



ANNUAL REPORT

2020/21



Province of the
EASTERN CAPE

ECONOMIC DEVELOPMENT,
ENVIRONMENTAL AFFAIRS & TOURISM

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PART A

GENERAL INFORMATION

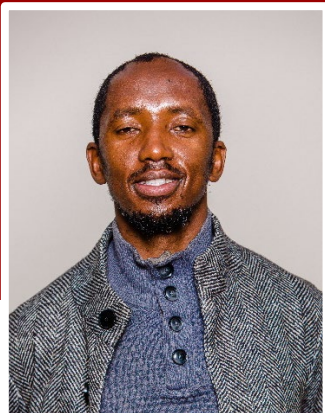
1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ ACRONYMS

ADZ	Aquaculture Development Zone
AEL	Atmospheric Emission Licenses
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AIDC	Automotive Industry Development Centre
AIDF	Agro Industry Development Forum
AIDS	Acquired Immune Deficiency Syndrome
AIM	Agro-Industrial Manufacturing Cluster
AIP	Audit Intervention Plan
ANC	African Nation Congress
AO	Accounting Officer
APP	Annual Performance Plan
AQMPs	Air Quality Management Plans
BAR	Basic Assessment Report
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BCMM	Buffalo City Metropolitan Municipality
BEE	Black Economic Empowerment
BAIC	Beijing Automotive Industry Corporation
C&E	Compliance and Enforcement
CDC	Coega Development Corporation
CEO	Chief Executive Officers
CFI	Capital Finance International
CFO	Chief Financial Officer
CGEIT	Certificate in the Governance of Enterprise Information Technology
CHEMIN	Chemical Incubator
CISA	Certified Information Systems Auditor
CITES	Convention of Internationally Threatened and Endangered Species
CMT	Coastal and Marine Tourism
CO ₂	Carbon Dioxide
COE	Compensation of Employees
COGP	Code of Good Practise
COGTA	Department of Cooperative Governance and Traditional Affairs
CoP	Conference of Parties
CSIR	Council for Scientific and Industrial Research
CTA	Certificate in the Theory of Accounting
DCCRS	District Climate Change Response Strategy
DFFE	Department of Forestry, Fisheries and the Environment
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DFI's	Development Finance Institutions
DGITO	Departmental Government Information Technology Officer
DIRCO	Department for International Relations and Cooperation
DLGTA	Department of Local Government and Traditional Affairs
DMR	Department of Mineral Resources
DPSA	Department of Public Service and Administration
DPME	Department of Performance Monitoring and Evaluation
DRDAR	Department of Rural Development and Agrarian Reform
DRDLR	Department of Rural Development and Land Reform
DSBD	Department of Small Business Development
dtic	Department of Trade Industry and Competition
EC	Eastern Cape
ECAIF	Eastern Cape Automotive Industry Forum
ECBCSAP	Eastern Cape Biodiversity Conservation Strategy Action Plan

ECCOB	Eastern Cape Chamber of Commerce and Business
ECDC	Eastern Cape Development Corporation
ECDEET	Eastern Cape Disability Economic Empowerment Trust
ECGB	Eastern Cape Gambling Board
ECGMA	Eastern Cape Game Management Association
ECITI	Eastern Cape Information Technology Incubator
ECLA	Eastern Cape Liquor Act
ECLB	Eastern Cape Liquor Board
ECIP	Eastern Cape Infrastructure Plan
ECPTA	Eastern Cape Parks and Tourism Agency
ECRDA	Eastern Cape Rural Development Agency
ECSECC	Eastern Cape Socio Economic Consultative Council
EACS	Environment and Culture Sector
EDMRS	Electronic Document Management and Records System
EIA	Environmental Impact Assessment
EIM	Environmental Impact Management
ELIDZ	East London Industrial Development Zone
EPWP	Extended Public Works Programme
EQM	Environmental Quality Management
ERLN	Economies of Regions Learning Network
FMCMM	Financial Management Capability Maturity Model
GDP	Gross Domestic Product
GDPR	Growth Domestic Product
GEMS	Government Employees Medical Scheme
GEC	Global Entrepreneurship Congress
GEN	Global Entrepreneurship Network
GG	Government Gazette
GIS	Geographic Information System
GMC	Greenest Municipality Competition
GTAC	Government Technical Advisory Centre
HDIs	Historically Disadvantaged Individuals
HIV	Human Immune Virus
HOD	Head of Department
HR	Human Resources
HRD	Human Resource Development
HRPP	Human Resource Practise and Planning
IA	Internal Audit
ICT	Information and Communication Technology
IDAM	Institute for Development Assistance
IDC	Industrial Development Corporation
IDZ	Industrial Development Zone
IGR	Inter-Governmental Relations
IOD	Institute of Directors
IPAP	Industrial Policy Action Plan 3
IPP	Independent Power Producer
IWCDP	Integrated Wild Coast Development Programme
IWMP	Integrated Waste Management Plan
KPI	Key Performance Indicator
LM	Local Municipality
LNG	Liquefied Natural Gas
LOGIS	Logistical Information System
LRED	Local and Regional Economic Development
MBCC	Mandela Bay Composites Cluster
MBL	Master of Business Leadership
MBSA	Mercedes-Benz South Africa

MDA	Manufacturing Development Act
MEC	Member of the Executive Council
METT	Management Effectiveness Tracking Tool
MinMEC	Ministers and Members of Executive Council
MPAT	Management Performance Assessment Tool
MPSA	Minister of Public Service and Administration
MTEF	Medium Term Expenditure Framework
MW	Megawatts
NALSU	Neil Aggett Labour Studies Unit
NAM	Non-Automotive Manufacturing
NAMC	National Agricultural Marketing Council
NEAS	National Environmental Assessment Services
NEMA	National Environmental Management Act
NHBRC	National Home Builders Registration Council
NIRP	National Integrated Resources Plan
NMBM	Nelson Mandela Bay Municipality
NMMU	Nelson Mandela Metropolitan University
OAG	Office of the Accountant General
OMF	Operations Management Framework
OTP	Office of the Premier
PA	Performance Agreement
PC	Portfolio Committee
PCMT	Provincial Coordinating Management Team
PEDS	Provincial Economic Development Strategy
PERSAL	Personnel and Salary System
PFMA	Public Finance Management Act
PIDS	Provincial Industrial Development Strategy
PILIR	Procedure on Incapacity Leave and Ill-Health Retirement
PMDS	Performance Management and Development System
PMER	Planning, Monitoring, Evaluation and Reporting
PMO	Programme/Project Management Office
PoA	Programme of Action
PRIME	Programme for Industrial and Manufacturing Excellence
PSCBC	Public Service Co-ordinating Bargaining Council
PSR	Public Service Regulations
QAIP	Quality Assurance Improvement Program
QERF	Quarterly Economic Research Forum
QPR	Quarterly Performance Reporting
RMDEC	Regional Mining Development and Environmental Committee
S&T	Subsistence and Travel
SCOPA	Standing Committee on Public Accounts
SAELIP	South African Atmospheric Emission Licensing and Inventory Portal
SAB	South African Breweries
SALEDP	South African Low Emission Development Programme
SALGA	South African Local Government Association
SANRAL	South African National Roads Agency Limited
SAPS	South African Police Service
SCOPA	Standing Committee on Public Accounts
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SEA	Strategic Environmental Assessment
SEM	Species and Ecosystems Management
SERO	Socio-Economic Review and Outlook
SEZ	Special Economic Zone
SIP3	Strategic Infrastructure Programmes

SITA	State Information Technology Agency
SLAs	Service Level Agreements
SMMEs	Small, Medium and Micro Enterprises
SMS	Senior Management Service
SO	Strategic Objective
TB	Tuberculosis
TIERM	Technical Indicator and Evidence Reference Manual
TNPA	Transnet National Ports Authority
UFH	University of Fort Hare
USAID	United States Agency for International Development
VW	Volkswagen South Africa
WIS	Waste Information System
WSP	Work Skills Plan
WRT	Workplace Readiness Training

3. FOREWORD BY THE MEC



MLUNGISI MVOKO
MEC

It gives me great pleasure to present our annual performance report for the 2020/21 financial year. This is the first report of our five-year planning cycle for 2020/21 to 2025/26.

Sadly, this report presents our performance in a year of COVID-19 advent, a period which our economy was brought into a halt. Although necessary to protect lives, the related regulations and restrictions on inter-provincial travel, banning of alcohol sales, and the restriction on operation of hotels, restaurants, bars and tavern amongst others, placed the Eastern Cape Economy on a downward trajectory.

We are however delighted to report that during 2020/21, the following key achievements can be noted:

- (a) The two SEZs realised 12 investors.
- (b) To contribute to skills for the economy, 3 584 people were trained on various areas.
- (c) Gambling revenue amounted to R102.1 million.
- (d) On the jobs front, the work of the department saw at least 14672 jobs being created.
- (e) The ECPTA collected a revenue of R279.188 million.
- (f) About 6 consumer education programmes were implemented.
- (g) A total of 69 environmental compliance inspections were conducted.
- (h) An average of 79% of EIA applications were finalised within legislated timeframes.
- (i) 252 permits were issued within legislated timeframes in line with the NEMA Act. 95 535 ha were added to the conservation estate.

A detailed performance of the Department for 2020/21 financial year will however be reported by the accounting officer.

It must be noted that all these achievements were realised under constrained fiscus and a stagnant economy. The Department is in the process of recalibrating its performance and has developed a new strategy with emphasis on impacts and outcomes. The unpredictable environment presented by the COVID19 pandemic will require a further refinement of our strategic focus. This will require, amongst others, sharpened collaborations, smarter working tools and enhanced cross sector cooperation, local and national integration of programmes.

The effects of the COVID-19 pandemic were quite harsh on both the production and demand sides of the economy. The decline in GDP growth was largely due to the marked slowdown in economic activity coupled with widespread disruptions in both international and domestic supply chains.

As alluded, the pandemic has affected all sectors of our economy in the Eastern Cape, and this calls for economic policy reforms to ignite our economy. This would in turn help to reduce unemployment, inequality and poverty, as well as raising more income for the government through taxes and administration fees.

The focus must be on those sectors that have high absorption rate to increase employment. In the province these include the wholesale and retail, catering and accommodation sector, and manufacturing sector and investment.

Although working under difficult conditions during the year under review, I wish to thank the Head of Department Ms. Mickey Mama, senior management and all employees of the department for their contribution in the performance of the department. The work that you have done contributes immensely into the betterment of the lives of our people.

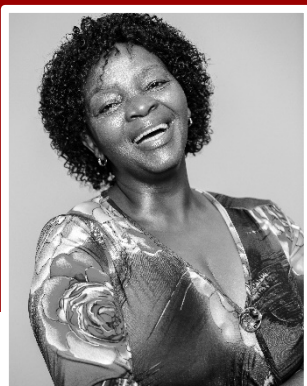
I, Mlungisi Mvoko, MEC for DEDEAT, in terms of the requirements of Section 65(1) (a) of the Public Finance Management Act and Chapter 1, Part III of the Public Service Regulations, do hereby table the Annual Report for the 2020/21 financial year.



The Honourable Mlungisi Mvoko (MPL)

MEC of Economic Development,
Environmental Affairs and Tourism
31 August 2021

4. REPORT OF THE ACCOUNTING OFFICER



MICKEY MAMA
HOD

Overview of the operations of the department

The year 2020/21 has been a very difficult year due to subdued economic activities precipitated by the onset of COVID19. The department strived to deliver on most of the planned projects and initiatives planned, however undertaken by the department, a lot of our stakeholders and industry at large were impacted negatively by reduced economic activity as a result of the various COVID alert levels, and in some cases, company closures.

As a result of budget cuts that were effected and some resources re-directed to fight the COVID19 pandemic in the province, a few indicators had to be adjusted as it was not possible to meet originally set targets. The tourism sector is one of the sectors that benefited from reprioritized funding to support tourism products in the province. Additional funding was also provided to companies in distress to prevent massive job cuts. The changed targets are listed in this annual report in line with the reporting requirements. Despite all the challenges the department has done well to achieve all it has in this financial year. The pursuit of development outcomes remained the same as these are long term in terms of the strategic plan of the department.

Summary activity outputs of the three programmes, namely Administration, Economic Development and Tourism, and Environmental Affairs are reported under each of the programmes on pages 34, 47 and 64 respectively. During the year under review, the Economic Development and Tourism programme achieved 72,7% of set targets compared to 81,8% achieved in the previous year. The Environmental Affairs programme achieved 38,9% of set targets versus 43,8% achieved during the 2019/20 financial year. Overall, the department achieved fully 55,8% of set targets (for core programmes 2 & 3 indicators) compared to 62,8% achieved in the preceding year. Specific outputs and outcomes are outlined under each of the three programmes.

During the year, the Administration programme was effective in implementing COVID19 regulations. Planning and performance management in the Department and Public Entities continued to be prioritised and practiced. The ICT unit was able to ensure that the Department was able to discharge most of its functions remotely through enhance ICT tools. A process to recruit the 175 vacant positions was initiated resulting in some posts being filled as outlined in the section on Human Resources statistics. During the year, the department spent 96,5% of its allocated budget and was able to pay 97% of suppliers within a period of 11 days.

The department took steps in addressing the legislative environment with the Consumer Protection Act, (Act No, 3 of 2018) coming into operation on the 1st of June 2020. The Eastern Cape Liquor Authority Regulations are being drafted while the Eastern Cape Environmental Management Bill was finalised and once translated it will be tabled by the Hon MEC in the Provincial Legislature during the 2021/22 financial year. The Regulations in terms of the Eastern Cape Gambling Act (Act No. 5 of 1997) as amended came into operation on the 16th of November 2020, which now allows the Board to optimally implement the Eastern Cape Gambling Act. Finally, the drafting of Coastal Protection Zone Regulations in terms of the National Environmental Management Act is currently underway.

The department continues to support small businesses and co-ops through such mechanisms as non-financial support to SMME's, and grant funding in the form of the LRED fund. During the year, 13 LRED projects were funded. Post funding support continued to previously funded projects through monitoring and lobbying for additional funding where required. The LRED fund continued to be a critical tool to support entrepreneurship, providing a mechanism for leveraging additional funding sources, and driving job creation and economic growth and development in the province.

In continuing to position the province as a renewable energy hub, 3 sustainable energy initiatives were supported. More details on these are provided in subsequent sections of this report. Evidence emerged that consumers in the province were being negatively affected by price hikes due to huge shortages of supply. The Consumer Protector, although constrained by the limitations on public gatherings, was able to successfully host 6 virtual consumer education programmes and the Share Call Centre and the email contact of the Office of the Consumer Protector was made available to all citizens of the Eastern Cape to lodge consumer related complaints and queries in relation to the Lockdown Regulations and assistance with COVID-19 related Business Funding.

The Economic Planning and Research Unit forged a strong partnership with the Coega Research Unit in support of strategic research projects (the Socio- Economic Review and Outlook) that is published yearly. In the 2020/21 financial year, economic planning produced quarterly economic reviews which provided up to date assessments of economic performance, labour market dynamics, consumer price index, social progress, human development and future prospects for growth. Detailed performance of the sub-programmes of the Economic Development and Tourism Programme is located in part B of this annual report.

The environmental affairs programme was one area of work that was heavily impacted by the COVID-19 pandemic as the work of the programme is largely driven by interaction with stakeholders and communities. Through the ePermit system the department was able to continue to issue certain permits and our investment in digitisation has certainly paid dividends.

Our Green Scorpions of the Environmental Compliance and Enforcement Unit are to be applauded for the outstanding contribution displayed during the national lockdown. Poaching incidences increased over 1,000% as poachers sought to take advantage, however the dedicated unit, although having capacity challenges, were able and willing to be at the front line protecting our valuable environmental assets.

EPWP projects were implemented resulting in the creation of 757 jobs compared to 363 jobs created in the 2019/20 financial year. This improvement, even during lockdown, brought immeasurable relief to vulnerable citizens and their families.

Overview of the financial results of the department:

Departmental receipts:

Departmental receipts	2020/2021			2019/2020		
	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	94,436	112,979	(18,542)	228,319	217,567	10,752
Casino taxes	78,628	83,616	(4,988)	187,291	187,125	166
Horse racing taxes	5,874	13,112	(7,238)	16,285	11,402	4,883
Liquor licences	9,934	16,250	(6,316)	24,743	19,039	5,704
Sale of goods and services other than capital assets	-	976	(974)	1,443	1,318	115
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	591	(591)	-	1,427	(1,427)
Interest, dividends and rent on land	-	1,606	(1,601)	719	1,023	(304)
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	171	(171)	89	451	(362)
Total	94,436	116,323	(21,889)	230,570	221,786	8,775

In the year under review 2020/21 the department had an over collection on revenue with R21.9 million (R18.5 million on tax revenue and R3.3 million on other areas). The COVID-19 pandemic had an impact in the revenue collection as the revenue budget was revised downward during the first Budget adjustment.

Departmental Expenditure:

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
Administration	216 668	195 018	21 650	244 053	238 072	5 981
Economic Development	825 968	803 842	22 126	818 356	778 780	39 576
Environmental Affairs	344 229	340 158	4 071	342 280	336 714	5 566
Total	1 386 865	1 339 018	47 847	1 404 689	1 353 566	51 123

Programmes	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation
	R'000	R'000	R'000	%
Administration				
Current payments	202 917	183 753	19 164	90.56
Transfers and subsidies	2 213	2 088	125	94.35
Payment for capital assets	11 468	9 107	2 361	79.41
Payment of financial assets	70	70	0	100
Total	216 668	195 018	21 650	90.01
Economic Development				
Current payments	71 635	62 774	8 861	87.63
Transfers and subsidies	733 309	733 303	6	100
Payment for capital assets	21 024	7 765	13 259	36.93
Total	825 968	803 842	22 126	97.32
Environmental Affairs				
Current payments	93 934	89 863	4 071	95.67
Transfers and subsidies	250 217	250 217	0	100
Payment for capital assets	78	78	0	100
Total	344 229	340 158	4 071	98.82
Subtotal	1 386 865	1 339 018	47 847	96.55
Statutory Appropriation				
Current payments	-	-	-	-
Transfers and subsidies	-	-	-	-
Payment for capital assets	-	-	-	-
Payment of financial assets	-	-	-	-
Total	-	-	-	-

Departmental Expenditure Narrative:

Compensation of Employees

The under expenditure on compensation of employees is as a result of delays in the recruitment process caused by unresolved labour matters that existed during the year, as well as administrative challenges between the OTP and DPSA that delayed the advertisement of posts. The compensation of employees underspending had an impact on the operating expenditure (resettlement fees).

Goods and Services

As a result of the COVID-19 pandemic the department made use of virtual platforms for meetings and engagements with stakeholders. This had a concomitant impact on a reduction in expenditure on travel and subsistence, venues and facilities, use of government fleet and catering. The COVID-19 pandemic also caused some projects and initiatives to either be postponed or cancelled.

Capacity constraints at the Department of Justice, caused by the national lockdown, resulted in invoices for legal fees not being submitted and therefore an under expenditure in legal fees.

During the second quarter of the year there was a legal dispute by SITA that involved the department's ICT equipment service provider. As a result of this, the department could not procure from the service provider until the legal process was finalised. The court judgement was in favour of the department, which meant that the department could continue to procure on the contract. Due to the COVID-19 pandemic, the department was also informed that there was a global supply challenge and huge demand for IT equipment; hence the supplier was not able to source the requisite equipment. The change in the comparative balance for Operating Leases from R37,576m to R39,904m is as a result of corrected accounting treatment of leases for state vehicles as contained in Chapter 13 of the Accounting Manual.

Capital Payments

As a result of the national lockdown there was a lower utilisation of government fleet, hence the under expenditure on transport equipment. The change in the comparative balance for operating leases from R37,576m to R39,904m is as a result of corrected accounting treatment of leases for state vehicles as contained in Chapter 13 of the Accounting Manual.

Transfers and subsidies

Ninety eight (98) % expenditure under transfers has been achieved. Underspending is as a result of non submission of supporting documents for leave gratuity.

Statutory Appropriation

The department shares an MEC with Provincial Treasury and the salary of the MEC is paid by Provincial Treasury.

Virements/ rollovers

The department has applied for the roll-over of funds. Isiqalo Youth Projects transactions were not processed due to the procurement not being finalised timeously.

Unauthorised expenditure

There is no unauthorised expenditure incurred by the department in the year under review.

Fruitless and Wasteful Expenditure

The department incurred Fruitless and Wasteful Expenditure of R61 701.00 during the year under review. In the prior year, this expenditure amounted to R161 630.00. All fruitless and wasteful expenditure incurred by the department totals to R223 331,00 and is still in the process of being investigated.

Irregular Expenditure

The department incurred irregular expenditure of R84 000.00 during the year under review. The prior year irregular expenditure was R519 000.00. The entire irregular expenditure is being investigated. An amount of R342 524.00 is being investigated by the provincial treasury since it was incurred in the office of the HOD.

Public Private Partnerships

The department did not engage in any Public-Private Partnerships during the 2020/21 financial year as well as in the previous financial year.

Discontinued activities / activities to be discontinued

The department neither planned nor discontinued any activities during the year under review.

New or proposed activities

There were no new or proposed activities for the department for the 2020/21 financial year.

Future plans of the Department

The department has prioritised the following for 2021/22:

- Automation of all systems;
- Strengthening economic growth through increased support to SMMEs and informal traders;
- Shorten the payment period to service providers to 10 days;
- Revitalisation of state-owned industrial parks;
- Waste economy – waste recycling; waste efficiency; compliance and enforcement on waste management.

Supply chain management (SCM)

There were no unsolicited bid proposals which were received or concluded during the period under review. The following SCM processes were in place to prevent the incurrence of irregular expenditure.

- Procurement of goods and services was done in accordance with the threshold values prescribed;
- Procurement delegations were implemented and monitored regularly;
- The invitation of competitive bids for threshold values above R500 000.00 were implemented consistently to ensure that equal opportunity is afforded to all suppliers wishing to compete;
- Deviations from normal procurement processes (procurement without inviting competitive bids) are justified and substantiated, approved by the Accounting Officer, recorded and reported;
- Due diligence was exercised when checking the completeness of the SBD4 forms, to ensure that service providers declared their interests and verified the Identity Numbers of the Directors on the PERSAL system;
- Systems to ensure the proper safekeeping and management of contract records were in place and ensured that awards are made in accordance with the requirements of SCM legislation and prescripts;
- Implementation and monitoring of the SCM compliance checklists to ensure compliance with relevant prescripts.

Gifts and Donations received in kind from non-related parties

The departmental Senior Managers did not receive any gifts and donations for the 2020/2021 financial year.

Events after the reporting date

None

Acknowledgements and appreciation

With the presentation of this Annual Report, I would like to convey my utmost appreciation for the oversight work done by the Honourable Members of the Portfolio Committee on Economic Development, Environmental Affairs and Tourism. I appreciate the support derived from the Executive Authority, Honourable Mvoko, the Management and entire staff of the department; your inputs and support are truly appreciated as we continue in the endeavours to deliver on the mandate of this important department.

I would like to pause at this point to, on behalf the entire department, express our condolences to the families of all our DEDEAT colleagues who have succumbed to COVID-19 during the year. We will continue to value your contribution and dedication towards fulfilling the mandate of the department.

I thank you.



Mickey Mama (Ms)
Accounting Officer

Department of Economic Development, Environmental Affairs and Tourism

Date: 31 May 2021

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

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

1. All information and amounts disclosed throughout the annual report are consistent.
2. The annual report is complete, accurate and is free from any omissions.
3. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
4. 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



Mickey Mama (Ms)
Accounting Officer

Department of Economic Development, Environmental Affairs and Tourism

Date: 31 May 2021

6. STRATEGIC OVERVIEW

6.1 Vision

By 2030, the Province will have a growing, transformed, diversified and inclusive green economy in a sustainable environment.

6.2 Mission

A provincial catalyst for sustainable and inclusive economic development that promotes sound environmental management.

6.3 Values

Value	Meaning
Collaboration	We will collaborate at all levels of the organisational hierarchy and with external stakeholders
Innovation	We will pursue innovative and creative ideas to boost economic growth
Accountability	We will provide sufficient and timeous feedback on our work to internal and external stakeholders
Leadership	We will provide strategic direction to ensure economic growth and sustainable development

7. LEGISLATIVE AND OTHER MANDATES

The key mandates of the department are derived from Schedules 4 and 5 of the Constitution and a number of Acts have been promulgated to further support the department's constitutional mandate. These include, among others: the Co-operatives Act (14 of 2005); the Co-operatives Bank Act (40 of 2007); ; the Consumer Protection Act (68 of 2008); the Eastern Cape Consumer Protection Act (4 of 2018); the National Environmental Management Act (107 of 1998); the Environment Conservation Act (73 of 1989); the National Environmental Management: Biodiversity Act (10 of 2004); the Nature and the Environmental Conservation Ordinance (19 of 1974); the National Environmental Management - Protected Areas Act (57 of 2003); the Sea Shore Act; the Environmental Conservation Decree (Former Transkei); the Nature Conservation Act (Former Ciskei); the Atmospheric Pollution Prevention Act; and the Problem Animal Control Ordinance. In addition, specific pieces of enabling legislation have been enacted to support the work of the department through its six public entities. Examples include the Eastern Cape Development Corporation Act (2 of 1997) and the Eastern Cape Gambling Act as amended by the Eastern Cape Gambling Amendment Act (Act 1 of 2015).

The mandate of the department has been enhanced by the 12 (now 14) key outcomes identified and agreed to by the National Cabinet in 2010. The department had to adjust its strategic plan to demonstrate alignment with outcomes 4, 6, 7, 10 and 12 which are outlined below:

- **Outcome 4: Decent employment through inclusive economic growth.**

Under this outcome, the following policies and strategies are used to drive DEDEAT programmes: Industrial Policy Action Plan (IPAP); National Development Plan; New Growth Path; National LED Framework; Vision 2030 (successor to the Provincial Growth and Development Plan); Jobs Fund Strategy; Provincial Industrial Development Strategy (PIDS) now succeeded by the Provincial Economic Development Strategy (PEDS-2016); Strategic Integrated Projects (SIP3); the 10-Point-Plan; National Youth Policy 2015 -2020; Provincial Youth Development Strategy (2015); and the Renewable Energy Strategy.

- **Outcome 6: An efficient, competitive and responsive economic infrastructure Network.**

This is done through the Industrial Development Zone (IDZ) programmes at Coega and ELIDZ. The department is supporting the development of socio-economic infrastructure in identified areas of the Province. A process to transition from the IDZs to SEZs is underway since the gazetting of the SEZ Act (2014) and SEZ Regulations (2016).

- **Outcome 7: Rural development, land and agrarian reform, food security.**

The department has been collaborating with the Department of Rural Development and Agriculture. Agro-industry is being supported through an industry forum whose aim is to develop specific Agro value chains.

- **Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced.**

This is done through the department and the ECPTA. The DEDEAT Group maintains a network of Reserves throughout the Province. The Environmental Affairs Programme is responsible for implementation of environmental legislation through compliance and enforcement, environmental quality management, biodiversity management and environmental education services.

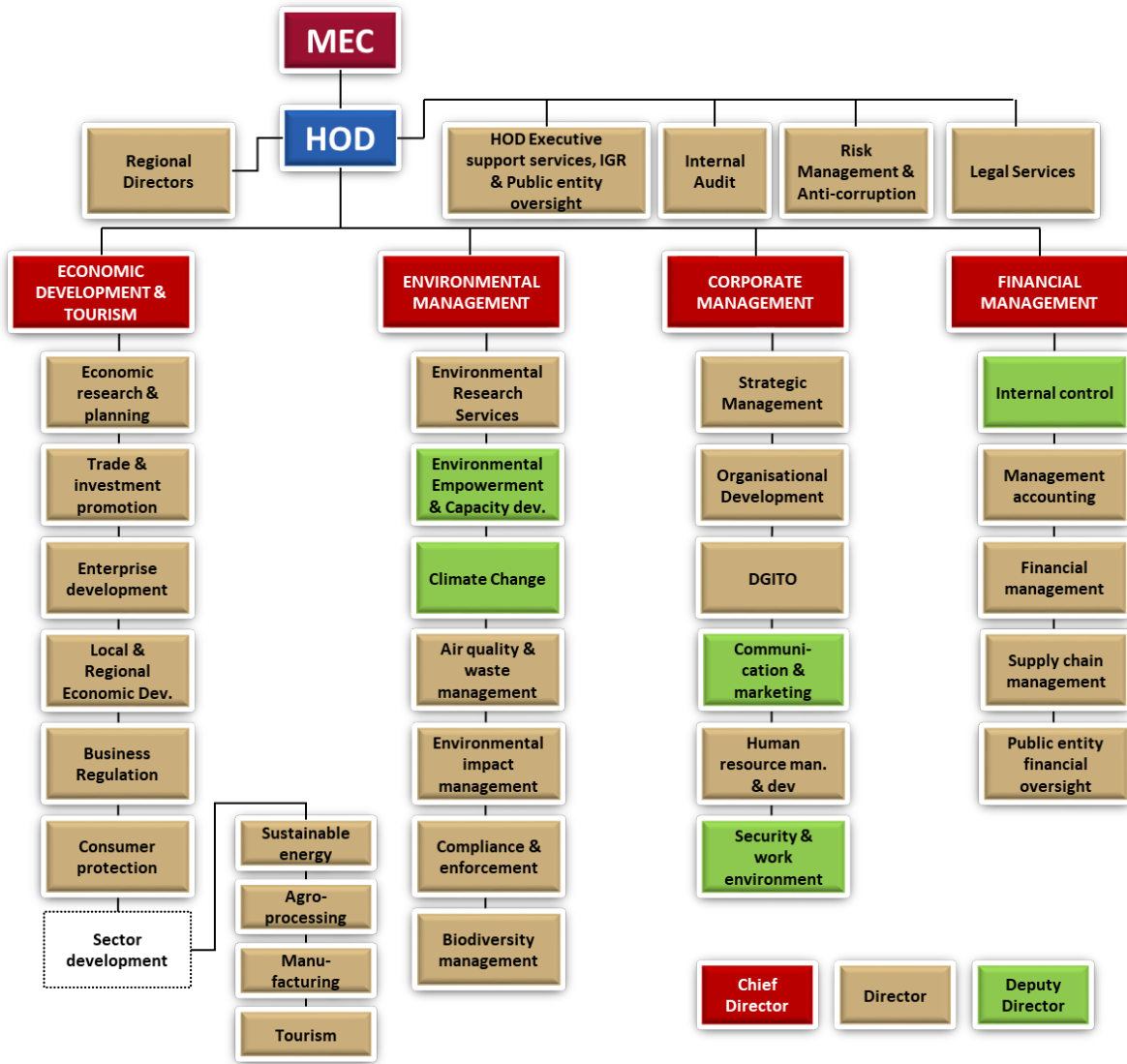
- **Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.**

This is done through various programmes of the department and public entities such as consumer awareness training and environmental awareness training. Citizens are also empowered through province wide programmes of the Eastern Cape Liquor Board (ECLB) and Eastern Cape Gambling Board (ECGB). Inclusivity is also done partly through EPWP programmes, SMMEs/Cooperatives support and training as part of outcome 4 above.

The department's work is influenced by a combination of economic and environmental imperatives in the Eastern Cape, key alignment instruments from international, national, provincial and local levels, structural organisation of the DEDEAT Group, as well as the available human and financial resources. Key alignment instruments are found in Annexure B at the back of the Strategic Plan. During the last 5-year period, the department developed and/ or continued to make use of policies and strategies that enhance economic, environmental management and tourism development. These include the Eastern Cape Biodiversity Strategy and Action Plan (ECBSAP), Climate Change Response Strategy, Provincial Economic Development Strategy, Provincial Sustainable Energy Strategy, National Biodiversity Economy Strategy, Integrated Waste Management Plans, Eastern Cape Youth Development Strategy, Provincial National Protected Area Expansion Strategy, Industry Action Plan, Agricultural Policy Action Plan, Tourism Master Implementation Plan, BBBEE policy, ECAIF Automotive Strategy 2024, AIDC Automotive Strategy 2024, EC Tooling sector strategy 2024, Provincial EC Integrated SMME Strategy 2015-2020, Co-operative development strategy 2019-2024, Business Incubation Strategy, EC Policy Speeches among others.

At the beginning of the 6th Administration, the Premier (Hon. O. Mabuyane) highlighted 12 Political Directives, of which, reduction of unemployment by half in 2030, acceleration of support to SMME development, prioritisation of growth (sector based GDP growth) and development with employment and youth development spin offs, consistency and committed efforts to provincial mega catalytic projects, focused pattern on building a capable development state and institutionalization of the implementation of the Provincial Development Plan (PDP) (2019) with support of evidence based systems and M&E are more relevant to DEDEAT. In addition, there are seven electoral mandate priorities of the governing party, the most relevant linked to the mandate of the Department are Priority 1: *Transform the Economy to Serve the People*; Priority 6: *South Africa, Africa and the World* and Priority 7: *Preconditions for Success: Electricity, Water, Rail & Ports and Climate Change*. The DEDEAT strategy is aligned to the MTSF priorities (Priorities 2 = Economic Transformation and Job Creation, 3 = Education, Skills and Health, and 5 = Spatial Development, Human Settlements and Local Government). At a Provincial level, the Provincial Development Plan (Vision 2030) has the following thematic focus for the Eastern Cape: 1. People: enhance their capabilities; 2. Economy: more resilient, productive and job creating; and 3. Place: more liveable and pleasurable, greater social integration, safety and access to opportunities. There are 6 goals that have been developed for the PDP of which *Goals 1* (Innovative and inclusive growing economy); *2* (An enabling infrastructure network); *3* (Rural development and an innovative and high-value agriculture sector); *4* (Human development) and *5* (Environmental sustainability) are aligned to the work of the Department and have been factored in the strategy development.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The following entities report to the MEC of Economic Development, Environmental Affairs and Tourism:

Name of Entity	Legislative Mandate	Financial Relationship (R'000)		Nature of Operations
		Appropriated	Adjusted Appropriation	
Eastern Cape Development Corporation	To plan, finance, co-ordinate, market, promote and implement the development of the Province and all its people in the fields of industry, commerce, agriculture, transport and finance in line with the ECDC Act (Act No. 2 of 1997)	552 099	266 945	<ul style="list-style-type: none"> Provides short-term and long-term development finance primarily to previously disadvantaged entrepreneurs; Provides non-financial support services to facilitate enterprise development, promote trade and investment; Manages investments in the form of shares on behalf of the state as well as other assets .
East London Industrial Development Zone	To pursue the aims and objectives of the IDZ Programme, as set out in the IDZ Regulations of the Manufacturing Development Act (MDA), (Act.187 of 1993)	113 270	110 652	<ul style="list-style-type: none"> Develops land to provide suitable infrastructure for industrial development; Promotes investment and trade.
Coega Development Corporation	To pursue the aims and objectives of the IDZ Programme, as set out in the IDZ Regulations of the Manufacturing Development Act (MDA), (Act.187 of 1993)	81 525	177 092	<ul style="list-style-type: none"> Develops land to provide suitable infrastructure for industrial development; Promotes investment and trade.
Eastern Cape Parks and Tourism Agency	To develop and manage protected areas and to promote and facilitate the development of tourism in the Province in line with the ECPTA Act (Act No. 2 of 2010)	220 437	252 314	<ul style="list-style-type: none"> Management of conservation of biodiversity and sustainable utilization of natural resources within the protected areas; Marketing, promotion and development of the Province as a tourism destination.
Eastern Cape Gambling Board	To oversee all gambling and betting activities and to deal with matters incidental thereto in the Province and to exercise certain further powers as contemplated in the Eastern Cape Gambling Act (Act No. 5 of 1997) as Amended.	61 322	61 350	<ul style="list-style-type: none"> Administration of applications for and licensing of gambling and betting business activities; promotion of responsible gambling through public awareness and consumer education; enforcement of compliance with legislation as well as with terms and conditions attached to licences.
Eastern Cape Liquor Board	To regulate registration of the retail sale and the micro-manufacturing of liquor in the Province; and to encourage entry, support and control socio-economic and	68 232	69 094	<ul style="list-style-type: none"> Administration of applications for registration and issuing of liquor license, promotion of responsible liquor trading and consumption, alerting the public to associated risks or adverse effects through public awareness and education; and enforcement

Name of Entity	Legislative Mandate	Financial Relationship (R'000)		Nature of Operations
		Appropriated	Adjusted Appropriation	
	other costs associated with liquor as provided by the Eastern Cape Liquor Act , 2003 (Act No. 10 of 2003)			of compliance with legislation as well as with terms and conditions attached to licenses.



PART B

PERFORMANCE
INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary 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 requirement* sections of the auditor's report.

Refer to page 137 of the Report of the Auditor General, published as **Part E: Financial Information**.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Population

The size of the population is defined as the whole number of people or inhabitants in a specific region. The Eastern Cape population was around 6.5 million in 2018 and grew to 6.7 million in 2020 and represented 11.3 percent of the country's total population of 59.6 million. Over the past 10 years, the Eastern Cape population increased by only 0.2 percent owing to the impact of outward migration of its active population that has been increasing over time to reach a negative net 323 thousand all-time high. This is reason for concern as the negative net migration adversely affects the provincial equitable share as well as economic activity. What should even be more alarming is that the people leaving the province tend to be educated and skilled and thus result in provincial brain drain. This brain drain and mismatch in skills remaining in the province become clearer when one unpacks the provincial labour dynamics.

Labour Market

As a consequence of increase in population over time, both provincial working age population and labour force have risen over time. There was an increase of 621 thousand from 1.753 million in the last quarter of 2010 to 2.374 million in the same period in 2020. Similarly, the working age population increased from 3.836 million to 4.369 million over the ten-year reporting period (an increase of 560 thousand). Whilst this may be good labour developments, the reality is that the Eastern Cape provincial labour market lags in creating employment opportunities to absorb all the labour force. Consequently, official unemployment rate has almost doubled in the province, increasing from 24.2% to 47.9% in the last quarters of 2010 and 2020. Unemployment is even more pronounced amongst the youth as reflected by the current 57.9% unemployment rate. Overall, these labour dynamics place the province as leading in terms of unemployment.

The number of employed citizens in the province has declined from 1 294 to 1 236 million, whilst the number of the unemployed has almost tripled from 414 thousand to 1 138 million between quarter four of 2010 and 2020. These job losses and slow pace of job creation have been reflected in the shifts in the numbers of employed citizens per industry over time. Tertiary sector remains the biggest employer in the province as it accounts for 73.6% of provincial jobs. Most working people (29.5%) are employed in the community services industry. The second largest employer is Trade at 18.7% of provincial jobs. Within the secondary sector, it can be noted that manufacturing industry lost the greatest number of jobs and as such contribution of the sector to provincial employment has declined to 8.3%. Given the fact that the majority of the provincial labour force has elementary or low skills, it is a concern that primary sector is the least employing sector, both industries (mining and agriculture) accounting for 8.4% of provincial jobs in the last quarter of 2020.

Provincial Economy

Economic growth in the Eastern Cape is relatively dependent on the performance and growth of the country as a whole. Numerous other fundamentals such as fiscal constraints and monetary space, lack of investment, poor weather conditions and political uncertainty have a considerable negative impact on the growth prospects and outlook of the province. As such, the Eastern Cape economy has been recording slow growth levels since 2011, and economic growth in the province fell to 0.8% before stagnating at 0.6% in 2017 and 2018. According to the recently published Stats SA GDP data, however, the provincial economy did not grow in 2019, recording 0%

GDPR. Although the Eastern Cape's economic growth has been on a decreasing trend, an upward, albeit, below its real performance potential was predicted from 2020, surpassing 1% by 2021. However, with the coronavirus pandemic the provincial performance estimate for 2020 was revised downwards to 0.4%.

Focusing on provincial economic performance in 2020, provincial economy is estimated to have grown by 1.5% in the first quarter, contracted by -48.1% in second quarter and rebounded and grew by 60.4% in the third quarter of 2020. It is estimated that in the fourth quarter of 2020, quarterly GDPR growth at market prices for the Eastern Cape province was 9.3%. Except for mining and quarrying, all other industries contributed positively to quarter 4 provincial GDP growth. Broken down according to sectors, agriculture increased by 6.3% (contributing 0.1% point to provincial GDPR) and mining contracted by 17.6% (equalling reducing the provincial economy by 0.1%). In the secondary sector manufacturing had the highest growth rate in the fourth quarter of 2020 increasing by 19.9% (contributing 2.5% to EC GDPR in quarter 4). Utilities increased by 10.1% and construction 7.1%. In the tertiary sector, wholesale increased at a rate of 15.9% (contributing 3% to provincial GDPR), transport 16.1% (contributing 1.3%), finance 3.5%, community services increased at 5.5% and government at 0.7%. Manufacturing recorded the highest growth rate whilst mining the lowest.

2.2 Service Delivery Improvement Plan

The Department maintains an annual service delivery improvement plan which is developed in line with the guidelines of the Department of Public Service and Administration (DPSA) through the Public Service Regulations, Chapter 1, Part III C. The table below highlights the service delivery plan and the achievements to date.

2.2.1 Main Services and Standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
1. Provide consumer complaint support	General business and consumers of any goods or services in the Province of the Eastern Cape	We provide consumer complaint advice and support to consumers on all lodged complaints within a month	We will provide consumer complaint advice and support to consumers on all lodged complaints within a month. The department has set a target of 75% of all complaints received to be resolved/ finalized within the Quarter	We provided consumer complaint support and advice. The Call Centre was furthermore extended to include advice to the public on queries relating to the implementation of the COVID-19 Regulations and advice was provided in relation to compliance. 64% of complaints received were resolved. This is due to Lockdown Regulations and Offices being closed during the period.
2. Issuing of EIA decisions called authorizations	Private individuals, general business community and other government departments and agencies wanting to develop a listed activity	We issue decisions called Authorizations all applications with complete information in line with timeframes	We will issue decisions called Authorizations on all applications with complete information within timeframes. The department has set a target of 100% of applications with complete information	79% of applications were finalized within legislated timeframes.

2.2.2 Batho Pele Arrangements with Beneficiaries (Consultation access etc.)

Current/actual arrangements Consumer Protection	Desired arrangements	Actual achievements
Access: Regional offices and the Head Office serve as service centres for easy access to improve	The call centre (share call) is accessible to the consumers in English and	Unfortunately, due to Lockdown over this financial year, Regional Offices were not accessible. However, complaints and queries were received by

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Consumer Protection</p> <p>service delivery, a call centre and an electronic case management system are operational, and complaints are received by telefax and email (charnette.ferreira@dedea.gov.za)</p>	<p>isiXhosa and it helps in reducing travelling costs by the consumers. Consumers are also able to utilise walk-ins, send faxes and email the Consumer Protector or Officials within the Office of the Consumer Protector.</p>	<p>the Call Centre and the following email address was advertised.</p> <p>Charnette.ferreira@dedea.gov.za</p> <p>All calls and emails that were received were resolved within 48 hours (about 2 days).</p>
<p>Consultation: Conduct six education programmes, which consist of awareness workshops aligned to the Consumer Protection Education Business Plan.</p>	<p>Conduct six (6) education programmes which consist of 85 awareness workshops held quarterly in all regions targeting 5000 consumers. The six education programmes are the following:</p> <ul style="list-style-type: none"> • The Office of the Consumer Protector • Consumer Rights • Right to fair value, good quality and safety • The Right to responsible and fair marketing • Spend Wisely Campaign • The Eastern Cape Consumer Protection Act 	<p>Due to the pandemic, the Office of the Consumer Protector had to amend the APP and Ops plan as well as the Education Business Plan.</p> <p>The Office is unable to report on the KRA on the number of participants reached, due to the suspension of the physical attendance of all Office of the Consumer Protector hosted and facilitated meetings and awareness sessions. This KRA was amended accordingly as well as the Education Business Plan 2020/2021.</p> <p>OCP is now utilizing social media platforms, emails and other technology in servicing communities.</p> <p>6 Education Programmes were to be conducted and all alerts were aligned to the Themes of the Education Programmes.</p>
<p>Courtesy: Confidentiality of complainants or consumer is maintained at all times, etiquette and accurate disclosure are critical.</p>	<p>The officials are to give constant feedback to the consumers at appropriate time intervals. Reports drawn from electronic case management system on the number of users, complaints trends and the level of consumer satisfaction. Mobile teams will also conduct information sharing sessions in faraway communities.</p>	<p>Due to the pandemic, the Office of the Consumer Protector had to amend the APP and Ops plan as well as the Education Business Plan.</p> <p>The Office is unable to report on the KRA on the number of participants reached, due to the suspension of the physical attendance of all Office of the Consumer Protector hosted and facilitated meetings and awareness sessions. OCP is now utilizing social media platforms, emails and other technology in servicing communities.</p> <p>All calls and emails that were received were resolved within 48 hours (about 2 days).</p>
<p>Information: Information sheets and posters developed and launched with the call centre. Radio interviews were conducted aligned to the business plan.</p>	<p>The six (6) education programmes, radio interviews will be conducted, posters and flyers be distributed. Mobile teams will also conduct information sharing sessions in faraway communities.</p>	<p>Due to the pandemic, the Office of the Consumer Protector had to amend the APP and Ops plan as well as the Education Business Plan.</p> <p>The Office is unable to report on the KRA on the number of participants reached, due to the suspension of the physical attendance of all Office of the Consumer Protector hosted and facilitated meetings and awareness sessions. OCP is now utilizing social media platforms, emails and other technology in servicing communities.</p> <p>25 Consumer alerts were generated and published in the Departmental Communication platforms during the year, and it was ensured that consumers are aware of how to contact the Office of the Consumer Protector, either by emailing or lodging a call with the Consumer Protector Share call Centre.</p>

Current/actual arrangements Consumer Protection	Desired arrangements	Actual achievements
		4 radio interviews with Vukani Community Radio station, connecting to 8 other Community Radio Stations within the Province, were held, exposing listeners to Consumer education. 1 TV interview with Keith Ngesi Digital TV was held advising consumers on good financial management skills.
Redress: The call centre's case management automatically escalates to supervisors.	A plan to be developed to request permission from complainants to be able to contact complainants to determine the level of satisfaction of services rendered and recommendations to improve services of the Office of the Consumer Protector to be developed for implementation in the second half of 2021/2022.	All complaints relating to the services of the Office of the Consumer Protector or in situations where a complainant is not satisfied with the outcome of the complaint are forwarded to the Head Office for assessment and mediation.
Openness & Transparency: Publication of reports and distribution to strategic centres e.g., Municipalities, other Government offices, multi-purpose centres.	The electronic case management system allows the Supervisor and the Consumer Protector a bird's view an all complaints lodged and captured in the system.	Quarterly monitoring reports on complaint support services are prepared. Complaints that are not resolved according to Standard Operating Procedures are escalated to the Management in the Region where the complaint was lodged, with relevant guidance.
Value for Money: The return on investment for the Call Centre and Electronic Case Management System will lead to efficiency and lead to timeous and effortless lodgment of complaints by consumers.	The improved turnaround time within 90 days	The turnaround time on providing guidance and advice has improved.
Access: The public can access NEAS, a public portal which is operational.	The public can access NEAS through the public portal.	Access to the public portal by the members of the public.
Consultation: One stakeholder forum session once in a quarter.	Conduct one (1) stakeholder forum session once a quarter where all the governance and compliance issues are addressed.	One stakeholder EIM forum session was held virtually per quarter.
Courtesy: Quarterly reports presented to stakeholders at quarterly Environmental Quality Management (EQM) Forum, EQM Technical Committee meetings and at DEDEAT Environmental Affairs Management meetings.	Stakeholders are briefed at quarterly Environmental Quality Management (EQM) Forum, EQM Technical Committee meetings and at DEDEAT Environmental Affairs Management meetings.	4 EQM Forum meetings were held in the reporting year.
Information: Information is disseminated to all stakeholder forum sessions once in a quarter, distributed to municipalities, multi-purpose centres and departmental website. The public portal on NEAS is very transparent tool and the whole EIA process is	Information is disseminated in all stakeholder forum sessions held quarterly.	Information was disseminated during the EQM Forum meetings.

Current/actual arrangements	Desired arrangements	Actual achievements
Consumer Protection transparent especially if one registers as an interested party.		
Redress: The review of decision is done only through the Office of the MEC, only the MEC can uphold or rescind the appeal.	The clients must lodge an appeal within \pm 20 days after the decision and the appeal is \pm 90 days, only the MEC can uphold or rescind the appeal.	20 appeals were finalized.
Openness & Transparency: The public portal on NEAS is very transparent tool and the whole EIA process is transparent especially if one registers as an interested party.	The public portal on NEAS is very transparent tool especially if one registers as an interested party.	Public portal not yet accessible as other plug ins are still being developed.
Value for Money: Applications must be finalized within timeframes.	On average applications are finalized well within timeframes.	79% finalized within legislated timeframes.
Time: Time frames within 30 BAR and 45 days (about 1 and a half months) Scoping EIR Report after all the required information has been received.	The EIA Regulations have changed, the new time-frame is 107 days..	79% finalized within legislated timeframes.

2.2.2 Service Delivery Information Tool

Current/actual information tools	Desired information tools	Actual achievements
Consumer education programme: Posters, booklets and information sheets, radio interviews and road shows	Posters, booklets and information sheets, radio interviews and road shows. Research into effectiveness of utilisation of Social Media Platforms will be undertaken in the 2021/ 2022 Financial Year.	25 Consumer alerts were generated and published in the Departmental Communication platforms during the year, and it was ensured that consumers are aware of how to contact the Office of the Consumer Protector, either by emailing or lodging a call with the Consumer Protector Share call Centre. 4 radio interviews with Vukani Community Radio station, connecting to 8 other Community Radio Stations within the Province, were held, exposing listeners to Consumer education. 1 TV interview with Keith Ngesi Digital TV was held advising consumers on good financial management skills.
Quarterly stakeholder forum sessions	Conduct one (1) stakeholder forum sessions once in a quarter.	2 webinars were held with Municipalities to foster joint working relations with the Environmental Health Practitioners and to advance Consumer Protection within the Province of the Eastern Cape. Representatives of the Office of the Consumer Protector attended all virtual Consumer Protection Forum meetings including the Compliance Committee, Education Committee and Policy and Strategy Committee. The office of the Consumer Protector is also engaging with DRDAR on a Price Monitoring Project for a basket of goods consumed by most households.
Consumer protection services: Regional offices and the Head Office serve as service centres for	Inputting of data onto the Electronic Case Management System to be accurate and to be extended	Quarterly monitoring reports on complaint support services are prepared.

Current/actual information tools	Desired information tools	Actual achievements
easy access to improve service delivery, a call centre and an electronic case management system are operational, and complaints are received by telefax and email (charnette.ferreira@dedea.gov.za)	to include the Municipality within the area of the complaint.	
Impact Management	Conduct one EQM Stakeholder Forum per quarter.	One stakeholder EIM forum session was held virtually per quarter
	Participate in one Provincial Infrastructure Forum per quarter, in order to disseminate information to local authorities.	This particular structure was coordinated by COGTA EC and has since been suspended due to cost containment measures.
	Booklets and brochures available to stakeholders	Brochures are still available but not updated

2.2.4 Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>Regional offices and the Head Office serve as service centres for easy access to improve service delivery, a call centre and an electronic case management system are operational, and complaints are received by telefax and email (charnette.ferreira@dedea.gov.za)</p> <p>A Standard Operating System has been approved to ensure that all services across the Province are delivered consistently and aligned to time frames.</p>	<p>The Electronic Case Management System be utilized to the full potential to assist with Monitoring and Evaluation and Trend Analysis.</p>	<p>Unfortunately, due to Lockdown over this financial year, Regional Offices were not accessible. However, complaints and queries were received by the Call Centre and the following email address was advertised.</p> <p>Charnette.ferreira@dedea.gov.za</p> <p>All calls and emails that were received were resolved within 48 hours (about 2 days)</p>
<p>Impact Management: An appeal process</p>	<p>The review of decision is done only through the Office of the MEC. Only the MEC can uphold or rescind the appeal.</p>	<p>20 appeals were finalized.</p>

2.3 Organisational Environment

This is the first report of the department in this sixth term of government. The department has developed a new Strategic Plan and Annual Performance Plan using the theory of change methodology. The departmental organisational structure was however not refined to fit the new strategic thrust, thus posing a risk to efficiency and effectiveness in the operationalisation of the Strategic Plan. To mitigate the risk, the department is working on cultivating partnerships and sourcing resources externally. There is also an emphasis on cluster approach in order to have a better reach and effectiveness of programmes.

The year 2020/21 was a very challenging year which started with a restrictive COVID-19 environment. For the greater part of the year, the department, like many other organisations and entities, was unable to perform its functions that require physical contact effectively due to the Lockdown imposed in the whole of the country. The department had to quickly adapt and move to online platforms in order to achieve its planned activities. Examples include hosting awareness campaigns via radio, convening of meetings via MS-Teams and Zoom platforms among others. However, there were challenges with connectivity from time to time. E-signatures were activated and other electronic enhancements put in place to smoothen the work of the department. The ICT unit is working collectively with other structures to ensure there is better broadband, cloud computing and software that enhances our work.

The COVID-19 pandemic saw budget cuts earlier in the year to prioritise use of funds in COVID-19 campaigns, purchase of personal protective equipment (PPE) among others. The shift in funds led to some activities being curtailed and cancelled altogether. On some indicators the targets had to be revised downwards. Some activities were carried forward to the 2021/22 financial year but where service delivery was curtailed during the year, beneficiaries could not access services during the year.

Towards the end of the 2019/20 financial year, the department had advertised some posts. By the time the COVID-19 lockdown started, posts that were already shortlisted or were in the pipeline to be filled could not be processed. With the passage of time, the recruitment process was suspended. It was only later in the year that the posts were re-advertised but again only a few posts were prioritised. Due to the restrictive working environment and limited capacity, the department could not fill all advertised posts during the reporting year. Processes are currently underway to fill all advertised posts during the first half of the new financial year.

The office accommodation remained a challenge for the department. Officials at head office are still scattered across 5 locations while the Department of Public Works tries to find and renovate suitable accommodation in Bhisho. The DPW is in the process of finalising plans for identified buildings for DEDEAT head office.

A capable management leadership team supported by an enthusiastic workforce remains in force. The turnover rate was minimal during the financial year. Part D of the report will show the vacancy rate and resignations during the year. The service delivery model which was outlined in 2016 continues to be operationalised. All organisational committees worked remotely most of the time in 2020/21.

The department has been largely compliant with processes and policies operational in the public service. Financial resources of the department of approximately R1.4 billion, representing an allocation of close to 1.4% of the total Provincial budget, is insignificant to make a massive dent to unemployment, poverty and lack of industrial infrastructure. The expenditure rate was notable at 96.55% for the year. Strategic risks were identified at the beginning of the year and are documented in the new Strategic Plan and the Annual Performance Plan. Management of both the department and public entities continued to receive political and strategic support from the MEC, Portfolio Committee and Boards of Directors. Engagements with the Chairpersons and Chief Executive Officers of all entities were undertaken in order to check progress and or remove any hindrance towards the full implementation of the department's plans in line with governance and oversight functions. There is still room for improvement in providing timely and accurate performance information to aid management, the MEC and respective Boards of Directors with decision making. Performance validation sessions were held between the department and its public entities on a quarterly basis.

2.4 Key Policy Developments and Legislative Changes

A number of policy and legislative issues have been relatively stable in the year under review. While the Demarcation Board completed its demarcation study and report, the Eastern Cape has not been affected by such changes. The operations of the Department have also not changed from the preceding year.

The following is the status of pieces of legislation which have been finalised and those which are currently under review:

- a. The Consumer Protection Act, (Act No, 3 of 2018) was assented to on the 13th of January 2019 and came into operation on the 1st of June 2020. The drafting of Regulations in terms of the Act is currently underway and will be published for public comment during June 2021.
- b. The Eastern Cape Liquor Authority Act, (Act No. 4 of 2018) was finalised and is awaiting assertion and promulgation by the Hon Premier as soon as the Act can be implemented fully. The drafting of Regulations to the Act is underway.
- c. The Eastern Cape Environmental Management Bill has been finalised and is awaiting certification from the Office of the Chief State Law Advisor. Once translated it will be tabled by the Hon MEC in the Provincial Legislature during the 2021 / 22 Financial year.
- d. The Regulations in terms of the Eastern Cape Gambling Act (Act No. 5 of 1997) as amended came into operation on the 16th of November 2020 which now allows the Board to optimally implement its Act.

The drafting of Coastal Protection Zone Regulations in terms of the National Environmental Management Act is currently underway.

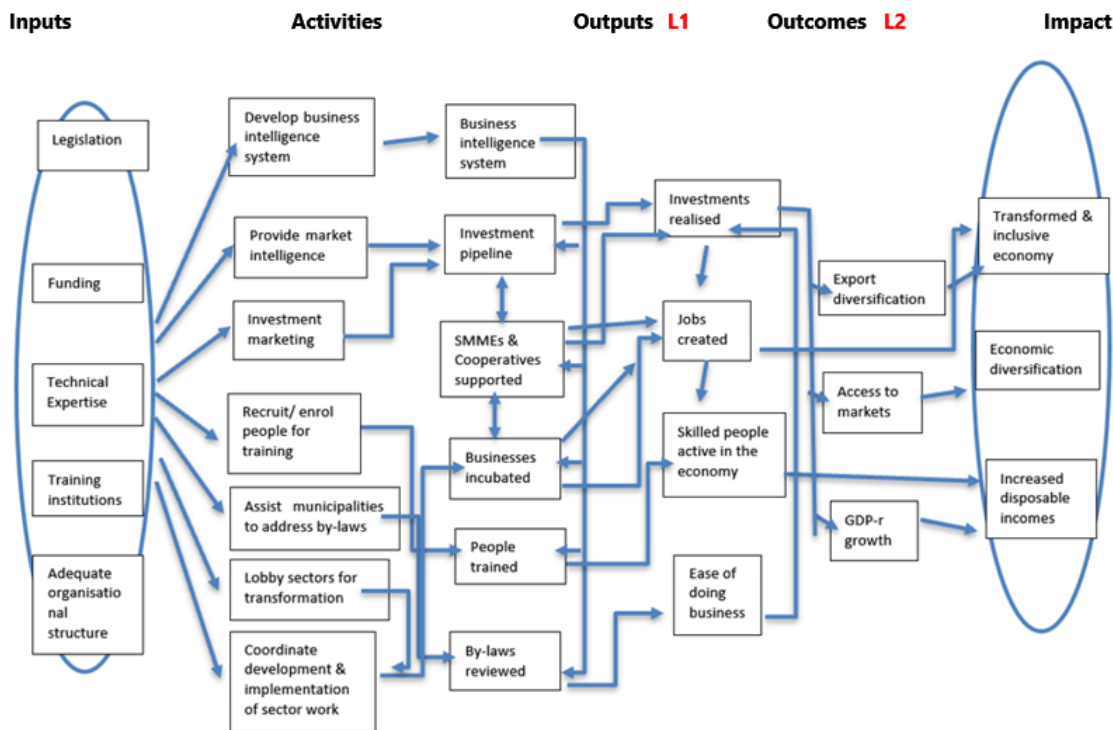
3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The department's work is situated with the context of the MTSF, Provincial Development Goals, and other priorities of government. There are four strategic pillars (whose detail is contained in the strategic plan) under which departmental programmes are implemented. The strategic intent is detailed in the 2020- 2024 strategic plan of the department under the following themes:

- a. A growing, innovative and diversified private sector enabled economy
- b. Empowered and skilled communities participating in an inclusive economy
- c. Sustainable resource use, responsive infrastructure and diverse investments
- d. Enabled, simplified and responsive business processes

The four pillars are linked to three theories of change, viz, Economic Development, Tourism and Environmental Management. Below are the three theories of change:

Economic Development theory of change



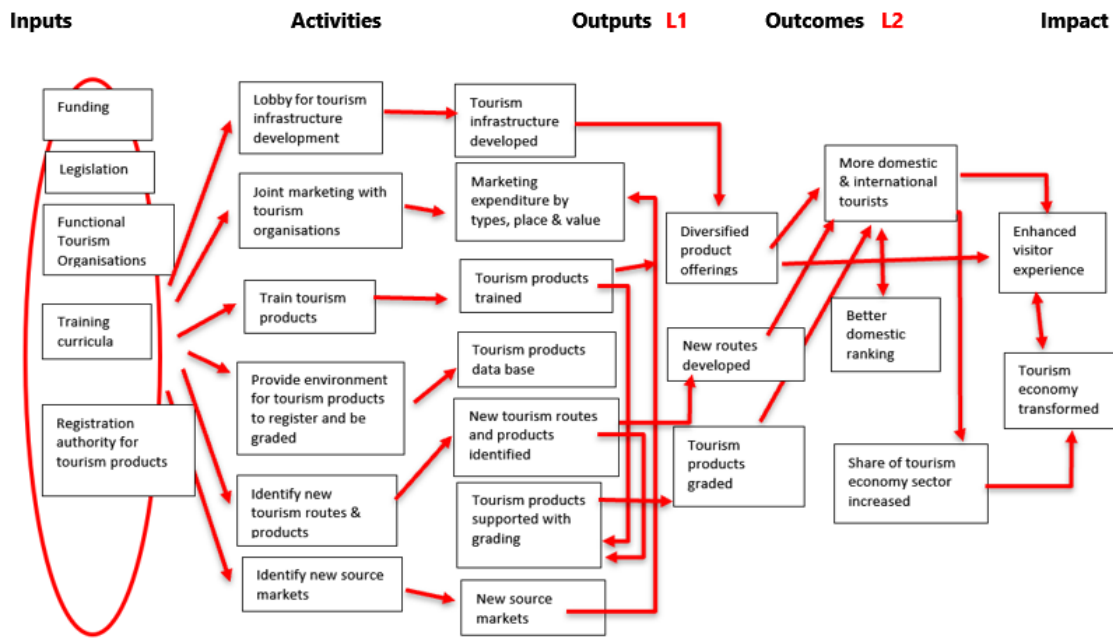
Assumptions	Assumptions	Assumptions	Assumptions	Assumptions	Assumptions
<ul style="list-style-type: none"> Adequate funding will be made available by Treasury Adequate and skilled staff 	<ul style="list-style-type: none"> Correct selection of activities Correct selection of subjects Collaboration with partners according to plans 	<ul style="list-style-type: none"> Correct selection of subjects and targets 	<ul style="list-style-type: none"> Targeted groups are not hindered by the operating environment 	<ul style="list-style-type: none"> Local and global economy is growing 	<ul style="list-style-type: none"> Dynamic economy Wider support by various stakeholders

Economic Development progress

- Achievement of the five-year targets in relation to the outcome indicators
- Contribution to MTSF
- Contribution to PGDP

The department has supported through its agencies 87 SMMEs with development finance, 256 cooperatives received non-financial support and exports of R128 391 053.00 realised through the ECDC. A total of 404 exporters received support. Jobs facilitated were in excess of 23 503 jobs were created. The two SEZs attracted 9 investors during a tough year impacted by the COVID-19 lockdown.

Tourism Theory of Change



Assumptions	Assumptions	Assumptions	Assumptions	Assumptions	Assumptions
<ul style="list-style-type: none"> Adequate funding will be made available by Treasury Functional tourism systems 	<ul style="list-style-type: none"> Willing participants Access to products and communities Collaboration with partners according to plans Functional logistics and connectivity 	<ul style="list-style-type: none"> Correct selection of subjects and targets Support from other departments and agencies 	<ul style="list-style-type: none"> Targeted groups are not hindered by the operating environment Functional systems National and global economy is functional 	<ul style="list-style-type: none"> Local and global economy is growing Other provinces marketing rate stays within range Economy grows 	<ul style="list-style-type: none"> Dynamic economy Wider support by various stakeholders Diverse products and quality thereof Stable currency and earnings

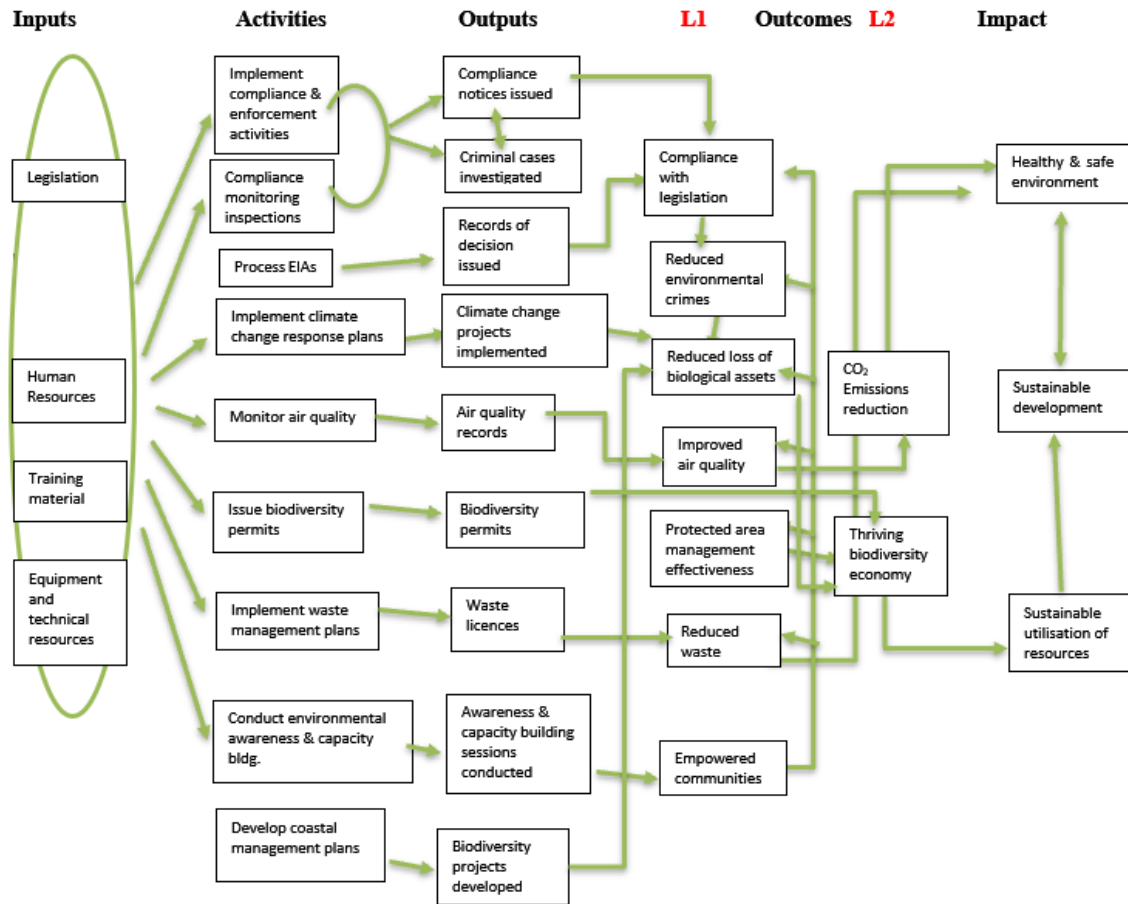
Tourism Development progress

- Achievement of the five-year targets in relation to the outcome indicators
- Contribution to MTSF
- Contribution to PGDP

The 2020/21 financial year was extremely detrimental for tourism growth and development. COVID-19 delayed the implementation of tourism initiatives and this also affected infrastructure projects. The tourism recovery plan improved coordination between the three spheres of government and effective collaboration with the national and related sector departments.

The tourism infrastructure projects that are being implemented as part of the Oceans Economy will result in increased socio-economic development of the Province.

Environmental Management Theory of Change



Assumptions	Assumptions	Assumptions	Assumptions	Assumptions	Assumptions
<ul style="list-style-type: none"> Adequate funding will be made available by Treasury Non-conflicting legislation and policies Convergence of social, economic and environmental agenda 	<ul style="list-style-type: none"> Willing participants Access to communities Collaboration with partners according to plans Functional systems Voluntary participation 	<ul style="list-style-type: none"> Correct selection of subjects and targets Support from other departments and agencies Systems for recording and accounting in place 	<ul style="list-style-type: none"> Targeted groups are not hindered by the operating environment Functional economy Favourable climatic conditions 	<ul style="list-style-type: none"> Strong ethics Sustainability focused participants 	<ul style="list-style-type: none"> Reduced poverty levels Dynamic economy Wider support by various stakeholders Demand and supply balanced

Environmental Management progress

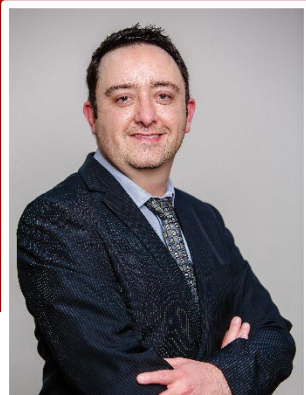
- Achievement of the five-year targets in relation to the outcome indicators
- Contribution to MTSF
- Contribution to PGDP

Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced

The Department has processed 79% of EIA applications within the permitted timeframes in 2020/21. A total of 9 environmental capacity building activities were conducted throughout the province. The department did not add new hectares to the conservation estate during the year. Through the environmental EPWP programme, 757 work opportunities were created.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration



TYRONNE BOUCHER
GM - Corporate Services

Programme Purpose

Administration provides the Department with strategic leadership and management, as well as overall administrative and performance oversight function.

The programme is structured as follows:

Sub-Programme	Sub-Programme Purpose
1.1: Office of the MEC	Provide overall political and policy leadership for the Department
1.2: Office of the HOD	Provide effective and efficient strategic leadership to the Department.
1.3: Financial Management	Establish and maintain appropriate financial management systems.
1.4: Corporate Services	Ensure adequate provision of institutional capacity through effective human capital management, organisational development interventions.

4.1.2 Outcomes, outputs, output indicators, targets and actual achievements

Programme/Sub-programme: Economic Development and Tourism								
#	Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Actual Achievement 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021
1	Enabled, simplified and responsive business processes	Functional network	% network functionality	96%	98.6%	99.5%	99.4%	-0.1% ¹
2		Effective Public Entities	Public Entities Accountability index	8.9	8.5	10	9.5	-0.5 ²
3		Suppliers paid timeously	% of suppliers paid within 30 days	-	-	100%	100%	0
4		Clean audit	Annual audit outcome	Unqualified	Unqualified	Unqualified		
5		Full implementation of work skills plan	% implementation of the work skills plan	100%	151%	90%	105%	+15% ³
6		Full compliance with all PMDS processes	% of staff complying with all PMDS processes (contracts and reviews)	90%	63.8%	95%	56.5%	-38.5% ⁴

¹ Un-availability of electricity, which was the result of Eskom load-shedding impacted on the full achievement of the target. ICT provisioning requires un-interrupted power supply either from direct electricity or from a UPS/Standby-Generator in the event the of load shedding.

² Effects of COVID-19 lockdown resulted in less revenue collection, investment, and service delivery by public entities thus impacting on the overall score.

³ Alert Level 1 allowed for more contact sessions to take place.

⁴ Effects of the COVID-19 lockdown and alert levels resulted in files being returned back due to limited quality checks and some files were returned for being incomplete.

Administration Key Achievements

Office of the HOD

The Office of the HOD provides leadership, strategic guidance, management and administration of the department, including ensuring efficient utilisation of resources, maintenance of discipline, promotion of sound labour relations and proper use and care of state property. Facilitated integrated governance, service delivery and Public Entity Oversight. Overseeing the implementation of Provincial transversal programmes and transformation priorities including the implementation of COVID-19 regulations as guided by the relevant protocols. The office participated in Provincial and National platforms that included virtual attendance of: - Legislature sittings, Portfolio Committee sessions, Provincial Executive Council, cabinet committees, cluster sessions, as well as National Ministers' meetings (MINMECS) for Forestry, Fisheries and Environment; Tourism; as well as Economic Development.

Public Entity Oversight

The unit facilitated the signing of the Service Level Agreements, Shareholder Compacts and Corporate Plans by the Executive Authority and the Accounting Officer. Two-way communication between the department and public entities on performance validation areas was conducted on a quarterly basis. Meetings were held between the MEC and Boards to discuss the strategic direction of the public entities and areas of compliance in terms of the PFMA. Reporting was measured in terms of the public entity's accountability index. On a quarterly basis, HOD/CEOs meetings were held to discuss performance as well as providing feedback to public entities in line with their respective service level agreements. The other area of focus was active participation in the Legislative Development and Review Committee which assists in the amendments to policy, legislative development and Legislation of public entities, ensuring compliance with Constitutional prescripts, National Legislation and good corporate governance.

The unit was also responsible for the development of the business continuity plan and the disaster recovery plan for the 2020/21 financial year.

Internal Audit

Internal Audit provides the department with independent, objective assurance and advisory services to improve the department's operations. It fulfils its mandate as derived from the PFMA section 38 read in conjunction with section 3.2 of Treasury Regulations. The unit assists the department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes.

Legal Services

The Unit continued to oversee and advise on all areas of litigation as well as provided support to all the programmes in the Department, especially with development of SLAs and vetting of legal contracts. Support and legal advice was also provided to the Office of the MEC.

Over and above this, the Head of Department is the designated Information Officer and ensures that all requests for Promotion of Access to Information is responded to within the legislated timeframes. The Legal Unit ensured that we comply in this area of work, as prescribed. To ensure board functionality, the unit was responsible to facilitate filling of vacant board positions for public entities. Extensive work was undertaken in reviewing and drafting of legislation through an established Legislative Development and Review Committee to ensure that all the founding legislation of the Public Entities are both constitutionally sound and aligned to National Legislation as well as to ensure that all Provincial Legislation that applies to the Department, is aligned to National Legislation and implemented accordingly.

Risk Management, Fraud and Anti-corruption

The risk management committee (RMC) continues to sit quarterly after each quarter end. Verification of the disclosure of financial interests was conducted. The department also conducted ethics management capacity building. During the risk assessment process, the Department has also considered its fraud risks exposure. In an attempt to minimize and to ensure their subsequent elimination, the Department put various measures in

place. The Department has adopted zero tolerance to fraud and corruption and has developed a fraud policy as well as an anti-corruption and fraud prevention plan. In its fraud policy, the Department subscribes to the Protected Disclosure Act. This means employees who have reported incidents of fraud and corruption are protected from any form of occupational detriment. The anti-corruption and fraud prevention plan is an overall plan that sets out how the Department will reduce fraud and corruption. It sets out the activities that the Department will carry out to limit or eliminate the exposure of corruption and fraud. The Department uses internal and external sources for identifying incidents of fraud and corruption. The external source is mainly the National Anti-Corruption Hotline (NACH), coordinated by the Public Service Commission (PSC) to ensure that all cases of fraud and corruption are reported centrally and redirected to the Department for investigation. Feedback is then provided to the Public Service Commission on how the reported matters have been handled. All managers and employees within their areas of responsibilities are responsible for the detection and prevention of fraud and corruption. The Department has established an Ethics Management Committee in order to promote ethical behaviour with intention to prevent and manage fraud.

Governance

The public entities within the province reporting to the Member of the Executive Council (MEC) for DEDEAT are critical service delivery vehicles which together with DEDEAT work towards the achievement of its mandate. The entities are experiencing increased pressure to demonstrate, on a regular basis, that they are creating value for the shareholder, and this has led to the emergence of a variety of measures that claim to quantify value creating performance.

The department through Deloitte completed the Board effectiveness evaluation for the CDC, ECDC, ELIDZ, ECLB, ECGB, and ECPTA. Reports that present the key findings on the effectiveness of the Board, together with associated recommendations were presented to the Chairperson of the Boards and the Executive Authority. The department was engaged in the following activities to streamline governance during the 2020/21 financial year:

- Review of the ECLB, ECGB, and the ECDC Act.
- Filling of vacant positions, amongst others, the CDC, and the ECLB.
- Facilitation of the ECGB listing as Schedule 3C in terms of the PFMA.
- Facilitation of the CDC listing as Schedule 3D in terms of the PFMA.
- Facilitation of the MEC/Chairpersons of the Board meetings.
- Presentations and response to the Portfolio Committee questions; and
- Submission of the oversight reports to the Audit Committee for comment and conducting oversight meetings.

Inter-Governmental Relations (IGR)

The Provincial MuniMEC Forums are convened quarterly to consult municipalities and discuss issues of common interest that have a bearing on the various spheres of government. The nature of the Provincial MuniMEC Forum meetings is now taking the cue from the national Disaster COVID-19 Regulations of being held virtual.

The department regional IGR officials participated, in amongst others:



District Mayor's Forum (DIMAFO's) –

- OR Tambo - COVID-19 District Command Centre & Economic Tourism & Business Work Stream. DEDEAT assisted informal business registration in CIPC platform. Ingquza Hill LM Spaza shop pilot is at an advanced stage with conceptual work, planning undertaken and only the business plan outstanding.
- Chris Hani - Technical & DIMAFO meeting was held in the form of political Joint Operations where COVID-19 & Department of Health matters were dominant in the discussions. These meetings are held virtually every Wednesday of the week. Underspending by municipalities in all funding streams was flagged as a cause for concern.
- Joe Gqabi - the District Municipality (DM) established a DDM Task Team made up of key departments to operationalize the District Development Model (DDM)
- Participation in the Joe Gqabi technical Lekgotla- Departments were requested to present previously (since 2016), progress on currently funded projects and 2021/22. Departments were also requested to present/ Identify Quick wins (projects that are ready to be handed over/launched). DEDEAT presented the

Senqu LM EPWP R5.2m funded Waste Management project and the Enterprise Development Informal Business Support Programme as quick wins.

- Partnered with CoGTA in the Region to present DEDEAT support to rural communities at a 3-day JG Traditional Leaders Council.

DIMAFO/IGR/IDP/Command Council: The Amathole District office participated in ADM Command Council and BCMM Multi stakeholders' meetings as capable structures to deal with the COVID-19 pandemic which hit hard in our district as it was regarded as hotspot of the EC province. One of the reasons is since the area is rural in nature and our communities being migrant workers look for better employment opportunities in other province such as Gauteng, KZN and Western Cape making the local communities to be most vulnerable and putting our health system under pressure, demanding a lot of work to be done in terms of government planning to deal with the scourge of the pandemic.

This came at a time when the President has just announced the introduction of District Development Model, an instrument to be used for integrated planning purposes at a district level. This period forced stakeholders to establish and strengthened their working relations from national, provincial, district and local across including NGOs and public sectors, forcing all spheres of government to interact and engage in a robust manner. A violent disruption of COVID-19 has taught us how to improve inter-government relations through these COVID-19 multi-sectorial plans we have managed to deal with socio-economic infrastructural challenges such as health and education facilities, water access as well as housing development, refurbishment and construction of health facilities, availability of social grants for the less fortunate and promotion of health and safety issues by conducting awareness sessions to encourage behavioural change amongst our communities. DEDEAT introduced a Provincial Economic Recovery Plan as the pandemic to the district municipalities for them to develop theirs and aligned them with the provincial. All projects identified, packaged and costed will be then driven through the DDM which require centralised planning and encourage integration of resources and planning. DEDEAT presented its economic and sectoral support in both municipalities ADM and BCMM where some of the projects are driven by DEDEAT's Public Entities as its delivery arm.

Law Enforcement Inspections (blitz): The Office of the Consumer Protector managed to assist with inspection in businesses around BCMM with SAPS, BCMM enforcement unit to check compliance in food outlets on COVID-19 regulations and pricing where businesses were served with compliance notices and some items being confiscated by law enforcement for non-compliance. These were places where they sell paraffin in food /grocery stores and do not display prices of goods and services.

Revitalisation of State-Owned Industrial Parks: Participation in the Provincial Industrial Parks forum meetings with rotational sittings on quarterly basis. This is development of critical infrastructure for promotion of industrialisation

1. Dimbaza Industrial Park: To provide industrial space to support light and heavy industries operations. Currently there is a mix of industrial activities and agro-industries linking the Zanyoke and Keiskamma to Dimbaza. Investor pipeline of "9" agro-processing companies' dependant on upgrades to buildings, bulk infrastructure and electricity linked to phase 2 and 3 infrastructure refurbishment. In Phase 1: 161 construction jobs created and 19 local SMMEs were supported with +/-R4m.
2. Fort Jackson Industrial Park: Jobs created 719 Progress currently is investment in infrastructure, electricity upgrades and security. Rehau Tier 1 supplier to MBSA have expanded their operations to supply components for new W206 Mercedes Benz vehicle commencing in June 2021. Facility is close to finalisation. Additional jobs to be created is 130. Multichoice recently expressed interest in establishing Film studios and are currently in negotiation phase.

BCMM Economic and Social Mainstream


- One Stop Shop where a signed MoU with invest SA for the implementation of BCMM one stop shop centre where an investment of R8m has been made available for furniture fittings, audio visual equipment. The purpose of this is to have all investors in one roof, to reduce the costs of doing business and offer local and foreign investors access to all services needed from various tiers and government agencies.

DEDEAT District Forums:

- OR Tambo - DEDEAT & ECPTA facilitated a session with an investor Wild Child Africa who is doing product development on Wild Coast with focus on transformation & inclusion of community enterprises in the value chain first meeting 08-12- 2020.
- Joe Gqabi - DSBD in partnership with SEDA & DEDEAT conducted awareness sessions in all LM's presenting their Township & Rural Enterprise Development Programs, Participants were assisted with online applications registering whilst others were assisted with registering their companies or with company legal documents for business compliance

Local Municipality IGR Forum:

- The highlight was the DDM visit by Minister COGTA where DEDEAT provided reports based on its mandate & projects to OTP & Participated in the DDM session
- Then Former Deputy Minister of CoGTA (MP Parks Tau) held a virtual workshop with the Joe Gqabi DM, LMs and Departments as part of engagement on objectives and implementation of DDM
- Small Town Revitalization Forum; and
- DEDEAT continues to participate in the N2 WC Toll Road authorities coordinating & environmental management committee.
- Assisted with the development of Walter Sisulu Local Municipality- Integrated Waste Management Plan (IWMP).

Participation in the Elundini Wool Processing Hub interventions- The project is led by ECRDA is at Planning and Design stage where Urban ECON was commissioned to conduct a study on the feasibility thereof which was tabled. An Elundini Wool PSC was established and DEDEAT is part of the committee. 

The Public Entity Oversight Unit is charged with the responsibility of providing oversight to public entities in order to ensure the effective implementation of the department's mandate. The unit facilitated signing of the SLA, Shareholder Compact and Corporate Plan by the Executive Authority and the Accounting Officer. Two-way communication between the department and public entities on performance validation areas were conducted on a quarterly basis; Meetings between MEC and Board on the third quarter to discuss the strategic direction of the public entities; and areas of compliance in terms of the PFMA and reporting were measured in terms of the public entity's accountability index. On quarterly basis HOD/CEOs meetings were held to discuss performance and feedback were provided to public entities in line with the service level agreement. The unit made inputs to the Legislative Review Committee that made amendment to policy and Legislations of public entities. To ensure board functionality the unit was responsible to facilitate filling of vacant board positions for public entities. The unit was also responsible for the development of the business continuity plan and the disaster recovery plan for the 2020/21 financial year.

The Intergovernmental Relations Unit is tasked to advance the department's agenda through several partnerships. This work is aligned to the unit's responsibility of constant participation and facilitation of intergovernmental relations obligations to improve government coordination. On the 17 September 2020 virtual Provincial Intergovernmental Forum (PIGFR) meeting was conducted. A virtual Presidential visit planning meeting was held on the 22nd and 29th September 2020 (Alfred Nzo), the focus was on service delivery, Projects to be launched and sites were visited as a build to the 29 of October 2020. Virtual MUNIMEC meeting was held on the 25th of September 2020, purpose was MIG reprioritization, state of municipal finances and update on Local Government Elections 2021. District Mayor's Forum report per regions such as OR Tambo were prepared where key discussion was on the update on the COVID-19. Chris Hani District held Technical & DIMAFO meetings in the form of political Joint Operations where COVID-19 & Department of Health matters were dominant in the discussions. The Provincial MuniMEC Forums were convened quarterly to consult municipalities and discuss the Economic Impact of COVID-19, and update on COVID-19 risk adjustment strategy. The department continued to support the Office of the Premier and the Portfolio Committee oversight outreach programmes to public entities and municipalities.

District Development Model (DDM):

In terms of the DDM approach, key achievements for the Department, since the Lusikisiki launch by the Hon President is working in accordance with the intergovernmental plan and cooperation amongst the various

spheres of government. Through the OR Tambo IGR structure, EC COGTA and the department has managed to give inputs into:

- a. The DDM diagnostic report through a District Directors forum, where DDM Hub presented the diagnostic report and allowed Sector Department Senior Manager to present local issues and programs including key projects (WC SEZ by CDC, Vulindlela industrial park revitalization by ECDC and projects by ECPTA on tourism and the N2 Biodiversity Offset project) that can be considered as catalytic projects.
- b. The DDM hub was referred to CDC in respect of the Wild Coast SEZ as a catalytic project and this was integrated into the DDM One plan catalytic projects. Wild coast SEZ planning process have been completed & now Coega is at the implementation stage at Mthatha airport to facilitate industrial park Emerging from the COGTA (District Development Model-DDM) engagement.
- c. The District Municipality (DM) established a DDM Task Team made up of key departments including DEDEAT to operationalize the DDM.
- d. In quarter 4 the DDM One Plan was circulated for comment, and DEDEAT further suggested EC COGTA to establish District Work Streams.
- e. the 6 Pillars of DDM only on the Economic positioning pillar and Spatial positioning & Environmental Sustainability.
- f. continued to participate in the N2 WC Toll Road authorities coordinating & environmental management committee.

DDM - Tourism Projects incorporate the following:

Tourism Infrastructure Projects (Various tourism infrastructure projects are under implementation through collaboration efforts across related sectoral departments and all spheres of government):

- Silaka Nature Reserve: Rehabilitation and upgrade of thatched roofs and structures. Overall implementation progress is at 46% (DFFE Environmental Protection Infrastructure Programme).
- Wild Coast Hiking Trail: A service provider has been appointed for the construction of hikers' huts at 3 sites (Hluleka, Mpande, Mngazana), while Mngcibe requires an EIA (Environmental Impact Analysis) process.
- Renovations and Upgrades of Tourism Infrastructure in Protected Areas: Projects funded under the Provincial Economic Stimulus Fund in the OR Tambo District include Silaka and Hluleka Nature Reserves. Overall progress is at 9%.

Skills Development Projects:

- Kayak guide training for 16 guides in the Wild Coast and First Aid Training Level 3 (includes provision of equipment - kayak sets and safe jackets)
- Lifeguard Training for 20 people from the Wild Coast that include Mkambathi, Silaka, Hluleka, Dwesa-Cwebe, Bulungula, Tenza Beach and Kobb Inn
- Massage Therapist training for 12 women from Mbizana, Port St Johns, Bulungula and Dwesa-Cwebe
- Capacitating homestay owners on Basic Food preparation and Safety and Hygiene training.
- Capacity building workshop for Wild Coast Tourist Guides was done in collaboration with Conservation SA.
- Training for EC Hiking Trail Community Trust members who own the Wild Coast Hiking Trail from Port St Johns to Coffee Bay. The training focussed on Governance and Leadership.
- As part of the Tourism Relief Programme, the ECPTA trained Tourist Guides in various key areas within the Province on Nature and Culture Guiding as well as First Aid training. A total of 185 aspirant tourist guides across the province have undergone Nature and Culture guiding. This includes the Wild Coast.

Planning:

- The Port St Johns Car Feasibility Study has been completed.

Portfolio Management Office (PMO)

Portfolio Management Office had a vacancy of the Deputy Director during the 2020/21 financial year. The unit managed to fulfil some of the responsibility which included finalisation of the business continuity project and the disaster recovery plan. Head office and the regional offices managed to establish the crisis management committees and emergency committee's manner that will enable the critical business functions to continue operating within the levels of disruption. Disaster Recovery Plan was developed and modernised into ICT Service

Continuity Plan and incorporated into the developed BCP to enable recovery and protection of the DEDEATs IT infrastructure whenever there is ICT service disruptions and in the event of a disaster.

The unit continued to serve in Information and Communication and Technology (ICT) committees and chaired the change control committee that make decisions related to high impact changes to the IT system. The change control policy that governs the change of the system was developed and endorsement by the committee.

Due to lockdown dispensation project steering committee meetings at the Eastern Cape Development Corporation and Nelson Mandela Bay Metropolitan Municipality meetings were minimal. However, the Wild Coast SEZ project steering committee meetings were addressed by Programme 2- Economic Development officials.

Special Programmes Unit

During the period under review the department through its Special Programs Unit has undertaken the following programmes for designated groups:

With regard to implementation of institutionalised day commemoration events/ programmes, the department in celebration and commemoration of women's month, developed a commercial advertisement that was broadcast in the mainstream and community radios in the eastern cape to discourage Gender Based Violence and Femicide among society and encouraged women to participate in economic development initiatives as part of reclaiming their rightful place in the mainstream economy.

As part of implementation of programmes under our MOA with ECDEET, the department made a transfer of R2m to ECDEET during the second quarter, and also as part of mitigating the socio-economic effects of COVID-19 lockdown, we handed over sanitary towels, wet wipes and food parcels to 50 community members at Willowmore under Sarah Baartman District Municipality.

In the second quarter the department also as part of the partnership with ECDEET, handed over a 12-metre converted container to Thembaletu Project in Mdantsane where 40 deaf persons operate a sewing and bead making project and as part of implementing a legacy project, supported a compost centre of Bato Bakopane Cooperative owned by persons with disabilities in Aliwal North under Joe Gqabi District.

A skills development programme targeting 50 project beneficiaries in the rural communities in the province was implemented and beneficiaries include Great Kei Disability Multi-Purpose Centre, Siyaphambile Development, Vukuzenzele Disabled Co-operative and Sikhona disable and Agricultural co-operative and as part of the job readiness programme, the driver training programmed was undertaken

50 participants/learners were provided with skills and knowledge on how to establish and run an SMME; Business Plan; Basic Business Principles; Principles of Marketing; Schedule Production Activities; Financial Literacy; Costing and Pricing.

In partnership with ECDEET a virtual workshop for our Public Entities officials on the rights of persons with disabilities and also a sign language training for our departmental officials were conducted.

As part of public entity oversight, to establish the state of Mainstreaming of vulnerable groups in the public entities, the department through its SPU unit has developed and tabled four quarterly public entity analysis reports on the mainstreaming of designated groups for processing in the Internal Oversight Committee and HOD-CEO Forum.

The department also developed and submitted Gender Equality and Job Access strategic framework implementation report for 19/20 financial year to both OTP and DPSA.

During the first quarter of the period under review, the whole country was under alert levels 5 and 4 of COVID-19 and as such the department could not implement the youth targeted events/ programmes during the youth month as events were prohibited.

Financial Management

The Financial Management function in the Department ensures compliant use of financial resources to implement strategic objectives and achieve outcomes, as well as to improve financial accountability and compliance in accordance with applicable prescripts and regulations. The Chief Directorate provides strategic financial support to improve efficiency and accountability within Department through implementation of the finance policies.

Financial Management continued to focus on reducing instances of deviations and non-compliance. Semi-annual and annual tax reconciliations were compiled accurately and submitted to the SARS before the closing date.

In the reporting period, the Department has spent R1 339 billion of its R1 386 billion adjusted budget, which is equivalent to 96.5 percent of its allocation. Administration in Programme 1 has spent R195 million that is equivalent to 90 percent of its allocated adjusted budget; Economic Development and Tourism Programme 2 has spent R803.8 million that is equivalent to 97.3 percent of its allocated adjusted budget; and Environmental Affairs in Programme 3 has spent R340 million that is equivalent to 98.8 percent of its allocated adjusted budget.

The underspending can be attributed to slow spending, which was mainly caused by delays in tender processes as tenders were cancelled and not awarded because of the following reasons:

Advertised tenders were evaluated by the Bid Evaluation Committee (BEC) and were found to be non-responsive and had to be re-advertised.

The Department continues to expedite payment of suppliers and recorded 97 percent payment within eleven (11) days. The two (3) percent deviation of Invoices exceeded 11 days can be attribute to allocations error and invoice descriptions.

The Department has taken a decision to conduct awareness sessions on business opportunities, company compliance and tendering process so that all groups are able to participate in departmental procurement.

The reasons for not incurring irregular expenditure in the year under review could attributed to the following:

- internal audit identification of internal control deficiency assisted supply chain management unit to improve its internal controls; and
- to monthly interrogation of spending, IYM and reviews conducted by Treasury and Audit Committee provided assurance and ensured that the department complies with SCM policies and procedures.

Corporate Management

Despite 2020/21 being a challenging year due to the COVID-19 pandemic and the disruptions caused by the lockdown, there are some notable achievements that can be noted:

- The resilience of our IT systems has stood the Department in good stead as the Department was able to function effectively within a remote working environment. The migration of critical business systems to the cloud computing environment, together with the expansion of remote accessibility, allowed more employees to access systems whilst being out of the office. In addition, the Department has successfully moved towards a virtual meeting environment. DEDEAT has been identified as one of the leaders in the province in terms of IT systems.
- The Communications team has excelled in supporting core programmes in finding innovative solutions to ensure that they were able to reach citizens outside the norm of physical community engagements, workshops, conferences etc. The use of social media and community radio proved to be most successful.
- Shifting to a virtual environment, the Human Resource Management component was able to ensure that human resource functions continued to operate with limited disruption.
- The Department developed a Recognition of Prior Learning (RPL) policy and entered an MoU with PSETA as the implementing partner of the programme. The RPL policy is applicable to all employees within DEDEAT who wish to have their workplace learning, as well as other forms of non-formal and informal learning assessed for recognition purposes. The Department is implementing the RPL programme to assist employees to: (a) access a qualification or part qualification, (b) obtain credits towards SETA quality assured

qualifications, (c) take advantage of employment opportunities by having improved qualifications and (d) attain professional standing, where possible (e.g., RPL may open doors for affiliation with certain professional bodies)

Human Resources Management and Development (HRM&D) is made up of 5 (five) sub-directorates, namely: Human Resource Development (HRD), Human Resource Planning & Practices (HRPP), Employee Health & Wellness, Labour Relations and Human Resource Provisioning (HRP) but HRD is still attached under OD pending the implementation of the structure. Therefore, for the purposes of this report, performance of 4 sub-directorates will be reported instead of 5. This directorate had a total number of 16 planned activities for the reporting period, of these, despite outbreak of COVID-19 pandemic, 98% were achieved, and 2 were partially achieved.

In the reporting period, in terms of the planned recruitment and selection, 5 appointments were made as per the Annual Recruitment plan and of the 5 (five) appointments made, 4 (four) were in support of the Employment Equity plan of the Department. It is worth noting that the Departmental EE Plan was successfully reviewed, approved and submitted to the Department of Employment and Labour. In addition, there has been a noticeable increase in terms of staff turnover due to COVID-19 deaths, retirements and resignations, however the turn-over rate remained less than 5%, which is an acceptable norm.

In terms of HRP, the HR plan was reviewed successfully, and the HR planning forum was established, and members were trained. In as far as HR policy development and review is concerned, 8 HR policies were reviewed but are still to be approved.

A significant decrease in Labour relations cases have been noted in the reporting year which is a huge achievement, and this is an indication that strategies devised are working.

Organisational Development

Another critical component of Human Resource Management is Organisational Development (OD) Directorate which includes Organisational Design, Human Resource Development (HRD), Functional Efficiency Services (FES), Performance Management and Development System Unit (PMDS). The Departmental Structure was approved in March 2018 and subsequently implemented in a phased approach which resulted in migration of 477 employees with 175 vacancies and 93 employees in excess of the approved establishment pending placement. This followed a series of engagements and consultation of labour and Management including all district offices. With regards to PMDS, the department remained in the top 10% in the province in terms of contracting with all its SMS members signing on time and the levels below SMS achieving above 98% of signed contracts by the end of May 2020. The improvement was a result of a number of interventions such as training and development on the application of the Performance Management and Development System (PMDS) and consequence management for non-compliance to policy and deadlines. There has, however, been delays in the processing of pay progression and performance bonuses due to delayed sitting of level-based moderation committees caused by the unavailability of workspace and lack of access to files. In terms of implementation of WSP, the department have achieved 152% with various skills development programmes resulting to 228 trained employees excluding bursaries awarded to permanent employees.

From the Organizational Development (OD) point of view, as already alluded to, it has been a daunting challenge to fully implement the organizational structure which was approved in 2018 due to prolonged consultation with Organised labour. All positions in the structure were previously taken through Job evaluation process but are now due for evaluation and steps to conduct benchmarks and validation in the absence of a system. OD is also in the process of reviewing all the Departmental job descriptions to ensure the alignment to the Department's mandate albeit the delay due to Covid19. It is also worth mentioning that the directorate has taken upon themselves to ensure the development of standard operating procedures as part of operations management framework through the mapping and modelling of two processes in support of effective and smooth operations.

Communications

Communications unit seeks to provide strategic support to the department in pursuit of its vision through provision of sound internal, external communication and media services.

To achieve this, the unit has over the financial year implemented the approved communication strategy, guided by the approved communication policy. This has been carried out in the context of COVID-19 pandemic and related regulations. In this regard, the department has increased the use of online, electronic, print and social media to sustain engagements with stakeholders during lockdown. As such the unit updated its intranet (24), website (45), published sector content for publicity (45), profiled the programmes and campaigns in the mainstream and community media (60) including holding joint media briefings with the entities and other departments (12).

Social media continued to be the major highlight of the year with the Facebook followers increasing to 10 576. The other highlight has been the use of community radio to conduct environmental empowerment sessions (workshops) and these would not have been impossible under lockdown regulations.

Strategic Management

During the reporting period, the Strategic Management Unit, using the new planning instruments from the DPME, finalised the Strategic Plan, Annual Performance Plan and Operational Plans for tabling in the Provincial Legislature. A combination of workshops and one on one sessions were used to solicit and refine inputs. Inputs were also provided to the Programme of Action and MTSF documents, which are managed by the Office of the Premier. The Unit also assisting with write ups to the EPRE document, a financial document with budgets for the ensuing year. Towards the end of the financial year, preparations were made for the 2021/22 APP and Operational Plans.

All reporting schedules and tools for the Department and the six public entities that are under the governance of the department were developed & communicated. The reporting portal on sharepoint was also updated to allow smooth reporting and loading of portfolio of evidence by the department and public entities.

The Quarterly Performance Reports were produced and submitted timeously to the Office of the Premier. In addition, performance validations sessions were held virtually with all public entities due to movement restrictions paused by COVID-19. The 2019/20 annual report was also developed and tabled in the Provincial Legislature.

The Strategic Management Unit participated in numerous meetings and processes which include the following: Economic development jobs working group; climate change mainstreaming project in the department; Provincial Treasury planning session; Environmental Affairs working group sessions; MTEC with DEDEAT public entities; Portfolio Committee meetings on revised plans; Exploration of Statistics SA – DEDEAT partnership; Audit Committee meetings; Planning session with officials from the dtic; HOD-CEO forum meetings; and MEC-Board Chairpersons meetings.

Lastly, the Unit solicited inputs and finalized the MEC's policy speech for 2021/22.

Information and Communication Technology (ICT)

The COVID-19 crisis has highlighted the critical role of information and communication technologies (ICTs) for continued functioning of the department it has brought the need provide equal ICT resources to all staff members countries. DEDEAT believes that technology is a tool to enable DEDEAT staff members to deliver quality service to the citizens.

DEDEAT ICT has in the period under review been required to provide online systems to enable the departmental employees to work remotely while observing the COVID-19 regulations. An IT response plan to COVID-19 was developed and its intention has been to enable DEDEAT staff to be work remotely necessitating the following: -

Increase ability to work remotely:

The provision of Laptops with 3G connectivity, Cell-phone for majority of the staff members, adoption of cloud-based services such as Emails, Microsoft Team, Share Point and Microsoft OneDrive. Improving connectivity for BAS, Persal and Logis users through a Government/SITA VPN (Virtual Private Network).

Increase information security:

To improve security DEDEAT, ICT introduced Multi-factor Authentication (MFA) an authentication method that requires the user to provide two or more verification factors to gain access to DEDEAT system, the MFA requires

one or more additional verification factors, which decreases the likelihood of a successful cyber-attack. The as has been applied to the Active Directory, it enforces single sign on process to DEDEAT system such as Email, EVAYA etc.

Increase online system to reduce interaction and create a social distancing:

Online application - DEDEAT ICT introduced email addresses to receive applications for post from prospective applicants in order to reduce interpersonal interactions and adhere to social distancing. Enhancement of E-VAYA to included modules like contract management, PMDS and supplier management however this was not achieved due to supply chain delays.

Enhance the E-permit system and include other permits to reduce the flow of citizens to the office. Forty-five Permits were added to the E-Permit system in accordance with the Nature and Environmental Conservation Ordinance, No. 19 of 1974 and the regulation terms as the Provincial Notice No. 955 Of 1975 (Dated: 29 August 1975), The permits included the following categories: - Import, Export, Transport, Standing permit, Registration, Permit book, Ordinary permit, Hunting certificate.

Electronic document signature:

DEDEAT ICT Implemented electronic document signing to eliminate the need to print as more staff were working online.

Strategy to overcome areas of under performance

The Department did not perform optimally in terms of filling vacancies due to challenges by Organised Labour and that had resulted to the moratorium being imposed on recruitment whilst addressing issues raised by Organised labour. This challenge had since been resolved and as such recruitment and selection is on progress. A project plan had to be developed to fast track the process. The department will prioritise the filling of vacant posts so that functions in understaffed units can be performed.

The Department has taken a decision to conduct awareness sessions on business opportunities, company compliance and tendering process so that all groups are able to participate in departmental procurement. Leave Management and leave auditing thereof has been a challenge due to COVID-19 outbreak which came with lock-down and virtual working arrangements. Since the easing of the lockdown, HR had to work around the clock to ensure leave auditing is done.

Poor compliance to PMDS requirements and process timeframes continues to be a pervasive problem. The Department is taking measures to ensure that consequence management is implemented for non-compliance such as forfeiting PMDS benefits. PMDS processes are also being streamlined to ensure that compliance dates are known well in advance, Moderation Committees are appointed at the beginning of the financial year and logistics pre-arranged so that Committees can sit as soon as possible after deadline dates have passed. Capturing of PMDS processes on Persal will also be prioritised.

Although there has been some improvement, the Department is still having some challenges in finalising disciplinary matters (e.g., misconduct cases, grievances) within legislated timeframes. The Department has an over reliance on external parties to chair hearings and arbitrations and to serve as employer representatives. The Department plans train more internal employees, particularly managers, to be able to chair disciplinary cases and serve as employer representatives. The management of grievances has also been included in the performance contracts of all senior managers.

Changes to planned targets

There were no changes to planned targets.

Linking performance with budgets

The performance indicators of the programme provide firstly an indication of overall organisational performance and, secondly, measures of performance in the delivery of administrative service functions to the rest of the Department. Therefore, there may not be a direct link between the performance of the programme and the budget. The link is more indirect and reflected through compensation of employees, goods and services etc.

Sub-programme Expenditure

	Sub programme	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
1	OFFICE OF THE MEC	437	312	125	1 644	1 446	198
2	OFFICE OF THE HOD	27 018	24 638	2 380	66 120	64 129	1 991
3	FINANCIAL MANAGEMENT	95 704	84 369	11 335	115 157	114 033	1 124
4	CORPORATE SERVICES	93 509	85 699	7 810	61 132	58 464	2 668
	TOTAL	216 668	195 018	21 650	244 053	238 072	5 981

Programme Expenditure Narrative**Compensation of Employees**

The under expenditure on compensation of employees is as a result of delays in the recruitment process caused by unresolved labour matters that existed during the year as well as administrative challenges between the OTP and DPSA that delayed the advertisement of posts. The compensation of employees underspending had an impact on the operating expenditure (resettlement fees)

Goods and Services

As a result of the COVID-19 pandemic the department made use of virtual platforms for meetings and engagements with stakeholders. This had a concomitant impact on a reduction in expenditure on travel and subsistence, venues and facilities, use of government fleet and catering. The COVID-19 pandemic also caused some projects and initiatives to either be postponed or cancelled.

Capacity constraints at the Department of Justice, caused by the national lockdown, resulted in invoices for legal fees not being submitted and therefore an under expenditure in legal fees.

During the second quarter of the year there was a legal dispute by SITA that involved the department's ICT equipment service provider. As a result of this, the department could not procure from the service provider until the legal process was finalised. The court judgement was in favour of the department, which meant that the department could continue to procure on the contract. Due to the COVID-19 pandemic, the department was also informed that there was a global supply challenge and huge demand for IT equipment; hence the supplier was not able to source the requisite equipment. The change in the comparative balance for Operating Leases from R37,576m to R39,904m is as a result of corrected accounting treatment of leases for state vehicles as contained in Chapter 13 of the Accounting Manual.

The reduction in computer services is due to Microsoft license accruals for 2018/19 financial year of R5m that were settled during the 2019/20 financial year.

Due to the restrictions on gathering imposed by COVID-19 an increase in advertising expenditure is as a result of usage of the media platforms for awareness campaigns. There was a reduction in audit fees by Auditor General due to less travelling across the department and the regional offices (disbursement).

Capital Payments

As a result of the national lockdown there was a lower utilisation of government fleet, hence the under expenditure on transport equipment. The change in the comparative balance for Operating Leases from R37,576m to R39,904m is as a result of corrected accounting treatment of leases for state vehicles as contained in Chapter 13 of the Accounting Manual.

4.2 Programme 2: Economic Development and Tourism



BONISWA KONETI
GM Economic Development & Tourism

Economic development is primarily responsible for administering sustainable economic policies and developing appropriate strategies to promote business development and job creation. The overall goal of the programme is to sustain economic development through partnerships.

This programme is structured as follows:

Sub-programme	Sub-programme Purpose
2.1: Integrated Economic Development Services	<ul style="list-style-type: none"> To support and develop business enterprises. To promote economic growth and development of local economies including partnerships with key stakeholders by aligning Local and Regional Economic Development (LRED) initiatives with government programmes. To facilitate the process of empowerment and creation of an enabling business environment for PDIs.
2.2: Trade and Sector Development	<ul style="list-style-type: none"> To facilitate trade promotion, retention and attraction of investment in priority sectors. To facilitate implementation of National and Provincial Priority Programmes. To create an enabling environment for the sustainable economic growth and development in prioritised and emerging sectors in the Eastern Cape. To drive implementation of programmes in these prioritised sectors: agro-processing; Automotive; Green Economy; Manufacturing; and Tourism
2.3: Business Regulations and Governance	<ul style="list-style-type: none"> To lobby for provision of a regulatory framework that addresses barriers in the broader business environment To promote good corporate governance principles, stability and efficiency in doing business. To develop, implement and promote measures that ensure the rights and interests of all consumers. To promote and maintain an effective and efficient system for regulation of business, industries and sectors. To promote voluntary compliance with Consumer Protection related regulatory requirements.
2.4: Economic Planning	<ul style="list-style-type: none"> To develop evidence based provincial policies and strategies which inform decision making processes. To ensure accessible scientific information to inform economic policy and planning processes.
2.5 Tourism	<ul style="list-style-type: none"> To create an enabling tourism environment through legislation, policy and strategy development To create demand and supply for tourism To ensure sustainability and tourism sector transformation

4.2.1 Outcomes, outputs, output indicators, targets and actual achievements

Programme/Sub-programme: Economic Development and Tourism								
	Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Actual Achievement 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021
1	Investments realised	Investment pipeline	Number of sustainable energy initiatives facilitated	6	4	4	3	-1 ⁵
2	GDP growth	Cooperatives supported	Number of cooperatives provided with non-financial support	94	121	120	0	-120 ⁶

The above table represents indicators and targets that were changed during the year while the following table contains all final indicators contained in the 2020/21 Annual Performance Plan.

⁵ Considering the changes in the operating environment brought about by COVID-19, Provincial Legislature provided the opportunity to scrutinise the 2020 APP and amend where necessary, formalised by an addendum signed by the MEC. Accordingly, the target for number of sustainable energy initiatives facilitated was reduced from 4 to 3, as the activity for "sustainable energy forum or equivalent" was unlikely to be implemented due to the operational constraints on physical gatherings caused by COVID-19.

⁶ Limited performance was due to the restrictive COVID-19 lockdown environment since there was limited interaction with cooperative members.

4.2.2 Outcomes, outputs, output indicators, targets and actual achievements

Programme/Sub-programme: Economic Development and Tourism								
#	Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Actual Achievement 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021
1		Investment pipeline	Number of sustainable energy initiatives facilitated	6	4	3	3	0
2			Number of manufacturing initiatives facilitated	7	7	6	6	0
3	Investments realised	Business friendly laws & policies	Number of agro-processing initiatives facilitated	4	3	3	3	0
4			Number of policies reviewed	3	3	2	2	0
5			Number of socio-economic intelligence reports produced	4	4	5	4	-1 ⁷
6	GDP growth	SMMEs supported	Number of qualifying economic development projects funded at local and regional levels	16	4	10	13	+3 ⁸
7			Cooperatives supported	94	121	82	22	-60 ⁹
8	Jobs Created	Economic infrastructure supported	Number of projects funded by the Provincial Economic Stimulus Fund	-	-	15	15	0
9		Jobs funded	Number of projects funded by the Isiqalo Fund	-	-	10	3	-7 ¹⁰

⁷ Work on the SERO was initiated later than originally planned due to delayed contracting processes and therefore could not be finalised in the last quarter as planned. It will be produced in the first quarter of the current financial year instead.

⁸ LRED over performed by 3 more projects due to three (3) independent reviews from previous financial years that were successful, namely: Amajingqi; MBI Development and Eastern Mpodoland Best Outdoors (EMBO).

⁹ The COVID-19 pandemic had an impact on delivery of this KPI as there was no movement and interaction allowed.

¹⁰ Procurement could not be finalised due to price increases from the appointed suppliers, this affected the itemised budget. Isiqalo's budget was ring-fenced, therefore it was not possible to effect shifting from other items to Isiqalo projects' items.

Programme/Sub-programme: Economic Development and Tourism									
#	Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Actual Achievement 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021	
10	More domestic & international tourists	Tourism infrastructure	Status report on implementation of tourism sector policies / strategies	2	2	2	2	0	
11	Skilled people active in the economy	People trained	Number of consumer education programmes implemented ¹¹	6	6	6	6	0	

¹¹ Consumer education programmes are varied depending on the topical issues affecting Eastern Cape consumers. The following awareness programmes have been targeted for 2020/21: **(1)** Right to fair value, good quality and safety; **(2)** The Office of the Consumer Protector; **(3)** Financial Literacy & **(4)** Consumer Rights; **(5)** Spend Wisely Campaign; **(6)** The Eastern Cape Consumer Protection Act

Economic Development and Tourism Key Achievements

In pursuit of delivering in its mandate of administering sustainable economic policies and developing appropriate strategies to promote business development and job creation, the economic development programme continued to work with different sector stakeholders ranging from government departments, State-owned entities, established businesses and upcoming entrepreneurs. Although the strategies and policies are developed for all the citizens of the province, the programme is mindful of supporting women, youth and persons with disabilities. As such during the year under reporting, the programme has implemented the Isiqalo Youth Fund which is dedicated to support youth entrepreneurs. Secondly, through the Local and Regional Economic Development grant fund, from the thirteen (13) approved beneficiaries; Seven (7) beneficiaries were among the designated groups (2- enterprises 100% youth owned and 5 enterprises 100% owned by women). Similarly, on the job creation front, through the cooperative support programme from a total number of jobs created/ saved of 117 and the 54 women and 49 youths benefited.

Integrated Economic Development Services

Local Regional and Economic Development

The strategic objective of Local and Regional Economic Development (LRED) is to promote economic growth and development of the local economies in partnership with key stakeholders and by aligning LRED initiatives with government programmes. Strategic interventions include project funding support, focus of the LRED Unit is to creating partnerships and collaborative enterprise support at the regional level and the local levels. which are dedicated to and capable of undertaking effective and integrated actions to stimulate the local and regional economies, generate more and better jobs.

The purpose of LRED is to promote and administer sustainable economic development and employment creation by supporting Eastern Cape based entities that aim to stimulate economic growth of the Province. LRED involves an effort to actively integrate those groups that are marginalised or excluded by markets, from the rural areas, youth, women and disabled.

In the 2020/21 financial year the department did not issue a call for new proposals as the 2019/2020 financial year proposals were not finalised. Thirteen (13) projects were funded in 2020/21, Ten (10) of the funded projects are from that batch, the additional three (3) are successful independent reviews. The department exceeded the targeted ten (10) enterprises by three (3). Of the thirteen (13) beneficiaries, two (2) enterprises are 100% youth owned and five (5) are 100% owned by women. The beneficiaries are listed as follows:

ITEMS	ENTERPRISE NAME	LOCALITY	AMOUNT TRANSFERRED (in Rands)	SECTOR	100% Youth Ownership	100% Women Ownership
1.	BHONGOLONCEDO GENERAL TRADING (PTY) LTD	Buffalo City Metropolitan Municipality – Tsholomnqa	2 457 271	Manufacturing Blocks and Bricks.	Yes	Yes
2.	NUMO PAINTS (PTY) LTD	Nelson Mandela Metropolitan Municipality – Uitenhage	1 762 306	Manufacturing paints and cleaning detergents	No	No
3.	GREAT 7 TRADING (PTY) LTD	Mnquma Local Municipality - Butterworth	410 861	Operating a Guest House.	No	Yes
4.	AMAJINGQI MACADAMIA (PTY) LTD	Mbhashe Local Municipality – Amajingqi	663 451	Agro-processing Macadamia Nuts.	No	No
5.	SIYONWABISA HOLDINGS (PTY) LTD	Buffalo City Metropolitan Municipality – East London	1 811 650	Manufacturing of weaves.	Yes	Yes
6.	JOYRIDE SHUTTLE AND OTHER SERVICES (PTY) LTD	Buffalo City Metropolitan Municipality – King Williams Town	423 200	Feasibility Study for Adventure Tours.	No	No

ITEM	ENTERPRISE NAME	LOCALITY	AMOUNT TRANSFERRED (in Rands)	SECTOR	100% Youth Ownership	100% Women Ownership
7.	Nxarhuni Adventurous Park	Buffalo City Metropolitan Municipality – Nxarhuni	111 993	Feasibility Study for Adventure Park.	No	Yes
8.	Rhino Manufacturing (PTY) LTD	Nelson Mandela Metropolitan Municipality – Port Elizabeth	2 679 552	Manufacturing plastic pipes and plastic pellets.	No	No
9.	Ideal Vege (PTY) LTD	KSD Local Municipality – Mthatha	1 058 173	Agro-processing vegetables.	No	Yes
10.	Hloza Engineering (PTY) LTD	Nelson Mandela Metropolitan Municipality – Port Elizabeth	2 082 763	Manufacturing tooling automotive parts	No	No
11.	Newbreed Holdings (PTY) LTD	Nelson Mandela Metropolitan Municipality – Port Elizabeth	1 910 940	Manufacturing motor/ auto parts.	No	No
12.	MBI Development Primary Cooperative	Alfred Nzo – Bizana	2 512 914	Agro-processing of maize	No	No
13.	Eastern Mpondoland Beach Outdoors	OR Tambo – Lusikisiki	2 949 296	Tour guide products	No	No

Enterprise Development

The department has the responsibility to monitor the co-operative enterprises that are funded through the Imvaba Fund and LRED fund to ensure their sustainability beyond funding, through providing technical support and facilitating training with other relevant institutions that have a mandate to support co-operatives. Furthermore, to ensure that there is compliance with the legislation and regulations that govern the operations of the co-operative enterprises as proclaimed and gazetted in the statutory provisions, The annual targets for the non-financial support of co-operatives were revised downward from 120 to 82, due to COVID-19 pandemic and the prevalence in communities that resulted in remote working by officials. For the two quarters namely quarter 3 and 4 respectively a total of 22 co-operatives were supported in the following districts and Metros: BCM, Amathole (5), Chris Hani (6), Joe Gqabi (6), OR Tambo (3), Alfred Nzo (3) and Sarah Baartman/ NMM (0). The total number of jobs created/ saved is 135 and the women that benefited are 61 and the youth are 54.

The following sectors that were supported includes Agriculture (8), Agro-processing (2), Services (5) (Recycling, laundry, funeral parlour) Manufacturing (6) brick manufacturing, personal protective clothing, bee keeping and honey production and craft (1). The nature of support provided ranges from Governance training, amendment of certifications of incorporation to ensure compliance with regulations where members are less than the prescribed number, facilitation of access to funding for the co-operative enterprises that demonstrated potential for expansion, access to markets to supply local supermarkets with vegetables and negotiate off take agreements. Despite the challenges posed by COVID-19 pandemic the department was also involved in other activities supporting enterprises to access the available government support schemes driven by the national department of small business especially those that were targeting micro enterprises and informal businesses who could not meet the set criteria for the SMME Fund due to non-compliance to legal and other statutory frameworks. The bulk of this work was done through virtual platforms, where means were devised to engage stakeholders in small sessions whilst observing social distance and other health protocols.

The total number of SMME's based in the EC province that benefited from the government SMME schemes is 155 (one hundred and fifty five) and the total value of investment is R55 322 004. The number of jobs that were saved is 1951 (one thousand nine hundred and fifty one). The total number of EC Province based spaza shops that benefited from the spaza shop support programme (SSSP) by the end of the third quarter is 713 (seven hundred and thirteen) which resulted in saving 850 (eight hundred and fifty) jobs. The breakdown in terms of gender for the beneficiaries 304 are males, 409 females and 186 youth.

In further support to the development of the cooperative movement in the province, the department facilitated cooperative finance institution awareness sessions across the six districts for the members of Eastern Cape Transport Tertiary Co-operative. The Co-operative Development Bank Agency (CBDA) provided training to the interim board members of EC Cooperative bank that was established as a result of the awareness sessions and the focus was on governance and operations management. A benchmark visit was facilitated by NEHAWU and SACCO that is based in Johannesburg for members to learn on effective running of the CFI and challenges encountered in establishing a CFI. The EC Cooperative bank is in the process of registration with the Prudential Authority under the reserve bank. The ECTTC has already made great strides to mobilize its members and have provided asset finance to 20 members for purchase of new vehicles under its banner.

For the informal sector development, the department conceived and developed a programme to support informal businesses during the year. An amount of R40 Million has been committed for support of the informal business sector as part of the EC Provincial economic recovery strategy for roll-out in the 2021/2022 financial year. The informal business intervention is aligned to the EC Provincial informal business strategy 2019-2024 implementation plan which seeks to drive the formalization of the sector through roll out of various incentives to ensure compliance with legal and other regulatory requirements for operating a business in South Africa. The target is to support 1000 (one thousand) informal businesses across the province especially those that are involved in manufacturing activities, leather and textile, automotive aftermarket support interventions and services. Through partnership with DSBD and Ingquza Hill Local Municipality, support was provided to the retail sector as part of the pilot project aligning to the District Delivery Model for effective planning and resource mobilization. The department has also committed R3.2 Million for support of 32 identified retail outlets in Ingquza Hill Local Municipality for the 32 wards for the refurbishment of the retail outlets and set up of a distribution centre that will support the local SMME's in terms of supply of the needed consumer products as identified by DSBD for this programme.

The department collaborated with DSBD for a remote call centre to assist with the backlog of applications for the SMME Relief funds that were made available by government for those affected by COVID-19 pandemic. As a result, the LED officials from the district and local Municipalities as well as officials from ECDC were trained on a virtual platform on all the products of DSBD including the second wave that focused on informal business sector. The department developed the database of the spaza shops through support of the Metros, District and Local Municipalities.

The department in partnership with DSBD, Department of Employment and Labour, SARS and Municipalities has held the business compliance sessions across the six district municipalities and the two metros. The partners were able to assist the business owners on compliance matters in terms of registration on SMME Portal and CIPC as well as online application for the Township and Rural Economy (TREP) products administered by Sefa and Seda on behalf of DSBD. Furthermore, LED Capacity workshops were held with local municipalities providing a platform for sharing information on TREP products and feedback on applications received from the respective regions using the DDM model that has been adopted by DSBD.

The department facilitated the coordination of stakeholders for the dtic grassroot innovation webinar to encourage young and upcoming entrepreneurs who have innovative ideas to apply for the grant funds as well as the incentives available at the dtic. The need for creating a platform for the EC based stakeholders was identified to ensure effective coordination and streamlining of resources.

The department has realised the importance of collaborating with other institutions particularly the private sector in order to promote entrepreneurship and create opportunities for local business owners and joint Webinars were held with Productivity SA and joint programmes will be concluded with ECDC and ELIDZ as department entities. Furthermore, MOU was concluded with DGRV a German based NGO supporting co-operatives as part of the Provincial Co-operative Development Strategy implementation plan to provide institutional support to cooperatives in the EC Province.

Trade and Sector Development

Sustainable Energy

Over the past year, the country has experienced prolonged electricity interruptions. The Eskom Medium Term System Adequacy Outlook (2020) indicates an ongoing risk of load shedding. Electricity is a vital enabler for economic growth; hence it is important to enable additional generation – including new generation in the Eastern Cape Province.

In respect to the 17 (seventeen) wind and solar farms awarded to the EC Province, the Nxuba and Golden Valley wind farms added 260 Megawatts of capacity to the grid by December 2020.

In his State of the Nation Address in February 2021, the President announced that Government will soon be initiating the procurement of an additional 11,800 megawatts of power from renewable energy, natural gas, battery storage and other sources of energy in line with the Integrated Resource Plan 2019. With its excellent wind, and solar resources together with an ideal situation for Liquid Natural Gas at the Coega SEZ, the Eastern Cape is well positioned to host a large portion of this new generation, and in so doing, harness significant investment, economic growth and job creation opportunities.

Noting that sustainable energy is considered a high growth sector under the Provincial Economic Development Strategy, the Department has worked to create an enabling environment for energy development. As part of capacity development, the Department, with the support of GIZ, produced an information pamphlet and fact sheet for Local and Provincial Government in order to demystify wind farms and their associated Socio-Economic programmes in the Province.

The Eastern Cape Minigrad Project at the Raymond Mhlaba LM remains at a commissioning phase and is currently supplying Eskom-quality electricity to 67 households. During the financial year, all stakeholders from the local, provincial, and national sphere, together with partners in Germany, came together to reflect on the 5-year journey to establish the Minigrad. This culminated in the publication of a lessons-learned booklet which can be used for replication of the concept. Going forward, focus will be placed on the second phase construction of the minigrad (the addition of a wind energy and additional battery storage component), as well as trainings for grid operations and maintenance.

During the year, the department continued to support the advancement of the LNG hub at Coega. The CDC has progressed the readiness through among others, continued techno-economic assessment and analyses, together with coordination to ensure the readiness of all relevant institutions and agencies.

Manufacturing

For the past financial year, the manufacturing sector was significantly hit with the impact of COVID-19 in the province. This resulted in a significant reduction of manufacturing activities in the Automotive and Non-Automotive manufacturing sectors in the province. As you may be aware, the EC manufacturing makes up a significant portion of the provincial economy and is primarily driven by the needs of the automotive sector, which is the biggest manufacturing sector in the Eastern Cape. The strategic partnership with the Eastern Cape Automotive Industry Forum (ECAIF) and with interventions from the EC Automotive Industry Development Centre (AIDC) remains one of the top priorities of the department to ensure growth and development within this sector. COVID-19 restrictions have however placed a delay on some of the interventions been undertaken by these entities namely black supplier development and skills development. The sector focussed on mitigation of the COVID-19 pandemic and best practice modelling to ensure sustainability in the sector. The sectors showed resilience during this trying time and have contributed significantly to protect their employees during this period. To site a few examples, Original Equipment Manufacturers namely VWSA and Isuzu respectively implemented various support programmes to enhance the fight against COVID-19, VWSA – production of medical equipment and the establishment of the field hospital in NMBM, Isuzu implemented a community support programme (Gift of the givers) where they made some of their commercial trucks available to assist with the delivery of food parcels to communities and additionally, made their distribution warehouse in Coega SEZ available for the storage and distribution of medical suppliers for hospitals and other initiative. On a positive note, through intervention from ECAIF, the cluster has been granted funding from the MerSETA to complete the Operator Development Programme for 200 (two hundred) learners in the Eastern Cape. The total provision is R3,696

million. These learner numbers will be split between Uitenhage and East London, as these are the highest demand areas at present. The skills programme will be rolled out in the new financial year.

COVID-19 pandemic remains a challenge hence the department for the past year supported distress manufacturing businesses in the province through the Manufacturing support centre and the Job Stimulus Fund. A total of 19 (nineteen) manufacturing entities received distress funding approval to a value of R 13,85million with a saving of 626 (six hundred and twenty six) active jobs.

The revitalisation of our state-owned industrial parks remains one of the top priorities in the province. These parks are in progress to be upgraded to provide “world class” services to current and future industrial investors in the province. Through support from dtic and provincial economic stimulus funding, funding of R 178,8 million has been allocated for the critical upgrading of infrastructure at these parks. For the year under review, the 1st phase upgrades at Dimbaza IP have been completed. Due to delays resulting from COVID-19, the projects at Komani- and Vulindlela Industrial parks have not yet been concluded but will be completed in the new financial year. Additionally, the 2nd phase upgrades at Dimbaza IP funded by the provincial economic stimulus fund will continue in the new year.

With regards to SMMEs in manufacturing, many cannot form part of the mainstream economy due to not being compliant to mandatory SANAS product standards and or systems standards namely ISO 9001 or others which is deemed important for specific sectors namely automotive sector – IATF (International Automotive Task Force) standards: TS16949 and others.

The costs to implement these standards are very high, hence affecting manufacturing SMMEs to grow in the province. In most cases, SMMEs are rejected by provincial funding institution for not demonstrating their compliance to mandatory quality standards, hence affecting these companies’ ability to secure funding for green fields and brown fields projects. To address these challenges, the department has developed an EC Quality Management programme which aims to incentivise SMMEs to obtain these mandatory standards. The programme has commenced and 13 (thirteen) companies have been registered on this programme. Further recruitment will be fast tracked in the new financial year.

It is important to advance the Digital Economy for new sources of growth through catalytic investment in broadband infrastructure, innovation and other ICT-related investments. This pillar is a vital enabler across all sectors, from micro-business to large corporations. It is also key for meaningful growth of a cohort of entrepreneurs. To enhance digital transformation in the rural and township economy, the dtic are rolling out digital hubs across South Africa which is closely linked to the revitalisation of industrial parks programme. Through support from various entities, two digital hubs proposals are currently being developed. These are Digital hub in Komani Industrial Park driven by CHDA and an ICT Hub in the ELIDZ. The department have endorsed the Komani IP ICT hub project to be implemented in the new financial year. The department is working closely with the dtic and these entities to ensure these proposals come to a reality.

With regards to the ocean’s economy, the maritime manufacturing sector remained underdeveloped in the province. There are pockets of excellence in particular the boat building sector and requires the province to work closely with stakeholders in this sector to enable this sector further. For the past year, the department has worked closely with key stakeholders to develop a localisation support programme for this sector. The programme is now in implementation phase and intends to create an enabling environment to ensure sector growth and needed job opportunities in the province. This will be fast tracked in the new financial year.

Agro processing:

The department continued with roll-out of the Provincial Agro-Industry Development Action Implementation Plan. The plan is aimed at ensuring alignment of the sector stakeholders along the priority commodities value chains in the province in order to realise all the possible economic development benefits from the sector, that is, job creation and increased revenue generated in the prove. Engagements of various stakeholders relevant to the key pillars of the plan were held through the Provincial Agro-Industry Development Forum session and the need for investment on innovation for the agro-industry sector and SMME support are the key necessary interventions.

A signed collaboration agreement with the Technology Innovation Agency (TIA) intended to support innovators has resulted in the establishment of agro-industry innovation programme with a seed funding of R6 million over

3 years to complement the departmental project development support programme. The programme will start with innovators in the grain industry (maize and sorghum), red meat industry, fresh produce industry and cannabis industry for the development of local value chains. The activities to be supported are covering the full value chain of the earmarked industries, that is, from primary production through to processing and related logistics. The programme will be rolled-out in the 2021/2022 financial year through the ELIDZ Science Park.

In furthering the collaboration among the established agro-processors, the department has continued with the support for the development of the Agro Industry Manufacturing Cluster to build relations among the players for improved sector efficiencies through creation of linkages for development of local value chains. The AIM Cluster also provides for the interface of the processors with the Provincial government on issues affecting the industry. The importance of the working cluster became evident with the outbreak of the COVID-19 and the related lockdown levels. The Department through the Provincial Disaster Economic Workstream provided constant support to the agro processors with respect to government intervention programmes such as logistics monitoring for the movement of goods under different alert levels. Various agro processing companies were supported through the Jobs Stimulus Fund aimed at providing for retention of jobs from the distressed companies. The AIM Cluster will be continued in the 2021/2022 financial year towards maturity with the capacity to mobilise resources for the projects intended to benefit its members while contributing towards transformation of the sector.

The Department also initiated engagements with Vodacom towards the establishment of the Agro Industry Market Intelligence Portal as means of closing the gap between the farmers (especially the developing farmers) and the markets, that is, agro processors, retailers and distributors for the development and sustenance of local industry. The initiative was limited by the fact that the transversal contract period of government with Vodacom came to an end on the 01st of March 2020, however, the need for the portal remains. The department will continue exploring funding opportunities for this portal as it is part of exploiting the benefits of the ICT technologies for the development of the sector.

In line with the sector development plan, the department continued with the monitoring of the projects funded through the Provincial Economic Stimulus Fund such as the Fresh Produce Industry Multi-user facility in the Chris Hani District, Aquaculture development in the Coega SEZ and Wild Coast SEZ development. The Fresh Produce Industry Development programme was delayed due to COVID-19 and as such the facility is at 90% completion by the end of the year. This project is expected to be operational by the end of the first quarter of 2021/2022. The facility will be providing for the creating of fresh produce clustering in the region, thus creating a local market pull factor and resultant job creation. The facility will be owned by the farmers in a participatory shareholding arrangement which is aimed at building committed and commercial producers while creating sustainable jobs. An enterprise development programme will be provided linked with the farmers to ensure compliance with both industry standards and legislative requirements for operations such as Good Agricultural Practice and SARS, respectively.

Similarly, the Aquaculture development project at the Coega SEZ was delayed by COVID-19 and the sod-turning was held in October 2020. The first phase of the project will be operational by the November 2021 and at the end of year, the implementation was at 50% implementation. As the first phase concludes, it is expected that the pipeline of investors will be maturing for landing on the zone.

The development process of the agro industrial complex in the Wild Coast region continued with the approval of the development to start as a state-owned industrial park due to revised requirements for the designation of the Special Economic Zone, which requires a minimum of R1 billion investment ready pipeline. The park was approved based on implementation readiness of the Potato Starch Manufacturing plant. This will provide market for the local and regional potato farmers as the plant starts operating, similarly, a farmer development programme will be rolled-out as the required potato is a special cultivar unlike the normal table potatoes. This investment will be providing for import substitution as the starch is imported into the country.

Collaborations for the sector development remains critical and therefore need to be nurtured for the realisation of inclusive sector development and economic development in the province.

Business regulation

The central thrust of business regulation services is to promote the ease of doing business which underscores a broad range of dependent factors. These include awareness of policy, regulatory and administrative hindrances

to creating an environment that bids business confidence in the country. It is therefore an unending task of the department to assess the effects of the provincial gambling and liquor policies with a view to propose necessary amendments and with alike intent to support a review or development of municipal bylaws. The cause was not different in the year under view during which (a) gambling regulations were promulgated; (b) the Liquor Authority Act Regulations were drafted to readiness for invitation of public comments and (c) the ease of business concept document was modified to alignment with the draft national strategy proposed by the DSBD.

The department continues to encourage municipalities to develop bylaws that boost business confidence, encourage investment in a priority sectors and reinforce national policy objectives. The focus is on promoting the relevance of bylaws to maintain acceptable levels of stability, certainty to security of investment and provision of constant supply of municipal services. During the 2021 financial year Amahlathi Local Municipality was assisted in reviewing and drafting a liquor bylaw which by the end of the financial was ready for presentation to the Municipal Council. The initial positioning of the bylaw was limited to regulating trading times, to the detriment of the broader functions and powers of a municipality relating to zoning and the envisioned concept to maintain a considerate and enabling business environment.

The general lack of essential bylaws undermines the ability of local municipalities to exercise their constitutional powers with which to manage and control trading. Examples of areas of ineffectiveness include prevention of illegal trading and the resultant loss of revenue payable to a municipality. The bylaw development support is therefore an effort that is meant to assist municipalities in containing such leakages and expand the revenue base of a municipality.

The operational performance oversight of public entities which is done every quarter affords the department an opportunity to identify areas for improvement and benchmarking. The reviews of the ECGB and the ECLB are also of significance to assessing industry performance using fees and taxes collections remitted to the state revenue fund. The relevance of the gambling sector regime to outcome 6 is that it commits licensees to procuring goods and services from local suppliers, maintaining agreed levels of employment and corporate social investment aside from issues pertaining to investment in infrastructure development and business ownership.

The adverse effect of the COVID-19 is manifest in the significant decrease in the annual revenue contribution of the gambling industry, the liquor retail-sale and the micro-manufacturing sectors compared to the prior year. The epidemic showed the susceptibility of consumers, which in the expanded definition includes small enterprise to unscrupulous commercial ventures. This stresses a need to augment deterrent actions, vigilance and responses.

The department afforded relief in mitigation of the adverse impact associated with COVID-19 restrictions on the provincial gambling and liquor sectors. At the same time these two public entities and sectors were able to adapt to new modes of operation. The need to encourage small enterprises to register with the CIPC and other law has become more essential than it was the case before. These challenges may need fine tuning of liquor authority regulations such that the mechanisms of addressing some of these challenges are institutionalised.

Office of the Consumer Protector

Consumer protection awareness

Following recent global developments, as well as our Hon. President Cyril Ramaphosa's announcement in March 2020 declaring the Coronavirus a national disaster, the Office of the Consumer Protector has had to review its operations in order to safeguard the health of its employees while ensuring that it continues to service its customers and stakeholders. The main focus has been on doing what the office can to ensure the safety and wellbeing of employees and stakeholders, in so far as this is possible, while still delivering, servicing our communities' needs and continuing our business and service delivery, to the highest standards possible under the circumstances. This pandemic has an impact on the normal way in which communities are serviced by The Office of the Consumer Protector [OCP] and alternative plans of taking the education and awareness to the communities had to be developed. The physical attendance of all OCP hosted meetings and awareness sessions have been suspended until further notice.

OCP is now utilizing social media platforms, email and other technology, to ensure effective continuation of activities and projects as far as possible. In observation of COVID-19 Regulations, OCP developed innovative ways that brought about changes in the Education Plans, specifically the Key Results Area on the number of participants reached which the office is currently unable to report on.

In terms of the Annual Performance Plan six education programmes are conducted and reported during the year, namely:

- Education Programme 1 – The Right to Fair Value, Good Quality and Safety;
- Education Programme 2 – The Role of the Office of the Consumer Protector;
- Education Programme 3 – Consumer Rights;
- Education Programme 4 – The Right to Fair and Responsible Marketing;
- Education Programme 5 – The Spend Wisely Campaign;
- Education Programme 6 – The Eastern Cape Consumer Protection Act.

In Quarter 1 alerts published contained information on the services offered by OCP, what to do to counter the effects of excessive price hikes; alerting consumers to look out for scams due to the pandemic and lockdown; quality and safety of consumers in as far as sanitizers and masks are concerned as well as the issue of fittings and no returns for the safety of consumers during the pandemic. A collaborative effort was made with the National Regulator for Compulsory Specifications [NRCS] in establishing an alert on Product labelling, Fair value, Good quality and Safety; sensitizing consumers on what to check when purchasing hand sanitizers, disinfectants and masks.

In Quarter 2 alerts published contained information on Consumer Rights as contained in the Consumer Protection Act 68 of 2008 as well as informing consumers of their responsibilities when transacting with businesses. Consumer alerts published touched on the different sections of the Act.

In Quarter 3 alerts published contained information on 'Spend Wisely Tips' encouraging a culture of saving for the festive season early in the year and guiding consumers on how to avoid unnecessary consumption expenditure, to better meet the obligations that follow immediately after the festive season e.g. school requirements. Consumer alerts published touched on the topics such as budgeting, shopping wisely tips and avoiding holiday accommodation scams.

In Quarter 4 alerts published contained information on The Eastern Cape Consumer Protection Act educating the consumers about the purpose of the Act as well as the enforcement of the Act.

Following the country-wide challenge showing the widespread sale of counterfeit and expired consumer goods, the Office of the Consumer Protector decided to run Education Programme 1 campaign throughout the year; Education Programme 4 that promotes fair and responsible marketing strategies by businesses runs from October until the end of the financial year alerting consumers and businesses alike to be aware of the statutory prescripts around marketing. Due to a nationwide ridiculous increase on the price of garlic and ginger, the OCP generated an alert on Price Gouging.

All the alerts were posted on the Departmental Facebook page, Internal Communications and the Departmental Newsletters.

Consumer protection complaints support and compliance

The Office of the Consumer Protector furthermore provides consumer complaint support as well as assisting and accompanying compliance stakeholders and regulatory stakeholders.

The OCP has commenced with improving relations and collaboration with Municipalities. Due to the confidentiality in relation to where compliance activities will take place, OCP carries out this activity on an ad hoc basis. In BCMM, an Inland Region COVID-19 Task Team has been established and OCP Amathole Regional Office often assists by accompanying the regulatory bodies in observing how they carry out their inspectorate function monitoring and investigating illegal activities. OCP also submits invitations to relevant National regulatory bodies, especially where a trend in prohibited conduct has been identified.

During 2020/2021, the Share Call Centre and the email contact of the Office of the Consumer Protector was made available to all citizens of the Eastern Cape to lodge consumer related complaints and queries in relation to the Lockdown Regulations and assistance with COVID-19 related Business Funding.

OCP is furthermore collaborating with National Departments and with DRDAR with regard to price monitoring of basic food goods.

Trend Analysis of complaints support services indicates a higher rate of complaints about refunds as a result of poor service being non/late delivery of goods purchased on lay by or poor performance on repaired goods (be it vehicle, electrical parts, cell phones). Misrepresentation whereby suppliers or service provider's advertise goods and consumers went on to make layby /purchase only to be told they do not have advertised goods.

Economic Planning and Research

The economic planning sub-programme has the key responsibility for facilitating economic policy, planning and research activities within the department. The scope of the sub-programme is broad and involves institutional networking with a wide array of development partners and stakeholders. Therefore, the unit has forged a strong partnership with the Coega Research Unit in support of strategic research projects (the Socio- Economic Review and Outlook) that is published yearly. In the 2020/21 financial year, economic planning produced quarterly economic reviews which provided up to date assessments of economic performance, labour market dynamics, consumer price index, social progress, human development and future prospects for growth; all the socio-economic indicators were reported at the provincial level. Another key highlight was the continued partnership with the Science and Technology Park within the East London SEZ on supporting ICT and 4IR initiatives aimed at shaping a better Eastern Cape.

Tourism Development

The 2020/21 financial year was extremely detrimental for tourism growth and development. COVID-19 delayed the implementation of tourism initiatives and this also affected infrastructure projects. The tourism recovery plan improved coordination between the three spheres of government and effective collaboration with the national and related sector departments.

The following skills development and capacity building initiatives were implemented in close collaboration with the Department of Tourism and these are related to Oceans Economy: Coastal and Marine Tourism Skills Development:

- The training of 15 tourism graduates as assessors within the Basic Quality Verification Pilot Programme implemented at Makana Local Municipality and Buffalo City Metropolitan Municipality.
- As part of the Tourism Recovery Programme, the ECPTA trained Tourist Guides in various key areas in the province on Nature and Culture Guiding as well as First Aid. A total of 185 aspirant tourist guides across the province have undergone Nature and Culture guiding.
- Kayak guide training for 16 guides in the Wild Coast and First Aid Level 3.
- Lifeguard training for 20 people from the Wild Coast that include Mkambathi, Silaka, Hluleka, Dwesa-Cwebe, Bulungula, Tenza Beach and Kobb Inn.
- Massage therapy training for 12 women from Mbizana, Port St Johns, Bulungula and Dwesa-Cwebe.

The following tourism infrastructure projects are being implemented as part of the Oceans Economy: Coastal and Marine Tourism Work Stream:

- East London Beachfront Development (BCMM): Overall progress was at 59% and 40 jobs were created by the end of the financial year.
- East London Water World Upgrade and Expansion (BCMM): Overall progress was at 55% and 124 jobs were created by the end of the financial year.
- Development of beaches at Ndlambe Municipality: Krantz Beach and Middle Beach (Stages 1-4 completed).
- Wild Coast Hiking Trail: Hikers' Huts at 3 sites (Hluleka, Mpande, Mngazana) are at Stage 4, while Mngcibe is at Stage 3 since it requires an Environmental Impact Analysis process.
- The Baviaanskloof World Heritage Site Interpretive Centre and leopard trail project is at 65% progress. The Leopard Trail Hikers' Huts are at 93% progress.
- Renovations and Upgrades of Tourism Infrastructure in Protected Areas: The DEDEAT approved R43 956 000 over a three-year period for renovations to nature reserves from the Provincial Economic Stimulus Fund. Overall progress is at 9%.

The hosting of the Religious Heritage Dialogue in Healdtown as part of the programme of the Religious Heritage Expo championed by the South African Council of Churches and the Department of Education serves to enhance the initiative towards the development and promotion of heritage tourism.

The hosting of the Local Government Peer Review Learning Network was attended by 46 participants.

Strategy to overcome areas of under performance

The impact of COVID-19 is felt globally, some of the most affected are the small businesses. Small businesses were affected the most as they had to close down due to the lockdown regulations, this affected their income and the jobs created. It is therefore critical that small businesses are supported to operate their businesses using virtual platforms, to ensure sustainability of these businesses. Support in ICT is there key as an enabler in ensuring sustainability of small businesses and jobs.

The COVID-19 pandemic has hit hard on small businesses including co-operatives as they could not trade due to restrictions on movement as imposed by the government risk strategy implemented in phases from total shut down at level 5 up to the less restrictions on level 1. The target set could not be achieved for the non- financial support to co-operatives due to the prevalence of COVID-19 cases in various districts that were declared as hot spots. For the safety of the officials most business was conducted through virtual platforms and remote working from homes as some of the staff falls in the category that is considered a risk due to comorbidities and age. However, some work was done though virtually by some of the regional office though the supporting documentation was inadequate and did not meet the department's POE and reporting reference manual. Thus, the information was discounted as it did not conform to the department's POE and reporting reference manual. The challenge has been having contact with the members of the cooperatives in a physical setting as many do not have access to virtual platforms

Going forward the department will enlist the services of DGRV through the partnership agreement that has been signed to ensure the training takes place in the current financial year 2021/2022 by using a pool of service providers to provide training in identified areas such as financial management, governance, bookkeeping, market access and product development. These activities form part of training that will be provided to the co-operatives that have been supported through Imvaba fund and LRED based on the need assessment that has been made by DEDEAT officials.

The issues of under-performance in tourism relate to external factors in the micro and macro environments. The key factors in the micro-environment include inaccessibility in terms of enabling infrastructure such as poor roads particularly to rural areas that are a deterrent to the growth of domestic tourism; customers (domestic or international tourists) demanding better product offerings and so on. At the macro-environment level, it is the economic factors such as economic recession, crime and grime, outbreak of COVID-19 that inhibit international tourist arrivals.

The Eastern Cape has regressed in terms of both international and domestic tourist arrivals. In 2018, there were 2 322 600 domestic tourists with revenue generation estimated at R3.9 Billion. In 2019, there were 2 096 776 domestic tourists with revenue generation estimated at R3.1 Billion. The Eastern Cape also regressed in terms of ranking to 8th among the 9 provinces in 2019 when to compared to 5th achieved in 2018.

Going forward, the following actions will be pursued to mitigate against these factors:

- Implementation of the Tourism Strategy 2020_21-2024_25 which emphasises "Value Chain Diversification", "Brand Positioning", Tourism Experience Support", "Visitor Experience" and "Business Events".

Investment in tourism infrastructure including funding leveraged from the Provincial Economic Stimulus Fund coupled with other financial resources mobilised from other sector departments will be used to support tourism growth and development targeting rural and cultural heritage tourism. This will be supplemented by the post-COVID-19 Tourism Recovery Plan.

Changes to planned targets

A few corrections in the 2020/21 APP which were effected through an erratum are as follows:

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#	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited Performance	Estimated Performance	MTEF Period				
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
3.			# of sustainable energy initiatives facilitated	6	6	4	4	4	4	4
11.		Cooperatives supported	# of cooperatives provided with non-financial support	94	101	120	120	120	130	140

Pages 38 Should Read

#	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited Performance	Estimated Performance	MTEF Period				
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
3.			# of sustainable energy initiatives facilitated	6	4	3	4	4	4	4
11.		Cooperatives supported	# of cooperatives provided with non-financial support	94	101	82	120	120	130	140

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3.	# of sustainable energy initiatives facilitated	4	-	-	-	4
#	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
11.	# of cooperatives provided with non-financial support	120	30	30	30	30

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3.	# of sustainable energy initiatives facilitated	3	-	-	-	3
#	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
11.	# of cooperatives provided with non-financial support	82	0	31	26	25

Page 71 Reads

Indicator title	11. # of Consumer Education Programmes Implemented
Definition	Interventions undertaken to facilitate access to information on consumer protection policy provisions, available redress mechanisms and related consumer responsibility.
Source of data	Records from Consumer Protection Services
Method of Calculation or Assessment	Simple count of consumer education programmes conducted.
Means of verification	Signed schedule/ narrative (sub-programme manager and programme 2 manager) of consumer education programmes implemented. The schedule or register should list i) name of consumer education programme; ii) number of people reached; iii) regions where the education programme took place; iv) dates when the workshop took place and v) the target audience. As an annexure to this register the following must be attached: programme material; agenda; attendance registers (where applicable) and signed facilitators' reports of each of the awareness sessions or workshops conducted.
Assumptions	There is demand for consumer education and awareness sessions
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	More awareness campaigns are desirable
Indicator responsibility	Senior Manager: Consumer Protector

Page 71 Should Read

Indicator title	11. # of Consumer Education Programmes Implemented
Definition	Interventions undertaken to facilitate access to information on consumer protection policy provisions, available redress mechanisms and related consumer responsibility.
Source of data	Records from Consumer Protection Services
Method of Calculation or Assessment	Simple count of consumer education programmes conducted.
Means of verification	Signed schedule/ narrative (sub-programme manager and programme 2 manager) of consumer education programmes implemented. The schedule should list i) name of consumer education programme; ii) The virtual or media platform utilised; iii) regions where the education programme took place; iv) dates when the virtual or media event took place and v) the target audience. As an annexure to this register the following must be attached: programme material; and signed facilitators' reports of each of the awareness sessions conducted.
Assumptions	There is demand for consumer education and awareness sessions
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disability: N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	More awareness campaigns are desirable
Indicator responsibility	Senior Manager: Consumer Protector

Linking performance with budgets

The performance indicators of the programme provide firstly an indication of overall organisational performance and, secondly, measures of performance in the delivery of economic development programme functions. Therefore, there may not be a direct link between the performance of the programme and the budget. The link is more indirect and reflected through compensation of employees, goods and services etc.

Sub-programme expenditure

Sub programme	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
1 INTEGRATED ECONOMIC DEVELOPMENT SERVICES	142 158	141 322	836	69 397	49 944	19 453
2 TRADE AND SECTOR DEVELOPMENT	522 089	503 075	19 041	588 451	572 983	15 468
3 BUSINESS REGULATION & GOVERNANCE	146 900	145 969	931	142 947	140 697	2 250
4 ECONOMIC PLANNING	4 853	4 115	738	6 517	4 998	1 519
5 TOURISM	9 968	9 361	607	11 044	10 158	886
TOTAL	825 968	803 842	22 126	818 356	778 780	39 576

Programme Expenditure Narrative

Compensation of Employees

By in large, the under expenditure on compensation of employees is as a result of delays in the recruitment process caused by unresolved labour matters that existed during the year as well as administrative challenges between the OTP and DPSA that delayed the advertisement of posts.

Goods and Services

There was a reduction in expenditure on travel and subsistence, venues and facilities, rental and hiring and catering as a result of the national lockdown. The SMME Bunkering Workshop was postponed following consultations with the EC Maritime Business Chamber to comply with the COVID-19 regulations.

The procurement for feasibility studies could not be concluded due to poor responses from bidders. Payments for the Mini-Grid and the Agro-Industry Manufacturing (AIM) cluster could not be processed by year end due to incorrect invoicing from the service provider.

Capital Payments

Under expenditure on machinery and equipment is due to departmental risk mitigation controls implemented for the usage of funds from the Isiqalo Youth Fund. These controls were to ensure that these funds were being used for the intended purpose by the youth enterprises. As a result, the department chose to purchase goods and services for all approved applicants. This resulted in a longer procurement process. A panel of suppliers was appointed but some of the requests were non-responsive and the department then utilised the transversal National Treasury contract, which also resulted in further procurement delays.

4.3 Programme 3: Environmental Affairs



LULAMA DANIELS
Acting GM Environmental Affairs

Environmental Affairs administers environmental policies that are cascaded down from national level in line with the mandate of the department. Importantly, it regulates environmental management through instruments such as the environmental impact assessments, compliance and enforcement and biodiversity management tools.

The programme is structured as follows:

Sub-programme	Sub-programme purpose
3.1: Policy Co-ordination and Environmental Planning	To establish legislation, policies, programmes, procedures and systems that will effectively empower and support the core functional programmes.
3.2: Compliance and Enforcement	To ensure that environmental legislation is effectively used to protect the environment and its resources from unlawful and unsustainable exploitation and negative impact.
3.3: Environmental Quality Management	To strive towards a safe and healthy environment through effective environmental impact assessment, air quality management, waste and pollution management for the people of the Eastern Cape.
3.4: Biodiversity Management	To conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species & genes and promote conservation and sustainable use of natural resources in the Eastern Cape.
3.5: Environmental Empowerment Services	To empower and capacitate the external stakeholders of the Department to meaningfully participate in and contribute to effective environmental management.

4.3.1 Outcomes, outputs, output indicators, targets and actual achievements

Programme/Sub-programme: Environmental Affairs								
#	Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Actual Achievement 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021
1	More waste recycled		% increase in volume of waste recycled	Not measured	Not measured	4.6%	0	-4.6% ¹²
2	Thriving biodiversity economy	Biodiversity permits	Number of permits issued within legislated timeframes	994	1 544	1100	252	-848 ¹³
3		Work opportunities created through environmental programmes	Number of work opportunities created through environmental programmes	363	734	570	0	-570 ¹⁴
4		Environmental awareness activities conducted	Number of environmental awareness activities conducted	33	34	38	9	-29 ¹⁵
5		Environmental capacity building	Number of environmental capacity building activities conducted	32	35	37	5	-32 ¹⁶

The above table represents indicators and targets that were changed during the year while the following table contains all final indicators contained in the 2020/21 Annual Performance Plan.

¹² Currently there is no information on recycled volumes collected directly from operators in the Eastern Cape. The Processing facilities for each different stream of waste report an annual figure recycled nationally into the SAWIS.

¹³ The target is demand driven.

¹⁴ This is an annual target. By the end of Q2, service level agreements were signed, and the budget was transferred to implementing municipalities.

¹⁵ The target for Q1 could not be achieved because of the COVID-19 lockdown which impacted on the ability to organise physical environmental activities.

¹⁶ The target for Q1 could not be achieved because of the COVID-19 lockdown which impacted on the ability to organise physical environmental capacity building activities.

4.3.2 Outcomes, outputs, output indicators, targets and actual achievements

Programme/Sub-programme: Environmental Affairs								
#	Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Actual Achievement 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021
1	Improved air quality	Climate change projects implemented	Number of climate change response interventions implemented ¹⁷	-	0	-	-	- ¹⁸
2		Air quality records	Number of government-owned ambient air quality monitoring stations meeting minimum data requirements	-	-	3	2	- ¹⁹
3		Air quality records	Compliance with Annual Ambient Air Quality Standards	-	-	NAQI less than 1	0	- NAQI less than 1 ²⁰
4		Atmospheric Emission Licenses	Percentage of atmospheric emission licenses issued within legislated time frames	100%	100%	100%	100%	0
5	Protected area management effectiveness	Compliance inspections conducted	Number of compliance inspections conducted	77	66	88	69	-19 ²¹
6		Compliance notices issued	Number of notices issued for non-compliance with environmental management legislation	64	51	75	55	-20 ²²

¹⁷ No budget is available to develop climate change response tools in the current financial year.

¹⁸ There was no target for the year under review as there was no budget allocated for it.

¹⁹ The variance arose due to disruptions in the East London monitoring station as a result of Eskom loadshedding. The data logger had to be sent to Europe for repairs and was therefore non-functional for a period of time.

²⁰ East London AQM Station did not collect above the 75% data threshold because of load shedding affected calibration of equipment for consistent measurement. This means that the confidence level for calculating the Compliance would be to low and therefore would be questionable. Because there are so few stations and the limited areas where the data is coming from.

²¹ COVID-19 interrupted planned inspections and developers were not working during the period.

²² This is demand driven and cannot be predicted accurately.

Programme/Sub-programme: Environmental Affairs								
#	Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Actual Achievement 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021
7		Compliance notices issued	Number of completed criminal investigations handed to the NPA for prosecution	57	60	56	59	+3 ²³
8		Compliance notices issued	Number of s24G applications finalised	1	6	6	0	-6 ²⁴
9		EIA record of decisions issued	Percentage of complete EIA applications finalised within legislated timeframes	99.2%	95%	100%	79%	-21% ²⁵
10	More waste recycled	Waste licenses	Percentage of waste licence applications finalised within legislated timeframes ²⁶	100%	50%	100%	0	-100% ²⁷
11			% increase in volume of waste recycled	Not measured	Not measured	4.0%	0	-4.0% ²⁸
12	Thriving biodiversity economy		Number of legislative tools developed	1	0	1	1	0
13			Number of intergovernmental sector tools reviewed	19	1	1	1	0

²³ This is demand driven and dependent on information received.

²⁴ No applications were finalised as EQM had not issued decisions following payment of s24G fines.

²⁵ 21 applications were finalised outside timeframes. Reasons for finalising other applications outside the legislated timeframes are related to the COVID-19 pandemic which meant that officials could not conduct site inspections in order to draft decisions on applications. Some regional offices were not accessible as they had not been fumigated for Covid-19 and as result it was difficult to get information from the offices. IT communication between applicants and officials also posed challenges for a very long period of time. In addition, there was a delay in the signing of Work Permit for officials to the extent that some permits were never signed until the whole country was open for travelling. The latter meant that officials could travel without permits

²⁶ The target for 2013/14 was drastically reduced due to the fact that in the previous year, DWAF handed a backlog of cases to DEDEAT for processing with no accompanying resources. The department does not anticipate DWAF to do the same in the next MTEF period. In the 2015/16 APP, the percentage replaced the number. The target is set by the national environmental sector.

²⁷ No applications were received during the reporting period. The target is demand driven.

²⁸ Currently there is no information on recycled volumes collected directly from operators in the Eastern Cape. The Processing facilities for each different stream of waste report an annual figure recycled nationally into the SAWIS.

Programme/Sub-programme: Environmental Affairs								
#	Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Actual Achievement 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement for 2020/2021
14			Number of environmental research projects completed	-	-	-	-	- ²⁹
15			Number of functional environmental information management systems maintained	0	0	1	0	-1 ³⁰
16		Biodiversity permits	Number of permits issued within legislated timeframes	994	1 544	700	598	-102 ³¹
17		Work opportunities created through environmental programmes	Number of work opportunities created through environmental programmes	363	734	530	757	+227 ³²
18		Environmental awareness activities conducted	Number of environmental awareness activities conducted	33	34	10	21	+11 ³³
19		Environmental capacity building	Number of environmental capacity building activities conducted	32	35	9	14	+5 ³⁴
20		Coastal projects developed	Number of Coastal projects developed	-	-	2	0	-2 ³⁵

²⁹ There was no target for the year under review as there was no budget allocated for it.

³⁰ At the time of planning, it was anticipated that SITA will develop the biodiversity e-permit system and the department's ICT Unit would maintain it. However, SITA made it clear that they can only develop and maintain the system. As a result, the department is merely a user of the system.

³¹ This target is demand driven

³² Matatiele LM Environment Project was funded through Budget Adjustment and that resulted in the increase of the number of work opportunities created.

³³ Due to COVID-19 Regulations Community Radio Stations was used to communicate various awareness activities themes as physical meetings were not permitted to avoid being a super spreader of the virus.

³⁴ Due to COVID-19 Regulations Community Radio Stations was used to communicate various capacity building activities themes as physical meetings were not permitted to avoid being a super spreader of the virus.

³⁵ The Order to develop Quenera Estuary Management Plan (EMP) was awarded to the service provider on the 19/01/2021 and could not be concluded before the end of the financial year. It will be completed in the 2021-22 FY. The budget was not enough to initiate the development of the second EMP and the process was initiated in 2021-22.

Environmental Affairs Key Achievements

The Environmental Affairs programme has been instrumental in areas of environmental compliance and enforcement, environmental quality management, biodiversity management and empowerment services. The following key achievements should be noted:

Policy Co-ordination and Environmental Planning

Mode of operation changed due to the Country being on lockdown due to COVID-19 pandemic and this resulted into attending and hosting virtual meetings during the financial year under review. The department chaired a newly established Economic Development Cluster Environmental Sustainability Working Group which focused on the implementation of the Programme of Action in terms of certain indicators relevant to it. Provincial IDP documents reviewal was done virtually by the department, DEFF: Local Government Support and COGTA due to COVID-19 pandemic and in compliance with lockdown level 1 regulations. Lessons learnt from aquaculture farming practises in Tanzania, Egypt and in Africa at large (particularly for catfish farming with more emphasis in Nigeria) were attended in separate webinars. The 5th Biodiversity Research Indaba on the 09 September 2020 virtually attended with SANParks, Rhodes University, DFFE, WITS University, SANBI, City of Cape and other Provincial Departments presented. The Department of Forestry, Fisheries and the Environment (DFFE) conducted virtual trainings for coastal municipalities to enhance capacity development on the Coastal Climate Change Vulnerability Assessment (CoVu) Tool. The Tool has been packaged into a Decision Support Tool (DST) for coastal decision makers and planners at local, provincial and national level to make use of. The overall objective of the training was to support coastal Provincial and Municipal officials with capacity development on coastal climate change adaptation initiatives. Another one was to build capacity and understanding on the use of the Coastal Climate Change Vulnerability tools in their area of work when planning for long-term climate change adaptation. The goal of the tool is to support the creation of resilient cities and infrastructure along South Africa's coastline and Integrating the Climate Change National Adaptation Strategy (NAS) in coastal Districts within Oceans and Coasts sector.

Compliance and enforcement

During the reporting period no rhino poaching occurred in the province. This was the result of coordinated efforts between the department, SAPS and enforcement agencies. To maximise cooperation, the department chaired the Provincial Environmental Crime Working Group and National Biodiversity Investigators Forum. The COVID-19 pandemic resulted in a massive increase of other poaching especially illegal hunting of wildlife with the use of dogs. This is by organised syndicates that gamble on the hunts.

Honorary Nature Conservation Officers voluntarily conducted patrols and assisted with roadblocks to increase visibility and presence of environmental monitoring in key strategic areas.

Fifty-five (55) administrative notices were issued during the past year for unlawful clearing of natural vegetation, especially valley thicket. Notices were also issued to local authorities that failed to comply with waste management legislation relating to landfill site management. Five criminal dockets were registered against municipalities that have failed to comply with compliance notices.

Fifty-nine (59) criminal cases were registered with the NPA for a variety of non-compliances.

The department took part in eight joint Phakisa operations and two special operations along the Wild Coast where HNCOs and Wilderness Foundation of Africa provided sponsorship for the assistance of helicopters during these patrols. Unplanned and unauthorised development continued along the Wild Coast and required regular monitoring and enforcement. A total of 69 compliance monitoring inspections were carried out despite the COVID-19 restrictions.

An increasing offence across the province relates to the unlawful building of dams and weirs in wetlands and rivers, threatening the sustainable use and access to water by communities. The Compliance and Enforcement sub programme worked with Department of Water Affairs and Sanitation in investigating this growing trend.

Land invasions of sensitive areas such as indigenous forests and wetlands occurred, especially during the COVID-19 lockdown. The department had to assist ECPTA and DEFF with enforcement where these

contraventions occurred. The Grey Dell forests adjacent to the Umtiza Nature Reserve and East London Airport were particularly heavily impacted on by people who built shacks in the area.

The Compliance and Enforcement unit worked throughout the COVID-19 period and was acknowledged by being nominated as the best enforcement team in Africa by the Rhino Conservation Awards. The unit placed in the runner up position. However, COVID-19 impacted on the officials with over 50% becoming ill and one official passing away because of complications caused by the illness.

Environmental quality management

Environmental Impact Management (EIM)

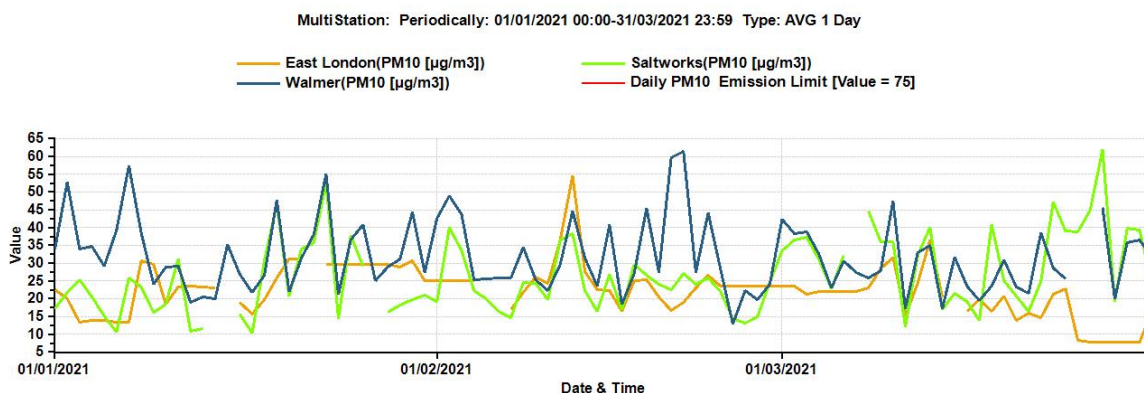
The purpose of this indicator is to further the sustainability of development through Environmental Impact Assessment processes, also to ensure that environmental issues are properly considered in the planning and implementation of development. This entails the review of BAR and EIR’s submitted by applicants and the drafting and issuing of environmental authorizations. In this financial year 2020/2021 (annual) on hundred (100) applications were finalised and of that number, sixty three (63) were Environmental Authorizations issued within legislated timeframes, i.e., 79% as against the national target of 100%. Twenty one (21) applications were finalized outside legislated timeframes, while sixteen (16) applications were finalized by way of being closed or withdrawn.

Reasons for finalising other applications outside the legislated timeframes are related to the COVID-19 pandemic which meant that officials could not conduct site inspections in order to draft decisions on applications. Some regional offices were not accessible as they had not been fumigated for COVID-19 and as result it was difficult to get information from the offices. IT communication between applicants and officials also posed challenges for a very long period. In addition, there was a delay in the signing of Work Permit for officials to the extent that some permits were never signed until the whole country was open for travelling. The latter meant that officials could travel without permits.

Air Quality & Climate Change

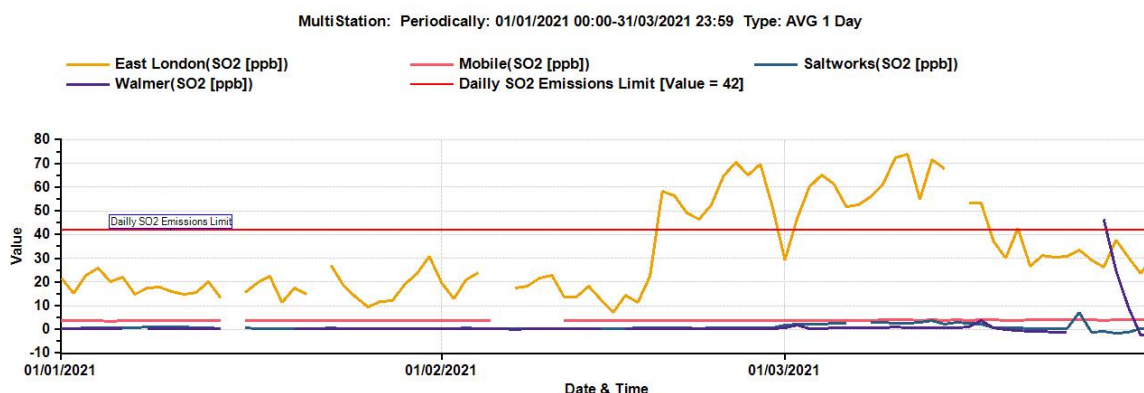
Nelson Mandela Bay and Buffalo City Metropolitan Municipalities as well as Coega SEZ have several Air Monitoring Stations operational in Port Elizabeth and East London. The Department monitors the functionality of these stations reporting to the South African Atmospheric Emission Licensing and Information Portal. In terms of the South African Air Quality Framework these stations are required to have a functionality of more than 75%. The particle matter monitors are used as a proxy to reflect station availability because PM10 is our biggest problem.

No exceedances of PM10 have been reported of National Air Quality Standards daily stand of 75µg/m³. See graph for East London Satworks and Walmer stations.



Graph 1: Daily PM10 Emissions reflected against the Standard 75µg/m³.

Buffalo City Metropolitan Municipality appears to be experiencing a problem with Sulphur Dioxide and has exceeded the National Daily Ambient Sulphur dioxide standard of 42ppb numerous times since the middle of February 2012. See graph 2,



Graph 2: Daily SO2 Emissions reflected against the Daily Emission Standard. Through the South African Air Quality Information System and the associated Envista system the Department is now able to obtain almost real time information data on the monitoring of air quality. The system now enables the data to be analysed and presented in forms which are easy to understand.

Climate Change

The Department has commenced with the implementation of a climate change project in which it wants to mainstream climate change into 5 strategic policies or plans of the department. The plans selected include the Provincial Economic Development Strategy, The Provincial Energy Strategy, The Provincial Tourism Plan, the Oceans and Coast Programme as well as the Eastern Cape Conservation Strategy and Plan.

A GAP analysis has been conducted on the different policies and areas have been identified which make them vulnerable to the impacts of climate change. In this regard the findings were shared with the stakeholders, who were requested to provide input.

In the next phase of the project the department through the service provider will identify and cost activities which will improve the climate resilience of these strategies to the impacts of climate change.

In collaboration with the Department of Environment, Forestry and Fisheries and Amatole District Municipality the department is involved in the Adaptive Capacity Facility for Human Settlements. This project has identified and selected Amatole District Municipality as one of three District Municipalities to pilot the implementation of the Adaptive Capacity Facility. The ACF is funded by the Flemish Government and its objective is to build adaptive capacity against the impacts of Climate Change.

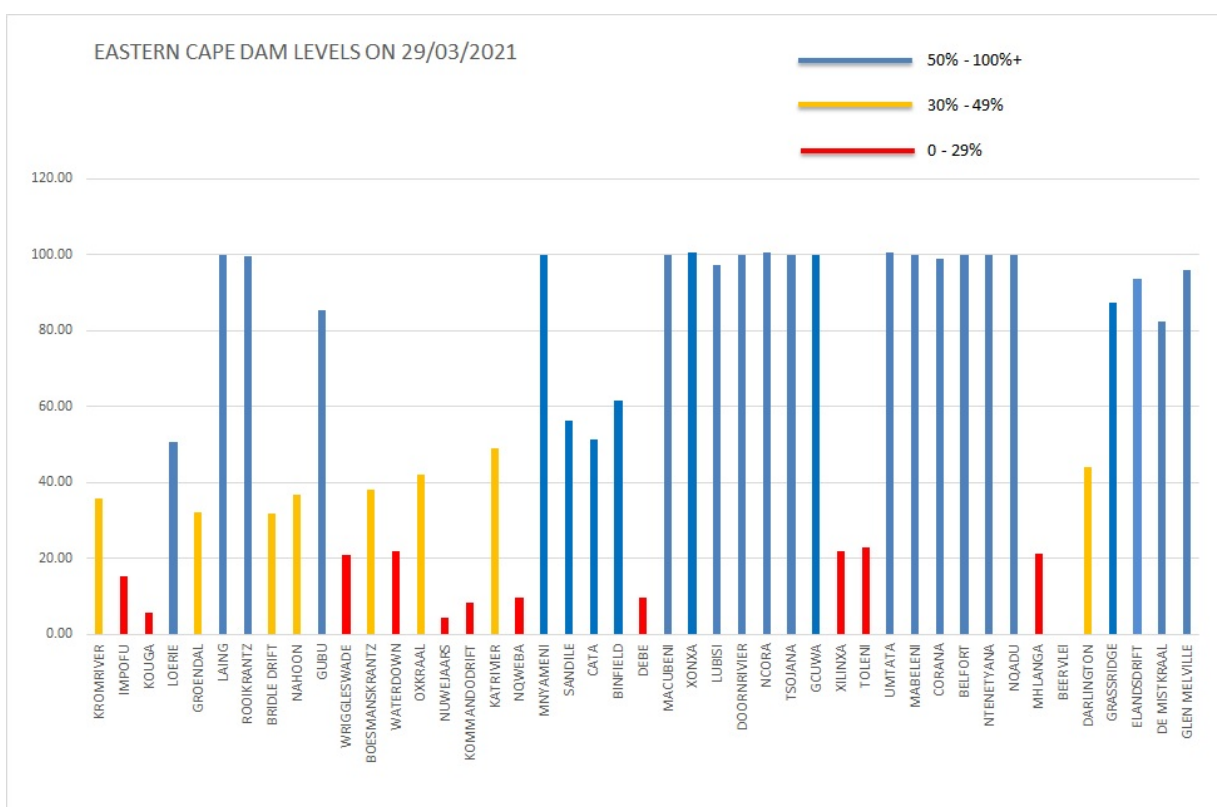
Amatole DM has been selected because it was regarded as one of the most vulnerable municipalities, based on their Climate Change Response Strategy. In terms of the project Amatole DM has indicated that water security is the most pressing issue to which the communities will need to adapt to because of Climate Change.

The current state of drought persists. No significant rainfall has been received in the province and some dams as reflected in the table are problematic.

Dam Name	Level at July 2020	Level at October 2020	December 2020	Current levels as at March 2021
Kouga	7.02	8.08	12.02	5.57
Loerrie	49.5	34.61	73.4	50.62
Impofu	16.87	18.64	18.1	15.44
Bridal Drift	43.72	38.95	34.06	31.72
Nahoon	54.16	39.91	31.7	36.63
Wriggleswade	19.94	13.97	15.38	20.94
Gubu	69.41	61.64	64.6	85.3

Dam Name	Level at July 2020	Level at October 2020	December 2020	Current levels as at March 2021
Boesmanskrantz	43.9	32.99	30.8	38.09
Sandile	52.5	42.76	47.46	56.23
Nuwejaars	8.8	6.87	5.77	4.37
Kammandodrift	21.5	15.7	6.7	8.45
Nqwebe	18.1	16.21	12.66	9.73
Debe	16.5	13.73	13.6	9.62
Gcuwa	39.7	8.32	110.63	100

In the Western Parts the situation is dire. The Kouga and Impofu dams have less than 15 percent (15%) water in them. This region experiences winter rainfall. NMBM has declared “day zero”. Around Buffalo City the dams have experienced mixed results with some dams rising but nowhere near enough to last year’s levels. With the dry season around the corner Buffalo City faces more stringent water restrictions. In the central parts of the province the dam levels have stabilised with the GCUWA receiving excellent inflows resulting in the dam now overflowing.



The South African Weather Service in their seasonal outlook is indicating that they still are predicating above average rainfall until

Disaster Management and Climate Change

The Department of Rural Development and Agrarian Reform is in the process of rolling out fifty-four (54) weather stations. These stations' purpose is to provide early warning data to agriculture stakeholders to build resilience to the impacts of upset weather conditions associated with climate change.

Waste Management

The waste activity licensing function was placed on hold until lockdown level 3, however, essential recycling services in the line of manufacturing of essential goods were prioritized. There were no waste management licenses (WMLs) issued, however, an amendment notice was issued to EnviroServ in Port Elizabeth on an

existing license, the validity period of three landfill site licenses were granted to effect closure operations in Inxuba Yethemba and Ndlambe municipalities. The department also held engagements to discuss the license application process for the Aliwal North and Sterkstroom landfill sites with the appointed service provider. Registration certificates for six waste storage and handling facilities were issued in Buffalo City, Enoch Mgijima LM and Nelson Mandela Bay Municipalities respectively.

The implementation and advisory support given to EPWP waste projects in Joe Gqabi, Amathole, OR Tambo and Nelson Mandela Bay Municipality saw the much-needed improvement in waste services as well as contribution towards community work opportunities. The special intervention waste management projects in the Bisho / King Williams Town area in Buffalo City Metropolitan Municipality, the Revitalisation of Stutterheim Landfill Site in Amahlathi LM and Makhandha City are means to support local authorities to solve their waste management challenges.

The department has further engaged and took part in virtual National Working Group and Provincial Waste Management Officers Forum meetings held quarterly where issues relating to Chemicals and Waste Management are discussed such as the implementation of the Extended Producer Responsibility (EPR) regulations to effect circular economy especially for the identified waste streams, local government support through the District Development Model (DDM) for Programmes such as the National Cleaning and Greening Campaign designed to create employment opportunities as part of the Presidential Economic Stimulus package, and the purchase of specialized waste vehicles for municipalities through MIG funding to improve waste collection service by municipalities.

The department has continued to empower municipalities with the development of their Integrated Waste Management Plans (IWMPs), trained officials to report waste data into the South African Waste Information System (SAWIS) and conducted waste facility audits to be able to measure environmental performance and protect the health and well-being of communities. The department has developed and published the Provincial IWMP for public comment and presented the Provincial Recycling Strategy for adoption by the Provincial Executive Committee. These documents are aligned with the recently approved National Waste Management Strategy (NWMS, 2020) centred on waste minimization, effective and efficient waste services, and awareness, compliance and enforcement as change agents for waste management in South Africa.

Biodiversity and Coastal Management

Biodiversity Management

Eastern Cape Biodiversity Conservation Plan has been Gazetted in 2020. The plan seeks to assist in giving an understanding of the state of environment in the Province of the Eastern Cape (ECBCP 20).

The sub-programme had identified priority eco-systems on the draft ECBCP to guide development of strategies for mitigation whilst implementing the plan. The following were identified through National and Provincial eco-systems assessments:

National Biodiversity National Assessment (NBA) 2018 has highlighted Aquatic systems in the Province as under threat. Wetlands and Estuaries have been prioritised and several attempts have been made through development of management plans and projects for mitigation. The Department has adopted Wetlands in number of areas in the Regions:

- a. Alfred Nzo, Matatiele ; Wetlands rehabilitation for water conservation and restoration as priority are for conservation.
- b. Sarah Baartman – Swartkops River Estuary Management Plan is under review
- c. Development of Quinera Management Plan was also identified as priority. This will be finalised and gazetted in 2021
- d. E- Permitting Phase 1 and 2 have been developed. Phase 2 is to be implemented in 2021

Environmental Empowerment Services

Environmental Awareness and Capacity Building activities were mostly conducted through various community radio stations to comply with COVID-19 health protocol across the province. In the midst of the pandemic the department was able to implement Environment EPWP Projects focusing on waste management and the

removal of alien and invasive plants in various municipalities that created (seven hundred and seventy one (771) jobs. Provincial Environmental Awareness events to celebrate international environmental days could not be organised and hosted in compliance with COVID-19 regulations.

Strategy to overcome areas of under performance

COVID-19 new normal will be adapted to avoid organising and hosting public events but make use of alternative media of communication and operating. Most indicators are demand driven and the economy recession has an impact on the sector and some targets will be reduced. Strategic partnerships will be strengthened to maximum environmental research capacity in the programme.

Appointments of new officials in the form environmental officers should be expedited to address staff complement in some regions. The unit has commenced with the programme of deploying environmental officers from small regions to big ones to assist with the reviewing of applications. Constant monitoring of application processing happens on regular basis.

The Biodiversity sub-programme is now implementing an E-permit System and most permits will be issued electronically. This will also address the challenges experienced during Lockdown due to COVID-19. However, officials will need all the necessary working tools e.g. Laptops and 3G card, Official cell phones, to be able to perform their duties remotely.

The Municipalities Waste Management Officers will be encouraged to report at quarterly Waste Officer Forum how the waste management function is fulfilling its mandate of providing consistent services to the communities including the functionality of licensed landfill sites, buy back centres and waste pickers.

The air quality monitoring stations data loaded on a national system will be reviewed monthly and the assessment results communicated to the municipalities that own the Air Quality Monitoring Stations. This information will be presented, discussed and solutions proposed at a quarterly provincial Air Quality Officers Forum. Municipalities will be encouraged to have to ensure that their equipment is calibrated and fully functional that will result into daily reporting of emissions that are being measured.

To ensure that environmental awareness activities and capacity building themes are presented across all Regions, various community radio stations will be utilised, as it has been a useful tool during the various adjusted COVID-19 levels. The Environment EPWP projects will be implemented in various municipalities focusing on waste management and the removal of alien and invasive species whilst creating much needed jobs in the locality.

Changes to planned targets

The following approved³⁶ changes were made during the year:

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#	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited Performance	Estimated Performance	MTEF Period				
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1.			% increase in volume of waste recycled	Not measured	-	4.6%	5%	6%	7%	8%
2.	Thriving biodiversity economy		# of legislated tools developed	1	1	1	1	1	1	1
3.			# of inter-governmental sector tools reviewed	1	1	1	1	1	1	1
4.			# of environmental research projects completed	-	-	-	-	-	-	-
5.			# of functional environmental information management systems maintained	0	0	1	1	1	1	1
6.		Biodiversity permits	# of permits issued within legislated timeframes	994	1100	1100	1100	1100	1200	1200
7.		work opportunities created through environmental programmes	# of work opportunities created through environmental programmes	363	750	570	650	700	750	800
8.		Environmental awareness activities conducted	# of environmental awareness activities conducted	33	38	38	39	40	42	44
9.		Environmental capacity building activities conducted	# of environmental capacity building activities conducted	32	36	37	38	39	40	42
10.	Coastal projects developed	# of Coastal projects developed	Not measured	Not measured	2	1	2	1	2	

³⁶ All changes were approved by the MEC for Economic Development, Environmental Affairs and Tourism.

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#	Outcome	Outputs	Output Indicators	Annual Targets						
				Audited Performance	Estimated Performance	MTEF Period				
				2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
11.			% increase in volume of waste recycled	Not measured	-	4.0%	4.0%	4.2%	4.2%	4.5%
2.	Thriving biodiversity economy		# of legislated tools developed	1	1	1	1	1	1	1
3.			# of inter-governmental sector tools reviewed	1	1	1	1	1	1	1
4.			# of environmental research projects completed	-	-	-	-	-	-	-
5.			# of functional environmental information management systems maintained	0	0	1	1	1	1	1
6.		Biodiversity permits	# of permits issued within legislated timeframes	994	1100	700	700	700	900	900
7.		work opportunities created through environmental programmes	# of work opportunities created through environmental programmes	363	750	530	500	550	600	700
8.		Environmental awareness activities conducted	# of environmental awareness activities conducted	33	38	10	39	40	42	44
9.	Environmental capacity building activities conducted	# of environmental capacity building activities conducted	32	36	9	38	39	40	42	
10.	Coastal projects developed	# of Coastal projects developed	Not measured	Not measured	2	1	2	1	2	

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#	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1.	# of climate response interventions implemented	-	-	-	-	-
2.	Number of government-owned ambient air quality monitoring stations meeting minimum data requirements	3	3	3	3	3
3.	Compliance with Annual Ambient Air Quality Standards	NAQI less than 1	-	-	-	NAQI less than 1
4.	% of Atmospheric Emission Licenses issued within legislated timeframes	100%	100%	100%	100%	100%
5.	# of compliance inspections conducted	88	22	23	22	21

6.	# of notices issued for non-compliance with environmental management legislation	75	18	20	20	17
7.	# of completed criminal investigations handed to the NPA for prosecution	56	14	14	14	14
8.	of s24G applications finalised	6	1	2	2	1
9.	% of complete EIA applications finalized within legislated timeframes	100%	100%	100%	100%	100%
10.	% of waste licence applications finalised within legislated timeframes	100%	100%	100%	100%	100%
11.	% increase in volume of waste recycled	4.6%	-	-	-	4.6%
12.	# of legislated tools developed	1	-	-	-	1
13.	# of inter-governmental sector tools reviewed	1	-	1	-	-
14.	# of environmental research projects completed	-	-	-	-	-
15.	# of functional environmental management systems maintained	1	-	-	-	1
16.	# of permits issued within legislated timeframes	1100	260	234	272	334
17.	# of work opportunities created through environmental programmes	570	-	-	-	570
18.	# of environmental awareness activities conducted	38	10	8	10	10
19.	# of environmental capacity building activities conducted	37	8	8	12	8
20.	# of Coastal projects developed	2	-	-	-	2

Page 53 Should Read

#	Output Indicators	Annual Targets	Q1	Q2	Q3	Q4
1.	# of climate response interventions implemented	-	-	-	-	-
2.	Number of government-owned ambient air quality monitoring stations meeting minimum data requirements	3	3	3	3	3
3.	Compliance with Annual Ambient Air Quality Standards	NAQI less than 1	-	-	-	NAQI less than 1
4.	% of Atmospheric Emission Licenses issued within legislated timeframes	100%	100%	100%	100%	100%
5.	# of compliance inspections conducted	88	22	23	22	21
6.	# of notices issued for non-compliance with environmental management legislation	75	18	20	20	17
7.	# of completed criminal investigations handed to the NPA for prosecution	56	14	14	14	14
8.	of s24G applications finalised	6	1	2	2	1
9.	% of complete EIA applications finalized within legislated timeframes	100%	100%	100%	100%	100%
10.	% of waste licence applications finalised within legislated timeframes	100%	100%	100%	100%	100%

11.	% increase in volume of waste recycled	4.0%	-	-	-	4.0%
12.	# of legislated tools developed	1	-	-	-	1
13.	# of inter-governmental sector tools reviewed	1	-	1	-	-
14.	# of environmental research projects completed	-	-	-	-	-
15.	# of functional environmental management systems maintained	1	-	-	-	1
16.	# of permits issued within legislated timeframes	700	165	148	173	214
17.	# of work opportunities created through environmental programmes	530	-	-	-	530
18.	# of environmental awareness activities conducted	10	2	3	3	2
19.	# of environmental capacity building activities conducted	9	2	2	2	3
20.	# of Coastal projects developed	2	-	-	-	2

Linking performance with budgets

The amount of underspending recorded by the programme is not material when compared to the budget. The programme operated within planned operational plans and cash flow projections and was therefore able to achieve a few its predetermined objectives, despite the challenges highlighted earlier. Where targets were missed, this was due to portfolio of evidence not being properly packaged.

Sub-programme expenditure

	Sub Programme Name	2020/21			2019/2020		
		Final	Actual	(Over)/Under	Final	Actual	(Over)/Under
		Appropriation	Expenditure	Expenditure	Appropriation	Expenditure	Expenditure
		R'000	R'000	R'000	%	R'000	R'000
1	Environmental Policy, Planning and Coordination	34 222	33 873	349	31 839	31 571	268
2	Compliance and Enforcement	49 477	48 513	964	52 166	51 176	990
3	Environmental Quality Management	20 892	20 148	744	22 865	21 354	1 511
4	Biodiversity Management	229 0969	228 245	824	221 162	219 714	1 448
5	Environmental Empowerment Services	10 569	9 379	1 190	14 248	12 899	1 349
	TOTAL	344 229	340 158	4 071	342 280	336 714	5 566

Programme Expenditure Narrative**Compensation of Employees**

The under expenditure on compensation of employees is as a result of delays in the recruitment process caused by unresolved labour matters that existed during the year as well as administrative challenges between the OTP and DPSA that delayed the advertisement of posts.

Goods and Services

The COVID-19 pandemic had a negative impact on the Programme, as a result staff had to make use of virtual platforms for meetings and engagements with stakeholders, which had a concomitant impact on a reduction in expenditure on travel and subsistence, venues and facilities and catering. The resurgence of COVID-19 in the second wave caused postponements of site inspections for wetland assessments, river system assessments and the Wetlands Day Celebration to the end of the last quarter, thereby negatively impacting expenditure. In addition, the gazetting of the 2021 Hunting Proclamation and the printing of Hunting License books by the Government Printing Works could not be finalised due to capacity constraints at the government printer as a result of COVID-19. An order for ammunition had to be cancelled as the supplier did not deliver as anticipated.

Reporting on the Institutional Response to the COVID-19 Pandemic

The department was pro-active in implementing health and safety measures in response to the COVID-19 Pandemic. In addition, the department took a leadership role in the Provincial COVID-19 Response Task Team, which was a cross departmental and provincial initiative.

During the Financial Year, the department acted as the convener of the Provincial Economic Recovery Workstream, under the Provincial Disaster Operations Committee for the COVID-19 response process. Key functions of the Workstream, among others, are:

- To ensure an integrated and well-coordinated planning, preparedness, response and intervention process for COVID-19 in respect to economic development cluster departments.
- To coordinate all the preparedness, response and recovery plans from all relevant sectors in an effort to develop a coherent, comprehensive, substantive and practical Economic, Tourism and Business response process.
- To effectively gather all relevant information to ensure positive communication and a coordinated flow of information.
- To report and make recommendations to the Provincial Committee Structures.

The workstream, together with the Provincial Economic Commission have formulated a Provincial COVID-19 economic recovery and reconstruction plan. Provincial government officials within the Economic Sector Departments have provided the necessary support for the coordination and implementation of the plan.

In addition to convening the economic recovery workstream, the department has directly funded COVID-19 interventions as outlined below:

Progress on Institutional Response to the COVID-19 Pandemic

Budget programme	Intervention	Geographic location (province/district/local municipality)	No. of beneficiaries	Disaggregation of beneficiaries	Total budget allocation (R'000)	Budget spent (R'000)	Contribution to the outputs in the APP (where applicable)	Immediate outcomes
Administration	Provision of PPE for employees: During the 2020/21 financial year the Department reprioritised funds within Programme 1 to provide PPE to employees in line with COVID-19 regulations. The PPE comprised of two cloth masks per employee and bottles of sanitiser. This was in addition to the implementation of other safety measures.	Eastern Cape: BCM (incl. Amathole) Eastern Cape: Alfred Nzo District Eastern Cape: Sarah Baartman District Eastern Cape: Chris Hani District Eastern Cape: Joe Gqabi District Eastern Cape: OR Tambo District	246 employees 44 employees 62 employees 43 employees 42 employees 58 employees	No applicable	R 437	R 335	No applicable	Compliance with applicable legislation Health of employees protected
Programme 2	Support to Distressed Industries through Jobs Stimulus Fund, including additional allocation for COVID-19 Recovery.	Alfred Nzo DM Amathole DM BCMM, CHDM KSD OR Tambo NMBM Sarah Baartman	1 Business 5 Businesses 15 Businesses 5 Businesses 3 Businesses 8 Businesses 17 Businesses 6 Businesses	Not applicable	R48 000 additional funding allocated to ECDC.	R48 000 transferred to ECDC.	This formed part of the ECDC indicators	Direct relief to businesses under distress due to COVID-19. 60 distressed businesses to a value of R 41.695 million was approved impacting 2156 jobs. 7x Agro-processing, 18x services, 18x manufacturing, 1x

Budget programme	Intervention	Geographic location (province/district/local municipality)	No. of beneficiaries	Disaggregation of beneficiaries	Total budget allocation (R'000)	Budget spent (R'000)	Contribution to the outputs in the APP (where applicable)	Immediate outcomes
	<p>The following funds have been transferred for implementation in the current FY:</p> <p>Tourism Recovery – R19 Million (ECPTA). Advancement of industrial park (Wildcoast) R32.9 Million (Coega SEZ) Incubation for Entrepreneurs and Graduates in the Digital Economy 1.1 Million (ELIDZ). Further funding will take place in the new year for the following at ECDC: Informal Sector Support Scheme, SMME Product and Process Certification Support for COVID-19 Response, SMME Virtual Ecosystem of Support, Digital Incubation.</p> <p>During the financial year, through special adjustment funding for economic recovery post COVID-19, Provincial Treasury made R114 Million funding available to DEDEAT for funding of relevant interventions among the DEDEAT entities.</p>	<p>The following funds have been transferred for implementation in the current FY:</p> <p>Tourism Recovery – R19 Million (ECPTA). Advancement of industrial park (Wildcoast) R32.9 Million (Coega SEZ) Incubation for Entrepreneurs and Graduates in the Digital Economy 1.1 Million (ELIDZ). Further funding will take place in the new year for the following at ECDC: Informal Sector Support Scheme, SMME Product and Process Certification Support for COVID-19 Response, SMME Virtual Ecosystem of Support, Digital Incubation.</p>	<p>Tourism Recovery: 27 Tourism establishments supported (in addition to other broader sector support interventions. Wildcoast Industrial Park: – 6 SMMEs contracted. Digital Economy: system set-up for rollout in the next FY.</p>	<p>Not applicable</p>	<p>R 114 218, of which R53 095 allocated in the 20/21 FY and R 61 123 allocated in the 21/22 FY.</p>	<p>R53 095 Transferred in the current FY.</p>	<p>N.A.</p>	<p>Pharmaceutical and 17x tourism</p> <p>Improved tourism intelligence, tourism business continuity and sustainability and tourism smart marketing. Advancement of industrialisation in the wildcoast; Process established for support to digital entrepreneurship.</p>

During the 2020/21 financial year, the Department reprioritised funds within Programme 1 to provide PPE to employees in line with COVID-19 regulations. The PPE comprised of two cloth masks per employee and bottles of sanitiser. This was in addition to the implementation of other safety measures.

5. TRANSFER PAYMENTS

5.1 Transfer payments to Public Entities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Eastern Cape Development Corporation	<ol style="list-style-type: none"> Number of SMMEs received development finance Number of SMMEs assisted with non-financial support services Number Co-operatives supported with finance Rand value of investments realised Rand value of exports facilitated Number of economic projects that attract investments and jobs in the EC Number of SMME's provided with export support Number of jobs facilitated 	R266 945	R210 204	<ol style="list-style-type: none"> 87 SMMEs received development finance. 256 SMMEs received non-financial support. 26 Co-operatives were supported with finance Investment value of R128 391 053 was realised. Exports worth R352 719 962 were facilitated 6 economic projects were realised 404 companies received export support. 1644 jobs were facilitated.
Eastern Gambling & Betting Board	<ol style="list-style-type: none"> Revenue Collected & Disbursed to Fiscus Number of Key CSI Projects Implemented Number of Key Gambling Licenses issued Gambling industry compliance maturity level Number of Gambling Economic Opportunities Awareness Sessions Conducted Number of People Provided Feedback with regard to Excessive & Irresponsible Gambling Messages. 	R61 350	R56 646	<ol style="list-style-type: none"> R102.1 million was collected Four socio-economic development projects and other CSI-related contributions supporting designated and vulnerable groups were implemented Twenty-two (22) gambling licences were awarded. The industry's compliance maturity, as measured by the innovative compliance barometer, has been at the acceptable or compliant zone of Level 3 ranging between 80%-89%. Three (3) Gambling Economic Opportunity awareness sessions were conducted Ten (10) awareness and responsible gambling campaigns were conducted.
Eastern Cape Liquor Board	<ol style="list-style-type: none"> Percentage of fully compliant liquor licence applications considered within legislated timeframes. Number of new formal liquor traders' associations facilitated. 	R69 094	R66 981	<ol style="list-style-type: none"> 40.04% 2 52 50 73,58%

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
	3. % of compliance inspections conducted to ensure compliance with liquor regulations 4. Number of blitz operations conducted with law enforcement agencies to enforce legislation 5. Percentage of complaints attended to within 30 days			
Eastern Cape Parks & Tourism Agency	1. Protected area expansion 2. Biodiversity economy 3. Brand positioning 4. Tourism value chain diversification 5. Digital marketing	R252 314	R204 659	1. 96.9 2. 80.2 3. 100 4. 100 5. 100
East London Industrial Development Zone	1. Number of new investors operationalised 2. Number of Prototypes Developed 3. Number of skills beneficiaries trained 4. Value of new private sector investment Secured 5. Number of active manufacturing and services jobs 6. Number of construction jobs created	R110 652	R56 968	1. 4 operationalised investors 2. 132 skills beneficiaries 3. R981,5m in private sector investment 4. Q4-3556 manufacturing and services jobs 5. Annual – 3945 manufacturing and services jobs 6. 2149 construction jobs created
Coega Development Corporation	1. Number of Investors signed, 2. Investment Value 3. Number of construction jobs. 4. Jobs, Cumulative operational Jobs 5. People Trained	R177 092	R122 070	1. 5 Signed investors 2. Investment Value of R49 810 000 realised 3. 7187 Construction jobs created 4. 8578 Cumulative operational jobs created 5. 3509 People were trained

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021

Organisations to whom transfer payments have been made

The table below reflects the transfer payments which were budgeted for in the period 1 April 2020 to 31 March 2021, but no transfer payments were made.

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

6. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The table below details the conditional grants and earmarked funds paid by the department during the period 1 April 2020 to 31 March 2021.

6.1. Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the department.

Conditional Grant 1: EPWP

Department/ Municipality to whom the grant has been transferred	DEDEAT
Purpose of the grant	Job creation through EPWP on Environmental Sector projects. Encourage municipalities to improve environmental management services in accordance with the environmental legislation
Expected outputs of the grant	<ul style="list-style-type: none"> Improve the scope and standard of environmental management and conservation of biological resources in the Local Municipalities funded, by providing assistance in their respective areas. Ensure that the agreed minimum numbers of jobs are created. The beneficiary communities must be provided with training. Improve the scope and standard of Waste management in the Province, by providing assistance to the Municipalities.
Actual outputs achieved	The intended outputs have been achieved with the monitoring of the project through the Steering Committee
Amount per amended DORA	R2.494 million
Amount transferred (R'000)	R2.494 million
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R2.494 million
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	The project will be monitored, and progress evaluated by a Project Steering Committee. Monthly project tracking sheet and expenditure report to be submitted to DEDEA. Planned and ad hoc site visits will be undertaken by DEDEA during the implementation of the project.

7. DONOR FUNDS

7.1 Donor Funds Received

Donor Fund EU Fund:

Name of donor	Ecological Resource Management Systems at Rural Schools
Full amount of the funding	R27.359 million
Period of the commitment	01 April 2019 to 31 March 2021
Purpose of the funding	The programme is to support rural schools in Amathole District to use sewer relevant feed waste to generate a fertilizer for school garden and produce a cooking gas form a Biogas system for school's nutrition programme
Expected outputs	<ul style="list-style-type: none"> • Installation of Biogas system to produce a cooking gas for rural schools' nutrition programme. • Use of waste from the system to generate a fertilizer for school garden. • The system will also create a practical life science laboratory in environmental biotechnology, agriculture and renewable energy for learners. • It will help the learners to have the insight on Green Economy sectors such as Bio -economy, Renewable energy economy and eco-agriculture.
Actual outputs achieved	<p>All the above outputs have been achieved in 17 Schools out the 30 schools. Currently the contractor is on average 70% complete in three school which estimated to be completed by mid-June. Then the remainder of 9 schools to be completed before 30 September which is the project end date as per the last extension letter by National Treasury (see attached).</p> <p>At the present moment DEDEAT has transferred the full amount of the of R 27 m to ECDC and R 17 m has been transferred to the contractor for the completed and current work.</p>
Amount received in current period (R'000)	R10 114 million
Amount spent by the department (R'000)	R10 114 million
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	<p>To ensure the projects is managed locally ECDC is the implementing agent who monitors and the progress of the project. The contractor reports to ECDC.</p> <p>DEDEAT does the overview of the project by means of progress reports from ECDC and do site visits to evaluate the progress.</p> <p>The National Treasury receives the reports from DEDEAT and does site visits whenever they see a need to do so.</p> <p>A PSC is established to drive the project and National Treasury forms part of the PSC.</p> <p>Donor monitors the project by getting reports from National Treasury MOU and SLA is signed between all relevant parties to ensure compliance.</p>

8. CAPITAL INVESTMENTS

8.1 Capital Investment, Maintenance and Asset Management Plan

There were no capital investments during the year under review.



PART C

GOVERNANCE

1. INTRODUCTION

The department established its governance structures in order to maintain the highest standards of governance in the management of public funds and resources. The key principle behind each structure is independence, accountability and integrity. The department also ensures that governance is audited to provide assurance that the Department's governance structures are effective, efficient and economical in the utilisation of government resources.

2. RISK MANAGEMENT

The Head of Department established the Risk Management Committee (RMC) to exercise oversight responsibilities, as set out in the approved RMC Terms of Reference. The RMC was chaired by an external member who brought a lot of valuable experience in Governance matters. The RMC reviewed the risk management documents such as Risk Management Policy, Risk Management Framework, Risk Management Charter and Risk Management Implementation Plan to ensure continued relevance. The RMC was fully functional and committee meetings that were earmarked for the 2020/21 were held with full participation from management and the improved attendance and timely submitted reports showed some improved risk-based decision making by management, as compared to the previous years.

There were two officials who sat for the Institute of Risk Management South Africa (IRMSA) board practical examination 1 and came out competent, bringing the total to three. This achievement for the department will continue to improve risk management to the next maturity level. Despite the above, the external evaluation of risk management that was conducted by the IRMSA, aligned to the King IV and ISO standards requirements, concluded that the risk management processes in place are not fully implemented and there is still a room for improvement.

3. FRAUD AND CORRUPTION

With the aim of enhancing the efficiency and effectiveness of the fraud prevention, detection, investigation and resolution within the department, the department reviewed its fraud and Anti-Corruption Strategy, reviewed and developed the Fraud and Anti-Corruption Policy, Gift Management Policy and the Ethics Management policy.

During the period under review the challenges faced due to the COVID-19 pandemic hindered the effectiveness of the Risk Management & Anti-Corruption (RMA) Unit in that contact awareness sessions were held with a small number of officials to accommodate the social distancing protocol and some were held online:

Name of Awareness	Number of Attendees	Office/ Region	Nature of Awareness
Ethic and Anti-Corruption Awareness	47 Newly Appointed officials	Head Office Orientation Workshop	Online
Anti-Corruption Survey	All DEDEAT officials	All	Online Link sent to Internal Communications
Ethics and Anti-Corruption Awareness	37 Officials	OR Tambo, Alfred Nzo, Chris Hani, Joe Gqabi and Sarah Baartman Regional Offices	Contact Session

To promote the level of professional ethics within the department, aligned with section 195 of the Constitution, the RMA facilitated training on NSG: Ethics in the Public Service Online training with 37 Officials from different regions and an accumulating number of eleven (11) of those officials trained have successfully completed the training.

The National Anti-Corruption Hotline – 0800 701 701 is communicated to all the service providers used by the department and to all its employees to encourage reporting whenever necessary. The department ensured that it resources and capacitates its newly formed Anti-corruption unit in the year under review.

Summary of Cases Investigated

The RMA did not receive any fraud and corruption cases during the year under review, the two cases received were Financial Misconduct cases relating to Irregular Expenditure.

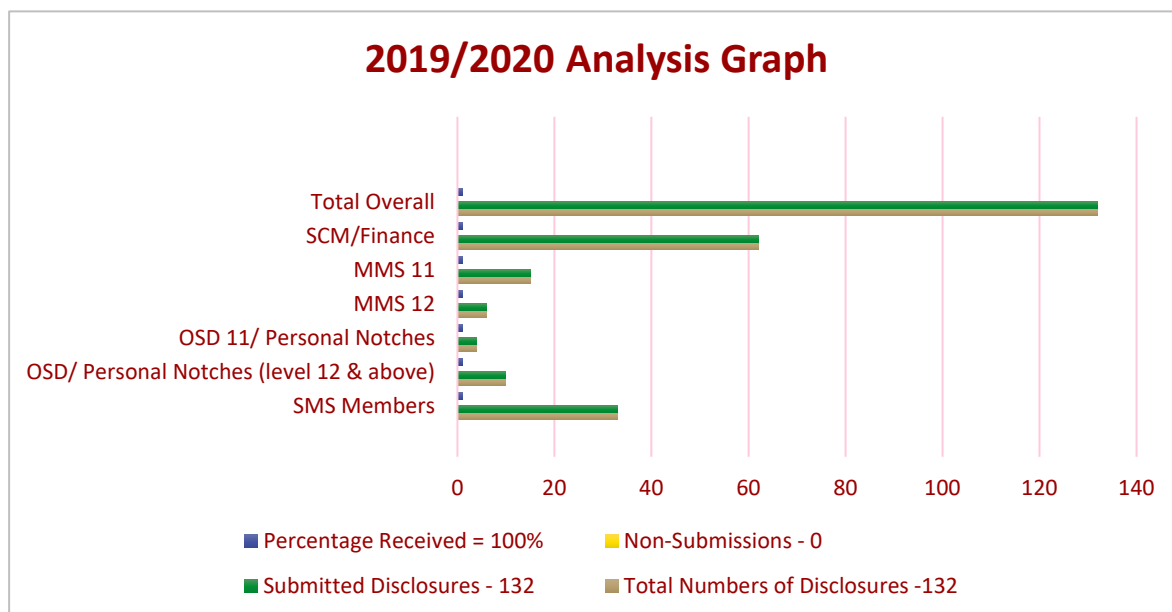
Open cases as of 1 April 2021	2
New cases (2020/21)	2
Finalised cases (2020/21)	1
Cases rolled over to 2021/2022	1

4. MINIMISING CONFLICT OF INTEREST

All Categories for of Financial Disclosure have disclosed their financial interests (100% compliance) for the 2020/21 financial year and submitted the same to the Public Service Commission as required by Public Service Regulations, 2016. Verifications of the disclosures were conducted by a third party to ensure that conflict of interest is identified and prevented on all categories of disclosure and there were no officials who were found to have conducted business with the state or registered on the Central Supplier Data.

eDisclosure analysis

Category	Total Numbers of Disclosures	Submitted Disclosures	Non-Submissions	Percentage Received
SMS Members	33	33	0	100%
OSD/ Personal Notches (level 12 & above)	10	10	0	100%
OSD 11/ Personal Notches	4	4	0	100%
MMS 12	6	6	0	100%
MMS 11	15	15	0	100%
SCM/Finance	62	62	0	100%
Total Overall	130	130	0	100%



4.1 CODE OF CONDUCT

The Public Service Code of Conduct lays a framework with a guide of principles designed to assist employees of the department to uphold professional conduct in the department with honesty and integrity. The Code also outlines high standards of professional ethics that employees in the department are supposed to always maintain and promote. Breaking the code of ethics can result in disciplinary action that may lead to serious consequences such as suspension from work without pay, demotion, and / or dismissal. A code of ethics is important because it clearly lays the "rules" for acceptable behaviour and provides a preventative warning.

The department is adhering to the above code of conduct. The department is utilising the disciplinary process outlined in Disciplinary Code and Procedure for the public service: *Public Service Coordinating Bargaining Council Resolution 1 of 2003, Annexure A* when an employee transgresses any provisions contained in the Code. When an employee transgresses the rule or code of conduct the following process is implemented:

- a. An investigation is conducted before a hearing can be instituted.
- b. If there is a *prima facie* evidence, a charge sheet is formulated containing date, venue, time and rights of the employee during the disciplinary enquiry. The charge sheet is served to the alleged employee at least five working days before the date of the enquiry.
- c. The Head of Department appoints a presiding officer and Employer Representative.
- d. The disciplinary outcome / sanction is served to the employee, and the employee has the right to appeal within five working days to the Executing Authority.
- e. After receiving the appeal outcome, or if the employee did not appeal at all, the sanction is then implemented.
- f. If the employee is not satisfied with the sanction, then they have the recourse to follow dispute resolution processes.

Please refer to Part D of the annual report for further information on disciplinary matters.

5. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

In the workplace, Health and Safety regulations are paramount to the well-being of the employees. Many hazards are present in today's work environments, and it's the employer's responsibility to keep employees safe from these hazards. The responsibility is so important that there are occupational safety standards and regulations. In the Public Service, Departments are required to develop a healthy, dedicated, responsive and productive workforce as it is said, "Healthy minds, healthy bodies, translate to increased productivity".

In the department, the health and safety and environmental issues are governed by IEHW strategic framework developed by DPSA as well as Occupational Health and Safety Act. This framework rests on 4 functional pillars, of which SHERQ Management (Safety, Health, Environment, Risk and Quality) is one of them. The following are the programmes under this pillar which should be implemented:

- i. **Occupational Health & Safety**
 - Occupational Hygiene
 - Hazard Control
 - Health & Safety representation & appointment of Health and Safety committee
- ii. **Environmental Management and**
 - Work design
 - Building and offices
 - Lighting
 - Ventilation and sanitation
- iii. **Risk and Quality Management**
 - Risk Assessment,
 - Disaster Management,
 - Emergency preparedness plans and standards

In compliance to the IEHW strategic framework as well as Occupational Health and safety act, the department had appointed Health and Safety representatives as well as committee to monitor the implementation, however,

full compliance is always a challenge due to centralised function for state properties. This makes it almost impossible to adhere to the health and safety standards as required. The department's recently allocated buildings still do not meet the required standards. The limited budget in which the department is operating with is also not assisting the situation.

6. PORTFOLIO COMMITTEES

The department and its entities were oversighted by the Portfolio Committee on Economic Development, Environmental Affairs and Tourism. After the tabling of the department's policy speech, the Department and the Entities presented the annual performance plans and the budget vote. These were considered and adopted by the committee.

7. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.1	<p>Material underspending</p> <p>As disclosed in the appropriation statement, the department materially underspent the current year budget by R51, 1 million. This is a recurring finding</p>	<p>1.1 Does the department have adequate capacity in financial planning and procurement to manage budget, if so, why did it fail to consume the full budget allocation during the year under review? This finding has been recurring for three consecutive years.</p>	<p>The department has adequate capacity in financial planning and procurement to manage the budget. The cases reflected below relate to items where spending was approved without meeting the necessary controls and compliant requirements, which would have led to irregular expenditure. The department has strict internal control processes. The department has in the past financial years seen the introduction of funds that need to be disbursed but unfortunately before disbursement there are a number of processes that must be followed and amongst others is the due diligence that must be independently conducted. This is a process that consumes time on its own, but this process is in line with the departmental approved policies and is audited against policy.</p> <p>The following are areas that have contributed to the under-spending.</p> <p>Compensation of Employees: The provincial department's adverts for recruitment are processed by the Office of the Premier (OTP); In the case of the department these delays emanated from an advert that was publicised and had to be withdrawn because it had errors, this led to the department consulting DPSA and the matter was later resolved by DPSA on the 11 March 2020. This led to the delay in recruitment and the projected funds to be utilised in the 2019/20 financial year was then recognised as an under spending.</p> <p>There has been a delay in the payment of PMDS to SMS members which was anticipated to be paid in the 2019/20 budget, but the assessment process was not finalised by the end of the financial year leading to the projected expenditure to be recognised as underspending.</p> <p>Goods and Services: The unspent funds relate to services where invoices were submitted late.</p> <ul style="list-style-type: none"> • Payment of legal fees to the Department of Justice, • Payment of e-Disclosure services. • The Gazetting of EC Integrated Waste Management Plan, EC Recycling Strategy, 	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>EC Environmental Implementation Plan and the EC Biodiversity Conservation Strategy and Action Plan were delayed leading to an underspending.</p> <p>Transfers and Subsidies: The department had in the 2019/20 financial year introduced a new fund known as Isiqalo Fund. The fund in its nature carries a number of risks which necessitated the department to introduce control measures to mitigate the risks. However, the department had projected that in the fourth quarter these funds will be disbursed. There were delays that were emanating from the controls that the department had developed which amongst others was the procurement of goods and services for the entrepreneurs that have been awarded this grant. It was discovered during the preparation of disbursements that some of the suppliers that were on the applications were not registered on the Central Supplier Database (CSD).</p> <p>Capital Payments: In this item, under expenditure was due to outstanding payments for 2019/20 financial year. These were caused by the Departments' change in office location as the equipment was already ordered but there was a delay in the delivery leading to underspending against the projected budget for 2019/20 financial year.</p>	
1.2	Material underspending	1.2 Was the monitoring of budget conducted in the period under review? If so, why the underspending of budget was only identified during the audit?	The underspending was not only identified during audit. The department had in its In-Year Monitoring monthly reports, indicated the variances with explanations. However, a significant amount of underspending is on the Isiqalo and LRED funding which in their nature are dependent on secondary information that need to be accessed for compliance. Any deviation would have resulted to a worse case of irregular expenditure.	No
1.3	Material underspending	1.3 Can the Accounting Officer reassure the Committee if the under-expenditure incurred did not negatively impact the service delivery for the planned targets during the year under review?	For LRED, the projects that were approved from the 2019/20 financial year were paid at the beginning of the 2020/21 financial year. This translates to an effective two to three-month delay from when the beneficiaries should have received funds. The projects are currently being monitored to ascertain they deliver on projections made on their business plans. The department has established a Project Oversight Team to monitor the utilisation of the funds.	Yes
1.4	Material underspending	1.4. Has the Department applied for the funds to be rolled over and what plan does it have	The Department did apply for the funds to be rolled over to the next financial year by Provincial Treasury as the funds were already committed and appointment letters issued to the beneficiaries. The plans were already in place for LRED, the projects that were approved from the	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		in place to fast stead the projects that were budgeted for under the R51, 1 million?	2019/20 financial year were paid at the beginning of the 2020/21 financial year, the department requested the revised cashflow projections from the beneficiaries to suit the transferred dates. This translates to an effective two to three months' delay from when the beneficiaries should have received funds. The projects are currently being monitored to ascertain whether they deliver on projections made on their business plans.	
1.5	Material underspending	1.5 Does the Department have any stringent measures in place to reassure the Committee that the occurrence of underspending will be prevented in future?	With regards to LRED: Considering the delayed process due to the late appointment of a service provider, going forward the department will be appointing a pool of service providers across the province for due diligence for a period of three (3) years. Therefore, there will be no yearly procurement process taking place as the service providers will be part of the pool. The fact that it is a pool also provides an opportunity to several consultants in case, one does not deliver, the department will be able to select an alternative from the pool with no delays. Also, the department is embarking on an electronic system for submission of LRED proposals, this will fast track the process in the next financial year.	Yes
	Material underspending	What is the underlying cause of the occurrence?	The underlying cause of this finding is due to the funds that are administered by the department which have timeframes that have processes as indicated above where there are other parties involved that need to be consulted in order to meet the set compliant requirements. In the case of COE this also has been an unfortunate situation as projected expenditure was in line with the recruitment project plan and even in this case an unforeseen event which was not in the control of the department resulted into a delay as indicated above.	Yes
	Material underspending	What actions has the department taken to rectify the matter as well as the underlying root cause?	The department has in the current financial year reviewed its COE budget in order to avoid unnecessary underspending. In the other economic classification allocation, a similar process of review has been undertaken and the budget has been adjusted in order to avoid underspending at the same time not compromising service delivery.	Yes
	Material underspending	When will the corrective action be implemented?	The corrective action has been implemented in the 2020/21 financial year	Yes
2.1	Irregular Expenditure As per note 25, 4 to the financial statements, the department	2.1. The Accounting Officer must give a detailed explanation as to why the department failed to implement	The Provincial Economic Stimulus Fund was handed to the Department at the end of Jan 2019 through the adjustments of 2018/19, to begin implementation in April 2019. DEDEAT therefore had two months in which to develop and structure the fund for implementation. The allocation letter from Provincial Treasury had conflicting processes and committees that were to	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	<p>disclosed R251, 1 million as irregular expenditure under assessment for transfer payments made in respect of the Provincial Economic Stimulus Fund.</p> <p>Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38 (1) (c) (ii) of the PFMA and Treasury Regulations 9.1.1. All of the irregular expenditure disclosed in the financial statements was caused by not following procurement processes.</p>	<p>adequate processes designed for awarding and monitoring the expenditure of PESF? These are recurring findings</p>	<p>be established. This letter had gaps and the matter was raised with Provincial Treasury. There was no clear process that was put in place hence the department was involved in the transfer of funds to entities that were not entities of DEDEAT. These funds were allocated to ECDC as the process was not clarified at the time of budget allocation and were later adjusted to the various entities during the second budget adjustments for 2019/20 financial year. This created confusion as the SLA provisions for these funds were making reference to "normal processes" where funds are received earlier in the year. This resulted in flawed reporting as these entities in terms of the SLA's were supposed to have requested roll overs within three months before the end of the financial year. This was impossible as these funds were transferred during the same period. This is one example that led to the department disclosing this fund as irregular to be assessed.</p> <p>In comparison, other funds are given the necessary time (up to two years) for development and sourcing of the necessary human resources for the effective implementation of the fund. Had DEDEAT had sufficient preparatory time, the Department would have been more effective in:</p> <ul style="list-style-type: none"> • Attempting to source the necessary human resources and/or outsourcing certain project management functions. • Developing, fine-tuning and approving a log-frame and theory of change for the PESF; and • Fine-tuning templates, checklists and standard operating procedures to ensure rigorous adherence to compliance requirements. <p>However, the department did conceptualise and develop implementation and monitoring documents as follows:</p> <ul style="list-style-type: none"> • Provincial Economic Stimulus Fund Framework • Monitoring Tool <p>While DEDEAT did indeed implement project monitoring processes, these were hampered by human resource constraints, which were further frustrated by the COVID-19 pandemic which emerged in March 2020. Note that while actual lockdown started from the 27th of March 2020, many of DEDEAT's human resources were diverted to the Economic, Tourism and Business Disaster Response Process from Mid-March 2020.</p>	
2.2	Irregular Expenditure	2.2 What were the reasons for contravening with section 38 (1) (c) (ii) of the PFMA and Treasury Regulations 9.1.1.?	<p>The reason for the contravention has been unavoidable as the funding model was new. The Department did not intentionally contravene the provisions of the PFMA but the circumstances that were used to disburse these funds were not properly clarified by Provincial Treasury as these funds were allocated without approved business plans as a requirement for additional funding in an ideal process of allocating funds to departments.</p>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
2.3	Irregular Expenditure	2.3. Did the Department conduct any investigation to determine if there is no employee liable by law of the irregular expenditure as required by legislation? If yes, the Department must furnish the committee with evidence, if no, the Committee must be the furnished with reasons why not.	The department is currently investigating this disclosure as indicated in the Annual Financial Statements.	No
2.4	Irregular Expenditure	2.4. What disciplinary actions have been instituted against the officials who neglected their responsibilities and permitted the occurrence of irregular expenditure as required by the PFMA?	The investigation has commenced, and the committee will be furnished with the report once it is concluded.	No
2.5	Irregular Expenditure	2.5. What action plan has been put in place as a corrective measure to address this and strengthen the accountability within the department, to prevent the occurrence of similar finding from happening in the future? This plan must include monitoring tools to monitor implementation on a regular basis.	(a) Together with Provincial Treasury, a review of the PESF is being undertaken by GTAC as one of the corrective measures. Once this review has been adopted, the relevant recommendations will be implemented. b) The DG of the province has been involved in the discussions between DEDEAT and Provincial Treasury in order to assist the implementation of the PESF without flouting the PFMA. A decision was taken that ECDC be contracted for strengthening resourcing to monitor implementation of the current funded projects and funds that were to be allocated to entities that were not part of the DEDEAT group, through adjustment budgets for 2020/21 these funds were allocated to their respective provincial departments. c) DEDEAT has strengthened the Terms of Reference, evaluation and decision-making processes, record keeping, and monitoring processes tied to the PESF, in line with the Audit Improvement Plan.	No
	Irregular Expenditure	What is the underlying cause of the occurrence?	The department has identified that funds that are allocated to the department with no clear business plans and resources and unclear processes result to irregular expenditure. The department understands its mandate but there must be intensive consultation by Treasury	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			before funds are allocated to the department for disbursement.	
		What actions has the department taken to rectify the matter as well as the underlying root cause?	<ol style="list-style-type: none"> 1. Together with Provincial Treasury, a review of the PESF has been initiated. Once finalised and adopted, the appropriate recommendations will be implemented. 2. Clear documentation on the composition and function of the PESF decision making committee has been updated and approved. 3. An improved online record keeping system to ensure immediate access to documents in the spirit of efficiency, transparency and effective evaluation processes has been initiated. 4. Checklists are being developed to ensure completeness of packs prior to processing of transfers. 5. The project monitoring and management function will be strengthened by, among others, the outsourcing of functions to ECDC. 	No
		When will the corrective action be implemented?	The corrective measures are currently being undertaken in the implementation of the 2020/21 financial year PESF allocated funds.	No
3.1	<p>Internal Control deficiencies</p> <p>Inadequate internal controls and monitoring of action plans over performance reporting process, including year-end reporting, resulted in material misstatement of reported performance information. Even though the misstatements were subsequently corrected, this resulted in a repeat material non-compliance.</p> <p>The department has adequate systems in place to monitor compliance with applicable</p>	<p>3.1. Does the Accounting Officer monitor the adherence to standard operating procedures of the department? If so, why the matters of non-compliance were reported during the year under review? These are recurring findings</p>	<p>The department has improved from a qualification in relation to the performance reporting process to an unqualified assessment by AG when one reporting item was adjusted. The department adheres to the standard operating procedures and these have improved as the departmental Internal Audit unit has played a major role in monitoring the Audit Improvement Plan for performance information.</p>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	legislation, however, the implementation of these controls is not regularly monitored resulting in recurring non-compliance with SCM related legislation. This non-compliance could have been prevented had there been proper monitoring and review process in place.			
3.2	Internal Control Deficiencies	3.2. What measures were instituted to enforce the implementation of good practices and compliance with standard operating procedures within the department?	The Department has quarterly reviews of the indicators which are randomly reviewed by Internal Audit.	Yes
3.3	Internal Control Deficiencies	3.3. What plans does the Department have in place to ensure accountability and strong leadership in the Department's administration?	The department has an approved organogram and, in the implementation, has identified and prioritised key leadership positions to be filled in order to build strong leadership for the implementation of the departments mandate. In the SCM unit the post of a manager is vacant and is in a process to be filled.	No
3.4	Internal Control Deficiencies	3.4 Was their consequence management that has been taken against officials associated with the non-compliance with applicable legislations? Please provide the Committee with proof of evidence to that effect.	The official in SCM that is responsible for the irregular finding matter is being handled by the departmental Irregular Committee which will be recommending a sanction to the Accounting Officer. Proof of evidence will be forwarded to the committee once the matter is finalised.	No
	Internal Control Deficiencies	What is the underlying cause of the occurrence?	The Department has identified a loophole in the electronic system which had to be enhanced as it should have been able to identify the lowest quotation when comparing the three quotations. This has been rectified in the system	Yes
	Internal Control Deficiencies	What actions has the department taken to rectify the	The procurement electronic system has been enhanced to close the loophole as indicated above.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		matter as well as the underlying root cause?		
	Internal Control Deficiencies	When will the corrective action be implemented?	The corrective action is implemented in the current financial year.	Yes

8. PRIOR MODIFICATION TO AUDIT REPORTS

The department has included the following information in the table as follows:

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
N/A	N/A	N/A

9. INTERNAL CONTROL UNIT

The Public Finance Management Act read with the National Treasury Regulations, is used as a primary basis for compliance monitoring, and this is implemented through the review of procurement and payment processes transaction by transaction. There is a considerable improvement in the financial management function through the implementation of the approach.

Despite the above, there is room for improvement, once this is embedded in all management processes.

10. INTERNAL AUDIT AND AUDIT COMMITTEES

- **Key activities and objectives of the internal audit**

The objective of the internal audit function is to enhance and protect organizational value by providing risk based and objective assurance activities, advice and insight to management and the Audit Committee.

- **Internal Audit Quality Assurance Improvement Plan**

A Quality Assurance Assessment was performed on the Internal Audit Unit by Provincial Treasury on 9 December 2020. Most of the findings have been addressed except for:

1. Use of Audit Software and CAATS
2. Internal Audit Universe
3. Storage for backup files
4. Marketing Policy
5. Record Retention Policy

- **Specific summary of audit work done**

As per the risk-based annual internal audit plan approved by the Audit Committee, the internal audit activity conducted its reviews with due professional care and independence. Internal audit completed 87% of its annual plan, where 13 audits of the planned 15 audits were completed.

The internal audit function performed the following audits during the year:

1. Evaluation of Draft 19/20 Annual Financial Statements (AFS)
2. Transfer Payments to Public Entities
3. Human Resources (HR) – Recruitment & Selection
4. Knowledge Management & Information Management
5. Procurement

6. Strategic Planning – Performance Information
7. Transfer Payments Enterprise Development (Incubation)
8. Business Continuity Management
9. ICT audits

The below risks were assured through implementation of the combined assurance plan:

1. Interim Financial Statements Review (IFS)
2. Review of Annual Performance Plan (APP) 21/22

During the year under review the audits focused on both core business and support functions, also taking into consideration the effect of the COVID-19 Pandemic on operations. Our view is that there is still a general concern regarding the effectiveness of internal controls embedded within various operations as evidenced by the number of internal and external audit findings.

- **Audit work that could not be completed**

The following audits that were part of the approved annual internal audit plan, but were not completed by the Internal Audit unit due to challenges experienced by the Unit:

1. Transfer Payments to LRED
2. Environmental Affairs – Biodiversity Management

The above audits were not performed due to the challenge of lack of human resources in the unit as two (2) post were vacant the whole of the 20/21 financial year. This led to delays in being able to execute audits based on the approved plan for 20/21.

The below audits planned by Internal audit were assured through implementation of the combined assurance plan:

1. Review of the Draft 21/22 Annual Performance Plan (APP)
2. Finance – Interim Financial Statements (IFS)

- **Audit work that could not be covered and remained as Unassured Risks**

The internal audit annual plan is risk-based, and all high risks are expected to be covered so as to provide assurance to the Department that the preventative and detective controls are functioning effectively. However, even though the following were classified as High Risks in terms of the Annual Risk Assessment by the Department, the following audits could not be included in the Internal Audit annual plan due to challenges experienced by the Internal Audit Unit, and remained as Unassured Risks. The Head of Department has been informed of these Unassured Risks.

1. KM01 – Loss of critical information & knowledge
2. OM & HW01 & 02 – Injuries & Fatalities

The challenge experienced was lack of human resources in the unit to perform the audits on the above 2 high risk areas in the department.

- **Summary of Internal Audit Findings and Status of Implementation of Management Action Plans**

During the past year, Internal Audit has drawn the attention of management to significant issues that have been raised in their audit reports. Management has expressed their commitment in dealing with these issues. There has been an improvement in the status of implementation of Management Action Plans in the 20/21 financial year.

- **Summary of Auditor General Audit Findings and Status of Implementation of Audit Improvement Plan**

The Auditor General has drawn the attention of management to significant issues that have been raised in the previous year audit report and management report. Management has expressed their commitment in dealing

with these issues as per the departmental Audit Improvement Plan (AIP). Management still needs to improve on the implementation of ICT related findings in the current year.

The department received an unqualified audit opinion with emphasis of matters relating to irregular expenditure under assessment due to transfer payments made in respect of the Provincial Economic Stimulus Fund (PESF). The department has developed a system description and standard operating procedure, with the intent to improve internal controls and to prevent any irregularities in the transfer of stimulus funds to the public entities. Provincial Treasury assessment is that the department will maintain an unqualified audit outcome or even improve if it can clear prior years irregular expenditure balances, and in instilling discipline in holding those responsible for financial management breaches to account.

To accelerate the process of clearing of prior year irregular expenditure balances, Provincial Treasury has conducted a workshop with the department to ensure that it submits a complete irregular expenditure application, which includes evidence or implementation of consequence management.

- **Key activities and objectives of the Audit Committee**

The objectives of the audit committee are to provide independent oversight function over governance, risk management and internal control processes of the department and provides guidance and recommendations on areas of improvements to the accounting officer and management.

In line with its oversight responsibility as defined in its charter in ensuring continuous improvement of departmental operations, the audit committee interacted with management, internal & external auditors, and the Executive Authority.

During its quarterly meetings and through internal audit reports reviews, recommendations for improvement of operations were provided, discussed, and agreed with management as evidenced in the minutes.

- **Attendance of audit committee meetings by audit committee members**

The audit committee contracts expired in September 2020 and a new committee has since been appointed. The tables below indicate meeting attendance for both committees:

PREVIOUS AUDIT COMMITTEE APPOINTED FROM AUGUST 2014 TO SEPTEMBER 2020							
Name	Qualifications	Internal or external	If internal, position in department	Date appointed	Date Resigned	No. of Meetings attended	No. of Special Meetings attended
Ms Tracy Cumming	CA(SA), CTA, B.Comm	External	N/A	1 August 2014	Contracted extended for 6 months until 31 March 2021	8	2
Mr. Craig Sparg	CA(SA), CTA, B. Comm	External	N/A	1 August 2014	30 September 2020	4	2
Adv. Simthandile Peter	ML, LLB, MDP	External	N/A	1 August 2014	30 September 2020	4	2
Mr Nkosana Sifumba	B. Comm, MBL, CISA, CGEIT	External	N/A	1 August 2014	30 September 2020	4	2

NEWLY APPOINTED AUIT COMMITTEE FROM OCTOBER 2020 TO SEPTEMBER 2023							
Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended	No. of Special Meetings attended
Mr. Younus Amod	CA(SA), CIA, CTA, B Comm	External	N/A	1 October 2020	N/A	2	1

NEWLY APPOINTED AUIT COMMITTEE FROM OCTOBER 2020 TO SEPTEMBER 2023							
Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended	No. of Special Meetings attended
Ms Nontsikelelo Pakade	B Juris, LLB, Dipl Project Man, Dipl Man	External	N/A	1 October 2020	January 2021	1	0
Ms. Loren Smith	CA(SA), CTA, B Comm	External	N/A	1 October 2020	N/A	2	1
Ms Faith Kobo	PG. Compl, Cert. Lab. Law, B Tech Lab Law, Nat Dipl HRM	External	N/A	January 2021	N/A	1	1

11. AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee 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

In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, together with the design of preventative and detective controls, the identification of corrective actions and suggested enhancements to the controls and processes.

Our review of the findings of the External Audit and the Internal Audit work, which was based on the risk assessments conducted in the department, revealed certain weaknesses in controls which were then raised with the Department. These weaknesses were either in the design of the control, or the implementation of the control. The development and maintenance of an effective internal control system is the responsibility of management. Strengthening governance structures is also vital, including building capacity in the Internal Audit and Risk Management structures.

The Audit Committee has drawn the attention of management to significant issues that have been raised by the Auditor General in the previous year audit report and management report, as well as matters raised in the reports of internal audit in the current financial year.

The Audit Committee has noted the findings of Internal Audit as per the reports summarized above and urged management to use these reports to drill down to the root causes of these findings and address the internal control weaknesses. The Internal Audit reports are comprehensive and detailed and provide management with all the necessary information needed to improve internal controls.

At each Quarterly meeting, the Audit Committee tracks progress on the Implementation of the Audit Intervention Plan (AIP), and the Internal Audit Management Action plans, as their implementation will result in a stronger control environment, greater risk mitigation and better audit outcomes.

Management has expressed their commitment in dealing with these issues as per the Departmental Audit Intervention Plan (AIP) arising from the Auditor General findings, and the Agreed-Upon Management Action Plans arising from the Internal Audits conducted during the year. The Status of Implementation of these commitments has been stated above.

In cases where AIP actions or Internal Audit Management Action Plans could be addressed and have not been addressed, the Committee has recommended that the HOD and Management consider consequence management on the basis of inaction.

The Committee is satisfied that a system of internal controls has been put in place by the Department and that these controls have functioned partially during the period under review.

The Internal Audit Component of the Department must be commended for the professional, dedicated and thorough work it has carried out in the year under review. It remains a critical part of the Department from an advisory, consulting and assurance perspective.

Risk Management and Combined Assurance

The department has shown some improvement in its Risk Management. There has been progress in the 20/21 financial year as the unit has been resourced to assist with the effective implementation of risk management. The unit is in the process of sourcing a risk management software that will assist in enhancing risk management in the department. A process of capacity building was initiated in the unit with various trainings being rolled out in the unit.

A departmental risk assessment was performed at head office and all regions to ensure that the departmental COVID-19 response is adequate. During the current year more work is being undertaken to ensure that the departments COVID-19 response is enhanced.

ICT Governance

The Committee continued its focus on the Department's Information and Communication Technology (ICT) environment which included the review of the ICT Governance policy framework and Strategy. The Corporate Governance of ICT Policy Framework has been reworked into a Departmental Corporate Governance of ICT Policy Framework (CGICT) for implementation in the Department and is in its second phase of implementation. The first phase covers, creating an enabling environment which addresses the development of policies, structures, the allocation of accountability and responsibility for the implementation of CGICT. The second phase focusses on the business and ICT strategic alignment.

The Business Continuity Plan (BCP) has been developed in the 20/21 financial year. The department is in the process of validating the approved BCP. The department has an approved Disaster Recovery Plan that has not been tested in the current year but to mitigate the fact that testing has not been done the department has migrated mission critical systems (eVaya/Email Exchange online/Data Storage/Share Point) to the cloud to make sure that the system failure is minimised and the system availability is maximised as a Disaster Recovery Plan by year end. Furthermore, DEDEAT has also implemented cloud-based systems to enable remote access and remote working by staff-members and these include Microsoft Teams and as well as SharePoint for management of documents and files. The department has also implemented enhanced security Multifactor Authentication which strengthens use of access to the system.

The committee continues to ensure that all critical ICT posts have been filled and that all ICT governance committees are in place this will continue to be the focus of the committee in the current year.

In-Year Management and Monthly/Quarterly Report

The department has reporting monthly and quarterly to the Treasury as is required by the PFMA. The Audit Committee is satisfied with the content and quality of the quarterly reports to the Audit Committee Meetings. Based on the oversight carried out in the past financial year, the following are still areas of concern for the Audit Committee:

- Inadequacies noted on the EVAYA System;
- Weaknesses identified on the movement of the file register, and filing of documents;
- Records are not stored in a safe and secured location;
- Inadequate Access Controls;
- Lack of training in policies and procedures;
- Lack of consequences for non-implementation of policies and procedures,
- EDRMS non-functional;
- Lack of permanent offices;
- Debt Management not effective;

Evaluation of the Annual Financial Statements and Annual Performance Report

The Audit Committee has:

- Reviewed the audited Annual Financial Statements prepared by the department to be included in it's Annual Report,
- Reviewed the audited Performance Information prepared by the department to be included in it's Annual Report,
- Reviewed for changes in accounting policies,

- Discussed with the Department, it's compliance with legal and regulatory prescripts.

Auditor General's Report

The Audit Committee discussed the 2020/21 audit report and management report with management and the Auditor-General. The Committee concurs with these reports and findings, and approves their inclusion in the Department's Annual Report.

Appreciation

The Committee would like to take this opportunity of expressing its sincere appreciation to the Member of Executive Council, Head of Department, the Management of the Department, Internal Audit, the Risk Committee, Provincial Treasury's Transversal Internal Audit and Risk Management Service, and the AGSA for their support and co-operation during the year under review.



Mr Younus Amod
Audit Committee Chairperson
31 August 2021

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

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 <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	-
Developing and implementing a preferential procurement policy?	Yes	In line with Preferential Procurement Regulation, 2017
Determining qualification criteria for the sale of state-owned enterprises?	No	-
Developing criteria for entering into partnerships with the private sector?	No	-
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	Through Local Regional Economic Development Programme (LRED) and Isiqalo Youth Fund



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

People are a key element in achieving the strategic objectives of the department. It is through their efforts that the mandate of the department is realised and that value-adding services are provided to citizens. To ensure sustained improvement in the way the department conducts its business, it is important that suitable people, with the appropriate skills, competence and understanding of the provincial and departmental service delivery approach, are employed.

Planning for the consistent availability of the appropriate skills, at the right place and at the right time is often complex, as the department must contend with increasing budgetary constraints and dire skills shortages, especially in the highly technical and specialised occupations.

By means of workforce planning the department has identified the current and future workforce needs and flagged the potential challenges that could impact on the achievement of the department's strategic objectives.

To consistently deliver on our mandate as a department and improve services to the citizens of the Eastern Cape Province is not without its challenges. In addition, the modern HR management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables as we move from "HR Management" to "People Management".

Not only are these variables inter-dependent and inter-related, but they are also governed by stringent rules and regulations found in a plethora of legislation, which prove difficult when recruitment, retention and attraction initiatives are explored.

The challenges include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, employee empowerment, career management, succession planning, employment equity and creating an enabling environment where employees can thrive. Further to this, the Department is required to function within a constrained fiscal environment, which demands that managers consider the impact of "doing more with less".

Despite the changing patterns and demands impacting on the modern workplace, the consistent hard work of our employees, has resulted in some remarkable achievements and service delivery improvements during the year under review.

Legislation that governs human resource management

The information provided in Part D is prescribed by the Public Service Regulations. In addition to the Public Service Regulations, the following prescripts direct HR Management within the Public Service:

Legislation	Purpose
Occupational Health and Safety Act (Act 85 of 1993), as amended	To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.
Public Service Act (Act 103 of 1994), as amended	To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.
Labour Relations Act (Act 66 of 1995), as amended	To regulate and guide the employer in recognising and fulfilling its role in effecting labour peace and the democratisation of the workplace; as well as to provide a framework in which employees and their trade unions, employers and employer organisations can bargain collectively and formulate industrial policy; and to promote orderly collective bargaining (also at sectoral level), employee participation

Legislation	Purpose
	in decision-making in the workplace (i.e., the establishment of workplace forums) and the effective resolution of labour disputes.
Basic Conditions of Employment Act (Act 75 of 1997), as amended	To give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith.
Skills Development Act (Act 97 of 1998), as amended	To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
Employment Equity Act (Act 55 of 1998), as amended	To promote equality, eliminate unfair discrimination in employment and to ensure the implementation of employment equity measures to redress the effects of unfair discrimination; to achieve a diverse and efficient workforce broadly representative of the demographics of the province.
Public Finance Management Act (Act 1 of 1999), as amended	To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.
Skills Development Levy Act (Act 9 of 1999), as amended	To provide for the imposition of a skills development levy; and for matters connected therewith.
Promotion of Access to Information Act (Act 2 of 2000), as amended	To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
Promotion of Administrative Justice Act (Act 3 of 2000) (PAJA), as amended	To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
Protection of Personal Information Act	To give effect to the protection of personal information by public and private bodies.

2. OVERVIEW OF HUMAN RESOURCES

2.1 Vacancy rate

At the end of the 2020/21 financial year, the department had an apparent overall vacancy rate of 25,1%. The vacancy rate is not a true reflection on the actual number of vacant funded posts in the department. The Department is still in the process of implementing the approved 2018 Organisational Structure and has more than 140 employees currently in “excess” to the approved structure, whilst there are still vacant posts on the approved establishment. The number of “excess” employees, when added to the approved establishment, increases the total number of posts, hence the high reported vacancy rate. Some of these “excess” employees are still to undergo the placement process. Once this has been finalised, the reported vacancy rate will be

reduced. The vacancy rate will be further reduced with the implementation of the 2020 Annual Recruitment Plan, which contains fifty four (54) posts to be filled.

There has been an improvement in the turn-around times for the filling of vacancies. There have been positions that were filled within an average of 3 months instead of the 6 months as required by the DPSA and OTP. This is despite the challenges experienced along the way such as budget cuts on compensation of employees, centralisation of some of the functions related to Recruitment and Selection as well labour instability. Ensuring equitable representation of the workforce, particularly at SMS, and employment of persons with disabilities has been, and is still, a challenge that needs to be addressed by developing and implementing intervention strategies in this regard.

2.2 Age profile

The average age of employees within the department is 44 years. Although 34,3% of the department is younger than 40 years of age, a growing number of staff (18,8%) are falling into the 55–65-year age group and approximately 2,74% are nearing retirement. Planning in this regard is important in order to mitigate the risk of losing critical institutional memory and knowledge. The department's HR Plan discusses our plans to deal with this.

2.3 Internship Programmes

The department created learning opportunities for 24 unemployed graduates through the Internship Programme and provided these graduate interns with requisite workplace experience. A further 7 learners gained experiential learning as part of their course work. The 24 interns comprised 4,6% of the total number of employees remunerated over the period.

2.4 Sick Leave

The utilisation of sick leave is monitored closely to ensure that:

- Service delivery continues unabated;
- Wellness initiatives have the desired workforce impact;
- Employees receive the required employer support;
- There is full compliance with legislation and policy determinations governing sick leave usage.

There does not appear to be a general tendency of abuse of sick leave in the Department and there are a relatively low number of employees applying for incapacity leave.

2.5 Employee health and wellness

The department recognise the benefits of investing in the wellness of their employees. Employee wellness is important for the department's success and as such, the department is becoming more aware of the impact of wellness and its benefits on the business, allowing wellness to become recognised as a strategic issue, which requires a strategic and integrated approach to wellness to be adopted.

The wellness benefits that the department offers are appreciated by employees as it positively impacts their health and well-being and creates long-term value for the department. Increasingly, research suggests that employers can reduce costs by investing in the health and well-being of their employees. This includes both the direct costs of providing healthcare and indirect costs, such as absenteeism and reduced productivity.

- The DPSA has investigated the health needs of employees in the public administration which was followed by the development of interventions and initiatives in the Employee Health & Wellness strategy which has been adopted by DEDEAT for implementation. This adopted strategy is underpinned by four functional pillars namely: *HIV and TB Management in the workplace*: Prevention, Treatment, Care and Support, Monitoring and Research.
- *Health and Productivity Management*: Disease Management and Chronic illness, Mental Health/Psychosomatic Illnesses, Injury on Duty and Incapacity due to ill health.

- *SHERQ* (Safety, Health, Environment, Risk and Quality): Occupational Health and Safety, Environmental Management, Risk and Quality Management.
- *Wellness Management*: Promotion of the physical, social, emotional, occupational, spiritual and intellectual wellness of employees.

The EHW Programme is monitored in the department through monthly and quarterly utilisation reports for primary and secondary services. Furthermore, on-going reporting to the DPSA is a requirement and such reporting focuses on the four functional pillars mentioned above.

On announcement of shutdown in March 2020, DPSA issued a Circular and based on that, a business continuity plan in response to COVID-19 was developed and approved. Functional areas which were identified as critical/essential services remained operational during the total shutdown. Furthermore, during Alert level 1, DPSA issued a directive in terms of Circular 27 of 2020, and based on that the following key principles applied by the department in compliance to the Circular and COVID-19 regulations:

- a. Compliance Officer was appointed, and the Departmental Health and Safety committee was reviewed and training was provided to all appointed members.
- b. Guidelines on Management of COVID-19 in the workplace were developed and approved.
- c. 100% of services are operational during Alert Level 1.
- d. Employees reported for duty at their workplace with immediate effect except those employees who are on official leave or who have been identified with uncontrolled risks and vulnerabilities.
- e. All employees were expected to attend to critical tasks as productively as possible, especially process and systems related deliverables which support service delivery.
- f. Where challenges were experienced with accommodating all employees in the workplace due to social distancing requirements, a hybrid dual mode of remote working arrangements with some employees physically attending their workstations and others working remotely.
- g. Offices were deep cleaned as when necessary.
- h. Necessary PPE were procured for the staff and COVID-19 protocols were introduced and implemented.

2.6 HR administration

There has been a vast improvement in compliance management and accountability in the Corporate Management component which has led to quality mandatory reports being submitted to the Office of the Premier on a regular basis or as and when required.

There has also been a noticeable improvement in the management and processing of employee benefits, especially pension pay-outs. Pension pay-outs are now (on average) being received by former employees within 30 days of processing.

The management of leave has been prioritized in order to improve monitoring and control thereof.

The unavailability of the proper infrastructure for the department impacts negatively on Records Management as the currently allocated spaces do not have suitable registry space and this calls for an urgent need to adopt paperless mechanism.

2.7 Labour relations

Ineffective employer-employee engagement is another challenge within the department which leads to unnecessary disputes. This has impacted negatively and has resulted in delays in the full implementation of the approved organisational structure, amongst other things. The bilateral meetings between individual unions and the management have continued in order to ensure that issues of mutual interest are discussed and resolved. There is a dire need for the resuscitation of the platform of engagement to ensure labour stability in the department.

2.8 Performance management

In terms of the Performance Management and Development System, the department has recorded significant performance on employee agreements and reviews, of which 98% at SMS Band and 64% on employees below SMS. In numerical terms 346 employees contracted against the staff establishment of 506. The under-performance on the employees below SMS was due to the employees not having access to the offices and or computer due to COVID-19 related lockdown alert levels. In terms of the DPSA circular on the submission of 1st Mid-year reviews, the department was not compelled to submit such. Nevertheless, the department issued a circular to encourage employees to conduct the reviews and consequently 51% performance was recorded. In numerical terms two hundred and sixty three (263) employees conducted the reviews against the staff establishment of 506.

In terms of the PMDS 2nd mid-year reviews and annual assessments which was due for submission in April 2021. More than 85% employees have conducted their 2nd Mid-Year Reviews and annual assessments. Payments of bonuses and pay progression for 2019/20 financial year was effectively paid in the beginning of 2020/21 financial year.

2.9 Organisational development

As already indicated earlier, it has been a dismaying challenge to fully implement the organisational structure due to COVID-19 Outbreak and dragging of feet by Organised Labour in some instances as they wanted physical consultation sessions. The organisational structure was approved in 2018, and the full implementation was delayed by disputes by organised labour and COVID-19 outbreak. All positions in the structure were job evaluated but are now due for evaluation and steps to evaluate them have been undertaken. However, due to cancellation of the agreement between DPSA and the service provider that was contracted to render job evaluation mandatory posts could not be evaluated as required by regulations.

The Efficiency Services unit under OD are in the process of reviewing all the departmental job descriptions to ensure their alignment to the department's mandate and functions as per the approved organogram. It is also worth mentioning that the directorate has taken it upon themselves to ensure the development of the business process mapping and modelling of automated processes of the Office of the Consumer Protector, as part of procedures of implementing the Operations Management Framework.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel Related Expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. It provides an indication of the following:

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

Table 3.1.1 Personnel expenditure by programme for the period 1 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	115 598	113 582	0	0	98,4	450,7
Economic development	57 097	55 209	0	0	96,7	600,1
Environmental affairs	88 483	85 112	0	0	96,2	563,7
TOTAL	261 178	226 903	0	0	97,1	538,2

Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Personnel Expenditure (R'000)	% of Total Personnel	No. of Employees	Average Personnel Cost per Employee (R'000)
Skilled (Levels 3-5)	27 895	11	99	281 768
Highly skilled production (Levels 6-8)	85 141	33,40	199	427 844
Highly skilled supervision (Levels 9-12)	98 069	38,50	141	695 525
Senior management (Levels >= 13)	37 557	14,70	31	1 211 516
Contract (Levels 3-5)	53	0	0	0
Contract (Levels 6-8)	1 761	0,70	24	73 375
Contract (Levels 9-12)	275	0,10	0	0
Contract (Levels >= 13)	1 687	0,70	1	1 687 000
TOTAL	252 439	99,10	495	509 978

Note: The total of **495** employees reflected in the above table includes 24 interns.

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Homeowners 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
Administration	89 693	80	239	0,20	4 006	3,60	6 343	5,70
Economic development	42 192	82,20	0	0	1 443	2,80	2 364	4,60
Environmental affairs	73 551	80,60	11	0	2 919	3,20	4 580	5
TOTAL	205 436	80,70	249	0,10	8 367	3,30	13 287	5,20

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2020 and 31 March 2021

Salary Bands	Salaries		Overtime		Homeowners 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 (Levels 3-5)	20 406	73,10	53	0,20	1 753	6,30	3 043	10,90
Highly skilled production (Levels 6-8)	66 881	78,50	100	0,10	3 381	4	6 209	7,30
Highly skilled supervision (Levels 9-12)	81 498	81,90	85	0,10	2 351	2,40	3 763	3,80
Senior management (Levels >= 13)	33 038	86,50	0	0	882	2,30	271	0,70
Contract (Levels 3-5)	50	94,30	2	3,80	0	0	0	0
Contract (Levels 6-8)	1 752	99,40	9	0,50	0	0	0	0
Contract (Levels 9-12)	244	88,70	0	0	0	0	0	0
Contract (Levels >= 13)	1 567	91,30	0	0	0	0	0	0
TOTAL	205 436	80,70	250	0,10	8 367	3,30	13 287	5,20

3.2 Employment and Vacancies

The tables in this section summarise the position about employment and vacancies, showing the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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
Administration	344	252	26,74	24
Economic development	133	92	30,83	0
Environmental affairs	226	151	33,20	0
TOTAL	703	495	29,60	24

As a result of the approved 2018 organisational structure that has not yet been fully implemented the indicated vacancy rate is higher than the actual vacancies on the approved structure. The department currently has over 140 employees who are “in excess” of the approved structure but are included in the approved establishment of 703 reflected above, hence the high vacancy rate.

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
Skilled (Levels 3-5), Permanent	127	99	22	0
Highly Skilled Production (Levels 6-8), Permanent	312	199	36,20	0
Highly Skilled Supervision (Levels 9-12), Permanent	201	141	29,90	0
Senior Management (Levels >= 13), Permanent	38	31	18,40	0
Contract (Levels 6-8), Permanent	24	24	0	24
Contract (Levels >= 13), Permanent	1	1	0	0
TOTAL	703	495	29,60	24

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative Related, Permanent	18	11	38,90	0
Agricul Animal Oceanography Forestry & Other Scien, Permanent	129	108	16,30	0
Agriculture Related, Permanent	3	3	0	0
Anti-Corruption, Permanent	2	2	0	0
Bus And Heavy Vehicle Drivers, Permanent	11	9	18,20	0
Cleaners In Offices Workshops Hospitals Etc., Permanent	17	15	11,80	0
Client Inform Clerks (Switchb Receipt Inform Clerks), Permanent	4	3	25	0
Communication And Information Related, Permanent	1	1	0	0

Critical Occupations	Number of Posts	Number of Posts	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Conservation Labourers, Permanent	1	1	0	0
Crime Investigators/Misdaad Ondersoekers, Permanent	2	0	100	0
Economists, Permanent	7	3	57,10	0
Engineering Sciences Related, Permanent	1	1	0	0
Finance And Economics Related, Permanent	14	8	42,90	0
Financial And Related Professionals, Permanent	38	25	34,20	0
Financial Clerks And Credit Controllers, Permanent	17	12	29,40	0
General Legal Administration & Rel. Professionals, Permanent	2	0	100	0
Head Of Department/Chief Executive Officer, Permanent	1	1	0	0
Human Resources & Organisat Developm & Relate Prof, Permanent	13	11	15,40	0
Human Resources Clerks, Permanent	35	29	17,10	0
Human Resources Related, Permanent	21	7	66,70	0
Information Technology Related, Permanent	4	3	25	0
Language Practitioners Interpreters & Other Commun, Permanent	3	2	33,30	0
Library Mail And Related Clerks, Permanent	2	2	0	0
Logistical Support Personnel, Permanent	18	17	5,60	0
Material-Recording And Transport Clerks, Permanent	1	1	0	0
Motor Vehicle Drivers, Permanent	1	0	100	0
Natural Sciences Related, Permanent	2	1	50	0
Nature Conservation And Oceanographical Rel.Techni, Permanent	48	10	79,20	0
Other Admin & Related Clerks And Organisers, Permanent	55	33	40	0
Other Administrative Policy And Related Officers, Permanent	12	11	8,30	0
Other Information Technology Personnel., Permanent	5	5	0	0
Other Occupations, Permanent	39	25	35,90	24
Regulatory Inspectors, Permanent	4	4	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	32	28	12,50	0
Security Officers, Permanent	24	24	0	0
Senior Managers, Permanent	34	27	20,60	0
Trade/Industry Advisers & Other Related Profession, Permanent	82	52	36,60	0
TOTAL	703	495	29,60	24

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	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	4	3	75	1	25
Salary Level 13	38	31	81.57	7	18.42
TOTAL	43	35	81.39	8	18.60

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	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	4	2	50	2	50
Salary Level 13	38	30	78.95	8	21.05
Total	43	33	76.74	10	23.25

Table 3.3.3 Advertising and filling of SMS posts for the period 1 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
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	1
Salary Level 13	3	3	0
Total	4	3	1

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 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
Vacancies were advertised within 6 months of becoming vacant

Reasons for vacancies not filled within twelve months
Dispute by Organised Labour which had to be resolved first before continuing with recruitment.

(See Public Service Regulations Chapter 1, Part VII C.1A.3).

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
n/a

Reasons for vacancies not filled within six months
COVID-19 pandemic delayed the recruitment process and dispute by Organised Labour which had to be resolved first before continuing with recruitment.

(See Public Service Regulations Chapter 1, Part VII C.1A.2 and Section 16A (1) or (2) of the Public Service Act).

3.4 Job Evaluation

The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job evaluation by salary band for the period 1 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
Skilled (Levels 3-5)	127						
Highly Skilled Production (Levels 6-8)	312						
Highly Skilled Supervision (Levels 9-12)	201	N/A	N/A	N/A	N/A	N/A	N/A
Senior Management Service Band A	33	N/A	N/A	N/A	N/A	N/A	N/A
Senior Management Service Band B	5	N/A	N/A	N/A	N/A	N/A	N/A
Contract (Levels 6-8)	24						
Contract Band C	1	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	703						

The approved organisational structure has 565 posts and of those only mandatory posts (salary levels 9 to 15) had to undergo Job Evaluation (JE) and there has been no evaluation done in 2020/21 financial year as the department is still implementing the approved structure and the approved JE system was cancelled by DPISA. The above table reflects only the mandatory posts inclusive of vacancies and warm bodies within the establishment.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	N/A	N/A	N/A	N/A	
Male	N/A	N/A	N/A	N/A	
TOTAL	N/A	N/A	N/A	N/A	
Employees with a disability	N/A	N/A	N/A	N/A	

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 and 31 March 2021

Occupation	Number of Employees	Job Evaluation Level	Remuneration level	Reason for deviation
Administrative related	N/A	N/A	N/A	
Agricultural, animal, oceanography, forestry & other sciences	N/A	N/A	N/A	
Agriculture related	N/A	N/A	N/A	
Bus and heavy vehicle drivers	N/A	N/A	N/A	

Occupation	Number of Employees	Job Evaluation Level	Remuneration level	Reason for deviation
Cleaners in offices workshops hospitals etc.	N/A	N/A	N/A	
Client inform clerks (switchboard, reception, information clerks)	N/A	N/A	N/A	
Communication and information related	N/A	N/A	N/A	
Conservation labourers	N/A	N/A	N/A	
Economists	N/A	N/A	N/A	
Engineering sciences related	N/A	N/A	N/A	
Finance and economics related	N/A	N/A	N/A	
Financial and related professionals	N/A	N/A	N/A	
Financial clerks and credit controllers	N/A	N/A	N/A	
Head of department/chief executive officer	N/A	N/A	N/A	
Human resources & organisational development & related professions	N/A	N/A	N/A	
Human resources clerks	N/A	N/A	N/A	
Human resources related	N/A	N/A	N/A	
Information technology related	N/A	N/A	N/A	
Language practitioners, interpreters & other communication	N/A	N/A	N/A	
Library mail and related clerks	N/A	N/A	N/A	
Light vehicle drivers	N/A	N/A	N/A	
Logistical support personnel	N/A	N/A	N/A	
Material-recording and transport clerks	N/A	N/A	N/A	
Nature conservation and oceanographical related technicians	N/A	N/A	N/A	
Other administration & related clerks and organisers	N/A	N/A	N/A	
Other administrative policy and related officers	N/A	N/A	N/A	
Other information technology personnel.	N/A	N/A	N/A	
Other occupations	N/A	N/A	N/A	
Regulatory inspectors	N/A	N/A	N/A	
Secretaries & other keyboard operating clerks	N/A	N/A	N/A	
Security officers	N/A	N/A	N/A	
Senior managers	N/A	N/A	N/A	
Trade/industry advisers & other related profession	N/A	N/A	N/A	
TOTAL	N/A	N/A	N/A	

The "N/A" values are as a result of the department not undertaking any job evaluations during the year under review.

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	N/A	N/A	N/A	N/A	
Male	N/A	N/A	N/A	N/A	
Total	N/A	N/A	N/A	N/A	
Employees with a disability	N/A	N/A	N/A	N/A	

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Number of Employees at Beginning of Period-April 2020	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Skilled (Levels 3-5) Permanent	103	0	4	3,90
Highly Skilled Production (Levels 6-8) Permanent	208	2	11	5,30
Highly Skilled Supervision (Levels 9-12) Permanent	144	1	4	2,80
Senior Management (Levels 13-16) Permanent	32	1	2	6,90
Contract (Levels 3-5) Permanent	7	0	7	100
Contract (Levels 6-8) Permanent	24	0	0	0
Contract (Levels 9-12) Permanent	1	0	1	100
Contract (Levels 13-16) Permanent	1	0	0	0
TOTAL	520	4	29	5,60

Contract (Levels 3-5): Learners who are paid via Persal, but the funding is provided by the SETA

Contract (Levels 6-8): Interns

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021

Critical Occupation	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
Administrative Related Permanent	11	0	0	0
Agricul Animal Oceanography Forestry & Other Scien Permanent	118	0	9	7,60
Agriculture Related Permanent	3	0	0	0
Anti-Corruption Permanent	0	1	0	0
Bus And Heavy Vehicle Drivers Permanent	9	0	0	0
Cleaners In Offices Workshops Hospitals Etc. Permanent	16	0	1	6,30
Client Inform Clerks (Switchboard Receptionist Inform Clerks) Permanent	3	0	0	0

Critical Occupation	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
Communication and Information Related Permanent	1	0	0	0
Conservation Labourers Permanent	1	0	0	0
Economists Permanent	3	0	0	0
Engineering Sciences Related Permanent	1	0	0	0
Finance And Economics Related Permanent	8	0	0	0
Financial And Related Professionals Permanent	26	1	2	7,70
Financial Clerks And Credit Controllers Permanent	14	0	2	14,30
Head Of Department/Chief Executive Officer Permanent	1	0	0	0
Human Resources & OD & Relate Prof Permanent	12	0	1	8,30
Human Resources Clerks Permanent	29	0	0	0
Human Resources Related Permanent	7	0	0	0
Information Technology Related Permanent	3	0	0	0
Language Practitioners Interpreters & Other Common Permanent	2	0	0	0
Library Mail And Related Clerks Permanent	2	0	0	0
Light Vehicle Drivers Permanent	1	0	1	100
Logistical Support Personnel Permanent	17	0	0	0
Material-Recording And Transport Clerks Permanent	1	0	0	0
Natural Sciences Related Permanent	1	0	0	0
Nature Conservation And Oceanographical Rel.Techni Permanent	10	0	0	0
Other Administrat & Related Clerks And Organisers Permanent	33	0	0	0
Other Administrative Policy And Related Officers Permanent	12	0	1	8,30
Other Information Technology Personnel. Permanent	4	1	0	0
Other Occupations Permanent	33	0	8	24,20
Regulatory Inspectors Permanent	4	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	28	0	0	0
Security Officers Permanent	24	0	0	0
Senior Managers Permanent	28	1	2	7,10
Trade/Industry Advisers & Other Related Profession Permanent	54	0	2	3,70
TOTAL	520	4	29	5,60

The table below identifies the major reasons why staff have left the Department.

Table 3.5.3 Reasons why staff have left the Department for the period 1 April 2020 and 31 March 2021

Termination Type	Number	% of Total Resignations
Death, Permanent	9	31
Resignation, Permanent	4	13,80
Expiry of contract, Permanent	8	27,60
Dismissal-misconduct, Permanent	3	10,30
Retirement, Permanent	5	17,20
TOTAL	29	100
Total number of employees who left as a % of total		

Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 and 31 March 2021

Occupation	Employees as at beginning of period (1 April 2020)	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Notch progressions as a % of employees by occupation
Administrative Related	11	0	0	0
Agricul Animal Oceanography Forestry & Other Science	118	0	0	0
Agriculture Related	3	0	0	0
Anti-Corruption	0	0	0	0
Bus and Heavy Vehicle Drivers	9	0	0	0
Cleaners In Offices Workshops Hospitals Etc.	16	0	0	0
Client Inform Clerks (Switch Receipt Inform Clerks)	3	0	0	0
Communication and Information Related	1	0	0	0
Conservation Labourers	1	0	0	0
Economists	3	0	0	0
Engineering Sciences Related	1	0	0	0
Finance and Economics Related	8	0	0	0
Financial and Related Professionals	26	1	3,80	0
Financial Clerks and Credit Controllers	14	0	0	0
Head Of Department/Chief Executive Officer	1	0	0	0
Human Resources & Organisat Developm & Relate Prof	12	0	0	0
Human Resources Clerks	29	0	0	0
Human Resources Related	7	0	0	0
Information Technology Related	3	0	0	0
Language Practitioners Interpreters & Other Commun	2	0	0	0
Library Mail and Related Clerks	2	0	0	0
Light Vehicle Drivers	1	0	0	0
Logistical Support Personnel	17	0	0	0
Material-Recording and Transport Clerks	1	0	0	0

Occupation	Employees as at beginning of period (1 April 2020)	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Notch progressions as a % of employees by occupation
Natural Sciences Related	1	0	0	0
Nature Conservation and Oceanographical Rel. Techni	10	0	0	0
Other Administrat & Related Clerks and Organisers	33	0	0	0
Other Administrative Policy and Related Officers	12	0	0	0
Other Information Technology Personnel.	4	0	0	0
Other Occupations	33	0	0	0
Regulatory Inspectors	4	0	0	0
Secretaries & Other Keyboard Operating Clerks	28	0	0	0
Security Officers	24	0	0	0
Senior Managers	28	0	0	0
Trade/Industry Advisers & Other Related Profession	54	0	0	0
TOTAL	520	1	0,20	0,20

Table 3.5.5 Promotions by salary band for the period 1 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	103	0	0	0	0
Highly Skilled Production (Levels 6-8), Permanent	208	0	0	0	0
Highly Skilled Supervision (Levels 9-12), Permanent	144	1	0,70	1	0,70
Senior Management (Levels >= 13), Permanent	32	0	0	0	0
Contract (Levels 3-5), Permanent	7	0	0	0	0
Contract (Levels 6-8), Permanent	24	0	0	0	0
Contract (Levels 9-12), Permanent	1	0	0	0	0
Contract (Levels 13-16), Permanent	1	0	0	0	0
TOTAL	520	1	0,20	1	0,20

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2021

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	12	0	0	4	10	0	0	2	28
Professionals	95	3	3	13	109	2	0	4	229
Technicians and Associates professionals	17	0	0	2	28	1	0	2	50
Clerks	24	1	0	0	77	2	0	4	108
Service Shop and Market Sales Workers	17	1	0	0	11	1	0	0	30
Plant and Machine Operators and Assemblers	8	0	0	0	0	0	0	1	9
Labourers and related Workers	18	0	0	0	23	0	0	0	41
TOTAL	161	5	3	19	258	6	0	13	495

Table 3.6.2 - Total number of employees (incl. employees with disabilities) per occupational bands as on 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	1	0	0	0	1
Senior Management, Permanent	14	1	0	4	10	0	0	2	31
Professionally qualified and experienced specialists and mid-management, Permanent	36	1	2	8	30	0	0	1	78
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	90	2	1	7	148	4	0	10	262
Semi-skilled and discretionary decision making, Permanent	41	1	0	0	56	2	0	0	99
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0
Contract (Professionally Qualified), Permanent	0	0	0	0	0	0	0	0	0
Interns and learners	11	0	0	0	13	0	0	0	24
TOTAL	191	5	3	19	258	6	0	13	495
Employees with disabilities	0	0	0	0	3	0	0	0	0

Table 3.6.3 Recruitment for the period 1 April 2020 and 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	1	0	0	0	2
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0
Contract (Skilled technical), Permanent	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	0	0
TOTAL	1	0	0	0	3	0	0	0	4
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 – Progression and Promotions for the period 1 April 2020 and 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management, Permanent	-	-	-	-	2	-	-	-	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making, Permanent	-	-	-	-	-	-	-	-	-
Contract (Top Management), Permanent	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	2	-	-	-	2
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.5 - Terminations for the period 1 April 2020 and 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1	-	-	1	-	-	-	-	2
Professionally qualified and experienced specialists and mid-management, Permanent	3	-	-	-	1	-	-	-	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	-	-	1	6	-	-	-	11
Semi-skilled and discretionary decision making, Permanent	1	-	-	-	3	-	-	-	4
Contract (Professionally qualified), Permanent	1	-	-	-	-	-	-	-	1
Contract (semi-skilled), permanent	3	-	-	-	4	-	-	-	7
TOTAL	13	-	-	2	14	-	-	-	29
Employees with disabilities	1	-	-	-	-	-	-	-	1

Table 3.6.6 Disciplinary action for the period 1 April 2020 and 31 March 2021

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
TOTAL	11	0	0	0	6	0	0	0	17

Table 3.6.7 Skills development for the period 1 April 2020 and 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	14	0	0	2	8	0	0	1	25
Professional	28	1	1	4	32	0	0	0	66
Technicians and associate professional	2	0	0	0	0	0	0	0	2
Clerks	37	1	0	0	97	0	0	0	135
TOTAL	81	2	1	6	137	0	0	1	228
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS members

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability, and salary bands and critical occupations.

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	100%
Salary Level 16		0	0	0
Salary Level 15		0	0	0
Salary Level 14		3	3	100%
Salary Level 13		29	28	96%
TOTAL		33	32	98%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2020

Reasons
All SMS Members have signed off their Performance Agreement as on 31 May 2020

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2020

Reasons
None

3.8 Performance Rewards

3.8.1 Performance rewards by race, gender and disability for the period 1 April 2020 and 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R)
African, Female	0	258	0	0	0
African, Male	2	188	1,1	40.7	20 361,00
Asian, Female	0	0	0	0	0
Asian, Male	0	3	0	0	0
Coloured, Female	0	6	0	0	0
Coloured, Male	0	5	0	0	0
White, Female	0	13	7.7	19.59	19 593,00
White, Male	2	19	0	0	0
Employees with a disability	1	3,00	0	0	0
TOTAL	0	495	0,6	60.3	20 105,00

Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 and 31 March 2021

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee (R)	
Skilled (Levels 3-5)	0,00	99,00	0,00	0,00	0,00	0
Highly Skilled Production (Levels 6-8)	1,00	199,00	0,50	12,84	12 841,00	12
Highly Skilled Supervision (Levels 9-12)	2,00	141,00	1,40	47,47	23 737,00	70
Contract (Levels 3-5)						
Contract (Levels 6-8)						
Contract (Levels 9-12)						
TOTAL	3,00	463,00	0,60	60,31	20 105,00	

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2020 and 31 March 2021

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of Total within occupation	Total cost (R)	Average cost per employee
Financial clerks and credit controllers	0	12	0,00	0,00	0,00
Human resources clerks	0	29	0,00	0,00	0,00
Security officers	0	24	0,00	0,00	0,00
Human resources & organisational development & related professionals	0	11	0,00	0,00	0,00
Logistical support personnel	0	8	0,00	0,00	0,00
Finance and economics related	0	17	0,00	0,00	0,00
Natural sciences related	0	1	0,00	0,00	0,00
Other administration & related clerks and organisers	0	33	0,00	0,00	0,00
Other occupations	0	25	0,00	0,00	0,00
Nature conservation and oceanographical related. technical	0	10	0,00	0,00	0,00
Agriculture, animal, oceanography forestry & other sciences	2	108	1,90	32,43	16 217,00
Financial and related professionals	0	25	0,00	0,00	0,00
Administrative related	0	2	0,00	0,00	0,00
Communication and information related	0	11	0,00	0,00	0,00
Secretaries & other keyboard operating clerks	0	1	0,00	0,00	0,00
Cleaners in offices workshops hospitals etc.	0	28	0,00	0,00	0,00
Library mail and related clerks	0	2	0,00	0,00	0,00
Human resources related	0	15	0,00	0,00	0,00
Trade/industry advisers & other related profession	0	7	0,00	0,00	0,00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of Total within occupation	Total cost (R)	Average cost per employee
Head of department/chief executive officer	0	52	0,00	0,00	0,00
Language practitioners, interpreters & other communication officers	0	1	0,00	0,00	0,00
Regulatory inspectors	1	2	50,00	27,88	27 880,00
Material-recording and transport clerks	0	4	0,00	0,00	0,00
Other administrative policy and related officers	0	1	0,00	0,00	0,00
Bus and heavy vehicle drivers	0	11	0,00	0,00	0,00
Senior managers	0	9	0,00	0,00	0,00
Client inform clerks (switchboard, reception, information clerks)	0	27	0,00	0,00	0,00
Economists	0	3	0,00	0,00	0,00
Other information technology personnel.	0	3	0,00	0,00	0,00
Light vehicle drivers	0	5	0,00	0,00	0,00
Engineering sciences related	0	1	0,00	0,00	0,00
Conservation labourers	0	1	0,00	0,00	0,00
Information technology related	0	3	0,00	0,00	0,00
Agriculture related	0	3	0,00	0,00	0,00
TOTAL	3	495	0,60	60,31	20 105,00

Notes: The CORE classification, as prescribed by the DPSA, was used for completion of this table.

Table 3.8.4 Performance related rewards (cash bonus), by salary band for senior management for the period 1 April 2020 and 31 March 2021

Salary Band	Beneficiary Profile			Cost			Personnel Cost SMS (R'000)
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R)	Average cost per employee (R)	Total cost as a % of the total personnel expenditure	
Band A	0	28	0,00	0,00	0,00	0,00	33 907,35
Band B	0	3	0,00	0,00	0,00	0,00	4 291,97
Band C	0	1	0,00	0,00	0,00	0,00	1 716,91
TOTAL	0	32	0,00	0,00	0,00	0,00	39 916,23

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-	0	0	0	0	0	0
Contract (Level 9-12)	0	0	0	0	0	0
Contract (Level 13-16)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0

3.10 Leave Utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2020 and 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)
Contract (Levels 3-5)	1	0	1	0,40	1	0
Contract (Levels 6-8)	18	50	8	3	2	7
Contract (Levels 9-12)	2	100	1	0,40	2	6
Highly skilled production (Levels 6-8)	502	71,90	114	42,50	4	797
Highly skilled supervision (Levels 9-12)	380	74,20	77	28,70	5	995
Senior management (Levels 13-16)	111	91	14	5,20	8	479
Skilled (Levels 3-5)	230	67	53	19,80	4	218
TOTAL	1 244	73,10	268	100	5	2 501

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2020 and 31 December 2021

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)
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Skilled (Levels 3-5)	79	100	2	100	40	75
TOTAL	79	100	2	100	40	75

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

Table 3.10.3 Annual leave for the period 1 January 2020 and 31 December 2021

Salary band	Total days taken	Number of employees using	Average days per employee
Contract (Levels 3-5)	11	3	4
Contract (Levels 6-8)	261	24	11
Highly skilled production (Levels 6-8)	3 776	208	18
Highly skilled supervision (Levels 9-12)	2 934	146	20
Senior management (Levels 13-16)	742	32	23
Skilled (Levels 3-5)	1 825,25	104	18
TOTAL	9 549,25	517	18

Table 3.10.4 Capped leave for the period 1 January 2020 and 31 December 2021

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 Dec 2020
Highly skilled production (Levels 6-8)	0	0	0	93
Highly skilled supervision (Levels 9-12)	0	0	0	88
Senior management (Levels 13-16)	0	0	0	105
Skilled (Levels 3-5)	0	0	0	75
TOTAL	0	0	0	86

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave pay-outs for the period 1 April 2020 and 31 March 2021

Reason	Total Estimated Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Annual - discounting with resignation (workdays)	45	3	15 000
Annual - discounting: unused vac credits (suspension)	31	1	31 000
Annual - gratuity: death/retirement/medical retirement (workdays)	612	13	47 077
Capped - gratuity: death/retirement/medical retirement (workdays)	933	11	84 818
TOTAL	1 621	28	

3.11 HIV/AIDS & 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 & related diseases (if any)	Key steps taken to reduce the risk
Learners and Interns	The Department conducted quarterly Health Screening sessions which included HIV Counselling and Testing.

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

Question	Yes	No	Details, if Yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Mbalentle Mlokothi
2. Does the Department have a dedicated unit, or has it designated specific staff members, to promote the health and well-being of employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		1 Employee Budget: R 167 653.58
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	Yes		Circulate Health promotions messaged on Intranet Conduct awareness sessions according to the National health calendar Provide counselling services to employees and their immediate family members.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Bubele Peter- SHE REP – Head Office Thulani Rorwana- SHE REP – Head Office Nceba Nyatela – SHE REP – Head Office Sibongile Mgudlwa – SHE REP – Head Office Zweloxolo Gule- SHE REP – Head Office Simamkele Madayile – SHE REP – Head Office Nomawethu Zingani – EHW Practitioner Mbalentle Mlokothi – Senior Manager - HR Lyndon Mardon – Senior Manager - Environment Mandla Twani – Assistant Manager – Amathole Region Tamara Gqamane – SHE REP – Amathole

Question	Yes	No	Details, if Yes
			Region Hlomela Hanise – SHE REP – Amathole Region Nyhweba Dyani – Assistant Manager – Chris Hani Viwe Banzi – SHE REP – Chris Hani Belinda Mntamo – SHE REP – Chris Hani Thandile Tokwe – Assistant Manager – Joe Gqabi Gqabi Sinonzulu Mtongana – SHE REP – Joe Gqabi Tsokolo Tsere – SHE REP – Joe Gqabi Dante Rademeyer – Assistant Manager – Sarah Baartman Nathaniel Snayers – SHE REP – Sarah Baartman Nontuthuzelo Magugu – Assistant Manager – Alfred Nzo Busisiwe Vena – SHE REP – Alfred Nzo Siyasanga Tukutezi – SHE REP – Alfred Nzo Sandile Gwayi – Assistant Manager – OR Tambo Singatwa Qongqo – SHE REP- OR Tambo Nobalulekile Mampofu – SHE REP -OR Tambo
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed	Yes		HIV&AIDS, STI and TB Management Policy Health and Productivity Management Policy SHERQ Management Policy Wellness Management
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Developed HIV& AIDS, STI and TB Management Policy.
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that have you achieved.	Yes		During 2020/12 financial year only 12 employees tested due to the outbreak of COVID-19 only 2 sessions conducted at Head office.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Quarterly Reports Reports to Internal Audit

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2020 and 31 March 2021

Subject Matter	Date
None	

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 and 31 March 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	6	42,9
Final written warning	0	0
Suspended without pay	2	14,3
Fine	0	0
Demotion	0	0
Dismissal	3	21,4
Not guilty	0	0
Case withdrawn	3	21,4
TOTAL	14	100

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 and 31 March 2021

Type of misconduct	Number	% of total
Misuse of GG Vehicle	5	29
Unlawful removal of property and tampering with security measures	0	0
Gross insubordination and putting the department in disrepute	3	18
Failure to declare financial interests	4	23
Unauthorised absence	3	18
Insubordination – threatening the supervisor	0	0
Gross insubordination and non-compliance with prescripts: contravention of the	0	0
Unbecoming conduct	1	6
Loss of State Property	0	0
Non-disclosure and failure to acquire permission to Trade with the State	1	6
TOTAL	17	100

Table 3.12.4 Grievances logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of total
Number of grievances resolved	7	58
Number of grievances not resolved	5	42
TOTAL	12	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2020 and 31 March 2021

Disputes	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	1	14
Number of disputes pending	6	86
TOTAL NUMBER OF DISPUTES LODGED	7	100

Table 3.12.6 Strike actions for the period 1 April 2020 and 31 March 2021

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2020 and 31 March 2021

Precautionary suspensions	Number
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension (R'000)	NIL

3.13 Skills Development

This section highlights the efforts of the Department regarding skills development.

Table 3.13.1 Training needs identified for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training Needs Identified at Start of the Reporting Period				Total
			Learnerships	Skills programmes & other short courses	Training	Other forms of training	
Legislators, senior officials and managers	Female	12	0	6	0	3	21
	Male	21	0	6	0	4	31
Professionals	Female	58	0	8	0	5	71
	Male	87	0	13	0	9	109
Technicians and associate professionals	Female	4	0	2	0	1	7
	Male	5	0	2	0	1	8
Clerks	Female	182	0	35	0	10	227
	Male	89	0	15	0	7	111
Plant and machine operators and assemblers	Female	9	0	1	0	0	10
	Male	0	0	0	0	0	0
Elementary occupations	Female	20	0	2	0	0	22
	Male	19	0	2	0	0	21
Sub Total	Female	275	0	53	0	19	347
	Male	231	0	39	0	21	290
TOTAL		506		92		40	637

*this total excludes bursaries awarded to officials

Table 3.13.2 Training provided for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training Needs Identified at Start of the Reporting Period				
			Learnerships	Skills programmes & other short courses	Training	Other forms of training	total
Legislators, senior officials and managers	Female	7	0	4	0	0	11
	Male	9	0	5	0	0	14
Professionals	Female	18	0	6	0	0	24
	Male	27	0	4	0	0	31
Technicians and associate professionals	Female	1	0	0	0	0	1
	Male	3	0	2	0	0	5
Clerks	Female	35	0	7	0	0	42
	Male	25	0	5	0	0	30
Service and sales workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Skilled agriculture and fishery worker	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Sub Total	Female	61	0	17	0	0	78
	Male	64	0	16	0	0	80
TOTAL		125		40	0	0	158

1.0 Injury on Duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2020 and 31 March 2021

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

3.14 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 and 31 March 2021

Project title	Total number of consultants that worked on the project	Duration	Contract value in Rand
Appointment of a service provider for development of Quinera Estuary Management Plan Development	1	12 months	491 312.2
Appointment of a service provider to provide support services to business in distress: COVID-19 impact	1	12 months	921 265
Appointment of a service provider for clearing of illegal dumping and waste management site	1	12 months	592 622.5
Appointment of a service provider for development of master plan for EC state owned industrial park-vulindlela.	1	12 months	690 000
Appointment of service provider to develop sector content and market DEDEAT sectors, media relations including traditional, social media and digital communications and to undertake production services including graphic design and audio-visual content	1	36 months	1 745 010
Appointment of a service provider for Agro-Industrial Manufacturing Cluster Management.	1	12 months	739 436

Total number of projects	Total individual consultants	Total duration	Total contract value in Rand
6	6	12 Months	5,179,645.70

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Name of consultant	BBBEE status (Level)
Appointment of a service provider for development of Quinera Estuary Management Plan Development	CES Environmental and Social Advisory Services	1
Appointment of a service provider to provide support services to business in distress: COVID-19 impact	Globant South Africa	1
Appointment of a service provider for clearing of illegal dumping and waste management site	Abantu Environmental Consultants	1
Appointment of a service provider for development of master plan for EC state owned industrial park-vulindlela.	Sivest SA (Pty) Ltd	2
Appointment of service provider to develop sector content and market DEDEAT sectors, media relations including traditional, social media and digital communications and to undertake production services including graphic design and audio-visual content	Mediaeq	1
Appointment of a service provider for Agro- Industrial Manufacturing Cluster Management.	Redflank solutions	1

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2020 and 31 March 2021

Project title	Total number of consultants that worked on project	Duration workdays	Donor and contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
None			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 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
None			

3.15 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2020 and 31 March 2021

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



PART E

FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to the Eastern Cape Provincial Legislature on vote no. 9: Eastern Cape Department of Economic Development, Environmental Affairs and Tourism

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism, set out on pages 142 to 216, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism 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) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material underspending

7. As disclosed in the appropriation statement, the department materially underspent on the current year budget for programme 1: administration and programme 2: economic development and tourism by R21,7 million and R22,1 million respectively.

Irregular expenditure

8. As per note 24.3 to the financial statements, the department disclosed R106,4 million (2019-20: R251,1 million) as irregular expenditure under assessment for transfer payments made in respect of the Provincial Economic Stimulus Fund and Local and Regional Economic Development (LRED).

Other matter

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

Unaudited supplementary schedules

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

Responsibilities of the accounting officer for the financial statements

- 11. 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.
- 12. 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

- 13. 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.
- 14. 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

- 15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
- 16. 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.
- 17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 3 – environmental affairs	66 - 69

18. 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.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – environmental affairs.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 35 to 80 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

22. 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 – environmental affairs. As management subsequently corrected the misstatement, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

23. 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.
24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements and annual report

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) of the PFMA. Material misstatements of revenue, related party transactions and irregular expenditure identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Revenue management

26. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Transfer of funds

27. Appropriate measures were not maintained to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by treasury regulation 8.4.1.

Other information

28. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

29. 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.
30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
33. Action plans to address root causes from prior year findings were not implemented in an adequate and timely manner and this has resulted in the adjustment of material misstatements in the financial statements and annual performance report.
34. Management's review and monitoring processes over compliance with legislation, particularly relating to receivables and transfer of funds was not effective. Oversight and accountability therefore needs to be strengthened in all areas of compliance of the department.

Auditor-General

East London
31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

(Vote number 9)
Annual Financial Statements for the year ended March 31, 2021

Appropriation Statement

Appropriation per programme



SIBONGILE JONGILE
Chief Financial Officer

	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme									
Programme 1: Administration	1	216,396	-	272	216,668	195,018	90.01 %	244,053	238,072
Programme 2: Economic Development and Tourism	2	825,988	-	-	825,988	803,842	97.32 %	818,356	778,780
Programme 3: Environmental Affairs	3	344,501	-	(272)	344,229	340,158	98.82 %	342,280	336,714
Programme subtotal		1,386,865	-	-	1,386,865	1,339,018	96.55 %	1,404,689	1,353,566
Programme sub total		1,386,865	-	-	1,386,865	1,339,018	96.55 %	1,404,689	1,353,566
Total		1,386,865	-	-	1,386,865	1,339,018	96.55 %	1,404,689	1,353,566
Reconciliation with statement of financial performance									
Add:									
Departmental revenue					21,889				-
Aid assistance					4,126				27,359
Actual amounts per statement of financial performance (total revenue)					1,412,880			1,432,048	
Add:									
Aid assistance					14,241				17,245
Actual amounts per statement of financial performance (total expenditure)					1,353,258			1,370,811	

(Vote number 9)
Annual Financial Statements for the year ended March 31, 2021

Appropriation Statement

	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
Appropriation per economic classification									
Economic classifications									
Current payments									
Compensation of employees									
Salaries and wages	219,726	(398)	-	219,328	213,877	5,451	97.51 %	228,330	225,774
Social contributions	41,452	398	-	41,850	40,026	1,824	95.64 %	38,655	37,189
	261,178	-	-	261,178	253,903	7,275	97.21 %	266,985	262,963
Goods and services									
Administrative fees	1,081	(454)	-	627	341	286	54.39 %	32	14
Advertising	1,739	2,575	-	4,314	3,263	1,051	75.64 %	3,312	2,524
Minor assets	174	(43)	-	131	19	112	14.50 %	104	12
Audit costs: External	4,426	(623)	(70)	3,733	3,724	9	99.76 %	4,777	4,776
Bursaries: Employees	1,572	(60)	-	1,512	1,356	156	89.68 %	2,029	1,988
Catering: Departmental activities	917	(428)	-	489	87	402	17.79 %	3,713	2,734
Communication	745	(501)	-	244	211	33	86.48 %	897	887
Computer services	16,538	(29)	-	16,509	13,214	3,295	80.04 %	19,478	18,323
Consultants: Business and advisory services	12,554	(2,813)	-	9,741	6,183	3,558	63.47 %	8,521	7,385
Legal services	2,530	(1,095)	-	1,435	1,405	30	97.91 %	2,152	2,134
Contractors	7,592	(1,160)	-	6,432	1,929	4,503	29.99 %	11,020	10,824
Fleet services	2,575	-	-	2,575	2,179	396	84.62 %	4,040	3,883
Inventory: Clothing material and supplies	317	22	-	339	295	44	87.02 %	815	605
Inventory: Farming supplies	-	130	-	130	83	47	63.85 %	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	- %	65	64
Inventory: Other supplies	304	1,478	-	1,782	1,478	304	82.94 %	155	148
Consumable supplies	1,774	(186)	-	1,588	1,238	350	77.96 %	1,594	1,246
Consumable: Stationery, printing and office supplies	1,729	1,063	-	2,792	1,401	1,391	50.18 %	1,722	937
Operating leases	32,318	-	-	32,318	28,568	3,750	88.40 %	37,581	39,904
Property payments	8,122	1,353	-	9,475	8,659	816	91.39 %	9,309	8,713
Transport provided: Departmental activity	(66)	83	-	17	5	12	29.41 %	93	70
Travel and subsistence	6,412	708	-	7,120	3,974	3,146	55.81 %	24,312	19,176

(Vote number 9)
Annual Financial Statements for the year ended March 31, 2021

Appropriation Statement

	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Training and development	1,105	179	-	1,284	1,190	94	92.68 %	1,909	1,758
Operating payments	1,464	(368)	-	1,096	586	510	53.47 %	1,692	1,071
Venues and facilities	1,545	48	-	1,593	1,099	494	68.99 %	4,142	3,457
Rental and hiring	(89)	121	-	32	-	32	- %	657	361
	107,378	-	(70)	107,308	82,487	24,821	76.87 %	144,121	132,994
Compensation of employees	261,178	-	-	261,178	253,903	7,275	97.21 %	266,985	262,963
Goods and services	107,378	-	(70)	107,308	82,487	24,821	76.87 %	144,121	132,994
Total current payments	368,556	-	(70)	368,486	336,390	32,096	91.29 %	411,106	395,957
Transfers and subsidies									
Provinces and municipalities									
Provinces									
Provincial Revenue Funds	23,918	-	-	23,918	23,917	1	100.00 %	18,956	18,956
Provinces	23,918	-	-	23,918	23,917	1	100.00 %	18,956	18,956
Departmental agencies and accounts									
Departmental agencies (non-business entities)	937,447	-	-	937,447	937,447	-	100.00 %	923,234	923,234
Public corporations and private enterprises									
Private enterprises									
Other transfers to private enterprises	22,161	-	-	22,161	22,155	6	99.97 %	35,000	1,780
Private enterprises	22,161	-	-	22,161	22,155	6	99.97 %	35,000	1,780
Non-profit institutions									
Households									
Social benefits	1,579	21	-	1,600	1,600	-	100.00 %	4,436	4,262
Other transfers to households	634	(21)	-	613	488	125	79.61 %	-	-
	2,213	-	-	2,213	2,088	125	94.35 %	4,436	4,262
Provinces and municipalities	23,918	-	-	23,918	23,917	1	100.00 %	18,956	18,956
Departmental agencies and accounts	937,447	-	-	937,447	937,447	-	100.00 %	923,234	923,234
Public corporations and private enterprises	22,161	-	-	22,161	22,155	6	99.97 %	35,000	1,780

(Vote number 9)
Annual Financial Statements for the year ended March 31, 2021

Appropriation Statement

	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Non-profit institutions	-	-	-	-	-	-	- %	1,526	1,427
Households	2,213	-	-	2,213	2,088	125	94.35 %	4,436	4,262
Total transfers and subsidies	985,739	-	-	985,739	985,607	132	99.99 %	983,152	949,658
Payments for capital assets									
Buildings and other fixed structures	7,445	-	-	7,445	7,445	-	100.00 %	-	-
Machinery and equipment									
Transport equipment	8,827	(865)	272	8,234	4,345	3,889	52.77 %	5,990	3,635
Other machinery and equipment	15,550	1,293	(272)	16,571	4,840	11,731	29.21 %	4,133	4,009
	24,377	428	-	24,805	9,185	15,620	37.03 %	10,123	7,644
Biological assets	737	(737)	-	-	-	-	- %	-	-
Software and other intangible assets	11	309	-	320	320	-	100.00 %	-	-
Buildings and other fixed structures	7,445	-	-	7,445	7,445	-	100.00 %	-	-
Machinery and equipment	24,377	428	-	24,805	9,185	15,620	37.03 %	10,123	7,644
Biological assets	737	(737)	-	-	-	-	- %	-	-
Intangible assets	11	309	-	320	320	-	100.00 %	-	-
Total payments for capital assets	32,570	-	-	32,570	16,950	15,620	52.04 %	10,123	7,644
Payments for financial assets									
Total current payments	368,556	-	(70)	368,486	336,390	32,096	91.29 %	411,106	395,957
Total transfers and subsidies	985,739	-	-	985,739	985,607	132	99.99 %	983,152	949,658
Total payments for capital assets	32,570	-	-	32,570	16,950	15,620	52.04 %	10,123	7,644
Total payments for financial assets	-	-	70	70	70	-	100.00 %	308	307
Total	1,386,865	-	-	1,386,865	1,339,017	47,848	96.55 %	1,404,689	1,353,566

(Vote number 9)
Annual Financial Statements for the year ended March 31, 2021

Appropriation Statement

		2020/2021				2019/2020				
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1. Programme 1: Administration										
Sub programme										
	1.1	319	118	-	437	312	125	71.40 %	1,644	1,446
	1.2	24,589	2,429	-	27,018	24,638	2,380	91.19 %	66,120	64,129
	1.3	96,902	(1,470)	272	95,704	84,369	11,335	88.16 %	115,157	114,033
	1.4	94,586	(1,077)	-	93,509	85,699	7,810	91.65 %	61,132	58,464
		216,396	-	272	216,668	195,018	21,650	90.01 %	244,053	238,072
Economic classification										
Current payments										
Compensation of employees										
		93,045	2,117	-	95,162	93,940	1,222	98.72 %	101,208	100,435
		22,553	(2,117)	-	20,436	19,642	794	96.11 %	17,658	16,803
		115,598	-	-	115,598	113,582	2,016	98.26 %	118,866	117,238
Goods and services										
		381	(24)	-	357	341	16	95.52 %	27	14
		1,915	816	-	2,731	2,328	403	85.24 %	2,379	1,823
		111	10	-	121	9	112	7.44 %	33	12
		4,426	(623)	(70)	3,733	3,724	9	99.76 %	4,777	4,776
		1,572	(60)	-	1,512	1,356	156	89.68 %	2,029	1,988
		307	(88)	-	219	27	192	12.33 %	687	514
		745	(501)	-	244	211	33	86.48 %	897	887
		12,514	1,387	-	13,901	11,897	2,004	85.58 %	17,650	17,507
		5,967	(2,167)	-	3,800	2,879	921	75.76 %	4,219	4,017
		2,530	(1,095)	-	1,435	1,405	30	97.91 %	2,152	2,134
		7,144	(817)	-	6,327	1,922	4,405	30.38 %	10,750	10,703
		2,575	-	-	2,575	2,179	396	84.62 %	4,040	3,883
		-	31	-	31	30	1	96.77 %	-	-
		976	(79)	-	897	559	338	62.32 %	1,174	969
		1,425	697	-	2,122	829	1,293	39.07 %	759	554

(Vote number 9)
Annual Financial Statements for the year ended March 31, 2021

Appropriation Statement

	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Operating leases	32,318	-	-	32,318	28,568	3,750	88.40 %	37,581	39,904
Property payments	8,122	1,353	-	9,475	8,659	816	91.39 %	9,309	8,713
Transport provided: Departmental activity	-	-	-	-	-	-	- %	78	70
Travel and subsistence	2,098	690	-	2,788	1,224	1,564	43.90 %	7,774	6,603
Training and development	1,105	179	-	1,284	1,190	94	92.68 %	1,909	1,758
Operating payments	833	129	-	962	455	507	47.30 %	1,304	1,035
Venues and facilities	325	162	-	487	379	108	77.82 %	855	820
Rental and hiring	-	-	-	-	-	-	- %	30	30
	87,389	-	(70)	87,319	70,171	17,148	80.36 %	110,413	108,714
Compensation of employees	115,598	-	-	115,598	113,582	2,016	98.26 %	118,866	117,238
Goods and services	87,389	-	(70)	87,319	70,171	17,148	80.36 %	110,413	108,714
Total current payments	202,987	-	(70)	202,917	183,753	19,164	90.56 %	229,279	225,952
Transfers and subsidies									
Households									
Social benefits	1,579	21	-	1,600	1,600	-	100.00 %	4,343	4,170
Other transfers to households	634	(21)	-	613	488	125	79.61 %	-	-
	2,213	-	-	2,213	2,088	125	94.35 %	4,343	4,170
Households	2,213	-	-	2,213	2,088	125	94.35 %	4,343	4,169
Payments for capital assets									
Machinery and equipment									
Transport equipment	7,298	(865)	272	6,705	4,345	2,360	64.80 %	5,990	3,635
Other machinery and equipment	3,898	865	-	4,763	4,762	1	99.98 %	4,133	4,009
	11,196	-	272	11,468	9,107	2,361	79.41 %	10,123	7,644
Machinery and equipment	11,196	-	272	11,468	9,107	2,361	79.41 %	10,123	7,644
Payments for financial assets									
Total current payments	202,987	-	(70)	202,917	183,753	19,164	90.56 %	229,279	225,952
Total transfers and subsidies	2,213	-	-	2,213	2,088	125	94.35 %	4,343	4,169
Total payments for capital assets	11,196	-	272	11,468	9,107	2,361	79.41 %	10,123	7,644
Total payments for financial assets	-	-	70	70	70	-	100.00 %	308	307
Total	216,396	-	272	216,668	195,018	21,650	90.01 %	244,053	238,072

(Vote number 9)
Annual Financial Statements for the year ended March 31, 2021

Appropriation Statement

Figures in Rand thousand	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1.1 OFFICE OF THE MEC									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	-	-	-	-	-	-	- %	572	572
Goods and services									
Catering: Departmental activities	8	(8)	-	-	-	-	- %	90	83
Contractors	-	-	-	-	-	-	- %	19	13
Transport provided: Departmental activity	-	-	-	-	-	-	- %	78	70
Travel and subsistence	188	124	-	312	189	123	60.58 %	855	678
Venues and facilities	123	2	-	125	123	2	98.40 %	-	-
Rental and hiring	-	-	-	-	-	-	- %	30	30
	319	118	-	437	312	125	71.40 %	1,072	874
Compensation of employees	-	-	-	-	-	-	- %	572	572
Goods and services	319	118	-	437	312	125	71.40 %	1,072	874
Total current payments	319	118	-	437	312	125	71.40 %	1,644	1,446
Total current payments	319	118	-	437	312	125	71.40 %	1,644	1,446

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Appropriation Statement

	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
1.2 OFFICE OF THE HOD									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	16,706	460	-	17,166	17,063	103	99.40 %	33,982	33,245
Social contributions	2,722	(389)	-	2,333	2,101	232	90.06 %	4,886	4,540
	19,428	71	-	19,499	19,164	335	98.28 %	38,868	37,785
Goods and services									
Administrative fees	340	-	-	340	338	2	99.41 %	9	9
Advertising	-	-	-	-	-	-	- %	1	-
Minor assets	100	8	-	108	-	108	- %	-	-
Catering: Departmental activities	101	(32)	-	69	10	59	14.49 %	279	222
Communication	-	37	-	37	32	5	86.49 %	47	45
Computer services	80	3,189	-	3,269	2,587	682	79.14 %	17,350	17,208
Consultants: Business and advisory services	978	(88)	-	890	512	378	57.53 %	3,437	3,382
Legal services	2,530	(1,095)	-	1,435	1,405	30	97.91 %	2,152	2,134
Contractors	-	-	-	-	-	-	- %	11	12
Consumable supplies	-	-	-	-	-	-	- %	218	218
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	- %	65	1
Travel and subsistence	776	263	-	1,039	383	656	36.86 %	2,720	2,302
Operating payments	79	117	-	196	110	86	56.12 %	220	216
Venues and facilities	119	17	-	136	97	39	71.32 %	573	548
	5,103	2,416	-	7,519	5,474	2,045	72.80 %	27,082	26,297
Compensation of employees	19,428	71	-	19,499	19,164	335	98.28 %	38,868	37,785
Goods and services	5,103	2,416	-	7,519	5,474	2,045	72.80 %	27,082	26,297
Total current payments	24,531	2,487	-	27,018	24,638	2,380	91.19 %	65,950	64,082
Payments for capital assets									
Machinery and equipment									
Other machinery and equipment	58	(58)	-	-	-	-	- %	170	47
Machinery and equipment	58	(58)	-	-	-	-	- %	170	47

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Figures in Rand thousand	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Total current payments	24,531	2,487	-	27,018	24,638	2,380	91.19 %	65,950	64,082
Total payments for capital assets	58	(58)	-	-	-	-	- %	170	47
Total	24,589	2,429	-	27,018	24,638	2,380	91.19 %	66,120	64,129

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	2020/2021					2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
Figures in Rand thousand										
1.3 FINANCIAL MANAGEMENT										
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages	30,800	831	-	31,631	31,448	183	99.42 %	35,779	35,779	
Social contributions	7,018	(1,128)	-	5,890	5,889	1	99.98 %	6,291	6,213	
	37,818	(297)	-	37,521	37,337	184	99.51 %	42,070	41,992	
Goods and services	5	2	-	7	3	4	42.86 %	8	5	
Administrative fees	769	(99)	-	670	650	20	97.01 %	443	352	
Minor assets	11	2	-	13	9	4	69.23 %	25	12	
Audit costs: External	4,426	(623)	(70)	3,733	3,724	9	99.76 %	4,777	4,776	
Catering: Departmental activities	15	2	-	17	7	10	41.18 %	89	72	
Computer services	284	(18)	-	266	253	13	95.11 %	300	299	
Consultants: Business and advisory services	-	-	-	-	-	-	- %	485	441	
Contractors	6,690	(801)	-	5,889	1,770	4,119	30.06 %	10,677	10,664	
Fleet services	2,575	-	-	2,575	2,179	396	84.62 %	4,040	3,883	
Consumable supplies	174	(67)	-	107	26	81	24.30 %	526	481	
Consumable: Stationery, printing and office supplies	200	74	-	274	193	81	70.44 %	694	553	
Operating leases	32,318	-	-	32,318	28,568	3,750	88.40 %	37,581	39,904	
Property payments	-	-	-	-	-	-	- %	34	34	
Travel and subsistence	463	90	-	553	349	204	63.11 %	2,203	1,896	
Training and development	-	-	-	-	-	-	- %	50	49	
Operating payments	121	39	-	160	61	99	38.13 %	745	568	
Venues and facilities	45	18	-	63	63	-	100.00 %	149	148	
	48,096	(1,381)	(70)	46,645	37,855	8,790	81.16 %	62,826	64,137	
Compensation of employees	37,818	(297)	-	37,521	37,337	184	99.51 %	42,070	41,992	
Goods and services	48,096	(1,381)	(70)	46,645	37,855	8,790	81.16 %	62,826	64,137	
Total current payments	85,914	(1,678)	(70)	84,166	75,192	8,974	89.34 %	104,896	106,129	
Payments for capital assets										

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	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Machinery and equipment									
Transport equipment	7,148	(715)	272	6,705	4,345	2,360	64.80 %	5,990	3,635
Other machinery and equipment	3,840	923	-	4,763	4,762	1	99.98 %	3,963	3,962
	10,988	208	272	11,468	9,107	2,361	79.41 %	9,953	7,597
Machinery and equipment	10,988	208	272	11,468	9,107	2,361	79.41 %	9,953	7,597
Payments for financial assets									
Total current payments	85,914	(1,678)	(70)	84,166	75,192	8,974	89.34 %	104,896	106,129
Total payments for capital assets	11,046	208	272	11,468	9,107	2,361	79.41 %	9,953	7,597
Total payments for financial assets	-	-	70	70	70	-	100.00 %	308	307
Total	96,960	(1,470)	272	95,704	84,369	11,335	88.16 %	115,157	114,033

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	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
1.4 CORPORATE SERVICES									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	48,539	(2,174)	-	46,365	45,429	936	97.98 %	30,875	30,840
Social contributions	9,813	2,400	-	12,213	11,652	561	95.41 %	6,481	6,049
	58,352	226	-	58,578	57,081	1,497	97.44 %	37,356	36,889
Goods and services									
Administrative fees	36	(26)	-	10	-	10	- %	10	-
Advertising	1,146	915	-	2,061	1,678	383	81.42 %	1,935	1,471
Minor assets	-	-	-	-	-	-	- %	-	8
Bursaries: Employees	1,572	(60)	-	1,512	1,356	156	89.68 %	2,029	1,988
Catering: Departmental activities	183	(50)	-	133	10	123	7.52 %	229	137
Communication	745	(538)	-	207	179	28	86.47 %	850	842
Computer services	12,150	(1,784)	-	10,366	9,057	1,309	87.37 %	-	-
Consultants: Business and advisory services	4,989	(2,079)	-	2,910	2,367	543	81.34 %	297	194
Contractors	454	(16)	-	438	152	286	34.70 %	43	14
Inventory: Clothing material and supplies	-	31	-	31	30	1	96.77 %	-	-
Consumable supplies	802	(12)	-	790	533	257	67.47 %	430	270
Consumable: Stationery, printing and office supplies	1,225	623	-	1,848	636	1,212	34.42 %	-	-
Property payments	8,122	1,353	-	9,475	8,659	816	91.39 %	9,275	8,679
Travel and subsistence	671	213	-	884	303	581	34.28 %	1,996	1,727
Training and development	1,105	179	-	1,284	1,190	94	92.68 %	1,859	1,709
Operating payments	633	(27)	-	606	284	322	46.86 %	339	251
Venues and facilities	38	125	-	163	96	67	58.90 %	133	124
	33,871	(1,153)	-	32,718	26,530	6,188	81.09 %	19,433	17,406
Compensation of employees	58,352	226	-	58,578	57,081	1,497	97.44 %	37,356	36,889
Goods and services	33,871	(1,153)	-	32,718	26,530	6,188	81.09 %	19,433	17,406
Total current payments	92,223	(927)	-	91,296	83,611	7,685	91.58 %	56,789	54,295

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	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Transfers and subsidies									
Households									
Social benefits	1,579	21	-	1,600	1,600	-	100.00 %	4,343	4,170
Other transfers to households	634	(21)	-	613	488	125	79.61 %	-	-
	2,213	-	-	2,213	2,088	125	94.35 %	4,343	4,170
Households	2,213	-	-	2,213	2,088	125	94.35 %	4,343	4,169
Payments for capital assets									
Machinery and equipment									
Machinery and equipment	150	(150)	-	-	-	-	- %	-	-
	150	(150)	-	-	-	-	- %	-	-
Total current payments	92,223	(927)	-	91,296	83,611	7,685	91.58 %	56,789	54,295
Total transfers and subsidies	2,213	-	-	2,213	2,088	125	94.35 %	4,343	4,169
Total payments for capital assets	150	(150)	-	-	-	-	- %	-	-
Total	94,586	(1,077)	-	93,509	85,699	7,810	91.65 %	61,132	58,464

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		2020/2021				2019/2020				
Figures in Rand thousand		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2. Programme 2: Economic Development and Tourism										
Sub programme										
INTEGRATED ECONOMIC DEVELOPMENT	2.1	142,431	(273)	-	142,158	141,322	836	99.41 %	69,397	49,944
TRADE AND SECTOR DEVELOPMENT	2.2	521,527	562	-	522,089	503,075	19,014	96.36 %	588,451	572,983
BUSINESS REGULATION & GOVERNANCE	2.3	146,926	(26)	-	146,900	145,969	931	99.37 %	142,947	140,697
ECONOMIC PLANNING	2.4	5,573	(720)	-	4,853	4,115	738	84.79 %	6,517	4,998
TOURISM	2.5	9,511	457	-	9,968	9,361	607	93.91 %	11,044	10,158
Subtotal		825,968	-	-	825,968	803,842	22,126	97.32 %	818,356	778,780
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages		51,281	(2,175)	-	49,106	47,469	1,637	96.67 %	51,358	50,125
Social contributions		5,816	2,175	-	7,991	7,740	251	96.86 %	8,048	7,777
		57,097	-	-	57,097	55,209	1,888	96.69 %	59,406	57,902
Goods and services										
Administrative fees		700	(430)	-	270	-	270	- %	-	-
Advertising		(176)	1,759	-	1,583	935	648	59.07 %	933	701
Catering: Departmental activities		386	(181)	-	205	55	150	26.83 %	1,330	814
Computer services		3,439	(1,401)	-	2,038	759	1,279	37.24 %	1,386	716
Consultants: Business and advisory services		5,705	(605)	-	5,100	2,463	2,637	48.29 %	3,917	3,138
Contractors		-	93	-	93	-	93	- %	120	54
Inventory: Clothing material and supplies		172	(130)	-	42	-	42	- %	-	-
Inventory: Farming supplies		-	130	-	130	83	47	63.85 %	-	-
Inventory: Other supplies		200	1,478	-	1,678	1,478	200	88.08 %	-	-
Consumable: Stationery, printing and office supplies		312	(88)	-	224	224	-	100.00 %	610	290

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Appropriation Statement

	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Transport provided: Departmental activity	11	-	-	11	-	11	- %	-	-
Travel and subsistence	2,157	40	-	2,197	970	1,227	44.15 %	6,383	4,615
Operating payments	509	(500)	-	9	9	-	100.00 %	23	-
Venues and facilities	1,091	(165)	-	926	589	337	63.61 %	1,902	1,492
Rental and hiring	32	-	-	32	-	32	- %	158	90
Total current payments	14,538	-	-	14,538	7,565	6,973	52.04 %	16,762	11,910
Compensation of employees	57,097	-	-	57,097	55,209	1,888	96.69 %	59,406	57,902
Goods and services	14,538	-	-	14,538	7,565	6,973	52.04 %	16,762	11,910
Total current payments	71,635	-	-	71,635	62,774	8,861	87.63 %	76,168	69,812
Transfers and subsidies									
Departmental agencies and accounts	711,148	-	-	711,148	711,148	-	100.00 %	707,188	707,188
Public corporations and private enterprises	22,161	-	-	22,161	22,155	6	99.97 %	35,000	1,780
Departmental agencies and accounts	711,148	-	-	711,148	711,148	-	100.00 %	707,188	707,188
Public corporations and private enterprises	22,161	-	-	22,161	22,155	6	99.97 %	35,000	1,780
Total transfers and subsidies	733,309	-	-	733,309	733,303	6	100.00 %	742,188	708,968
Payments for capital assets									
Buildings and other fixed structures	7,445	-	-	7,445	7,445	-	100.00 %	-	-
Buildings	7,445	-	-	7,445	7,445	-	100.00 %	-	-
Machinery and equipment	1,529	-	-	1,529	-	1,529	- %	-	-
Transport equipment	11,302	428	-	11,730	-	11,730	- %	-	-
Other machinery and equipment	12,831	428	-	13,259	-	13,259	- %	-	-
Buildings and other fixed structures	737	(737)	-	-	-	-	- %	-	-
Software and other intangible assets	11	309	-	320	320	-	100.00 %	-	-
Buildings and other fixed structures	7,445	-	-	7,445	7,445	-	100.00 %	-	-

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	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Machinery and equipment	12,831	428	-	13,259	-	13,259	- %	-	-
Biological assets	737	(737)	-	-	-	-	- %	-	-
Intangible assets	11	309	-	320	320	-	100.00 %	-	-
Total payments for capital assets	21,024	-	-	21,024	7,765	13,259	36.93 %	-	-
Total current payments	71,635	-	-	71,635	62,774	8,861	87.63 %	76,168	69,812
Total transfers and subsidies	733,309	-	-	733,309	733,303	6	100.00 %	742,188	708,968
Total payments for capital assets	21,024	-	-	21,024	7,765	13,259	36.93 %	-	-
Total	825,968	-	-	825,968	803,842	22,126	97.32 %	818,356	778,780

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Appropriation Statement

	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
2.1 INTEGRATED ECONOMIC DEVELOPMENT									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	23,863	(1,134)	-	22,729	22,494	235	98.97 %	23,378	23,304
Social contributions	3,209	830	-	4,039	4,012	27	99.33 %	4,003	3,921
	27,072	(304)	-	26,768	26,506	262	99.02 %	27,381	27,225
Goods and services									
Administrative fees	420	(420)	-	-	-	-	- %	-	-
Advertising	(500)	932	-	432	432	-	100.00 %	-	-
Catering: Departmental activities	184	(138)	-	46	17	29	36.96 %	278	156
Consultants: Business and advisory services	760	(104)	-	656	632	24	96.34 %	903	281
Contractors	-	93	-	93	-	93	- %	-	-
Travel and subsistence	794	111	-	905	622	283	68.73 %	1,612	1,311
Venues and facilities	633	57	-	690	551	139	79.86 %	633	601
	2,291	531	-	2,822	2,254	568	79.87 %	3,426	2,349
Compensation of employees	27,072	(304)	-	26,768	26,506	262	99.02 %	27,381	27,225
Goods and services	2,291	531	-	2,822	2,254	568	79.87 %	3,426	2,349
Total current payments	29,363	227	-	29,590	28,760	830	97.19 %	30,807	29,573
Transfers and subsidies									
Departmental agencies and accounts	90,907	(500)	-	90,407	90,407	-	100.00 %	18,590	18,590
Public corporations and private enterprises	22,161	-	-	22,161	22,155	6	99.97 %	20,000	1,780
Departmental agencies and accounts	90,907	(500)	-	90,407	90,407	-	100.00 %	18,590	18,590
Public corporations and private enterprises	22,161	-	-	22,161	22,155	6	99.97 %	20,000	1,780
	113,068	(500)	-	112,568	112,562	6	99.99 %	38,590	20,370
Total current payments	29,363	227	-	29,590	28,760	830	97.19 %	30,807	29,573
Total transfers and subsidies	113,068	(500)	-	112,568	112,562	6	99.99 %	38,590	20,370

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Figures in Rand thousand	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Total	142,431	(273)	-	142,158	141,322	836	99.41 %	69,397	49,943

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	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
2.2 TRADE AND SECTOR DEVELOPMENT									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	10,639	(982)	-	9,657	8,889	768	92.05 %	9,500	9,465
Social contributions	481	738	-	1,219	1,146	73	94.01 %	1,237	1,195
	11,120	(244)	-	10,876	10,035	841	92.27 %	10,737	10,660
Goods and services									
Administrative fees	80	(10)	-	70	-	70	- %	-	-
Advertising	80	(33)	-	47	19	28	40.43 %	23	11
Catering: Departmental activities	96	-	-	96	4	92	4.17 %	214	187
Computer services	2,552	(1,400)	-	1,152	-	1,152	- %	105	-
Consultants: Business and advisory services	4,525	(81)	-	4,444	1,831	2,613	41.20 %	2,434	2,357
Inventory: Clothing material and supplies	172	(130)	-	42	-	42	- %	-	-
Inventory: Farming supplies	-	130	-	130	83	47	63.85 %	-	-
Inventory: Other supplies	200	1,478	-	1,678	1,478	200	88.08 %	-	-
Transport provided: Departmental activity	11	-	-	11	-	11	- %	-	-
Travel and subsistence	879	(116)	-	763	215	548	28.18 %	1,678	1,517
Operating payments	6	-	-	6	6	-	100.00 %	-	-
Venues and facilities	341	(222)	-	119	7	112	5.88 %	147	138
Rental and hiring	-	-	-	-	-	-	- %	7	7
	8,942	(384)	-	8,558	3,643	4,915	42.57 %	4,608	4,217
Compensation of employees	11,120	(244)	-	10,876	10,035	841	92.27 %	10,737	10,660
Goods and services	8,942	(384)	-	8,558	3,643	4,915	42.57 %	4,608	4,217
Total current payments	20,062	(628)	-	19,434	13,678	5,756	70.38 %	15,345	14,877
Transfers and subsidies									
Departmental agencies and accounts	480,441	1,190	-	481,631	481,632	(1)	100.00 %	558,106	558,106

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	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Public corporations and private enterprises	-	-	-	-	-	-	- %	15,000	-
Departmental agencies and accounts	480,441	1,190	-	481,631	481,632	(1)	100.00 %	558,106	558,106
Public corporations and private enterprises	-	-	-	-	-	-	- %	15,000	-
Total transfers and subsidies	480,441	1,190	-	481,631	481,632	(1)	100.00 %	573,106	558,106
Payments for capital assets									
Buildings and other fixed structures	7,445	-	-	7,445	7,445	-	100.00 %	-	-
Machinery and equipment	1,529	-	-	1,529	-	1,529	- %	-	-
Transport equipment	11,302	428	-	11,730	-	11,730	- %	-	-
Other machinery and equipment	-	-	-	-	-	-	- %	-	-
Total	12,831	428	-	13,259	7,445	13,259	56.15 %	-	-
Biological assets	737	(737)	-	-	-	-	- %	-	-
Software and other intangible assets	11	309	-	320	320	-	100.00 %	-	-
Buildings and other fixed structures	7,445	-	-	7,445	7,445	-	100.00 %	-	-
Machinery and equipment	12,831	428	-	13,259	7,445	13,259	56.15 %	-	-
Biological assets	737	(737)	-	-	-	-	- %	-	-
Intangible assets	11	309	-	320	320	-	100.00 %	-	-
Total payments for capital assets	21,024	-	-	21,024	7,765	20,704	36.93 %	-	-
Total current payments	20,062	(628)	-	19,434	13,678	5,756	70.38 %	15,345	14,877
Total transfers and subsidies	480,441	1,190	-	481,631	481,632	(1)	100.00 %	573,106	558,106
Total payments for capital assets	21,024	-	-	21,024	7,765	20,704	36.93 %	-	-
Total	521,527	562	-	522,089	503,075	26,459	96.36 %	588,451	572,983

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	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
2.3 BUSINESS REGULATION & GOVERNANCE									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	12,998	(536)	-	12,462	12,401	61	99.51 %	13,845	13,416
Social contributions	1,450	631	-	2,081	2,056	25	98.80 %	2,128	2,112
	14,448	95	-	14,543	14,457	86	99.41 %	15,973	15,528
Goods and services									
Advertising	244	360	-	604	35	569	5.79 %	910	690
Catering: Departmental activities	26	-	-	26	-	26	- %	530	349
Computer services	887	(1)	-	886	759	127	85.67 %	781	716
Consultants: Business and advisory services	420	(420)	-	-	-	-	- %	580	500
Contractors	-	-	-	-	-	-	- %	120	54
Consumable: Stationery, printing and office supplies	312	(88)	-	224	224	-	100.00 %	610	290
Travel and subsistence	112	28	-	140	50	90	35.71 %	1,624	948
Venues and facilities	-	-	-	-	-	-	- %	476	346
Rental and hiring	32	-	-	32	-	32	- %	150	83
	2,033	(121)	-	1,912	1,068	844	55.86 %	5,781	3,976
Compensation of employees	14,448	95	-	14,543	14,457	86	99.41 %	15,973	15,528
Goods and services	2,033	(121)	-	1,912	1,068	844	55.86 %	5,781	3,976
Total current payments	16,481	(26)	-	16,455	15,525	930	94.35 %	21,754	19,504
Transfers and subsidies									
Departmental agencies and accounts	130,445	-	-	130,445	130,444	1	100.00 %	121,193	121,193
Departmental agencies and accounts	130,445	-	-	130,445	130,444	1	100.00 %	121,193	121,193
Total current payments	16,481	(26)	-	16,455	15,525	930	94.35 %	21,754	19,504
Total transfers and subsidies	130,445	-	-	130,445	130,444	1	100.00 %	121,193	121,193
Total	146,926	(26)	-	146,900	145,969	931	99.37 %	142,947	140,697

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	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
2.4 ECONOMIC PLANNING									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	1,883	-	-	1,883	1,763	120	93.63 %	2,117	1,770
Social contributions	363	-	-	363	238	125	65.56 %	344	231
	2,246	-	-	2,246	2,001	245	89.09 %	2,461	2,001
Goods and services									
Administrative fees	200	-	-	200	-	200	- %	-	-
Advertising	-	500	-	500	449	51	89.80 %	-	-
Catering: Departmental activities	-	-	-	-	-	-	- %	173	2
Computer services	-	-	-	-	-	-	- %	500	-
Travel and subsistence	207	(30)	-	177	12	165	6.78 %	460	225
Operating payments	503	(500)	-	3	3	-	100.00 %	23	-
Venues and facilities	77	-	-	77	-	77	- %	250	120
	987	(30)	-	957	464	493	48.48 %	1,406	347
Compensation of employees	2,246	-	-	2,246	2,001	245	89.09 %	2,461	2,001
Goods and services	987	(30)	-	957	464	493	48.48 %	1,406	347
Total current payments	3,233	(30)	-	3,203	2,465	738	76.96 %	3,867	2,348
Transfers and subsidies									
Departmental agencies and accounts									
Departmental agencies and accounts	2,340	(690)	-	1,650	1,650	-	100.00 %	2,650	2,650
	2,340	(690)	-	1,650	1,650	-	100.00 %	2,650	2,650
Total current payments	3,233	(30)	-	3,203	2,465	738	76.96 %	3,867	2,348
Total transfers and subsidies	2,340	(690)	-	1,650	1,650	-	100.00 %	2,650	2,650
Total	5,573	(720)	-	4,853	4,115	738	84.79 %	6,517	4,998

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2.5 TOURISM

	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	1,898	477	-	2,375	1,922	453	80.93 %	2,517	2,170
Social contributions	313	(24)	-	289	288	1	99.65 %	337	318
	2,211	453	-	2,664	2,210	454	82.96 %	2,854	2,488
Goods and services									
Catering: Departmental activities	80	(43)	-	37	34	3	91.89 %	136	120
Travel and subsistence	165	47	-	212	71	141	33.49 %	1,009	614
Venues and facilities	40	-	-	40	31	9	77.50 %	396	287
	285	4	-	289	136	153	47.06 %	1,541	1,021
Compensation of employees	2,211	453	-	2,664	2,210	454	82.96 %	2,854	2,488
Goods and services	285	4	-	289	136	153	47.06 %	1,541	1,021
Total current payments	2,496	457	-	2,953	2,346	607	79.44 %	4,395	3,509
Transfers and subsidies									
Departmental agencies and accounts									
Departmental agencies and accounts	7,015	-	-	7,015	7,015	-	100.00 %	6,649	6,649
	7,015	-	-	7,015	7,015	-	100.00 %	6,649	6,649
Total current payments	2,496	457	-	2,953	2,346	607	79.44 %	4,395	3,509
Total transfers and subsidies	7,015	-	-	7,015	7,015	-	100.00 %	6,649	6,649
Total	9,511	457	-	9,968	9,361	607	93.91 %	11,044	10,158

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		2020/2021				2019/2020				
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3. Programme 3: Environmental Affairs										
Sub programme										
ENVIRONMENTAL POLICY, PLANNING AND COORDINATION	3.1	34,222	-	-	34,222	33,873	349	98.98 %	31,839	31,571
COMPLIANCE AND ENFORCEMENT	3.2	49,749	-	(272)	49,477	48,513	964	98.05 %	52,166	51,176
ENVIRONMENTAL QUALITY MANAGEMENT	3.3	20,432	460	-	20,892	20,148	744	96.44 %	22,865	21,354
BIODIVERSITY MANAGEMENT	3.4	229,207	(138)	-	229,069	228,245	824	99.64 %	221,162	219,714
ENVIRONMENTAL EMPOWERMENT SERVICES	3.5	10,891	(322)	-	10,569	9,379	1,190	88.74 %	14,248	12,899
Subtotal		344,501	-	(272)	344,229	340,158	4,071	98.82 %	342,280	336,714
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages		75,400	(340)	-	75,060	72,468	2,592	96.55 %	75,765	75,213
Social contributions		13,083	340	-	13,423	12,644	779	94.20 %	12,948	12,610
		88,483	-	-	88,483	85,112	3,371	96.19 %	88,713	87,823
Goods and services										
Administrative fees		-	-	-	-	-	-	- %	-	5
Minor assets		63	(53)	-	10	10	-	100.00 %	71	-
Catering: Departmental activities		224	(159)	-	65	5	60	7.69 %	1,695	1,407
Computer services		585	(15)	-	570	558	12	97.89 %	442	100
Consultants: Business and advisory services		882	(41)	-	841	841	-	100.00 %	385	230
Contractors		448	(436)	-	12	7	5	58.33 %	150	67
Inventory: Clothing material and supplies		145	121	-	266	265	1	99.62 %	815	605
Inventory: Materials and supplies		-	-	-	-	-	-	- %	65	64
Inventory: Other supplies		104	-	-	104	-	104	- %	155	148
Consumable supplies		798	(107)	-	691	679	12	98.26 %	420	277

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	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Consumable: Stationery, printing and office supplies	(8)	454	-	446	348	98	78.03 %	353	93
Transport provided: Departmental activity	(77)	83	-	6	5	1	83.33 %	15	-
Travel and subsistence	2,157	(22)	-	2,135	1,780	355	83.37 %	10,155	7,956
Operating payments	122	3	-	125	122	3	97.60 %	365	36
Venues and facilities	129	51	-	180	131	49	72.78 %	1,385	1,146
Rental and hiring	(121)	121	-	-	-	-	- %	470	241
	5,451	-	-	5,451	4,751	700	87.16 %	16,946	12,370
Compensation of employees	88,483	-	-	88,483	85,112	3,371	96.19 %	88,713	87,823
Goods and services	5,451	-	-	5,451	4,751	700	87.16 %	16,946	12,370
Total current payments	93,934	-	-	93,934	89,863	4,071	95.67 %	105,659	100,193
Transfers and subsidies									
Provinces and municipalities	23,918	-	-	23,918	23,918	-	100.00 %	18,956	18,956
Departmental agencies and accounts	226,299	-	-	226,299	226,299	-	100.00 %	216,046	216,046
Non-profit institutions	-	-	-	-	-	-	- %	1,526	1,427
Households	-	-	-	-	-	-	- %	93	92
Provinces and municipalities	23,918	-	-	23,918	23,918	-	100.00 %	18,956	18,956
Departmental agencies and accounts	226,299	-	-	226,299	226,299	-	100.00 %	216,046	216,046
Non-profit institutions	-	-	-	-	-	-	- %	1,526	1,427
Households	-	-	-	-	-	-	- %	93	92
Total transfers and subsidies	250,217	-	-	250,217	250,217	-	100.00 %	236,621	236,521
Payments for capital assets									
Machinery and equipment	350	-	(272)	78	78	-	100.00 %	-	-
Other machinery and equipment	350	-	(272)	78	78	-	100.00 %	-	-
Machinery and equipment	93,934	-	-	93,934	89,863	4,071	95.67 %	105,659	100,193
Total current payments	250,217	-	-	250,217	250,217	-	100.00 %	236,621	236,521
Total transfers and subsidies	350	-	(272)	78	78	-	100.00 %	-	-
Total payments for capital assets	344,501	-	(272)	344,229	340,158	4,071	98.82 %	342,280	336,714
Total									

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	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
3.1 ENVIRONMENTAL POLICY, PLANNING AND COORDINATION									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	8,754	(90)	-	8,664	8,486	178	97.95 %	8,621	8,621
Social contributions	1,109	90	-	1,199	1,175	24	98.00 %	1,152	1,149
	9,863	-	-	9,863	9,661	202	97.95 %	9,773	9,770
Goods and services									
Catering: Departmental activities	16	-	-	16	-	16	- %	89	56
Computer services	35	(35)	-	-	-	-	- %	-	-
Consultants: Business and advisory services	100	(100)	-	-	-	-	- %	-	-
Consumable supplies	10	(5)	-	5	4	1	80.00 %	-	-
Travel and subsistence	160	135	-	295	173	122	58.64 %	1,190	1,059
Operating payments	110	10	-	120	117	3	97.50 %	-	-
Venues and facilities	10	(5)	-	5	-	5	- %	212	211
	441	-	-	441	294	147	66.67 %	1,491	1,326
Compensation of employees	9,863	-	-	9,863	9,661	202	97.95 %	9,773	9,770
Goods and services	441	-	-	441	294	147	66.67 %	1,491	1,326
	10,304	-	-	10,304	9,955	348	96.61 %	11,264	11,096
Transfers and subsidies									
Provinces and municipalities									
Non-profit institutions	23,918	-	-	23,918	23,918	-	100.00 %	18,956	18,956
Households	-	-	-	-	-	-	- %	1,526	1,427
Provinces and municipalities	23,918	-	-	23,918	23,918	-	100.00 %	18,956	18,956
Non-profit institutions	-	-	-	-	-	-	- %	1,526	1,427
Households	-	-	-	-	-	-	- %	93	92
	23,918	-	-	23,918	23,918	-	100.00 %	20,575	20,475
Total transfers and subsidies									
Total current payments	10,304	-	-	10,304	9,955	348	96.61 %	11,264	11,096
Total transfers and subsidies	23,918	-	-	23,918	23,918	-	100.00 %	20,575	20,475
	34,222	-	-	34,222	33,873	348	98.98 %	31,839	31,571

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Appropriation Statement

	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
3.2 COMPLIANCE AND ENFORCEMENT									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	40,512	(75)	-	40,437	39,932	505	98.75 %	41,380	41,108
Social contributions	7,288	75	-	7,363	7,103	260	96.47 %	7,158	7,089
	47,800	-	-	47,800	47,035	765	98.40 %	48,538	48,197
Goods and services									
Minor assets	63	(53)	-	10	10	-	100.00 %	35	-
Catering: Departmental activities	35	(35)	-	-	-	-	- %	-	-
Inventory: Clothing material and supplies	164	(7)	-	157	157	-	100.00 %	312	207
Inventory: Materials and supplies	-	-	-	-	-	-	- %	65	64
Inventory: Other supplies	104	-	-	104	-	104	- %	155	148
Consumable supplies	50	(5)	-	45	44	1	97.78 %	87	87
Travel and subsistence	1,087	120	-	1,207	1,120	87	92.79 %	2,740	2,274
Venues and facilities	96	(20)	-	76	69	7	90.79 %	234	199
	1,599	-	-	1,599	1,400	199	87.55 %	3,628	2,979
Compensation of employees	47,800	-	-	47,800	47,035	765	98.40 %	48,538	48,197
Goods and services	1,599	-	-	1,599	1,400	199	87.55 %	3,628	2,979
	49,399	-	-	49,399	48,435	964	98.05 %	52,166	51,176
Payments for capital assets									
Machinery and equipment									
Other machinery and equipment	350	-	(272)	78	78	-	100.00 %	-	-
Machinery and equipment	350	-	(272)	78	78	-	100.00 %	-	-
Total current payments	49,399	-	-	49,399	48,435	964	98.05 %	52,166	51,176
Total payments for capital assets	-	-	78	78	78	-	100.00 %	-	-
Total	49,399	-	78	49,477	48,513	964	98.05 %	52,166	51,176

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	2020/2021					2019/2020			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Figures in Rand thousand									
3.3 ENVIRONMENTAL QUALITY MANAGEMENT									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	16,504	(125)	-	16,379	15,882	497	96.97 %	16,588	16,429
Social contributions	2,996	125	-	3,121	2,926	195	93.75 %	2,956	2,894
	19,500	-	-	19,500	18,808	692	96.45 %	19,544	19,323
Goods and services									
Consultants: Business and advisory services	662	7	-	669	669	-	100.00 %	155	-
Inventory: Clothing material and supplies	(19)	84	-	65	64	1	98.46 %	262	209
Consumable supplies	279	(74)	-	205	205	-	100.00 %	-	-
Consumable: Stationery, printing and office supplies	(66)	386	-	320	319	1	99.69 %	-	-
Transport provided: Departmental activity	(82)	82	-	-	-	-	- %	-	-
Travel and subsistence	426	(298)	-	128	78	50	60.94 %	2,137	1,445
Operating payments	12	(7)	-	5	5	-	100.00 %	338	9
Venues and facilities	(174)	174	-	-	-	-	- %	429	368
Rental and hiring	(106)	106	-	-	-	-	- %	-	-
	932	460	-	1,392	1,340	52	96.26 %	3,321	2,031
Compensation of employees	19,500	-	-	19,500	18,808	692	96.45 %	19,544	19,323
Goods and services	932	460	-	1,392	1,340	52	96.26 %	3,321	2,031
Total current payments	20,432	460	-	20,892	20,148	744	96.44 %	22,865	21,354
Total current payments	20,432	460	-	20,892	20,148	744	96.44 %	22,865	21,354

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3.4 BIODIVERSITY MANAGEMENT

	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	682	-	-	682	337	345	49.41 %	535	471
Social contributions	318	-	-	318	89	229	27.99 %	110	90
	1,000	-	-	1,000	426	574	42.60 %	645	561
Goods and services									
Administrative fees	-	-	-	-	-	-	- %	-	5
Minor assets	-	-	-	-	-	-	- %	-	36
Catering: Departmental activities	14	-	-	14	-	14	- %	118	101
Computer services	550	20	-	570	558	12	97.89 %	442	100
Consultants: Business and advisory services	120	52	-	172	172	-	100.00 %	230	230
Inventory: Clothing material and supplies	-	-	-	-	-	-	- %	-	51
Consumable supplies	369	(17)	-	352	342	10	97.16 %	333	190
Consumable: Stationery, printing and office supplies	57	69	-	126	29	97	23.02 %	235	93
Transport provided: Departmental activity	-	-	-	-	-	-	- %	-	1
Travel and subsistence	648	(210)	-	438	357	81	81.51 %	2,817	2,228
Operating payments	-	-	-	-	-	-	- %	-	18
Venues and facilities	150	(52)	-	98	62	36	63.27 %	185	96
	1,908	(138)	-	1,770	1,520	250	85.88 %	4,471	3,107
Compensation of employees	1,000	-	-	1,000	426	574	42.60 %	645	561
Goods and services	1,908	(138)	-	1,770	1,520	250	85.88 %	4,471	3,107
Total current payments	2,908	(138)	-	2,770	1,946	824	70.25 %	5,116	3,668
Transfers and subsidies									
Departmental agencies and accounts	226,299	-	-	226,299	226,299	-	100.00 %	216,046	216,046
Departmental agencies and accounts	226,299	-	-	226,299	226,299	-	100.00 %	216,046	216,046

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Annual Financial Statements for the year ended March 31, 2021

Appropriation Statement

	2020/2021				2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Total current payments	2,908	(138)	-	2,770	1,946	824	70.25 %	5,116	3,668
Total transfers and subsidies	226,299	-	-	226,299	226,299	-	100.00 %	216,046	216,046
Total	229,207	(138)	-	229,069	228,245	824	99.64 %	221,162	219,714

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Appropriation Statement

3.5 ENVIRONMENTAL EMPOWERMENT SERVICES

	2020/2021					2019/2020				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
Economic classification										
Current payments										
Compensation of employees										
Salaries and wages	8,948	(50)	-	8,898	7,831	1,067	88.01 %	8,641	8,584	
Social contributions	1,372	50	-	1,422	1,351	71	95.01 %	1,572	1,388	
	10,320	-	-	10,320	9,182	1,138	88.97 %	10,213	9,972	
Goods and services										
Catering: Departmental activities	159	(124)	-	35	5	30	14.29 %	1,488	1,249	
Contractors	448	(436)	-	12	7	5	58.33 %	150	67	
Inventory: Clothing material and supplies	-	44	-	44	44	-	100.00 %	190	138	
Consumable supplies	90	(6)	-	84	84	-	100.00 %	-	-	
Consumable: Stationery, printing and office supplies	1	(1)	-	-	-	-	- %	118	-	
Transport provided: Departmental activity	5	1	-	6	5	1	83.33 %	14	-	
Travel and subsistence	(164)	231	-	67	52	15	77.61 %	1,271	952	
Operating payments	-	-	-	-	-	-	- %	9	9	
Venues and facilities	47	(46)	-	1	-	1	- %	325	271	
Rental and hiring	(15)	15	-	-	-	-	- %	470	241	
	571	(322)	-	249	197	52	79.12 %	4,035	2,927	
Compensation of employees	10,320	-	-	10,320	9,182	1,138	88.97 %	10,213	9,972	
Goods and services	571	(322)	-	249	197	52	79.12 %	4,035	2,927	
Total current payments	10,891	(322)	-	10,569	9,379	1,190	88.74 %	14,248	12,899	
Total current payments	10,891	(322)	-	10,569	9,379	1,190	88.74 %	14,248	12,899	
Total	10,891	(322)	-	10,569	9,379	1,190	88.74 %	14,248	12,899	

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Notes to the Appropriation Statement

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the annual financial statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 Annual appropriation to the annual financial statements.

3. Detail on payments for financial assets

Details of these transactions per programme can be viewed in the note on Payments for financial assets to the annual financial statements.

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Notes to the Appropriation Statement

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

4.1 Per programme

Figures in Rand thousand	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme 1: Administration	216,668	195,018	21,650	10.0 %
Programme 2: Economic Development and Tourism	825,968	803,842	22,126	2.7 %
Programme 3: Environmental Affairs	344,229	340,158	4,071	1.2 %

Programme 1

Compensation of Employees

The under expenditure on compensation of employees is as a result of delays in the recruitment process caused by unresolved labour matters that existed during the year as well as administrative challenges between the OTP and DPSA that delayed the advertisement of posts. The compensation of employees underspending had an impact on the operating expenditure (resettlement fees).

Goods and Services

As a result of the COVID-19 pandemic the department made use of virtual platforms for meetings and engagements with stakeholders. This had a concomitant impact on a reduction in expenditure on travel and subsistence, venues and facilities, use of government fleet and catering. The COVID-19 pandemic also caused some projects and initiatives to either be postponed or cancelled.

Capacity constraints at the Department of Justice, caused by the national lockdown, resulted in invoices for legal fees not being submitted and therefore an under expenditure in legal fees.

During the second quarter of the year there was a legal dispute by SITA that involved the department's ICT equipment service provider. As a result of this, the department could not procure from the service provider until the legal process was finalised. The court judgement was in favour of the department, which meant that the department could continue to procure on the contract. Due to the COVID-19 pandemic, the department was also informed that there was a global supply challenge and huge demand for IT equipment; hence the supplier was not able to source the requisite equipment. The reduction in computer services is due to Microsoft license accruals for 2018/19 financial year of R5m that were settled during the 2019/20 financial year.

Due to the restrictions on gathering imposed by COVID 19 an increase in advertising expenditure is as a result of usage of the media platforms for awareness campaigns. There was a reduction in audit fees by Auditor General due to less travelling across the department and the regional offices (disbursement).

Capital Payments

As a result of the national lockdown there was a lower utilisation of government fleet, hence the under expenditure on transport equipment.

Programme 2

Compensation of Employees

By in large, the under expenditure on compensation of employees is as a result of delays in the recruitment process caused by unresolved labour matters that existed during the year as well as administrative challenges between the OTP and DPSA that delayed the advertisement of posts.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Appropriation Statement

Goods and Services

There was a reduction in expenditure on travel and subsistence, venues and facilities, rental and hiring and catering as a result of the national lockdown. The SMME Bunkering Workshop was postponed following consultations with the EC Maritime Business Chamber to comply with the COVID-19 regulations. The procurement for feasibility studies could not be concluded due to poor responses from bidders. Payments for the Mini-Grid and the Agro-Industry Manufacturing (AIM) cluster could not be processed by year end due to incorrect invoicing from the service provider.

Programme 3

Compensation of Employees

By in large, the under expenditure on compensation of employees is as a result of delays in the recruitment process caused by unresolved labour matters that existed during the year as well as administrative challenges between the OTP and DPSA that delayed the advertisement of posts.

Goods and Services

The COVID-19 pandemic had a negative impact on the Programme. The Programme made use of virtual platforms for meetings and engagements with stakeholders, which had a concomitant impact on a reduction in expenditure on travel and subsistence, venues and facilities and catering. The resurgence of COVID-19 in the second wave caused postponements of site inspections for wetland assessments, river system assessments and the Wetlands Day Celebration to the end of the last quarter, thereby negatively impacting expenditure. In addition, the gazetting of the 2021 Hunting Proclamation and the printing of Hunting License books by the Government Printing Works could not be finalised due to capacity constraints at the government printer as a result of COVID-19.

An order for ammunition had to be cancelled as the supplier did not deliver as anticipated.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Appropriation Statement

4.2 Per economic classification

Figures in Rand thousand

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Current payments				
Compensation of employees	261,178	253,903	7,275	3 %
Goods and services	107,308	82,487	24,821	23 %
Transfers and subsidies				
Provinces and municipalities	23,918	23,917	1	- %
Departmental agencies and accounts	937,447	937,447	-	- %
Public corporations and private enterprises	22,161	22,155	6	- %
Households	2,213	2,088	125	6 %
Payments for capital assets				
Buildings and other fixed structures	7,445	7,445	-	- %
Machinery and equipment	24,805	9,185	15,620	63 %
Intangible assets	320	320	-	- %
Payments for financial assets	70	70	-	- %

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Notes to the Appropriation Statement

Compensation of Employees

The under expenditure on compensation of employees is as a result of delays in the recruitment process caused by unresolved labour matters that existed during the year as well as administrative challenges between the OTP and DPSA that delayed the advertisement of posts. The compensation of employees underspending had an impact on the operating expenditure (resettlement fees).

Goods and Service

Under expenditure on goods and services was as a result of COVID-19 pandemic, the department made use of virtual platforms for meetings and engagements with stakeholders. This had a concomitant impact on a reduction in expenditure on travel and subsistence, venues and facilities, use of government fleet, catering and rental and hiring. The COVID-19 pandemic also caused some projects and initiatives to either be postponed or cancelled. Capacity constraints at the Department of Justice, caused by the national lockdown, resulted in invoices for legal fees not being submitted and therefore an under expenditure in legal fees.

During the second quarter of the year there was a legal dispute by SITA that involved the department's ICT equipment service provider. As a result of this, the department could not procure from the service provider until the legal process was finalised. The court judgement was in favour of the department, which meant that the department could continue to procure on the contract. Due to the COVID-19 pandemic, the department was also informed that there was a global supply challenge and huge demand for IT equipment; hence the supplier was not able to source the requisite equipment.

The SMME Bunkering Workshop was postponed following consultations with the EC Maritime Business Chamber to comply with the COVID-19 regulations.

The procurement for feasibility studies could not be concluded due to poor responses from bidders. Payments for the Mini-Grid and the Agro-Industry Manufacturing (AIM) cluster could not be processed by year end due to incorrect invoicing from the service provider.

The resurgence of COVID-19 in the second wave caused postponements of site inspections for wetland assessments, river system assessments and the Wetlands Day Celebration to the end of the last quarter, thereby negatively impacting expenditure. In addition, the gazetting of the 2021 Hunting Proclamation and the printing of Hunting License books by the Government Printing Works could not be finalised due to capacity constraints at the government printer as a result of COVID-19. An order for ammunition had to be cancelled as the supplier did not deliver as anticipated. The reduction in computer services is due to Microsoft license accruals for 2018/19 financial year of R5m that were settled during the 2019/20 financial year. Due to the restrictions on gathering imposed by COVID 19 an increase in advertising expenditure is as a result of usage of the media platforms for awareness campaigns. There was a reduction in audit fees by Auditor General due to less travelling across the department and the regional offices (disbursement).

Transfers and Subsidies

98% expenditure under transfers has been achieved. Underspending is as a result of no submission of supporting documents for leave gratuity.

Capital Payments

Under expenditure on machinery and equipment is due to departmental risk mitigation controls implemented for the usage of funds from the Isiqalo Youth Fund. These controls were to ensure that these funds were being used for the intended purpose by the youth enterprises. As a result, the department chose to purchase goods and services for all approved applicants. This resulted in a longer procurement process. A panel of suppliers was appointed but some of the requests were non-responsive and the department then utilised the transversal National Treasury contract, which also resulted in further procurement delays.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Appropriation Statement

4.3 Per conditional grant

Figures in Rand thousand	Final Appropriation	Actual Expenditure
EPWP conditional grant	2,494	2,494

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Annual Financial Statements for the year ended March 31, 2021

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
Revenue			
Annual appropriation	1	1,386,865	1,404,689
Departmental revenue	3	21,889	-
Aid assistance		4,126	27,359
Total revenue		1,412,880	1,432,048
Expenditure			
Current expenditure			
Compensation of employees	5	253,904	262,963
Goods and services	6	82,487	132,994
Total current expenditure		336,391	395,957
Transfers and subsidies			
Transfers and subsidies	8	985,607	949,658
Aid assistance	4	14,241	17,245
Total transfers and subsidies		999,848	966,903
Expenditure for capital assets			
Tangible assets	9	16,629	7,644
Intangible assets	9	320	-
Total expenditure for capital assets		16,949	7,644
Payments for financial assets	7	70	307
Total expenditure		1,353,258	1,370,811
Surplus for the year		59,622	61,237
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds			
Annual appropriation		47,847	51,123
		47,847	51,123
Departmental revenue and NRF Receipts	15	21,889	-
Aid assistance	4	(10,114)	10,114
Surplus for the year		59,622	61,237

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Annual Financial Statements for the year ended March 31, 2021

Statement of Financial Position as at March 31, 2021

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
Assets			
Current Assets			
Cash and cash equivalents	10	61,817	77,636
Receivables	11	961	2,746
		62,778	80,382
Non-Current Assets			
Investments	12	427,597	427,597
Receivables	11	4,312	2,782
Loans	13	-	83
		431,909	430,462
Total Assets		494,687	510,844
Liabilities			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	14	47,847	51,123
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	13,462	17,681
Payables	16	1,693	(6)
Aid assistance unutilised	4	-	10,114
		63,002	78,912
Total Liabilities		63,002	78,912
		431,685	431,932
Represented by:			
Capitalisation reserve		427,597	427,597
Recoverable revenue		4,088	4,335
Total		431,685	431,932

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Annual Financial Statements for the year ended March 31, 2021

Statement of Changes in Net Assets

Figures in Rand thousand	Note	2020/2021	2019/2020
Capitalisation reserves			
Opening balance		427,597	427,597
Recoverable revenue			
Opening balance		4,335	5,012
Transfers:			
Debts revised		(85)	(479)
Debts raised		(162)	(198)
Closing balance		4,088	4,335
Total		431,685	431,932

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Annual Financial Statements for the year ended March 31, 2021

Cash Flow Statement

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
Cash flows from operating activities			
Receipts			
Annual appropriated funds received	1.1	1,386,865	1,404,689
Departmental revenue received	3	114,717	220,763
Interest received	3.3	1,606	1,023
Aid assistance received	4	4,126	27,359
		1,507,314	1,653,834
Net (increase)/decrease in working capital		3,484	(1,645)
Surrendered to Revenue Fund		(171,665)	(247,773)
Surrendered to RDP Fund/Donor		-	(74)
Current payments		(336,391)	(395,957)
Payments for financial assets		(70)	(307)
Transfers and subsidies paid		(999,848)	(966,903)
Net cash flow available from operating activities	17	2,824	41,175
Cash flows from investing activities			
Payments for capital assets	9	(16,949)	(7,644)
(Increase)/decrease in loans		83	115
(Increase)/decrease in non-current receivables	11	(1,530)	4,020
Net cash flows from investing activities		(18,396)	(3,509)
Cash flows from financing activities			
Increase/(decrease) in net assets		(247)	(677)
Cash and cash equivalents at beginning of period		77,636	40,647
Net increase/(decrease) in cash and cash equivalents		(15,819)	36,989
Cash and cash equivalents at the end of the year	18	61,817	77,636

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Accounting Policies

Summary of significant accounting policies

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

2. Going concern

The annual 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).

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rand 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 annual financial statements. Where necessary figures included in the prior period annual 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 annual 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.

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Annual Financial Statements for the year ended March 31, 2021

Accounting Policies

7. Revenue

7.1 Appropriated funds

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

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

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

7.2 Departmental revenue

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

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

7.3 Accrued departmental revenue

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

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

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

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

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

8.3 Accruals and payables not recognised

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

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Annual Financial Statements for the year ended March 31, 2021

Accounting Policies

8. Expenditure (continued)

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

9. Aid assistance

9.1 Aid assistance received

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

Aid assistance not spent for the financial year but committed or is work in progress are not to be refunded back to the donor and are not recognised as a payable in the statement of financial position.

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

9.2 Aid assistance paid

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

10. Cash and cash equivalents

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

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

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

11. Loans and receivables

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

12. Investments

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

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Annual Financial Statements for the year ended March 31, 2021

Accounting Policies

13. Financial assets

13.1 Financial assets (not covered elsewhere)

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

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

13.2 Impairment of financial assets

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

14. Payables

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

15. Capital assets

15.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the annual 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.

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

Additional information on immovable assets not reflected in the assets register is provided in the notes to the annual financial statements.

15.2 Movable capital assets

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

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

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

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

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

15.3 Intangible assets

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

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

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

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

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Accounting Policies

15. Capital assets (continued)

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

15.4 Project costs: Work-in-progress

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

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

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

16. Provisions and contingents

16.1 Provisions

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

16.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the annual financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

16.3 Contingent assets

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

17. Fruitless and wasteful expenditure

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

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

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

18. Irregular expenditure

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

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

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

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Accounting Policies

19. Changes in accounting policies, accounting estimates and errors

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

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

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

20. Capitalisation reserve

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

21. Recoverable revenue

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

22. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the annual financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the annual financial statements.

23. Inventories

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

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

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

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

24. Employee benefits

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

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note	2020/2021	2019/2020
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1. Annual appropriation**1.1 Annual appropriation**

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

Figures in Rand thousand	2020/2021		2019/2020	
	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
Programme 1: Administration	216,668	216,668	244,053	244,053
Programme 2: Economic Development and Tourism	825,968	825,968	818,356	818,356
Programme 3: Environmental Affairs	344,229	344,229	342,280	342,280
Total	1,386,865	1,386,865	1,404,689	1,404,689

1.2 Conditional grants

Total grants received	33	2,494	2,670
Provincial grants included in total grants received		2,494	2,670

2. Statutory appropriation

The department shares an MEC with Provincial Treasury and the salary of the MEC is paid by Provincial Treasury.

3. Departmental revenue

Tax revenue		112,979	217,567
Sales of goods and services other than capital assets	3.1	976	1,318
Fines, penalties and forfeits	3.2	591	1,427
Interest, dividends and rent on land	3.3	1,606	1,023
Transactions in financial assets and liabilities	3.4	171	451
Total revenue collected		116,323	221,786
Less: Own revenue included in appropriation	15	94,434	221,786
Departmental revenue collected		21,889	-

Own revenue for the department has been reviewed downwards during adjustments resulting from the COVID – 19.

3.1 Sales of goods and services other than capital assets

Sales by market establishment	16	16
Administrative fees	557	1,024
Other sales	403	278
Sales of goods and services produced by the department	976	1,318

3.2 Fines, penalties and forfeits

Fines	591	1,427
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3.3 Interest, dividends and rent on land

Interest	1,606	1,023
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3.4 Transactions in financial assets and liabilities

Other receipts including recoverable revenue	171	451
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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
3. Departmental revenue (continued)			
3.5 Cash received not recognised (not included in the main note) - 2020/2021			
Name of entity		Amount received	Balance
Eastern Cape Parks and Tourism Agency		1,400	1,400
Cash received not recognised (not included in the main note) - 2019/2020			
Name of entity		Amount received	Amount paid to the revenue fund
Eastern Cape Development Corporation		52,174	52,174
<p>The department received R1,400 million as a surrender from Eastern Cape Parks and Tourism Agency, the funds were not transferred to the Provincial Treasury as at 31 March 2021.</p> <p>R52,174 million was a surrender received from Eastern Cape Development Corporation in the previous financial year.</p>			
4. Aid assistance			
Opening balance		10,114	74
Transferred from statement of financial performance		(10,114)	10,114
Paid during the year		-	(74)
Closing balance		-	10,114
4.1 Analysis of balance by source			
Aid assistance from other sources		-	10,114
4.2 Analysis of balance			
Aid assistance unutilised	4	-	10,114
4.3 Aid assistance expenditure per economic classification			
Transfers and subsidies		14,241	17,245

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
5. Compensation of employees			
5.1 Salaries and wages			
Basic salary		179,742	188,561
Performance award		96	786
Service based		465	623
Compensative/circumstantial		440	849
Other non-pensionable allowances		33,135	34,955
Total		213,878	225,774
5.2 Social contributions			
Employer contributions			
Pension		26,421	24,325
Medical		13,538	12,815
Bargaining council		51	49
Insurance		16	-
Total		40,026	37,189
Total compensation of employees		253,904	262,963
Average number of employees		500	521

The reduction in employees is due to attrition.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
6. Goods and services			
Administrative fees		342	14
Advertising		3,265	2,524
Minor assets	6.1	19	12
Bursaries (employees)		1,355	1,988
Catering		87	2,734
Communication		210	887
Computer services	6.2	13,215	18,323
Consultants: Business and advisory services		6,182	7,385
Legal services		1,405	2,134
Contractors		1,930	10,824
Audit cost - external	6.3	3,724	4,776
Fleet services		2,179	3,883
Inventory	6.4	1,857	817
Consumables	6.5	2,638	2,183
Operating leases		28,568	39,904
Property payments	6.6	8,659	8,713
Rental and hiring		-	361
Transport provided as part of the departmental activities		5	70
Travel and subsistence	6.7	3,974	19,176
Venues and facilities		1,098	3,457
Training and development		1,190	1,758
Other operating expenditure	6.8	585	1,071
Total		82,487	132,994

Under expenditure on goods and services was as a result of COVID-19 pandemic, the department made use of virtual platforms for meetings and engagements with stakeholders. This had a concomitant impact on a reduction in expenditure on travel and subsistence, venues and facilities, use of government fleet, catering and rental and hiring. The COVID-19 pandemic also caused some projects and initiatives to either be postponed or cancelled. Capacity constraints at the Department of Justice, caused by the national lockdown, resulted in invoices for legal fees not being submitted and therefore an under expenditure in legal fees.

During the second quarter of the year there was a legal dispute by SITA that involved the department's ICT equipment service provider. As a result of this, the department could not procure from the service provider until the legal process was finalised. The court judgement was in favour of the department, which meant that the department could continue to procure on the contract. Due to the COVID-19 pandemic, the department was also informed that there was a global supply challenge and huge demand for IT equipment; hence the supplier was not able to source the requisite equipment. The SMME Bunkering Workshop was postponed following consultations with the EC Maritime Business Chamber to comply with the COVID-19 regulations.

The procurement for feasibility studies could not be concluded due to poor responses from bidders. Payments for the Mini-Grid and the Agro-Industry Manufacturing (AIM) cluster could not be processed by year end due to incorrect invoicing from the service provider.

The resurgence of COVID-19 in the second wave caused postponements of site inspections for wetland assessments, river system assessments and the Wetlands Day Celebration to the end of the last quarter, thereby negatively impacting expenditure. In addition, the gazetting of the 2021 Hunting Proclamation and the printing of Hunting License books by the Government Printing Works could not be finalised due to capacity constraints at the government printer as a result of COVID-19. An order for ammunition had to be cancelled as the supplier did not deliver as anticipated. The reduction in computer services is due to Microsoft license accruals for 2018/19 financial year of R5m that were settled during the 2019/20 financial year.

Due to the restrictions on gathering imposed by COVID 19 an increase in advertising expenditure is as a result of usage of the media platforms for awareness campaigns. There was a reduction in audit fees by Auditor General due to less travelling across the department and the regional offices (disbursement).

The change in the comparative balance for Operating Leases from R36,576 million to R39,904 million is a result of corrected accounting treatment of leases for state vehicles as contained in Chapter 13 of the Accounting Manual.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
6. Goods and services (continued)			
6.1 Minor assets			
Tangible assets			
Machinery and equipment		19	12
6.2 Computer services			
SITA computer services		2,978	2,610
External computer service providers		10,237	15,713
Total	6	13,215	18,323
6.3 Audit cost - external			
Regularity audits		3,724	4,776
6.4 Inventory			
Clothing material and accessories		296	605
Farming supplies		83	-
Materials and supplies		-	64
Other supplies	6.4.1	1,478	148
Total	6	1,857	817
6.4.1 Other supplies			
Ammunition and security supplies		-	148
Other		1,478	-
Total	6.4	1,478	148
6.5 Consumables			
Uniform and clothing		824	435
Household supplies		79	478
Building material and supplies		-	57
IT consumables		-	222
Other consumables		335	54
Consumable supplies		1,238	1,246
Stationery, printing and office supplies		1,400	937
Total	6	2,638	2,183
6.6 Property payments			
Municipal services		136	136
Other		8,523	8,577
Total	6	8,659	8,713
6.7 Travel and subsistence			
Local		3,974	18,672
Foreign		-	504
Total	6	3,974	19,176

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
6. Goods and services (continued)			
The Department underspent on travel and subsistence expenditure as a result of COVID19 pandemic.			
6.8 Other operating expenditure			
Professional bodies, membership and subscription fees		171	261
Resettlement costs		239	240
Other		175	570
Total	6	585	1,071
7. Payments for financial assets			
Other material losses written off	7.2	70	307
There department implemented a write- off for debts that were more than three years and had no movement.			
7.1 Other material losses			
7.2 Other material losses written off			
Nature of losses			
Debts Written off		70	307
8. Transfers and subsidies			
Provinces and municipalities	34	23,917	61,956
Departmental agencies and accounts	Annexure 1B	937,447	880,234
Public corporations and private enterprises	Annexure 1D	22,155	1,780
Non-profit institutions	Annexure 1F	-	1,427
Households	Annexure 1G	2,088	4,261
Total		985,607	949,658

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
9. Expenditure for capital assets			
Tangible assets			
Buildings and other fixed structures	30	7,445	-
Machinery and equipment	28	9,184	7,644
		16,629	7,644
Intangible assets			
Software	29	320	-
Total		16,949	7,644

The department processed the capital related management fees amounting to R7,445 million for the ISIDP to Coega Development Corporation from the projects implemented prior financial year.

The software application was procured by the department for an entrepreneur that was awarded funding through the Isiqalo Youth Fund.

The change in the comparative balance for Tangible Assets: Machinery & Equipment from R9,972 million to R7,644 million is a result of corrected accounting treatment of leases for state vehicles as contained in Chapter 13 of the Accounting Manual.

9.1 Analysis of funds utilised to acquire capital assets - 2020/2021

Figures in Rand thousand	Voted funds	Total
Tangible assets		
Buildings and other fixed structures	7,445	7,445
Machinery and equipment	9,184	9,184
	16,629	16,629
Intangible assets		
Software	320	320
Total	16,949	16,949

The department procured the MEC vehicle with accessories.

9.2 Analysis of funds utilised to acquire capital assets - 2019/2020

Figures in Rand thousand	Voted funds	Total
Tangible assets		
Machinery and equipment	7,644	7,644

9.3 Finance lease expenditure included in expenditure for capital assets

Tangible assets		
Machinery and equipment	8,394	7,421

The change in the prior period balance of R9,749 million to R7,421 million is a result of correction of the treatment of leases for state vehicles as contained in Chapter 13 of the Accounting Manual.

10. Cash and cash equivalents

Consolidated paymaster general account	61,817	77,636
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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand Note(s) 2020/2021 2019/2020

11. Receivables

Figures in Rand thousand	Note	2020/2021			2019/2020		
		Current	Non-current	Total	Current	Non-current	Total
Claims recoverable	11.1	-	615	615	-	615	615
Staff debt	11.2	961	3,697	4,658	2,746	2,167	4,913
Total		961	4,312	5,273	2,746	2,782	5,528

11.1 Claims recoverable

National departments			610	610
Provincial departments			5	5
Total		11	615	615

The department had a write-off of R70 thousand during the financial year.

The departmental debt is made up of salary overpayments R3,560 million , Human Resource Operational Processes Team R201 thousand, governmental vehicles and other debts R897 thousand.

11.2 Staff debt

Staff debt		4,658	4,913
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The department had a write-off of R70 thousand during the financial year.

The departmental debt consists of salary overpayments R3,560 million , Human Resource Operational Processes Team R201 thousand, governmental vehicles and other debts R897 thousand.

11.3 Impairment of receivables

Estimate of impairment of receivables		4,365	2,109
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Provision is based on all debts with an age of more than 3 years.

The total has increased due to the increase of debt that did not have movement in 3 years and above.

12. Investments

Non-Current

Shares and other equity

Investments at cost		427,597	427,597
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Total investments is made up of the following; Eastern Cape Development Corporation - R427,590 million, East London Industrial Development Zone R740 rands, and Coega Development Corporation R6,738 thousand.

Analysis of non-current investments

Opening balance		427,597	427,597
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In line with the accounting policy 13.2, there is no indication of impairment on the investment held in the ECDC.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
13. Loans			
Private enterprises		-	83
Analysis of balance			
Opening balance		83	198
New issues		2	4
Repayments		-	(119)
Write offs		(85)	-
Closing balance		-	83

As at 31st March 2021 the Loan balance was written off by the department.

13.1 Impairment of loans

Estimate of impairment of loans		-	41
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The department has written off the Coop loans therefore there was no impairment.

14. Voted funds to be surrendered to the Revenue Fund

Opening balance		51,123	18,656
Transferred from statement of financial performance (as restated)		47,847	51,123
Paid during the year		(51,123)	(18,656)
Closing balance		47,847	51,123

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

Opening balance		17,681	25,012
Transferred from statement of financial performance (as restated)		21,889	-
Own revenue included in appropriation	3	94,434	221,786
Paid during the year		(120,542)	(229,117)
Closing balance		13,462	17,681

Own revenue for the department has been reviewed downwards during adjustments resulting from the COVID – 19.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
16. Payables - current			
Clearing accounts	16.1	293	(6)
Other payables	16.2	1,400	-
Total		1,693	(6)

The increase is a result of the 2019/20 surplus surrendered by Eastern Cape Parks and Tourism Agency which was received by the department in March 2021 and was not paid over to Provincial Treasury by 31 March 2021.

16.1 Clearing accounts

Clearing accounts	293	(6)
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The clearing accounts balance is a total of balances from the following accounts; Bank Adjustment, Tax debt, Income Tax debt, pension recoverable, GEHS refund control account, bargaining council, salary persal EBT control account, PERSAL interface control account, salary reversal control account, salary deduction, bank exceptions, deposit account, receipt deposit account, salary pension fund and salary ACB recalls account.

16.2 Other payables

Eastern Cape Parks and Tourism Agency surplus surrender	1,400	-
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This is the surplus surrendered by Eastern Cape Parks and Tourism Agency.

17. Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance	59,622	61,237
Add back non cash/cash movements not deemed operating activities		
(Increase)/decrease in receivables	1,785	(1,626)
Increase/(decrease) in payables – current	1,699	(19)
Expenditure on capital assets	16,949	7,644
Surrenders to Revenue Fund	(171,665)	(247,773)
Surrenders to RDP Fund/Donor	-	(74)
Own revenue included in appropriation	94,434	221,786
Net cash flow generated by operating activities	2,824	41,175

There was a decrease in the revenue surrendered to the Provincial Treasury and a decrease in revenue included in appropriation.

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

Consolidated paymaster general account	61,817	77,636
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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand Note(s) 2020/2021 2019/2020

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

Liable to	Nature		2020/2021	2019/2020
Claims against the department		Annex 3B	7,251	13,447
Intergovernmental payables (unconfirmed balances)		Annex 5	228	55
Total			7,479	13,502

The decrease is a result of payment made in relation to the Coega Development Corporation dispute.

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.

All cases listed as contingent liabilities are currently open. The matters included as contingent liabilities are attributable to the fact that the amount of legal fees to be paid for the duration of these matters cannot be determined at the outset due to a number of factors influencing this such as, the type of matter, the duration, possible postponements etc. The nature of matters are confirmed by the State Attorney. As at 31 March 2021, the department is not certain as to when these cases would be concluded.

20. Accruals and payables not recognised

20.1 Accruals

Figures in Rand thousand	2020/2021		2019/2020
Listed by economic classification	30 Days	Total	Total
Goods and services	3,332	3,332	3,735
Transfers and subsidies	-	-	3,994
Total	3,332	3,332	7,729

Listed by programme level

Programme 1: Administration	2,351	2,511
Programme 2: Economic Development and Tourism	387	4,999
Programme 3: Environmental Affairs	594	219
Total	3,332	7,729

20.2 Payables not recognised

Figures in Rand thousand	2020/2021		2019/2020
Listed by economic classification	30 Days	Total	Total
Goods and services	114	114	100
Capital assets	-	-	147
Total	114	114	247

Listed by programme level

Programme 1: Administration	38	235
Programme 2: Economic Development and Tourism	64	12
Programme 3: Environmental Affairs	12	-
Total	114	247

Included in the above totals are the following:

Confirmed balances with other departments	Annex 5	5	64
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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
21. Employee benefits			
Leave entitlement		17,401	10,883
Service bonus		7,209	7,436
Performance awards		3,807	2,000
Capped leave commitments		17,058	18,504
Other		661	447
Total		46,136	39,270

Included in the leave entitlement and capped leave commitment are negative leave balances to the value of R85 thousand. These negative leave balances came about when leave was taken by employees based on the PERSAL leave credit (opening yearly balance) allocated at the beginning of the leave cycle which was calculated based on a calendar year. However this cycle is not inline with the accounting cycle which ends at March 31 each financial year. These leave credits are calculated per month depending on the number of months worked by each official.

22. Lease commitments

22.1 Operating leases

2020/2021

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	4,393	4,393
Later than 1 year and not later than 5 years	733	733
Total lease commitments	5,126	5,126

2019/2020

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	20,304	20,304
Later than 1 year and not later than 5 years	5,070	5,070
Total lease commitments	25,374	25,374

22.2 Finance leases **

2020/2021

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	5,623	5,623
Later than 1 year and not later than 5 years	8,926	8,926
Total lease commitments	14,549	14,549

2019/2020

Figures in Rand thousand	Machinery and equipment	Total
Not later than 1 year	4,877	4,877
Later than 1 year and not later than 5 years	2,760	2,760
Total lease commitments	7,637	7,637

23. Accrued departmental revenue

Tax revenue	14,868	7,283
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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
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23. Accrued departmental revenue (continued)

Positive year on year revenues were experienced during the year under review.

23.1 Analysis of accrued departmental revenue

Opening balance		7,283	17,282
Less: Amounts received		(7,283)	(17,282)
Add: Amounts recognised		14,868	7,283
Total		14,868	7,283

Eastern Cape Gambling Board experienced less trading and lower revenues in March 2020 and some March payments were remitted early due to the national lockdown hence the increase in accrued revenue March 2021 which was not affected by the national lockdown.

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

Opening balance		519	5,423
Add: Irregular expenditure - relating to prior year	24.2	-	56
Add: Irregular expenditure - relating to current year	24.2	84	463
Less: Prior year amounts condoned		-	(5,423)
Closing balance		603	519

Analysis of closing balance

Current year		84	463
Prior year		519	56
Total		603	519

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

Figures in Rand thousand	Disciplinary steps taken/ Criminal proceedings	2020/2021
Incident		
No proper procurement process followed	Under investigation	84

The additional Irregular expenditure is due to the department advertising and procuring goods without following proper procurement process.

24.3 Details of irregular expenditures under assessment (not included in the main note)

Figures in Rand thousand	2020/2021
Incident	
Irregular expenditure on the Provincial Economic Stimulus Fund	350,067
Irregular expenditure on Local and Regional Economic Development Fund	7,447
Total	357,514

Transfer payments of R251,086 million were made to provincial entities during the 2019/20 financial year. R98,981 million and R7,447 was transferred during the year under review in respect of the Provincial Economic Stimulus Fund and Local and Regional Economic Development Fund respectively.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
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25. Fruitless and wasteful expenditure**25.1 Reconciliation of fruitless and wasteful expenditure**

Opening balance		162	91
Fruitless and wasteful expenditure - relating to current year	25.2	61	71
Closing balance		223	162

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

Figures in Rand thousand		2020/2021
Incident	Disciplinary steps taken/ Criminal proceedings	
Employee salary overpayment	Under Investigation	61

26. Related party transactions**Payments made**

Expenditure for capital assets		7,445	-
Eastern Cape Development Corporation	Public Entity in the same MEC portfolio		
Eastern Cape Gambling and Betting Board	Public Entity in the same MEC portfolio		
Eastern Cape Liquor Board	Public Entity in the same MEC portfolio		
Eastern Cape Parks and Tourism Agency	Public Entity in the same MEC portfolio		
Coega Development Corporation	Public Entity in the same MEC portfolio		
East London Industrial Development Zone	Public Entity in the same MEC portfolio		
Eastern Cape Provincial Treasury	Public Entity in the same MEC portfolio		

The department made a payment of R7,445 million relating to capital assets to Coega Development Corporation.

27. Key management personnel

	No. of Individuals		
Officials:			
Level 15 to 16	1	1,687	2,008
Level 14 (incl. CFO if at a lower level)	3	4,253	5,452
Level 13	31	33,229	33,003
Total		39,169	40,463

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
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28. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended March 31, 2021

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	1,853	713	705	1,861
Computer equipment	8,899	-	-	8,899
Furniture and office equipment	9,958	-	-	9,958
Other machinery and equipment	1,104	78	-	1,182
	21,814	791	705	23,310
Total movable tangible capital assets	21,814	791	705	21,900

28.1 Additions

Additions to movable tangible capital assets per asset register for the year ended March 31, 2021

Figures in Rand thousand	Cash	(Capital Work in Progress current costs and finance lease payments)	Total
Machinery and equipment			
Transport assets	4,345	(3,632)	713
Other machinery and equipment	4,840	(4,762)	78
Total additions to movable tangible capital assets	9,185	(8,394)	791

28.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended March 31, 2021

Figures in Rand thousand	Non-cash disposal	Total disposals
Machinery and equipment		
Transport assets	705	705

28.3 Movement for 2019/2020

Movement in movable tangible capital assets per asset register for the year ended March 31, 2020

Figures in Rand thousand	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment				
Transport assets	1,853	-	-	1,853
Computer equipment	9,098	-	(199)	8,899
Furniture and office equipment	9,897	101	(40)	9,958
Other machinery and equipment	1,057	47	-	1,104
Total movable tangible capital assets	21,905	148	(239)	21,814

28.4 Minor assets

Movement in minor assets per the asset register for the year ended as at March 31, 2021

Figures in Rand thousand	Machinery and equipment	Total
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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
28. Movable Tangible Capital Assets (continued)			
Opening balance		8,203	8,203
Additions		19	19
Total minor assets		8,222	8,222

Figures in Rand thousand	Machinery and equipment	Total
Number of minor assets at cost	6	6

Movement in minor assets per the asset register for the year ended as at March 31, 2020

Figures in Rand thousand	Machinery and equipment	Total
Opening balance	8,399	8,399
Additions	11	11
Disposals	(207)	(207)
Total minor assets	8,203	8,203

Figures in Rand thousand	Machinery and equipment	Total
Number of minor assets at cost	4	4

29. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended March 31, 2021

Figures in Rand thousand	Opening balance	Additions	Disposals
Software	-	320	(320)

29.1 Additions

Additions to intangible capital assets per asset register for the year ended March 31, 2021

Figures in Rand thousand	Cash	Total
Software	320	320

29.2 Disposals

Disposals of intangible capital assets per asset register for the year ended March 31, 2021

Figures in Rand thousand	Non-cash disposal	Total disposals
Software	(320)	(320)

30. Immovable Tangible Capital Assets

Movement in immovable tangible capital assets per asset register for the year ended March 31, 2021

Figures in Rand thousand	Opening balance	Closing balance
Buildings and other fixed structures		
Other fixed structures	48,650	48,650

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020	
30. Immovable Tangible Capital Assets (continued)				
30.1 Movement for 2019/2020				
Movement in immovable tangible capital assets per asset register for the year ended March 31, 2020				
Figures in Rand thousand		Opening balance	Closing balance	
Buildings and other fixed structures				
Other fixed structures		48,650	48,650	
30.2 Capital Work-in-progress				
Capital Work-in-progress as at March 31, 2021				
Figures in Rand thousand	Note	Opening balance April 1, 2020	Current Year WIP	Closing balance March 31, 2021
Buildings and other fixed structures	Annexure 7	74,491	7,445	81,936
Figures in Rand thousand			Number of projects Planned, Construction started	2020/2021 Total
Age analysis on ongoing projects				
3 to 5 Years			1	81,936
Capital Work-in-progress as at March 31, 2020				
Figures in Rand thousand	Note	Opening balance April 1, 2019	Closing balance March 31, 2020	
Buildings and other fixed structures	Annexure 7	74,491	74,491	
Figures in Rand thousand			Number of projects Planned, Construction not started	2019/2020 Total
Age analysis on ongoing projects				
1 to 3 Year(s)			1	74,491

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Note(s)	2020/2021	2019/2020
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31. Prior period errors

31.1 Correction of prior period errors

Figures in Rand thousand

	Note	Amount bef error correction	2019/2020 Prior period error	Restated amount
Expenditure				
Expenditure for capital assets		9,972	(2,328)	7,644
Operating Leases		37,576	2,328	39,904
Finance lease expenditure included in expenditure for capital assets		9,749	(2,328)	7,421
Net effect		57,297	(2,328)	54,969

The prior period error was a result of corrected accounting treatment of leases for state vehicles as contained in Chapter 13 of the Accounting Manual.

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Annual Financial Statements for the year ended March 31, 2021

Notes to the Annual Financial Statements

Figures in Rand thousand

32. Inventory

32.1 Inventory for the year ended March 31, 2021

Figures in Rand thousand

Add: Additions/Purchases - Cash
(Less): Issues
Add/(Less): Received current, not paid
(Paid current year, received prior year)

Closing balance

Insert major category of inventory	Total
1,857	1,857
(2,185)	(2,185)
328	328

-	-
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The department bought a truck for R1,478 million for distribution for isiqalo fund beneficiary. The R328 thousand is for laptops and desktops that were also bought by the department and distributed to isiqalo fund beneficiary but the amount is not yet paid by the department.

Inventory for the year ended March 31, 2020

Figures in Rand thousand

Opening balance
(Less): Issues

Closing balance

Insert major category of inventory	Total
817	817
(817)	(817)

-	-
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Annual Financial Statements for the year ended March 31, 2021
Notes to the Annual Financial Statements

Figures in Rand thousand

33. Statement of Conditional grants received

Figures in Rand thousand

Name of grant	Grant allocation		Spent		2019/2020
	Division of Revenue Act/ Provincial Grants	Total Available	Amount received by department	Amount spent by department	
EPWP (Kou Kamma Municipality)	2,494	2,494	2,494	2,494	2,670
					2,670

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Annual Financial Statements for the year ended March 31, 2021
Notes to the Annual Financial Statements

Figures in Rand thousand

34. Statement of Conditional grants and other transfers to municipalities

Name of municipality	2020/2021		2019/2020	
	Grant allocation	Expenditure	Division of Revenue Act	Actual Transfer
	DoRA and other transfers	Total Available	Actual Transfer	
Kou Kamma Municipality	3,494	3,494	3,494	2,670
Amahlathi Municipality	6,633	6,633	6,633	-
Sakhisizwe Municipality	2,500	2,500	2,500	-
King Sabata Dalindyebo Municipality	2,500	2,500	2,500	-
Matatiele Municipality	3,791	3,791	3,791	-
Raymond Mhlaba Municipality	5,000	5,000	5,000	-
Elundini Municipality	-	-	-	500
Port St Johns Municipality	-	-	-	3,000
Mbashe Municipality	-	-	-	4,000
Mbizana Municipality	-	-	-	3,286
Kouga Municipality	-	-	-	300
Senqu Municipality	-	-	-	200
Inxuba Yethemba Municipality	-	-	-	3,000
Cacadu Development Agency	-	-	-	28,000
Chris Hani Development Agency	-	-	-	15,000
Walter Sisulu Municipality	-	-	-	2,000
Total	23,918	23,918	23,918	61,956

35. COVID 19 Response Expenditure

Expenditure per economic classification
Goods services

Annexure 11
335

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Annual Financial Statements for the year ended March 31, 2021

Annexures to the Annual Financial Statements

Unaudited Annexure 1A

Statement of conditional grants and other transfers paid to Municipalities

Name of Municipality	Grant allocation		Spent		2019/2020	
	DoRA and other transfers	Total Available	Amount received by municipali- ties	Amount spent by municipality	Division of Revenue Act	Actual Transfer
Kou Kamma Municipality	2,494	2,494	2,494	2,375	2,607	2,607
					95 %	
					by municipality	

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Annual Financial Statements for the year ended March 31, 2021

Annexures to the Annual Financial Statements

Unaudited Annexure 1B

Statement of transfers to Departmental Agencies and Accounts

Departmental agency / Account	Transfer allocation			Transfer		2019/2020	
	Adjusted Appropriation	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation		
Eastern Cape Gambling Board	61,350	61,350	61,350	100 %	58,710		
Eastern Cape Liquor Board	69,094	69,094	69,094	100 %	62,483		
Eastern Cape Parks & Tourism Agency	252,314	252,314	252,314	100 %	222,695		
Eastern Cape Development Corp	266,945	266,945	266,945	100 %	217,842		
Coega Development Corporation	177,092	177,092	177,092	100 %	104,903		
East London Industrial Zone	110,652	110,652	110,652	100 %	181,575		
Eastern Cape Rural Development Agency	-	-	-	- %	18,715		
Eastern Cape Arts Council	-	-	-	- %	13,311		
Total	937,447	937,447	937,447				880,234

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Annexures to the Annual Financial Statements

Unaudited Annexure 1D

Statement of transfers/subsidies to Public Corporations and Private Enterprises

Name of Public Corporations/ Private Enterprise	Transfer allocation			Expenditure		2019/2020	
	Adjusted Appropriation Act	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation		
Private enterprises							
Subsidies							
LRED Projects	22,161	22,161	22,155	100.0 %	20,000		
Isiqalo Funding	-	-	-	- %	15,000		
Subtotal	22,161	22,161	22,155	100.0 %	35,000		

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Annual Financial Statements for the year ended March 31, 2021

Annexures to the Annual Financial Statements

Unaudited Annexure 1F

Statement of transfers to Non-Profit Institutions

Figures in Rand thousand	2019/2020 Final Appropriation
Non-profit Institutions	
Transfers	
Environmental Awards	1,526

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Annexures to the Annual Financial Statements

Unaudited Annexure 1G

Statement of transfers to Households

Households	Transfer Allocation		Expenditure		2019/2020 Final Appropriation
	Adjusted Appropriation Act	Total Available Actual	Transfer % of Available funds Transferred		
Transfers					
Leave Gratuity	1,599	1,599	1,599	100 %	3,730
Injury on duty	1	1	1	100 %	2
Bursaries (non-employee)	613	613	488	80 %	533
Bursaries (R&D)	-	-	-	- %	78
Claims against the state	-	-	-	- %	93
Total	2,213	2,213	2,088		4,436

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Annexures to the Annual Financial Statements

Unaudited Annexure 11

Statement of aid assistance received

Name of donor	Purpose	Opening Balance	Revenue	Expenditure	Closing Balance
Figures in Rand thousand					
Received in cash					
Aid assistance donor-EU		10,114	4,126	14,240	-

The department had a balance of R10,114 million from the EU aid assistance received in the last financial year. The department further received another EU aid assistance of R4,126 million. R10,114 million was transferred to ECDC and R4,126 million was transferred to Chris Hani District Municipality.

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Annual Financial Statements for the year ended March 31, 2021

Annexures to the Annual Financial Statements

Unaudited 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		Number of shares held	Cost of investment		Net Asset value of investment		Profit/(Loss) for the year	
		2020/2021	2019/2020		2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Figures in Rand thousand										
National/Provincial Public Entity										
Eastern Cape Development Corporation 3D		100 %	100 %	41,259,000	427,590	427,590	1,378	1,430	6,001	52,862
East London Industrial Development Zone		74 %	74 %	740,000	1	1	1,924,138	2,036,948	(103,954)	454,632
Coega Development Corporation	N/A	100 %	100 %	6,738	6	6	6,159,720	5,544,905	717,819	58,002
Total				42,005,738	427,597	427,597	8,085,236	7,583,283	619,866	565,496

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Annual Financial Statements for the year ended March 31, 2021

Unaudited Annexure 3B

Statement of contingent liabilities as at March 31, 2021

Nature of Liability	Opening Balance April 1, 2020	Liabilities incurred during the year	Liabilities cancelled/reduced during the year	Closing Balance March 31, 2021
Figures in Rand thousand				
Claims against the department				
Claims against the department	13,447	5,773	11,969	7,251

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Unaudited Annexure 4

Claims recoverable

Government Entity	Confirmed balance outstanding 2020/2021	Unconfirmed balance outstanding 2020/2021	2019/2020	2020/2021	2019/2020	Total
Figures in Rand thousand						
Department						
International Relations	-	610	610	610	610	610
Western Cape Office of the Premier	-	3	3	3	3	3
Eastern Cape Department of Home Affairs	-	2	2	2	2	2
Kwazulu Natal Office of the Premier	32	-	-	-	32	-
Total	32	615	615	615	647	615

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Unaudited Annexure 5

Inter-Government payables

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Figures in Rand thousand						
Departments						
Current						
Department of Justice and Constitutional Development	-	-	-	1	-	1
South African Police Services	-	-	1	1	1	1
Eastern Cape Office of the Premier	-	-	227	53	227	53
Department of Sports, Recreation, Arts and Culture	-	64	-	-	-	64
Eastern Cape Provincial Treasury	5	-	-	-	-	5
Total Intergovernment payables	5	64	228	55	233	119

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Unaudited Annexure 6

Inventories

Inventory for the year ended March 31, 2021

Figures in Rand thousand	Insert major category of inventory	Total
Add: Additions/Purchases - Cash	1,857	1,857
(Less): Issues	(2,185)	(2,185)
Add/(Less): Received current, not paid (Paid current year, received prior year)	328	328
Closing balance	-	-

The department bought a truck for R 1 478 million for distribution for isiqalo fund beneficiary. The R328 thousand is for laptops and desktops that were also bought by the department and distributed to isiqalo fund beneficiary but the amount is not yet paid by the department.

Inventory for the year ended March 31, 2020

Figures in Rand thousand	Insert major category of inventory	Total
Add/(Less): Adjustments to prior year balances	817	817
(Less): Issues	(817)	(817)
Closing balance	-	-

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Unaudited Annexure 7

Movement in capital work-in-progress

Movement in capital-work-in progress for the year ended March 31, 2021

Figures in Rand thousand	Opening balance	Current year Capital WIP	Closing balance
Buildings and other fixed structures			
Other fixed structures	74,491	7,445	81,936

Figures in Rand thousand	Number of projects Planned, Construction started	2020/2021 Total
Age analysis on ongoing projects		
3 to 5 Years	1	81,936

Movement in capital work-in-progress for the year ended March 31, 2020

Figures in Rand thousand	Opening balance	Closing balance
Buildings and other fixed structures		
Other fixed structures	74,491	74,491

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Unaudited Annexure 11

**COVID 19 Response Expenditure
Per quarter and in total**

Expenditure per economic classification	2020/2021				TOTAL
	Q1	Q2	Q3	Q4	
Figures in Rand thousand					
Goods services					
Cons Med Kit	84	108	80	63	335
TOTAL COVID 19 Response Expenditure	84	108	80	63	335