of developing the sector specific implementation monitoring tool for the identified 10 high-growth priority sectors in line the GGT 2030 plan.

Moreover, the Department and the United Nations Development Programme hosted a successful SMME Summit, which was attended by 291 SMMEs and corporates, on 25 and 26 February 2021. The purpose of the summit was, among other things, to promote the opportunities and provide focused guidance for SMMEs to mainstream their competitive advantage; strengthen sectoral linkages through supply chain development; enhance value-addition and promote opportunities in supply chains; as well as to assist SMMEs overcome funding access barriers.

The Department continued to conduct the liquor compliance blitzes. In the year under review, a total of three (3) blitzes were conducted. These are compliance inspections undertaken jointly with other law enforcement agencies where a non-compliant area is identified and profiled. Various departments and law enforcement agencies are brought together during the raids. Liquor inspectors focus on liquor outlets, which they inspect for compliance and non-compliance.

The Department ensured the successful completion of the off-take agreement that was approved by EXCO. The off-take agreement refers to a framework articulating how the preferential agreements for SMMEs and cooperatives will be implemented in the province.

2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

During the financial under review, the total expenditure for the Department amounted to R1 887 billion against the adjusted appropriation budget of R1 944 billion which constitute 97% spent for the year. The total underspending amounts to R57 181 million (3%).

Factors that contributed to the three percent (3%) year to date underspending were:

- Invoices that were received after final year-end payment run cut off time;
- Vacant positions that could not be filled, as advertisement and shortlisting could not take place due to the emergence of the Covid-19 pandemic;
- Fewer tools of trade being purchased than expected;
- The protracted external probity audit processes resulting into delays in the appointment of service providers; and
- Delays in the signing of service level agreements.

2.1 Departmental Receipts

The Department's main source of funding is the equitable share, which was spent towards the achievement of departmental goals, priorities and the overall mandate based on the Gauteng Provincial Government's GGT 2030 vision.

The Gauteng Gambling Board is one of the Department's agencies and it generates its own revenue mainly from gambling taxes and licence fees drawn from casino, horse racing taxes and bookmakers. Other sources of its revenue included sales of goods and services other than capital assets, interest, dividends and rent on land, as well as financial transactions in assets and liabilities.

Departmental receipts	2020/21			2019/20		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	718 000	736 863*	(18 863)	1 048 217	1 175 636	(127 419)
Sale of goods and services other than capital assets	480	215	265	524	432	92
Interest, dividends and rent on land	2 544	1 147	1 397	3 901	4 154	(253)
Financial transactions in assets and liabilities	361	246	115	239	327	(88)
Total	721 385	738 471	(17 084)	1 052 881	1 180 549	(127 668)

* The tax receipts of 736 863 (R'000) is disclosed at net (gross is 793 769 (R'000)) after deducting 8% Commission payable to GGB.

Reasons for Over Collecting

The annual revenue collection target was R721 million, but the Department collected R738 million as of 31 March 2021, translating into 102% collection for the year. The R17 million (2%) overcollection was due to the easing of the lockdown regulations, which resulted in an increase in the number of patrons at gambling sites.

2.2 Programme Expenditure

Programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	245 855	212 077	33 778	303 055	243 712	59 343
Integrated Economic Development Services	477 897	477 897	-	245 771	245 771	-
Trade and Sector Development	793 672	793 672	-	870 073	870 073	-
Business Regulation and Governance	98 922	93 849	5 073	110 468	105 724	4 744
Economic Planning and Research	328 246	309 849	18 397	108 925	93 700	15 225
Total	1 944 592	1 887 344	57 248	1 638 292	1 558 980	79 312

PROGRAMME 1: ADMINISTRATION

The Programme underspent by R33,7 million or 13,7% of its adjusted budget of R245,8 million. The under-expenditure was due to vacant posts especially at Senior management level that had not been filled by the end of the financial year, as well delays in procurement process by project managers on projects that had been approved on the procurement plan.

PROGRAMME 4: BUSINESS REGULATIONS AND GOVERNANCE

There was an underspending of R5 million, or 5,4%, of the adjusted allocation of R98,9 million. The underspending was due to the under-expenditure occasioned by the vacant posts at Senior management level that were not filled by the end of the financial year; as well delays in procurement process to appoint a service provider for the Consumer Education and Awareness Impact Assessment Study and the non-implementation of the performance review of the boards of agencies.

PROGRAMME 5: ECONOMIC PLANNING AND RESEARCH

The Programme's total underspending of R18,3 million translated into 5,6% of the total allocated adjusted budget. The programme underspent on compensation of employee's due to delays in the filling of posts, as well

as delayed procurement process owing to the following factors:

- The appointment of a service provider to assist with the reconfiguration of GEP;
- The service provider for the Economic Data Subscriptions;
- As at year-end, the Memorandum of Agreement (MOA) for the Hi-Tech Advanced Manufacturing Cluster Plan (Medical Devices programme) and the Green Skills Programme (NBI) was not finalised;
- The Clothing and Textile Leather and Footwear Project MOA with GEP and VUT was unsigned as at year-end;
- The budget allocated towards the Gauteng Clothing and Textile business hub (TEDA) could not be spent due the late signing of the service level agreement (SLA) and the memorandum of understanding (MOU) coupled with the lapse of term of office of the board at TEDA;
- The business case for the Economic Impact Assessment on Waste Tariffs for Gauteng project was not signed and no spending took place; and
- Underspending was realised on the Strategies and Implementation Assessment project due the late signing of the Service Level Agreement (SLA).

2.3 Virements

The department applied virement as approved by Gauteng Provincial Treasury by shifting budget within programmes to align resources to programmes expenditure at year-end. The purpose of the virement shifting application was to defray overspending that had occurred within and between programmes as outlined in table 2.3 below the schedule of the respective implications.

TABLE.SCHEDULE OF BUDGET VIREMENTS

Programme	Adjusted Appropriation R'000	Actual Expenditure R'000	Virements and Shifts R'000	Final Appropriation R'000
Administration	267 233	212 077	(21 378)	245 855
Integrated Economic Development Services	477 897	477 897	-	477 897
Trade and Sector Development	755 595	793 672	38 077	793 672
Business Regulation and Governance	100 322	93 849	(1 400)	98 922
Economic Planning and Research	343 545	309 849	(15 299)	328 246
Total	1 944 592	1 887 344	-	1 944 592

2.4 Strategic Focus over the Short to Medium Term Period

In the context of the Gauteng Provincial Government, GDED's mandate and vision is aligned to Priority 02, which according to the 2019-2024 Medium Term Strategy Framework (MTSF) aims to achieve the following goals at national level by the end of 2024 year:

- Reduction of unemployment to between 20-24%;
- Creation of two million new jobs for the youth;
- Achievement of an economic growth rate of 2-3%; and
- Growing levels of investment to 23% of the GDP.

The 2019-2024 MTSF further states that Gauteng's contribution to the targets identified above should be as follows:

- Targeting procurement from businesses in townships to the value of 30% of GPG's procurement budget;
- Facilitating the creation of 100 000 jobs in the construction sector; and
- Empowering 50 emerging black firms as contractors and sub-contractors, including women and youth-owned businesses.

In order for the GDED to drive the economy of Gauteng such that it enables the attainment of the goals outlined in the national Medium-Term Strategic Framework, GDED and its agencies will intervene in the provincial economy through the following programmes:

A. SMME township and enterprise empowerment

- SMME financial support
- Expansion of procurement from SMMEs;
- Business development support for SMMEs; and
- Supporting township economic development through regulatory reform and programmes.

B. Infrastructure expenditure as an economic booster/catalyst

- Using infrastructure as a special purpose vehicle which to enable private sector funded developments; and
- Using infrastructure programmes to create local livelihoods for workers and SMMEs.

C. Sector support and enabling

- Encouraging local work programmes for sectors through action labs;
- Sector specific support initiatives run by departments and agencies; and
- Sector-specific lobbying and advocacy with local structures.

D. Investment retention and attraction for high growth sectors

- Using Special Economic Zones as investment anchors in key nodes;

- Trade and investment facilitation; and
- Partnerships to develop network industries in the Gauteng province and reduce the cost of doing business.

The lockdown induced by the Covid-19 pandemic largely impeded the ability of the Department to implement the economic interventions outlined above. As a result, the economic cluster re-focused on the following interventions in the development of a response to the Covid-19 pandemic economic crisis which were anchored on GGT 2030 action points:

- Driving inclusive economic growth to benefit SMMEs, cooperatives, township businesses, youth, women, and people with disabilities;
- Increased spend on infrastructure to boost employment creation;
- Social compacting through partnerships with private sector partners; and
- Special economic Zones (SEZ) in Gauteng corridors.

The incoming APP will further detail how delivery against the GGT 2030 will be achieved. A hybrid model has been introduced that will move collaborative efforts towards transformation of the economy in partnership other spheres of government and the private sector. This will become the platform through which to channel the necessary interventions.

3. PUBLIC PRIVATE PARTNERSHIPS

The Department administers a Public Private Partnership (PPP) relating to the management of the visitor facilities of Sterkfontein and Maropeng in the Cradle of Humankind World Heritage Site. The two sites are jointly owned by Wits University and the Gauteng Provincial Government (GPG). The Cradle of Humankind World Heritage Site, a trading entity of the Department, entered into a PPP arrangement and concession contract with Wits University and a private partner. This resulted in the establishment of Maropeng a' Afrika Leisure (MAL) (Pty) Ltd to manage the visitor facilities of Sterkfontein and Maropeng in the World Heritage site on behalf of GPG and Wits University. The concession agreement expired in 2015.

The Gauteng Provincial Treasury approved a deviation from the normal procurement process to appoint MAL to continue as the Management Agent of the trading entity over a period of two (2019/20 and 2020/21) financial years. The service providers appointed to undertake a due diligence on the investment, liabilities, loans and revenue to ensure that the amount to be disclosed are authentic and auditable, have concluded their process and issued a report that management is reviewing and considering.

Once the report outcome has been adopted, its outcomes and resolutions will be implemented. It will also be submitted to EXCO for adoption.

4. DISCONTINUED KEY ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

The Department does not have any discontinued activities/ activities to be discontinued.

5. NEW OR PROPOSED KEY ACTIVITIES

The Department does not have any new or proposed activities.

6. SUPPLY CHAIN MANAGEMENT

- There were no unsolicited bid proposals concluded for the year under review.
- The procurement of goods and services is centralised in the Supply Chain Management (SCM) within the office of the Chief Financial Officer. This enables the unit to ensure that procurement is done in accordance with the legislative framework. The SCM also meets end-users regularly to advise them on procurement matters to ensure that SCM processes and procedures in place are adhered to, as well as to prevent the occurrence of irregular expenditure.
- Procurement in the department has purely been driven by our approved demand plan which is prepared, implemented and monitored in-line with the PFMA.
- The Department has put in place measures to identify, report and process claims related to irregular expenditure. Additional control measures are in place to deal with SCM challenges and ensure that irregular expenditure is not incurred, particularly relating to the extension of contracts without following competitive processes, termination of contracts that have expired, etc.

7. GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

For the 2020/21 financial year, there were no declarations made in the departmental register for Gifts/Sponsorships/ Donations received by the GDED.

8. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The Department was not granted any deviation nor exemption from reporting requirements of the PFMA or Treasury Regulations (TR).

9. EVENTS AFTER THE REPORTING DATE

Covid-19 impacted the Department and its operations adversely, as lockdown regulations prevented the implementation of projects and programmes for a limited period of time and destabilised the operations of the Department.

10. OTHER

Gauteng Department of Economic Development (GDED) signed an Intergovernmental Relations Agreement with the Department of Trade and Industry and Competition (DTIC) and City of Tshwane Metropolitan (COT) for the establishment of the Tshwane Automotive Special Economic Zone (TAHSEZ) PTY(LTD). The TASEZ PTY(LTD) was established as a special purpose vehicle and appointed as the custodian of the Tshwane Special Economic Zone project. The purpose is to facilitate the creation of an industrial complex, to lead the national and regional economic advantage for targeted investments in the automotive manufacturing sector by attracting foreign and domestic direct investments, promote regional economic development, promote skills and technology transfer, generate new and innovative economic activities, and create decent work and other economic and social benefits in the Gauteng city region.

In terms of the signed Intergovernmental Relations Agreement by the three spheres of government stated, the parties to the agreement shall contribute towards funding the bulk infrastructure services and operational cost of its establishment. As a result, GDED contributed total amount of R214 million during the 2020/21 financial year, towards funding the bulk infrastructure services (R200 million) and (R14 million) towards funding the operational cost.

11. ACKNOWLEDGEMENT/S OR APPRECIATION

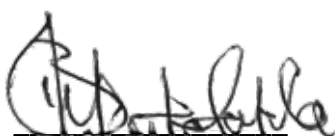
I would like to extend my appreciation to the Member of the Executive Council, MEC Parks Tau, the Gauteng Provincial Treasury, departmental leadership, staff, the Risk and Audit Management Committee Chairperson and the Cluster One Audit Committee for their hard work, dedication, and inspiring leadership, without whom we would not have been able to achieve these results.

12. CONCLUSION

I, therefore, present to you the Annual Financial Statements of the Gauteng Department of Economic Development and its trading entity, the Gauteng Liquor Board (GLB), for the financial year 2020/21. The Annual Financial Statements has been prepared in accordance with the Modified Cash Basis and Standards of Generally Recognised Accounting Practice respectively and submitted in terms of the Public Financial Management Act, 1999 (Act No. 1 of 1999).

13. APPROVAL AND SIGN OFF

The Annual Financial Statements have been prepared in accordance with the Modified Cash Basis of accounting and Standards of Generally Recognised Accounting Practice. They are set out from pages 137 to 208 and pages 212 to 240 respectively, and have been approved by both the Accounting Officer and the Auditor-General.



Mr Blake Mosley-Lefatola
Accounting Officer
Gauteng Department of Economic Development

Constitution Hill is a former prison and military fort that bears testament to South Africa's turbulent past. Today, it is home to the country's Constitutional Court, which endorses the rights of all citizens.

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

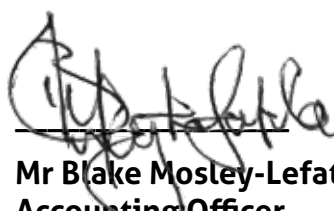
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2021.

Yours faithfully



Mr Blake Mosley-Lefatola
Accounting Officer
Gauteng Department of Economic Development

6. STRATEGIC OVERVIEW

6.1 Vision

A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting in decent work, economic inclusion and equity.

6.2 Mission

The mission of the GDED in pursuit of its vision is to:

- Provide an enabling policy and legislative environment for equitable economic growth and development.
- Develop and implement programmes and projects that will:
 - Revitalise Gauteng's township and solidarity economies;
 - Build new smart, green knowledge-based economy and industries;
 - Facilitate the inclusion in key economic sectors;
 - Integrate and empower marginalised groups into the mainstream economy activities; and
 - Promote and facilitate transformative partnerships for effective delivery of the mandate.

6.3 Values

The department's values are:

- **Caring** - To care for those we serve and work with.
- **Competence** – Propel the ability and capacity to do the job we are appointed to do.
- **Accountability** - We take full responsibility of our actions.
- **Integrity** - To be honest and to do the right things.
- **Innovation** -To be open to new ideas and develop creative solutions to problems in a resourceful way.
- **Responsiveness** - To serve the needs of our citizens and employees in totality.

7. LEGISLATIVE AND OTHER MANDATES

Constitutional, National and Provincial Legislative Mandates

Constitutional Mandate

In terms of Schedule 4 (Part A) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), provinces have concurrent legislative competence with the National Government in respect of, inter alia, urban and rural development. Casinos, racing, gambling and wagering as well as consumer protection are also areas of

concurrent national and provincial legislative competence as per Schedule 4 (Part A) of the Constitution. Schedule 4 (Part B) provides for provincial and national legislatures to have concurrent legislative competence in respect of local government matters such as municipal planning. In terms of Schedule 5 (Part A), provinces have exclusive legislative competence over provincial planning. Liquor licencing is also a functional area of exclusive provincial legislative competence as per Schedule 5 (Part A) of the Constitution. Section 154 provides that the national and the provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

The South African Constitution requires that all spheres of government work together to address poverty, under-development, marginalisation of individuals and communities and other legacies of apartheid and discrimination.

In addition to the Constitution, there are various related and relevant legislations and policies, that provide the provincial government with its mandate and, specifically, guide the Gauteng Department of Economic Development as it executes its mandate.

National Legislative Mandate

- Constitution of the Republic of South Africa, 1996
- Public Finance Management Act (PFMA), 1999
- Promotion of Access to Information Act (PAIA), 2000
- Employment Equity Act, 1998
- National Archives and Record Service of South Africa Act, 1996
- Promotion of Administrative Justice Act (PAJA), 2000
- National Credit Act, 2005
- Consumer Protection Act, 2008
- Businesses Act, 1991
- Public Service Act, 1994
- Public Service Regulations, 2016
- Skills Development Act, 1998
- Preferential Procurement Policy Framework Act, 2000
- National Small Business Act, 1996
- Municipal Systems Act, 2000
- Tourism Act, 2014
- Cooperatives Act, 2005
- Special Economic Zones Act, 2014
- Code of Conduct for the Public Service
- Liquor Products Act, 1989
- Intergovernmental Fiscal Relations Act, 1997
- Broad Based Black Economic Empowerment Act, 2003
- Intergovernmental Relations Framework Act, 2005
- Batho Pele Principles

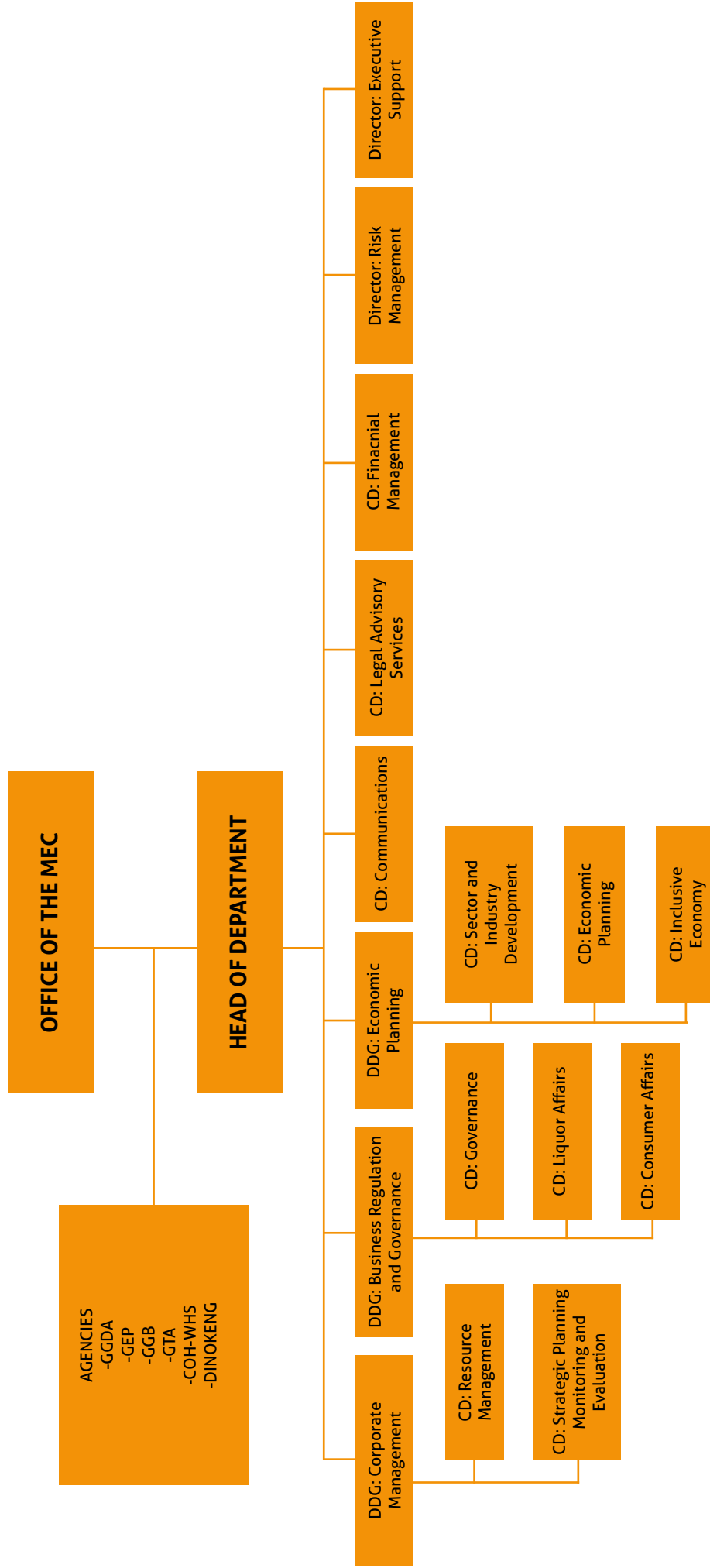
Provincial Legislative Mandate

- Gauteng Growth and Development Agency Act, 2012
- Gauteng Enterprise Propeller Act, 2005
- Gauteng Gambling Act, 1995
- Consumer Affairs (Unfair Business Practices) Act, 1996
- Gauteng Tourism Act, 2001
- Gauteng Liquor Act, 2003

The Maropeng Visitor Centre is an award-winning, world-class exhibition, focusing on the development of humans and our ancestors over the past few million years. The site is jointly owned by Wits University and the Gauteng Provincial Government (GPG).



8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The table below indicates the entities that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Gauteng Enterprise Propeller	To primarily drive the revitalisation of township economies and enhance the participation of SMMEs and Co-operatives in the province's mainstream economy.	The entity received monthly allocation based on their Annual Performance Plan	Implementing agent of the Department
Gauteng Gambling Board	To regulate and transform the industry in a transparent, ethical, equitable, competent and efficient manner for the benefit of all stakeholders	The Gauteng Gambling Board collects tax revenue for the benefit of the fiscus.	Implementing agent of the Department
Gauteng Growth and Development Agency	To be the premier catalyst of innovative and sustainable growth and socio-economic development within the Southern African region.	The entity received a monthly allocation based on its Annual Performance Plan	Implementing agent of the Department
Gauteng Tourism Authority	To develop and promote, co-ordinate and facilitate responsible and sustainable tourism in Gauteng	The entity received monthly allocation based on its Annual Performance Plan	Implementing agent of the Department



PART B

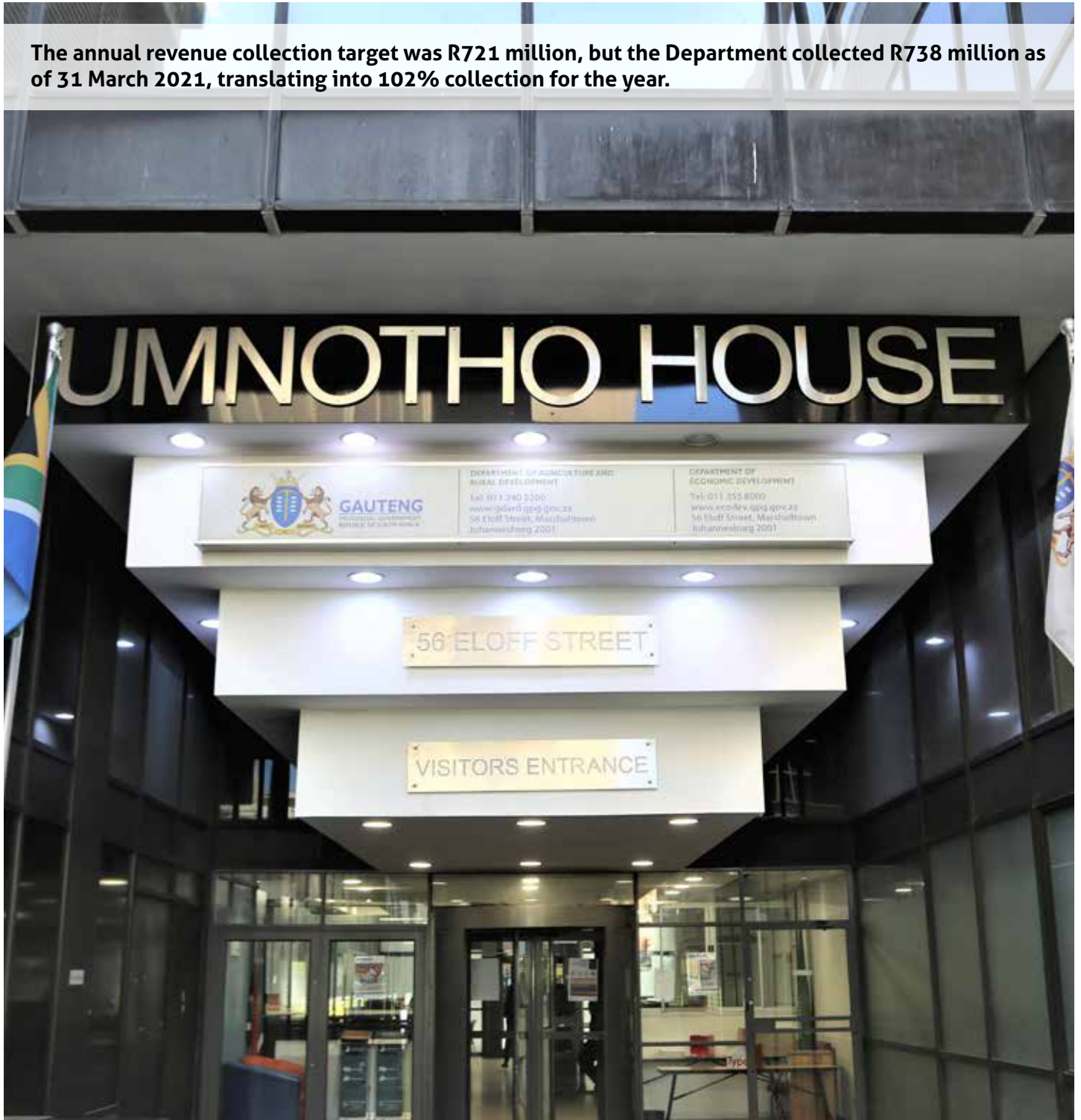
PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 134 of the Report of the Auditor General, published as Part E: Financial Information.

The annual revenue collection target was R721 million, but the Department collected R738 million as of 31 March 2021, translating into 102% collection for the year.



2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

In the context of the Gauteng Provincial Government (GPG), the Departmental mandate is aligned to Priority 02, on Economy, Jobs and Infrastructure. The 2019-2024 Medium Term Strategy Framework (MTSF), developed by the 6th administration in 2019, outlines targets that are to be achieved by 2024. The Department and its agencies are positioned to ensure contribution towards the following MTSF targets.

- Reduction of unemployment to between 20-24%
- Creation of two million new jobs for the youth
- Achievement of an economic growth rate of 2-3%; and
- Growing levels of investment to 23% of the Gross Domestic Product (GDP).

The Premier, in his state of the province address (SOPA) clearly outlined the contribution of the province as 30% of the GPG procurement spend being ring-fenced for townships business. These interventions are underway as the province approves the Township Economic Development Act, which will allow for GPG to create value chains within sectors. This encompasses the clustering of companies to provide complimentary goods to and thus increasing bargaining powers. The Act will further allow government to purchase from these clusters. Additionally, consumables will also be purchased as inputs from these clusters.

GEP is seized with the task of implementing the township economy action plan that responds to industrialisation supported through localisation and government procurement. This will assist in facilitating the creation of 100 000 jobs in the construction sector as required. The entity is currently in the process of supporting construction enterprises both financially and non-financially.

The GGT also alludes to infrastructure as an economic booster. It is on this basis that the Department is set on implementing the Special Economic Zones (SEZ) programme throughout the corridors of the province. This includes the complete construction of the Tshwane Automotive SEZ and the ORTIA SEZ. In addition, the Department will complete the technical feasibility of the Northern Corridor High Tech, Sedibeng and West Rand SEZs. Progress has been made in this area and the GGDA report will provide the relevant details. The Department will assist in the process by facilitating special purpose vehicles which will enable private sector funding and further liaising with other spheres of government to ensure that infrastructure services are available to propel these

initiatives. This infrastructure will further assist in creating local livelihoods for workers and SMMEs.

Moreover, the 10 high-growth sector opportunities will be nurtured within the SEZ, as this will serve as investments anchors in the key nodes. The Department is currently finalising the implementation of the key sector strategies to encourage the investment facilitation. This will also contribute towards the creation of upcoming new industries.

The lockdown, which was induced by the Covid-19 pandemic, largely impeded the ability of the Department to implement the economic interventions outlined above. Thus, the economic cluster re-focused on the interventions anchored on the GGT 2030 action point in response to the economic crisis brought about by the pandemic .

The scourge of unemployment in the province is a reality that has become increasingly difficult to deal with. The province has a total of 1.3 million unemployed youth, with a corresponding unemployment rate of 47.6%. This is concerning given that Gauteng has a predominantly young population. At the start of the pandemic, more than 600 000 jobs were lost in the province, primarily due to reduced economic activity that happened at the back of the hard lockdown.

Sadly, not all of these jobs have been recovered. Instead, Gauteng's overall employment level has declined to levels last witnessed as far back as the fourth quarter of 2011. There is evidence of business closures and significant layoffs in small businesses operating in Gauteng. Specifically, from a brief survey undertaken by GDED, 40% of the jobs that existed in the surveyed businesses prior to the pandemic were lost and only 41% will be retained after the pandemic. The Department was therefore required to revise the annual performance plans during the latter part of the year to re-align interventions towards the economic recovery plan as set out in the province. The province further saw the revision of the GGT 2030 as a direct response to the country situation.

The Department has seen a gradual decrease in performance throughout the agencies as well when compared to performance of the previous year. The Department is cognizant of prevailing circumstances and a constrained government expenditure. The Department and its agencies, however, remain committed to confronting challenges facing the Gauteng Economy.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department has completed the Service Delivery Improvement Plan. The tables below highlight the service delivery improvement plan and the achievements to date.

MAIN SERVICES AND STANDARDS

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Consumer Protection Service.	Citizens of Gauteng.	To investigate and resolve all consumer complaints.	To resolve consumer complaints through mediation and arbitration within 60 working days.	<ul style="list-style-type: none"> ▪ 618 Consumer complaints received; ▪ 282 Consumer complaints resolved within desired 60 working days; ▪ 97 were resolved outside the desired standard. The reason for the delays was due to suppliers' turnaround times in dealing with their investigation; ▪ 239 consumer complaints remain unresolved and under investigation due to Covid-19 impact such as businesses closed down without notifying consumers or consumers' offices changing business names and/or moving premises.
Liquor Licensing.	Citizens of Gauteng.	To issue liquor licences and permits in compliance with the Gauteng Liquor Act.	To process liquor licence applications within 90 days.	<ul style="list-style-type: none"> ▪ 2 420 Liquor licences app received; and ▪ 1 225 Liquor licences were issued within 90 days.

BATHO PELE ARRANGEMENTS WITH BENEFICIARIES (CONSULTATION ACCESS, ETC.)

Current/actual arrangements	Desired arrangements	Actual achievements
<p>445 Citizens and stakeholder activities:</p> <ul style="list-style-type: none"> ▪ Special consumer awareness programmes (youth, women, people with disability, the elderly and general consumers); ▪ Consumer education programmes for businesses (SMMEs); ▪ General consumer workshops; ▪ Financial literacy workshops; ▪ Social media (e.g. Twitter and Facebook); and ▪ Walk-ins, telephone and email received from complaints. 	<p>100 Citizens and stakeholder activities:</p> <ul style="list-style-type: none"> ▪ Special consumer awareness programmes (Youth, Women, People with Disability, the Elderly and general consumers); ▪ General Consumer workshops; ▪ Consumer education programmes for businesses (SMME's) ▪ Social media (e.g. Twitter and Facebook); and ▪ Walk-ins, telephone and email received from complaints. 	<p>89 Citizens and stakeholder activities</p> <p>Activities conducted included:</p> <ul style="list-style-type: none"> ▪ Face-to-face workshops/ outreach events; ▪ Webinars for general consumers and for business (SMMEs); and ▪ 11 activities were not conducted due to cancellation by stakeholders in fear of Covid-19 second waves outbreak.
<p>Citizens and stakeholder activities:</p> <ul style="list-style-type: none"> ▪ 222 liquor awareness sessions conducted; Four (04) social responsibility programmes; and ▪ 8 415 liquor compliance activities conducted. 	<p>Citizens and stakeholder activities to be conducted:</p> <ul style="list-style-type: none"> ▪ 100 liquor awareness activities, ▪ 04 Social responsibility programmes; and ▪ 11 065 liquor compliance activities to be conducted. 	<p>Citizen and stakeholder activities were conducted:</p> <ul style="list-style-type: none"> ▪ 62 liquor awareness activities conducted (this include youth, women, people with disability and the elderly) ▪ Two (02) social responsibility programmes conducted; and ▪ 3 640 liquor compliance was inspections conducted.
<p>There is a greater use of indigenous languages in the Department and citizens were assisted in the languages of their choice:</p> <ul style="list-style-type: none"> ▪ English; ▪ IsiZulu; ▪ IsiNdebele; ▪ IsiXhosa; ▪ Xitsonga; ▪ Setswana; ▪ Tshivenda; ▪ Sesotho; ▪ Afrikaans; and ▪ Sign language 	N/A	<p>Frontline officials are multilingual thus citizens got assistance in the languages of their choice:</p> <ul style="list-style-type: none"> ▪ Sign language ▪ English; ▪ IsiZulu; ▪ IsiNdebele; ▪ IsiXhosa; ▪ Xitsonga; ▪ Setswana; ▪ Tshivenda; ▪ Sesotho; and ▪ Afrikaans.

SERVICE DELIVERY INFORMATION TOOL

Current/Actual Information Tools	Desired Information Tools	Actual Achievements
<p>Citizens could access services at the head office and there are four regional offices to minimise the distance travelled by citizens to access services:</p> <ul style="list-style-type: none"> ▪ Marshalltown ▪ West Rand ▪ Sedibeng ▪ Ekurhuleni ▪ Tshwane ▪ Soweto (Consumer Affairs only) ▪ Five (05) GDED group mobile offices (buses) that were utilised for key outreach programs. 	N/A	<p>Citizens could access services at the head office and there are four regional offices to minimise the distance travelled by citizens to access services:</p> <ul style="list-style-type: none"> ▪ Marshalltown ▪ West Rand ▪ Sedibeng ▪ Ekurhuleni ▪ Tshwane ▪ Soweto (Consumer Affairs only) ▪ Five (5) GDED group mobile offices (buses) that were utilised for key outreach programs.

COMPLAINTS MECHANISM

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>The effective utilisation of the complaints, compliments and suggestion boxes and the Premier's Hotline by citizens</p>	<p>To ensure redress of Batho Pele Principles (service delivery) violations.</p>	<p>Number of Batho Pele Principles (service delivery) violations received:</p> <ul style="list-style-type: none"> ▪ 26 complaints received; ▪ 20 complaints resolved; and ▪ 06 queries pending. <p>Pending queries are as a result of:</p> <ul style="list-style-type: none"> ▪ Incomplete information; ▪ Objections underway; ▪ Petition underway; ▪ Dispute between GLB and complainant; and – Outstanding investigation report.

2.3. ORGANISATIONAL ENVIRONMENT

Organisational Perspective

The Departmental Functional and Organisational structure was endorsed by the Minister of Public Service and Administration (MPSA) in November 2012, and was implemented by GDED in August 2013. The Department is in the process of proposing a new structure to the Office of the Premier and the MPSA that will fully respond to the Departmental mandate.

An analysis on the re-configuration of Sector and Industry Development along the provisions of the GCR Economic Development Plan and the GGT2030 plan has been conducted with the purpose of ensuring that the Department effectively and efficiently implements the GCR Economic Development Plan, GGT2030 and Sector Strategies. Consultations on the proposed structure were made with relevant senior managers following the Strategic Planning Session that was held in October 2019. In October 2020, the proposed structure was aligned to the GGT2030 as per the Premier's SOPA pronouncement and was presented to the Senior management Team (SMT)

meeting with changes in the administration emanating from the Gauteng Cabinet reshuffle. Engagements with all stakeholders have commenced. Consultations will be conducted with the Department of Public Service and Administration (DPSA), via Office of the Premier (OOP), about the proposed structure.

There were no system failures affecting operations during the period under review. The Information Communication and Technology — which includes the networks, servers, switches and other accessories — has been stable and performed at the optimal level. The business systems were available at the acceptable level of 95%.

To continuously address and manage matters of mutual interest between management and organised labour, the Department set up a Departmental Standing Committee (DSC). This committee is constituted by members of the management team, organised labour and the Chief negotiator is the Deputy Director General: Corporate Services leads the management team as delegated by the HoD. In the year under review, the Department embarked on 4 meetings, and this was due to the pandemic and lack of

tools of trade needed to operate remotely among some of the committee members. The discussions in the committee centred around the Department's Covid response, human resources policies that affect staff directly, the continuous monitoring of trends that respond to grievances lodged, as well as the proposed structure to be presented to the DPSA.

The Department also notes the resignation of the HoD before her employment contract was due to expire. The Department has, however, continued with the required administrative compliance. The former Accounting Officer was replaced by an Acting HoD for the remainder of the financial year. The process allowed for a proper handover, facilitating stability during this transitional period. During year under review, the Department also received a substantial number of employee resignations, particularly within the Senior management team. This has also hampered the degree of service delivery because of the resulting lack of capacity in crucial areas. A new MEC was appointed in December 2020. While it was agreed that this development would not result in any changes to the existing plans, the management team began a process of reviewing the Theory of Change and ensuring clear alignments to the GGT 2030 provincial plan. These changes will, however, be reflected in the upcoming annual performance plan. The Department is confident that with the new leadership and the filling of vacant post, the Department will be in line to deliver on the mandate of the Sixth Administration accordingly.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The National Policy Development Framework, 2020, was approved by Cabinet on 02 December 2020. It seeks to entrench good public policy-making practices in South Africa by setting out clear principles, standards and guidelines for effective policy development and implementation. Most importantly, it embeds the Socio-Economic Impact Assessment System (SEIAS) in the policy-making process.

SEIAS is a system and a methodological approach for analysing impacts on regulatory propositions through problem identification, clearer policy outcomes development, evidence-based policy options, sound implementation of plans and risk management. In February 2021, the Provincial Cabinet resolved that the Gauteng Provincial Government will implement SEIAS by ensuring that it was integrated within the policy-making process and used to improve the quality of public policies in the province. Furthermore, the SEIAS should be conducted on all new policies, bills (legislation) and regulations to be introduced in the Gauteng Province.

3. ACHIEVEMENT OF INSTITUTIONAL

IMPACTS AND OUTCOMES

Impact: An inclusive and sustainable economic growth that stimulates job creation in the Gauteng City Region.

Outcome 1: Evidence based decision making in the GDED group promoted.

Outcome Indicator: Number of GDED economic strategies implemented.

Progress Towards the Achievement:

A thematic intelligence report (Township Baseline Study) was completed as planned and this solely focused on Mogale City. Two (02) impact studies were conducted with the first one — titled "The Impact Assessment Report of Financial Inclusion on Poverty Alleviation in Gauteng" — presented at the Public-Sector Economists Forum (PSEF) conference in Kimberley in 2019. The second impact assessment report — titled "The Impact of Foreign Direct Investment on Employment and Gross Domestic Product" — was completed in March 2020.

The project on GPG Macroeconomic Modelling and Capacity Building programme achieved set deliverables. These included finalising estimations of the base model, building coefficient matrix, the work on the computer programme to be used in the model.

Economic Modelling partnered with Applied Development Research Solutions (ADRS) to conduct a study on the economic impact of the Covid-19 pandemic on the national and provincial economy. Work has also begun on a related study looking at how Covid-19 has impacted Gauteng Tourism. Recommendations and improvement plans were shared with Gauteng Tourism Authority (GTA).

The study also demonstrated the benefits of successfully implemented provincial growth and development plans. The six-pillar policy option suggested by the findings shows that the short-term impact of Covid-19 on growth, employment and poverty can be lessened, the recovery period shortened, and, over the next ten years, the size of the economy will increase significantly. Since early June 2020, presentations of the study have been made at various platforms such as to Executive Council (EXCO) and the National Planning Commission.

As part of Covid-19 impact assessment, an additional study was conducted to assess the extent to which SMMEs that are on GEP's database were impacted by the pandemic. The findings indicated that only 41% of the jobs that had existed within the surveyed SMMEs prior to Covid-19 would be retained going forward. Additionally, most SMMEs struggled to meet payroll obligations and a significant number of them were contemplating closing shop.

The Department to produce EXCO barometer reports based on the developments that emerged within the economic landscape. Ongoing economic information collation and analyses allowed continuous improvement of the reports throughout the year.

The first Covid-19 Impact Survey on Tourism conducted in during this period by National Department of Tourism, in partnership with Gauteng and other provinces, quantified the extent of the impact of Covid-19 on tourism business (including SMMEs). The findings of the surveys showed that 99% (1 594) of the overall 1 610 tourism business respondents were in distress as a result of the Covid-19 pandemic.

Outcome 2: An enabled business environment.

Outcome Indicator (s): Percentage of businesses complying with the regulatory frameworks.

: Percentage of perceived business environment enabling business to thrive.

Progress Towards the Achievement:

The Department conducted liquor awareness activities. This was due to partnerships established with liquor traders' associations and industry stakeholders who partnered with the Gauteng Liquor Board (GLB) in conducting the liquor awareness activities. The Department, through the GLB's inspectorate unit, also conducted joint blitz operations in collaboration with the SA Police Service and the metro police departments. In addition, compliance blitz was conducted. This was due to the partnership established with the law-enforcement agencies (SAPS), as well as metropolitan and local municipal police and inspectors. As part of regulation, GLB receives and adjudicates on applications for various licence categories, supports social responsibility programs aimed at empowering different sectors across Gauteng communities. Social responsibility programmes were also conducted. This was due to established partnerships with industry and NGO sectors that are active in the liquor industry.

Consumer outreach activities were conducted. These included various activities which took place in partnership with public and private sector stakeholders. The Department conducted compliance monitoring inspections. The purpose of the inspections was to check the level of compliance with the Consumer Protection Act by small and medium retail suppliers in the province and ensuring that the consumer rights are observed and respected by the suppliers.

Outcome 3: Industrialised economy anchored on localif, local content and government procurement.

Outcome Indicator: Percentage of manufacturing output

from GCR Industrial development zones consumed by GPG departments.

Progress Towards the Achievement:

The Township Economy Development Bill has been pre-certified by the state lawyers after extensive consultations with stakeholders. The Pre-certified Bill has been routed to EXCO for noting and referral to the Legislature.

The Department continues to implement the Township Economy Action Plan – providing a much-needed institutional stability and focus. Several strategic projects will be implemented, including installation, repairs and maintenance hubs, the development of the Township Backyard Real Estate and enhancements to the taxi economy.

The Department supported consumer co-operatives through technical capacitation and workshops. In addition, the Department supported the taxi industry to comply with the registration requirements of the Co-operative Banks Development Agency. In the financial year under review, the Department supported more 10 CFIs mostly using the virtual means due to the lockdown restrictions. The unit also managed to physically assist one CFI to capture data and get its books in order.

The National Stokvel Association was licensed to operate as a CFI, a great achievement indeed in strengthening the financial muscle of the disadvantaged. Then the Young Women in Business Network CFI was licensed to operate as a mutual bank. These development auger well for the growth and stability of the sector in the light of financial challenges that members of the community are experiencing as a result of the gloomy economic outlook.

The Department successfully undertook the Gauteng Department of Economic Development (GDED) B-BBEE verification. The Department further conducted hybrid capacity building workshops for public sector officials and private and civil society stakeholders respectively and surpassed the set target of workshops to be conducted. The Department also organized one (01) hybrid National B-BBEE Champions Forum and participated in two (02) virtual National B-BBEE Champions Forum. The directorate monitored the compliance of B-BBEE Preferential Procurement targets and local content compliance.

The GPG Local Content and Production Framework and Implementation Plan have been developed. Extensive consultations with our stakeholders have been carried out. The framework will be tabled before the EXCO in the coming year.

Outcome 4: Strengthened and responsive GDED agencies.

Outcome Indicator: Percentage compliance by GDED agencies to good governance principles.

Progress Towards the Achievement:

The Department has successfully produced detailed oversight reports that consist of non-financial and financial performance by the entities. The performance analysis developed by the unit serves as an early warning signal for oversight on performance. The Department facilitated the timeous signing of the Shareholder Compact by the MEC (Shareholder) with the agencies. The compact assist in regulating relationship between the agencies boards and the shareholder.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

The purpose of the programme is to provide strategic leadership, support and transversal business solutions to enable the MEC, HoD and GDED group to effectively deliver on the mandate of the Department.

Outcomes, outputs, output indicators, targets and actual achievements

In response to the outcome on an enabled business environment, the Department set out to measure the percentage of suppliers paid within 30 days. During the year under review, the Department paid 100% of its suppliers within 30 days. The payments process and web-cycle reports were monitored regularly to ensure that the invoices received from suppliers are settled within the prescribed period.

Former Gauteng MEC for Economic Development, Morakane Mosupyo, during the public consultation on the draft Gauteng Township Economic Development Bill.



TABLE 1.2: REPORT AGAINST THE RE-TABLED/ REVISED ANNUAL PERFORMANCE PLAN.

Programme / Sub-programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
An enabled business environment	Invoices paid within 30 days	Percentage of supplier invoices paid within 30 days	#	#	100%	100%	None	None

Indicator not reported in the year

Strategy to Overcome Areas of Under-performance

There were no areas of underperformance reported under Financial Management sub-programme.

Linking Performance with Budgets

The Programme underspent by R 33,7 million or 13,7% of its adjusted budget of R 245,8 million. In terms of the current expenditure to date, the underspending was due to the following:

- Vacant positions could not be filled, as advertisement and shortlisting could not take place due to the emergence of Covid-19 pandemic. This also resulted in less tools of trade being purchased than expected.
- Goods and Service under-spending can mainly be due to delays in appointing service providers to purchase cleaning material, touch access control and thermal screening system, bulk media buying, and the fully managed data centre.
- The underspending on Machinery and Equipment is because of non-procurement of SMS furniture, which coincided with the non-filling of vacant position for SMS.

Sub-programme Expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	5 384	5 298	86	7 869	6 334	1 536
Office of the HoD	15 963	15 178	785	25 053	15 919	9 134
Financial Management	48 334	44 688	3 646	58 996	46 090	12 906
Corporate Services	176 174	146 913	29 193	211 137	175 370	35 768
Total	245 855	212 077	33 710	303 055	243 712	59 343

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

The purpose of the programme is to create an environment towards sustainable job creation, taking into account National Development Plan (NDP) target. The implementation of projects within this programme resides mainly with the public entities reporting to the Department. The public entities were established as implementing arms of the Department and funds dedicated to the completion of projects under this programme are transferred to these entities. Specific targets are set out in the individual Annual Performance Plans of each public entity and are reported separately in their Annual Reports. Sector and Industry Development is the only business unit within the Department that reports through Programme 02.

4.2.1 Gauteng Enterprise Propeller (GEP)

The Gauteng Enterprise Propeller is a Schedule 3C Provincial Entity established under the auspices of the Gauteng Department of Economic Development to ensure that "sustainable SMMEs and co-operatives are propelled into the mainstream of the Gauteng economy". This vision has driven GEP's continued commitment to propelling SMMEs and co-operatives from the periphery into mainstream economy, thus enhancing the role of township-based small enterprises in developing the key sectors of Gauteng's formal economy.

The GEP mandate of promoting entrepreneurship, mobilising resources and facilitating an integrated approach to entrepreneurial development within the Province is in tandem with the Gauteng Entrepreneurship Model (GEM), which advocates for the integration and coordination of all small enterprise support interventions in the Gauteng Province. In line with the GEP Act, GEM promotes the integration and coordination of developmental efforts by government departments, development finance institutions (DFIs) and other entrepreneurship support providers across the province.

Through GEM's advocacy for an integrated approach to small business development in the Gauteng Province, GEP

intends to mobilise partners and resources and by so doing increase developmental impact within the entrepreneurship space. The model seeks to address challenges faced by SMMEs and co-operatives that are highly informal through the provision of compliance support, such as accreditation, product refinement, development of business plans and the creation of an environment for increased participation in the mainstream economy. This is done through linking small businesses with offtake agreements and strategic procurement opportunities in the province. The model also proposes a single window of application for the DFIs and it will serve as a developmental clearing house while also focusing on high-impact interventions that will promote the sustainability and job creation potential of supported enterprises.

Small enterprise support interventions pursued by the entity in the 2020/21 financial year were centred around the provincial Township Economy Revitalisation (TER) Strategy which seeks to move small enterprises from marginal to the mainstream economy and increase their economic participation. Key priorities during the period under review included programmes to promote entrepreneurship, leveraging on strategic partnerships to provide skills development, mentorship and incubation opportunities for entrepreneurs and targeted support aimed at addressing the persistent challenge of youth unemployment through the Youth Accelerator Programme.

GEP has continued to make a crucial contribution to the revitalisation of the township economy in support of the TER strategy, and product offerings such as the Township Business Renewal (TBR) Programme, the start-up Community Fund (CF) and the Co-operative Assistance Programme (CAP) which provide business development and investment-readiness support to township SMMEs and co-operatives have benefited over 3 000 small businesses in the 2019/20 financial period.

The entity provided non-financial support to nearly 2 058 SMMEs against an annual targeted of 2 000 for the year, comprising of skills development, marketing tools, equipment and the formalisation of small township

businesses. Continued efforts to formalise township-based informal businesses resulted in support being provided to a targeted 1 000 informal businesses, with steps also having been taken to formalise them and improve their investment readiness.

Gauteng's manufacturing sector has been declining over the past years, hence the entity's continued focus on the provision of targeted support to black and township-based enterprises in this sector, to enhance their productive capacity and ensure the realisation of economies of scale. GEP supported about 74 small-scale township manufacturers during the year to produce goods for local consumers. Given the shaky performance of this sector and increasing economic uncertainty brought about by Covid-19, support provided to manufacturers will be up-scaled in the 2021/22 financial year.

About 200 small enterprises in the West Rand and Sedibeng Regions were supported through business development support interventions, while targeted support to co-operatives benefited more than 160 Co-operatives which were provided grants and business development support interventions.

The entity's 2020/21 priorities have included purposeful steps likely to yield the desired impact when it comes to improving the plight of unemployed citizens; particularly the youth. Through its Youth Accelerator Programme, GEP provided job placement opportunities to about 240 unemployed young people across the Gauteng City Region in support of the provincial Tshepo 1 Million programme, with work having been continuing towards securing placements for a targeted additional 210 youth at the onset of the Covid-19 pandemic as at the end of the 2019/20 financial year. Through the GEP's Pitching Booster ideation programme, about 320 SMMEs also benefited from financial, business development and mentorship support which capacitated them to gain access to opportunities in the mainstream economy.

4.4.2 Gauteng Growth and Development Agency (GGDA)

The GGDA's Group performance is represented by the following core focus areas to which subsidiaries and business units at the Holdings Company all contribute:

- Identify and facilitate strategic economic infrastructure;
- Skills Development;
- Sector Development;
- Enterprise Development,
- Facilitation of job creation; and
- Facilitation of Investments and Trade.

The Group achieved 45 (73%) of the 62 planned targets and facilitated the creation of 2 512 job opportunities of which 2 132 (85%) were jobs created through investment facilitation.

GGDA Holdings

The Holding company is structured such that it provides shared services to the Group in respect of legal services, human resources management, internal audit, risk management and to some extent financial management and IT support functions amongst others. The Holding Company provides support to the Group in respect of the following core functions:

Trade, Investment and Regulatory Enablement Business Unit (TIRE)

The attraction of investments in targeted sectors contributes to the development of the province's priority sectors. Both direct investments and exports are facilitated to increase the GDP contribution leading to growth of the Gauteng economy. Strategic partners such as foreign missions and business chambers are a vital part of this approach. GGDA aims to intensify its programme and proactively partner with the private sector and other state-owned entities to support its initiatives.

The TIRE business unit achieved 50% of the six (6) planned targets and facilitated the creation of 2 132 jobs. The business unit did not achieve all its investment facilitation (FDI, DDI and BRIC) targets but managed to achieve trade and infrastructure related objectives for the year.

Enterprise Project Management Office Business Unit (EPMO)

The Enterprise Project Management Office Business Unit (EPMO) provides holistic programme management services over multiple projects located within the Group. The programme provides transversal services in respect of centralised and co-ordinated management of the group's capital infrastructure projects. The delivery of catalytic economic infrastructure is intended to change the economic face of the province in addition to unlocking potential in the key growth and development areas.

The business unit achieved two (2) of the planned seven (7) targets, reasons for the non-achievement of the targets includes:

- At the end of the reporting period, physical construction progress on the Biopark phase 3 was 48%. The construction on the project is on hold pending the outcome of the legal case that was brought about by the liquidation of the contractor's joint venture (JV) partner;
- JMP Superblock construction progress on the

additional scope reached 95.39% construction completion. The contractor suspended construction works for a week and a half during in February 2021 due to the outstanding payment certificates for certified works arising from several scope creeps on the project. The suspension of works led to the practical completion of the project being extended from the 30 March 2021 to mid-May 2021;

- The ConHill Visitors Centre target for the year was 40% construction, the target was not achieved. The construction of the ConHill visitor centre has not commenced due to the pending approvals of the top structure construction drawings/building plans by the CoJ Building Control Division; and
- Separate Treasury approvals for the Enterprise Building 2 and 3 at the TIH were not obtained as planned. The delay was due to the nature of engagements with the stakeholders (including the finalisation of the PPP agreement, the lease agreement/s, financing direct agreement) to the project, namely, the Gauteng Infrastructure Financing Agency, Gauteng Provincial Treasury, legal firms, transaction advisor, an investors. Motivations for the approvals were only completed during the fourth quarter of the financial year.

Business Intelligence

The purpose of the business unit is to conduct economic research and provide intelligence that informs the radical transformation, modernisation and re-industrialisation of Gauteng's economy by: producing research reports that inform the Growing Gauteng Together (GGT) 2030 plan; providing a repository and sourcing of relevant economic data, industry information, business directory and government articles and providing spatial information and spatial development concepts for modernisation and re-industrialisation of GCR economy. The unit achieved 100% of its six (6) planned targets.

SPDC T/A Automotive Industry Development Corporation (AIDC)

The SPDC T/A AIDC was established to provide support services to the automotive industry in Gauteng and contributes to all the core focus areas of the Group.

Its purpose is to develop the automotive manufacturing sector to globally competitive standards of excellence, through a world-class value proposition which enables effective and sustainable socio-economic growth. The organisation was established as a government support centre, to increase the local automotive industry's global competitiveness and to promote Gauteng as the automotive industry investment destination of choice.

The entity achieved 10 (83%) of the planned 12 planned targets and created 47 jobs against a planned target of 70 jobs during the period. The automotive workforce training target and the revenue generated target by SMMEs operating at the Winterveldt Enterprise Hub were not met as a result of the deferment of the launch of the replacement model for the new SUV and also because of the electricity interruptions that hampered the Hub operations.

The Innovation Hub Management Company (TIHMC)

The Innovation Hub Management Company (TIHMC) was established through a partnership between the Gauteng Provincial Government (as represented by Blue IQ) and the Southern Education and Research Alliance (SERA), i.e. a partnership between the Council for Scientific and Industrial Research (CSIR) and University of Pretoria (UP) with a view to spur the development of smart industries (high technology sectors) in Gauteng.

TIHMC achieved 14 (87%) of the planned 16 targets for the period and created 305 jobs against a planned target of 230 jobs. The core under-achievements is attributable to delays in the completion of the revision of the Land Development Master Plan and non-achievement of the planned 29% site development of the TIH Park precinct (which was impacted on by the delays encountered in the completion of the Bio-Park phase 3).

Gauteng Industrial Development Zone Development Company (GIDZ)

The purpose of the Gauteng IDZ is to drive focused manufacturing and beneficiation programmes while helping to position Gauteng as a global city region. Key to delivering this mandate is that these programmes will use international best practices, and will increase industrialisation and manufacturing capability in Gauteng. The Gauteng IDZ will support the GGDA in supporting key provincial strategies in a manner that ensures the success of those strategies.

The GIDZ achieved four (04) of its six (06) planned targets. The two targets that were not met relate to the construction of the Southern Precinct, which achieved 5% against a planned quarterly performance target of 30% construction completion. The contractor for the Southern Precinct was only handed the site in February 2021 and is currently establishing the site. The other target that was not met is that of the construction skills training of 10 students as the training was dependent on actual construction taking place at Southern Precinct.

Constitution Hill

The purpose of the Constitution Hill (ConHill) Project is to preserve historically significant buildings in a manner which makes them publicly and commercially useful and catalyse the regeneration of the Braamfontein and

Hillbrow Precincts. Historic buildings continue to be upgraded and ConHill has extended its education programmes and exhibitions to increase public participation and attendance to the precinct.

The entity achieved six (06) or 67% of the nine (09) planned targets during the reporting period. In line with the devastating effect that travel restriction have had on the tourism industry, ConHill was not spared and this is reflected in the number of visitors to the museum. The lack of revenue generated for programmes is also indicative of the pinch felt by sponsors and donors during the uncertain economic times. The last target not met is the construction of the Land Parcel E whose supply chain management (SCM) process was delayed due to a Treasury advisory halting tender processes in June 2020. Further to this that the probity audit process resulted in additional delays for the tender advertisement.

4.4.3 Sector and Industry Development

Outcomes, outputs, output indicators, targets and actual achievements

In response to the outcome on "strengthened and responsive GDED agencies", the Department planned to reconfigure GEP by developing the GEP turnaround strategy. The planned target was not achieved as planned because the received bids were unable to meet the administration and mandatory requirements of the tender. Therefore, the terms of reference (TOR) is due to be re-advertised during the first quarter of 2021/22 financial year.

Although the deviation from planned target to actual target is calculated based on the annual target, in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2021, it should be noted that the actual achievements for indicators/targets in the below table do not reflect performance for the entire 2020/21 financial year, but only for Quarter 1 (April to June 2020) of 2020/21 financial year.

In response to the outcome on strengthened and responsive GDED agencies, the Department planned to reconfigure GEP by developing the GEP turnaround strategy.



TABLE 1.1: REPORT AGAINST THE ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN UNTIL THE DATE OF RE-TABLING

Programme / Sub-programme: Sector and Industry Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Provision of strategic and sustained support to SMMEs and Black Industrialists	Reconfigure GEP	Number of GEP turnaround Strategies developed	#	#	1	0	-1	The indicator was not due for reporting prior to re-tabling	The outcome, output and the output indicator were revised to align to the strategic plan outcome

TABLE 1.2: REPORT AGAINST THE RE-TABLED/ REVISED ANNUAL PERFORMANCE PLAN.

Programme / Sub-programme: Sector and Industry Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Strengthened and responsive GDED agencies	Reconfiguration of GEP	Level of development of the GEP turnaround strategy	#	#	Development of the GEP turnaround strategy completed	None	Development of the GEP turnaround strategy was not completed	The received bidders were unable to meet the administration and mandatory requirements of the tender	

Indicator not reported in the year

Strategy to Overcome Areas of Underperformance

The Terms of Reference will be re-advertised during the first quarter of 2021/22 financial year.

Linking Performance with Budgets

The Programme spent 100% of its adjusted budget of R 477,9 million. The expenditure under this programme is solely due to the transfers made to The Gauteng Economic Propeller (GEP).

Sub-programme Expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	477 897	477 897	-	245 771	245 771	-
Total	477 987	477 987	-	245 771	245 771	-

4.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

The purpose of the programme is to ensure the re-industrialisation of the Gauteng economy targeting the ten (10) identified high growth sectors as levers to achieve high economic growth, jobs and infrastructure.

The implementation of projects within this section resides mainly with the public entities reporting to the Department. The public entities were established as implementing arms of the Department and funds are transferred directly to them. Specific targets are set in individual Annual Performance Plans for each public entity and are reported separately in their annual reports. Sector and Industry Development is only internal programme that reports in this section.

4.3.1 Cradle of Humankind World Heritage Site (COHWS) and Dinokeng Projects

The Cradle of Humankind World Heritage Site and the Dinokeng Projects are critical projects aimed at developing premier tourist destinations in the economically depressed regions in the north-eastern and north-western parts of Gauteng. In the past year, the effort of growing local and international visitors to the Cradle of Humankind World Heritage Site and Dinokeng areas, proved to be extremely difficult due to the unanticipated arrival of the Covid-19 pandemic and the threats that it has posed to the economy and particularly the tourism economy. The consequences were far-reaching and unexpected, some devastating and some quite surprisingly positive and has forced us to change the way we do things and reduce interpersonal contact to minimize the chance of infection of any other citizen.

Despite this remarkable apocalypse, during the 2020/21 period the Cradle of Humankind World Heritage Site and Dinokeng Projects managed largely to effectively carry out their respective core mandates, including the protection and promotion of the Cradle of Humankind World Heritage Site as our country obligation, and much increased attention was directed towards protecting the state-owned assets (Maropeng Visitor Centre and Dinokeng Game Reserves) and ensuring that while there was no visitation due to the nationwide lockdown, critical operational services and vulnerable staff were not impacted negatively.

In terms of the overall performance against the 2020/2021 APP, the COHWS and Dinokeng Projects had 11 output indicator targets to report on. Ten of the 11 indicator targets were achieved, while one (01) indicator target was not achieved, registering an overall achievement of 91%. The only indicator target that was not achieved had to do with the number of SMMEs supported non-financially by the Dinokeng Project. The Dinokeng Project supported 20 instead of the 24 SMMEs during this period, and the reason for under performance on this target largely had to do with budget cuts experienced during this period, which impacted project planning and implementation. However, the work achieved was leveraged through the mobilising other partners.

In the 2021/22 financial year priority by the Cradle of Humankind World Heritage Site and the Dinokeng Projects will be directed towards aggregating partnerships as a measure for maximising value for communities and townships in the jurisdiction of these projects.

4.3.2 Gauteng Tourism Authority (GTA)

The Gauteng Tourism Authority (GTA) was established in terms of the Gauteng Tourism Act, No. 18 of 1998. The said Act was repealed by Gauteng Tourism Act, No. 10 of 2001 as amended, which then became the enabling legislation. The amendments allowed for applicable GTA policies, procedures and the delegation of powers to be revised, with the rationale of operational efficiency and compliance with national legislative frameworks. The Gauteng Tourism Amendment Act, No.3 of 2006, came into effect on 7 June 2006. The Amendment Act above provided among other GTA's policies revision that a Board of Directors be established as the accounting authority.

GTA is an implementing agency of the Gauteng Department of Economic Development. The Authority's outcome – "Growing the Visitor Economy" is coined from the Authority objectives, which are to develop and promote, co-ordinate and facilitate responsible and sustainable tourism in Gauteng and other related functions. The Authority's 2020/21 programmes were implemented in line with government-wide recognised and relevant Acts, strategies and policies and the primary plan (strategy) being the National Development Plan (NDP). Especially the following NDP priorities: reduction of unemployment, inclusive growth, establishment of effective partnerships

across society, shaping South Africa's foreign policies through diplomatic and economic implementation of effective tourism programmes at national, regional and continental platforms, and becoming central to global economic competition for tourism market share.

GTA thus, contributed to the NDP's priorities by implementing projects that aimed at promoting and positioning Gauteng as the preferred business and leisure destination in Africa guided by the Gauteng Tourism Sector Strategy (GTSS), Gauteng Bidding and Hosting Strategy, Gauteng Visitor information Services Strategy, and other related strategies, with special emphasis on destination coordination, effective destination marketing and market competitiveness and diversification. Overall tourism growth in Gauteng is measured through increase in the number of international arrivals particularly from our traditional core, investment and watch list markets, increase in the number of domestic trips and enhanced visitor experience with township tourism products and community beneficiation.

The world of travel has experienced challenges during 2020/21 financial year due to the Covid-19 pandemic. The Covid-19 pandemic has enormously impacted the global tourism industry where bookings for airline and hotel decreased substantially. Worldwide travel restrictions became the norm and some countries' borders were closed entirely. This became a challenge to GTA as a DMO whose reason for existence is to generate demand for tourism from international source markets, thereby building strong destination brands and raising traveller awareness about destination offerings.

Covid-19 affected consumer attitudes toward travel and tourism, forcing the sector to transform the manner in which it offers tourism services. Marketing campaigns for example were redeveloped to attract travellers. GTA played a role in assisting the sector to apply resources in understanding the pandemic in order to get back to the business successfully, while mitigating and reducing the spread of Covid-19. The use of technology was increased to promote Gauteng's most attractive destinations. As the sector re-opened, Gauteng successfully offered experiences that are aligned with desires and interests of tourists, while also ensuring their safety.

During the year under review, GTA's focus was dominated by strategies for tourism recovery informed by the national plan, driven by the South African Tourism and the Gauteng Economic Recovery Plan. A number of projects aimed at supporting SMMEs in the province, focusing on creating space for new players especially Township SMMEs in the eventing, exhibitions and conferencing sectors were implemented. As part of creating readiness for the reopening of the sector, GTA conducted an audit for tourism infrastructure across the province in order to determine areas requiring intervention.

GTA worked with the sector in responding to the Covid-19 thereby refocusing its marketing activities, taking into cognisance that travel activities should observe Covid-19 protocols. The Authority focused on showcasing attractions on domestic platforms. As stated above, the recovery plan was premised on building confidence, preparing Gauteng attractions to comply with various health protocols required for ensuring a safe tourism sector. Furthermore, the use of the digital approach was encouraged to implement tourism activities in both domestic and international markets.

A number of bidding and hosting projects were implemented focusing on international events to positioning Gauteng as destination of choice. GTA targeted bids with potential leads development, thereby mining business opportunities for the destination for future events. Nonetheless, as part of the recovery plan, the authority targeted corporate meetings (board meetings, strategy meeting and team building meetings, group lead generation activities focusing on priority sectors linked to GGT2030 — agriculture, manufacturing, finance, aviation, automotive, trade and investment — national association, educational institutions and government departments and agencies. It used the bidding framework to enable regional spread.

4.3.4 Sector and Industry Development (SID)

Outcomes, outputs, output indicators, targets and actual achievements

In response to the outcome on "industrialised economy anchored on localisation, local content and government procurement", the Department planned to support three (3) industrial parks / sites. The indicator was not achieved as planned because the portfolio responsible for the implementation of the programme became vacant. The infrastructure development project will be implemented by GGDA in the next financial year.

The programme is also tasked to respond to the outcome on "evidence-based decision making in the GDED group promoted". The main objective of the programme was to develop sector-specific plans. The planned target was surpassed and a total of 15 sector-specific plans were developed against a planned target of 10. In addition, the Department had planned to develop the sector specific implementation monitoring tool. The process to finalise the alignment of the sectoral plans and the Economic Recovery Plan had to be completed to allow the monitoring tool to be more specific and deliberate in tracking actual performance.

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2021, it should be noted that the actual

achievements for indicators/targets in the below table do not reflect performance for the entire 2020/21 financial year, but only for Quarter 1 (April to June 2020) of 2020/21 financial year.

TABLE 1.1: REPORT AGAINST THE ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN UNTIL THE DATE OF RE-TABLING

Programme / Sub-programme: Sector and Industry Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Evidence based decision making in the GDED group promoted	GDED sector strategies	Number of high Growth Sector Plans Developed	#	#	10	0	-10	The annual target was not due for reporting prior to re-tabling.	In addition to the alignment to the GGT2030. The target needed to realign with the Recovery and Reconstruction plan in response of the Covid-19 Pandemic, taking into consideration engagements with sector specific industry role players and implementing partners.
Evidence based decision making in the GDED group promoted	GDED sector strategies	Number of high Growth Sector Implementation Plans Developed	#	#	10	0	-10		
Evidence based decision making in the GDED group promoted	GDED sector strategies	Number of Sector Strategies Developed trade and sector	#	#	3	0	-3		

Indicator not reported in the year

TABLE 1.2: REPORT AGAINST THE RE-TABLED/ REVISED ANNUAL PERFORMANCE PLAN.

Programme / Sub-programme: Sector and Industry Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	
Industrialized economy anchored on localisation, local content and government procurement	Industrial sites supported	Number of industrial parks sites supported	#	#	3	0	-3	The portfolio responsible for the implementation of the programme became vacant.	
Evidence based decision making in the GDED group promoted	GDED sector strategies implemented	Number of sector specific plans developed	#	#	10	15	5	New sectors have been included in the GGT in addition to current sectors that the Department was working on.	
Evidence based decision making in the GDED group promoted	GDED sector strategies implemented	Level of development of the sector specific implementation monitoring tool	#	#				Although the indicator was not completed, the Department has finalised the Sector Specific Skills Report and the SWOT analysis. The process to finalise the alignment of the sectoral plans and the Economic Recovery Plan had to be completed to allow the monitoring tool to be more specific and deliberate in tracking actual performance	The sector specific implementation monitoring tool is still under development. The development of the sector specific implementation monitoring tool was not completed. Development of the sector specific implementation monitoring tool completed

Indicator not reported in the year

Strategy to Overcome Areas of Under-performance

The Department has approved the plan to move the implementation of all economic infrastructure (industrial parks) projects to be implemented through the EMPO of the GGDA.

Linking Performance with Budgets

The Programme spent 100% of its adjusted budget of R 793,6 million. The expenditure under this programme is due to the transfers made to the Gauteng Growth and Development Agency, Gauteng Tourism Authority (GTA), Dinokeng and Cradle of the Humankind.

Sub-programme Expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Sector Development	192 032	192 032	-	233 260	233 260	-
Strategic Initiatives	601 640	601 640	-	636 813	636 813	-
Total	793 672	793 672	-	870 073	870 073	-

4.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

The purpose of the programme is to create a seamless business regulation and good governance environment that promotes ethical conduct, transforms industry, realises sustainable revenue generation and contributes towards achievement of TMR goals.

4.4.1 Intergovernmental Relations (IGR) and Strategic Partnerships

The mandate Intergovernmental Relations (IGR) and Strategic Partnerships is to engage the corporates and any other entity which can play a crucial role in the upliftment of the township-based SMMEs. The Department held numerous engagements. The unit organised one (01) breakfast session with the captains of industry, development finance institutions and corporates in transport and logistics, ICT and manufacturing.

As its core mandate, the unit signed five (05) MoUs with Samsung (ICT), UNDP (Inclusive Economy programmes and resource mobilisation), TUT (Research, Science, Development and Innovation), Northwest university (Research and Development), Ekasi IT (ICT Youth Development Programme) and signed five (05) project charters as well. The unit, in partnership with Samsung, implemented the Entrepreneurship Bootcamp programme where 20 young participating received stipends for three (03) months. Lastly, the unit hosted the Virtual SMMEs Summit in partnership with UNDP, with Microsoft and Vodacom as the anchor sponsors, PPC Cement and Accenture as the co-sponsors. Heavy Chef provided virtual training sessions and access to the SMME development suites. The purpose of the summit was to bring Gauteng SMMEs together to overcome the financial burdens

caused by Covid-19, provide strategies and opportunities to combat the existing challenges, create a platform for SMME collaboration and co-creation capabilities, as well as to provide targeted and sector-specific support for SMMEs now and post-crisis.

This summit attracted 162 SMMEs which were selected using the SME-ED system owned by Accenture. The purpose of using this system was profiling, skills development and capacity building opportunities through Accenture's partners. Corporates played a pivotal role at this summit as they shared with the SMMEs opportunities available in their value chain and the criteria to accede to these opportunities. Three (03) of the SMMEs that participated in the inaugural summit in 2019 shared their stories of resilience and expressed gratitude to PPC for the opportunities they received after the summit. About 27 corporates attended the summit.

4.4.2 Liquor Affairs

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Gauteng Liquor Board (GLB) is tasked with the responsibility of regulating the liquor industry and to ensure that the liquor trade is conducted in a regulated environment.

In response to the outcome on "an enabled business environment", the Department planned to conduct three (03) liquor compliance blitzes, which were achieved as planned. In addition, three (03) liquor compliance blitzes were carried out prior to the re-tableting of the APP, bringing the total of six (06) blitzes conducted during the year under review. Joint operations were conducted in a collaboration between SAPS, metro police departments and the Gauteng Liquor Board's inspectorate unit on a quarterly basis in

line with the plan. In addition, there was an overwhelming need for more collaborations in enforcing the Covid-19 regulations and health protocols, hence the target was achieved.

The GLB conducted 62 liquor awareness activities against the annual target of 100. This is due to the restrictions on gatherings that affected the conducting of physical workshops. However, the GLB adapted workshops to a more targeted approach focusing on newly licensed traders and the traders who visited the entity for the renewal of their licences and other services that the entity is responsible for.

The entity also collaborated with its stakeholders in conducting awareness activities focussing on themes such as: underage drinking workshops targeting youth; responsible drinking workshops; liquor traders workshops; workshops with SAPS liquor officers; and training workshops for the newly licenced liquor traders. While the list is not exhaustive, these aforementioned were some of the activities carried out across the five regions of Gauteng to educate and create awareness about responsible trading and the negative effects of alcohol.

The regulator has additional responsibility of creating awareness about the negative effects of alcohol to the different population groups in society. The major focus areas for the entity is compliance and enforcement, which became more important for the reporting year following the outbreak of the Covid-19 pandemic. Liquor trade was identified as a driver of infection and spread of Covid-19. Therefore, awareness and compliance with the Covid-19 health protocols took centre stage for the entity and the industry at large.

The annual target for the number of social responsibility programmes conducted was achieved as planned. The

achievement of the target was due to established partnerships with industry actors and NGOs that are active in the liquor industry. The social responsibility indicator and programs seek to further empower the various sectors within the industry on matters ranging from fighting against alcohol abuse, transformation and business opportunities in the industry, social and economic issues, responsible drinking, and social decay as result of excessive alcohol consumption. The themes that were supported through the women’s event workshop included the men’s conference, a youth seminar and the substance abuse event. The programs are intended to empower industry stakeholders and to expand the footprint of the regulator beyond the liquor industry.

The migration to an automated liquor system environment has been stalled by technical glitches in the automated liquor system. The entity is in the process of appointing a new service provider to bring the system to its optimal use and enable the GLB to gradually migrate from the manual system to an automated environment. Migration to an automated environment is long overdue for the entity, especially given that modernisation of public services is one of the major priorities of Gauteng Provincial Government. This will bring efficiency into the industry and increase access to the services rendered by the entity. It is a considered view that automation significantly reduces the cost of doing business.

Although the deviation from planned target to actual target is calculated based on the Annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2021, it should be noted that the actual achievements for indicators/targets in the below table do not reflect performance for the entire 2020/21 financial year, but only for Quarter 1 (April to June 2020) of 2020/21 financial year.

The Gauteng Liquor Board collaborated with stakeholders in conducting awareness activities, focussing on drinking workshops targeting youth and responsible drinking.



TABLE 1.1: REPORT AGAINST THE ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN UNTIL THE DATE OF RE-TABLING

Programme / Sub-programme: Liquor Affairs									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
An enabled business environment	Liquor compliance campaigns conducted	Number of liquor compliance blitz conducted	#	4	8	3	-5	The annual target was not due for reporting prior to re-tabling	The target needed to realign with the Recovery and Reconstruction plan in response of the Covid-19 Pandemic.

Indicator not reported in the year

TABLE 1.2: REPORT AGAINST THE RE-TABLED/ REVISED ANNUAL PERFORMANCE PLAN.

Programme / Sub-programme: Liquor Affairs									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
An enabled business environment	Liquor compliance campaigns conducted	Number of liquor compliance blitz conducted	#	4	4	3	3	None	None
An enabled business environment	Liquor education and Awareness activities conducted	Number of Liquor awareness activities conducted	250	222	100	62	-38	Inability of the GLB to hold liquor awareness activities in public spaces such as community halls and venues.	

Indicator not reported in the year

Strategy to Overcome Areas of Under performance

The entity will introduce a multi-pronged approach to its liquor awareness activities such as:

- Expanding online awareness activities to traders who have access to the internet and increase its media-based awareness activities to increase its footprint across the Gauteng province;

The intervention will assist the entity in achieving its targets and cumulatively contribute towards the achievement of the departmental objectives.

Reporting on the Institutional Response to the Covid-19 Pandemic

The advent of the Covid-19 pandemic had an adverse impact to the Gauteng Liquor Board activities, the liquor industry and its economy across the province and the country as a whole. The Covid-19 disaster regulations prohibited liquor sale and trade of liquor, thereby impacting on the industry value chain.

Liquor trade was completely shut through level 05 and 04 and restrictions were opened briefly in level 3. But it was subsequently suspended as liquor consumption was identified as a driver of Covid-19 infections, as well as because of the pressure it caused on the health system. In addition, although liquor trade was allowed with limited hours of trade during level 02 and 01, the trading hours were still limited.

In light of the disaster regulations and the dangers of alcohol consumption and the risks that it posed in fighting against the pandemic, GLB embarked on awareness initiatives targeting various stakeholders throughout the various risk levels. The awareness activities were conducted through multiple approaches in conjunction with stakeholders and through various platforms, but mainly on media as traditional workshops were restricted.

A plan focusing on two main themes was developed to drive messages to the public and the liquor traders focusing mainly on adherence to Covid-19 Health protocols. The focus was on observing social distancing while in the liquor premises, wearing of masks and hand sanitisation, as well as monitoring responsible drinking and adherence to Covid-19 protocols at all times.

Liquor inspectors conducted joint operations in collaboration with other law enforcement agencies through the various adjusted risk levels. During full lockdown, they monitored illegal trade and compliance with disaster management regulations. Furthermore, during levels 03 and 02 when liquor trade was permitted, GLB inspectors conducted inspections to monitor the adherence to Covid-19 regulations, monitoring whether or not traders were trading according to the stipulated hours of trade in line with the regulations. They also inspected the implementation of standard requirements for premises such as clean water, sanitisers, social distancing and the minimum numbers allowed on consumption outlets. They also inspected whether or not traders were implementing and enforcing the protocols. The central message to traders, patrons and the general public centred around the observance of regulations, as well safety and health protocols.

Furthermore, GLB used media platforms to spread awareness. Many of its activities were activated through electronic media platforms as the traditional approach to conducting workshops was restricted. A total of 12 radio interviews were conducted, with a focus on responsible trade and compliance with Covid-19 protocols. Patrons and the general public were informed about the protocols they need to adhere to while at the premises in order to protect themselves and everyone around them.

The entity issued a notice to its traders through the liquor consultants and industry partners targeting traders. The notice was provided clarity on regulations as and when there were changes to the conditions. This always assisted in keeping the stakeholders informed. The entity also introduced a payment holiday for its stakeholders who were in need of relief from paying license renewal fees at a time when they were unable to trade and raise money for their renewal. The payment holiday was spanned the period between 01 April 2020 and 31st of December 2020. During this period, traders got reprieve from paying their licence renewal fees and no penalties were imposed.

Liquor trading was prohibited during alert level 4 and 5 lockdown regulations.



TABLE: PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Budget Programme	Intervention	Geographic location (Province/ District/ local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Liquor Affairs	The Entity conducted twelve (12) radio interviews on community and public radio stations.	Gauteng Province	-	-	-	-	Creation of awareness on Covid-19 cumulatively contributed to the indicator on awareness activities conducted.	Public awareness on alcohol abuse and the Covid-19 health protocols.
Liquor Affairs	Compliance blitzes conducted	All five regions of Gauteng	-	-	-	-	Blitzes conducted cumulatively contributed to the APP target	Compliant traders

4.4.3. Consumer Affairs

Outcomes, outputs, output indicators, targets and actual achievements

In response to the outcome on “an enabled business environment”, the Department successfully conducted 168 businesses compliance monitoring inspections in line with its plan. The purpose of the inspections was to check the level of compliance with the Consumer Protection Act in the province and ensuring that the consumer rights are observed and respected by the suppliers.

A total of 379 consumer complaints were resolved in the year under review, of that 282 were resolved within 60 working days which equates to 74%. A set target of 90% was achieved. This was due to the complaints pending due to delayed responses from the suppliers and suppliers who had deregistered their businesses, changed the name of businesses or moved premises without notification.

The unresolved consumer complaints emanating from unresponsive respondents will be referred to the Consumer Affairs court for prosecution by the office and adjudication by the members of the court. Payment plans have been negotiated between suppliers and consumers for businesses that have closed down due to the Covid-19 pandemic.

The Department had planned to conduct 168 businesses compliance monitoring inspections and these were achieved.



TABLE 1.2: REPORT AGAINST THE RE-TABLED/ REVISED ANNUAL PERFORMANCE PLAN.

Programme / Sub-programme: Consumer Affairs									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for Deviations	
An enabled business environment	Business compliance monitoring inspections conducted	Number of business compliance monitoring inspections conducted	#	145	168	168	None	None	

Indicator not reported in the year

Strategy to Overcome Areas of Under performance

There were no areas of underperformance reported under Consumer Affairs sub programme.

Reporting on the Institutional Response to the Covid-19 Pandemic

The Department collaborated with the Competition Commission in an efforts to protect consumers during the State of National Disaster by examining complaints from consumers and conducting compliance monitoring inspections on businesses, retailers charging excessive prices and / or exploitative pricing of essential products and services. Such essential products included facemasks, hand sanitisers, basic foods and cleaning products and services.

The Department enforce the consumer and customer National Disaster Management regulations and directions as published by the Minister of Trade Industry and Competition.

The Department was mandated by the Covid-19 Provincial Command Council to lead the business and compliance sub-work stream and conduct compliance monitoring inspections ensuring compliance with the Covid-19 regulations and protocols by monitoring compliance with the proviso of the correct sanitiser, physical distancing markings, the wearing of masks and keeping Covid-19 records. An estimated 3000 stores were inspected at various businesses and inspections were also repeated, targeting hot spots in all corridors of the province.

TABLE: PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Budget Programme	Intervention	Geographic location (Province/ District/ local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Consumer Affairs	Business Compliance monitoring on Regulations published for the Protection of Consumers and the Monitoring of Covid-19 Regulations and Protocols	Across the five (5) corridors of Gauteng	3000 inspections at stores, shopping malls/centres and spaza shops were conducted	-	-	None	Compliance monitoring	The purpose of the program was enforcing consumer and business compliance with the Covid-19 regulations, directives and protocols.

4.4.4 Tourism

Outcomes, output indicators, targets and actual achievements

In response to the outcome on "an enabled business environment", the Department had planned to conduct 35 responsible tourism workshops as part of advocating for compliance. However, only 16 were realised. The underachievement was due to poor response rate (RSVP) for physical interactive workshops from invited and prospective attendees (operators and professionals) due to persistent threats of Covid-19 virus. This work will continue to be prioritised in the 2021/22 financial year by the Department and the Gauteng Tourism Authority (GTA), working with the tourism industry.

TABLE 1.2: REPORT AGAINST THE RE-TABLED/ REVISED ANNUAL PERFORMANCE PLAN.

Programme / Sub-programme: Tourism								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
An enabled business environment	Promotion of tourism practices during and post Covid-19 period	Number of responsible tourism awareness workshops held	#	#	35	16	-19	The under achievement was due to poor response rate (RSVP) for physical interactive workshops from invited and prospective attendees.

Indicator not reported in the year

Strategy to Overcome Areas of Under performance

The responsible tourism awareness workshops will be reprioritised in the 2021/22 financial year by the Gauteng Tourism Authority (GTA) working with the tourism industry.

4.4.5 Gauteng Gambling Board (GGB)

The Gauteng Gambling Board (GGB) is a statutory body established in terms of section 3 of the Gauteng Gambling Act, No. 4 of 1995, as amended (the Act). GGB is a public entity listed in Schedule 3C of the Public Finance Management Act (PFMA).

Prior to August 1996, betting on horse-racing and other sporting events was the only form of legal gambling in Gauteng. The Act was promulgated in August 1996. This Act legalised other forms of gambling in the Province and provided for the establishment of the GGB board. The following forms of activities are regulated by the GGB in Gauteng: casino gaming, betting on horse-racing and sporting events, bingo, limited pay-out gaming machines (route and site operators) and the manufacturing and supply of gambling equipment.

In terms of section 2A of the Gauteng Gambling Act, 1995, the policy mandate rests with the MEC responsible for gambling in the province. The GGB's mandate is therefore linked to the Gauteng Department of Economic Development's Programme 4 relating to Business Regulation and Governance.

The Gauteng Gambling Board's mandate is to regulate and control gambling in the province with a view to promoting ethical business conduct, an inclusive economy, revenue generation for the fiscus and promoting responsible gambling.

The performance information for the year indicates that all performance targets have been achieved except on one performance indicator. There was an underachievement

on the percentage of levies collected for the Sports Development Fund distributed for sports development. This target was set for the fourth quarter of the year and there was no distribution of funds due to the unavailability of the governance structure to approve the projects. This will be remedied by the roll out of projects scheduled in the first quarter of the new year under the approval of the Administrator.

4.4.6 Governance

Outcomes, outputs, output indicators, targets and actual achievements

In response to the outcome on "strengthened and responsive GDED agencies", the Department had planned to achieve 80% planned target by agencies. A total number of 113 targets were due for reporting and 89 were achieved translating to 79%. The performance is 1% less against 80% threshold. The reasons for underachievement are mostly related to infra-structures project delays due to procurement processes and limited investment pipeline projects.

To ensure that agencies are responsive to the GGT2030 and Department's goals and objectives, the integrated planning forum was established where agencies' 2021/22 APPs were reviewed and aligned to the GGT2030 priorities. Furthermore, the Department had successfully coordinated the appointment of new board members in the Gauteng Enterprise Propeller, the Gauteng Tourism Authority and the Gauteng Liquor Board for a three-year term office ending September 2023.

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2021, it should be noted that the actual achievements for indicators/targets in the below table do not reflect performance for the entire 2020/21 financial year, but only for Quarter 1 (April to June 2020) of 2020/21 financial year.

The Gauteng Gambling Board (GGB) is a statutory body established in terms of section 3 of the Gauteng Gambling Act, No. 4 of 1995, as amended (the Act).

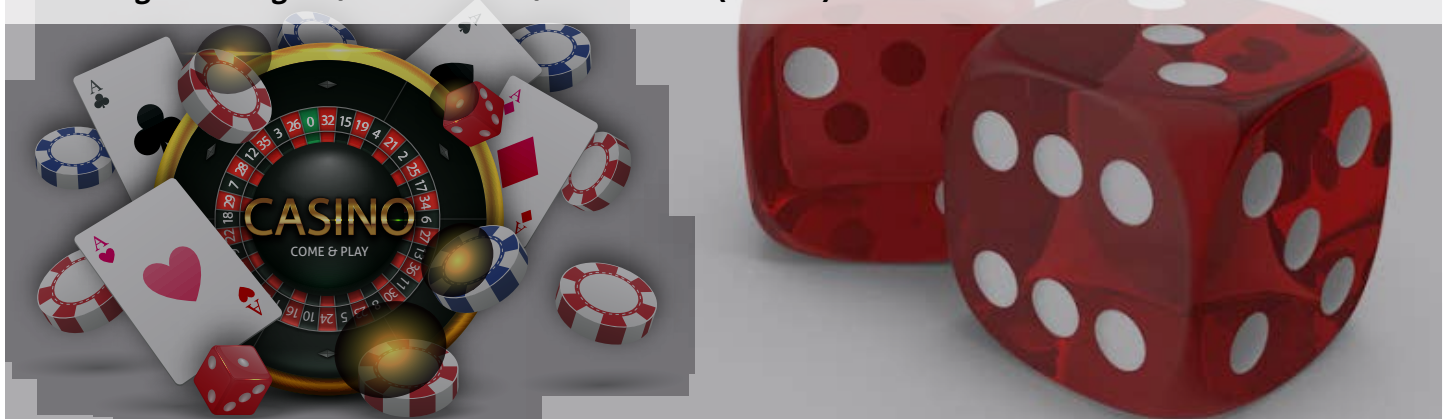


TABLE 1.1: REPORT AGAINST THE ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN UNTIL THE DATE OF RE-TABLING

Programme / Sub-programme: Governance									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Strengthened and responsive GDED agencies	Agencies performance monitored	Percentage achievement of planned target by agencies	#	#	85%	13%	-72%	The annual target was not due for reporting prior to re-tabling	The target needed to realign with the Recovery and Reconstruction plan in response of the Covid-19 Pandemic.

Indicator not reported in the year

TABLE 1.2: REPORT AGAINST THE RE-TABLED/ REVISED ANNUAL PERFORMANCE PLAN.

Programme / Sub-programme: Governance									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Strengthened and responsive GDED agencies	Agencies performance monitored	Percentage achievement of planned target by agencies	#	#	80%	79%	-1%	Delays in procurement processes and the inability to achieve investment targets as there were limited pipeline projects	

Indicator not reported in the year

Strategy to Overcome Areas of Underperformance

Departments together with respective entities will devise mechanisms to expedite the procurement processes to address under performance in the next financial year.

Linking Performance with Budgets

There's underspending of R5 million or 5,4% of the adjusted allocation of R 98,9 million, the underspending was due to the following:

- Under-spending on Goods and Services due to the long and protracted external probity audit processes that resulted in delays in the appointment of service providers for the Consumer Education and Awareness Impact Assessment Study, resulting in the non-spending of the budget.
- The sub-programme's overall performance expenditure for the year amounted to R20,5 million against the budget of R22,5 million resulting in an underspend of R1,9 million. The non-implementation of the board performance review contributed to the underspending under Governance. The planned target under the year review on Governance was not achieved.

Sub-programme Expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Governance	4 009	3 507	502	4 954	3 339	1 615
I&R and Strategic Partnerships	18 492	16 998	1 494	18 632	2 545	2 545
Consumer Protection	25 389	22 312	3 077	24 594	24 010	584
Liquor Regulation	51 032	51 032	-	59 743	59 743	-
Total	98 922	93 849	5 073	110 468	105 724	4 744

4.5 PROGRAMME 5: ECONOMIC PLANNING

The purpose of the programme is to provide thought leadership to transform and re-industrialise economic the Gauteng City Region through, policy and strategy development.

4.5.1 Economic Planning

As part of the Macroeconomic Modelling and Capacity Building Programme, a study was conducted on the economic impact of the Covid-19 on the national and provincial economy. The study also demonstrated the benefits of successfully implemented provincial growth and development plans. In fact, the alternative six-pillar policy option suggested by the findings shows that the short-term impact of Covid-19 on growth, employment and poverty can be lessened, the recovery period shortened, and, over the next ten years, the size of the economy could increase significantly. Since early June 2020, presentations of the study have been made at various platforms such as to Executive Council (EXCO) and the National Planning Commission.

The report was launched at the University of Pretoria's Gordon Institute of Business Science (GIBS) on the 22nd February 2021. Relatedly, a second impact study looking at how Covid-19 impacted Gauteng Tourism was also

conducted with the findings from the study shared with various stakeholders including the National Tourism Committee. As part of Covid-19 impact assessment, an additional study was conducted to assess the extent to which SMMEs that are on GEP's database were impacted by the pandemic. The findings indicated that only 41% of the jobs that had existed within the surveyed SMMEs prior to Covid-19 would be retained going forward. Additionally, most SMMEs struggled to meet payroll obligations and a significant number of them were contemplating closing shops.

4.5.2 Inclusive Economy

Outcomes, outputs, output indicators, targets and actual achievements

In responding to the outcome on "industrialisation economy anchored on localisation, local content and government procurement", the Department had planned to facilitate economic inclusive programmes across the Province. The Township Economy Development Bill has been pre-certified by the state lawyers after extensive consultations with stakeholders. The Pre-certified Bill has been routed to EXCO for noting and referral to the Legislature.

The Department also developed the GPG Local Content and Production Framework and Implementation Plan. Extensive consultation with stakeholders has been carried out. In addition, off-take agreements were approved by EXCO in the year under review.

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2021, it should be noted that the actual achievements for indicators/targets in the below table do not reflect performance for the entire 2020/21 financial year, but only for Quarter 1 (April to June 2020) of 2020/21 financial year.

As part of Covid-19 impact assessment, an additional study was conducted to assess the extent to which SMMEs that are on GEP's database were impacted by the pandemic.



TABLE 1.1: REPORT AGAINST THE ORIGINALLY TABLED ANNUAL PERFORMANCE PLAN UNTIL THE DATE OF RE-TABLING

Programme / Sub-programme: Inclusive Economy									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Evidence based decision making in the GDED group promoted	Gauteng Cooperative Banks Growth and Modernisation programme	Number of Cooperatives Financial Institutions supported	2	5	8	2	-6	The annual target was not due for reporting prior to re-tabling.	The indicator was relegated to the Operational Plan.

TABLE 1.2: REPORT AGAINST THE RE-TABLED/ REVISED ANNUAL PERFORMANCE PLAN.

Programme / Sub-programme: Inclusive Economy									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Industrialisation supported through localisation and government procurement	Township Economic Development bill approved	Township Economic Development bill approved by EXCO	#	#	Township Economic Development bill approved by EXCO	Township Economic Development bill approved by EXCO	None	None	None
Industrialisation supported through localisation and government procurement	GPG local production and content framework approved	GPG local production and content framework approved	#	Draft local production and content framework completed	GPG local production and content framework approved by EXCO	GPG local production and content framework have been developed.	The GPG local production and content framework has not yet been approved.	The document awaits further inputs that were required by EXCO.	
Industrialisation supported through localisation and government procurement	Off-take agreement approved	Off-take agreement approved by EXCO	#	Off-take agreement framework completed	Off-take agreement approved by EXCO	Off-take agreement approved by EXCO	None	None	None

Indicator not reported for the year

Strategy to Overcome Areas of Under performance

The Local Content and Production Framework was drafted and consulted widely throughout the GPG Departments and entities. EXCO requested for an implementation plan to support the document, thus we still in the process of further consultation before the final submission. This will be completed in the next financial year.

Reporting on the Institutional Response to the Covid-19 Pandemic

The Department initiated the design and launched of an informal trading application (app) and mobi-site as a platform to enable informal businesses to trade during lockdown. More than 2 000 applications have been processed across the province since the launch of the app which coincided with the announcement by the Minister of National COGTA. that certain business activities be permitted during level 4. The use and applications on the site have declined gradually as the restrictions were relaxed. Plans are afoot to reconfigure the app for local government to use for geo-locating, tracking informal trading activities across the province in order to enable transition to formality and growth.

The Department developed a well -structured communication plan which included both radio interview and social media campaigns to explain the APP value proposition and use. The province also used Harambe partnership to target the youth.

The Department initiated the design and launch of an informal trading application (app) and mobi-site as a platform to enable informal businesses to trade during lockdown.



TABLE: PROGRESS ON INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Budget Programme	Intervention	Geographic location (Province/ District/ local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Township Economy Development Act	Informal Trading APP and Mobisite	Province -Wide	2000 +	COJ – 36% COT – 29% EMM – 25% Sedibeng – 4% West Rand – 6%	None	None	Township Economy Development Act (Enhancing township regulatory management).	Enabling informal enterprises to operate during lockdown.

Linking Performance with Budgets

There underspending of R18,3 million, or 5,6%, of the adjusted allocation under this programme. The underspending on Compensation of Employees was due to the vacant positions that could not be filled, as advertisement and shortlisting could not take place due to the outbreak of the Covid-19 pandemic.

Under-spending on Goods and Service can be explained as follows:

- Delayed procurement processes in concluding the appointment of the GEP Reconfiguration and Economic Data Subscriptions contributed to the underspending;
- The MOA for the Hi-tech Advanced Manufacturing Cluster Plan (Medical Devices programme) and the Green Skills Programme (NBI) were not unsigned and this resulted in funds not being spent;
- The Clothing and Textile Leather and Footwear Project (GEP and VUT) because the MOA between GEP and the Department was not signed;
- Funds for the Gauteng Clothing and Textile business hub (TEDA) could not be spent due to the late signing of the SLA and MOU coupled with the lapse of term of office of the board at TEDA;
- The business case for the Economic Impact Assessment on Waste Tariffs for Gauteng project was not signed and no spending took place;
- Savings were realised on strategies and implementation assessment project due to the late signing of the SLA and the Department only paid for funds done until end of March 2021; and
- Funds for the sector benchmarking could not be spent due to lockdown restriction imposed on travelling.

Sub-programme Expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Planning	28 178	26 654	1 524	25 657	23 368	2 289
Research and Development	816	371	445	10 804	5 416	5 388
Knowledge Management	2 969	2 350	619	2 155	2 125	30
Sector and Industry Development	279 259	264 256	15 003	52 455	49 067	3 388
Inclusive Economy	17 024	16 217	807	17 854	13 723	4 131
Total	328 246	309 848	18 398	108 925	93 700	15 225

The Local Content and Production Framework was drafted and consulted on widely throughout the GPG departments and entities.



5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities, strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and the steps taken, if any, to rectify such difficulties.

Name of Public Entity	Key Outputs of the Public entity	Amount transferred to the Public Entity	Amount spent by the Public Entity	Achievements of the Public Entity
Gauteng Economic Propeller	As per APP 2020/21	477 897	217 673	As per performance information
Dinokeng	As per APP 2020/21	34 242	27 602	As per performance information
Cradle of Humankind	As per APP 2020/21	59 940	56 802	As per performance information
Gauteng Tourism Authority	As per APP 2020/21	97 850	72,092	As per performance information
Gauteng Growth and development Agency	As per APP 2020/21	601 640	448 549	As per performance information
Gauteng Liquor Board	As per APP 2020/21	24 559	24 559	As per performance information
Gauteng Gambling Board	As per APP 2020/21	26 473	26 473	As per performance information

5.2 Transfer Payments to all Organisations other than Public Entities

The table below reflects the transfer payments made for the period 01 April 2020 to 31 March 2021

Name of transferee	Type of Organisation	Purpose for which the Funds were Used	Did the Dept. Comply with s 38 (1) (j) of the PFMA	Amount Transferred (R'000)	Amount Spent by the Entity	Reasons for the Funds Unspent by the Entity
Sedibeng District Municipality (SDM)	Municipality	Aerotropolis feasibility study	GDED has a signed MOU with SDM on the utilisation of the allocated budget.	R1 537	R1 537	N/A

- The funds were received by the Sedibeng District Municipality (SDM). The Bid Specification Committee was constituted and the terms of reference have been developed and, once approved, will be send out for advertising.
- The Project Steering Committee (PSC) will be constituted and will include a GDED representative to oversee the implementation of the project.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

CONDITIONAL GRANT 1:

Department/ Municipality to whom the grant has been transferred	Gauteng Department of Economic Development (GDED) (Gauteng Growth and Development Agency)
Purpose of the Grant	R1million allocated to Gauteng Growth and Development Agency (GGDA) for the implementation of the Working for Tourism Programme. Creating job opportunities within the tourism facilities for unemployed people and upskilling them in the gardening, cleaning, and general maintenance works. We further give them an opportunity to upskill the administrative and soft skills necessary for employment and/or entrepreneurship.
Expected Outputs of the Grant	Constitution Hill Project will provide skills and work opportunities to twenty (20) locals in gardening, cleaning and general maintenance of the Constitution Hill precinct, a subsidiary of GGDA Beneficiaries will gain full-time employment or start their own business rendering these services at the end of project.
Actual Outputs Achieved	Twenty (20) locals were appointed to the programme and were responsible for the gardening, cleaning and general maintenance of the precinct. Over and above, they also screened visitors, tourists and Constitutional Hill employees for Covid-19.
Amount Per Amended DORA	N/A
Amount transferred (R'000)	R1,000,000.00
Reasons if amount as per DORA not transferred	N/A
Amount Spent by the Department/ Municipality (R'000)	R870,000.00
Reasons for the Funds Unspent by the Entity	The implementation of Extended Public Works Programme (EPWP) projects for Constitutional Hill (ConHill) was delayed by the Covid-19 pandemic, because of lockdown restrictions. However, ConHill managed to commence implementation of the project during August 2020.
Monitoring Mechanism by the Transferring Department	GDED populated the IYM Conditional Grant sheet monthly.

CONDITIONAL GRANT 2:

Department/ Municipality to Whom the Grant has been Transferred	Dinokeng Trading Entity
Purpose of the Grant	R1 million allocated to Dinokeng Trading Entity for the implementation of the "Working for Water Programme" at the Dinokeng Game Reserve.
Expected Outputs of the Grant	Dinokeng Game Reserve Project will provide skills and work opportunities to twenty-seven (27) locals to control spread of alien invader vegetation species listed under National Environmental Management Biodiversity Act (NEMBA) [No.10 of 2004] regulations and the category 1, 2 and 3 of Conservation of Agricultural Resources Act (CARA) [No. 43 of 1983]
Actual Outputs Achieved	None
Amount per Amended DORA	N/A
Amount transferred (R'000)	R1,000,000.00
Reasons if Amount as Per DORA not Transferred	N/A
Amount Spent by the Department/ Municipality (R'000)	No spending by Dinokeng Projects.
Reasons for the funds unspent by the entity	The implementation of Extended Public Works Programme (EPWP) projects for Dinokeng Projects was delayed by the Covid-19 pandemic, because of lockdown restrictions. The implementation of the Dinokeng Projects was further delayed by the signing of the Memorandum of Agreement (MoA) between Department of Environment, Forestry and Fisheries (DEFF) and the Dinokeng Projects before the "Working for Water" project could be implemented at Dinokeng Game Reserve. The MoA was only received back from DEFF by COHWHS on 26 January 2021. Lastly, discussions were held during March 2021 with DPWI, GDID, GPT and COHWHS on the feasibility of requesting roll-over to implement the project in 2021/22, unfortunately because of regulations such request could not materialise as a result of the remaining time-frame before end of 2020/21.
Monitoring mechanism by the transferring department	GDED populated the IYM Conditional Grant sheet monthly.

7. DONOR FUNDS

Not applicable to the Department.

8. CAPITAL INVESTMENT

Not applicable to the Department.



PART C

GOVERNANCE

1. INTRODUCTION

The leadership of GDED is committed to the highest standard of corporate governance in fulfilling the Department's mandate. Critical policies are in place to foster an ethical culture. The Department has established governance structures that monitor the effectiveness and efficiency of internal controls, governance and risk management. Risk management is an instrument used to support the achievement of performance and service delivery excellence as espoused by the Batho Pele principles.

2. RISK MANAGEMENT

The Department subscribes to the GPG Risk Management Framework in carrying out all such responsibilities as well as the implementation and maintenance of its risk management processes as prescribed by the PFMA.

The Department has an approved Risk Management Strategy, Policy and the Implementation Plan in pursuance of good corporate governance and the management of risks. During the year under review, the Department conducted strategic, fraud and operational risk assessments with measurable mitigations and timelines. Risk registers for each category of risks (i.e. strategy, fraud and operational) were in place and tracked monthly to ensure that risks are managed to an acceptable level. The risk identification was not a once-off event, the Department continuously identified emerging risks and developed mitigating action plans. Separate risk assessments were conducted for the Gauteng Liquor Board.

The Department has established the Risk and Audit Management Committee (RAMC), which consist of head of business units (Deputy Director General and Chief Directors), the oversight bodies (internal audit and the Gauteng Provincial Treasury Governance unit) and chaired by an independent member. The Committee was formally appointed by the Accounting Officer and its affairs were regulated by the terms of reference. The RAMC met quarterly to assist the Accounting Officer with her risk oversight responsibilities by assessing the effectiveness of the risk management processes and systems within the Department. In addition, the committee monitored the implementation of internal and external audit recommendations to ensure that effective controls are in place to reduce the likelihood of repeat findings.

The RAMC chairperson reported quarterly to the HoD and the reports were shared and discussed at the audit committee meetings.

The following key strategic risks were identified for 2020/21 financial year for the Department and Gauteng Liquor Board:

NO	DEPARTMENT'S STRATEGIC RISKS
1	Inability to continue with business operation in the event of a disaster
2.	Misalignment between the Department's APP and those of its agencies
3	Inadequate implementation of high growth sectors
4	Inability to streamline/regulate the management of the township economy
5	Inadequate oversight over the agencies
6	Inadequate implementation of the Department's strategic objectives
7	Under-spending of budget by the Department and agencies
8	Fraud and corruption
9	Inadequate consumer protection

NO	GAUTENG LIQUOR BOARD STRATEGIC RISKS:
1	Non-compliance with the Gauteng Liquor Act 02 of 2003
2.	Financial sustainability of the entity (GLB)
3	Fraud and corruption
4	Unregulated shebeens

These risks retain a rating of between medium and high at year-end and will be carried over to the 2021/22 financial year. However, efforts will be intensified to ensure such risks are managed and minimised to an acceptable level within the Department.

In view of the Covid-19 pandemic, the Department conducted risk assessments to give effect to measures required by the relevant prescripts. The mitigating plans are being monitored regularly by the leadership of the Department and the Province.

3. FRAUD AND CORRUPTION

The Department's Fraud Prevention Plan was reviewed and approved by the Accounting Officer during the year under review. The progress on the implementation of the fraud risk mitigation plan was reported to the RAMC, Gauteng Provincial Forensic audit team and the Audit Committee quarterly by the risk management unit. Awareness sessions on anti-corruption and the Code of Conduct were held with business units in the Department.

The Whistle Blowing Policy is in place and, in terms of this policy, all employees are encouraged to report fraud and corruption. The policy outline procedures on how internal and external stakeholders should report suspected cases of fraud. Employees and external stakeholders are encouraged to report cases to various structures such as National Anti-Corruption Hotline (NACH), the Premier's Hotline and the National Prosecuting Authority.

The Province established the Provincial Anti-Corruption Coordinating Committee (PACCC) and the Department participated in this committee by providing progress on fraud and corruption cases. The allegations of fraud and corruption are investigated by the Gauteng Provincial Treasury's Forensic Unit. The Chief Risk Officer follows through on the implementation of the recommendations.

4. MINIMISING CONFLICT OF INTEREST

The Department adheres to the Financial Disclosure Framework. All SMS, MMS members and employees in the Supply Chain Management and Finance units declared their financial interests for the 2020/21 financial year. In addition, employees were encouraged to apply for Remunerative Work Outside the Employee's Employment (RWOEE), which must be approved by the Executive Authority prior to conducting any remunerative work. The Department has an Ethics Officer who works closely with the Office of the Premier and the Gauteng Public Service Commission on matters relating to ethics. Conflict of interest was declared by the bid adjudication, bid specification and bid evaluation committees, as well as interview panels, when carrying out their duties. Members of these committees

and interview panels are appointed by the Accounting Officer. The Department has the following policies to guide and minimise the risk of conflict of interest:

- Remunerative Work Outside Employees' Employment;
- Financial Disclosure Framework;
- Code of Ethics and Business Conduct; and
- The Gift Policy.

These policies were communicated and are easily accessible on the GDED intranet site.

5. CODE OF CONDUCT

The Department adopted chapter 02 of the Public Service Regulations 2016, Code of Conduct, which requires the employees to observe high ethical standards. The Code of Ethics and Business Conduct Policy is in place and virtual awareness sessions were conducted with branches within the Department and during induction sessions.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety (OHS) Act, Act 85 of 1993, makes it mandatory for the employer to provide an environment that is safe and without risks to the health and safety of its employees. Such an environment is defined by the Act, which includes regulations that provide safe work procedures and measures to ensure the elimination or mitigation of any hazard or potential hazard to the safety of all employees. Appointments in line with the provisions of the Act (Section 16.2, 17, 18 and 19) were approved by the Head of Department.

The workplace environment plays a critical role in the performance and productivity of employees, encompassing physical safety and mental wellbeing. In the financial year 2020/2021, occupational health and safety compliance was heightened due to the Covid-19 pandemic, which led to the declaration of the National State of Disaster. To maintain compliance with occupational health and safety in the context of the Covid-19 threat, the Department put in place precautionary measures to manage and prevent the spread of the virus.

Provisions were made for Personal Protective Equipment, adjusting the working environment by conducting Covid-19 screening before entry is permitted to the work facilities, as well as the reinforcement of change behavior to increase hygienic and safety practices in compliance with the Covid-19 protocols. Workstations were measured and re-arranged to comply with the 1.5m social distancing requirement. General cleaning of the workplace has been intensified to maintain sterile work environments. Work surfaces are sanitised every two (2) hours to eliminate the

accumulation of SARS-CoV-2, the virus that causes Covid-19. To reinforce the culture of compliance, staff members were provided with disinfectant wet wipes to regularly sanitise their workstations.

To reduce the spread and transmission of the coronavirus through the air ventilation system, the heating, ventilation, and air conditioning (HVAC) system is designed to achieve the environmental requirements of the facility and is maintained monthly. This is further supplemented by the annual air quality testing.

All the employees and visitors entering the building were subjected to temperature and Covid-19 symptom screening to minimise the risk of spreading the virus. Employees who were infected with Covid-19 reported having mental health conditions such as trauma, anxiety, stress and fear of losing their lives. Professional intervention was provided to all the employees who tested positive for Covid-19. Psychological counselling was conducted to help them cope with the effects of Covid-19 in their lives. The nurse kept regular contact with the affected employees during their isolation and quarantine period to provide self-care tips and monitor their recovery.

7. PORTFOLIO COMMITTEES

MEETING DESCRIPTION	DATE OF THE MEETING
Presentation of the 4 th Quarter Report for the 19/20 FY and the Budget Allocation for 2020/21FY to the Portfolio Committee	22 May 2020
Presentation of Special Adjustment Appropriation Bill and Revised APPs for 2020/21 FY	07 August 2020
Presentation of the First Quarter Performance Report for 2020/21 FY	18 August 2020
Presentations of the Second Quarter Performance Reports for 2020/21 FY	13 November 2020
Presentation of the Annual Performance Report for 2019/20, Third Quarter Report for 2020/21 FY and Second Adjustment Appropriation Bill for 20/21 FY	26 February 2020

After submitting reports to the committee, the committee analyses the reports and send clarity seeking questions to the Department to provide further information. The Department provided responses to all the clarity seeking questions sent by the Portfolio Committee for the year under review.

The Proceedings Unit forwarded resolutions emanating from all the committee oversight reports as adopted by the House to the Department. They were all responded to and submitted to the Portfolio Committee through the Proceedings Unit.

8. SCOPA RESOLUTIONS

DEPARTMENT

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Progress report detailing the process of establishing a new model for the management of the visitor centres of Sterkfontein and Maropeng in the Cradle of Humankind World Heritage Site	That the Department provides the Committee with a progress report detailing the process of establishing a new model for the management of the visitor centres of Sterkfontein and Maropeng in the Cradle of Humankind World Heritage Site by 31 July 2021 and a quarterly progress report continuing up until finalisation thereof.	<p>An Interdepartmental Task Team established by the Office of the Premier to address the challenges related to the future management of the visitor centres of Sterkfontein and Maropeng in the Cradle of Humankind World Heritage Site (COHWHS) has approved the Due Diligence Report that is being implemented by the Department which has recommended various options. The Task Team has recommended the option of MAL converted into a Non Profit Company (NPC) which the legal committee is looking into the modalities of. Gauteng Provincial Treasury has given the department a Two Year Deviation Extension Approval to continue and ensure smooth uninterrupted Interpretation Services through MAL for the Interpretation Centre Complex.</p> <p>A progress report is submitted to the Audit Committee on quarterly basis and providing quarterly reports to the Portfolio Committee on the Cradle of Humankind including the Management of the ICC.</p>	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
2	Status of the investigation related to the R4 690 000 fruitless and wasteful expenditure	That the Department provides the Committee with a progress report detailing the status of the investigation related to the R4 690 000 fruitless and wasteful expenditure by 31 July 2021 and a quarterly progress report continuing up until finalization thereof	<p>Jewellery Manufacturing Project Fruitless and wasteful expenditure of an amount of R3 330 000 – is as a result of the work that was aborted worth this amount due to the re-designing of the Jewellery Manufacturing Precinct superblock building. The initial planning design of the building work done by the supplier worth R3 330 000 had to be aborted due to the changes on the specifications or amendments to the initial project plan. The decision was taken to extend or amend the planning design of the initial project while the project had already started. The change of initial work planned is due to the investor's requirement to inhouse in2food, a food processing company. Due to the approval of in2food the Site Plan completely changed and initial work done by the supplier worth R3360000 had to be aborted.</p> <p>South African Revenue Services (SARS) Fruitless and wasteful expenditure of an amount of is as a result of the penalties and interest paid to SARS, pertaining to 2000/2001 year of assessment.</p>	No

8. SCOPA RESOLUTIONS

DEPARTMENT

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
3	Progress report detailing the status of the investigation related to the R160 000.00 irregular expenditure	That the Department provides the Committee with a progress report detailing the status of the investigation related to the R160 000.00 irregular expenditure by 31 July 2021 and a quarterly progress report continuing up until finalization thereof	<p>The investigation recommended that the Department must fast track the procurement of office space with the Gauteng Department of Infrastructure Development (GDID) who is the custodian of immovable property in the Province. GDID is responsible for procurement for office space for Gauteng Provincial Government and there was a delay from GDID, as a result the Gauteng Department of Economic Development had to extend operating lease contract in order to avoid disruption of service delivery.</p> <p>Furthermore, the investigation recommended that the Department should apply for condonation of irregular expenditure to the relevant Treasury. The request for condonation was submitted to Treasury.</p>	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
4	Finalisation of the lawsuits	That the Department submits a progress report on the finalisation of the lawsuits reported for the period to 31 March 2020 by 31 July 2021 and a quarterly progress continuing up until finalization thereof.	<p>Sage Informatics (Pty) Ltd 2020/13829 Cause of Action A civil claim for R1 165 465.97 based on a Service Level Agreement entered into between the Department and Sage for the restricting of GLB and GDED records. Status The department is disputing the invoices provided by Sage for work not done. Notice to defend the matter has been filed and the State Attorney has been provided with necessary documents on the matter.</p> <p>S Maukeni vs GDED Cause for Action Civil claim for an amount of R102 799.09 The Plaintiff was employed on a fixed term contract of employment from 01 August 2005 until 31 July 2008. the Plaintiff was paid an amount of R2 000 instead of R4 937.14. Status The State Attorney is defending the matter on behalf of the department. Court documents have been filed. A consultation was held on 17 December 2020 between the State Attorney and the department's officials.</p> <p>The State Attorney has filed a special plea of prescription.</p>	No

8. SCOPA RESOLUTIONS

DEPARTMENT

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>3 Employees vs Gauteng Department of Economic Development JS89/18 Cause for Action</p> <p>This is a claim in terms of section 32 of the Basic Conditions of Employment Act, wherein the Applicants are claiming that they were performing functions at level 9 while they are appointed at level 5. As a result the employees are bringing a claim in the labour court in that the department has failed to pay all their respective outstanding remuneration from 2012 to 2017 calculated as follows; 1st Applicant R809712.00; 2nd Applicant R809 712.00; and 3rd Applicant R401752.00</p> <p>Status</p> <p>The matter is being opposed by the State Attorney on behalf of the department. Counsel has also been appointed to assist the department in defending it. Counsel has provided a memorandum for the department to consider settlement with the Applicants.</p> <p>A consultation was held on 11 June 2021 and it was resolved that the State Attorney should appoint senior counsel with expertise on labour cases to further challenge the matter.</p>	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
5	Investigation of alternative measures to reduce the occurrence of lawsuits	That the Department investigate alternative measures to reduce the occurrence of lawsuits and submit the plan to the Committee by 31 July 2021	<p>The 90% of the legal matters are from the Gauteng Liquor Board. The majority of these cases are Mandamus applications. Legal Advisory Services has taken the following strategic decision in order to reduce litigation costs:</p> <ul style="list-style-type: none"> ▪ All mandamus applications should not be opposed as these application are as a result of the Gauteng Liquor Board's failure to consider and finalise liquor licences within the prescribed time limit; ▪ The Gauteng Liquor Board should consider and finalise new liquor applications within the 90 days limit in terms of the Gauteng Liquor Act; ▪ The Gauteng Liquor Board should have regular meetings to consider and finalise liquor applications. 	Yes
6	Submission of Audit Action Plans	The Department must submit its audit action plans indicating the following: Each area of finding by the AGSA in the 2019/20 FY; Plan by the Department to address the area of finding; Time frame, and progress of implementation as at 31 st March 2021. The Department must thereafter submit quarterly progress on the implementation of the audit action plans for 2020/21 until 30 th October 2021	<ul style="list-style-type: none"> ▪ Ten (10) Action Plans have been Implemented ▪ Three (3) Action plans are in progress 	Yes

GAUTENG LIQOUR BOARD

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Submission of plans to prevent the occurrence of irregular expenditure	That the Entity must submit its plan to prevent the occurrence of irregular expenditure. This plan must include the assessment of its effect on the 2020/21 financial year, by July 2021. It must also submit quarterly assessment reports on the implementation of its plan and its impact on the 2021/22 financial year	<p>The Government Immovable Asset Management Act (GIAMA), Gazette No 19 of 2007 dated 27 November 2007 states that the Gauteng Department of Infrastructure Development (GDID) is mandated to be the custodian of all Government Immovable Asset in Gauteng and is further entrusted with the responsibility of procuring Office Accommodation for all User Departments in the province.</p> <p>To curb the perpetual irregular expenditure, on 13 January 2021 the department sent a request to GDID to go on an open tender on its behalf to procure office accommodation for West Rand and Tshwane regional offices, whilst the Soweto regional office was permanently closed by the department on 31 March 2020 due to its inhabitable status.</p> <p>To continue service delivery on the two regional offices while GDID is procuring office accommodation through the tender process; the Department approved a fixed extension for the affected regional offices effective from the 01 April 2021 to 31 September 2021, with the condition that, failure for GDID to award the tender for office accommodation by end September 2021, GDED will terminate the lease for the affected regional offices.</p>	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
2	Progress report detailing the status of the investigation related to the R8 360 000 irregular expenditure	That the Entity provides the Committee with a progress report detailing the status of the investigation related to the R8 360 000 irregular expenditure by July 2021 and a quarterly progress report continuing up until finalization thereof.	The investigation in relation to the irregular expenditure, as a results of extension of leases, was finalised. The Department submitted a request for condonation to Gauteng Provincial Treasury Irregular Expenditure Committee and awaiting feedback.	No
3	Progress report detailing the status of revenue collection since the relaxation of the Lockdown Regulations	That the Entity provides the Committee with a progress report detailing the status of revenue collection since the relaxation of the Lockdown Regulations by 31 July 2021 and a quarterly progress report continuing up until the end of June 2022	<p>The entity has collected revenue of R 12 million in the quarter under review. In the same quarter last financial year, the entity also collected R 9 million.</p> <p>Of the R12 million an amount of R 985 000 is generated from the new applications when compared to R 97 000 that was received last financial year in the same quarter.</p> <p>An amount of R 8, 9 million is for renewal of licenses when compared to R8 million that was received last financial year in the same quarter.</p>	Yes

GAUTENG LIQUOR BOARD

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
4	Submission of quarterly progress report on the finalisation of the lawsuits reported for the period to 31 March 2020	That the Entity must submit quarterly progress report on the finalisation of the lawsuits reported for the period to 31 March 2020 by 31 July 2021 and a quarterly progress report continuing up until finalization thereof.	<p>Louis Muller vs GLB 79185/2018 Cause for Action Conversion application Status oppose this application as it delayed in issuing the conversion license. The matter was set down for hearing on 22 April 2020. Matter was removed from the court roll as the tavern license was issued and collected by the Applicant. The matter is finalised.</p> <p>Norman Mbelengwa vs GLB & Others 79224/2019 Cause for Action Review application Status The GLB did not oppose the review application but opposed the legal costs on a scale of attorney and own client. The application was initially down for hearing on 15 July 2020 and was postponed as the court was not satisfied that the Sheriff had served the court application to the 3rd Respondent. The matter was re-enrolled for hearing on 22 April 2021. The court granted the order to review and set aside the liquor store license granted to the 3rd Respondent and also ordered the GLB to consider the application afresh. Court order forwarded to GLB for compliance. Matter is finalised.</p>	<p>Yes</p> <p>Yes</p>

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Darnell Viljoen & 2 Others vs GLB & 4 Others 17212/2020 Cause for Action Review application</p> <p>The Applicant alleges that the patrons are causing noise, nuisance and disturbance and are in contravention of Environment Conservation Act. It is alleged by the Applicant that the noise level caused by the music is at unacceptable levels. The application further alleges that the advert for the pub was not published in the local newspapers as required by the Gauteng Liquor Act.</p> <p>Status GLB is not opposing the court application as there is no relief sought against it. The Applicant is mainly challenging the Rand West Local Municipality in issuing the zoning certificate and the noise caused by the patrons of the pub. The matter was set down for hearing on 30 September 2020 but was removed from the roll as other Respondents have filed their notice to oppose the matter.</p>	No

GAUTENG LIQOUR BOARD

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Frik Liebenberg Business Advisory Services vs GLB 3133/2020 (JHB Mag Court)</p> <p>Cause for Action Claim for a refund of R11250 and interest. The Plaintiff claims that when making renewal in the GLB system he made multiple payments which were rejected by the system. Upon reviewing his bank statement, he discovered that the system had made multiple payments which were deducted from his bank account.</p> <p>Status State Attorney instructed to defend the matter on the basis that the GLB account does not show extra monies were paid on the system.</p> <p>The GLB has filed its Plea and Discovery affidavit.</p>	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
5	Investigation of alternative measures to reduce the occurrence of lawsuits	That the Entity must investigate alternative measures to reduce the occurrence of lawsuits and submit the plan to the Committee by 31 July 2021.	<p>The majority of these cases are Mandamus applications. Legal Advisory Services has taken the following strategic decision in order to reduce litigation costs:</p> <ul style="list-style-type: none"> ▪ All mandamus applications should not be opposed as these application are as a result of the Gauteng Liquor Board's failure to consider and finalise liquor licences within the prescribed timelimit; ▪ The Gauteng Liquor Board should consider and finalise new liquor applications within the 90 days limit in terms of the Gauteng Liquor Act; and ▪ The Gauteng Liquor Board should have regular meetings to consider and finalise liquor applications. 	Yes
6	Submission of audit action plans	The Entity must submit its audit action plans indicating the following: Each area of finding by the AGSA in the 2019/20 financial year; Plan by the Entity to address the area of finding; Time frame, and progress of implementation as at 31 st March 2021. The Department must thereafter submit quarterly progress on the implementation of the audit action plans for 2020/21 until 30 th October 2021.	<p>4 AG findings were identified</p> <ul style="list-style-type: none"> ▪ 2 Action Plans have been Implemented; and ▪ 2 Action plans are in progress. 	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no material audit findings raised by the Auditor General in the prior year, the Department audit outcomes improved to unqualified with no findings (clean audit).

GAUTENG LIQUOR BOARD

The following is a summary significant audit findings of the prior year and the progress achieved in resolving them, in relation to the Gauteng Liquor Board:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Effective and appropriate steps were not taken to prevent irregular expenditure as required by section 38(1)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by variation of lease contracts exceeding 15% without Provincial Treasury approval.	2019/20	In progress: The Gauteng Department of Infrastructure Development's (GDID) mandate is to secure accommodation on behalf of all GPG Departments. The Department depends on GDID to find suitable accommodation to resolve this matter. GDID is in a process of securing accommodation for GDED.

10. INTERNAL CONTROL UNIT

The Department does not have a dedicated Internal Control Unit. However, internal control matters are the responsibility of the relevant business units. The Risk Management Unit conducted quarterly key controls reviews to assess the effectiveness, efficiency and transparency of control activities. The report relating to the assessment of key controls was presented quarterly to the RAMC and the audit committee. In addition, the internal and external auditors evaluated the effectiveness of internal controls and action plans were developed by management to address deficiencies identified. The implementation of action plans emanating from the reviews and audits were tracked by the Risk Management Unit, Gauteng Audit Services (GAS) and the Cluster 1 Audit Committee.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The internal audit work for the Department is conducted by Gauteng Audit Services (GAS), a unit of the Gauteng Provincial Treasury. GAS provides internal audit services to all the departments in the Province on a shared service model. GAS provides assurance on the Department's effectiveness and efficiency of internal controls, governance and risk management.

A risk-based audit approach was followed and 100% of audit were conducted and reports issues as per the internal audit plan for the department and GLB. All the recommendations made by GAS were prioritised and tracked monthly by the risk management unit. Progress regarding the implementation of the action plans were reported to the risk management committee and the audit committee quarterly. The Department proactively mitigated audit findings raised by GAS throughout the year.

The following audits were conducted by the internal auditors during the year under review for the Department:

Internal Audit Activities	Audit Status
RISK AND COMPLIANCE AUDIT	
Occupational Health and Safety	Issued
Follow-Up on Corporate Governance and Risk Management	Issued
SCM: Procurement of Covid-19 Items	Issued
Follow up on AG Findings	Issued
Consumer Affairs	Issued
PERFORMANCE AUDIT	
Performance Information	Cancelled
IT AUDIT	
Data analysis - SCM / HR / FIN (2020-21, Q2)	Issued
Information security assessment	Issued
ICT risk assessment	Issued
Data analysis - ETHICS / HR / FIN (2020-21, Q4)	Issued

The following audits were conducted by the internal auditors during the year under review for Gauteng Liquor Board:

GLB Internal Audit Activities	Audit Status
RISK AND COMPLIANCE AUDIT	
Liquor License Inspectorate (Covid-19)	Issued
Revenue Management	Issued
Follow-up on AG significant findings	Issued
PERFORMANCE AUDIT	
Performance information (combined with GDED PI audit)	
IT AUDIT	
Data analysis - SCM / HR / FIN (2020-21, Q2)	Issued
Data analysis - ETHICS / HR / FIN (2020-21, Q4)	Issued

The Audit Committee serves a cluster of departments and provides oversight on audit, risk management, financial and non-financial matters. The Audit Committee approved the Department's three-year rolling Internal Audit Plan, Internal Audit Charter, the Auditor General's Audit Strategy and Budget. All Audit Committee meetings took place as scheduled and were attended by representatives of the Department and external members.

- Names and qualifications of Audit Committee external members are as follows.
- Attendance of audit committee meetings by audit committee members (Tabular form);

INFORMATION ON THIS TABLE TO BE CONFIRMED BY CLUSTER AUDIT COMMITTEE CLOSER TO THE APPROVAL OF THE AUDIT COMMITTEE REPORT BY THE CHAIRPERSON

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or External	If internal, Position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended
George Higgins	<ul style="list-style-type: none"> ▪ Chartered Accountant (SA) ▪ B. Com (Hons) ▪ B. Com ▪ Higher Diploma in Auditing 	External	-	01 September 2016	Current	03
Patrick Mnisi	<ul style="list-style-type: none"> ▪ Bachelor of Laws ▪ Post Grad Certificate in Compliance Management 	External	-	01 September 2019	Current	04
Lungelwa Sonqishe	<ul style="list-style-type: none"> ▪ Bachelor of Accounting Science. ▪ MBA ▪ Certificate in Governance 	External	-	11 August 2020	Current	05
Billy Mokale	<ul style="list-style-type: none"> ▪ BPROC LLB ▪ Diploma in Corporate Law ▪ Programme for Management Development 	External	-	01 September 2018	Resigned -16 February 2021	01

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Licences are issued to applicants without considering transformation imperatives. However, the process has started to develop B-BBEE criteria to be used when issuing liquor licences.
Developing and implementing a preferential procurement policy?	Yes	The procurement policy has been updated to be in line with the PPR 2017, sub-regulation 4 and 9. All the tenders are advertised with the inclusion of the sub-regulation 4 or 9 to ensure implementation thereof.
Determining qualification criteria for the sale of state-owned enterprises?	No	There are no assets that have been sold during the 2020/21FY
Developing criteria for entering into partnerships with the private sector?	No	All partnerships that the Department has with the private sector are to benefit black EMEs and QSEs. The Department has started a process of consulting with the B-BBEE Unit to develop partnership criteria which will advance B-BBEE Act objectives.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	Most incentives, grants, and investment schemes implemented by the Department target black EMEs and QSEs as beneficiaries.

REPORT OF THE AUDIT COMMITTEE – CLUSTER 01

GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), Five meetings were held during the current year i.e., three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Ms. Lungelwa Sonqishe (Chairperson)	05
Mr. George Higgins (Stand in Member)*	03
Mr. Patrick Mnisi	04
Mr. Billy Mokale (Resigned)	02
Mr. Stanley Ngobeni	01

*Stand in member from another cluster

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings attended
Ms. Pumla Ncapayi (Former Accounting Officer)	02
Ms. Dawn Robertson (Acting Accounting Officer)	03
Mr. Kgomotso Mojapelo (Chief Financial Officer)	05
Ms. Madiagane Morata (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Audit Committee noted that the Acting/Accounting Officer attended five (05) scheduled Committee meetings for the period under review. Therefore, the Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter in relation to ensuring that there is proper representation for the Accounting Officer.

The Members of the Committee met with the Senior Management of the Department and Internal Audit collectively to highlight risks and address challenges facing the Department. A number of in-committee meetings were

held to address internal control weaknesses and unresolved deviations within the Department.

Audit Committee Responsibility

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

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

Based on the results of the audits performed and the follow up reviews conducted, the overall opinion on the internal control design was Adequate but Ineffective to ensure that the Department objectives will be achieved.

The status of IT controls was concerning and remained stagnant when compared to the prior year. The department had maintained adequate IT governance controls due to the implementation of appropriate structures. However, there was stagnation in the areas relating to user access management as well as IT security management. IT controls were not adequately designed and implemented on the MERMS system. Furthermore, the software and anti-virus updates, required to protect the IT environment from vulnerabilities, were not adequately implemented. Management should also ensure that controls are adequately designed and implemented on the MERMS system. Furthermore, management should implement appropriate measures to ensure IT infrastructure is updated with the latest software updates.

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

The following internal audit work was completed during the year under review:

- Follow-up on Corporate Governance and Risk Management
- Occupational Health and Safety
- SCM- Covid-19 Items

- Follow-up on AG significant findings
- Consumer Affairs
- Contract Management
- Follow-up on GAS audits: Financial Management
- Data analysis - SCM / HR / FIN (Q2)
- Information Security Assessment
- ICT risk assessment
- Data Analysis – ETHICS/HR/FIN

The following were areas of concern:

- Occupational Health and Safety
- Consumer Affairs, Corporate Governance and Risk Management

Due to the Department's dependency on the entities to deliver its core mandate, it is critical that management put in place adequate and effective controls to ensure proper oversight on the governance and performance of the entities throughout the financial year.

The internal controls around the applications and renewal of liquor licences processes need to be strengthened. Furthermore, the findings raised by Auditor General and Internal Audit should also be implemented on time.

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits. The Audit Committee is satisfied that the internal auditors consulted with Management, Auditor General and the Audit Committee on its Internal Audit Plan.

The Audit Committee notes that the improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function especially with regards to the consultation on the Internal Audit Plan, which interactions has strengthened the Corporate Governance initiatives within the Department.

Coordination of efforts between internal audit and AGSA have been enhanced further during the year in the provision of assurance services. The Committee believes this is an important step towards a fully effective combined assurance.

It was noted that a Quality Assurance Review was performed by an independent external assessor and Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing. The Audit Committee monitors implementation of action plans to ensure continued conformance with the Standards.

In line with its mandate, the Committee will continue to monitor the capacity and the resources allocated to the Internal Audit function.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee notes the effort made by the Department to improve its risk management processes. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to enhance the performance of the Department. The Department should ensure that its high risk areas are adequately mitigated to acceptable level in order to obtain a clean administration. The Department should continue to monitor the implementation of its COVID Risk Register and up date is regularly.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were performed during the year under review. The Department is experiencing a backlog in the finalisation of outstanding forensic investigations. Where forensic investigation assignments are finalised, the Committee will monitor the implementation of recommendations as contained in the Forensic Investigation reports.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Committee notes the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and emphasise that the Department must ensure that its financial are free from material misstatement and that its non-financial reports is supported by the required portfolio of evidence.

Evaluation of Annual Financial Statements

The Audit Committee undertook the following activities related to Annual Financial Statements:

- Audit Committee reviewed the draft Annual Financial Statements prepared by the department before the submission of the annual financial statements to the external auditors for audit in the audit committee meeting held on 25th May 2021 and recommended them for audit.
- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;

- Reviewed the Department's compliance with legal and regulatory provisions; and

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

The Audit Committee remains concerned with differences of opinion between management and AGSA on treatment of lease agreements that means unresolved.

One-on-One Meeting with the Accounting Officer

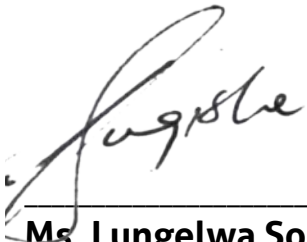
The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

One-on-One Meetings with the Executive Authority

The Audit Committee met with the Executive Authority for the Department to apprise the MEC on the performance of the Department it believes that the frequency of these interactions would be more beneficial to the Executive Authority.

Auditor-General of South Africa

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues.



Ms. Lungelwa Sonqishe
Chairperson of the Audit Committee
Date: 18 August 2021

REPORT OF THE AUDIT COMMITTEE – CLUSTER 01
GAUTENG LIQUOR BOARD

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), Five meetings were held during the current year i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Ms. Lungelwa Sonqishe (Chairperson)	05
Mr. George Higgins (Stand in Member)*	03
Mr. Patrick Mnisi	04
Mr. Billy Mokale (Resigned)	02
Mr. Stanley Ngobeni	01

*Stand in member from another cluster

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings attended
Ms. Pumla Ncapayi (Former Accounting Officer)	02
Ms. Dawn Robertson (Acting Accounting Officer)	03
Mr. Kgomotso Mojapelo (Chief Financial Officer)	05
Ms. Madiagane Morata (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Committee noted that the Acting Accounting Officer attended five (05) scheduled Audit Committee meetings. Therefore, the Committee is satisfied that the Gauteng Liquor Board (Entity) adhered to the provisions of the GPG Audit Committee Charter in relation to ensuring that there is proper representation for the Accounting Officer

The Members of the Committee met with the Senior Management of the Department, Entity and Internal Audit collectively to address risks and challenges facing the Entity. A number of in-committee meetings were held to address control weaknesses in the system of internal control of the Entity.

Audit Committee Responsibility

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

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

Based on the results of the audits performed and the follow up reviews conducted, the overall opinion on the internal control design was partially adequate and effective to ensure that the Department objectives will be achieved. However management has taken actions to ensure that the findings raised by internal audit are resolved in order to improve the overall control environment of the Board.

The internal controls around the Liquor License Inspectorate, and Revenue Management need to be strengthened.

Furthermore, the findings raised by Auditor General should also be implemented on time.

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

The following internal audit work was completed during the year under review:

- Review on Liquor License Inspectorate
- Follow-up on AG Significant findings
- Follow-up on Revenue Management
- Performance Information (combined with DED PI audit)
- Data analysis - SCM/HR/FIN (Q2)
- Data analysis - SCM/HR/FIN (Q4)

The following were areas of concern:

- Liquor License Inspectorate and
- Revenue Management

Internal Audit

The Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

The Committee is concerned with regards to Management's inadequate responses to action plans. Furthermore, the Committee encourages the Executive Management, the AGSA and the Internal Audit Function, to cooperate and strengthened consultation in order to achieve effective combined assurance at the Entity. However Efforts to coordinate efforts between internal audit and AGSA have been enhanced further during the year in the provision of assurance services. The Committee believes this is an important step towards a fully effective combined assurance.

It was noted that a Quality Assurance Review (external assessment) was performed by an external independent reviewer and Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing. The Audit Committee continuously monitor the implementation of the Quality Assurance Improvement Program to ensure continued conformance with the Standards.

As such, the Committee will continue to monitor the capacity and the resources allocated to the Internal Audit function.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee advises the Entity to ensure full functionality of the automated system for completeness and accuracy of revenue. Management should ensure that the actual management of risk is receiving the required attention.

Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to even further enhance the performance of the Department.

Forensic Investigations

No new forensic investigation was reported to the Audit Committee for the reporting period.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee notes the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements

The Audit Committee undertook the following activities related to Annual Financial Statements:

- Audit Committee reviewed the draft annual financial statements prepared by the department before the

submission of the annual financial statements to the external auditors for audit the audit committee meeting held on 21st May 2021 and recommended them for audit.

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions.

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

The Department to whom the Entity reports is encouraged to assess the going concern status of Entity this will be an ongoing focus of the Audit Committee.

One-on-One Meeting with the Accounting Officer

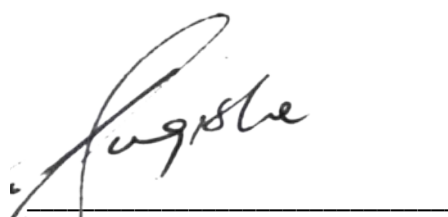
The Audit Committee has met with the Accounting Officer for the Department's commitment to address unresolved issues.

One-on-One Meetings with the Executive Authority

The Audit Committee has met with the Executive Authority for the Department to apprise the MEC on the performance of the Department. The AC believes that the frequency of these interactions would be more beneficial to the Executive Authority.

Auditor-General of South Africa

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues.



Ms. Lungelwa Sonqishe
Chairperson of the Audit Committee
Date: 18 August 2021



PART | D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department

The year under review was a year of change and was marked by several challenges for the Directorate: Human Capital Management in the department. Some of these challenges included employees experiencing grief, anxiety and other mental health issues due to Covid-19 pandemic. The department had to adapt to Covid-19 regulations and protocols as presented by DPSA in order to maintain business continuity. This put a strain on the productivity of the Human Capital Management staff as they had to come to work on a rotational basis, with some of the staff with commodities having to work from home. Among those challenges were the delays on the finalisation of the proposed organisational structure and the filling of SMS positions due to several changes in the administration. These challenges resulted in increased workloads for some of the staff, high vacancy rates, high levels of fatigue due increased workload, and use of sick and temporary incapacity leave.

In addition to the above, the Department had a vacancy rate of 11.9%. In order to prevent the Department from returning budgeted funds from the CoE budget, employees were appointed to act on the vacant positions.

The Department made strides in meeting the 50% target on the representation of women in senior management positions, for the year under review 48% of the senior management were filled with women. In addition, the Department did extremely well in maintaining the employment of people with disabilities (PWDs) at 3.8 % of the workforce, above the 2% that was targeted.

This had a bearing on the decision-making in terms of filling vacant positions at SMS level.

Human Resource Priorities for the Year Under Review and the Impact of These

The period under review focused on the filling of vacant senior management positions and finalising of the proposed structure.

Employee Performance Management and Skills Development

It also embraced continuous learning through the development and implementation of interventions to address skills gaps and to improve performance of the Department. Competency assessment reports and performance developmental plans (PDP's) were a source of input for the planned training interventions conducted. The Department also monitored the twenty four (24) months internship and learnership programmes which is the youth development programme to assist the youth to gain work experience. Furthermore, the Department awarded thirty-two (32) bursaries in pursuit of further education and training to expand the current skill set of departmental employees.

Employee Wellness Programmes

The Department made available the Zinakekele Counseling Service to employees in need of the service due to Covid-19 challenges. Employee Health and Wellness programmes were provided to GDED staff virtually to staff, via Microsoft Teams in order to be in line with DPSA COVID-19 protocols and regulations.

Highlight achievements and challenges faced by the department, as well as future human resource plans / goals

Despite of the challenges the Covid-19 pandemic posed, the Department still achieved 100% compliance in terms of annual performance assessment submissions.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

While the spread of the Covid-19 pandemic dampened the extent of delivery across the GDED Group, the Department delivered an achievement of 46% against its planned targets.



TABLE 3.1.1.1 PERSONNEL EXPENDITURE BY PROGRAMME FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and special services Expenditure (R'000)	Personnel expenditure as a % of total Expenditure	Average personnel cost per employee (R'000)
Administration	212 077	126 251	247	-	59,42	544
Business Regulation and Govern	93 849	40 961	-	-	43,64	594
Economic Planning	309 849	50 525	24	-	16,3	683
Integrated Econ Development	477 897	-	-	-	-	-
Econ and Develop Plan (06/07) (Persal)	-	-	-	-	-	-
Trade and Sector Development	793 672	-	-	-	-	-
Total as on Financial Systems (BAS)	1 887 344	217 737	271	-	11,5	579

TABLE 3.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per Employee (R'000)
Lower skilled (levels 1-2)	4 132	1,9	38	109
Skilled (level 3-5)	10 462	4,9	41	255
Highly skilled production (levels 6-8)	36 439	16,9	92	396
Highly skilled supervision (levels 9-12)	104 752	48,7	149	703
Senior and Top management (levels 13-16)	26 848	12,5	20	1 342
Contract (levels 3-5)	74	-	2	37
Contract (levels 9-12)	3 547	1,6	4	887
Contract (levels > = 13)	26 134	12,1	19	1 375
Contract Other	2 477	1,2	10	248
Total	214 865	99,9	376	571

*Note: The personal expenditure 3.1.2 above excludes manual payment processed on BAS

TABLE 3.1.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Economic Planning	6 953	86,1	-	-	249	3,1	146	1,8
Administration	75 967	83,6	41	-	1 922	2,1	4 061	4,5
Business Regulation and Govern	7 447	87,7	-	-	55	0,6	210	2,5
Integrated Econ Dev Serv	13 972	84,9	-	-	146	0,9	790	4,8
Administration (7/8)	34 879	85,7	-	-	640	1,6	1 074	2,6
Strategic Management Service	226	100	-	-	-	-	-	-
Interg Eco Dev Serv (leds) 7/8	10 355	86,7	-	-	233	2	230	1,9
Business Regula and Gov (Brg) 7/8	20 049	82,6	-	-	533	2,2	1 286	5,3
Trade and Sector Development	12 199	86,9	-	-	202	1,4	302	2,2
Total	182 048	84,6	41	-	3 980	1,9	8 101	3,8

TABLE 3.1.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	3 284	79,5	-	-	54	1,3	376	9,1
Skilled (level 3-5)	7 859	75,1	41	0,4	472	4,5	1 121	10,7
Highly skilled production (levels 6-8)	29 162	80	-	-	1 274	3,5	2 503	6,9
Highly skilled supervision (levels 9-12)	89 310	85,1	-	-	1 559	1,5	3 582	3,4
Senior management (level 13-16)	23 452	87,3	-	-	310	1,2	294	1,1
Contract (levels 3-5)	74	90,2	-	-	-	-	-	-
Contract (levels 9-12)	3 340	93,2	-	-	-	-	-	-
Contract (levels > = 13)	23 094	88,3	-	-	311	1,2	225	0,9
Contract Other	2 473	99,8	-	-	-	-	-	-
Total	182 048	84,6	41	-	3 980	1,9	8 101	3,8

3.2 Employment and Vacancies

TABLE 3.2.1 EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Economic Planning, Permanent	12	11	8,3	2
Grf: Administration, Permanent	215	192	10,7	2
Grf: Business Regulation and Govern, Permanent	21	19	9,5	4
Grf: Integrated Econ Development Service, Permanent	29	26	10,3	-
Pr1: Administration (7/8), Permanent	60	48	20	7
Pr1: Strategic Management Service**Old, Permanent	2	2	-	2
Pr2: Integrated Eco Dev Service (IEDS)7/8, Permanent	17	17	-	3
Pr3: Economic and Development plan (06/07), Permanent	1	1	-	-
Pr4: Business Regula and Governance (BRG)7/8, Permanent	42	38	9,5	1
Trade and Sector Development, Permanent	28	22	21,4	-
Total	427	376	11,9	19

TABLE 3.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	39	38	2,6	-
Skilled (3-5)	48	41	14,6	1
Highly skilled production (6-8)	109	92	15,6	4
Highly skilled supervision (9-12)	163	149	8,6	-
Senior management (13-16)	32	20	37,5	-
Other, Permanent	11	11	-	10
Contract (levels 3-5), Permanent	2	2	-	-
Contract (levels 9-12), Permanent	4	4	-	1
Contract (levels > = 13), Permanent		19	-	3
Total	427	376	11,9	19

TABLE 3-2.3 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS ON 31 MARCH 2021

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	74	66	10,8	1
Architects Town and Traffic Planners, Permanent	1	1	-	-
Civil Engineering Technicians, Permanent	1	1	-	-
Cleaners in Offices Workshops Hospitals Etc., Permanent	45	45	-	-
Client Inform Clerks (Switchboard Receptionists Information Clerks), Permanent	1	1	-	-
Communication and Information Related, Permanent	6	6	-	-
Engineering Sciences Related, Permanent	7	7	-	-
Finance and Economics Related, Permanent	40	36	10	-
Financial and Related Professionals, Permanent	12	12	-	-
Financial Clerks and Credit Controllers, Permanent	16	16	-	2
Food Services Aids and Waiters, Permanent	1	-	100	-
Head of Department/Chief Executive Officer, Permanent	1	-	100	-
Household Food and Laundry Services Related, Permanent	1	1	-	-
Human Resources and Organisational Development and Relate Prof, Permanent	20	17	15	-
Human Resources Clerks, Permanent	4	4	-	-
Human Resources Related, Permanent	5	5	-	-
Information Technology Related, Permanent	4	4	-	1
Language Practitioners Interpreters and Other Communication, Permanent	5	3	40	-
Legal Related, Permanent	1	1	-	-
Library Mail and Related Clerks, Permanent	11	10	9,1	-
Logistical Support Personnel, Permanent	2	2	-	-

Material-Recording and Transport Clerks, Permanent	1	1	-	-
Messengers Porters and Deliverers, Permanent	8	5	37.5	-
Other Administration and Related Clerks and Organisers, Permanent	37	35	5.4	2
Other Administrative Policy and Related Officers, Permanent	6	4	33.3	-
Other Information Technology Personnel., Permanent	9	9	-	-
Other Occupations, Permanent	5	5	-	-
Secretaries and Other Keyboard Operating Clerks, Permanent	54	41	24.1	11
Senior Managers, Permanent	48	37	22.9	2
Trade/Industry Advisers and Other Related Profession, Permanent	1	1	-	-
Total	427	376	11.9	19

3.3 Filling of SMS Posts

TABLE 3.3.1 SMS POST INFORMATION AS ON 31 MARCH 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	-	-	1	100%
Salary level 16	2	1	50	1	50
Salary level 15	3	1	-	2	66.7
Salary level 14	11	6	-	5	45.5
Salary level 13	36	29	-	7	19.4
Total	48	34	-	15	281.6

TABLE 3.3.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	-	0%
Salary level 16	1	1	100%	-	0%
Salary level 15	3	1	33%	2	67%
Salary level 14	11	9	82%	2	18%
Salary level 13	36	30	83%	6	17%
Total	52	42		10	0

TABLE 3.3.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

SMS Level	Advertising		Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months	Number of vacancies per level not filled in 12 months
Director-General/ Head of Department	1	-	1	-
Salary level 16	-	-	-	-
Salary level 15	2	-	2	-
Salary level 14	4	-	4	-
Salary level 13	7	-	7	-
Total	13	-	13	-

TABLE 3.3.4 REASONS FOR NOT HAVING COMPLIED WITH THE FILLING OF FUNDED VACANT SMS - ADVERTISED WITHIN 6 MONTHS AND FILLED WITHIN 12 MONTHS AFTER BECOMING VACANT FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Reasons for vacancies not advertised within six months

Changes in Administration / Executive Authority

Reasons for vacancies not filled within twelve months

Changes in Administration / Executive Authority

TABLE 3.3.5 DISCIPLINARY STEPS TAKEN FOR NOT COMPLYING WITH THE PRESCRIBED TIMEFRAMES FOR FILLING SMS POSTS WITHIN 12 MONTHS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Reasons for vacancies not advertised within six months

Changes in Administration / Executive Authority

Reasons for vacancies not filled within six months

Changes in Administration / Executive Authority

3.4 Job Evaluation

TABLE 3.4.1 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1-2)	39	-	-	-	-	-	-
Skilled (levels 3-5)	48	-	-	-	-	-	-
Highly skilled production (levels 6-8)	109	1	2	-	-	-	-
Highly skilled supervision (levels 9-12)	163	-	-	-	-	-	-
Senior management service Band A	22	-	-	-	-	-	-
Senior management service Band B	5	-	-	-	-	-	-
Senior management service Band C	3	-	-	-	-	-	-
Senior management service Band D	2	-	-	-	-	-	-
Other	36	-	-	-	-	-	-
Total	427	1	2	-	-	-	-

TABLE 3.4.2 PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Gender	African	Asian	Coloured	White	Total
Female	N/A	N/A	N/A	N/A	N/A
Male	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

Employees with a disability

TABLE 3.4.3 EMPLOYEES WITH SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION BY OCCUPATION FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				

TABLE 3.4.4 PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Gender	African	Asian	Coloured	White	Total
Female	N/A	N/A	N/A	N/A	N/A
Male	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
Employees with a disability					
Total number of Employees whose salaries exceeded the grades determine by job evaluation					
None					

3.5 Employment Changes

TABLE 3.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Salary band	Number of employees at beginning of period-1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	-	38	-	-
Skilled (levels 3-5)	39	3	-	-
Highly skilled production (levels 6-8)	93	1	2	2,2
Highly skilled supervision (levels 9-12)	151	3	5	3,3
Senior management service Bands A	15	1	-	-
Senior management service Bands B	4	-	2	50
Senior management service Bands C	1	-	-	-
Senior management service Bands D	1	-	-	-
Other Permanent	56	9	54	96,4
Contract (levels 3-5) Permanent	-	2	-	-
Contract (levels 9-12) Permanent	3	5	4	133,3
Contract Band A Permanent	14	1	1	7,1
Contract Band B Permanent	4	-	1	25
Contract Band C Permanent	2	-	-	-
Contract Band D Permanent	1	-	1	100
Total	384	63	70	18,2

TABLE 3-5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related permanent	67	2	3	4,5
Architects town and traffic planners permanent	1	-	-	-
Civil engineering technicians permanent	1	-	-	-
Cleaners in offices workshops hospitals etc. permanent	4	41	-	-
Client inform clerks (switchboard receptionist, information clerks) permanent	1	1	1	100
Communication and information related permanent	6	-	-	-
Engineering sciences related permanent	7	-	-	-
Finance and economics related permanent	36	2	2	5,6
Financial and related professionals permanent	12	-	-	-
Financial clerks and credit controllers permanent	15	1	-	-
Head of department/chief executive officer permanent	1	-	1	100
Household food and laundry services related permanent	-	1	-	-
Human resources and organisational development and relate prof permanent	18	-	1	5,6
Human resources clerks permanent	4	-	-	-
Human resources related permanent	5	-	-	-
Information technology related permanent	4	-	-	-
Language practitioners' interpreters and other communication permanent	4	-	1	25
Legal related permanent	1	-	-	-
Library mail and related clerks permanent	10	-	-	-
Logistical support personnel permanent	2	-	-	-
Material-recording and transport clerks permanent	1	-	-	-

TABLE 3.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Messengers porters and deliverers permanent	6	-	-	-
Other administration and related clerks and organisers permanent	79	10	54	68,4
Other administrative policy and related officers permanent	5	-	1	20
Other information technology personnel. permanent	9	-	-	-
Other occupations permanent	5	-	-	-
Secretaries and other keyboard operating clerks permanent	42	1	2	4,8
Senior managers permanent	37	4	4	10,8
Trade/Industry advisers and other related profession permanent	1	-	-	-
TOTAL	384	63	70	18,2

TABLE 3.5.3 REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Termination Type	Number	% of Total Resignations
Death	1	1,4
Resignation	12	17,1
Expiry of contract	52	74,3
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	1	1,4
Retirement	4	5,7
Transfer to other Public Service Departments	-	-
Other	-	-
Total	70	100
Total number of employees who left as a % of total employment	70	18,6 (% of total employment)

TABLE 3-5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	67	2	3	35	52,2
Architects town and traffic planners	1	-	-	1	100
Civil engineering technicians	1	-	-	1	100
Cleaners in offices workshops hospitals etc.	4	-	-	2	50
Client inform clerks (switchboard receptionist, information clerks)	1	-	-	1	100
Communication and information related	6	-	-	5	83,3
Engineering sciences related	7	-	-	6	85,7
Finance and economics related	36	2	5,6	25	69,4
Financial and related professionals	12	-	-	8	66,7
Financial clerks and credit controllers	15	-	-	10	66,7
Head of department/chief executive officer	1	-	-	-	-
Human resources and organisational development and relate prof	18	-	-	6	33,3
Human resources clerks	4	-	-	3	75
Human resources related	5	-	-	1	20
Information technology related	4	-	-	3	75
Language practitioners' interpreters and other communication	4	-	-	2	50
Legal related	1	-	-	-	-
Library mail and related clerks	10	-	-	4	40
Logistical support personnel	2	-	-	1	50
Material-recording and transport clerks	1	-	-	1	100

TABLE 3-5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Messengers porters and deliverers	6	-	-	4	66,7
Other administration and related clerks and organisers	79	-	-	22	27,8
Other administrative policy and related officers	5	-	-	4	80
Other information technology personnel	9	-	-	8	88,9
Other occupations	5	-	-	2	40
Secretaries and other keyboard operating clerks	42	-	-	24	57,1
Senior managers	37	-	-	20	54,1
Trade/Industry advisers and other Related profession	1	-	-	1	100
TOTAL	384	4	1	200	52,1

TABLE 3-5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (levels 3-5), Permanent	39	-	-	22	56,4
Highly Skilled Production (levels 6-8), Permanent	93	-	-	65	69,9
Highly Skilled Supervision (levels 9-12), Permanent	151	4	2,6	91	60,3
Senior management (levels > = 13), Permanent	21	-	-	10	47,6
Other, Permanent	56	-	-	-	-
Contract (levels 9-12), Permanent	3	-	-	-	-
Contract (levels > = 13), Permanent	21	-	-	12	57,1
TOTAL	384	4	1	200	52,1

3.6 Employment Equity

TABLE 3.6.1 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS ON 31 MARCH 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	-	1	-	19	2	-	-	38
Professionals	48	-	2	-	49	2	-	1	102
Technicians and associate professionals	26	1	-	1	42	1	-	2	73
Clerks	27	-	-	-	78	3	-	-	108
Service and sales workers	-	-	-	-	1	-	-	-	1
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	11	-	-	-	38	4	-	-	53
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	1	-	-	-	1
Total	128	1	3	1	228	12	-	3	376
Employees with disabilities	5	-	-	-	12	-	-	-	17

TABLE 3.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	-	-	-	1	-	-	-	5
Senior management	15	-	1	-	17	2	-	-	35
Professionally qualified and experienced specialists and mid-management	60	1	1	1	83	4	-	3	153
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	25	-	1	-	64	2	-	-	92
Semi-skilled and discretionary decision making	16	-	-	-	25	2	-	-	43
Unskilled and defined decision making	8	-	-	-	38	2	-	-	48
Total	128	1	3	1	228	12	-	3	376

TABLE 3.6.3 RECRUITMENT FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	N/A	N/A	N/A	N/A	1	N/A	N/A	2
Senior management		N/A	N/A	N/A	3	N/A	N/A	N/A	3
Professionally qualified and experienced specialists and mid-management	2	N/A	N/A	N/A	7	N/A	N/A	1	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	N/A	N/A	N/A	2	N/A	N/A	N/A	3
Semi-skilled and discretionary decision making	1	N/A	N/A	N/A		N/A	N/A	N/A	1
Unskilled and defined decision making	6	N/A	N/A	N/A	36	1	N/A	N/A	43
Total	11	-	-	-	48	2	-	1	62
Employees with disabilities	-	-	-	-	-	-	-	-	-

TABLE 3.6.4 PROMOTIONS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Senior management</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Professionally qualified and experienced specialists and mid-management</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents</i>	N/A	N/A	N/A	N/A	3	N/A	N/A	N/A	3
<i>Semi-skilled and discretionary decision making</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Unskilled and defined decision making</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	-	-	-	-	3	-	-	-	3
Employees with disabilities	-	-	-	-	-	-	-	-	-

TABLE 3.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Occupational band	Male					Female					Total		
	African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured		Indian	White
Top Management	N/A	N/A	N/A	N/A	1	N/A	N/A	N/A	1	N/A	N/A	N/A	1
Senior management	N/A	N/A	N/A	1	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5
Professionally qualified and experienced specialists and mid-management	6	N/A	N/A	N/A	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	N/A	N/A	N/A	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5
Semi-skilled and discretionary decision making	1	N/A	N/A	N/A	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3
Unskilled and defined decision making	17	1	N/A	N/A	38	1	N/A	N/A	1	N/A	N/A	N/A	57
Total	27	1	-	1	48	1	-	-	1	-	-	-	78
Employees with Disabilities	-	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 3.6.6 DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Verbal Warnings	2	N/A	N/A	1	1	N/A	N/A	N/A	4
Written Warnings	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Final Written Warning	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Dismissals	1	1	N/A	N/A	N/A	N/A	N/A	N/A	2

TABLE 3.6.7 SKILLS DEVELOPMENT FOR THE PERIOD 01 APRIL 2020 TO 31 MARCH 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	-	-	-	5	-	-	-	12
Professionals	8	-	-	-	10	1	-	1	20
Technicians and associate professionals	2	-	-	-	2	-	1	-	5
Clerks	2	-	-	-	4	-	-	-	6
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	4	-	-	-	36	-	-	-	40
Total	23	-	-	-	57	1	1	1	83
Employees with disabilities	1	-	-	-	1	-	-	-	2

3.7 Signing of Performance Agreements by SMS Members

TABLE 3.7.1 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MAY 2020

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary level 16	1	1	1	100%
Salary level 15	3	3	3	100%
Salary level 14	7	7	7	100%
Salary level 13	27	27	27	100%
Total	39	39	39	100%

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SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	-	-	-	100%
Salary level 16	-	-	-	100%
Salary level 15	-	-	-	100%
Salary level 14	1	1	1	100%
Salary level 13	3	2	2	100%
Total	4	3	3	100%

TABLE 3.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MARCH 2021

Reasons
Not Applicable

TABLE 3.7.3 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MARCH 2021

Reasons
Not Applicable

3.8 Performance Rewards

TABLE 3.8.1 PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Race and Gender	Number of Beneficiaries	Number of Employees	% of Total within Group	Total Cost (R'000)	Average Cost per Employee (R)
African, Female	86	211	40.8	1 627	18 919
African, Male	72	134	53.7	1 486.72	20 649
Asian, Female	1	-	-	19.35	19 350
Asian, Male	2	4	50	40.88	20 441
Coloured, Female	6	11	54.5	120.59	20 098
Coloured, Male	-	2	-	-	-
Total Blacks, Female	93	222	41.9	1 766.94	18 999
Total Blacks, Male	74	140	52.9	1 527.6	20 643
White, Female	1	2	50	20.16	20 163
White, Male	-	2	-	-	-
Employees with a disability	8	18	44.4	164.21	20 526
TOTAL	176	384	45.8	3 478.91	19 767

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Race and Gender	Number of Beneficiaries	Number of Employees	% of Total within Group	Total Cost (R'000)	Average Cost per Employee (R)
African, Female	20	46	43,50	145,54	7 277
African, Male	16	33	48,50	150,77	9 423
Asian, Female	-	-	-	-	-
Asian, Male	1	1	100	4,99	4 985
Coloured, Female	1	1	100	5,53	5 533
Coloured, Male	2	3	66,70	79,01	39 505
Total Blacks, Female	21	47	44,70	151,08	7 194
Total Blacks, Male	19	37	51,40	234,76	12 356
White, Female	-	-	-	-	-
White, Male	-	-	-	-	-

TABLE 3.8.2 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Salary Band	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee (R)
02 Skilled (levels 3-5)	23	39	59	243,06	10 568
03 Highly Skilled Production (levels 6-8)	57	93	61,3	871,21	15 284
04 Highly Skilled Supervision (levels 9-12)	81	151	53,6	1 623,76	20 046
09 Other	-	56	-	-	-
13 Contract (levels 9-12)	1	3	33,30	19,86	19 865
TOTAL	162	342	47,40	2 757,89	17 024

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Salary Band	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee (R)
02 Skilled (levels 3-5)	8	19	42,1	42,32	5 290
03 Highly Skilled Production (levels 6-8)	10	23	43,5	72,79	7 279
04 Highly Skilled Supervision (levels 9-12)	20	39	51,3	178,46	8 923
TOTAL	38	81	46,9	293,56	7 725

TABLE 3.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Critical Occupation	Number of Beneficiaries	Number of Employees	% Of Total Within Occupation	Total Cost (R'000)	Average Cost Per Employee (R)
Financial Clerks and Credit Controllers	7	15	46.7	105	15 000
Human Resources Clerks	1	4	25	14.89	14 889
Human Resources and Organisational Development and Relate Prof	12	18	66.7	220.24	18 353
Messengers Porters and Deliverers	6	6	100	59.84	9 973
Finance and Economics Related	23	36	63.9	508.08	22 091
Logistical Support Personnel	2	2	100	36.59	18 293
Other Administration and Related Clerks and Organisers	21	79	26.6	323.13	15 387
Other Occupations	2	5	40	30.46	15 229
Legal Related	-	1	-	-	-
Financial and Related Professionals	8	12	66.7	150.4	18 800
Architects Town and Traffic Planners	-	1	-	-	-
Administrative Related	29	67	43.3	573.44	19 774
Communication and Information Related	1	6	16.7	17.96	17 962
Secretaries and Other Keyboard Operating Clerks	19	42	45.2	279.97	14 735
Library Mail and Related Clerks	6	10	60	81.07	13 512
Cleaners in Offices Workshops Hospitals Etc.	3	4	75	27.43	9 143
Human Resources Related	2	5	40	29.08	14 542
Trade/Industry Advisers and Other Related Profession	-	1	-	-	-
Head of Department/Chief Executive Officer	-	1	-	-	-
Language Practitioners Interpreters and Other Communication	1	4	25	14.67	14 669
Civil Engineering Technicians	1	1	100	15.11	15 112

TABLE 3-8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Material-Recording and Transport Clerks	1	1	100	15.57	15 569
Other Administrative Policy and Related Officers	2	5	40	31.11	15 556
Senior Managers	12	37	32.4	576	48 000
Client Inform Clerks (Switchboard Receptionist Inform Clerks)	1	1	100	12.07	12 071
Other Information Technology Personnel.	9	9	100	174.46	19 385
Engineering Sciences Related	4	7	57.1	84.5	21 124
Information Technology Related	3	4	75	97.84	32 614
TOTAL	176	384	45.8	3 478.91	19 767

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Critical Occupation	Number of Beneficiaries	Number of Employees	% Of Total Within Occupation	Total Cost (R'000)	Average Cost Per Employee (R)
Financial Clerks and Credit Controllers	2	6	33,30	18,01	9 003
Human Resources and Organisational Development and Relate Prof	-	1	-	-	-
Finance and Economics Related	-	1	-	-	-
Other Administration and Related Clerks and Organisers	21	45	46,7	152,68	7 270
Appraisers-Valuers and Related Professionals	1	2	50	8,19	8 194
Other Occupations	1	2	50	5,53	5 533
Administrative Related	10	18	55,6	88,22	8 822
Secretaries and Other Keyboard Operating Clerks	2	5	40	12,86	6 430
Human Resources Related	2	2	100	29,25	14 623
Regulatory Inspectors	-	1	-	-	-
Senior Managers	1	1	100	71,1	71 101
TOTAL	40	84	47,6	385,84	9 646

TABLE 3.8.4 PERFORMANCE RELATED REWARDS (CASH BONUS), BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

Salary Band	Number of Beneficiaries	Number of Employees	% Of Total Within Salary Band	Total Cost (R'000)	Average Cost Per Employee (R)	Total Cost As A % Of The Total Personnel Expenditure
Band A	13	29	41.4	597.86	49 821.6	1.7
Band B	2	8	25	123.16	61 581.3	1
Band C	-	3	-	-	-	-
Band D	-	2	-	-	-	-
TOTAL	15	42	33.3	721.02	51 501.6	1.2

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Salary Band	Number of Beneficiaries	Number of Employees	% Of Total Within Salary Band	Total Cost (R'000)	Average Cost Per Employee (R)	Total Cost as A % Of The Total Personnel Expenditure
Band A	1	2	50	21,17	21 173,4	0,9
Band B	1	1	100	71,1	71 100,6	4,5
TOTAL	2	3	66,7	92,27	46 137	2,3

3.9 Foreign Workers

TABLE 3.9.1 FOREIGN WORKERS BY SALARY BAND FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	N/A	N/A	N/A	N/A	N/A	N/A
Highly skilled production (Lev. 6-8)	1	50	1	50	-	-
Highly skilled supervision (Lev. 9-12)	1	50	1	50	-	-
Contract (level 9-12)	-	-	-	-	-	-
Contract (level 13-16)	2	100	2	100	-	-
Total	4					

TABLE 3.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Contract (level 13-16)	2	100	2	100	-	-

3.10 Leave utilisation

TABLE 3.10.1 SICK LEAVE FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skills (level 1-2)	6	50	3	2.4	2	3
Skilled (levels 3-5)	30	70	8	6.5	4	28
Highly skilled production (levels 6-8)	170	72.9	43	35	4	262
Highly skilled supervision (levels 9 -12)	299	85.6	53	43.1	6	778
Top and Senior management (levels 13-16)	15	53.3	6	4.9	3	67
Contract (levels 13-16)	56	83.9	8	6.5	7	255
Contract Other	6	100	2	1.6	3	2
TOTAL	582	515.7	123	100	29	1 395

TABLE 3.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

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

TABLE 3.10.3 ANNUAL LEAVE FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (levels 1-2)	62	6	11
Skilled Levels 3-5)	528	14	39
Highly skilled production (levels 6-8)	1 481	16	92
Highly skilled supervision (levels 9-12)	2 266	15	147
Senior management (levels 13-16)	313	15	21
Contract (level 13-16)	291	15	20
Contract (level 9-12)	11	11	1
Contract Other	282	9	33
Total	5 234	101	364

TABLE 3.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2020 TO 31 DECEMBER 2020

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (levels 1-2)	-	-	-	-
Skilled (levels 3-5)	0.43	1	-	-
Skilled (levels 6-8)	128.01	9		14
Highly skilled supervision (levels 9-12)	421.71	14	-	30
Senior management (levels 13-16)	197.83	5	-	40
Contract (level 13-16)	32	1	-	32
Contract (level 9-12)	-	-	-	-
Contract Other	-	-	-	-
Total	779,98	30		116

TABLE 3.10.5 LEAVE PAYOUTS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - discounting with resignation (work days)	335	4	83 750
Annual - Discounting: Unused Vacation Credits (Work Days)	31	1	31 000
Annual - Gratuity: Death/Retirement/Medical Retirement (Work)	467	4	116 750
Capped - Gratuity: Death/Retirement/Medical Retirement (Work)	409	3	136 333
Total	1 242	12	367 833

3.11 HIV/AIDS and Health Promotion Programmes

TABLE 3.11.1 STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
Youth in the organisation who are below 35 years	Provision of education and awareness. Provision of condoms
Pregnant women	Provision of education and awareness

TABLE 3.1.1.2 DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES (TICK THE APPLICABLE BOXES AND PROVIDE THE REQUIRED INFORMATION)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms Glory Makhubele Acting HR Director
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		<ul style="list-style-type: none"> ▪ Two staff members ▪ Budget of R1210 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<ul style="list-style-type: none"> ▪ Wellness Management ▪ HIV, AIDS and TB Management ▪ Health and Productivity Management ▪ Health Risk Screening ▪ HIV Counselling and Testing ▪ Psychosocial counselling Physical Wellness Mental Health Programme
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		<ul style="list-style-type: none"> ▪ Milly Viljoen ▪ Cleo Bodibe ▪ Sibusiso Mthembu ▪ Zweli Zwane ▪ Siphwe Hlophe ▪ Gloria Nkosi ▪ Glory Makhubele ▪ Sylvia Matseke ▪ Bengi Hlabangane
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV, AIDS, and TB Management Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		<ul style="list-style-type: none"> ▪ HIV, AIDS, and TB Management Policy. ▪ Training of Managers on Stigma and Discrimination
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		3 known employees infected with HIV
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	We use the impact survey conducted for the province

3.12 Labour Relations**TABLE 3.12.1 COLLECTIVE AGREEMENTS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021**

Subject matter	Date
None	None

Total number of Collective agreements

None

TABLE 3.12.2 MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	N/A	
Verbal warning	4	44%
Written warning	1	11
Final written warning	1	11
Suspended without pay	1	11
Fine	N/A	-
Demotion	N/A	-
Dismissal	2	22
Not guilty	N/A	-
Case withdrawn	N/A	-
Total	9	99%

Total number of Disciplinary hearings finalised

None

TABLE 3.12.3 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Type of misconduct	Number	% of total
Irregular expenditure	4	33%
Improper conduct	1	8%
Prejudices the efficiency of the department	1	8%
Late coming and early leaving without prior approval	1	8%
Fraud	4	33%
theft	1	8%
Total	12	100%

TABLE 3.12.4 GRIEVANCES LOGGED FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Grievances	Number	% of Total
Number of grievances resolved	3	75%
Number of grievances not resolved	1	25%
Total number of grievances lodged	4	100%

TABLE 3.12.5 DISPUTES LOGGED WITH COUNCILS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Disputes	Number	% of Total
Number of disputes upheld	N/A	N/A
Number of disputes dismissed	2	100%
Total number of disputes lodged	2	100%

TABLE 3.12.6 STRIKE ACTIONS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

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

TABLE 3.12.7 PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	592
Cost of suspension(R'000)	R546 104.64

3.13 Skills development

TABLE 3-13.1 TRAINING NEEDS IDENTIFIED FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Occupational category	Gender	Number of employees as at 01 April 2021	Training needs identified at start of the reporting period				Total
			Learnerships	Skills Programmes and other short courses	Other forms of training		
Legislators, senior officials and managers	Female	48	-	15	27	42	
	Male	53	-	10	20	30	
Professionals	Female	122	-	55	17	72	
	Male	92	-	46	8	54	
Technicians and associate professionals	Female	53	-	28	10	38	
	Male	78	-	28	10	38	
Clerks	Female	23	-	8	9	17	
	Male	22	-	22	13	35	
Service and sales workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Skilled agriculture and fishery workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Craft and related trades workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Plant and machine operators and assemblers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Elementary occupations	Female	25	32	25	14	39	
	Male	28	28	17	23	40	
Sub Total	Female	271	32	131	77	208	
	Male	273	28	123	74	197	
Total		544	50	254	151	405	

TABLE 3-13.2 TRAINING PROVIDED FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period				Total
			Learnerships	Skills Programmes and other short courses	Other forms of training		
Legislators, senior officials and managers	Female	48	-	12	10	22	
	Male	53	-	32	18	50	
Professionals	Female	122	-	12	8	20	
	Male	92	-	8	7	15	
Technicians and associate professionals	Female	53	-	17	3	20	
	Male	78	-	10	2	12	
Clerks	Female	23	-	4	8	12	
	Male	22	-	2	5	7	
Service and sales workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Skilled agriculture and fishery workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Craft and related trades workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Plant and machine operators and assemblers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Elementary occupations	Female	25	-	5	7	12	
	Male	28	-	6	4	10	
Sub Total	Female	271	-	50	36	86	
	Male	273	-	52	36	88	
Total		544	-	102	72	174	

3.14 Injury on duty

TABLE 3.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 20YY AND 31 MARCH 2021

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

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:

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

TABLE 3.15.1 REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
N/A	N/A	N/A	
N/A	N/A	N/A	
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	
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 01 APRIL 2020 AND 31 MARCH 2021

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	N/A	N/A	N/A
N/A	N/A	N/A	N/A

TABLE 3.15.3 REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A
N/A	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 01 APRIL 2020 AND 31 MARCH 2021

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	N/A	N/A	N/A
N/A	N/A	N/A	N/A

3.16 Severance Packages**TABLE 3.16.1 GRANTING OF EMPLOYEE INITIATED SEVERANCE PACKAGES FOR THE PERIOD 01 APRIL 2020 AND 31 MARCH 2021**

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



PART | E

FINANCIAL INFORMATION

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REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 3: GAUTENG DEPARTMENT OF ECONOMIC DEVELOPMENT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT

Opinion

1. I have audited the financial statements of the Gauteng Department of Economic Development set out on pages 137 to 208, which comprise the appropriation statement, statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Economic Development as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division for Revenue Act 4 of 2020 (Dora).
8. The note highlights that the department has concluded the process of conducting a due diligence exercise to ensure the accurate valuation of the investment, revenue, loan and liabilities and that the department is currently interrogating the options and the recommendations in the report to decide on the best option to be implemented going forward. The note further highlights that the movable assets transferred have been accounted for and disclosed under note 28 to the annual financial statements.

Responsibilities of the accounting officer for the financial statements**Basis for opinion**

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
9. 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.
10. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

Investments

7. As disclosed in note 10 to the financial statements, the department is holding an investment in Maropeng a'Afrika Leisure through a public-private partnership arrangement that had expired.
11. 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.
12. 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

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 3: trade and sector development	36 – 40
Programme 4: business regulation and governance	40 – 55

16. 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.

17. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 3: trade and sector development
- Programme 4: business regulation and governance

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. Refer to the annual performance report on pages 22 to 58 for information on the achievement of planned targets for the year and management's explanations provided for the under/over-achievement of targets.

Adjustment of material misstatements

20. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was in the reported performance information of programme 3: trade and sector development. As management subsequently corrected the misstatement, I did not raise any material finding on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

23. 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 the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

25. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

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

Auditor-General

Johannesburg
31 July 2021



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Appropriation per programme										
2020/21										
Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	2019/20
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1. Administration	267 233	-	(21 378)	245 855	212 077	33 778	86	303 055	243 712	
2. Integrated Economic Development Services	477 897	-	-	477 897	477 897	-	100	245 771	245 771	
3. Trade and Sector Development	755 595	-	38 077	793 672	793 672	-	100	870 073	870 073	
4. Business Regulations and Governance	100 322	-	(1 400)	98 922	93 849	5 073	95	110 468	105 724	
5. Economic Planning	343 545	-	(15 299)	328 246	309 849	18 397	94	108 925	93 700	
Subtotal	1 944 592	-	-	1 944 592	1 887 344	57 248	97	1 638 292	1 558 980	
TOTAL	1 944 592	-	-	1 944 592	1 887 344	57 248	97	1 638 292	1 558 980	
Reconciliation with statement of financial performance										
ADD										
Departmental receipts				738 470				1 180 549		
PRF Receipts				2 683 062				2 818 841		
Actual amounts per statement of financial performance (total revenue)										
ADD										
Prior year unauthorised expenditure approved without funding										
Actual amounts per statement of financial performance (total expenditure)					1 887 344					1 558 980

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Appropriation per economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	641 706	(1 000)	(36 677)	604 029	335 234	268 795	56	441 933	371 463
Compensation of employees	233 855	(1 000)	-	232 855	217 737	15 118	94	240 665	225 453
Salaries and wages	200 810	(1 693)	-	199 117	187 138	11 979	94	208 230	195 552
Social contributions	33 045	693	-	33 738	30 599	3 139	91	32 435	29 901
Goods and services	407 851	-	(36 677)	371 174	117 497	253 677	32	201 268	146 010
Administrative fees	698	(355)	(151)	192	161	31	84	713	478
Advertising	12 120	921	-	13 041	1 248	11 793	10	17 774	17 727
Minor assets	200	27	-	227	227	-	100	662	651
Audit costs: External	5 908	(225)	(1 151)	4 532	4 300	232	95	6 860	4 808
Bursaries: Employees	1 948	-	(866)	1 082	1 082	-	100	2 041	2 030
Catering: Departmental activities	2 740	(1 388)	(564)	788	236	552	30	3 699	2 262
Communication	6 862	(2 731)	-	4 131	3 916	215	95	5 683	4 507
Computer services	7 795	7 494	(444)	14 845	14 574	271	98	16 215	16 140
Consultants: Business and advisory services	284 285	3 172	(11 663)	275 794	48 130	227 664	18	45 429	31 855
Legal services	2 000	4	(2 000)	4	3	1	83	1 596	972
Contractors	5 518	188	(4 387)	1 319	1 121	198	85	17 887	4 762
Agency and support / outsourced services	200	-	(200)	-	-	-	-	400	311
Entertainment	52	(52)	-	-	-	-	-	-	-
Fleet services	2 592	(84)	(1 137)	1 371	1 253	118	91	2 932	1 858
Consumable supplies	11 063	(2 074)	(691)	8 298	2 370	5 928	29	2 433	1 567

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Consumable: Stationery, printing and office supplies	1 988	(209)	(457)	1 322	1 175	147	89	6 889	2 561
Operating leases	18 014	(2 204)	(610)	15 200	13 684	1 516	90	26 956	23 409
Property payments	32 267	(659)	(5 441)	26 167	22 206	3 961	85	28 989	23 936
Travel and subsistence	3 004	(593)	(1 824)	587	229	358	39	4 499	1 521
Training and development	2 938	-	(2 691)	247	247	-	100	2 817	797
Operating payments	158	209	(52)	315	306	9	97	567	326
Venues and facilities	5 139	(1 378)	(2 348)	1 413	732	681	52	5 802	3 478
Rental and hiring	362	(63)	-	299	297	2	99	425	53
Transfers and subsidies	1 287 906	990	36 677	1 325 573	1 539 347	(213 774)	116	1 176 265	1 176 233
Provinces and municipalities	1 537	-	-	1 537	1 537	-	100	-	-
Municipalities	1 537	-	-	1 537	1 537	-	100	-	-
Municipal agencies and account	1 537	-	-	1 537	1 537	-	100	-	-
Departmental agencies and accounts	1 285 924	-	36 677	1 322 601	1 322 601	-	100	1 175 587	1 175 587
Departmental agencies and accounts	1 285 924	-	36 677	1 322 601	1 322 601	-	100	1 175 587	1 175 587
Public corporations and private enterprise	-	-	-	-	214 000	(214 000)	-	-	-
Public corporations	-	-	-	-	214 000	(214 000)	-	-	-
Other transfer to Public Corporations	-	-	-	-	214 000	(214 000)	-	-	-
Households	445	990	-	1 435	1 209	226	84	678	646
Social benefits	445	990	-	1 435	1 209	226	84	678	646
Payments for capital assets	14 980	-	-	14 980	12 754	2 226	85	20 094	11 284
Machinery and equipment	14 980	-	-	14 980	12 754	2 226	85	19 889	11 081
Transport equipment	6 776	-	-	6 776	5 769	1 007	85	7 721	4 173
Other machinery and equipment	8 204	-	-	8 204	6 985	1 219	85	12 168	6 909
Intangible assets	-	-	-	-	-	-	-	205	203
Payments for financial assets	-	10	-	10	9	1	85	-	-
Total	1 944 592	-	-	1 944 592	1 887 344	57 248	97	1638 292	1558 980

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Office of the MEC	6 094	(435)	(275)	5 384	5 298	86	98	7 869	6 334
2. Office of the HoD	17 552	(1 256)	(333)	15 963	15 178	785	95	25 053	15 919
3. Financial Management	50 801	440	(2 907)	48 334	44 688	3 646	93	58 996	46 090
4. Corporate Services	192 786	1 251	(17 863)	176 174	146 913	29 261	83	211 137	175 370
Total for sub programmes	267 233	-	(21 378)	245 855	212 077	33 778	86	303 055	243 712
Economic classification									
Current payments	251 913	(1 000)	(21 378)	229 535	198 182	31 353	86	282 801	232 290
Compensation of employees	134 705	(1 000)	-	133 705	126 251	7 454	94	132 471	126 380
Salaries and wages	116 253	(3 346)	-	112 907	107 163	5 744	95	112 804	108 893
Social contributions	18 452	2 346	-	20 798	19 088	1 710	92	19 667	17 487
Goods and services	117 208	-	(21 378)	95 830	71 932	23 898	75	150 330	105 910
Administrative fees	564	(249)	(151)	164	159	5	97	429	270
Advertising	11 412	921	-	12 333	1 076	11 257	9	16 929	16 886
Minor assets	200	27	-	227	227	-	100	662	651
Audit costs: External	5 908	(225)	(1 151)	4 532	4 300	232	95	6 860	4 808
Bursaries: Employees	1 948	-	(866)	1 082	1 082	-	100	2 041	2 030
Catering: Departmental activities	1 093	(636)	(397)	60	48	12	81	1 330	237
Communication	6 862	(2 731)	-	4 131	3 916	215	95	5 233	4 060
Computer services	7 795	7 494	(444)	14 845	14 574	271	98	15 961	15 946

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Consultants: Business and advisory services	4 673	1 610	(1 371)	4 912	4 908	4	100	11 091	3 158
Legal services	2 000	4	(2 000)	4	3	1	83	1 596	972
Contractors	1 335	388	(691)	1 032	864	168	84	10 856	1 248
Agency and support / outsourced services	200	-	(200)	-	-	-	-	260	175
Entertainment	52	(52)	-	-	-	-	-	-	-
Fleet services	2 592	(84)	(1 137)	1 371	1 253	118	91	2 929	1 856
Housing	-	-	-	-	-	-	-	-	-
Consumable supplies	10 949	(2 347)	(687)	7 915	2 000	5 915	25	2 143	1 299
Consumable: Stationery, printing and office supplies	1 771	(258)	(454)	1 059	923	136	87	6 558	2 560
Operating leases	18 014	(2 204)	(610)	15 200	13 684	1 516	90	26 952	23 406
Property payments	32 267	(659)	(5 441)	26 167	22 206	3 961	85	28 989	23 936
Travel and subsistence	1 123	(146)	(805)	172	87	85	51	3 050	762
Training and development	2 938	-	(2 691)	247	247	-	100	2 758	741
Operating payments	158	(99)	(52)	7	7	-	100	467	232
Venues and facilities	3 221	(920)	(2 230)	71	70	1	99	2 861	667
Rental and hiring	133	166	-	299	297	2	99	375	11
Transfers and subsidies	340	990	-	1 330	1 132	198	85	365	341
Households	340	990	-	1 330	1 132	198	85	365	341
Social benefits	340	990	-	1 330	1 132	198	85	365	341
Payments for capital assets	14 980	-	-	14 980	12 754	2 226	85	19 889	11 081
Machinery and equipment	14 980	-	-	14 980	12 754	2 226	85	19 889	11 081
Transport equipment	6 776	-	-	6 776	5 769	1 007	85	7 721	4 173
Other machinery and equipment	8 204	-	-	8 204	6 985	1 219	85	12 168	6 909
Payments for financial assets	-	10	-	10	9	1	85	-	-
Total	267 233	-	(21 378)	245 855	212 077	33 778	86	303 055	243 712

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.1 OFFICE OF THE MEC	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 094	(460)	(275)	5 359	5 298	61	99	7 849	6 317
Compensation of employees	5 756	(460)	-	5 296	5 243	53	99	6 463	5 971
Goods and services	338	-	(275)	63	56	7	88	1 386	346
Transfers and subsidies	-	25	-	25	-	25	-	20	17
Households	-	25	-	25	-	25	-	20	17
Total	6 094	(435)	(275)	5 384	5 298	86	98	7 869	6 334

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.2 OFFICE OF THE HOD	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	17 552	(2 087)	(333)	15 132	14 371	761	95	25 043	15 919
Compensation of employees	14 420	(2 200)	-	12 220	11 508	712	94	15 887	13 929
Goods and services	3 132	113	(333)	2 912	2 863	49	98	9 156	1 990
Transfers and subsidies	-	821	-	821	798	23	97	10	-
Households	-	821	-	821	798	23	97	10	-
Payment for financial assets	-	10	-	10	9	1	85	-	-
Total	17 552	(1 256)	(333)	15 963	15 178	785	95	25 053	15 919

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.3 FINANCIAL MANAGEMENT	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	44 025	437	(2 907)	41 555	38 916	2 639	94	51 215	41 863
Compensation of employees	30 190	384	-	30 574	28 440	2 134	93	31 454	29 490
Goods and services	13 835	53	(2 907)	10 981	10 477	504	95	19 761	12 374
Transfers and subsidies	-	3	-	3	3	-	88	60	54
Households	-	3	-	3	3	-	88	60	54
Payments for capital assets	6 776	-	-	6 776	5 769	1 007	85	7 721	4 173
Machinery and equipment	6 776	-	-	6 776	5 769	1 007	85	7 721	4 173
Total	50 801	440	(2 907)	48 334	44 688	3 646	93	58 996	46 090

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.4 CORPORATE SERVICE	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	184 242	1 110	(17 863)	167 489	139 597	27 892	83	198 694	168 191
Compensation of employees	84 339	1 276	-	85 615	81 061	4 554	95	78 667	76 991
Goods and services	99 903	(166)	(17 863)	81 874	58 536	23 338	72	120 027	91 200
Transfers and subsidies	340	141	-	481	331	150	69	275	270
Households	340	141	-	481	331	150	69	275	270
Payments for capital assets	8 204	-	-	8 204	6 985	1 219	85	12 168	6 909
Machinery and equipment	8 204	-	-	8 204	6 985	1 219	85	12 168	6 909
Total	192 786	1 251	(17 863)	176 174	146 913	29 261	83	211 137	175 370

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Programme 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES		2020/21					2019/20		
Sub programme	Adjusted Appropriation R'000	Shifting of Funds	Virement	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. ENTERPRISE DEVELOPMENT	477 897	-	-	477 897	477 897	-	100	245 771	245 771
Total for sub programmes	477 897	-	-	477 897	477 897	-	100	245 771	245 771
Economic classification									
Transfers and subsidies	477 897	-	-	477 897	477 897	-	100	245 771	245 771
Departmental agencies and accounts	477 897	-	-	477 897	477 897	-	100	245 771	245 771
Departmental agencies	477 897	-	-	477 897	477 897	-	100	245 771	245 771
Total	477 897	-	-	477 897	477 897	-	100	245 771	245 771

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

2.1 ENTERPRISE DEVELOPMENT	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	477 897	-	-	477 897	477 897	-	100	245 771	245 771
Departmental agencies and accounts	477 897	-	-	477 897	477 897	-	100	245 771	245 771
Total	477 897	-	-	477 897	477 897	-	100	245 771	245 771
Programme 3: TRADE AND SECTOR DEVELOPMENT									
	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Sector Development	185 905	-	6 127	192 032	192 032	-	100	233 260	233 260
2. Strategic Initiatives	569 690	-	31 950	601 640	601 640	-	100	636 813	636 813
Total for sub programmes	755 595	-	38 077	793 672	793 672	-	100	870 073	870 073
Economic classification									
Transfers and subsidies	755 595	-	38 077	793 672	793 672	-	100	870 073	870 073
Departmental agencies and accounts	755 595	-	38 077	793 672	793 672	-	100	870 073	870 073
Departmental agencies	755 595	-	38 077	793 672	793 672	-	100	870 073	870 073
Total	755 595	-	38 077	793 672	793 672	-	100	870 073	870 073

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

3.1 SECTOR DEVELOPMENT	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	185 905	-	6 127	192 032	192 032	-	100	233 260	233 260
Departmental agencies and accounts	185 905	-	6 127	192 032	192 032	-	100	233 260	233 260
Total	185 905	-	6 127	192 032	192 032	-	100	233 260	233 260

3.2 STRATEGIC INITIATIVES	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	569 690	-	31 950	601 640	601 640	-	100	636 813	636 813
Departmental agencies and accounts	569 690	-	31 950	601 640	601 640	-	100	636 813	636 813
Total	569 690	-	31 950	601 640	601 640	-	100	636 813	636 813

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 4: BUSINESS REGULATIONS AND GOVERNANCE									
Sub programme									
1. Governance	4 031	(22)	-	4 009	3 507	502	88	4 954	3 339
2. Igr And Strategic Partnerships	19 980	(1 488)	-	18 492	16 998	1 494	92	21 177	18 632
3. Consumer Protection	23 879	1 510	-	25 389	22 312	3 077	88	24 594	24 010
4. Liquor Regulations	52 432	-	(1 400)	51 032	51 032	-	100	59 743	59 743
Total for sub programmes	100 322	-	(1 400)	98 922	93 849	5 073	95	110 468	105 724
Economic classification									
Current payments	47 785	-	-	47 785	42 740	5 045	89	50 615	45 874
Compensation of employees	41 496	-	-	41 496	40 961	535	99	46 346	42 280
Salaries and wages	33 817	1 697	-	35 514	35 034	480	99	40 491	36 482
Social contributions	7 679	(1 697)	-	5 982	5 928	54	99	5 855	5 798
Goods and services	6 289	-	-	6 289	1 779	4 510	28	4 269	3 594
Administrative fees	26	-	-	26	1	25	3	100	37
Advertising	708	-	-	708	172	536	24	505	505
Catering; Departmental activities	554	-	-	554	15	539	3	500	438
Consultants; Business and advisory services	3 677	(444)	-	3 233	735	2 498	23	724	580
Contractors	29	-	-	29	-	29	-	113	4
Fleet services	-	-	-	-	-	-	-	3	2
Consumable supplies	14	273	-	287	274	13	96	88	79

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Consumable: Stationery, printing and office supplies	9	-	-	9	-	-	9	-	56	-
Operating leases	-	-	-	-	-	-	-	-	4	3
Travel and subsistence	541	(157)	-	384	118	266	31	375	278	18
Training and development	-	-	-	-	-	-	-	19	100	94
Operating payments	-	308	-	308	299	9	97	1677	1557	-
Venues and facilities	731	20	-	751	166	585	22	5	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	52 537	-	(1 400)	51 137	51 109	28	100	59 853	59 850	59 850
Departmental agencies and accounts	52 432	-	(1 400)	51 032	51 032	-	100	59 743	59 743	59 743
Departmental agencies	52 432	-	(1 400)	51 032	51 032	-	100	59 743	59 743	59 743
Households	105	-	-	105	77	28	74	110	107	107
Social benefits	105	-	-	105	77	28	74	110	107	107
Total	100 322	-	(1 400)	98 922	93 849	5 073	95	110 468	105 724	105 724

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

4.1 GOVERNANCE	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 031	(22)	-	4 009	3 507	502	88	4 954	3 339
Compensation of employees	3 425	(22)	-	3 403	3 264	139	96	4 695	3 187
Goods and services	606	-	-	606	243	363	40	259	152
Total	4 031	(22)	-	4 009	3 507	502	88	4 954	3 339

4.2 IGR AND STRATEGIC PARTNERSHIPS

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 975	(1 488)	-	18 487	16 997	1 490	92	21 067	18 526
Compensation of employees	18 131	(1 488)	-	16 643	16 290	353	98	20 109	17 607
Goods and services	1 844	-	-	1 844	707	1 137	38	958	919
Transfers and subsidies	5	-	-	5	1	4	18	110	107
Households	5	-	-	5	1	4	18	110	107
Total	19 980	(1 488)	-	18 492	16 998	1 494	92	21 177	18 632

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

4.3 CONSUMER PROTECTION	2020/21						2019/20			
	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	R'000
Current payments	23 779	1 510	-	25 289	22 235	3 054	88	24 594	24 010	
Compensation of employees	19 940	1 510	-	21 450	21 408	42	100	21 542	21 486	
Goods and services	3 839	-	-	3 839	828	3 011	22	3 052	2 524	
Transfers and subsidies	100	-	-	100	76	24	76	-	-	
Households	100	-	-	100	76	24	76	-	-	
Total	23 879	1 510	-	25 389	22 312	3 077	88	24 594	24 010	

4.4 LIQUOR REGULATIONS	2020/21						2019/20			
	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	R'000
Transfers and subsidies	52 432	-	(1 400)	51 032	51 032	-	100	59 743	59 743	
Departmental agencies and accounts	52 432	-	(1 400)	51 032	51 032	-	100	59 743	59 743	
Total	52 432	-	(1 400)	51 032	51 032	-	100	59 743	59 743	

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Policy and Planning	28 278	(100)	-	28 178	26 655	1 523	95	25 657	23 368
2. Research and Development	2 640	(400)	(1 424)	816	371	445	45	10 804	5 416
3. Knowledge Management	2 469	500	-	2 969	2 350	619	79	2 155	2 125
4. Sector and Industry Development	294 898	(1 764)	(13 875)	279 259	264 256	15 003	95	52 455	49 067
5. Inclusive Economy	15 260	1 764	-	17 024	16 217	807	95	17 854	13 723
Total for sub programmes	343 545	-	(15 299)	328 246	309 849	18 397	94	108 925	93 700
Economic classification									
Current payments	342 008	-	(15 299)	326 709	94 312	232 397	29	108 517	93 298
Compensation of employees	57 654	-	-	57 654	50 525	7 129	88	61 848	56 793
Salaries and wages	50 740	(44)	-	50 696	44 942	5 754	89	54 935	50 177
Social contributions	6 914	44	-	6 958	5 583	1 375	80	6 913	6 616
Goods and services	284 354	-	(15 299)	269 055	43 787	225 268	16	46 669	36 505
Administrative fees	108	(106)	-	2	1	1	50	184	171
Advertising	-	-	-	-	-	-	-	340	336
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 093	(752)	(167)	174	173	1	99	1 869	1 588
Communication	-	-	-	-	-	-	-	450	447
Computer services	-	-	-	-	-	-	-	254	194

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Consultants: Business and advisory services	2 75 935	2 006	(10 292)	267 649	42 487	225 162	16	33 614	28 117
Contractors	4 154	(200)	(3 696)	258	258	-	100	6 918	3 510
Agency and support / outsourced services	-	-	-	-	-	-	-	140	136
Consumable supplies	100	-	(4)	96	96	-	100	202	189
Consumable: Stationery, printing and office supplies	208	49	(3)	254	252	2	99	275	1
Travel and subsistence	1 340	(290)	(1 019)	31	24	7	79	1 074	481
Training and development	-	-	-	-	-	-	-	40	38
Venues and facilities	1 187	(478)	(118)	591	496	95	84	1 264	1 255
Rental and hiring	229	(229)	-	-	-	-	-	45	42
Transfers and subsidies	1 537	-	-	1 537	215 537	(214 000)	14 023	203	199
Provinces and municipalities	1 537	-	-	1 537	1 537	-	100	-	-
Municipalities	1 537	-	-	1 537	1 537	-	100	-	-
Municipal agencies and funds	1 537	-	-	1 537	1 537	-	100	-	-
Public corporations and private enterprise	-	-	-	-	214 00	(214 000)	-	-	-
Public corporations	-	-	-	-	214 00	(214 000)	-	-	-
Other transfer to Public Corporations	-	-	-	-	214 00	(214 000)	-	-	-
Households	-	-	-	-	-	-	-	203	199
Social benefits	-	-	-	-	-	-	-	203	199
Payments for capital assets	-	-	-	-	-	-	-	205	203
Intangible assets	-	-	-	-	-	-	-	205	203
Total	343 545	-	(15 299)	328 246	309 849	18 397	94	108 925	93 700

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Economic classification	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	28 278	(100)	-	28 178	26 655	1 523	95	25 575	23 288
Compensation of employees	19 610	(500)	-	19 110	17 640	1 470	92	19 234	17 655
Goods and services	8 668	400	-	9 068	9 014	54	99	6 341	5 633
Transfers and subsidies	-	-	-	-	-	-	-	82	81
Households	-	-	-	-	-	-	-	82	81
Total	28 278	(100)	-	28 178	26 655	1 523	95	25 657	23 368

5.2 RESEARCH AND DEVELOPMENT

Economic classification	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 640	(400)	(1 424)	816	371	445	45	10 599	5 213
Compensation of employees	444	-	-	444	-	444	-	-	-
Goods and services	2 196	(400)	(1 424)	372	371	1	100	10 599	5 213
Payments for capital assets	-	-	-	-	-	-	-	205	203
Intangible assets	-	-	-	-	-	-	-	205	203
Total	2 640	(400)	(1 424)	816	371	445	45	10 804	5 416

5.3 KNOWLEDGE MANAGEMENT

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Economic classification	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 469	500	-	2 969	2 350	619	79	2 155	2 125
Compensation of employees	2 469	500	-	2 969	2 350	619	79	2 140	2 113
Goods and services	-	-	-	-	-	-	-	15	12
Total	2 469	500	-	2 969	2 350	619	79	2 155	2 125

5.4-SECTOR AND INDUSTRY DEVELOPMENT

Economic classification	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	293 361	(1 764)	(13 875)	277 722	48 719	229 003	18	52 334	48 949
Compensation of employees	23 824	(272)	-	23 552	19 758	3 794	84	29 710	26 477
Goods and services	269 537	(1 492)	(13 875)	254 170	28 961	225 209	11	22 624	22 472
Transfers and subsidies	1 537	-	-	1 537	215 537	(214 000)	14 023	121	118
Provinces and municipalities	1 537	-	-	1 537	1 537	-	100	-	-
Public corporations and private enterprise	-	-	-	-	214 000	(214 000)	-	-	-
Other transfer to Public Corporations	-	-	-	-	214 000	(214 000)	-	-	-
Households	-	-	-	-	-	-	-	121	118
Total	294 898	(1 764)	(13 875)	279 259	264 256	15 003	95	52 455	49 067

5.5 INCLUSIVE ECONOMY

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Economic classification	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	15 260	1 764	-	17 024	16 217	807	95	17 854	13 723
Compensation of employees	11 307	272	-	11 579	10 776	803	93	10 764	10 548
Goods and services	3 953	1 492	-	5 445	5 441	4	100	7 090	3 175
Total	15 260	1 764	-	17 024	16 217	807	95	17 854	13 723

NOTES TO THE APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 Annexure1(A-H) to the Annual Financial Statements.

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.

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.

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
Administration	245 855	212 077	33 778	14
Integrated Economic Development Services	477 897	477 897	-	-
Trade and Sector Development	793 672	793 672	-	-
Business Regulation and Governance	98 922	93 849	5 073	5
Economic Planning	328 246	309 849	18 397	6
4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
Current payments				
Compensation of employees	232 855	217 737	15 118	6
Goods and services	371 174	117 497	253 677	68
Transfers and subsidies				
Provinces and municipalities	1 537	1 537	-	-
Departmental agencies and accounts	1 322 601	1 322 601	-	-
Public Corporation and Private enterprises	-	214 000	(214 000)	-
Households	1 435	1 209	226	16
Payments for capital assets				
Machinery and equipment	14 980	12 754	2 226	15
Intangible assets				
Payments for financial assets	10	9	1	15

NOTES TO THE APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

"The adjusted budget for Compensation of Employees is R232.8 million while the expenditure to date amounts to R217.7 million which equates to 94% spending. The underspending under Compensation of Employees is attributed to the vacant positions that could not be filled, as advertisement and shortlisting could not take place due to the emergence of Covid-19 pandemic.

The total expenditure for Goods and Services amounted to R331.4 million against the Adjusted budget of R371 million and the percentage spent equates to 89%. The slow spending under this economic classification is attributed to delays in appointing service providers to purchase others cleaning material, touch access control and thermal screening system, Bulk Media Buying and fully managed data centre. The underspending also emanated from the savings realised as a result of overestimation of the printing needs, delays from GDARD in claiming the regional office accommodation payment and the emergence of Covid-19 resulted in a halt of marketing activities which lead to the budget not being utilised. Consumer Affairs underspending is derived from protracted external probity audit processes causing delays in appointing service providers for the Consumer Education and Awareness Impact Assessment Study and it resulted in none spending of the budget. The under-spending in Governance emanates from non-implementation of the board performance review. The underspending under IGR is attributed to the lockdown since most of its budget is on travelling, catering and venues and facilities. Most of their activities were held virtual.

Underspending was realized under Economic Planning for the Strategies and Implementation Assessment project due the late signing of the SLA and funds only transfer for work that will be done until end of March 2021. Delayed procurement processes to conclude the appointment of the GEP reconfiguration and Economic Data Subscriptions further contributed to the underspending. The MOA for the Hi-tech Advanced Manufacturing Cluster Plan (Medical Devices programme) and the Green Skills Programme (NBI) were still unsigned and this resulted in funds not expend. The Clothing and Textile Leather and Footwear project (GEP and VUT) budget was not spent because the MOA between GEP and the Department was not yet signed. Funds for the Gauteng Clothing and Textile Business hub (TEDA) could not be spend due the late signing of the SLA and MOU, coupled with the lapse of term of office of the board at TEDA. The business case for the Economic Impact Assessment on Waste Tariffs for Gauteng project was not signed. Funds for the sector benchmarking were not spend due to lockdown restriction imposed on travelling.

The Department has processed and transferred all transfers to entities for the 2020/21 financial year.

Payment for capital assets as at the end of March 2021 amounted to R12.7 million. The underspending on Machinery and Equipment is as a result of none procurement of SMS furniture, which coincide with none filling of vacant position for SMS's. The payment of R9 thousand for financial assets resulted from the write off of salary overpayment from a deceased employee."

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Expanded Public Works Programme (EPWP)	2 000	2 000	-	-

The department received Extended Public Works Programme (EPWP) Integrated Grant allocation from the National Department of Public Works and Infrastructure. The amount received was transferred to GGDA (Conhill) and Dinokeng for the implementation of the EPWP during the 2020/21 financial year.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	1	1 944 592	1 638 292
Departmental revenue	2	795 377	1 290 921
TOTAL REVENUE		2 739 969	2 929 213
EXPENDITURE			
Current expenditure			
Compensation of employees	3	217 737	225 453
Goods and services	4	117 497	146 010
8% Commission to GGB	30	56 907	110 372
Total current expenditure		392 141	481 835
Transfers and subsidies			
Transfers and subsidies	6	1 539 347	1 176 233
Total transfers and subsidies		1 539 347	1 176 233
Expenditure for capital assets			
Tangible assets	7	12 754	11 081
Intangible assets	7	-	203
Total expenditure for capital assets		12 754	11 284
Payments for financial assets	5	9	-
TOTAL EXPENDITURE		1 944 251	1 669 352
SURPLUS/(DEFICIT) FOR THE YEAR		795 718	1 259 861
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		57 248	79 312
Annual appropriation		57 248	79 312
Departmental revenue and PRF Receipts	12	738 470	1 180 549
SURPLUS/(DEFICIT) FOR THE YEAR		795 718	1 259 861

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		207 144	187 005
Cash and cash equivalents	<u>8</u>	136 464	183 499
Receivables	<u>9</u>	70 680	3 506
Non-current assets		4	4
Investments	<u>10</u>	4	4
TOTAL ASSETS		207 148	187 009
LIABILITIES			
Current liabilities		206 595	185 243
Voted funds to be surrendered to the Revenue Fund	<u>11</u>	57 248	79 312
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>12</u>	137 860	69 175
Payables	<u>13</u>	11 487	36 756
Non-current liabilities			
Payables	<u>14</u>	29	1 318
TOTAL LIABILITIES		206 624	186 561
NET ASSETS		524	448
Represented by:			
Capitalisation reserve		4	4
Recoverable revenue		520	444
TOTAL		524	448

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Capitalisation Reserves			
Opening balance		4	4
Closing balance		4	4
Recoverable revenue			
Opening balance		444	396
Transfers:		76	48
Irrecoverable amounts written off	<u>5.1</u>	8	-
Debts revised		(341)	(241)
Debts recovered (included in departmental receipts)		462	410
Debts raised		(53)	(121)
Closing balance		520	444
TOTAL		524	448

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 739 969	2 929 213
Annual appropriated funds received	<u>1.1</u>	1 944 592	1 638 292
Departmental revenue received	<u>2</u>	794 230	1 286 767
Interest received	<u>2.2</u>	1 147	4 154
Net (increase)/decrease in working capital		(92 443)	48 864
Surrendered to Revenue Fund		(749 097)	(1 245 474)
Current payments		(392 141)	(481 835)
Payments for financial assets		(9)	-
Transfers and subsidies paid		(1 539 347)	(1 176 233)
Net cash flow available from operating activities	15	(33 068)	74 535
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>Z</u>	(12 754)	(11 284)
Net cash flows from investing activities		(12 754)	(11 284)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		76	48
Increase/(decrease) in non-current payables		(1 289)	29
Net cash flows from financing activities		(1 213)	77
Net increase/(decrease) in cash and cash equivalents		(47 035)	63 328
Cash and cash equivalents at beginning of period		183 499	120 171
Cash and cash equivalents at end of period	8	136 464	183 499

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

Summary of significant accounting policies

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

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

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

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund. Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

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	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
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>
8.2	<p>Other expenditure</p> <p>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.</p>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

8.4.2	<p>Finance lease</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <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	<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>
10	<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> <p>Prepayments and advances are expensed when the related expense is incurred. The department may elect to expense the prepayment immediately provided that the amount of prepayment is not material and it has been budgeted in the year expensed, to avoid the possibilities of negative cash flow.</p>
11	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
12	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
13	<p>Financial assets</p>
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>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

15	Capital Assets
15.1	<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>
15.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (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 forms part of the cost of the existing asset when ready for use.</p>
15.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) 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 of a capital nature forms part of the cost of the existing asset when ready for use.</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>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

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>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</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> <ul style="list-style-type: none"> ▪ approved by Provincial Legislature with funding and the related funds are received; or ▪ approved by 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 or written off.</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 after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</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 estimates and error</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>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

<p>22</p>	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement between the department and Gauteng Gambling Board, for collection of casino taxes, horse racing taxes and bookmakers license fees. In terms of the arrangement the department is the principal and is responsible for accounting, receiving and surrendering to the Revenue Fund the casino taxes, horse racing taxes and bookmakers license fees revenue collected by Gauteng Gambling Board (GGB) on behalf of the department. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<p>23</p>	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
<p>24</p>	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
<p>25</p>	<p>Related party transactions</p> <p>Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
<p>26</p>	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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):

			2020/21			2019/20
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	245 855	245 855	-	303 055	303 055	-
Integrated Economic Development Service	477 897	477 897	-	245 771	245 771	-
Trade and Sector Development	793 672	793 672	-	870 073	870 073	-
Business Regulation and Governance	98 922	98 922	-	110 468	110 468	-
Economic Planning	328 246	328 246	-	108 925	108 925	-
Total	1 944 592	1 944 592	-	1 638 292	1 638 292	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
1.2 Conditional grants			
Total grants received	31	2 000	-
Provincial grants included in Total Grants received		2 000	-
2. Departmental revenue			
Tax revenue		793 769	1 286 008
Sales of goods and services other than capital assets	2.1	215	432
Interest, dividends and rent on land	2.2	1 147	4 154
Transactions in financial assets and liabilities	2.3	246	327
Total revenue collected		795 377	1 290 921
Departmental revenue collected		795 377	1 290 921

In terms of the Modified Cash Standard (MCS) recognition and measurement of revenue, the department is required to account and disclose the tax revenue amount at gross.

2.1 Sales of goods and services other than capital assets

	2		
Sales of goods and services produced by the department		215	432
Sales by market establishment		155	266
Administrative fees		60	166
Total		215	432

2.2 Interest, dividends and rent on land

	2		
Interest		1 147	4 154
Total		1 147	4 154

2.3 Transactions in financial assets and liabilities

	2		
Receivables		-	69
Other Receipts including Recoverable Revenue		246	258
Total		246	327

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
3. Compensation of employees			
3.1 Salaries and Wages			
Basic salary		152 496	158 930
Performance award		2 219	3 454
Service Based		112	75
Compensative/circumstantial		1 388	923
Other non-pensionable allowances		30 923	32 170
Total		187 138	195 552
3.2 Social contributions			
Employer contributions			
Pension		19 404	19 624
Medical		11 157	10 243
Bargaining council		38	34
Total		30 599	29 901
Total compensation of employees		217 737	225 453
Average number of employees		407	417

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
4. Goods and services			
Administrative fees		161	478
Advertising		1 248	17 727
Minor assets	4.1	227	651
Bursaries (employees)		1 082	2 030
Catering		236	2 262
Communication		3 916	4 507
Computer services	4.2	14 574	16 140
Consultants: Business and advisory services		48 130	31 855
Legal services		3	972
Contractors		1 121	4 762
Agency and support / outsourced services		-	311
Audit cost – external	4.3	4 300	4 808
Fleet services		1 253	1 858
Consumables	4.4	3 545	4 128
Operating leases		13 684	23 409
Property payments	4.5	22 206	23 936
Rental and hiring		297	53
Travel and subsistence	4.6	229	1 521
Venues and facilities		732	3 479
Training and development		247	797
Other operating expenditure	4.7	306	326
Total		117 497	146 010

Advertising: The decrease emanates from the non- implementation of the planned recruitment drive, as well as procurement of bulk media buying in different media platforms.

Bursaries: The decrease is due to less bursaries awarded in the current financial year as compared to the previous financial year.

Catering: During the 2020/21 financial year which resulted in the cancellation of community based campaigns such as Local content forums, BBBEE Champions forums and other consumer protection related Campaigns.

Communication: The decrease is due to most of the staff working offsite during the 2020/21 financial year as a result of the Covid-19 pandemic, and the use of telephone reduced in the office.

Computer Services: The decrease is due to the delay in appointment of service provider for the Fully Managed Data Centre which resulted in less spending compared to the previous financial year.

Contractors: The decrease is due to the limited usage of contractors due to lockdown restriction in the 2020/21 financial year.

Operating Leases: The decrease is due to the delays in appointing services providers for the rental lease for DED regional office accommodation and labour saving devises.

Venues and facilities: The decrease is due to lockdown restrictions during the 2020/21 financial year which resulted in the cancellation or low implementation of community based campaigns such as Local content forums, BBBEE Champions forums and other consumer related Campaigns.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
4.1 Minor assets			
	4		
Tangible assets		227	651
Machinery and equipment		227	651
Total		227	651
4.2 Computer services			
External computer service providers		14 574	16 140
Total		14 574	16 140
4.3 Audit cost – External			
Regularity audits		4 300	4 808
Total		4 300	4 808
4.4 Consumables			
Consumable supplies		2 369	1 567
Uniform and clothing		569	783
Household supplies		950	159
IT consumables		32	37
Other consumables		818	588
Stationery, printing and office supplies		1 176	2 561
Total		3 545	4 128
4.5 Property payments			
Municipal services		9 632	6 640
Property maintenance and repairs		1 244	1 617
Other		11 330	15 679
Total		22 206	23 936

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
4.6 Travel and subsistence			
Local		229	1 180
Foreign		-	341
Total		229	1 521
4.7 Other operating expenditure			
Professional bodies, membership and subscription fees		-	12
Resettlement costs		-	125
Other		306	189
Total		306	326
5. Payments for financial assets			
Debts written off	5.1	9	-
Total		9	-
5.1 Debts written off			
	5		
Nature of debts written off			
Recoverable revenue written off			
Debt written off		9	-
Total		9	-
Total debt written off		9	-
6. Transfers and subsidies			
Provinces and municipalities	33	1 537	-
Departmental agencies and accounts	<i>Annexure 1B</i>	1 322 601	1 175 587
Public corporations and private enterprises	<i>Annexure 1D</i>	214 000	-
Households	<i>Annexure 1G</i>	1 209	646
Total		1 539 347	1 176 233

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
7. Expenditure for capital assets			
Tangible assets		12 754	11 081
Machinery and equipment	28	12 754	11 081
Intangible assets		-	203
Software	29	-	203
Total		12 754	11 284
7.1 Analysis of funds utilised to acquire capital assets – 2020/21			
		Voted funds	Total
		R'000	R'000
Tangible assets		12 754	12 754
Machinery and equipment		12 754	12 754
Total		12 754	12 754
7.2 Analysis of funds utilised to acquire capital assets – 2019/20			
		Voted funds	Total
Tangible assets		11 081	11 081
Machinery and equipment		11 081	11 081
Intangible assets		203	203
Software		203	203
Total		11 284	11 284
7.3 Finance lease expenditure included in Expenditure for capital assets			
Tangible assets			
Machinery and equipment		5 769	4 173
Total		5 769	4 173

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General Account	136 444	183 479
Cash on hand	20	20
Total	136 464	183 499

The decrease on cash and cash equivalent is as a result of an overpayment of revenue surrender for an amount of R53 362 175,73 paid into the Provincial Revenue Fund. The department has raised a receivable for the overpayment.

9. Receivables

		2020/21			2019/20		
	Note	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	9.1	67 939	-	67 939	2 714	-	2 714
Recoverable expenditure	9.2	1 891	-	1 891	-	-	-
Staff debt	9.3	850	-	850	784	-	784
Other receivables	9.4	-	-	-	8	-	8
Total		70 680	-	70 680	3 506	-	3 506

Included in the amount for claims recoverable above is an overpayment of revenue surrender of an amount of R53 362 175,73 paid into the Provincial Revenue Fund (PRF). The incorrect surrender to PRF is due to the surrender processed for revenue which was not received by the Department.

9.1 Claims recoverable

	Note		
Provincial departments	9	53 856	815
Public entities		14 083	1 899
Total		67 939	2 714

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
9.2 Recoverable expenditure (disallowance accounts)			
	9		
Disallowance account		1 891	-
Total		1 891	-
9.3 Staff debt			
	9		
Current Employee		376	377
Ex-Employee		474	407
Total		850	784
9.4 Other receivables			
	9		
Salary Tax Debt		-	8
Total		-	8
10. Investments			
Non-Current			
Shares and other equity			
Blue IQ t/a GGDA		4	4
Maropeng A' Afrika Leisure		-	-
Total		4	4
Total non-current		4	4
Analysis of non-current investments			
Opening balance		4	4
Closing balance		4	4

The Department held investment at MAL (Maropeng a Afrika Leisure) which was managed through a PPP (Public Private Partnership) that expired in 2015. In terms of the termination clause 27.2 of the concession agreement the revenue, loan, liabilities, movable assets should be transferred to the concessor.

During the 2020/21 the Department is still unable to account for the investment in MAL except for the movable assets which are accounted and disclosed under Note 29 to the AFS.

The Department is still waiting for the final decision to be followed regarding the implementation of the termination clause of the expired PPP. The process of conducting a due diligence to ensure accurate valuation of the investment, revenue, loan and liabilities has been completed and the Department is currently interrogating the options and the recommendations in the report in order to decide on the best option to be implemented going forward.

The Gauteng Provincial Treasury has granted the department an exemption of two financial years (2019/20 and 2020/21) to enable the Department to implement the termination clause in full.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
11. Voted funds to be surrendered to the Revenue Fund			
Opening balance		79 312	40 040
Transfer from statement of financial performance		57 248	79 312
Paid during the year		(79 312)	(40 040)
Closing balance		57 248	79 312
12. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund			
Opening balance		69 175	94 060
Transfer from Statement of Financial Performance		738 470	1 180 549
Paid during the year		(669 785)	(1 205 434)
Closing balance		137 860	69 175
13. Payables – current			
Amounts owing to other entities		1 297	36 449
Clearing accounts	13.1	472	307
Other payables	13.2	9 718	-
Total		11 487	36 756

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
13.1 Clearing accounts			
	13		
Sal: Income Tax		379	296
Sal: Pension Fund		18	-
Sal: ACB Recall		75	11
Total		472	307

13.2 Other payables

	13		
Deposit		1	-
Suppliers		9 717	-
Total		9 718	-

14. Payables – non-current

					2020/21 Total	2019/20 Total
	<i>Note</i>	One to two years R'000	Two to three years R'000	More than three years R'000	R'000	R'000
Amounts owing to other entities		-	29	-	29	29
Other payables	14.1	-	-	-	-	1 289
Total		-	29	-	29	1 318

14.1 Other payables

	14		
Municipal Deposit		-	1 289
Total		-	1 289

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
15. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		795 718	1 259 861
Add back non cash/cash movements not deemed operating activities		(828 786)	(1 185 326)
(Increase)/decrease in receivables		(67 174)	(2 212)
(Increase)/decrease in prepayments and advances		-	14 700
Increase/(decrease) in payables – current		(25 269)	36 376
Expenditure on capital assets		12 754	11 284
Surrenders to Revenue Fund		(749 097)	(1 245 474)
Net cash flow generated by operating activities		(33 068)	74 535

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

Consolidated Paymaster General account	136 444	183 479
Cash on hand	20	20
Total	136 464	183 499

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

	Note		
Liable to		Nature	
Claims against the department	Annex 3B		2 629
Intergovernmental payables (unconfirmed balances)	Annex 5		2 121
Total			2 907
			2 267

The amount disclosed as claims against department is for the labour matters and claims instituted against the Department. The amount of R278 000 is for unconfirmed inter-departmental claim due to disputed amount.

The amount for claims against department for 2019/20 has been restated to correct prior period error which led to understatement of contingent liabilities. The department received summons for labour matters in the previous financial year however the amount was omitted in the prior year financial statements.

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
18. Capital commitments			
Machinery and equipment		342	5 862
Total		342	5 862

The decrease on the capital commitments is as a result of less procurement of machinery and equipment in the current financial year due to the departmental assets which are still in good condition and usable.

19. Accruals and Payables not recognised**19.1 Accruals****Listed by economic classification**

	30 Days	30+ Days	Total	Total
Goods and services	7 763	1 851	9 614	11 187
Transfers and subsidies	-	-	-	2 800
Capital assets	19	16	35	90
Other	220	245	465	1 173
Total	8 002	2 112	10 114	15 250

Listed by programme level

Administration	10 114	9 104
Business Regulations and Governance	-	360
Economic Planning	-	5 786
Total	10 114	15 250

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000	
19.2 Payables not recognised				
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	-	-	-	117
Capital assets	-	-	-	6
Other	-	-	-	-
Total	-	-	-	123

Listed by programme level

Administration	-	123
Total	-	123

Included in the above totals are the following:

Confirmed balances with other departments	Annex 5	5 021	116
Confirmed balances with other government entities	Annex 5	730	4 633
Total		5 751	4 749

20. Employee benefits

Leave entitlement	16 672	10 331
Service bonus	5 439	5 607
Performance awards	1 217	1 805
Capped leave	1 258	1 651
Acting Allowance	86	-
Long Service Bonus	76	101
SMS notch progression	38	477
Early retirement provision	-	1 799
SMS notch adjustment	-	26
Salary Provision	45	-
Total	24 831	21 797

The increase on leave entitlement is due to the Covid-19 pandemic, the staff member are coming to work on rotational basis as a measure to manage the spread of the virus and as a results staff used less leave days as compared to the previous financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. Lease commitments

21.1 Operating leases

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	33 596	2 462	36 058
Later than 1 year and not later than 5 years	-	-	139 721	1 387	141 108
Total lease commitments	-	-	173 317	3 849	177 166

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	47 481	8 121	55 602
Later than 1 year and not later than 5 years	-	-	173 317	3 766	177 083
Total lease commitments	-	-	220 798	11 887	232 685

"Under Building and other fixed structures, it includes the lease commitments towards 124 Main street building which is leased by the Department on behalf of it's agencies and entity currently occupying office space at 124 main street.

The new contract signed incorporate both Phase 1 from 1 July 2020 and Phase 2 from the end of November 2020. The annual escalation of the signed new lease contract is 6%.

	Note	2020/21 R'000	2019/20 R'000
Rental earned on sub-leased assets	2.1	155	266
Total		155	266

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21.2 Finance leases

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	4 155	4 155
Later than 1 year and not later than 5 years	-	-	-	2 982	2 982
Total lease commitments	-	-	-	7 137	7 137

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	5 094	5 094
Later than 1 year and not later than 5 years	-	-	-	5 708	5 708
Total lease commitments	-	-	-	10 802	10 802

2020/21	2019/20
R'000	R'000

22. Accrued departmental revenue

Tax revenue	78 739	93 253
Fines, penalties and forfeits	-	1 118
Other	29	21
Total	78 768	94 392

"Note*: The accrued departmental revenue includes the tax revenue of an amount of R78 739 000 for March 2021 receivable from Gauteng Gambling Board (GGB) in terms of the signed Principal-Agent arrangement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
22.1 Analysis of accrued departmental revenue			
Opening balance		94 392	94 968
Less: amounts received		(93 274)	(93 686)
Add: amounts recognised		78 768	93 110
Less: amounts written-off/reversed as irrecoverable		(1 118)	-
Closing balance		78 768	94 392
23. Irregular expenditure			
23.1 Reconciliation of irregular expenditure			
		2020/21 R'000	2019/20 R'000
Opening balance		71 514	71 354
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		2 137	160
Less: Prior year amounts condoned		(362)	-
Closing balance		73 289	71 514
Analysis of closing balance			
Current year		2 137	160
Prior years		71 152	71 354
Total		73 289	71 514
23.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)			
Incident	Disciplinary steps taken/ criminal proceedings	2020/21 R'000	
Contravention of Treasury Regulations 16A3.1	-	2 137	
Total		2 137	
23.3 Details of irregular expenditure condoned			
Incident	Condoned by (relevant authority)	2020/21 R'000	
Non-Compliance to TR 16A3.1		362	
Total		362	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21 R'000	2019/20 R'000
24. Fruitless and wasteful expenditure			
24.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		4 690	23
Fruitless and wasteful expenditure – relating to prior year		-	3 336
Fruitless and wasteful expenditure – relating to current year		65	1 360
Less: Amounts written off		-	(29)
Closing balance		4 755	4 690

24.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/ criminal proceedings	2020/21 R'000
Arrears on pension contribution to GEPP		65
Total		65

25. Related party transactions

Revenue received		
Tax revenue	793 769	1 286 008
Total	793 769	1 286 008
Payments made		
GGB Commission	56 907	110 372
Total	56 907	110 372
Year end balances arising from revenue/payments		
Receivables from related parties	78 739	93 253
Payables to related parties	15 021	10 182
Total	93 760	103 435
In kind goods and services provided/received		
	-	-
Total	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The list of entities and agencies directly reporting to the Gauteng Department of Economic Development are as follows:-

- Gauteng Gambling Board (GGB)
- Gauteng Growth Development Agency (GGDA)
- Gauteng Enterprise Propeller (GEP)
- Gauteng Tourism Authority (GTA)
- Cradle of Humankind World Heritage Site (Trading entity)
- Dinokeng (Trading entity)
- Gauteng Liquor Board (GLB) (Trading entity)

The Gauteng Department of Agriculture and Rural Development and the Gauteng Department of Economic Development report to the same MEC and falls under the same portfolio of the MEC for Economic Development, Agriculture and Environment.

GDED occupies a building that is leased by Gauteng Department of Infrastructure and Development which is a custodian of immovable property in the GPG however, the Department is responsible for the payment of the utility services.

26. Key management personnel

	No. of Individuals	2020/21 R'000	2019/20 R'000
Political office bearers	2	1 648	2 102
Officials:			
Level 15 to 16	4	6 760	8 122
Level 14	9	11 198	13 195
Total		19 606	23 419

The previous MEC has departed his role in the department during the 2020/21 financial year and as a result the new MEC was appointed from December 2020

27. Provisions

Provision of doubtful debts	767	368
Total	767	368

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

27.1 Reconciliation of movement in provisions – 2020/21

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	368	-	-	368
Increase in provision	399	-	-	399
Closing balance	767	-	-	767

Reconciliation of movement in provisions – 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	51	-	-	51
Increase in provision	317	-	-	317
Closing balance	368	-	-	368

28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	64 183	-	6 924	(173)	70 934
Transport assets	949	-	-	-	949
Computer equipment	25 747	-	5 117	(163)	30 701
Furniture and office equipment	23 565	-	428	(10)	23 983
Other machinery and equipment	13 922	-	1 379	-	15 301
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	64 183	-	6 924	(173)	70 934

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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	64	1 083

Assets disclosed in Note 28 are still under investigation as they could not be verified during the 100% verification process undertaken during the 2020/21 financial year. A total number of 64 (46 unverified and 18 lost) assets with a value of R1 083 million. The total of 18 (R439k) lost assets are still under investigation by the Security and Risk Management Directorate with the balance of 46 (R644k) the sub-directorate Asset Management continue to conduct internal enquiry with an aim of locating and verifying the minor assets.

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	12 754		(5 769)	(61)	6 924
Transport assets	5 769		(5 769)	-	-
Computer equipment	5 117		-	-	5 117
Furniture and office equipment	489		-	(61)	428
Other machinery and equipment	1 379		-	-	1 379
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	12 754		(5 769)	(61)	6 924

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	173	173	-
Computer equipment	-	163	163	-
Furniture and office equipment	-	10	10	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	173	173	-

28.3 Movement for 2019/20

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	56 028	-	11 326	3 171	64 183
Transport assets	424	-	949	424	949
Computer equipment	23 217	-	4 678	2 148	25 747
Furniture and office equipment	20 481	-	3 571	487	23 565
Other machinery and equipment	11 906	-	2 128	112	13 922
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	56 028	-	11 326	3 171	64 183

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	9 956	-	9 956
Additions	-	-	-	211	-	211
TOTAL MINOR ASSETS	-	-	-	10 167	-	10 167

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	5 521	-	5 521
TOTAL NUMBER OF MINOR ASSETS	-	-	-	5 521	-	5 521

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	40	60

Assets disclosed in Note 28.4 are still under investigation as they could not be verified during the 100% verification process undertaken during the 2020/21 financial year. A total number of 40 assets with a value of R60k. The Sub-Directorate Asset Management continue to conduct internal enquiry with an aim of locating and verifying the minor assets.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	6 078	-	6 078
Additions	-	-	-	4 031	-	4 031
Disposals	-	-	-	(153)	-	(153)
TOTAL MINOR ASSETS	-	-	-	9 956	-	9 956

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	2 563	-	2 563
TOTAL NUMBER OF MINOR ASSETS	-	-	-	2 563	-	2 563

28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	173	-	173
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	173	-	173

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	308	-	3 325	-	3 633
TOTAL MOVABLE ASSETS WRITTEN OFF	-	308	-	3 325	-	3 633

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	7 895	-	-	7 895
TOTAL INTANGIBLE CAPITAL ASSETS	7 895	-	-	7 895

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

29.1 Movement for 2019/20

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 000		203	(308)	7 895
TOTAL INTANGIBLE CAPITAL ASSETS	8 000		203	(308)	7 895

30. Principal-agent arrangements

30.1 Department acting as the principal

	2020/21	2019/20
	R'000	R'000
Commission paid to Gauteng Gambling Board	56 907	110 372
Total	56 907	110 372

The Gauteng Gambling Board (GGB) perform agency service for the Gauteng Department of Economic Development (GDED) and it collects the casino taxes, horse racing taxes and bookmakers license fees on behalf of the GDED which is the principal in the arrangement. The GGB in return receives 8% commission of the total revenue collected in terms of the principal agent arrangement. There are no significant terms other the information already provided above nor significant risks identified by management on this arrangement. There were also no changes occurred to the arrangement in the 2020/21 financial year.

31. Correction of prior period error

	Amount bef error correction	Prior period error	Restated amount
	R'000	R'000	R'000
Correction of prior period errors			
Contingent Liabilities	246	2 021	2 267
Total	246	2 021	2 267

The amount for claims against department for 2019/20 has been restated to correct prior period error which led to understatement of contingent liabilities. The department received summons for labour matters in the previous financial year however the amount was omitted in the prior year financial statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

32. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2019/20	
	Division of Revenue Act/ Provincial Grants R'000	Roll Overs R'000	DORA Adjust-ments R'000	Other Adjust-ments R'000	Total Available R'000	Amount received by department-ment R'000	Amount spent by department-ment R'000	Under / (Overspending) R'000	% of available funds spent by department-ment %	Division of Revenue Act R'000	Amount spent by department R'000
EPWP	2 000	-	-	-	2 000	2 000	2 000	-	100	-	-
TOTAL	2 000	-	-	-	2 000	2 000	2 000	-	100	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

33. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	2020/21					2019/20		
	GRANT ALLOCATION				Total Available R'000	TRANSFER		
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Actual Transfer R'000		Funds Withheld R'000	Re- allocations by National Treasury or National Department %	Division of Revenue Act R'000
Sedibeng District Municipality	-	-	1 537	1 537	1 537	-	-	-
TOTAL	-	-	1 537	1 537	1 537	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

<i>Note</i>	2020/21	2019/20
	R'000	R'000

34. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

Covid-19 Response Expenditure

Annexure 11

Goods and services	3 767	-
Total	3 767	-

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2021ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2019/20			
	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 %	Division of Revenue Act R'000	Actual transfer R'000
Sedibeng District Municipality	-	-	1 537	1 537	1 537	-	-	1 537	-	1 537	-	-	-
TOTAL	-	-	1 537	1 537	1 537	-	-	1 537	-	1 537	-	-	-

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION					TRANSFER		2019/20	
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Available Transferred	Final Appropriation	R'000	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Gauteng Growth and Development Agency	791 000	(189 360)		601 640	601 640	100	636 813		
Gauteng Tourism Authority	138 004	-	(40 154)	97 850	97 850	100	118 779		
Gauteng Enterprise Propeller	231 351	-	246 547	477 898	477 897	100	245 771		
Cradle of Humankind	57 681	-	2 259	59 940	59 940	100	76 823		
Dinokeng	40 925	(6 683)	-	34 242	34 242	100	37 658		
Gauteng Liquor Board	23 912	647	-	24 559	24 559	100	26 352		
Gauteng Gambling Board	26 473	-	-	26 473	26 473	100	33 391		
TOTAL	1 309 346	(195 396)	208 652	1 322 602	1 322 601		1 175 587		

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER		2019/20 Final Appropriation R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	
Public Corporations							
Transfers							
Tshwane Automative Hub	-	-	-	-	214 000	-	-
Special Economic Zone	-	-	-	-	214 000	-	-
Sub Total: Public Corporations	-	-	-	-	214 000	-	-
TOTAL	-	-	-	-	214 000	-	-

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjust-ments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	
HOUSEHOLDS							
Transfers							
H/H: Leave Gratuity	-	-	1 209	1 209	1 209	100	646
	-	-	1 209	1 209	1 209	-	646
TOTAL	-	-	1 209	1 209	1 209	-	646

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 20/21	% Held 19/20	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed
				2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
National/ Provincial Public Entity												
Blue IQ (PTY) LTD t/a GGDA		100	100	4 000	4 000	1	1	4	4			
Subtotal				4 000	4 000	1	1	4	4			
TOTAL				4 000	4 000	1	1	4	4			

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

NATURE OF LIABILITY	Opening Balance 1 April 2020	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Labour Matters	2 121	608	(100)	-	2 629
Subtotal	2 121	608	(100)	-	2 629
TOTAL	2 121	608	(100)	-	2 629

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 4
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Cash in transit at year end 2020/21*	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000		R'000
Department						
Gauteng Department of Human Settlement	212	71	-	-	212	71
Gauteng Office of the Premier	38	83	-	-	38	83
Gauteng Department of Cooperative Governance and Traditional affairs	-	264	-	-	-	264
Gauteng Department of Agriculture and Rural Development	-	397	-	-	-	397
Gauteng Department of Social Development	177	-	-	-	177	-
Gauteng Provincial Treasury(PRF)	53 362	-	-	-	53 362	-
Gauteng Department of E-Gov	67	-	-	-	67	-
	53 856	815	-	-	53 856	815

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 4
CLAIMS RECOVERABLE

Other Government Entities

Gauteng Liquor Board	-	311	709	-	709	311
Cradle of Humankind	234	821	-	-	234	821
Dinokeng	233	445	-	-	233	445
Gauteng Tourism Authority	78	92	1 812	-	1 890	92
Gauteng Enterprise Propeller	-	159	4 840	-	4 840	159
Gauteng Gambling Board	-	-	-	71	-	71
Gauteng Growth and Development Agency	6 177	-	-	-	6 177	-
TOTAL	6 722	1 828	7 361	71	14 083	1 899
	60 578	2 643	7 361	71	67 939	2 714

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	Cash in transit at year end 2020/21 *		
	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000		31/03/2020 R'000	31/03/2021 R'000	Payment date up to six (6) working days before year end Amount R'000
DEPARTMENTS								
Current								
Gauteng Office of the premier	58	63	132	-	190	63		
Gauteng Department of Cooperative Governance and Traditional Affairs	-	53	-	-	-	53		
Department of Justice	492	-	146	146	638	146		
Gauteng Provincial Treasury	162	-	-	-	162	-		
Gauteng Department of Agriculture and Rural Development	4 063	-	-	-	4 063	-		
Department of Cooperative Governance	246	-	-	-	246	-		
Total Departments	5 021	116	278	146	5 299	262		

UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 5
INTER-GOVERNMENT PAYABLES

OTHER GOVERNMENT ENTITY

Current

G-Fleet	727	808	-	-	727	808
World Heritage	-	1 058	-	-	-	1 058
Gauteng Gambling Board	-	2 767	-	-	-	2 767
Government Printing	3	-	-	-	3	-
Total Other Government Entity	750	4 633	-	-	750	4 633

TOTAL INTERGOVERNMENT PAYABLES

5 751	4 749	278	146	6 029	4 895
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UNAUDITED ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

EXPENDITURE PER ECONOMIC CLASSIFICATION	2020/21				2019/20	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services	1 132	364	540	1 731	3 767	-
Advertisement	920	-	-	-	920	-
Minor assets	-	-	-	15	15	-
Catering Departmental Activities	2	-	-	-	2	-
Consultants	-	-	-	1 400	1 400	-
Contractors	-	-	156	102	258	-
Consumable Supplies	103	320	362	181	966	-
Rental and Hiring	-	44	22	33	99	-
Travel and Subsistence	37	-	-	-	37	-
Venue and Facilities	70	-	-	-	70	-
TOTAL COVID 19 RESPONSE EXPENDITURE	1 132	364	540	1 731	3 767	-

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REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO.3: GAUTENG LIQUOR BOARD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Gauteng Liquor Board set out on pages 212 to 240, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Liquor Board as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the trading entity in accordance with the International Ethics Standards Board for Accountants' (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's

ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

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

8. 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.
9. 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

10. Section 40(3)(a) of the PFMA, the trading entity is required to prepare an annual performance report. The performance information of the trading entity was reported in the annual performance report of Gauteng Department of Economic Development. The usefulness and reliability of the reported performance information were tested as part of the audit of Gauteng Department of Economic Development. There were no audit findings included in the management and auditor's reports of Gauteng Department of Economic Development.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

11. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the trading entity's compliance with specific matters in key legislation. I performed

procedures to identify findings but not to gather evidence to express assurance.

12. I did not raise any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

13. 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 and the auditor's report.

14. My opinion on the financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

15. 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, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

INTERNAL CONTROL DEFICIENCIES

17. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation. However, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Johannesburg
31 July 2021



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note(s)	2020/21 R'000	2019/20 Restated* R'000
ASSETS			
Current Assets			
Receivables from exchange transactions	2	658	282
Receivables from non-exchange transactions	3	241	172
Cash and cash equivalents	4	51 819	30 294
		52 718	30 748
Non-Current Assets			
Property, plant and equipment	5	345	448
Total Assets		53 063	31 196
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	39 882	37 376
Provisions	7	2 092	1 086
Total Current Liabilities		41 974	38 462
Total Liabilities		41 974	38 462
Net Assets		11 089	(7 266)
Accumulated surplus		11 089	(7 266)

* See note 25

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

	Note(s)	2020/21 R'000	2019/20 Restated* R'000
REVENUE			
Revenue from exchange transactions			
Licences and permits	10	60 556	66 517
Rental of parking	9	41	42
Recoveries	9	2	3
Garnishee order	9	15	14
Interest received - bank	11	607	914
Total revenue from exchange transactions		61 221	67 490
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	12	24 559	26 352
Fines, penalties and forfeits	13	2 461	2 945
Total revenue from non-exchange transactions		27 020	29 297
Total revenue	8	88 241	96 787
Expenditure			
Employee related costs	14	(48 136)	(52 889)
Depreciation and amortisation	15	(103)	(111)
Loss on disposal of assets		-	(33)
Impairment loss: penalty		(1 212)	(644)
Bad debt		(163)	(447)
Goods and services	16	(20 272)	(25 884)
Total expenditure		(69 886)	(80 008)
Surplus for the year		18 355	16 779

* See note 25

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

	Accumulated Deficit R'000	2020/21 Total net assets R'000
Balance at 01 April 2019	(24 045)	(24 045)
Changes in net assets	16 779	16 779
Total changes	16 779	16 779
Restated* balance as at 01 April 2020	(7 266)	(7 266)
Balance as previously reported	7 304	7 304
Correction of errors	38	38
Restated* balance as at 01 April 2020	(7 266)	(7 266)
Changes in net assets	18 355	18 355
Total changes	18 355	18 355
Balance at 31 March 2021	11 089	11 089

* See note 25

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note(s)</i>	2020/21	2019/20
		R'000	Restated*
			R'000
Cash flows from operating activities			
Receipts			
Licence fees		61 083	69 171
Government grants and subsidies		24 559	26 352
Interest income		607	914
Garnishee order and Parking rentals		58	59
Fines and penalties		2 392	3 126
		<hr/> 88 699	<hr/> 99 622
Payments			
Compensation of employees		(46 460)	(52 556)
Goods and Services		(20 714)	(26 592)
		<hr/> (67 174)	<hr/> (79 148)
Net cash flows from operating activities	17	<hr/> 21 525	<hr/> 20 474
Net increase/(decrease) in cash and cash equivalents		21 525	20 474
Cash and cash equivalents at the beginning of the year		30 294	9 820
Cash and cash equivalents at the end of the year	4	<hr/> 51 819	<hr/> 30 294

* See note 25

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

As Gauteng Liquor Board (GLB) has the responsibility of issuing the liquor licences and monitoring and enforcing compliance to the Gauteng Liquor Amendment Act, the significant accounting policies relate to revenue recognition, employee related costs, properties expenses related to the running of offices in major centres in Gauteng.

Presentation of Budget Information

The presentation of budget information that is required to be prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The entity does not need the requirement to disclose the budget information due to its budget not being published and due to the fact that its budget is incorporated in the Gauteng Department of Economic Development vote.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Provisions for employee related costs**Performance bonus**

Provision for performance bonus is calculated at 0.5% of a total compensation for all staff members. The bonus liability is paid to qualifying employees based on performance award policy and the bonus is anticipated to be paid within 6 to 12 months.

Provision for capped leave

Provision for capped leave is the leave accrued until 30 June 2000 and was audited, calculated and capped (i.e not forfeited). The capped leave increases annually as the gross basis salaries adjusted, also when an entitled employee get promotion and the new appointees with the capped leave also affect the increase. The cash value payable in respect of personnel with capped and audited leave credits is determined using formula included in the DPSA guide:

Determination on leave of absence in the public service, 2008.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

Any unused capped leave shall be utilised where an employee have insufficient annual leave days; or paid out in the event of death or retirement.

Provision for long service awards

Provision of long service awards calculation is based on the DPSA calculation.

Revenue Recognition

Accounting policy on revenue from non-exchange transactions and accounting policy on revenue from exchange transactions describes the conditions under which revenue will be recognised by management of the entity.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from exchange transactions and GRAP 23: Revenue from non exchange transactions.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight- line method. Management expects to abandon the assets at the end of their useful lives and therefore the residual values are estimated to be negligible. Useful lives and residual values are assessed when there is an indication that there is a change in useful life.

Depreciation is a systematic allocation of the depreciable value of the asset over its useful life.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5-10 years
Computer equipment	Straight line	3-5 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount and is charged against the surplus or deficit.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure meets the definition and recognition criteria of an asset. Repairs and maintenance not deemed to enhance the economic benefits or service potential of items of property, plant and equipment are expensed as incurred.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are recognised in surplus or deficit in the period of disposal.

1.5 Financial instruments**Initial recognition and measurement**

Financial instruments are recognised when Gauteng Liquor Board becomes a party to the contractual provisions of the relevant instrument, and are initially measured at fair value. Subsequent to initial recognition, these instruments are measured at amortised cost.

Offsetting

Financial assets and financial liabilities are not offset in the Statement of Financial Position.

Financial assets

Financial Assets comprise mainly of receivable from overdue licences and penalty debt arising from licences/ permits issued.

Financial assets are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when there is objective evidence that the entity will not be able to collect the amount due.

Financial liabilities

Financial liabilities comprise mainly of income received in advance for licences, trade payables and provisions for employee benefits.

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost.

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

1.6 Employee benefits**Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

The cost of short term employee benefits are expensed in the statement of financial performance in the year in which it occurs.

Short term employee benefits that gives rise to a present or constructive obligations are recognised and disclosed in the notes to the financial statements. This is limited to leave pay accrual and service bonus.

Short-term employee benefits include items such as:

- salaries and social security contributions
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.7 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Licence fees

The main income of the Gauteng Liquor Board consists of license fees which are received in terms of the Gauteng Liquor Act No.2 of 2003 and Regulations. Licence fees is levied in terms of the Gauteng Liquor Act for different types of liquor permits. Permits are valid for only one year from the date of issue except for occasional liquor license. Revenue from licence fees is recognised on an accrual basis in accordance with the term of the licence conditions and the Gauteng Liquor Act. Where the amount received on or before year end include the amount received in advance for the following financial year, that portion reduces the revenue for the year and the said amount is recognised as income received in advance under current liability.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021**Interest income**

Interest income is recognised on a time proportionate basis using the effective interest rate method.

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

Other income

Other income is recognised when it is probable that future economic benefits will flow to the GLB and when the amount can be measured reliably.

1.8 Revenue from non-exchange transactions**Government grant**

Gauteng Liquor Board received a government grant in a form of a transfer from the Gauteng Department of Economic Development to cover operational costs, mainly employee costs. The transfer is recognised when it is probable that future economic benefits will flow to the Gauteng Liquor Board and when the amount can be reliably measured.

Services in kind

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind during the reporting period.

Gauteng Liquor Board makes use of the following services at no cost. The costs are incurred by the Gauteng Department of Economic Development:

- Cellphone costs;
- Corporate services, financial services and human resource services; and
- Rental costs for regional offices.

Penalty fees

Penalties are charged on late renewals of license. Penalty shall be recognised in accordance with the Gauteng Liquor Act when the penalty is due as follows:

Penalty period from renewal	Penalty (% of license renewal fees)
1 month	50%
2 months	100%

In the 2020/21 Financial year, Licence holders due for renewal between 1 April 2020 - 30 October 2020 were given a grace period until 31 December 2020 without imposing of penalties.

When the entity collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

1.9 Comparative Information

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated, unless a statement of GRAP does not require the restatements of comparative information. The nature and reasons for the reclassification is disclosed. Where material accounting errors have been identified in the current year,

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

the correction is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly.

1.10 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.11 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- a) this Act; or
- b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued was repealed and replaced by irregular expenditure framework that came into effect 1 December 2018 in terms of sections 76(1) to 76(4) of the PFMA requires the following:

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.12 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.13 Leases**Operating leases**

A lease is classified as operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating lease payments are recognised as an expense over the lease term according to the agreed payment basis. Lease commitments of future minimum lease payments for operating leases are disclosed in the financial statements.

1.14 Related parties

The entity has adopted the disclosure requirements as per GRAP 20: Related Party Disclosures.

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

An entity shall disclose the remuneration of management per person and in aggregate, for each class of management remuneration.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2021

1.15 Standards, Amendments to Standards and interpretations issued, but not yet effective

The following GRAP standards have been issued but not yet effective and has been adopted by the entity:

GRAP 104: Financial Instruments

The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

The effective date of the standard is 1 April 2020. It is unlikely that the standard will have a material impact on the entity's annual financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
2. Receivables from exchange transactions		
Recoveries of staff expense	189	144
Other trade Receivables	303	-
Overdue licence renewal fees	210	179
Provision for bad debts	(44)	(41)
	658	282
Trade and other receivables past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
Current (0-30 days)	382	125
31 - 60 days	186	152
61 - 90 days	-	-
120 and above	90	5
3. Receivables from non-exchange transactions		
Penalties	2 097	815
PAYE	-	1
Impairment of penalties on licence renewal fees	(1 856)	(644)
	241	172
Receivables from non-exchange transactions past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	241	172
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	644	1 105
Provision for impairment	1 212	644
Provision Utilised	-	(1 105)
	1 856	644
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	51 819	30 294

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand thousand

5. Property, plant and equipment

	2021		2020			
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 267	(1 083)	184	1 267	(1 029)	238
IT equipment	1 146	(985)	161	1 146	(936)	210
Total	2 413	(2 068)	345	2 413	(1 965)	448

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Total
Furniture and fixtures	238	(54)	184
IT equipment	210	(49)	161
	448	(103)	345

Reconciliation of property, plant and equipment - 2020

	Opening balance	Disposals	Depreciation	Total
Furniture and fixtures	299	(5)	(56)	238
IT equipment	293	(28)	(55)	210
	592	(33)	(111)	448

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
6. Payables from exchange transactions		
Trade Payables	2 484	2 217
Pension Recoverable	-	5
PAYE	6	-
Service bonus accrual	1 198	1 212
Income received in advance	32 009	31 409
Staff leave accrual	4 104	2 486
SAL: ACB Recalls	60	47
SAL: Garnishee Order	15	-
SAL: Tax Debt	6	-
	39 882	37 376

7. Provisions**Reconciliation of provisions - 2021**

	Opening Balance	Additions	Utilised / Reversed during the year	Total
Provision for performance bonus	450	255	(411)	294
Provision for capped leave	636	-	(15)	621
Provision on litigations	-	1 177	-	1 177
	1 086	1 432	(426)	2 092

Reconciliation of provisions - 2020

	Opening Balance	Additions	Reversed during the year	Total
Provision for performance bonus	680	357	(587)	450
Provision for capped leave	598	38	-	636
	1 278	395	(587)	1 086

The entity disclosed an amount of R 1 165 465,97 as provision on litigation for a civil claim. The plaintiff is claiming the amount based on the service level agreement for document management solution tender. The entity disclosed a provision based on the invoices received from the service provider, however, uncertain about the amount or timing of any resulting outflow expected as the matter is currently with the state attorney.

The balance amount of eleven thousand two hundred and fifty rands only (R 11 250) the plaintiff instituted a summons against the entity claiming a relief with cost due to multiple deposits into the bank account for liquor license. The entity is uncertain about the amount or timing of any outflow as the matter is with the state attorney.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
8. Revenue		
Licences and Permits	60 556	66 517
Rental of Parking	41	42
Recoveries	2	3
Garnishee order	15	14
Interest received - bank	607	914
Government grants and subsidies	24 559	26 352
Fines, Penalties and Forfeits	2 461	2 945
	88 241	96 787

The amount included in revenue arising from exchanges of goods or services are as follows:

Licences and Permits (refer to note 11)	60 556	66 517
Rental of Parking (refer to note 10)	41	42
Recoveries (refer to note 10)	2	3
Garnishee order (refer to note 10)	15	14
Interest received - bank (refer to note 12)	607	914
	61 221	67 490

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government grants and subsidies	24 559	26 352
Fines, Penalties and Forfeits	2 461	2 945
	27 020	29 297

9. Other revenue

Rental Parking	41	42
Recoveries	2	3
Garnishee order	15	14
	58	59

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
10. Licences and permits (exchange)		
The Gauteng Liquor Board is responsible for regulating Liquor trading in Gauteng and also responsible for the collection of license fees in terms of the Gauteng Liquor Act and Regulations. The main sources of revenue are as follows:		
Activations	801	2 598
Alteration of Structure	64	128
Copies	7	16
Duplicate of Licence	93	188
Inspectors Report	6	12
Management	1 088	1 360
New Application	2 514	3 510
Occasional Licences	462	2 710
Pending Lodgement	416	931
Renewals	82 994	79 671
Restorations	867	2 891
Transfer of Licence	993	1 360
Unallocated Receipts	1 280	1 110
Income received in advance - renewals	(32 009)	(31 409)
Overdue licences	123	101
Other Receipts : Lapsed Licences	857	1 340
	60 556	66 517
11. Interest Received - Bank		
Interest revenue		
Interest Earned - Bank	607	914
12. Government grants and subsidies		
Operating grants		
Government grant (operating)	24 559	26 352
13. Fines, Penalties and Forfeits		
Fines, Penalties and Forfeits	2 461	2 945

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
14. Employee related costs		
Basic Salary	34 560	39 598
Medical Aid - Company Contribution	2 604	2 365
Leave pay provision charge	1 603	692
Employee benefits expensed - Other	65	-
Acting allowances	-	57
Housing benefits and allowances	1 109	1 118
Leave Gratuity	56	-
Bargaining Council - Company contributions	9	9
Performance bonus	255	358
13 th Cheque	2 533	2 769
Non-Pensionable Allowance	1 239	1 534
Pension - Company Contribution	4 103	4 389
	48 136	52 889
15. Depreciation and amortisation		
Property, plant and equipment	103	111
16. Goods and Services		
Advertising	67	320
Audit fees	784	743
Bank charges	20	15
Cleaning Services	564	839
Conferences and delegation	381	615
Audit committee expenses	-	11
Consumables	273	3
Contracted maintenance	2 033	2 017
Departmental Consumption	206	1 272
Electricity	4 014	651
External Comp Ser: info services	140	106
Resettlement costs	-	35
Legal Expenses	11	745
Levies paid (Water, Sewerage and Waste)	467	388
Licence fees - computers	-	446
Printing and stationery	1	554

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
Professional fees	1 297	3 827
Rental of Buildings	9 405	12 128
Security costs	567	843
Telephone and fax	42	305
Travel - local	-	21
	20 272	25 884

17. Cash generated from operations

Surplus	18 355	16 779
Adjustments for:		
Depreciation and amortisation	103	111
Impairment loss: Penalty	1 212	644
Movements in provisions	1 006	(192)
Bad debts: Penalty debt	-	315
Bad debts: Employee advances	3	41
Bad debts: Overdue licences	160	91
Gain/(loss) on disposal of assets	-	33
Changes in working capital		
Receivables from exchange transactions	(539)	(259)
Other receivables from non-exchange transactions	(1 281)	(778)
Prepayments	-	106
Income received in advance	600	2 781
Payables from exchange transactions	1 906	802
	21 525	20 474

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
18. Financial instruments		
Categories of financial instruments		
2021		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	658	658
Receivables from non - exchange transactions	241	241
Cash and Cash Equivalents	51 819	51 819
	52 718	52 718
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	39 882	39 882
2020		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	282	282
Receivables from non-exchange transactions	172	172
Cash and cash equivalents	30 294	30 294
	30 748	30 748
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange	37 376	37 376
19. Commitments		
Lease Commitments		
Operating leases - as lessee (expense)		
At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:		
Minimum lease payments due		
- within one year	5 520	7 190
- Later than 1 Year but not more than 5 Years	23 184	-
	28 704	7 190

During the 2020/21 Financial year, the entity disclosed the commitments in line with GRAP Standards and only disclosed the operating lease commitments in terms of GRAP 13 and did not have any capital commitments as at 31 March 2021.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
20. Contingent Liabilities	-	-
21. Related parties		
Relationships		
Controlled Entity Of		Gauteng Department of Economic Development
<p>The Gauteng Liquor Board is a trading entity of the Gauteng Department of Economic Development and its business operations are regulated as per the Gauteng Liquor Act no. 2 of 2003. The entity is under control of the MEC of Gauteng Department of Economic Development.</p> <p>Gauteng Liquor Board receives a subsidy from Gauteng Department of Economic Development to run its operational costs, including office lease rentals.</p> <p>Gauteng Liquor Board is related to all Gauteng Provincial Government Departments and its trading entities by virtue of being under the same control by Gauteng Premier and Gauteng Legislature.</p>		
Related party balances		
Balances - Owning (to) by related parties		
Gauteng Department of Economic Development	(823)	(371)
Related party transactions		
Service in kind		
<p>In the 2020/21 financial year Gauteng Liquor Board received the following services at no cost from the Department of Economic Development:</p> <ul style="list-style-type: none"> ▪ Human Resources ▪ Finance ▪ Corporate Service <p>In the 2020/21 financial year Gauteng Liquor Board received the following service at no cost from the Department of E- Government through Department of Economic Development:</p> <ul style="list-style-type: none"> ▪ Telephone Expenses 		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Figures in Rand thousand

21. Related parties (continued)

Remuneration of management

Management class: Executive management

2021	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Total
Name				
Bodibe-Lushaba CK	725	60	396	1 181
Martin R	1 047	158	371	1 576
Shabangu OM	747	83	455	1 285
	2 519	301	1 222	4 042
2020	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Total
Name				
Bodibe-Lushaba CK	725	60	424	1 209
Mosing MS*: Resigned November 2019	520	74	182	776
Martin R	1 047	87	362	1 496
Shabangu OM	747	62	436	1 245
	3 039	283	1 404	4 726

22. Members' emoluments

The Gauteng Liquor Board is a juristic person established in terms of Section 2 of the Gauteng Liquor Act, Act No 2 of 2003 (the Act). The Board does not perform the powers and functions of an executive board but performs the functions of an application board. In this regard the Board considers applications for liquor licenses and either grant or refuse such applications. The board meets two (2) days per week. Local Committees meet one (1) day per week. Because of its status as a juristic person the Board is sued directly and may institute legal actions instituted by and against the Board.

In terms of Section 3 of the Act the Board has the following powers and functions:

- 1) The Board shall receive applications referred to in section 21 from the local committees and after considering such applications
- 2) The Board may, after the consideration by it or any other matter contemplated in this ACT-Additional text
 - a) suspend for (an indefinite time or for such period as it may determine or withdraw from such date as it may determine, a license which is subject of a report, complaint or objection concerned, or any right privilege which is attached thereto.
 - b) declare the license concerned to be subject to such conditions or further conditions as it may in its discretion impose.
 - c) rescind the suspension of the license concerned of any right or privilege which is attached thereto, with immediate effect or from such date as it may determine, subject to such conditions as it may in its discretion impose, or
 - d) take any such other steps as it may think fit.

The board consist of nine (9) members appointed in terms of Section 4 of the Act. In addition the Act also make provision for the established local committee of the Board in each of the areas of the municipalities in the Province, known as Metropolitan Councils or District Council may determine.

Section 5 of the Act stipulates that a member shall be appointed for term not exceeding 5 years and shall be eligible for reappointment at the lapse of the initial term. No person shall be reappointed as a member of the Board for more than two (2) terms. A member of the Board shall be paid such remuneration and allowance out of the funds of the Board as the Member of Executive Council may determine.

Section 16 of the Act stipulates that the funds of the Board shall consist of-

- (a) money approached by the Provincial Legislature; and
- (b) money accruing to the Board from any other source approved by the Member of the Executive Council including fees paid in terms of this Act.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
22. Members' emoluments (continued)		
Non-executive		
2021		
	Members' fees	Total
Khoza MP	48	48
Khumalo BN	248	248
Lebogo MJ	-	-
Lebona PW	-	-
Madileng KM	36	36
Magwaza SA	46	46
Maja-Masilo MS	52	52
Masilo AS	63	63
Masina P	119	119
Matongo J	-	-
Mogwebi WW	57	57
Molapo MJ	24	24
Morabe TZ	16	16
Mthembu TP	72	72
Mudau SP	37	37
Ngakatau IS	49	49
Ngoma GYW	96	96
Pandelani FR	414	414
Samuel PL	44	44
Seforo DK	67	67
Sibanyoni AM	-	-
Sithole ST	35	35
Thobejane PM	63	63
Van Der Merwe MT	-	-
Van Der Westhuizen FJ	15	15
Van Der Schyf WN	30	30
Ka Mbonane Ivan Ishaq	137	137
Maboye MM	169	169
Magerman TN	286	286
Mohale MK	119	119
Pamla Y	146	146
Mabaso STI	158	158
Serutha RF	130	130
Badela G	71	71
	2 847	2 847

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
22. Members' emoluments (continued)		
2020		
	Members' fees	Total
Khoza MP	115	115
Khumalo BN	75	75
Lebogo MJ	70	70
Lebona PW	49	49
Madileng KM	45	45
Magwaza SA	107	107
Maja Masilo MS	349	349
Masilo AS	741	741
Masina P	636	636
Matongo J	290	290
Mgwebi WW	89	89
Molapo MJ	65	65
Morabe TZ	90	90
Mthembu TP	129	129
Mudau SP	65	65
Ngakatau IS	370	370
Ngoma GYW	471	471
Pandelani FR	1 020	1 020
Samuel PL	157	157
Seforo DK	109	109
Sibanyoni AM	94	94
Sithole ST	78	78
Thobejane PM	154	154
Van der Merwe MT	7	7
Van der Westhuizen FJ	24	24
Van der Schyf WN	74	74
	5 473	5 473

23. Auditor's Remuneration

Fees	784	743
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2020/21 **2019/20**
R'000 **R'000**

24. Risk management

Financial risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses.

At March 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables - from Exchange transaction	39 882	-	-	-
At March 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables - from Exchange transaction	37 376	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2020
Penalties	241	172

The entity did not individually rate its customers, due to its diverse customer base.

25. Prior period errors

The 2019/20 trade payables and expenditure were duplicated by an amount of forty thousand nine hundred and forty rands only (R40 940) due to services rendered and not yet paid on 31 March 2020. Furthermore, the asset with the cost price of sixteen thousand three hundred and sixty eight rands only (R16 368) (carrying value thirteen thousand and ninety four rands only (R13 094) was approved for disposal on the 9th of March 2020 however, not accounted and disposed on the assets balance reported as at 31 March 2020.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

		2020/21 R'000	2019/20 R'000
The effect of restatement as a result of prior period errors are as follows:			
Statement of Financial Position	As Previously Reported	Correction of Error	Restated Amount
Trade Payables	37 417	(41)	37 376
Property, Plant and Equipment	451	(3)	448
Statement of Financial Performance	As Previously Reported	Correction of Error	Restated Amount
Goods and Services	25 925	(41)	25 884
Loss on Disposal	30	3	33

During 2019/20, the entity reported an amount of three thousand four hundred and sixty two rands and twenty six cents (R3 462,26) as an irregular expenditure due to non compliance with expansion of a purchase order in terms of Instruction Note 3 of 2016/17. The investigation outcome recommended that the amount be reported as fruitless expenditure instead of irregular expenditure. The effect of restatement as a result of prior period errors is as follows:

Disclosure note	As Previously Reported	Correction of Error	Restated Amount
Irregular Expenditure	8 386	(3)	8 383
Fruitless Expenditure	19	3	22

26. Going concern

We draw attention to the fact that at 31 March 2021, the entity had an accumulated Surplus of R 11 089 and that the entity's total asset exceed its Liabilities by R 11 089.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The world is currently faced with the consequences of the unprecedented Covid-19 pandemic. The impact of Covid-19 on the South African economy is predicted to have devastating effects. The entity has reviewed its ability to continue as a going concern with these challenging times, however the impact of Covid-19 has potential impact to the revenue from liquor licenses. The Covid-19 outbreak and the implementation of the state of disaster is material to the business of the entity. The banning of the sale and transportation of liquor for prolonged period has a direct impact on the entity's ability to process the lodgement of new applications (due monthly) and collect renewal fees. As a consequence, the amount of penalty fees is estimated to increase materially with high probability of non-recovery of the debt. The uncertainty of the duration of the outbreak, with vaccine trials currently being executed, may also impact on those liquor outlets that have already renewed their licences to continue to renew their licences on their next anniversary renewal dates.

Overall, it is estimated that enforcement costs would increase and that they would be increased liquidations in the sector to the detriment of the entity's revenue streams. The entity will introduce measures to curb costs and increase enforcement in order to collect more revenue and ensure that the entity remains as a going concern.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
27. Fruitless and wasteful expenditure		
Opening balance as previously reported	22	-
Opening balance as restated	22	-
Add: Fruitless and Wasteful Expenditure identified - current	-	19
Add: Fruitless and Wasteful Expenditure identified - prior period	-	8
Less: Condoned or written off by relevant authority	-	(5)
Less: Amounts transferred to receivables for recovery	(2)	-
Closing balance	20	22
Details of fruitless and wasteful expenditure - current year		
Interest charged on overdue accounts and other	20	22

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 R'000	2019/20 R'000
28. Irregular expenditure		
Opening balance as previously reported	8 383	6 679
Add: Irregular Expenditure - Prior year adjustment	-	-
Opening balance as restated	8 383	6 679
Add: Irregular Expenditure - current	2 059	2 054
Prior year adjustment	-	(3)
Add: Irregular Expenditure - Identified - prior period	3 378	-
Less: Amounts condoned or written off by relevant authority	-	(347)
Closing balance	13 820	8 383
Analysis of expenditure awaiting condonation per age classification		
Current Year	2 059	2 051
Prior Years	11 761	6 332
	13 820	8 383
Details of irregular expenditure - current year		
Variation exceeding 15% without Gauteng Provincial Treasury approval	2 059	2 051
Analysis of variations exceeding 15% without approval - current year		
Operating leases	2 059	2 051
Details of Irregular expenditure - under assessment (not included in the main note)		
Variation exceeding 15% - operating lease	-	3 378



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