

DEPARTMENT OF ENERGY

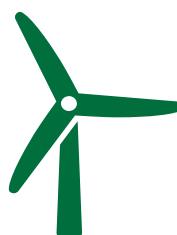
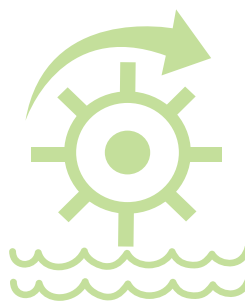
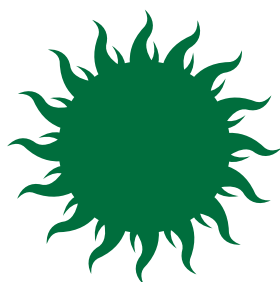
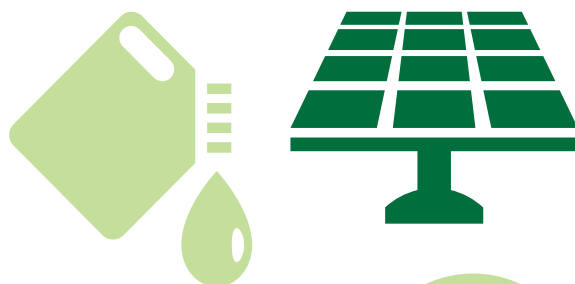
ANNUAL
REPORT
2019/2020



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA





ANNUAL REPORT

2019/20

VOTE 26



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PART A

GENERAL INFORMATION



1.1 DEPARTMENT OF ENERGY GENERAL INFORMATION

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1.2 LIST OF ABBREVIATIONS/ACRONYMS

20YRLFIR	20 Year Liquid Fuels Infrastructure Roadmap
AEEP	Africa-EU Energy Partnership
AG	Auditor General
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
APPO	African Petroleum Producer Organisation
ASSAf	Academy of Science of South Africa
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BFP	Basic Fuel Price
BRICS	Brazil, Russia, India, China and South Africa
BRRR	Budgetary Review and Recommendation Report
BW	Bid Window
CEF	Central Energy Fund
CEM	Clean Energy Ministerial
CHIETA	Chemical Industries Education and Training Authority
COD	Commercial Operation Date
CoGTA	Department of Cooperative Governance and Traditional Affairs
DDG	Deputy Director-General
DG	Director-General
DIRCO	Department of International Relations and Cooperation
DM	Deputy Minister
DoE	Department of Energy
DoRA	Division of Revenue Act

DPME	Department of Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DST	Department of Science and Technology
EE	Energy Efficiency
EEDSM	Energy Efficiency and Demand Side Management
EHWP	Employee Health and Wellness Programme
EU	European Union
EVTs	Evacuated Vacuum Tubes
EWSETA	Energy Water Service Sector Education and Training Authority
EXCO	Executive Management Committee
FOSAD	Forum of South African Directors-General
GDP	Gross Domestic Product
GHG	Green House Gas
HDI	Historically Disadvantaged Individual
HDSA	Human Development in South Africa
HR	Human Resources
IAEA	International Atomic Energy Agency
IBT	Inclining Block Tariff
ICT	Information and Communication Technology
IEC	Integrated Energy Centre
IEP	Integrated Energy Plan
INEP	Integrated National Electrification Programme
IOP	Institutional Operation Plan
IPP	Independent Power Producer
IRBA	Independent Regulatory Board for Auditors
IRENA	International Renewable Energy Agency

1.2 LIST OF ABBREVIATIONS/ACRONYMS

IRP	Integrated Resource Plan
ISC	Interim Steering Committee
IT	Information Technology
ITAC	International Trade Administration Commission
IYM	In-year Management
JODI	Joint Oil Data Initiative
LPG	Liquefied Petroleum Gas
M&E	Monitoring and Evaluation
MANCO	Management Committee
MISA	Municipal Infrastructure Support Agent
MoA	Memorandum of Agreement MoU
MoU	Memorandum of Understanding
MP	Member of Parliament
MPAT	Management Performance Assessment Tool
MTSF	Medium-Term Strategic Framework
MV	Medium Voltage

MW	Megawatts
NDP	National Development Plan
NECSA	Nuclear Energy Corporation of South Africa
NEDLAC	National Economic, Development and Labour Council
NEES	National Energy Efficiency Strategy
NERSA	National Energy Regulator of South Africa
NFC	Nuclear Fuel Cycle
NNBP	Nuclear New Build Programme
NNR	National Nuclear Regulator
NRWDI	National Radioactive Waste Disposal Institute
NSWHP	National Solar Water Heater Programme
NTI	New-To-Industry
NTP	NTP Radioisotopes SOC Ltd
PASA	Payments Association of South Africa
PCE	Portfolio Committee on Energy

1.3 FOREWORD BY MINISTER



Mr SG Mantashe, MP

Minister of Mineral Resources and Energy

Despite the recent merger of the Department of Energy and the Department of Mineral Resources this Annual Report provides audited performance and financial information only for the Department of Energy because it operated on a separate budget vote in the period under review.

As the leading Government Department in the energy space, we have always indicated that our objectives are premised on improved energy security, the diversification of our energy mix, including regional integration, increasing access to modern energy carriers, reducing our greenhouse gas emissions, reducing our water usage, developing the skills necessary for job creation, improving our energy efficiency, and lowering the cost of energy. The Department of Energy of South Africa, like its sister government departments, as well as affiliated state owned entities, operate in a dynamic global and African context. South Africa faces the triple threat of poverty, unemployment, and inequity in a complex policy environment, and aims to transition to a low-carbon future and a more diverse and inclusive economy. The NDP's envisioned critical actions of public infrastructure investment at 10% of GDP financed through tariffs, public-private partnerships, taxes and loans, and focused on transport, energy and water, as well as interventions to ensure environmental sustainability and resilience to future shocks gain additional importance under such circumstances.

Since the advent of democracy in 1994 we increased the usage of electricity, especially in the residential sector through the proliferation of appliances as the standard of living gradually improved. We are still amongst the highest per capita users of electricity around the world, notwithstanding that there are still around 3-million households without access to a modern energy carrier. The electricity crisis of 2008 and other recent

The NDP's envisioned critical actions of public infrastructure investment at 10% of GDP financed through tariffs, public-private partnerships, taxes and loans, and focused on transport, energy and water, as well as interventions to ensure environmental sustainability and resilience to future shocks gain additional importance under such circumstances

¹ NDP, 2012, pp. 75-96, 197-98.

1.3 FOREWORD BY MINISTER (*cont.*)

developments exposed institutional weaknesses related to state-owned companies responsible for power generation and transmission infrastructure. In response the Department of Energy produced The Integrated Resource Plan of 2019 (IRP 2019) in this fiscal year, which serves as the preeminent policy for the South African electricity sector. The IRP 2019 provides for Installed capacity of electricity generation by fuel type is as follows: 38 GW from coal, 1.8 GW from nuclear, 2.7 GW from pumped storage, 1.7 GW from hydro, 3.8 GW from diesel, and 3.7 GW from renewable energy. Sizable contributions to electricity production are also made currently by nuclear energy, which helps to reduce carbon emissions. Nuclear utilisation goes well beyond being a source of electricity. South Africa's SAFARI-1 nuclear research reactor is one of the three largest producers of medical radioisotopes in the world, used in millions of medical procedures.

Through the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) it has been shown that sustainable clean electricity at an affordable price can be provided to our communities and the people living around these projects. The programme is delivering real economic growth through direct investment, creation of direct and indirect jobs, and stimulating a green economy as per the Green Economy Accord of 2011.

South Africa remains a net importer of refined petroleum products like petrol and diesel, and because these commodities are US dollar denominated, they affect local prices due to variable exchange rates. Investing in a new crude oil refinery and an associated petrochemical plant is therefore necessary to reduce the amount of refined petroleum products that are imported. It would also assist in meeting our obligations with respect to Agenda 2063 of the African Union, which enjoins us to develop Africa's energy infrastructure.

In closing this final report of the Department of Energy, I would like to extend my deep appreciation to the Honourable President Cyril Ramaphosa for his decisive leadership concerning energy and related matters, and Team Energy without whom implementation of the NDP, electoral manifesto, and implementation plans would not have been possible.



Mr SG Mantashe, MP
Minister of Mineral Resources and Energy

1.4 REPORT OF THE ACCOUNTING OFFICER



Advocate Thabo Mokoena
Accounting Officer

Performance is comprised of both financial and non-financial performance. I provide an overview of these two aspects of performance here, and more detailed information in Part E of the report which contains the Department's audited financial statements, and in Part B which details the Department's actual performance against its 2019/20 Annual Performance Plan.

In carrying out its mandate, DoE formulates energy specific policies, legislation, regulations, programmes, projects, and oversees their implementation to ensure energy security, promotion of environmentally friendly energy carriers, and access to affordable and reliable energy for all South Africans. DoE executes its mandate by means of six budgetary programmes: (1) Administration; (2) Energy Policy and Planning; (3) Petroleum and Petroleum Products Regulation; (4) Electrification and Energy Programme and Project Management; (5) Nuclear Energy; and (6) Clean Energy.

Six state-owned enterprises: National Energy Regulator of South Africa (NERSA); National Nuclear Regulator (NNR); National Radioactive Waste Disposal Institute (NRWDI); Nuclear Energy Corporation of South Africa (NECSA); Central Energy Fund (CEF); and South African National Energy Development Institute (SANEDI) contribute to the Department's pre-determined objectives as implementation agents. In addition, the Independent Power Producers Office under the direction of the Department of Energy and National Treasury ensures a competitive, open, fair, and transparent process in the procurement of renewable and other sources of energy from the private sector.

According to DPME, departments should strive for a 100% achievement of the planned targets in the Annual Performance Plan (APP). If achievement is lower than 80%, it is indicative of the quality of plans the Department may have and brings doubt as to whether the Department is using the plan to guide implementation.

1.4.1 Overview of the Operational Performance of the Department:

Out of a total of 33 APP targets in 2019/20, the Department achieved 17 (52 %), partially achieved 9 (27 %), and did not achieve 7 (21 %). Table 1 below is a summary of the annual targets achieved, partially achieved, and not achieved during the 2019/20 fiscal year at the short-term output level. It is also important to note that the household electrification target under the Programmes and Project branch was achieved, and to do so, it received in round numbers 90% of the Department's budget, with the remaining +10% being equally distributed between all other achieved targets (half of 10%), and the combined total of partially achieved and not achieved targets (half of 10%). These indicative figures provide an overall view of the funds expended relative to the achievement of targets, while the audited financial statements in Part E provide the detailed financial profile of the department for the year under review, and Part F the financial statements of the IPP Office.

Table 1: Summary of DoE 2019/20 Annual Performance Plan Results.

Branches/Units	Number of Annual targets in the APP	Achieved Annual Targets	Partially Achieved Annual Targets	Not Achieved Annual Targets
Policy and Planning	8	2	3	3
Petroleum & Petroleum Products Regulation	3	3	0	0
Nuclear Energy	4	1	2	1
Clean Energy	5	3	1	1
Programmes and Projects	5	4	0	1
Corporate Services (Administration)	2	1	1	0
Financial Management Services (Administration)	2	0	1	1
Governance and Compliance (Administration)	4	3	1	0
Total	33	17	9	7

Table 2: Standards for Annual Targets

Progress Description	Percentage Attained	Annual Report Status
Activity not initiated on time or progress slower than planned	0-49%	Not Achieved
In-year progress slower than planned	50-79%	Partially Achieved
Annual delivery on track to meet 5 year target	80-100%	Achieved

According to DPME, departments should strive for a 100% achievement of the planned targets in the Annual Performance Plan (APP). If achievement is lower than 80%, it is indicative of the quality of plans the Department may have and brings doubt as to whether the department is using the plan to guide implementation.

In addition to APP targets, the Department maintained an Institutional Operational Plan (IOP) that addresses support services and operational activities. In the period under review, out of 133 targets, the Department achieved 62 (%), partially achieved 15 (%), and did not achieve 23 (%).

1.4.2 Overview of the Financial Performance of the Department:

1.4.2.1 Department Receipts

Table 3: Departmental Receipts

Departmental receipts	2019/2020			2018/2019		
	Estimate	Actual	(Over)/ Under Collection	Estimate	Actual	(Over)/ Under Collection
		Amount Collected			Amount Collected	
	R'000	R'000	R'000	R'000	R'000	R'000
Tax receipts	-	-	-	-	-	-
Sale of Goods and Services other than Capital Assets	4,036	4,121	(85)	3,916	4,409	(493)
Transfers Received	1,750	764	986	1,750	1,617	133
Fines, Penalties and Forfeits	-	-	-	-	-	-
Interest, Dividends and Rent on Land	2	3	(1)	30	12	18
Sale of Capital Assets	-	-	-	-	-	-
Financial Transactions in Assets and Liabilities	205	142	63	474	48,642	(48,168)
Total	5,993	5,030	963	6,170	54,680	(48,510)

Departmental revenue is mainly derived from the receipt of administration fees for petroleum license applications processed in terms of the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003). The total revenue collection target for 2019/20 was R6.31 million from three (3) main sources as follows:

- R4.04 million or 67.35% from the sale of goods and services produced by the department, other than capital assets, is inclusive of R3.75 million of administrative fees for petroleum license fees;
- R1.75 million or 29.20% of transfers from Departmental agencies, is mainly grants from affiliated energy SETAs;
- R205 thousand or 3.42% from transactions in financial assets which includes debt receivables, recovery of previous year/s expenditure and unallocated credits; and
- The balance was expected from miscellaneous sales, i.e. interest received and sale of waste paper.

For the 2019/20 financial year, total revenue collected was R5.03 million against a projection of R5.99 million resulting in an under collection of R963 thousand, mainly due to receipts from SETAs, which were R986 thousand less than anticipated. This is attributable to a reduction in the training and development grants from EWSETA and CHIETA. Receipts from financial assets were R63 thousand less than anticipated, thereby contributing to the total under collection.

Receipts relating to petroleum licenses were more by R81 thousand with R3.83 million collected against a target of R3.75 million.

Comparative to the 2018/19 financial year, departmental revenue in 2019/20 is R49.65 million lower than revenue collected in 2018/19, mainly because of a reduction of R48.5 million in receipts relating to the recovery of previous year expenditure. During March 2019, revenue increased significantly due to the receipt of a once-off amount of R48.5 million from Eskom representing unspent funds from its tenure as the implementing agent of the National Solar Water Heater Programme (NSWHP). The receipt was surrendered to the National Revenue Fund in terms of PFMA requirements in 2018/19.

1.4.2.2 Budget Variance per Economic Classification

Table 4: Budget Variance per Economic Classification

Classification	2019/20			
	Budget	Expenditure	Unspent Funds	Variance as a % of Final Budget
	2019/20	31 March 2020		
	R'000	R'000	R'000	%
Compensation of Employees	375,454	356,438	19,016	5.06%
Goods and Services	284,986	258,770	26,216	9.02%
Transfers and Subsidies	6,518,602	6,309,774	208,828	3.20%
Payments for Capital Assets	4,504	2,237	2,267	50.34%
Interest and Rent on Land	-	-	-	0.00%
Payments for Financial Assets	11	11	0	0.00%
Total	7,183,557	6,927,230	256,327	3.57%

By the end of the financial year, R7.18 billion had been withdrawn from the National Revenue Fund (NRF) to fund DoE's planned operations and transfers, 96.43% of this cash was utilised resulting in a budget underspending of R256.33 million or 3.57%, representing the variance between planned and actual expenditure. The contributors to the variance are as follows:

1.4.2.3 Compensation of Employees (CoE)

The budget underspending of R19.02 million or 5.06%, is attributable to delays in filling vacant priority positions in anticipation of the pending merger of the Department with the Department of Mineral Resources. By the close of the 2019/20 financial year, the Department had in its employment 498 (500 in February 2020) permanent employees and 36 (36 in February 2020) additional employees, inclusive of 15 interns as well as 63 vacant funded posts.

1.4.2.4 Goods and Services

Planned expenditure in this classification was R284.99 million while actual expenditure was R258.77 million resulting in a net budget underspending of R26.22 million or 9.20% mainly in the following items:

- **Consultants: Business and advisory services:** Underspending attributable to delayed projects as follows:
 - **Programme 3: Petroleum and Petroleum Products Regulation** – delayed commencement of the LPG Audit in the Petroleum and Liquid Fuel Industry project as well as the B-BBEE Monitoring.
 - **Programme 4: Electrification and Energy Programmes and Project Management** – delayed finalisation of procurement processes for the Non-grid Monitoring and Evaluation and the Electrification Master Plan projects.
 - **Programme 5: Nuclear Energy** – delay in the commencement of the study to stress-test the NECSA Turnaround Strategy.
 - **Programme 6: Clean Energy** – delayed finalisation of the feasibility studies related to implementation of SWH project as well as the delayed installation of procured units.
- **Operating Leases:** Underspent due to payments for Head Office accommodation paid lower than budgeted for, as per agreement reached by the Department (DoE) and Department of Public Works (DPWI), pending the finalisation of DPWI assessment of a Forensic Audit Report presented by the Department.

1.4.2.5 Transfer Payments

The net budget underspending of R208.83 million or 3.20% is due to:

- **INEP Non-Grid Households:** R199.83 million underspending due to the delayed procurement process.
- **INEP Municipalities:** R3.51 million underspending due to the withholding of payments to JS Moroka municipality in Mpumalanga as a result of non-compliance to DoRA requirements.
- **International Membership fees:** R4.89 million underspending mainly because of delayed invoices for subscription fees to multilateral international organisations.
- **Households:** R603 thousand underspending is as a result of outstanding payments relating to early retirement applications and pension liability payable to the GEPP.

1.4.2.6 Payments for Capital Assets

The net budget underspending of R2.27 million is due to less requests than anticipated for office furniture and computer equipment attributable to the merger of DoE and DMR.

1.4.2.7 Programme Expenditure

Table 5: Programme Expenditure

Programme Name	2019/20			2018/19		
	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	293,583	279,383	14,200	305,329	304,017	1,312
Energy Policy and Planning	47,568	39,945	7,623	46,073	40,066	6,007
Petroleum and Petroleum Products Regulation	88,355	80,710	7,645	79,242	77,044	2,198
Electrification and Energy Programme and Project Management	5,274,825	5,064,328	210,497	5,380,591	5,364,511	16,080
Nuclear Energy	1,050,143	1,039,907	10,236	875,486	875,285	201
Clean Energy	429,083	422,956	6,127	476,811	429,317	47,494
Total	7,183,557	6,927,230	256,327	7,163,532	7,090,239	73,293

During the 2019 Adjusted Estimates of National Expenditure (AENE) budget process, the Department's budget was revised downwards by R256.46 million of budget reductions implemented by National Treasury, from R7.44 billion to R7.18 billion.

The reductions were implemented in Programmes as follows:

1.4.2.7.1 Programme 1: Administration (R1.781 million) - R1.5 million of unspent funds was declared on compensation of employees due to the moratorium on the filling of vacancies, particularly in the Administration programme, pending the finalisation of the announced merger of the Department of Energy (DoE) and the Department of Mineral Resources (DMR) to the Department of Mineral Resources and Energy (DMRE). In addition, R281 thousand was declared as unspent funds on capital assets due to a reduction in the procurement of assets in anticipation of the merger and the associated transfer of existing assets to the newly established DMRE.

1.4.2.7.2 Programme 2: Energy Policy and Planning (R3 million) - R1.5 million of unspent funds was declared on compensation of employees due to the number of vacancies within the programme resulting from a moratorium on the filling of vacancies pending the finalisation of the merger. The balance of R1.5 million came from the goods and services classification mainly from funds allocated for the second phase of the

Footprint and Savings Potential project following a decision by UNIDO to fund this phase as well as from savings achieved as a result of cost containment measures implemented on items such as communication, consumable and travel and subsistence.

1.4.2.7.3 Programme 3: Petroleum and Petroleum Product Regulation (R0.914 million) - Unspent funds declared on compensation of employees due to the number of vacancies, which could not be filled, within the programme.

1.4.2.7.4 Programme 4: Electrification and Energy Programme and Project Management - R250 million of unspent funds was declared on transfer payments to Eskom for the implementation of electricity connections to households under the INEP programme. Due to higher than expected fiscal pressures within government, slow spending items were identified by National Treasury and as a result, conditional grant payments in respect of the INEP - Eskom grant were reduced. This resulted in a reduction of 13 500 grid connections to households.

1.4.2.7.5 Programme 5: Nuclear Energy - R0,769 million of unspent funds was declared on goods and services due to slow spending emanating from delayed planned projects within the Branch.

Further reasons for the net budget underspending of R256.33 million or 3.57% between projected and actual expenditure per Programme are as follows:

1.4.2.7.6 Programme 1: Administration

The Programme spent R279.38 million from the projected spending of R293.58 million resulting in a net budget underspending of R14.20 million or 4.84%, mainly due to the following cost items:

Compensation of Employees: R3.66 million underspending mainly as a result of vacant positions.

Operating Leases: underspending due to payments for Head Office accommodation paid lower than budgeted for, because of an agreement reached by the Department and DPWI, pending the finalization of DPWI's assessment of the Forensic Audit Report presented by the Department.

Training & Development: underspending due to planned training, which could not take place before year-end.

Travel & Subsistence: budget saving were as a result of less official trips undertaken than projected.

Households: underspending due to outstanding payments relating to early retirement applications and pension liability payments to the GEPE.

Payments for capital assets: budget underspent due to less requests than anticipated for office furniture and computer equipment attributable to the merger of DoE and DMR.

1.4.2.7.7 Programme 2: Energy Policy and Planning

The Programme spent 39.95 million from the projected spending of R47.57 million, resulting in a net budget underspending of R7.62 million or 16.03%. The underspending is due to:

- Compensation of employees: R6.34 million underspending as a result of vacant positions.
- Travel and subsistence: budget saving due to less official trips undertaken than projected.

1.4.2.7.8 Programme 3: Petroleum and Petroleum Products Regulation

The Programme spent R80.71 million from the projected spending of R88.36 million, resulting in a net underspending of R7.65 million or 8.65%. The contributors to the underspending are:

- Compensation of employees: R3.58 million underspending mainly as a result of vacant positions.
- Consultants Business and Advisory services: underspending due to outstanding invoices relating to the Fuel Sampling and Testing project, as well as the PPALS System Maintenance and Development project. Delayed procurement processes for the LPG Audit in the Petroleum and Liquid Fuel Industry project as well as the B-BBEE Monitoring Evaluation and Reporting System project. The delayed projects will be carried over to the 2020/21 financial year.



1.4.2.7.9 Programme 4: Electrification and Energy Programme and Project Management

The Programme spent R5.06 billion of the projected spending of R5.27 billion, resulting in a net budget underspending of R210.50 million or 3.99%. The underspending is attributable to the following:

- Compensation of employees: R2.54 million mainly as a result of vacant positions.
- INEP Non-Grid Households: R199.83 million underspending due to delays in finalising procurement processes for the 2019/20 implementation plan.
- INEP Municipalities: R3.51 million underspending due to the withholding of payments to JS Moroka municipality.
- Consultants: Business and Advisory Services: underspending due to the delayed commencement of procurement processes for the Non-Grid M&V and the Electrification Master Plan projects.

1.4.2.7.10 Programme 5: Nuclear Energy

The Programme spent R1.04 billion of the projected spending of R1.05 billion, resulting in a net budget underspending of R10.24 million or 0.97%. The underspending is mainly due to:

- Compensation of employees: R965 thousand as a result of vacant positions.
- Consultants: Business and Advisory Services: underspending due to the delayed project to stress-test the NECSA Turnaround strategy.
- International Membership fees: underspending as a result of fluctuations in foreign exchange rates which resulted in the foreign exchange rate being lower than anticipated during the time of disbursing payments to the IAEA for membership fees.

1.4.2.7.11 Programme 6: Clean Energy

The Programme spent R422.96 million from the projected spending of R429.08 million resulting in the net budget underspending of R6.13 million or 1.43%. The underspending is due to:

- Compensation of employees: R1.94 million as a result of vacant positions.
- Consultants: Business and Advisory Services: due to the delayed commencement of the SWH feasibility studies and the EEDSM M&V project.
- International Membership fees: underspending as a result of the non-payment of a voluntary contribution to the International Partnership on Energy Efficiency Cooperation (IPEEC).

1.4.2.8 Virement Approvals before the 2019 AENE Process

Section 43(1) of the Public Finance Management Act, Act 1 of 1999 (PFMA) stipulates that an Accounting Officer of a department may utilise a saving in the amount appropriated under the main division within a vote towards the defrayment of excess expenditure under another main division within the same vote, unless the relevant Treasury directs otherwise. However, section 43(2) and section 43(4) of the PFMA respectively places limitations on the utilisation of these savings and on the Accounting Officer's approval.

1.4.2.8.1 Virement Approvals Granted during the 2019/20 Financial Year

No virement approvals were granted by the Accounting Officer or National Treasury during the first half of the reporting period, therefore, no virement adjustments were included in the 2019 Adjustments Budget (AENE).

The following virement approvals were granted after the conclusion of the 2019 AENE budget process and were included in the Department's final appropriation for the 2019/20 financial year:

1.4.2.8.1.1 Approval 1: Additional Funding to the Clean Energy Programme and Align Budgets with Actual Expenditure in the Administration Programme

On the 19th of March 2020, the Accounting Officer granted a virement approval in terms of section 43(1) of the PFMA to shift funds within the vote as follows:

Table 6: Virement Approval 1

From Programme		To Programme	
Standard Item and Amount		Standard Item and Amount	
Item	R'000	Item	R'000
Programme 1: Administration, Item Goods and Services	-5,900	Programme 6: Clean Energy, Item: Goods and Services (SWHP)	12,000
Programme 2: Energy Policy and Planning, Item: Goods and Services	-4,100		
Programme 3: Petroleum & Petroleum Products Regulation, Item: Goods and Services	-2,600		
Programme 1: Administration, Compensation of Employees	-4,910	Programme 1: Administration, Item: Transfers & Subsidies (Households - Leave Gratuities)	1,050
		Programme 1: Administration, Item: Transfers and subsidies (households – Severance Package)	2,925
		Programme 1: Administration, Item: Transfers and subsidies (households – Claims against the State)	889
		Programme 1: Administration, Item: Transfers and subsidies (households – Refund & Act of Grace)	6
		Programme 1: Administration, Item: Transfers and subsidies (households – Donations & Gifts - Condolence Policy)	40
Programme 1: Administration, Item Goods and Services	-11	Programme 1: Administration, Item Payments for financial assets (theft & losses)	11
TOTAL FROM	-18,921	TOTAL TO	18,921

The aim of the virement request was to enable the implementation of adjustments to ensure that the Department align budgets with actual expenditure and prevents an overspending of a main division of a vote, Programme 1: Administration, as well as Programme 6: Clean Energy for the payment of Solar Water Heaters' storage fees which were not budgeted for in the current financial year.

1.4.2.8.1.2 Approval 2: Additional Funds for Expenditure associated with the National Solar Water Heater Programme

On the 23rd of March 2020, National Treasury granted approval in terms of section 43(4) of the PFMA and Treasury Regulation 6.3.1(c), to lift the earmarking on funds allocated towards the monitoring and verification of Non-grid electrification connections and the development of an electrification master plan in INEP and redirect these funds towards Programme 6: Clean Energy, as follows:

Table 7: Virement Approval 2

From Programme		To Programme	
Item	R'000	Item	R'000
Programme 4: Electrification and Energy Programme and Project Management.	-816	Programme 6: Clean Energy. Item: Goods and Services (SWH service providers – Storage, Transport Contractors, Installation, Insurance).	R7,000
Item: Goods and Services (Earmarked funds for the Electrification Master Plan).	R3,000		
TOTAL FROM	R7,000	TOTAL TO	R7,000



The objective of the virement was to enable the transfer of savings in INEP, emanating from the delayed commencement of the monitoring and verification of Non-grid electrification connections and the development of an electrification master plan projects, to expenditure associated with the National Solar Water Heater Programme, mainly installation of procured units, and prevent an overspending of a main division of the vote.

1.4.2.8.1.3 Approval 3: Additional funding to Programme 5: Nuclear Energy for the New Nuclear Build Programme (NNBP)

A final virement approval for the 2019/20 financial year was granted by the Accounting Officer on the 20th of May 2020 in terms of S43(1) of the PFMA as follows:

Table 8: Virement Approval 3

From Programme		To Programme	
Item	R'000	Item	R'000
Programme 1: Administration, Sub-Programme: Office Accommodation, Item: Goods and Services (Operating Leases)	5,000	Programme 5: Nuclear Energy, Item: Goods and Services (Consulting, Business & Advisory Services)	5,000
SUB – TOTAL	5,000	SUB – TOTAL	5,000

The virement sought to align final budget allocations with actual expenditure under Programme 5: Nuclear Energy following the payment of the balance owed to a service provider for the 2016/17 procurement of the NNBP's integrated information governance process management system, which was not budgeted for in the period under review.

Following the implementation of all of the above virement approvals requested from both Treasury and the Accounting Officer, the final appropriation of Programmes at 31 March 2020 was as reflected on table 9 below:

Table 9: Final Appropriation of Programmes

Programme Name		2019/20		
		Adjusted Appropriation	Virement	Final Appropriation
		R'000	R'000	R'000
1.	Administration	306,483	-12,900	293,583
2.	Energy Policy and Planning	51,668	-4,100	47,568
3.	Petroleum and Petroleum Products Regulation	90,355	-2,000	88,355
4.	Electrification and Energy Programme and Project Management	5,281,825	-7,000	5,274,825
5.	Nuclear Energy	1,045,143	5,000	1,050,143
6.	Clean Energy	408,083	21,000	429,083
Total		7,183,557	-	7,183,557

1.4.2.9 2019/20 Roll-Over Funds

The Department's request to roll unspent funds totalling R54.67 over from the 2018/19 financial year to the 2019/20 financial year was not approved by National Treasury. Although conditional approval was granted by the Minister of Finance during August 2019 for the inclusion of R9.966 million for INEP Non-grid electrification projects, the approval was eventually rescinded due to the spending status of the Department, specifically the budget underspending of Non-grid Electrification projects.

1.4.2.10 Unauthorised Expenditure

During the 2019/20 financial year, the Department did not incur any unauthorised expenditure. However, the Department is carrying a balance of R50.60 million in unauthorised expenditure accumulated from the 2010/11 and 2016/17 financial years.

At the end of the 2016/17 financial year, Programme 1: Administration (main division) reflected an overspending of the allocated budget of R35.74 million. The overspending was recorded across all economic classifications, significantly in the goods and services classification (R29.21m) due to increased payments associated with the relocation of several regional offices and budget reductions implemented in previous MTEF cycles. This unauthorised expenditure was reported and included in the 2016/17 annual report and is in the process of being presented for condonation by the Standing Committee on Public Accounts (SCOPA).

During the 2010/11 financial year, R14.86 million was disbursed from the incorrect vote, leading to unauthorised expenditure. The matter was presented at SCOPA, a complete condonation decision is pending.

1.4.2.11 Supply Chain Management (SCM)

The Department did not have any unsolicited bid proposals for the year under review.

The internal control measures in place are designed to prevent irregular expenditure. As soon as the irregular transactions are identified, they are recorded and reported to the Accounting Officer and National Treasury. Irregular expenditure transactions are also referred for investigations as and when they occur.

SCM also ensures compliance with the relevant prescripts to ensure continuous improvement and adherence thereof.

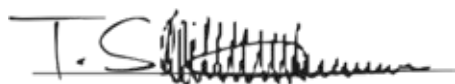
Projects on the procurement plan were not finalised within targeted periods. This challenge was reported to the Accounting Officer and consequence management was implemented to Branch Heads.

1.4.2.12 Events after the reporting date

There were no significant events affecting information contained in the Annual Financial Statements that happened after 31 March 2020.

Projects on the procurement plan were not finalised within targeted periods. This challenge was reported to the Accounting Officer and consequence management was implemented to Branch Heads.

In closing this final annual report of the Department of Energy, now known as the Department of Mineral Resources and Energy, I would like to express my sincere appreciation to the Minister and the Portfolio Committee on Energy for the leadership and support they have given to me and the Department during this reporting period. In addition, I would like to thank Team Energy for their hard work, dedication and sacrifices in pursuing the objectives of the Department. I also wish to acknowledge the support and contributions from all our stakeholders - your efforts have helped the Department of Energy immensely in delivering energy services to the people of South Africa.



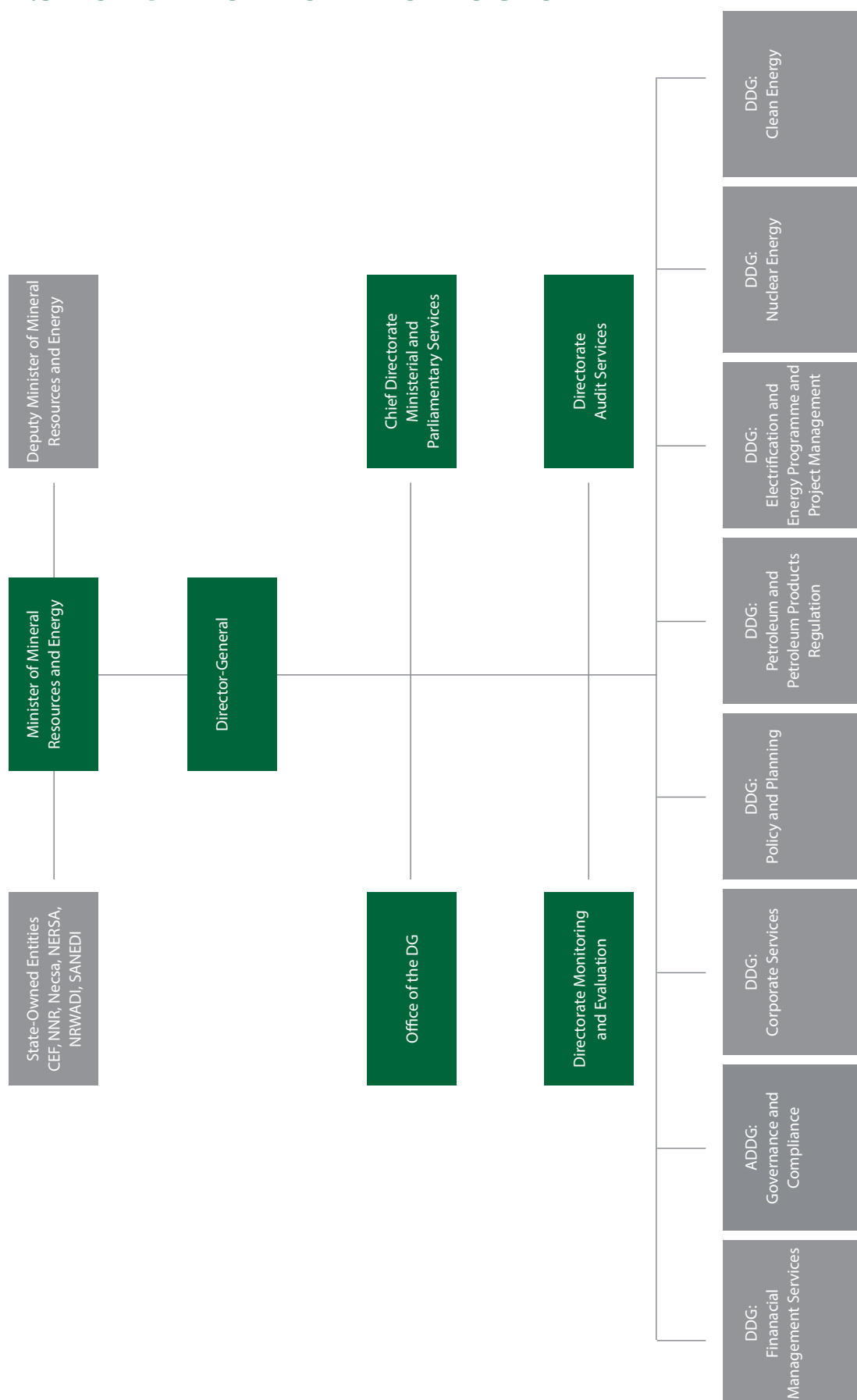
Advocate Thabo Mokoena

Accounting Officer

Date:



1.5 ORGANISATIONAL STRUCTURE





PART B

PERFORMANCE INFORMATION



2.1 PERFORMANCE INFORMATION

The National Development Plan is South Africa's overarching public policy, including for energy, up to 2030. The NDP is operationalised primarily through the Medium-term Strategic Framework, as supported by the Medium-term Expenditure Framework. The Department of Energy's 5-year strategic plan provides the main linkage to the MTSF and is further refined by DoE's Annual Performance Plan. This part of the annual report accounts for DoE's pre-determined objectives performance against its 2018/19 Annual Performance Plan (APP).

In carrying out its mandate, DoE formulates energy specific policies, legislation, regulations, programmes, projects, and oversees their implementation to ensure energy security, promotion of environmentally friendly energy carriers, and access to affordable and reliable energy for all South Africans. DoE executes its mandate by means of six budgetary programmes: (1) Administration; (2) Energy Policy and Planning; (3) Petroleum and Petroleum Products Regulation; (4) Electrification and Energy Programme and Project Management; (5) Nuclear Energy; and (6) Clean Energy.

Six state-owned enterprises: National Energy Regulator of South Africa (NERSA); National Nuclear Regulator (NNR); National Radioactive Waste Disposal Institute (NRWDI); Nuclear Energy Corporation of South Africa (NECSA); Central Energy Fund (CEF); and South African National Energy Development Institute (SANEDI) contribute to the Department's pre-determined objectives as implementation agents. In addition, the Independent Power Producers Office under the direction of the Department of Energy and National Treasury ensures a competitive, open, fair, and transparent process in the procurement of renewable and other sources of energy from the private sector.

2.2 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Please refer to the Report of the Auditor-General published in Part E.

2.3 DEPARTMENTAL PERFORMANCE IN PRACTICE

"Performance" is comprised of two main elements: financial performance and non-financial performance. Other factors impact overall performance, such as international relations and agreements in the energy space, SOE performance, number and quality of public-private partnerships, and citizen satisfaction, amongst others. By means of DoE's planning documents, Service Delivery Improvement Plan, M&E, and other mechanisms DoE continuously addresses both emerging opportunities, as well as existing challenges.

As the leading Government Department in the energy space, we have always indicated that our objectives are premised on improved energy security, the diversification of our energy mix, including Regional Integration, increasing access to modern energy carriers, reducing our greenhouse gas Emissions, reducing our water usage, developing the skills necessary for job creation, improving our energy efficiency and lowering the cost of energy. The Department of Energy of South Africa, like its sister government departments, as well as affiliated state owned entities, operate in a dynamic global and African context. South Africa faces the triple threat of poverty, unemployment, and inequity in a complex policy environment, and aims to transition to a low-carbon future and a more diverse and inclusive economy.¹

¹NDP, 2012, pp. 75-96, 197-98.



South Africa is a signatory to the Paris Agreement on Climate Change and has ratified the agreement. In line with INDCs (submitted to the UNFCCC in November 2016), South Africa's emissions are expected to peak, plateau, and from year 2025, decline. The energy sector contributes close to 80% towards the country's total greenhouse gas emissions of which 50% are from electricity generation and liquid fuel production. There are several initiatives to reduce emissions with investment already in renewable energy, energy efficiency, and public transport.

These challenges are counterbalanced by the promise of the 4th Industrial Revolution. It is the fourth major industrial era since the initial Industrial Revolution of the 18th century. It is characterised by a fusion of technologies that is blurring the lines between the physical, digital and biological spheres, collectively referred to as cyber-physical systems. The Honourable President Cyril Ramaphosa recently appointed a panel of eminent scholars and business persons to the Presidential Commission on the Fourth Industrial Revolution to demonstrate seriousness about our preparedness. The energy sector is at the cusp of this exciting period, reminiscent of the huge changes brought about by rapid technological advancement in the mobile telephony industry in recent years. South Africa needs to be prepared for the disruptive times that the fourth industrial revolution will bring and adjust in a responsible way. Big centralised power generation plants will disappear and be replaced by distributed generation, mini-grids, and batteries of various scales. As government we must ensure that our youth will embrace the new technologies and move with the changing times. We should grow the investment made in renewable energy to date. The NDP envisages that: South Africa must leverage its solar resource and regional hydropower opportunities as competitive advantages, in parallel with the responsible exploitation of fossil fuels and minerals.

2.3.1 Electricity

The NDP envisages that by 2030 South Africa will have an energy sector that provides reliable and efficient energy service at competitive rates; that is socially equitable through expanded access to energy at affordable tariffs; and that is environmentally sustainable through reduced emissions and pollution. In formulating its vision for the electricity sector, the NDP took as a point of departure the Integrated Resource Plan 2010–2030, promulgated in March 2011.

The Integrated Resource Plan of 2019 (IRP 2019) is currently the Department's preeminent policy for the South African electricity sector. Installed capacity for electricity generation by fuel type is as follows: 38 GW from coal, 1.8 GW from nuclear, 2.7 GW from pumped storage, 1.7 GW from hydro, 3.8 GW from diesel, and 3.7 GW from renewable energy. The electricity generated is transmitted through a network of high-voltage transmission lines that connect the various load centres, and Eskom and municipalities further distribute the electricity to end users, including the South African public. Eskom also supplies a number of international customers, including some SADC electricity utilities.

South Africa through Eskom participates and trades electricity through the South African Power Pool (SAPP). The African continent is rich with primary energy resources, however, there is limited energy trading between the African countries. South Africa imports electricity through Eskom from the Cahora Bassa dam in Mozambique. South Africa through Eskom also exports electricity to Botswana, eSwatini, Lesotho, Mozambique, Namibia, Zambia, and Zimbabwe. Transmission infrastructure is needed to unlock regional energy trading and enable further development of electricity generation projects. Increased collaboration and alignment at regional level is key to unlocking already identified generation and transmission infrastructure projects.

The IRP as an electricity infrastructure development plan is based on reaching a balance between demand and "least-cost electricity" supply while taking into account the country's energy security and the environment (to minimise negative emissions and water usage). In total 18 000MW of new generation capacity is allocated as follows:

- IPPs have commissioned 1 005 MW from two Open Cycle Gas Turbine (OCGT) peaking plants;
- A total of 6 422 MW has been procured by the REIPP Programme, with 3 876 MW made operational and available to the grid;
- Eskom has commissioned 1 332 MW from Ingula pumped storage, 1 588 MW from Medupi (coal), 800 MW from Kusile (coal), and 100 MW from the Sere Wind Farm.

The current electricity shortages will ease as Eskom finishes critical maintenance. Bid Window 4 of the renewable energy programme has been accelerated while the rapid decline in renewable energy prices will give new impetus to the remaining Bid Window 5. South Africa continues to pursue a diversified energy mix that reduces reliance on a single or a few primary energy sources. Generation capacity is designed to restore the necessary reserve margin and to be ahead of the economic growth curve at the least possible cost. The extent of decommissioning of the existing coal fleet due to end-of-design life, could provide space for a completely different energy mix relative to the current mix. In the period prior to 2030, the IRP 2019 provides for largely incremental capacity (modular and flexible technology) to complement the existing fixed capacity. The restructuring of the electricity sector as a whole is also underway with a R230 billion allocation over ten years.

2.3.2 Liquid Fuels

The CEF group is a South African state owned company responsible for finding solutions to meet South Africa's energy needs. Through its subsidiaries, the Petroleum Oil and Gas Corporation of South Africa (PetroSA), Petroleum Agency South Africa (PASA), Strategic Fuel Fund (SFF), African Exploration Mining and Finance Corporation (AEMFC) and iGas, the group also manages the operations and development of South Africa's oil and gas assets.

Recently South Africa and South Sudan signed an oil exploration and production sharing agreement which is strategic for South Africa as an energy consumer. South Sudan currently produces 160,000 barrels of oil per day. The agreement concerns Block B2 which will be operated by South Africa's state-owned Strategic Fuel Fund (SFF), and the Ministry of Petroleum and Nilepet, the national oil company of the Republic of South Sudan. The B2 area includes productive parts of the Muglad Basin and is part of the 120,000 square kilometer Block B which was split into three in 2012.

Under this agreement, which includes a six-year exploration period, the SFF alongside Nilepet will launch a comprehensive aerogravity survey exploration campaign, seismic acquisition and drill wells with great prospectivity. The SFF will also invest in capacity building initiatives, training of South Sudanese citizens, social and community development projects and ensure local content and the empowerment of women.

Much of South Sudan's oil and gas blocks are yet to be fully explored and resources assessed. Last year, South Africa's Department of Energy pledged to invest \$1 billion into South Sudan's petroleum industry, with the aim of securing affordable energy supplies for South Africa. The countries are in talks to set up a 60,000 barrel per day refinery to supply oil products to the local market in South Sudan, as well as to secure exports to Ethiopia and other neighbouring countries.

2.3.3 Gas

Concerning the recent oil and gas discovery off our shores, as the Honourable President Cyril Ramaphosa noted in last year's State of the Nation speech:

This could well be a game-changer for our country and will have significant consequences for our country's energy security and the development of this industry. We congratulate Total and its various partners and wish them well in their endeavours. Government will continue to develop legislation for the sector so that it is properly regulated in the interest of all concerned.

In light of the need to transition to cleaner energy, the SADC Energy Ministers approved in 2018 the development of the SADC Regional Gas Master Plan covering evaluation of the available gas resources and existing markets, gas utilisation strategy, supply and demand analysis, infrastructure development plans, identification and linkages of value chains as well as institutional, regulatory and fiscal frameworks. In Southern Africa we will be able to expand electricity generation through the use of gas given the huge potential and opportunity in this regard. Mozambique and Tanzania gas resources in particular are well positioned for cross-boundary development of gas pipeline infrastructure. It is important that gas demand in the region is serviced from regional gas resources, so as to increase the opportunity for intra-African trade and economic collaboration. The planned gas pipeline from Rovuma Basin in Mozambique through South Africa and possibly beyond, fits into this strategy. The above are major areas of focus for the region which also presents opportunities to investors who have an interest in gas development, renewable energy and energy efficiency in the region. Furthermore, the success of the renewable energy sector in South Africa has also led the Southern African Development Community (SADC) energy sector to emulate and develop their renewable energy sectors.



2.3.4 Additional Considerations

To capitalise more intensively on some of the positive world-wide trends, such as storage technology, the Department together with SANEDI, needs to accelerate Research and Development (R&D) given that it underpins the growth and sustainability of the energy sector, and, in turn, the broader economy. Among the BRICS countries, R&D intensity is above 1% in Brazil, China and the Russian Federation and below 1% in South Africa and India (2007 data). In consequence, it has been recommended that at least 1.5% of South Africa's fiscal appropriation be earmarked for R&D with a higher proportion of this going to energy than is currently the case. Intelligent use of "matching funding" instruments will also encourage greater private sector co-investment.² This requires better use of existing resources and more nimble organisations that facilitate innovation and greater cooperation between public science and technology institutions and the public sector.³

In addition, energy data should underpin all major policies, programmes, and projects. The significance and cross-cutting nature of the need for home grown energy data to support evidence based policy making was highlighted recently as follows:

And to be more relevant for South African policy making in a sustainable manner, government, universities, think tanks, and research councils need to get more involved in generating energy security and energy transition relevant methodologies and data. Future research may build on existing international data sets for South Africa, but only as adjuncts to home grown indicators, baselines and thresholds addressing the following: energy security; energy transition; climate change; sustainability; policy and regulatory uncertainty; economic growth; job creation; energy infrastructure; financing availability; innovation; the energy-water nexus; energy services; and citizen involvement.⁴

Clearly, the Department of Energy operates in a dynamic global and regional environment. This creates both great opportunities, as well as challenges. The NDP has perhaps described this best by noting that "it is difficult for the Department of Energy, on its own, to deal effectively with cross-cutting issues, which encompass institutional capacity, governance, competition, regulation, investment, spatial planning, linkages to transport, water and ICT infrastructure and economic, social and environmental impacts" (p. 174). Within this context, the Department aims at producing sufficient energy to support industry at competitive prices, ensuring access for poor households, and reducing carbon emissions per unit of power in line with government policy.⁵

2.4 STRATEGIC OUTCOME ORIENTED GOALS

The medium to long term goals of the Department of Energy are guided by the following NDP objectives:

- The proportion of people with access to the electricity grid should rise to at least 90 percent by 2030, with non-grid options available for the rest;
- An additional 29,000MW of electricity capacity should be provided by 2030. About 10,900MW of existing capacity should be retired, implying a new build of more than 40,000MW, at least 20,000MW of which should come from renewable resources;
- An economy-wide carbon price should be embedded by 2030;
- Zero emission building standards should come into force by 2030;
- Relations among national, provincial and local government should be improved by a more proactive approach to managing the intergovernmental system; and
- Clear governance structures and stable leadership should enable state-owned enterprises to achieve their developmental potential.

²ASSAf, The State of Energy Research in South Africa, August 2014, p. 76.

³NDP Executive Summary.

⁴Epaminondas Bellos, Journal of Cleaner Production, 2018, vol. 205, pp. 738-753.

⁵NDP Executive Summary.

The NDP is operationalised by the fourteen government outcomes of the Medium-Term Strategic Framework (MTSF) as enumerated next.

2.4.1 Fourteen Priority Government Outcomes, 2014-2019

1. A skilled and capable workforce to support an inclusive growth path;
2. Decent employment through inclusive economic growth;
3. An efficient, competitive and responsive economic infrastructure network;
4. Protect and enhance our environment assets and natural resources;
5. Comprehensive rural development and land reform;
6. Create a better South Africa, a better Africa and a better World;
7. Sustainable human settlements and improve quality of household life;
8. Quality basic education;
9. A long and healthy life for all South Africans;
10. An inclusive and responsive social protection system;
11. All people in South Africa are and feel safe;
12. Responsive, accountable, effective and efficient developmental local government;
13. An efficient, effectiveness development oriented public service; and
14. National Building and social cohesion.

Of these fourteen MTSF Outcomes, the energy sector is primarily guided by Outcomes 6, 7, 9, and 10.

2.4.1.1 Programme 1 Outcome 6: An efficient, competitive and responsive economic infrastructure network.

Sub-outcome 1: Regulation, funding and investment improved;

- **Indicator:** Amend the National Energy Regulator Act and the Electricity Regulation Act; and
- **Indicator:** Reviewed Electricity Pricing Policy issued.

Sub-outcome 2: Reliable generation, transmission and distribution of energy ensured through SIPs 1, 8, 9 and 10.

- **Indicator:** Solar Water Heater installations;
- **Indicator:** Renewable Energy IPP Bid Window 1, 2, 3 and 4;
- **Indicator:** Review bulk electrical infrastructure required for universal access to electricity, prepare an implementation plan, and implement;
- **Indicator:** Publication of approved IEP;
- **Indicator:** Refine, update and implement the Integrated Resource Plan and investigate market share (%) completed against the plan;
- **Indicator:** Publication of approved Gas Infrastructure Master Plan and regulations for economically recoverable shale gas reserves;
- **Indicator:** Resolve infrastructure backlogs and implement Cabinet approved proposals for ring-fencing the electricity distribution business of the 12 largest municipalities;
- **Indicator:** Measured demand savings in MW in line with the National Energy Efficiency Strategy and Action Plan; and
- **Indicator:** Approved funding mechanisms implemented for upgrading of existing refineries to ensure they meet new fuel-quality standards and decision on expanding oil refining capacity.



2.4.1.2 **Outcome 7:** Vibrant, equitable, sustainable rural communities contributing towards food security for all.

Sub-outcome 5: Increased access to quality infrastructure and functional services, particularly in education, healthcare, and public transport in rural areas.

- **Indicator:** Number of households linked to grid or micro scheme (electricity) and number connected with off-grid technology; and
- **Indicator:** Number of Integrated Energy Centres newly established and operational.

2.4.1.3 **Outcome 9:** Responsive, accountable, effective and efficient developmental local government system.

Sub-outcome 1: Members of society have sustainable and reliable access to basic services.

- **Indicator:** 1.4 million additional households connected to the grid; and
- **Indicator:** 105,000 additional households with non-grid electricity.

2.4.1.4 **Outcome 10:** Protect and enhance our environmental assets and natural resources.

Sub-outcome 2: An effective climate change mitigation and adaptation response.

- **Indicator:** Percentage of new build that is renewable power generation (to incorporate off-grid energy);
- **Indicator:** Percentage of energy efficiency improvement;
- **Indicator:** Annual energy balances provided to support compilation of the GHG inventory; and
- **Indicator:** Biennial calorific value for all energy carriers published.

Sub-outcome 5: Sustainable human communities.

- **Indicator:** Megawatts of renewable energy deployed off-grid.

2.5 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

As announced by the Minister of Finance it will shortly be possible for municipalities in financially good standing to purchase electricity from independent power producers. This represents a change in existing policy designed to ease electricity supply constraints and thereby enhance energy security. Most municipalities struggle to keep up with the payment for bulk electricity purchases from Eskom, and as at March 2018, Eskom's Chairman indicated that the debt burden stood at over R13.5 billion and continued to rise. The fiscal framework for some municipalities (particularly the rural ones) is unviable, posing a serious risk to their financial sustainability.

Distributed generation through biomass, biogas and municipal waste hold great potential for improving municipal revenues. All municipalities have sites for processing waste; they also have sewer outfall sites. Technologies are available for these resources to be added to the generation mix at sub-utility scale. Most small scale generation technologies have low capacity factors, meaning that typically the power is not generated throughout the day and night. For a balanced and safe interconnected power system to be operated sustainably, the intermittent power generators have to be integrated and controlled through smart technologies.

2.6 ORGANISATIONAL ENVIRONMENT

In May 2019 the President announced the reconfiguration of Government which resulted in the creation of a new Department of Mineral Resources and Energy (DMRE) through a merger between the Department of Mineral Resources and the Department of Energy with effect from 01 April 2020. The majority of the 2019/2020 financial year was dedicated to managing the merger, transition, development of the start-up structure for DMRE and winding up the old Department of Energy through the National Macro Organisation of Government (NMOG) process.

The review/reconfiguration of the DoE organisational structure so as to be fit for purpose and the implementation of employee satisfaction survey recommendations were taken over by the merger of the DoE and DMR into DMRE. The Department will review the DMRE start-up organizational structure to align with the DMRE Strategic Plan in order to ensure that the Organisational Structure is fit for purpose and implement necessary change management interventions accordingly.

The DoE 2019/2020 financial year end resulted in 597 posts with 534 employees and 36 additional employments to the establishment until 31 March 2020. A vacancy rate of 10,6% was observed at the end of the period which is 6% down from the previous financial year. The turnover rate of 16.1% was significantly higher than previous years but was due to the end of contracts which coincided with the merger date of the DMRE.

Training and Development continued for the year under review with 21 Bursaries issued to employees, 36 Learnerships, 22 Internships and 225 Skills Programmes being implemented. Training programs were implemented in line with the Workplace Skills Plan (WSP) and a set target of 60 was achieved and exceeded to 64.

Although there was no Employee Health and Wellness (EHW) service provider for the year, Health and Wellness activities were hosted during the year including events and wellness clinics. The process of procuring the EHW services was stopped because of the impending merger between DoE and DMR to form DMRE. Professional services were procured through the Supply Chain Management (SCM) process when required by the officials and their family members.

Two duly authorised employee unions namely, the National Education, Health and Allied Workers' Union (NEHAWU) and the Public Service Association (PSA) represent workers. NEHAWU organises state, health, education and welfare workers. PSA represents public servants, public service pensioners, and employees of quasi-state institutions. Additional discussion and descriptive statistics concerning human resources may be found in Part D of this report.

2.7 SERVICE DELIVERY IMPROVEMENT PLAN

The Department has a service delivery improvement plan. The next four tables highlight the items of the service delivery plan and the achievements in this reporting period.

Table 10: Main Services and Standards

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
Petroleum Licensing.	South African citizens Manufacturers, Wholesalers and Retailers.	95% compliance rate by the Controller on finalising all applications within 90 days, excluding site & retail NTI applications. 90% compliance rate by the Controller on finalising site & retail NTI applications within 60 days.	At least 50% of licence applications approved have a minimum of 50% HDSA ownership.	Achieved 91.85% compliance - 733 applications with 50% and more HDSA involvement out of 798 applications approved. The percentage of participation by black Africans in the retail sector remains low.



Table 10: Main Services and Standards (continued)

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
Compliance with the Petroleum Product Act.	South African citizens Manufacturers, Wholesalers and Retailers.	100 retail site compliance inspections conducted. 1 080 fuel samples tested.	At least 1,500 retail site compliance inspections conducted. At least 1,080 fuel samples tested.	Achieved 1367 Retail site inspections were conducted. Achieved 1080 Fuel samples were collected and tested.
Fuel stock levels and corrective actions.	South African citizens	Fuels stock levels monitored & corrective action taken to avoid distribution shortages coordinated.	Fuels stock levels monitored & corrective action taken to avoid distribution shortages coordinated.	The Department plays an active role in the co-ordination and monitoring of fuel supply in the Republic to ensure the security of supply of petroleum products. There are a number of factors that affect the supply of petroleum products throughout the year, internal and external to the country. The Department continuously monitors stock levels of manufacturers, importers/ exporters and distribution of petroleum products through supply infrastructure to ensure security of supply in the Republic.
Universal access to energy.	South African citizens.	To electrify 235 000 households through grid connections. 20 000 households through non-grid connections throughout the country. To build 3 new substations throughout the country. To upgrade 4 substations throughout the country.	4 Quarterly Reports on additional households to be electrified with grid electrification toward the 2019/20 target of 195 000. 4 Quarterly Reports on additional households electrified with no-grid electrification towards the 2019/20 target of 20 000. 4 Quarterly reports on building /upgrading of electrification infrastructure projects toward the 2019/20 targets as contracted with Eskom and municipalities	Achieved 214 517 additional households electrified with grid electricity. 4 Quarterly reports were produced. Not achieved 1 364 households connected through non-grid programme (roll-over funds). Achieved 3 New substations built, 3 Upgraded substations, 174,87 MV Power lines constructed, 11 existing MV power lines upgraded.

Table 11: Batho Pele Arrangements with Beneficiaries (Consultation Access etc.)

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
Managers and other employees of the department are responding to complaints and concerns received from the public.	Citizens should be told what quality of service they will receive and this should be treated with courtesy. Regional offices exist to support beneficiaries with information, resolution of queries & general electrification assistance; access to the head office is also possible at all times.	All reported cases of alleged, irregular, and/or fraudulent practices received from the Presidential Hotline, members of the public, and media during the year under review were investigated and resolved. To date, 5 cases have been referred, 1 is in progress, and 4 have been closed.
Website management is to be enhanced on a regular basis to optimise the correctness and accuracy information. Managers and other employees of the department are responding to complaints and concerns received from the public.	Citizens should be given full, accurate information about services they are entitled too. Information posted on website. If the promised standard is not delivered, citizens should be offered apology.	Achieved Total of 765 daily Website information updates.
Citizens are told how the Department is running its business operations, how much they cost and who is in charge. Information with regard to our offerings is posted on http://www.doe.gov.za .	People's needs must be responded to. Contact with the Department is currently done via the website address email, telephone and / or face to face consultation.	Achieved via: 1. info@energy.gov.za - facilitates general enquiries. 2. mediadesk@energy.gov.za - facilitates media specific enquiries. 3. Petroleum Licensing Helpdesk telephonic service – facilitates all petroleum related enquiries. 4. Full list of Regional Offices supplemented by the Petroleum Licensing Regional Contacts Table. 5. Online Contact Form.

Table 12: Service Delivery Information Tool

Current/Actual Information Tools	Desired Information Tools	Actual Achievements
Workshops, Izimbozo/Public Participation Programmes, Community Engagements.	Workshops, Izimbizo/Public Participation Programmes, Community Engagements Programme Records.	Achieved 14 Izimbizo events were conducted.

Table 13: Complaints Mechanism

Current/Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
Media, Presidential Anti-Corruption Hotline, Telephone Enquiries, Correspondences, Face to Face Meetings, Stakeholder Engagements During Izimbizo.	Enquiries received through Media, Presidential Anti-Corruption Hotline, Telephone Enquiries, Correspondence, Face to Face meetings, questions raised during stakeholder engagements/Izimbizo are responded to accurately and timeously.	Achieved Media Enquiries serviced Presidential Hotline enquires handled.



2.8 PERFORMANCE INFORMATION OVERVIEW

The five-year plan of the Department of Energy culminates in the 20 pre-determined objectives enumerated in Table 14 below. The specific Programme Performance tables that follow are linked to these strategic objectives.

Table 14: DoE Strategic Objectives, 2015-20

DoE Strategic Objectives from Revised 2019-20 APP
SO 1.1 To promote sound corporate governance practices within the DoE (unchanged)
SO 1.2 To ensure effective and sound financial resource management
SO 1.3 To ensure effective corporate resource management
SO 1.4 To provide executive and administrative support services to the Ministry, DG and DDGs (unchanged)
SO 1.5 To provide strategic support of energy security (unchanged)
SO 2.1 To Improve energy security (unchanged)
SO 2.2 To improve liquid fuels energy security by developing & implementing the 20YL FIRM
SO 2.3 Policy and regulations to ensure security of supply
SO 2.4 To review the bulk electrical infrastructure required for the universal access to electricity
SO 2.5 [sic]*
SO 2.6 To ensure Security of supply through additional power generation capacity
SO 3.1 Compliance Monitoring & Enforcement in the Petroleum Sector
SO 3.2 Promote petroleum licensing
SO 4.1 To ensure access to electricity by households (unchanged)
SO 4.2 To enhance programme and project management (unchanged)
SO 4.3 To monitor energy infrastructure development (unchanged)
SO 5.1 Improved security of energy supply
SO 5.2 To strengthen the control of nuclear material and equipment (unchanged)
SO 6.1 To co-ordinate and monitor the Implementation of energy-related climate change response measures and environmental compliance (unchanged)
SO 6.2 Renewable Energy
SO 6.3 Implementation of energy-related climate change response measures & environmental compliance coordinated & monitored

* Missing number in original document.

2.9 PERFORMANCE INFORMATION FOR FISCAL YEAR 2019/20

Out of a total of 33 APP targets in 2019/20, the Department achieved 17 (52 %), partially achieved 9 (27 %), and did not achieve 7 (21 %) during the 2019/20 fiscal year at the short-term output level. It is also important to note that the household electrification target under the Programmes and Projects branch received in round numbers 90% of the Department's budget, with the remaining annual budget of 10% being equally distributed between all other achieved targets (50%) and partially achieved and not achieved targets (50%). These figures provide an overall view of the funds expended relative to the achievement of targets.

The Department sets its standards and assesses its progress based on the criteria set out in Table 15 below. According to DPME, departments should strive for a 100% achievement of the planned targets in the Annual Performance Plan (APP). If achievement is lower than 80%, it is indicative of the quality of plans. Furthermore, we implement the agreement between National Treasury and the Auditor-General of South Africa concerning the partial achievement of targets as outlined in the document titled *The Implementation of Strategic and Annual Performance Plans, and the Audit Thereof: Resolution on Emerging Issues*, dated September, 2013.

Table 15: Standards for Annual Targets

Progress Description	Percentage Attained	Annual Report Status
Activity not initiated on time or progress slower than planned	0-49%	Not Achieved
In-year progress slower than planned	50-79%	Partially Achieved
Annual delivery on track to meet medium-term target	80-100%	Achieved

According to DPME, departments should strive for a 100% achievement of the planned targets in the Annual Performance Plan (APP). If achievement is lower than 80%, it is indicative of the quality of plans the Department may have and brings doubt as to whether the department is using the plan to guide implementation.

In addition to the APP targets, the Department maintained an Institutional Operational Plan (IOP) that addresses support services and operational activities. In the period under review, out of 133 targets, the Department achieved 82 (62%), partially achieved 20 (15%), and did not achieve 31 (23%).

2.10 STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Department will develop an Improvement Plan for all areas of underperformance modelled on the now abolished MPAT.

2.11 CHANGES TO PLANNED TARGETS

The Department of Energy tabled and published its 2019/20 Annual Performance Plan in July 2019. Upon an in-year review, several targets were found not to be clearly defined and specific in accordance with the SMART principle. As a result, the targets identified in Table 16 below in the (1) Electrification and Energy Programme and Projects Management, and (2) Energy Policy and Planning programmes were improved accordingly together with their associated indicators.



Table 16: Changed Planned Targets

Original Target*	Revised Target**
The Number of Quarterly Reports on vacancy rate of less than or equals to 15% against the funded positions Quarter.	4 Quarterly Reports on vacancy rate against the funded positions.
The Negotiations of the off-take agreement with the project developer concluded.	Negotiate Off-take agreement with the project developer.
4 Quarterly Reports on additional households to be electrified with grid electrification towards the target of 195 000 in the National Electrification Plan.	4 Quarterly Reports on the allocation of funding and the monitoring of implementation of grid electrification of additional households by Eskom and Municipalities.
4 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities. 2 new bulk substations built; 3 additional substations upgraded; 50 km new MV power lines constructed; and 50 km of existing MV power lines upgraded.	4 Quarterly Reports on building/upgrading of electrification infrastructure projects toward the targets, as contracted with Eskom and municipalities.
Draft Renewable Energy Technology Roadmaps (RETRM) drafted and completed.	Terms of Reference for the Renewable Energy Technology Roadmap (RETRM) completed.
Report on installation roll-out of 87 000 procured SWH baseline systems in 19 municipalities.	Reports on the roll out of the NSWV Programme

* Source: 2019-20 Annual Performance Plan; **Source: 2019-20 Revised Annual Performance Plan.

Note: The 2019/20 target concerning outcomes 4,6,7,8, 9, and 10 reporting has been abolished by DPME and hence not addressed herein.

2.12 PERFORMANCE INFORMATION BY PROGRAMME

2.12.1 Programme 1

2.12.1.1 Purpose: To provide strategic leadership, management and support services to the Department.

2.12.1.2 Descriptions:

Sub-Programme 1.1: Ministry

This sub-programme provides executive support to the Minister and Deputy Minister (DM) and provides a parliamentary service to the Minister, DM, DoE and Energy Sector. No strategic objectives, performance indicators or targets were set for this sub-programme.

Sub-Programme 1.2: Departmental Management

This sub-programme provides executive support to the Director-General (DG) and Deputy Directors-General (DDGs) in carrying out the DoE's mandate and contributes to critical government programmes.

Sub-Programme 1.3: Governance and Compliance

This sub-programme provides strategic direction and guidance on strategic planning, risk management, report monitoring and evaluation, State Owned Entity (SOE) oversight as well as international co-ordination.

Sub-Programme 1.4: Finance Administration

This sub-programme provides financial management, accounting and supply chain management (SCM) services to the DoE.

Sub-Programme 1.5: Audit Services

This sub-programme provides an audit and support service to the DoE.

Sub-Programme 1.6: Corporate Services

This sub-programme provides corporate support to the DoE and ensures good corporate governance and compliance by the DoE and state-owned entities (SOEs).

2.12.1.3 The Progress made in achieving Programme 1 Pre-determined Objectives for FY 2019-20 is summarised next.

Table 17: Programme 1 Progress

Strategic Objective 1.1-1.5 (see Table 14)				
Programme 1: Administration				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 ("achieved", or "partially achieved", or "not achieved", and narrative support)	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
SOEs Strategic Plans, Corporate Plans & Shareholder Compacts approved. (Governance & Compliance branch)	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister.	Partially Achieved SOEs Strategic Plans, Corporate Plans & Shareholder Compacts with the exception of CEF were received and approved.	CEF requested extension for submission of Corporate Plan.	CEF's request for extension was approved by the Minister.
Number of foreign participants to advance energy agenda with the rest of the world. (Governance & Compliance branch)	18 foreign participants to advance energy agenda with the rest of the world.	Achieved 24 foreign participants to advance energy agenda with the rest of the world.	+6	6 additional bilateral arrangements were conducted.
Number of foreign participants to advance the African Agenda in the energy sector with African countries. (Governance & Compliance branch)	10 foreign participants to advance the African Agenda in the energy sector with African countries.	Achieved 10 foreign participants to advance the African Agenda in the energy sector with African countries.	None	None



Table 17: Programme 1 Progress (continued)

Strategic Objective 1.1-1.5 (see Table 14)				
Programme 1: Administration				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 ("achieved", or "partially achieved", or "not achieved", and narrative support)	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
Number of foreign participants to advance the African Agenda in the energy sector with multilaterals. (Governance & Compliance branch)	12 foreign participants to advance the African Agenda in the energy sector with multilaterals.	Achieved 27 foreign participants to advance the African Agenda in the energy sector with multilaterals.	+15	15 additional multilateral engagements were held with European countries to promote energy issues.
Results of the Annual Audit Report. (Financial Management Services branch)	Unqualified Audit Report by the AG achieved for 2018/19.	Not Achieved	Department received a qualified audit opinion.	Accept irregular expenditure and implement consequence management.
Percentage of approved invoices from service providers paid within 30 days of receipt. (Financial Management Services branch)	100% approved invoices from service providers paid within 30 days of receipt.	Partially Achieved 98.98% approved invoices were paid within 30 days of receipt.	-1.02% of invoices were paid outside of 30 days mainly due to delays in verification processes.	Communication of compliance requirements with service providers needs to be improved.
Number of Quarterly Reports on vacancy rate of less than or equal to 15% against the funded positions. Number of Quarterly Reports on Vacancy rate against the funded positions (Revised indicator). (Corporate Services branch)	4 Quarterly Reports on Vacancy rate against the funded positions (Revised target).	Achieved The vacancy rate at the end of the quarter was 10.55%. 4 Quarterly Reports on vacancy rate were produced.	None	None
Number of Izimbizo PPPs conducted. (Corporate Services branch)	20 Izimbizo PPPs conducted.	Partially Achieved 14 Izimbizo were conducted.	-6	Budget constraints limited achievement.

2.12.1.4 Linking Performance with Budgets

Table 18: Sub-Programme Expenditure

Administration	2019/20			2018/19		
	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
Ministry	31,684	30,503	1,181	42,424	42,132	292
Departmental Management	80,500	77,007	3,493	79,434	77,907	1,527
Finance Administration	39,367	37,732	1,635	40,539	38,627	1,912
Audit Services	6,567	6,513	54	8,453	7,008	1,445
Corporate Services	93,356	88,585	4,771	85,302	90,904	-5,602
Office Accommodation	42,109	39,043	3,066	49,177	47,438	1,739
Total	293,583	279,383	14,200	305,329	304,017	1,312

2.12.2 Programme 2

2.12.2.1 Purpose: To ensure evidence-based planning, policy setting and investment decisions in the energy sector to improve the security of energy supply, regulation and competition.

2.12.2.2 Descriptions

Sub-Programme 2.1: Policy Analysis and Research

This sub-programme develops key indicators and monitors the impact of energy sector policies, planning and interventions; analyses all energy policies and their impact on access to energy and security of energy supply; conducts research and analyses policies in relation to other countries; and conducts research and analyses national and international trends or developments that impact on the demand and supply of energy.

Sub-Programme 2.2: Energy Planning

This sub-programme manages energy data and information; develops and maintains an energy modelling system to simulate energy supply and distribution; identifies energy supply and distribution constraints and addresses them through the Integrated Energy Plan (IEP); manages the overall collection, collation, validation, integrity and quality of energy data; and is responsible for managing the development of energy plans and strategic interventions for the generation, refining, distribution and transmission of energy sources for demand and supply optimisation.

Sub-Programme 2.3: Hydrocarbon Policy

This sub-programme ensures a secure energy supply, well-managed demand, enhanced access to hydrocarbons and a transformed energy sector. It also ensures that energy regulation and competition are improved through the development, promulgation and maintenance of a statutory framework for petroleum, petroleum products, petroleum infrastructure, coal and gas.

Sub-Programme 2.4: Electricity, Energy Efficiency and Environmental Policy

This sub-programme ensures secure energy supply; well-managed demand and a transformed energy sector; and energy regulation and competition that is improved through the development, promulgation and maintenance of a statutory framework for electricity over the medium term.



2.12.2.3 The Progress made in Achieving Programme 2 Pre-determined Objectives for FY 2019-20

Table 19: Programme 2 Progress

Strategic Objectives 2.1-2.6 (see Table 14)				
Programme: Energy Policy and Planning				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 ("achieved", or "partially achieved", or "not achieved", and narrative support	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
Annual Energy Balances Report.	Annual Energy Balance Report (2017) published by March 2020.	Achieved Annual Energy Balance Report was published concerning 2017 data.	None	None
Gas Infrastructure Masterplan Report.	Gas Strategy Report submitted to the Minister.	Partially Achieved Draft produced	Dependent on the finalisation of the Gas Amendment Bill.	There are dependencies on a number of other activities.
Gas Amendment Bill	Gas Amendment Bill certified by the State Law Advisor.	Partially Achieved Draft produced	Consultation took longer than expected.	None
Biofuels Regulatory Framework.	Biofuels Regulatory Framework gazetted.	Achieved Per Government Gazette no. 433003 vol. 356, 7 February 2020.	None	None
Proposals regarding the "end-state" of the electricity sector.	Proposals of the "end-state" of the electricity sector.	Not Achieved Conclusion of the report is dependent on external factors.	Delayed by production of the overarching electricity policy.	The approval of IRP 2019 will now enable this target to proceed.
National Energy Regulator Amendment Bill.	National Energy Regulator Amendment Bill certified by State Law Advisor.	Partially Achieved The Department has gazetted the Amended Schedule 2 of the Energy Regulation Act exempting certain categories of power plants under 1 MW from a requirement to hold a licence.	Cabinet committee decision to make the Executive Authority "the Appeal Authority" needs to be resolved.	None
Municipal Asset Management Programme Rollout Framework.	Municipal Asset Management Programme Rollout Framework developed	Not Achieved	Capacity constraints.	Filling of critical positions needs to be prioritised and funding secured.
Off-take Agreement on the Grand Inga Project.	Negotiate Off-take Agreement with the Project Developer (Revised target).	Not Achieved	Delay in the appointment of the Project Developer by the Democratic Republic of Congo (DRC).	Dependent on outside factors.

2.12.2.4 Linking Performance with Budgets

Table 20: Sub-Programme Expenditure

Energy Policy and Planning	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy Analysis and Research	3,624	2,784	840	2,335	3,351	-1,016
Energy Planning	19,714	18,876	838	19,593	17,250	2,343
Hydrocarbons Policy	14,591	11,783	2,808	14,263	12,551	1,712
Electricity and Alternative Energy Policy	9,639	6,502	3,137	9,882	6,913	2,969
Total	47,568	39,945	7,623	46,073	40,066	6,007

2.12.3 Programme 3

2.12.3.1 Purpose: Regulate the petroleum and petroleum products industry to ensure the optimal and orderly functioning of the petroleum industry to achieve government's developmental goals.

2.12.3.2 Descriptions

Sub-Programme 3.1: Petroleum, Compliance, Monitoring and Enforcement

This sub-programme monitors compliance with the Liquid Fuels Charter and technical, legal and commercial licensing conditions. This includes compliance with import and export conditions, as well as the enforcement of the submission of data by the industry. The sub programme also processes arbitration requests as well as promotion of access to information requests on behalf of the Controller of Petroleum Products.

Sub-Programme 3.2: Petroleum Licensing and Fuel Supply

This sub-programme manages the adjudication of petroleum licence applications, regulates the permitting of the export and import of petroleum products, monitors fuel stock levels, and co-ordinates corrective actions to avoid fuel shortages. This entails conducting licence analyses and ensuring permit and charter compliance and fuel supply. It also includes adjudication of different licence types in accordance with the Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended.

Sub-Programme 3.3: Fuel Pricing Regulation

This sub-programme regulates the pricing of petroleum products in accordance with the legislative framework. This entails the determination, review, updating and maintenance of fuel levies and margins and the process of paying fuel levies. Fuel price administration includes developing, evaluating and monitoring price models, updating elements of the Basic Fuel Price (BFP), and ensuring secure audit services for the auditing of fuel prices, to ensure internationally competitive pricing of petroleum products, thereby enabling investment in the sector.

Sub-Programme 3.4: Regional Petroleum Regulation Offices

This sub-programme provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, and ensures economic and technical compliance with relevant legislation. In addition, all annual information submitted by licence holders is captured and analysed.



2.12.3.3 The Progress made in achieving Programme 3 Pre-determined Objectives for FY 2019-20.

Table 21: Programme 3 Progress

Strategic Objectives 3.1-3.2 (see Table 14)				
Programme 3: Petroleum and Petroleum Products Regulation				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 ("achieved", or "partially achieved", or "not achieved", and narrative support)	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
Number of retail site compliance inspections conducted per year.	1 500 retail site compliance inspections conducted.	Achieved 1367 Retail site inspections were conducted.	- 133	Vacant positions of inspectors in Kwa-Zulu Natal and Northern Cape provinces.
Number of fuel samples tested.	1 080 fuel samples tested.	Achieved 1080 Fuel samples were collected and tested.	None	None
% of licence applications approved where HDSA ownership is at least 50%.	At least 50% of licence applications approved have a minimum of 50% HDSA ownership.	Achieved 91.85% compliance - 733 applications with 50% and more HDSA involvement out of 798 applications approved.	The percentage of participation by black Africans in the retail sector remains low.	None

2.12.3.4 Linking Performance with Budgets

Table 22: Sub-Programme Expenditure

Petroleum and Petroleum Products Regulation	2019/20			2018/19		
	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
Petroleum Compliance, Monitoring and Enforcement.	17,562	13,807	3,755	14,075	13,573	502
Petroleum Licensing and Fuel Supply.	28,344	27,715	629	26,690	26,322	368
Fuel Pricing	6,454	4,837	1,617	6,289	5,689	600
Regional Petroleum Regulation Offices.	35,995	34,351	1,644	32,188	31,459	729
Total	88,355	80,710	7,645	79,242	77,044	2,198

2.12.4 Programme 4

2.12.4.1 Purpose: To manage, coordinate and monitor programmes and projects focused on access to energy.

2.12.4.2 Descriptions

Sub-Programme 4.1: Integrated National Electrification Programme

The Integrated National Electrification Programme (INEP) oversees and manages the finance and implementation processes for the electrification programme; manages the annual planning processes, including electrification infrastructure plans; and manages and coordinates technical audits for the programme. This sub-programme aims to deliver on the Medium Term Strategic Framework (MTSF 2014-2019) target for electrification of 1.25 million households through grid and non-grid technologies. In this fiscal year the annual target of 195 000 newly electrified households was exceeded and amounted to a total of 214 517. Furthermore, 1 364 households were connected with non-grid electricity in this financial year as part of a roll over from the 2018/19 fiscal year.

Sub-Programme 4.2: Energy Regional Offices

This sub-programme provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, manages and co-ordinates regional electrification planning, and ensures economic and technical compliance with relevant legislation. (Annual targets in the IOP)

Sub-Programme 4.3: Programme and Project Management Office

This sub-programme provides specialised assistance to programme and project managers, and management in general, to apply management principles, coordinate project information and report on projects. The sub-programme aims to develop Integrated Energy Centres (IECs) with the support of major oil companies to ensure access to various forms of energy in communities where volumes do not justify such but there is a need.

Sub-Programme 4.4: Electricity Infrastructure/Industry Transformation/ Community Upliftment / Programmes and Projects

This sub-programme oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector, and independent power producers.

Sub-Programme 4.5: Community Upliftment / Programmes and Projects

This sub-programme implements, manages and coordinates programmes and projects aimed at the empowerment of disadvantaged and vulnerable groups and increases public awareness on energy issues.



2.12.4.3 The Progress made in achieving Programme 4 Pre-determined Objectives for FY 2019-20

Table 23: Programme 4 Progress

Strategic Objectives 4.1-4.3 (see Table 14)				
Programme 4: Electrification and Energy Programme and Project Management				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 ("achieved", or "partially achieved", or "not achieved", and narrative support)	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
Number of Quarterly reports of additional households to be electrified with grid electrification towards the 2019/20 target of 195 000 in the National Electrification Plan.	4 Quarterly Reports on additional households to be electrified with grid electrification towards the target of 195 000 in the National Electrification Plan	Achieved 4 Quarterly Reports were produced on achieving 214 517 additional households with grid electricity against the target of 195 000 in the National Electrification Plan	+19 517 households were connected to the electricity grid	None
<i>Number of Quarterly reports on the allocation of funding and the monitoring of implementation of grid electrification of additional households by Eskom and Municipalities. (Revised indicator)</i>	<i>4 Quarterly Reports on the allocation of funding and the monitoring of implementation of grid electrification of additional households by Eskom and Municipalities. (Revised target)</i>	4 Quarterly Reports on the allocation of funding and the monitoring of implementation of grid electrification of additional households by Eskom and Municipalities were produced.	None	None
Number of Quarterly progress reports on building/upgrading of electrification infrastructure projects towards the 2019/20 target.	4 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities- 2 new bulk substations built - 3 additional substations upgraded - 50 km new MV power lines constructed- 50 km of existing MV power lines upgraded.	Achieved 4 Quarterly Reports on building/upgrading of electrification infrastructure projects as follows: 3 new substations built; 3 substations upgraded; 174,87 km new MV power lines constructed; and 11 km of existing MV power lines upgraded.	+1 new substation + 124,87 km of new MV power lines -39 km of existing MV power lines were not upgraded	New substation and new MV power line targets were exceeded due to project planning overruns Underachievement of -39km for the upgrading of existing power lines was due to the late appointment of service providers by some of the municipalities
<i>Number of Quarterly reports on the funding and the monitoring of progress towards the building/upgrading of bulk electrification infrastructure projects by Eskom and Municipalities. (Revised indicator)</i>	<i>4 Quarterly Reports on the funding and the monitoring of progress towards the building/upgrading of bulk electrification infrastructure projects by Eskom and Municipalities. (Revised target)</i>	4 Quarterly Reports on the funding and the monitoring of progress towards the targets contracted with Eskom and municipalities were produced	None	None

Table 23: Programme 4 Progress (continued)

Strategic Objectives 4.1-4.3 (see Table 14)				
Programme 4: Electrification and Energy Programme and Project Management				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 ("achieved", or "partially achieved", or "not achieved", and narrative support)	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
Number of additional households electrified with non-grid electrification towards the 2019/20 target of 20 000 in the National Electrification Plan.	20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan.	Not Achieved Zero additional households electrified with non-grid electrification in this fiscal year.	-20 000	Delays were experienced with appointment of panel of contractors.
Number of quarterly reports on progress made with regard to development of rural IECs.	4 Quarterly Reports regarding the development of rural IECs.	Achieved 4 Quarterly Reports on the development of rural IECs were produced.	None	None
Number of reports on interventions and support provided to municipalities regarding electricity.	2 Reports on interventions and support provided to municipalities regarding electricity.	Achieved 2 reports on interventions and support provided to municipalities regarding electricity were produced.	None	None

2.12.4.4 Linking Performance with Budgets

Table 24: Sub-Programme Expenditure

Electrification and Energy Programme and Project Management	2019/20			2018/19		
	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
Integrated National Electrification Programme.	5,228,078	5,018,960	209,118	5,337,403	5,320,997	16,406
Energy Regional Office.	20,947	20,901	46	18,153	20,174	-2,021
Programme and Projects Management Office.	11,638	11,378	260	12,801	9,665	3,136
Electricity Infrastructure/ Industry Transformation.	8,555	8,019	536	6,913	8,066	-1,153
Community Upliftment Programmes and Projects.	5,607	5,070	537	5,321	5,609	-288
Total	5,274,825	5,064,328	210,497	5,380,591	5,364,511	16,080



2.12.5 Programme 5

2.12.5.1 Purpose: To manage the South African nuclear energy industry and control nuclear material in terms of international obligations, nuclear legislation and policies to ensure the peaceful use of nuclear energy.

2.12.5.2 Descriptions

Sub-Programme 5.1: Nuclear Safety and Technology

This sub-programme manages and implements all matters relating to nuclear safety and technology, as required by legislation and international agreements; implements the Nuclear Energy Policy in line with the requirements of the Integrated Resource Plan (IRP); and administers all matters relating to nuclear safety, liability and emergency management, with the aim of improving the governance of the nuclear sector, specifically in relation to nuclear safety and nuclear technology. This sub-programme is responsible for the overall coordination and oversight for the new nuclear expansion programme together with the necessary due diligence on the proposed transaction. This sub-programme also makes transfers to the South African Nuclear Energy Corporation, the National Nuclear Regulator and the National Radioactive Waste Disposal Institute

Sub-Programme 5.2: Nuclear Non-Proliferation and Radiation Security

This sub-programme manages and implements all matters related to nuclear non-proliferation and radiation security as required by legislation and international agreements. This entails accounting for and controlling nuclear material through the issuing of nuclear authorisations; ensuring compliance by conducting inspections, and audits; and regulating the security of nuclear material and related facilities.

Sub-Programme 5.3: Nuclear Policy

This sub-programme develops and reviews policies and legislation, as required by international agreements and the governance principles of the nuclear energy sector in South Africa; undertakes research and development on matters related to nuclear policy and legislation; and reviews and monitors nuclear safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies and legislation, and provides advice accordingly.

2.12.5.3 The Progress made in Achieving Programme 5 Pre-determined Objectives for FY 2019-20

Table 25: Programme 5 Progress

Strategic Objectives 5.1-5.2 (see Table 14)				
Programme 5: Nuclear Energy				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 ("achieved", or "partially achieved", or "not achieved", and narrative support)	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
Draft Decommissioning and Decontamination Policy submitted to Cabinet.	Draft Decommissioning and Decontamination Policy submitted to Cabinet.	Not achieved Delays in conducting studies for data collection, due to establishment of a new procurement framework.	The drafting of the Policy is dependent on data from the studies.	None
Percentage of processed authorisation applications within the 8-week time period.	At least 70% of authorisation applications processed within the 8-week time period.	Achieved Authorisation applications were processed within 8 weeks.	None	Authorisation report was produced.

Table 25: Programme 5 Progress (continued)

Strategic Objectives 5.1-5.2 (see Table 14)				
Programme 5: Nuclear Energy				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 ("achieved", or "partially achieved", or "not achieved", and narrative support)	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
National Nuclear Regulator Amendment Bill.	National Nuclear Regulator Amendment Bill submitted to Cabinet.	Partially Achieved The Draft Bill, Sign Off on SEAIS report by DPME and Memorandum of Objects submitted to the State Law Advisor.	Delays due to engagements with the relevant stakeholders on the outstanding issues.	The Department will publish the National Nuclear Regulator Amendment Bill upon its conclusion.
Approved Radioactive Waste Management Fund Bill.	Radioactive Waste Management Fund Bill Submitted to Cabinet.	Partially Achieved Draft Bill, Sign-off on SEAIS report by DPME, Memorandum of Objects, responses to comments submitted to the State Law Advisor.	Delays due to consultation with the State Law Advisor.	The Radioactive Waste Management Fund Bill will be published for public comments.

2.12.5.4 Linking Performance with Budgets

Table 26: Sub-Programme Expenditure

Nuclear Energy	2019/20			2018/19		
	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
Nuclear Safety and Technology	1,030,911	1,021,753	9,158	856,989	857,728	-739
Nuclear Non-Proliferation and Radiation Security	10,069	10,048	21	8,647	9,015	-368
Nuclear Policy	9,163	8,106	1,057	9,850	8,542	1,308
Total	1,050,143	1,039,907	10,236	875,486	875,285	201

2.12.6 Programme 6

2.12.6.1 Purpose: To manage and facilitate the development and implementation of clean and renewable energy initiatives, as well as Energy Efficiency and Demand-Side Management (EEDSM) initiatives.

2.12.6.2 Descriptions

Sub-Programme 6.1: Energy Efficiency

This sub-programme advances energy efficiency in South Africa by planning and coordinating initiatives and interventions that are focused on developing and improving the energy efficiency market, and ensures the integration and coordination of energy efficiency initiatives and interventions with relevant associated institutions.



Sub-Programme 6.2: Renewable Energy

This sub-programme ensures the integration of renewable energy into South Africa's mainstream energy supply by planning and co-ordinating initiatives and interventions.

Sub-Programme 6.3: Climate Change and Designated National Authority

This sub-programme ensures that the energy sector's climate change and environment response measures, in terms of mitigation and adaptation, are implemented within the energy sector. It also ensures the fulfilment of international energy commitments and obligations under the United Nations Framework Convention on Climate Change pertaining to the Kyoto Protocol.

2.12.6.3 The Progress made in achieving Programme 6 Pre-determined Objectives for FY 2019-20.

Table 27: Programme 6 Progress

Strategic Objectives 6.1-6.3 (see Table 14)				
Programme 6: Clean Energy				
Performance Indicators from 2019/20 APP	Planned Targets from 2019/20 APP	Actual Achievement 2019/20 (“achieved”, or “partially achieved”, or “not achieved”, and narrative support)	Deviations from Planned Targets to Actual Achievement 2019/20	Comments on Deviations
Number of energy savings realised and verified from EEDSM projects.	0.5 TWh energy savings realised and verified from EEDSM projects.	Achieved 6.3 TWh energy savings realised and verified from EEDSM projects.	+5.8 TWh	Target exceeded and verified.
	Energy consumption baselines developed from 15 additional municipalities.	Achieved Energy consumption baselines developed from additional municipalities.	None	None
Energy Technology Roadmap. <i>Developed the Terms of Reference (ToRs) for Energy Technology Roadmap. (Revised indicator)</i>	<i>Terms of Reference for the Renewable Energy Technology Roadmap (RETRM) completed (Revised target).</i>	Not Achieved <i>External dependencies delayed the project.</i>	Unavailability of funds was the main reason the project could not continue.	Projects will be implemented in line with the approved IRP 2019.
Report on roll-out of baseline systems in line with budget allocation. <i>Number of reports on roll-out of baseline systems in line with budget allocation. (Revised indicator).</i>	<i>Reports on the roll out of the NSWH Programme (Revised target).</i>	Partially Achieved The reports on the installation of NSWH were produced.	Installation was not achieved due to under delivery of geysers to participating municipalities, and the training of installers.	There were delays in the finalisation of the Technical Feasibility Assessment studies in municipalities' designated installation areas and the procurement of installation service providers.
Developed Annual Compliance Report on the 3 rd Environmental Management Plan Edition	<i>2018/19 Annual Compliance Report on the 3rd Environmental Management Plan Edition approved (Revised Target).</i>	Achieved 2018/19 Annual Compliance Report was approved.	None	None

2.12.6.4 Linking Performance with Budgets

Table 28: Sub-Programme Expenditure

Clean Energy	2019/20			2018/19		
	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
Energy Efficiency	339,006	333,653	5,353	392,348	362,336	30,012
Renewable Energy	80,560	80,079	481	75,796	58,262	17,534
Climate Change and Designated National Authority	9,517	9,224	293	8,667	8,719	-52
Total	429,083	422,956	6,127	476,811	429,317	47,494

2.12.7 Department of Energy

Table 29: Programme Expenditure

Total for Department of Energy	2019/20			2018/19		
	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	293,583	279,383	14,200	305,329	304,017	1,312
Energy Policy and Planning	47,568	39,945	7,623	46,073	40,066	6,007
Petroleum and Petroleum Products Regulation	88,355	80,710	7,645	79,242	77,044	2,198
Electrification and Energy Programme and Project Management	5,274,825	5,064,328	210,497	5,380,591	5,364,511	16,080
Nuclear Energy	1,050,143	1,039,907	10,236	875,486	875,285	201
Clean Energy	429,083	422,956	6,127	476,811	429,317	47,494
Total	7,183,557	6,927,230	256,327	7,163,532	7,090,239	73,293



2.13 TRANSFER PAYMENTS

The transfer of payments to municipalities has been made in accordance with the approved annual Division of Revenue Act of South Africa (DoRA) transfer requirements.

2.13.1 Transfers and Subsidies

Table 30: Transfers and Subsidies

Transfer payments	Adjusted Budget 2019/20	Year to date Transfer Payments up to March 2020	Available Balance at 31 March 2020	Actual Spending for the year as % of Total Budget Allocation
	R'000	R'000	R'000	%
South African National Energy Development Institute (SANEDI)	74,151	74,151	-	100.00%
International Membership Fees	29,478	24,588	4,890	83.41%
EEDSM – Municipalities	227,065	227,065	-	100.00%
South African Nuclear Energy Corporation (Necsa)	890,431	890,431	-	100.00%
National Radio-Active Waste Disposal Institute (NRWDI)	47,499	47,499	-	100.00%
National Nuclear Regulator (NNR)	43,096	43,096	-	100.00%
Integrated National Electrification Programme (INEP) – Eskom	3,124,053	3,124,053	-	100.00%
INEP – Municipalities	1,863,328	1,859,820	3,508	99.81%
INEP – Non-grid	212,941	13,115	199,826	6.16%
Households	5,390	4,787	603	88.81%
SETAs	1,170	1,170	-	100.00%
Total transfer payments	6,518,602	6,309,774	208,828	96.80%

2.13.2 Transfer Payments to Public Entities

Table 31: Transfer Payments to Public Entities

Name of Public Entity	Services Rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
		R'000	R'000	
South African Nuclear Energy Corporation (Necsa)	Necsa is responsible for the following core functions: • Undertaking and promoting research and the development in the field of nuclear science; • Processing source material, including uranium; and • Co-operating with other institutions on nuclear-related matters.	890,431		Refer to general information of public entities reporting to the Minister

Name of Public Entity	Services Rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
		R'000	R'000	
National Nuclear Regulator (NNR)	Responsible for: • Providing for the protection of persons, property and the environment against nuclear damage; • Exercising regulatory control related to the siting, design, construction, operation, manufacture of component parts, and decontamination, decommissioning and closure of nuclear installations; • Exercising regulatory control over the actions, to which the Act applies, through the granting of nuclear authorisations; • Providing assurance of compliance with the conditions of nuclear authorisations through the implementation of a system of compliance inspections; • Fulfilling national obligations in respect of international legal instruments concerning nuclear safety; and • Ensuring that provisions for nuclear emergency planning are in place.	43,096		Refer to general information of public entities reporting to the Minister
National Radio-Active Waste Disposal Institute (NRWDI)	Responsible for: • Plan, design, construct, operate, manage and monitor radioactive waste disposal facilities; • Design and implement disposal solutions for all classes of radioactive waste; and • Maintain a national radioactive waste database and publish reports on the inventory and location of radioactive waste in South Africa.	47,499		Refer to general information of public entities reporting to the Minister
South African National Energy Development Institute (SANEDI)	SANEDI's core functions: • Directing, monitoring and conducting energy research and development; and • Undertaking measures to promote energy efficiency throughout the economy.	74,151		Refer to general information of public entities reporting to the Minister



2.13.3 Transfer Payments to all Organisations other than Public Entities

Table 32: Other Transfer Payments for the period 1 April 2019 to 31 March 2020

Name of Transferee	Purpose for which the Funds were used	Amount Budgeted for	Amount Transferred	Reasons why Funds were Not Transferred
		R'000	R'000	
Non-grid Service Providers	Non-grid electricity connections	212,941	13,115	Due to delays in finalizing procurement processes for the appointment of service providers to execute the 2019/20 implementation plan.
Households	Leave gratuities and retirement benefits, pension liabilities for early retirement benefits, claims against government (loss of office)	5,390	4,787	The result of outstanding payments in relation to early retirement applications and pension liability payments to the GEPP.
SETAs	Annual contributions to SETAs in accordance with Circular HRD 1 of 2013 that was issued by the Department of Public Service and Administration (DPSA) in April 2013	1,170	1,170	N/A
African Petroleum Producers Association (APPA)	Membership Fees	3,038	2,554	Exchange rate for foreign currency less than anticipated
Generation IV International Forum (GIF)	Membership Fees	782	631	Exchange rate for foreign currency less than anticipated
International Atomic Energy Agency (IAEA)	Membership Fees	22,756	20,067	Exchange rate for foreign currency less than anticipated on the main payment for affiliation to the IAEA as well as to its sub-structures, i.e. AFRA and Generation IV.
International Energy Forum (IEF)	Membership Fees	356	-	Due to a delayed invoice from the foreign organisation.
International Renewable Energy Agency (IRENA)	Membership Fees	1,201	1,336	Exchange rate for foreign currency more than anticipated
International Partnership for Energy Efficiency Cooperation (IPEEC)	Membership Fees	1,345	-	The payment is pending the finalisation of the review / reorganisation process of the foreign entity.

2.14 CONDITIONAL GRANTS

2.14.1 Conditional Grants and Earmarked Funds Paid.

The tables below describes each of the conditional grants and earmarked funds paid by the Department.

Table 33: Conditional Grant 1: National Electrification Programme (Municipality Schedule 5b)

Department/ Municipality to whom the grant has been transferred	Several municipalities
Purpose of the grant	Electricity Connections
Expected outputs of the grant	-
Actual outputs achieved	-
Amount per amended DoRA (R'000)	1,863,328
Amount transferred (R'000)	1,859,820
Reasons if amount as per DoRA not transferred	R3.51 million was withheld from JS Moroka municipality due to non-compliance.
Amount spent by the Department (R'000)	-
Reasons for the funds unspent by the entity	-
Monitoring mechanism by the transferring Department	Technical audits and monthly reports

Table 34: Conditional Grant 2: National Electrification Programme (Eskom)

Department/Municipality to whom the grant has been transferred	Eskom Schedule 6b
Purpose of the grant	Electricity Connections
Expected outputs of the grant	-
Actual outputs achieved	-
Amount per amended DoRA (R'000)	3,124,053
Amount transferred (R'000)	3,124,053
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department/municipality (R'000)	-
Reasons for the funds unspent by the entity	-
Monitoring mechanism by the transferring Department	Quarterly reports submitted by Eskom, verification reports



Table 35: Conditional Grant 3: Energy Efficiency and Demand Side Management Programme (equitable share)

Department/Municipality to whom the grant has been transferred	Several municipalities
Purpose of the grant	Implementation of energy efficiency technologies
Expected outputs of the grant	-
Actual outputs achieved	-
Amount per amended DoRA (R'000)	227,065
Amount transferred (R'000)	227,065
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department/municipality (R'000)	-
Reasons for the funds unspent by the entity	-
Monitoring mechanism by the transferring Department	The Department developed a monitoring and evaluation tool indicating the pay-back period to achieve kWh savings; energy savings (kWh) achieved by each municipality; and R (million)/kWh

2.14.2 Conditional Grants and Earmarked Funds Received

The Department participates in the following training and development projects and learnership programmes:

- In service training programme funded by the Energy and Water Sector Education and Training Authority (EWSETA) for electrical engineers which is aimed at ensuring that opportunities are created and promoted for unemployed students who have N6 or N4 qualifications to gain practical experience in the workplace in order to obtain their qualifications;
- Several projects and programmes funded by the Chemical Industries Sector Education and Training Authority (CHIETA) including a Project Management learnership programme; Public Administration; Internal Audit; Petroleum Engineering Programme; and Skills Programme.
- During the 2019/20 financial year, a budget of R764 thousand was received by the Department from the Chemical Industries Education and Training Authority (CHIETA), an affiliated energy sector education and training authority (SETA), to implement learner and training programmes as per agreement with CHIETA. No grants were received from the Energy & Water Sector Education Training Authority (EWSETA) during the 2019/20 financial year.

2.15 DONOR FUNDS

2.15.1 Donor Funds Received

No donor funds were received by the Department during the 2019/20 financial year.



PART C

GOVERNANCE



3.1 INTRODUCTION

According to the South African Energy, Risk Report 2019 energy uncertainty is a major risk in the South African economy due to its energy intensive nature and low readiness for an energy transition. South Africa has a very low readiness for an energy transition so the mitigation of all related risks is required before this systemic risk can be addressed. The 2019 risks were identified and prioritised by a group of energy experts for impact and likelihood at both a country and an industry level.

The risk of “price volatility and uncertainty” was identified as one of the top risks at both country and industry level due to its downstream impacts on many other sectors and on the vulnerable in our society. Low risk readiness compounds this country risk, which at the same time, is beyond South Africa’s control since it is global in nature. Similarly, the “changing customer of the future” is also primarily driven by factors out of our control due to global technological trends and the declining prices of disruptive technologies. In addition, the fiscal crisis scored high at both country and industry levels, with low risk readiness at the industry level. A related risk concerned the lack of investment in infrastructure, and its resultant breakdown, further exacerbating investor confidence.

Having appropriate energy policies are key if the country and the business sector are to be competitive in the context of rapid global change. This risk is likely to have a high impact and likelihood over the next few years, and links closely to the risk of parochial interests. Another consequence of not having appropriate policies is a rise in activism and civil disobedience. This is an issue that has been rising in importance around the world. Energy data unavailability is a barrier to formulating energy policies and business model innovation so that decision making is fact based. Looking to the future, greater stakeholder consultation can help to improve integration and systemic planning both at an industry and national level. The issue of having policy certainty is central as to whether we have appropriate policy frameworks to allow the uptake of new technologies and the readiness of our energy sector to transition to a low-carbon future.

In terms of risk mitigation, some certainty has been achieved with the release of the IRP 2019 and the decisive action from government and business in terms of addressing corruption. Overall the country is at risk of not being ready for the energy transition and the innovative approaches to policy and business models that will be required. The energy sector can be steered toward a more sustainable future by: (i) proactively engaging with the interdependencies of the sector with other sectors; (ii) embracing ambiguity that is in better balance with reliance on prediction, and by (iii) regularly effecting course corrections in an agile manner.

3.2 RISK MANAGEMENT AT DOE

During the year under review and in line with the requirements of Section 38(i) (a) of the PFMA read together with the Public Sector Risk Management Framework, the Department of Energy executed the risk management function by way of implementing the activities listed in the table below:



Table 36: Risk Management at DoE

Guiding Risk Management Questions	Yes/No	Comments
Does the Department have a risk management policy and strategy?	Yes	The following regulatory frameworks are in place to guide risk management: • Risk Management Policy • Risk Management Strategy • Risk Management Framework • Risk Management Committee Charter • Fraud Prevention Strategy • Fraud Response Action Plan • Combined Assurance Framework
Does the Department have a Risk Management Committee that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk?	Yes	• The Risk Management Committee comprising of two external members (i.e.1 X external RMC Chairperson and 1x external RMC Member) and six Programme Managers within the Department. • The Risk Management Committee is convened on a quarterly basis to review and oversee the effective implementation of risk mitigation strategies and make recommendations for improvement where there are gaps limitations
Does the Audit Committee advise the Department on risk management and independently monitor the effectiveness of the system of risk management?	Yes	The Audit Committee is convened on a quarterly basis to consider the results of risk management and internal control processes and disclosure thereof.
Does the Department conduct regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks?	Yes	Risk Assessments are conducted annually to identify risks that could prevent the Department to achieve targets stated in the Annual Performance Plan with a view of designing interventions that will respond to risk exposures throughout the Department..
Does the Department see progress in the management of risks, and has this been transmitted into improvements in the Department's performance, and if not, what it plans on doing to address	No	The Department is partially and gradually moving towards a higher level of risk maturity as programme managers have taken the responsibility of managing the risks that have material impact on the achievement of their objectives outcomes through embedding and inculcating the principles of risk management into their operational responsibilities.

3.2.1 Progress on Risk Mitigation at DoE

Table 37: Total Number and Average Scores of Inherent and Residual Branch Risks

Branches/Units	Total Number of Inherent Risks	Average Score of Inherent Risks (1-25)	Total Number of Residual risks	Average Score of Residual Risks (1-25)
Policy and Planning	8	17	8	13
Petroleum and Petroleum Products Regulation	3	18,6	3	14,6
Nuclear Energy	4	18,75	4	14
Clean Energy	5	18,6	5	13
Programmes and Projects	5	17,6	5	14,2
Corporate Services	6	20	6	15
Financial Management Services	2	14	2	10
Governance and Compliance	3	16	3	12

Table 38: Key to Levels of Risk

Risk Index	Risk Levels	Risk Acceptability	Proposed Actions
15 – 25	High Risk	Unacceptable	Immediate implementation of corrective action plans
6 – 12	Medium Risk	Acceptable with caution	Implementation of improvement opportunities and validation of controls
1 – 5	Low Risk	Acceptable	Validation and 12 Optimisation of controls

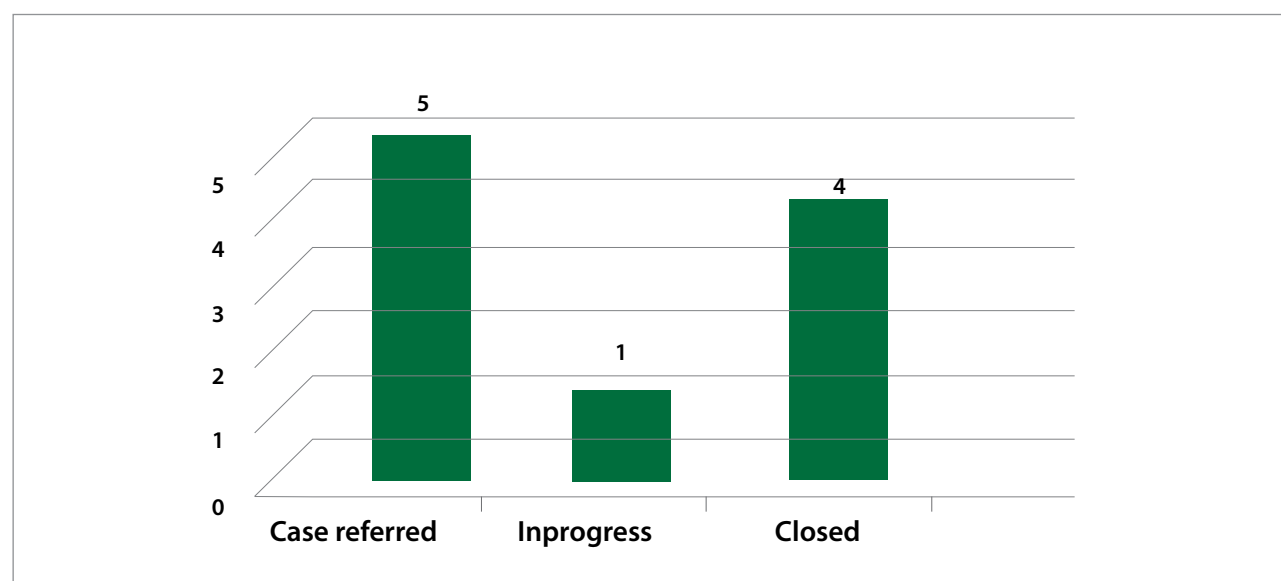
Note: According to the *Public Sector Risk Management Framework*, “inherent risk” means: the exposure arising from risk factors in the absence of deliberate management intervention(s) to exercise control over such factors. On the other hand, “residual risk” means: the remaining exposure after the mitigating effects of deliberate management intervention(s) to control such exposure.

3.3 FRAUD AND CORRUPTION

The Department has a Fraud Prevention Plan, setting out actions to prevent fraud and corruption. The Fraud Prevention Plan sets out the mechanisms to detect fraud and corruption, and to enforce existing systems, policies and procedures aimed at deterring and reducing fraud and corruption. These mechanisms includes a whistle blowing policy, vetting of officials and service providers, planned and requested internal audits, and oversight structures such as the Risk Management Committee, Audit Committees, Auditor-General and Executive Management Committee.

Employees and members of the public are encouraged to report allegations of fraudulent and or suspected practices of corruption for investigation and resolution. Cases of fraud and corruption are captured in the fraud and corruption case register, which is regularly updated and submitted to Office of the Public Service Commission and the Department of Public Service and Administration. All reported cases of alleged, irregular, and/or fraudulent practices received from the Presidential Hotline, members of the public, and media during the year under review were investigated and resolved. These are summarised in graph format for the period 2004-2019, below.

Figure 1: NACH Complaints Lodged with Energy from 2004-2019





3.4 MINIMISING CONFLICT OF INTEREST

In order to minimise conflict of interest within the Department of Energy, the following mechanisms are in place:

- Senior managers are required to disclose their financial interest annually as required by the financial disclosure framework; and
- Sanctions were taken with regard to non-compliance; and
- A conflict of interest disclosure form is signed by all attendees in various management structures.

The table below summarises the compliance rate for the period under review as per the categories set out by the DPSA:

Table 39: Compliance Rates of Financial Disclosure per Employee Category

Employee Categories	SMS	MMS 12	MMS 11	SCM/Finance
Registered employees	89	41	47	42
Employees that disclosed	77	34	37	38
Employees that did not disclose	12	7	10	4
Unregistered employees	2	2	3	0

3.5 CODE OF CONDUCT

A Departmental Code of Conduct is in place to guide employees as to what is expected of them from an ethical and moral point of view in their official capacities. Education, training and awareness in relation to the code of conduct are conducted during the induction and orientation programme of the Department.

3.6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Department promotes the quality of work life and ensures the Department's compliance to the Occupational Health & Safety Act (OHSA) and the creation of a conducive environment for the Department of Energy's employees, through the Health and Wellness initiatives. The Employee Health and Wellness programme is a comprehensive employee health and wellness promotion program that focuses on the most crucial needs of the organisation as a way of improving the overall wellbeing of employees for the purposes of curbing absenteeism, improving employees productivity, and the reduction of HIV/AIDS stigma in the workplace. Employee Health and Wellness activities were implemented throughout the year, with wellness clinics conducted twice per month. DoE staff's physical and psychological health was maintained without disruption.

3.7 PORTFOLIO COMMITTEES

In the 2019/20 financial year 15 scheduled meetings were held with Portfolio Committees of Parliament. The Department took note of Committee comments and recommendations for purposes of implementation as recorded in Table 40 below.

Table 40: Date and Subject-matter of Parliamentary Briefings, April 2018- March 2019

Date	Agenda
03 July 19	DMR Briefing to Annual Performance Plan & Budget Vote
09 July 19	Mineral Resources & Energy Briefing on APP 2019/2020
10 Sept 19	Briefing by CEF and its Subsidiaries on the turnaround strategy and current state of entity
10 Sept 19	Joint meeting with DPE at SCOA on the Special Appropriation Bill
08 Oct 19	Briefing by DMRE on Annual Reports 2018/19
09 Oct 19	Briefing by DMRE (Energy) and their subsidiaries on their Annual Reports 2018/2019
10 Oct 19	Briefing by DMRE (Mineral Resources) on their subsidiaries on their Annual Reports 2018/2019
23 Oct 19	Briefing by DMRE on Non-Grid & Grid Electrification
29 Oct 19	IRP 2019 Presentation to PC on Mineral Resources and Energy
12 Oct 19	Briefing by DMRE Basic Fuel Price
19 Nov 19	Briefing by DMRE on Energy International Agreements
20 Nov 19	Briefing by DMRE on Amount of resources devoted to dealing with ownerless and derelict mines
11 Feb 20	Briefing by DMRE Briefing by Department of Mineral Resources and Energy (DMRE) and Business Rescue Practitioners (BRPs) on the investigation conducted following the incident that happened in Lily mine and resulted in three workers being trapped underground in a container on 05 February 2016.
18 Feb 20	Responses by the Department of Mineral Resources and Energy on the Private Members Bill (Independent Electricity Management Bill)
19 Feb 20	Briefing by the Department of Mineral Resources and Energy on: Agreement between the Republic of South Africa and the European Atomic Energy Community (EURATOM) for Co-operation in the Peaceful Uses of Nuclear Energy, tabled in terms of section 231(2) of the Constitution, 1996

3.8 STANDING COMMITTEE ON APPROPRIATIONS

None

3.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

There are no prior modifications to audit reports in this reporting period.

3.10 INTERNAL CONTROL UNIT

The Internal Control and Reporting Unit ensures that internal controls are in place to provide reasonable assurance that the Department has accounted for all financial transactions, free of errors and fraud. This unit also ensures that the transactions are accurate, valid and complete, as well as being compliant with applicable laws and regulations to ensure reliable financial reporting.

In addition, the Internal Control Sub-directorate ensures that the Department complies with Treasury Regulations in terms of reporting, and coordinates audits by AGSA.



3.11 INTERNAL AUDIT AND AUDIT COMMITTEES

The Audit Committee plays an important role in ensuring that an entity functions according to prescribed Good Governance, Accounting and Audit Standards. It also monitors and evaluates the adoption of appropriate risk management practices.

3.11.1 Internal Audit

The Accounting Officer has, in terms of section 38 of the Public Finance Management Act of 1999, put in place a system of Internal Audit under the control and direction of the Audit Committee that complies with and operates in accordance with regulations and instructions prescribed in terms of sections 76 and 77 of the PFMA.

The primary objective of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. It helps the Department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and suggest improvements regarding the effectiveness of risk management, internal controls, and governance processes. A risk based annual audit plan for 2019/20 was compiled by Internal Audit and approved by the Audit Committee. A total of 24 audits were approved for 2019/20 financial year with only 1 cancellation. The 23 completed audits included Regularity Audits, Compliance, ICT and Ad-hoc Audits, with the audit assignments being:

- Review of the Annual Financial Statements Audit of Performance Information quarter one;
- Audit of Performance Information quarter two;
- Audit of Performance Information quarter three;
- Audit of Performance Information quarter three;
- Audit of Supply Chain Management;
- Audit of Accounts Payable;
- Audit on DoE Wide Projects Management Cycle;
- Ad-hoc Audit on Solar Water Heating;
- Solar Water Heating Project Implementation;
- Audit of Energy Efficiency and Demand Side Management (EEDSM);
- General Controls Review;
- Information Security Review;
- Audit on the Review of Energy Policy Development;
- Audit of Integrated National Electrification (INEP);
- Audit of Communication Management;
- Audit of the Integrated Energy Centres;
- Audit on Petroleum Fuel Samples Testing;
- Audit of the Integrated Information, Governance and Process Management system implementation; and
- Follow up on finding register for the agreed action plans for Quarters One, Two, Three and Four.

Internal Audit continuously follows-up on the audit findings reported, to establish the extent to which management resolved the findings raised by both Internal Audit and the Auditor General South Africa (AGSA). Internal Audit has evaluated and contributed to the improvement of risk management, control and governance systems of the Department through the performance of adequate assurance and consulting activities in key areas identified by the risk assessment by conducting audits in areas mandated by the PFMA and Treasury Regulations.

3.11.2 Audit Committee

The Audit Committee provides an oversight function on governance, control and risk management processes by reviewing financial statements, reports from the Internal and External Auditors, status of internal controls and Risk Management.

The Audit Committee reviews, amongst others:

- the effectiveness of the internal control system including information communications technology and related security controls;
- the effectiveness of the Internal Audit function;
- the risk areas of the Department's operations to be covered in the scope of internal audits;
- the effectiveness of the monitoring systems pertaining to fraud related risks and the results of management's investigations and follow-up of alleged fraud and related matters;
- compliance with legal, statutory and regulatory provisions;
- adequacy, completeness and effectiveness of the risk management process;
- quality of in-year monitoring reports;
- completeness, accuracy and reliability of the performance information reports; and
- accounting and auditing concerns identified as a result of Internal or External audits.

3.11.3 Attendance of Audit Committee Meetings by Audit Committee Members

The Audit Committee consists of the members listed below, all of whom are independent of the Department. During the year under review, 8 meetings were held. The table below discloses relevant information on the Audit Committee members.

Table 41: Audit Committee Members

Name	Qualifications	Internal or external member	Date appointed	Date resigned	No of meetings attended
Mr L Saki	B Com	External	01/11/2016	deceased	0
Ms T Sihlaba	BCom; BCompt (Hons); MCom; ACCA; CIA	External	01/11/2016	31/03/2020	5
Mr A Amod (Chairperson)	CD(SA); B.Com; MBA; CIA; CGAP; CRMA	External	01/11/ 2016	31/03/2020	5
Mr G Lourens	CA(SA)	External	01/11/2016	31/03/2020	5
Mr F Docrat	CISM; CISA; CGEIT; MBA; MAP; CRM-Prac COPE, CD (SA)	External	01/11/2016	31/03/2020	8
Mr L Mangquku (Chairperson)	CA(SA); MBL; BCompt Hons, BCom	External	01/04/2020	31/10/2020	3
Ms. Z Monnakgotla	Masters in Finance; LLM in Tax; LLB; BCom	External	01/04/2020	31/10/2020	3



3.12 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year-end 31 March 2020.

3.12.1 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13 and 27.1.10.

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

3.12.2 The Effectiveness of Internal Control

The system of controls within the Department is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved by a risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following were areas of concern:

- Inadequate Project Management in the Department;
- Lack of Project Monitoring over the Energy Efficiency and Demand Side Management (EESDM) coupled with inaccurate reporting; and
- Continuing fruitless and wasteful expenditure in the Solar Water Heating Project coupled with risk of litigation by service providers.

The Audit Committee also expressed its concern with the slow response by management to audit issues, the increasing levels of irregular expenditure and the inadequate consequence management in the Department.

From our review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor General South Africa (AGSA), we can conclude that the system of internal controls as applied over financial and non-financial matters at the Department is satisfactory, as demonstrated by the improved overall audit outcomes, but requires focused and dedicated effort going forward.

The Committee has noted management's commitment to address the lack of control effectiveness and concerns raised. The Committee will be monitoring management's progress in resolving these issues on a regular basis.

3.12.3 Internal Audit

We are satisfied that the Internal Audit function has operated effectively and independently in the year under review, that it has addressed the risks pertinent to the department in its audits and has assisted the Department with value adding assurance services to ensure that both financial and operational objectives are achieved. The areas of concern identified by the Audit Committee with respect to Internal Audit are:

- The Management and Reporting of Performance Information;
- The High Vacancy rate, and
- Prolonged Acting Capacity in the vacant positions of Senior Management.

3.12.4 In-Year Management and Monthly Quarterly Report

The Accounting Officer has tabled the In-Year Management (IYM) and monthly quarterly reports to the Minister and to the Committee, as required by the Treasury Regulations. The Committee is satisfied with the content and quality of the IYM reports.

3.12.5 Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Accounting Officer;
- reviewed the AGSA's Management Report and Management's response thereto;
- reviewed accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the Annual Report;
- reviewed adjustments resulting from the audit of the Department; and
- reviewed, and where appropriate, recommended changes to the Annual Financial Statements as presented by the Department for the year ending 31 March 2020.

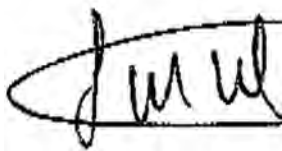
3.12.6 Report of the Auditor-General South Africa

We have, on a quarterly basis, reviewed the Department's implementation plan for audit issues raised in the prior year. Corrective actions on the findings raised by the AGSA will continue to be monitored by the Audit Committee on a quarterly basis.

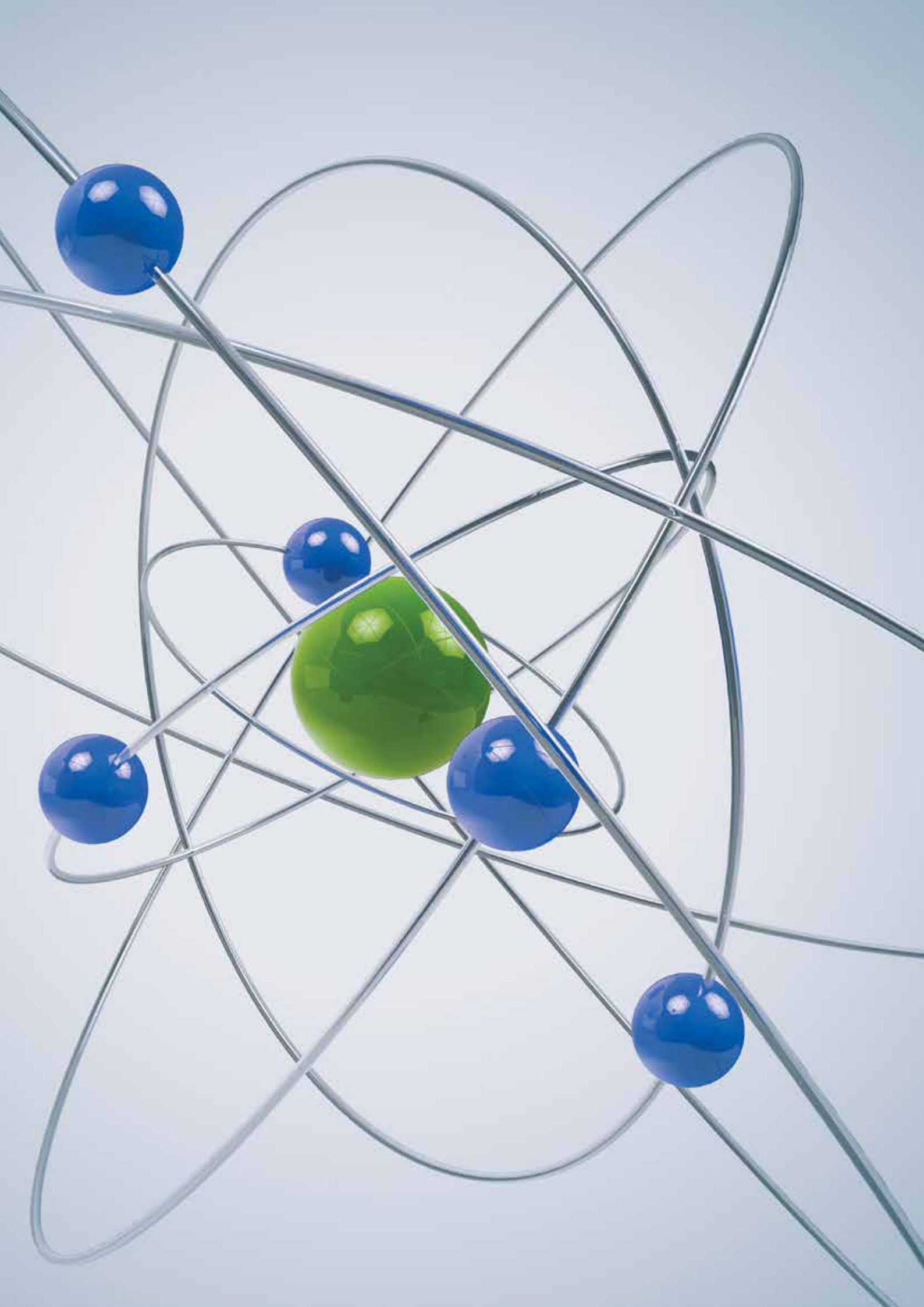
The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General

3.12.7 Appreciation

The Audit Committee wishes to acknowledge the dedication and commitment shown by the Accounting Officer, Management and Officials of the Department. The Audit Committee wishes to express its appreciation to Management, the AGSA and the Internal Audit Unit for the co-operation and information they have provided to enable us to discharge our responsibilities.



Mr. Luyanda Mangquku CA (SA)
Chairperson of the Audit Committee
29 September 2020



PART D

HUMAN RESOURCE MANAGEMENT





4.1 HUMAN RESOURCE MANAGEMENT

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

Within the approved legislative framework established by the Department of Public Service and Administration (DPSA), and within a currently constrained financial environment and reorganisation of Government, the Department of Energy provided support to its core functions by means of effective management and implementation of Human Resource (HR) policies, plans, and interventions.

4.2 STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

In May 2019 the President announced the reconfiguration of Government which resulted in the creation of a new Department of Mineral Resources and Energy (DMRE) through a merger between the Department of Mineral Resources and the Department of Energy (DoE) with effect from 1 April 2020. The majority of the 2019/2020 financial year was dedicated at managing the merger, transition, development of the start-up organisational structure for DMRE and winding up the old Department of Energy through the National Macro Organisation of Government (NMOG) process.

The DoE 2019/2020 financial year-end resulted in 597 post (inclusive of 36 Additional posts) and 534 employees (inclusive of 36 Additional employees) employed until 31 March 2020. A vacancy rate of 10,6% was observed at the end of the period which is 6% down from the previous period.

The turnover rate was significantly higher than previous years at 16.1% but was due to the end of contracts which coincided with the merger date.

Training and Development continued for the year under review with 21 Bursaries, 36 Learnerships, 22 Internships and 225 Skills Programmes being implemented. Training programmes were implemented in line with the Workplace Skills Plan (WSP) and a set target of 60 was achieved and exceeded to 64.

4.3 HR PRIORITIES AND RESULTS

The DoE had 16 KRA's in the HR Plan and the following were achieved:

- Systems & Information Capacity – Developed and implemented the HR Management Information System (MIS) Report (dashboard approach);
- Implementation of the HRD Strategy for the DoE;
- Public Service Health and Wellness Framework implemented for the DoE;
- Developed a Job evaluation plan aligned to the new Public Service Regulation (PSR);
- Reviewed and implemented the Performance Management and Development System (PMDS) process;
- Achievement of the EE targets for women in total for DoE and EEA2 and 4 reports submitted to the Department of Labour;
- HR policies, processes and procedures were developed and implemented;
- Filling of all funded vacancies, reduction of the vacancy rate; and
- The retention strategy was monitored and the review process commenced.

The following two KRAs are viewed as achieved because the review reconfiguration of the DoE Organisational Structure to be fit for purpose was completed through the NMOG process. Also the implementation of employee satisfaction survey recommendations is viewed as achieved as the change management initiative was implemented during the merger process from DoE and DMR into DMRE. The achievements are:

- The Organisational Structure for the DMRE was considered and a start-up structure was developed and approved.
- Change Management plan was developed and implemented.

4.4 WORKFORCE PLANNING

The General Elections in May 2019 and the appointment of the 6th Administration at the end of the same month brought with it a re-organisation of Government which has impacted strategy and structures. An HR Plan for 2018/21 was developed with such scenario in mind to help ensure the maintenance and operation of HR until such time that the reorganisation of the state has been finalised. The approved plan was implemented with 11 KRA's being achieved and the other 5 being re-prioritised with resources being directed toward the NMOG process.

4.5 EMPLOYEE PERFORMANCE MANAGEMENT

The 2018/2019 performance cycle was successfully completed and performance rewards prescriptively implemented in the 2019/2020 financial year. A 92% compliance rate was achieved with the submission of Performance Agreements for the 2019/2020 performance cycle.

4.6 EMPLOYEE WELLNESS PROGRAMMES

The Wellness Calendar was approved and implemented within budget and adherence to austerity measures.

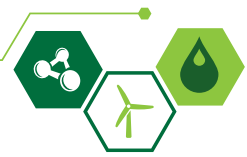
The appointment of EAP (Employee Assistance Programme) Service Provider was however put on hold pending the finalisation of the merger process. Although there was no Employee Health and Wellness (EHW) service provider for the year, professional services were procured through the SCM process when required for officials and their family members.

4.7 ACHIEVEMENTS, CHALLENGES, AND FUTURE PLANS

The year under review commenced with necessity to redirect efforts towards the re-organisation of Government. The DoE in partnership with the Department of Mineral Resources dedicated their efforts toward the preparation for the merger of the two departments into the new Department of Mineral Resources and Energy. The latter process resulted in the establishment of the Departmental NMOG structures and an approved DMRE start-up structure.

This however meant that some HR processes could not be finalised as planned, they were:

- The achievement of the EE targets for women in SMS and the employment of persons with disabilities which was only partially achieved. The figure remained fairly stable throughout the year. The target was difficult to achieve, since filling of posts were halted and the planning for the merger commenced;
- Some HR Policies implementation was stifled by having to go through a Departmental Bargaining Council process with a new focus on the merger process;
- Effective Employee Relations Management within the prescribed timeframes was also affected;



- Implementation of the Framework for Occupations. This process is subject to an approved structure and was affected by the NMOG process; and
- The development of a career development/paths framework and policy. Same as above.

Since the DoE ceases to exist in its capacity as a stand-alone Department with effect from 1 April 2020, the need for their inclusion in a HR Plan will be reviewed with the development of a new HR Plan for the DMRE.

4.8 HUMAN RESOURCES OVERSIGHT STATISTICS

The Department provided the following key information on its human resources.

4.8.1 Personnel Costs by Programme

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

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

Table 42: Personnel Costs by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
DoE: Administration	279 383.00	164 477.00	2 729.00	58.90	543.00
DoE: Clean Energy	422 956.00	19 672.00	0.00	4.70	855.00
DoE: Electricity and Energy Program and Project Management	5 064 328.00	51 916.00	0.00	1.00	658.00
DoE: Energy Policy and Planning	39 945.00	34 784.00	0.00	87.10	791.00
DoE: Nuclear Energy	1 039 907.00	23 916.00	0.00	2.30	854.00
DoE: Petroleum and Petroleum Product Regulation	80 710.00	61 673.00	0.00	76.40	605.00
Total as on Financial Systems (BAS)	6 927 229.00	356 438.00	2 729.00	5.10	616.00

Table 43: Personnel costs by Salary Band

Salary Band	Personnel Expenditure including Transfers (R'000)	% of Total Personnel Cost	Average Personnel Cost per Employee (R)	Number of Employees
02 Skilled (Levels 3-5)	24 696.00	6.70	287 163.00	86.00
03 Highly Skilled Production (Levels 6-8)	58 724.00	15.90	438 239.00	134.00
04 Highly Skilled Supervision (Levels 9-12)	161 286.00	43.80	764 389.00	211.00
05 Senior Management (Levels >= 13)	97 464.00	26.50	1 249 538.00	78.00
10 Contract (Levels 1-2)	1 558.00	0.40	103 867.00	15.00
11 Contract (Levels 3-5)	509.00	0.10	169 667.00	3.00
12 Contract (Levels 6-8)	1 072.00	0.30	1 072 000.00	1.00
13 Contract (Levels 9-12)	4 769.00	1.30	1 589 667.00	3.00
14 Contract (Levels >= 13)	8 634.00	2.30	2 878 000.00	3.00
19 Periodical Remuneration	450.00	0.10	112 500.00	4.00
20 Abnormal Appointment	1 263.00	0.30	30 805.00	41.00
TOTAL	360 425.00	97.80	622 496.00	579.00

Table 44: Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as a % of Personnel Costs	Overtime (R'000)	HOA (R'000)	HOA as a % of Personnel Costs	Medical Aid as a % of Personnel Costs
DoE: Administration	109 892.00	66.80	475.00	4 317.00	2.60	3.70
DoE: Clean Energy	13 392.00	68.10	112.00	436.00	2.20	1.90
DoE: Electricity and Energy Program and Project Management	36 917.00	71.10	0.00	1 185.00	2.30	3.60
DoE: Energy Policy and Planning	23 942.00	68.80	14.00	828.00	2.40	2.60
DoE: Nuclear Energy	16 327.00	68.30	0.00	1 092.00	4.60	1.50
DoE: Petroleum and Petroleum Product Regulation	42 025.00	68.10	12.00	2 249.00	3.60	5.10
TOTAL	242 495.00	68.00	612.00	10 107.00	2.80	3.60

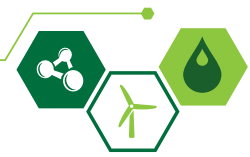


Table 45: Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary Bands	Salaries (R'000)	Salaries as a % of Personnel Costs	Overtime (R'000)	HOA (R'000)	HOA as a % of Personnel Costs	Medical Aid as a % of Personnel Costs
02 Skilled (Levels 3-5)	18 248.00	73.00	99.00	1 273.00	5.10	10.70
03 Highly Skilled Production (Levels 6-8)	46 485.00	78.40	185.00	2 108.00	3.60	7.00
04 Highly Skilled Supervision (Levels 9-12)	135 317.00	81.60	326.00	4 576.00	2.80	3.00
05 Senior Management (Levels >= 13)	86 283.00	86.40	0.00	2 129.00	2.10	0.80
10 Contract (Levels 1-2)	1 542.00	96.30	1.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	419.00	82.20	0.00	4.00	0.80	0.00
12 Contract (Levels 6-8)	851.00	78.50	0.00	12.00	1.10	0.00
13 Contract (Levels 9-12)	4 184.00	87.20	0.00	25.00	0.50	0.40
14 Contract (Levels >= 13)	7 933.00	90.80	0.00	0.00	0.00	0.10
19 Periodical Remuneration	0.00	0.00	0.00	0.00	0.00	0.00
20 Abnormal Appointment	1 263.00	93.60	0.00	0.00	0.00	0.00
TOTAL	302 526.00	82.10	612.00	10 126.00	2.70	3.40

4.8.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts in 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 46: Employment and Vacancies by Programme at end of Period

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
DoE: Administration	284.00	258.00	9.20	18.00
DoE: Clean Energy	28.00	23.00	17.90	1.00
DoE: Electricity and Energy Program and Project Management	84.00	79.00	6.00	12.00
DoE: Energy Policy and Planning	53.00	44.00	17.00	2.00
DoE: Nuclear Energy	32.00	28.00	12.50	1.00
DoE: Petroleum and Petroleum Product Regulation	116.00	102.00	12.10	2.00
TOTAL	597.00	534.00	10.60	36.00

Table 47: Employment and Vacancies by Salary Band at end of Period

Salary Bands	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
02 Skilled (Levels 3-5)	90.00	86.00	4.40	6.00
03 Highly Skilled Production (Levels 6-8)	147.00	134.00	8.80	5.00
04 Highly Skilled Supervision (Levels 9-12)	239.00	211.00	11.70	7.00
05 Senior Management (Levels >= 13)	96.00	78.00	18.80	2.00
10 Contract (Levels 1-2)	15.00	15.00	0.00	15.00
11 Contract (Levels 3-5)	3.00	3.00	0.00	0.00
12 Contract (Levels 6-8)	1.00	1.00	0.00	0.00
13 Contract (Levels 9-12)	3.00	3.00	0.00	0.00
14 Contract (Levels >= 13)	3.00	3.00	0.00	1.00
TOTAL	597.00	534.00	10.60	36.00

Table 48: Employment and Vacancies by Critical Occupation at end of Period

Critical Occupation	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
Administrative Related	103.00	89.00	13.60	9.00
Client Inform Clerks (Switchboard Receptionist Inform Clerks)	17.00	17.00	0.00	0.00
Communication and Information Related	13.00	9.00	30.80	1.00
Community Development Workers	1.00	1.00	0.00	0.00
Economists	4.00	2.00	50.00	0.00
Finance and Economics Related	9.00	8.00	11.10	0.00
Financial And Related Professionals	21.00	19.00	9.50	0.00



Critical Occupation	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
Financial Clerks and Credit Controllers	18.00	17.00	5.60	0.00
Food Services Aids and Waiters	1.00	0.00	100.00	0.00
Head Of Department Chief Executive Officer	1.00	1.00	0.00	0.00
Historians and Political Scientists	1.00	1.00	0.00	0.00
Housekeepers Laundry and Related Workers	2.00	2.00	0.00	0.00
Human Resources and Organisational Development and Relate Professionals	23.00	20.00	13.00	0.00
Human Resources Clerks	8.00	8.00	0.00	1.00
Human Resources Related	5.00	5.00	0.00	0.00
Information Technology Related	1.00	1.00	0.00	0.00
Language Practitioners Interpreters and Other Communication	4.00	3.00	25.00	1.00
Legal Related	5.00	4.00	20.00	0.00
Library Mail and Related Clerks	5.00	5.00	0.00	1.00
Logistical Support Personnel	6.00	6.00	0.00	0.00
Material-Recording and Transport Clerks	14.00	13.00	7.10	2.00
Messengers, Porters and Delivery People	3.00	2.00	33.30	0.00
Meteorologists	2.00	2.00	0.00	0.00
Motor Vehicle Drivers	1.00	1.00	0.00	0.00
Natural Sciences Related	66.00	57.00	13.60	0.00
Nature Conservation and Oceanographic Related, Technical	2.00	1.00	50.00	0.00
Other Administration and Related Clerks and Organisers	9.00	9.00	0.00	3.00
Other Administrative Policy And Related Officers	33.00	30.00	9.10	0.00
Other Information Technology Personnel	9.00	9.00	0.00	0.00
Other Occupations	1.00	0.00	100.00	0.00
Risk Management and Security Services	13.00	12.00	7.70	0.00
Interns	15.00	15.00	0.00	15.00
Secretaries and Other Keyboard Operating Clerks	47.00	44.00	6.40	0.00
Security Officers	36.00	36.00	0.00	0.00
Senior Managers	82.00	69.00	15.90	2.00
Social Sciences Related	3.00	3.00	0.00	0.00
Statisticians and Related Professionals	7.00	7.00	0.00	1.00
Trade/Industry Advisers and Other Related Profession	5.00	5.00	0.00	0.00
Youth Workers	1.00	1.00	0.00	0.00
TOTAL	597.00	534.00	10.60	36.00

4.8.3 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. 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 49: Job Evaluations

Salary Band	Number of Posts on Approved Establishment	Number of Jobs Evaluated	% of Posts Evaluated by Salary Bands	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
02 Skilled (Levels 3-5)	90.00	0.00	0.00	0.00	0.00	0.00	0.00
03 Highly Skilled Production (Levels 6-8)	147.00	0.00	0.00	0.00	0.00	0.00	0.00
04 Highly Skilled Supervision (Levels 9-12)	239.00	0.00	0.00	0.00	0.00	0.00	0.00
05 Senior Management Service Band A	66.00	0.00	0.00	0.00	0.00	0.00	0.00
06 Senior Management Service Band B	20.00	0.00	0.00	0.00	0.00	0.00	0.00
07 Senior Management Service Band C	9.00	0.00	0.00	0.00	0.00	0.00	0.00
08 Senior Management Service Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Contract (Levels 1-2)	15.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	3.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	3.00	0.00	0.00	0.00	0.00	0.00	0.00
14 Contract Band A	2.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Contract Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	597.00	0.00	0.00	0.00	0.00	0.00	0.00

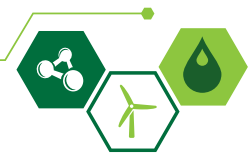


Table 50: Profile of Employees whose positions were upgraded due to their posts being upgraded

Gender	African	Asian	Coloured	White	Total
Female	1.00	0.00	0.00	0.00	1.00
Male	0.00	0.00	0.00	0.00	0.00
TOTAL	1.00	0.00	0.00	0.00	1.00

Employees with a Disability	0.00	0.00	0.00	0.00	0.00
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Table 51: Employees whose salary level exceed the grade determined by job evaluation [l.t.o Psr 1.V.c.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Department
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None

Table 52: Profile of Employees whose salary level exceeded the grade determined by job evaluation [l.t.o. Psr 1.V.c.3]

Gender	African	Asian	Coloured	White	Total
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None

4.8.4 Turnover

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 (see definition in notes below).

Table 53: Annual Turnover Rates by Salary Band

Salary Band	Number of Employees at Beginning of Period	Appointments	Terminations	Turnover Rate
02 Skilled (Levels 3-5)	90.00	0.00	2.00	2.20
03 Highly Skilled Production (Levels 6-8)	137.00	1.00	7.00	5.10
04 Highly Skilled Supervision (Levels 9-12)	215.00	1.00	4.00	1.90
05 Senior Management Service Band A	54.00	1.00	1.00	1.90
06 Senior Management Service Band B	16.00	0.00	0.00	0.00
07 Senior Management Service Band C	7.00	0.00	1.00	14.30
08 Senior Management Service Band D	1.00	1.00	2.00	200.00
10 Contract (Levels 1-2)	22.00	0.00	22.00	100.00
11 Contract (Levels 3-5)	1.00	7.00	8.00	800.00
12 Contract (Levels 6-8)	5.00	8.00	13.00	260.00
13 Contract (Levels 9-12)	7.00	10.00	17.00	242.90
14 Contract Band A	6.00	6.00	10.00	166.70
15 Contract Band B	1.00	0.00	1.00	100.00
16 Contract Band C	1.00	0.00	1.00	100.00
17 Contract Band D	2.00	1.00	2.00	100.00
TOTAL	565.00	36.00	91.00	16.10

Table 54: Annual Turnover Rates by Critical Occupation

Critical Occupation	Number of Employees at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative Related	92.00	4.00	8.00	8.70
Client Inform Clerks	16.00	1.00	0.00	0.00
Communication and Information Related	14.00	5.00	11.00	78.60
Community Development Workers	1.00	0.00	0.00	0.00
Economists	2.00	0.00	0.00	0.00
Finance and Economics Related	8.00	0.00	0.00	0.00
Financial And Related Professionals	20.00	0.00	1.00	5.00
Financial Clerks and Credit Controllers	18.00	0.00	1.00	5.60
Food Services Aids and Waiters	1.00	1.00	2.00	200.00
Head Of Department Chief Executive Officer	1.00	0.00	0.00	0.00
Human Resources and Organisational Development and Relate Professionals	21.00	0.00	1.00	4.80
Human Resources Clerks	10.00	1.00	2.00	20.00
Human Resources Related	4.00	0.00	0.00	0.00
Information Technology Related	2.00	0.00	0.00	0.00
Language Practitioners Interpreters and Other Communication	3.00	0.00	0.00	0.00
Legal Related	4.00	0.00	0.00	0.00
Library Mail and Related Clerks	7.00	2.00	3.00	42.90
Logistical Support Personnel	6.00	0.00	0.00	0.00
Material-Recording and Transport Clerks.	14.00	0.00	1.00	7.10
Messengers Porters and Delivery People	3.00	4.00	6.00	200.00
Meteorologists	2.00	0.00	0.00	0.00
Motor Vehicle Drivers.	2.00	0.00	1.00	50.00
Natural Sciences Related	60.00	0.00	3.00	5.00
Nature Conservation and Oceanographical Related and Technical	1.00	0.00	0.00	0.00
Other Administration and Related Clerks and Organisers	9.00	0.00	0.00	0.00
Other Administrative Policy And Related Officers	32.00	0.00	2.00	6.30
Other Information Technology Personnel	8.00	1.00	0.00	0.00
Other Occupations	1.00	1.00	2.00	200.00
Risk Management and Security Services	12.00	0.00	0.00	0.00
Interns	22.00	0.00	22.00	100.00
Secretaries and Other Keyboard Operating Clerks	44.00	3.00	6.00	13.60
Security Officers	36.00	0.00	0.00	0.00

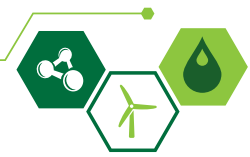


Table 54: Annual Turnover Rates by Critical Occupation (continues)

Critical Occupation	Number of Employees at Beginning of Period	Appointments	Terminations	Turnover Rate
Senior Managers	74.00	7.00	13.00	17.60
Social Sciences Related	2.00	2.00	2.00	100.00
Statisticians and Related Professionals	7.00	0.00	0.00	0.00
Trade/Industry Advisers and Other Related Profession	5.00	0.00	0.00	0.00
Youth Workers	1.00	0.00	0.00	0.00
TOTAL	565.00	36.00	91.00	16.10

Table 55: Reasons Why Staff are Leaving the Department

Termination Type	Number	% of Total Resignations
01 Death	3.00	3.30
02 Resignation	14.00	15.40
03 Expiry of contract	65.00	71.40
07 Dismissal-misconduct	1.00	1.10
09 Retirement	8.00	8.80
TOTAL	91.00	100.00

Table 56: Granting of Employee Initiated Severance Packages

Category	No of Applications Received	No of Applications Referred to the MPSA	No of Applications Supported by MPSA	No of Packages Approved by Department
02 Skilled (Levels 3-5)	0.00	0.00	0.00	0.00
03 Highly Skilled Production (Levels 6-8)	0.00	0.00	0.00	0.00
04 Highly Skilled Supervision (Levels 9-12)	0.00	0.00	0.00	0.00
05 Senior Management Service Band A	0.00	0.00	0.00	0.00
06 Senior Management Service Band B	0.00	0.00	0.00	0.00
07 Senior Management Service Band C	0.00	0.00	0.00	0.00
08 Senior Management Service Band D	0.00	0.00	0.00	0.00
10 Contract (Levels 1-2)	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	0.00	0.00	0.00	0.00
14 Contract Band A	0.00	0.00	0.00	0.00
17 Contract Band D	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00

4.8.5 Promotions

Table 57: Promotions by Critical Occupation

Occupation	Number of Employees at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to another Notch within a Salary Level	Notch Progression as a % of Employees by Occupation
Administrative Related	92.00	0.00	0.00	65.00	70.70
Client Inform Clerks	16.00	0.00	0.00	16.00	100.00
Communication and Information Related	14.00	0.00	0.00	8.00	57.10
Community Development Workers	1.00	0.00	0.00	1.00	100.00
Economists	2.00	0.00	0.00	1.00	50.00
Finance and Economics Related	8.00	0.00	0.00	4.00	50.00
Financial and Related Professionals	20.00	0.00	0.00	14.00	70.00
Financial Clerks and Credit Controllers	18.00	0.00	0.00	14.00	77.80
Food Services Aids and Waiters	1.00	0.00	0.00	0.00	0.00
Head Of Department Chief Executive Officer	1.00	0.00	0.00	0.00	0.00
Human Resources and Organisational Development and Relate Professionals	21.00	0.00	0.00	17.00	81.00
Human Resources Clerks	10.00	0.00	0.00	4.00	40.00
Human Resources Related	4.00	1.00	25.00	3.00	75.00
Information Technology Related	2.00	0.00	0.00	1.00	50.00
Language Practitioners Interpreters and Other Communication	3.00	0.00	0.00	3.00	100.00
Legal Related	4.00	0.00	0.00	0.00	0.00
Library Mail and Related Clerks	7.00	1.00	14.30	4.00	57.10
Logistical Support Personnel	6.00	0.00	0.00	5.00	83.30
Material-Recording and Transport Clerks	14.00	0.00	0.00	9.00	64.30
Messengers Porters and Deliverers	3.00	0.00	0.00	1.00	33.30
Meteorologists	2.00	0.00	0.00	2.00	100.00
Motor Vehicle Drivery People	2.00	0.00	0.00	1.00	50.00
Natural Sciences Related	60.00	0.00	0.00	41.00	68.30
Nature Conservation and Oceanographical Related, Technical	1.00	0.00	0.00	1.00	100.00
Other Administration and Related Clerks and Organisers	9.00	0.00	0.00	7.00	77.80
Other Administrative Policy and Related Officers	32.00	0.00	0.00	29.00	90.60
Other Information Technology Personnel	8.00	1.00	12.50	5.00	62.50
Other Occupations	1.00	0.00	0.00	0.00	0.00
Risk Management and Security Services	12.00	0.00	0.00	10.00	83.30
Interns	22.00	0.00	0.00	0.00	0.00



Table 57: Promotions by Critical Occupation (continues)

Occupation	Number of Employees at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to another Notch within a Salary Level	Notch Progression as a % of Employees by Occupation
Secretaries and Other Keyboard Operating Clerks	44.00	2.00	4.50	34.00	77.30
Security Officers	36.00	0.00	0.00	34.00	94.40
Senior Managers	74.00	0.00	0.00	36.00	48.60
Social Sciences Related	2.00	0.00	0.00	2.00	100.00
Statisticians and Related Professionals	7.00	0.00	0.00	5.00	71.40
Trade/Industry Advisers and Other Related Professions	5.00	0.00	0.00	5.00	100.00
Youth Workers	1.00	0.00	0.00	0.00	0.00
TOTAL	565.00	5.00	0.90	382.00	67.60

Table 58: Promotions by Salary Band

Salary Band	Number of Employees at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by Salary Band	Progressions to another Notch within a Salary Level	Notch Progression as a % of Employees by Salary Band
02 Skilled (Levels 3-5)	90.00	0.00	0.00	77.00	85.60
03 Highly Skilled Production (Levels 6-8)	137.00	4.00	2.90	104.00	75.90
04 Highly Skilled Supervision (Levels 9-12)	215.00	1.00	0.50	156.00	72.60
05 Senior Management (Levels >= 13)	78.00	0.00	0.00	45.00	57.70
10 Contract (Levels 1-2)	22.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	1.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	5.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	7.00	0.00	0.00	0.00	0.00
14 Contract (Levels >= 13)	10.00	0.00	0.00	0.00	0.00
TOTAL	565.00	5.00	0.90	382.00	67.60

4.8.6 Number of Employees

Table 59: Total Number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

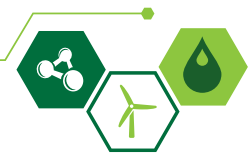
Occupational Category	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
01 - Senior Officials and Managers	37.00	1.00	1.00	2.00	25.00	0.00	2.00	2.00	70.00
02 - Professionals	43.00	0.00	0.00	2.00	50.00	0.00	2.00	3.00	100.00
03 - Technicians And Associate Professionals	83.00	0.00	1.00	0.00	114.00	0.00	0.00	0.00	198.00
04 - Clerks	31.00	1.00	0.00	0.00	76.00	2.00	0.00	3.00	113.00
05 - Service Shop and Market Sales Workers	39.00	0.00	0.00	0.00	11.00	0.00	0.00	0.00	50.00
08 - Plant And Machine Operators And Assemblers	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
09 - Labourers and Related Workers	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
TOTAL	235.00	2.00	2.00	4.00	277.00	2.00	4.00	8.00	534.00

Table 60: Total Number of Employees with Disabilities

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Employees with disabilities	1.00	0.00	0.00	1.00	6.00	0.00	0.00	1.00	9.00

Table 61: Total Number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
01 Top Management	4.00	1.00	0.00	0.00	1.00	0.00	1.00	0.00	7.00
02 Senior Management,	39.00	0.00	2.00	2.00	24.00	0.00	1.00	3.00	71.00
03 Professionally Qualified and Experienced Specialists and Mid-management	95.00	0.00	0.00	2.00	111.00	0.00	2.00	1.00	211.00
04 Skilled Technical and Academically Qqualified Workers, Junior Management, Supervisors, Foremen	38.00	1.00	0.00	0.00	91.00	1.00	0.00	3.00	134.00
05 Semi-skilled and Discretionary Decision Making	51.00	0.00	0.00	0.00	33.00	1.00	0.00	1.00	86.00
08 Contract (Top Management)	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
09 Contract (Senior Management)	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	2.00
10 Contract (Professionally Qualified)	1.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	3.00
11 Contract (Skilled Technical)	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
12 Contract (Semi-Skilled)	0.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	3.00
13 Contract (Unskilled)	6.00	0.00	0.00	0.00	9.00	0.00	0.00	0.00	15.00
TOTAL	235.00	2.00	2.00	4.00	277.00	2.00	4.00	8.00	534.00



4.8.7 Recruitment, Promotions and Terminations

Table 62: Recruitment

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
01 Top Management	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
02 Senior Management	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
03 Professionally Qualified and Experienced Specialists and Mid-management	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
04 Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, foremen	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
08 Contract (Top Management)	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
09 Contract (Senior Management)	1.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	6.00
10 Contract (Professionally qualified)	2.00	0.00	0.00	0.00	8.00	0.00	0.00	0.00	10.00
11 Contract (Skilled Technical)	3.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	8.00
12 Contract (Semi-skilled)	0.00	0.00	0.00	0.00	7.00	0.00	0.00	0.00	7.00
TOTAL	9.00	0.00	0.00	0.00	27.00	0.00	0.00	0.00	36.00

Table 63: Recruitment (Employees With Disabilities)

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
	0	0	0	0	0	0	0	0	0

Table 64: Promotions

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
02 Senior Management	19.00	0.00	1.00	2.00	19.00	0.00	1.00	3.00	45.00
03 Professionally Qualified and Experienced Specialists and Mid-management	62.00	0.00	0.00	0.00	92.00	0.00	2.00	1.00	157.00
04 Skilled technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen	36.00	0.00	0.00	0.00	69.00	0.00	0.00	2.00	107.00
05 Semi-skilled and Discretionary Decision Making	45.00	0.00	0.00	0.00	31.00	1.00	0.00	1.00	78.00
TOTAL	162.00	0.00	1.00	2.00	211.00	1.00	3.00	7.00	387.00

Table 65: Promotions (Employees with disabilities)

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Employees with Disabilities	1.00	0.00	0.00	0.00	4.00	0.00	0.00	1.00	6.00

Table 66: Terminations

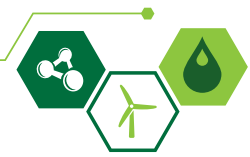
Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
01 Top Management	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	3.00
02 Senior Management	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
03 Professionally Qualified and Experienced Specialists and Mid-management	3.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	4.00
04 Skilled technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen	2.00	0.00	0.00	0.00	3.00	0.00	0.00	2.00	7.00
05 Semi-skilled and Discretionary Decision Making	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
08 Contract (Top Management)	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
09 Contract (Senior Management)	3.00	0.00	0.00	0.00	8.00	0.00	0.00	0.00	11.00
10 Contract (Professionally qualified)	2.00	0.00	0.00	0.00	15.00	0.00	0.00	0.00	17.00
11 Contract (Skilled technical)	6.00	0.00	0.00	0.00	7.00	0.00	0.00	0.00	13.00
12 Contract (Semi-skilled)	0.00	0.00	0.00	0.00	8.00	0.00	0.00	0.00	8.00
13 Contract (Unskilled)	9.00	0.00	0.00	0.00	12.00	0.00	1.00	0.00	22.00
TOTAL	33.00	0.00	0.00	0.00	55.00	0.00	1.00	2.00	91.00

Table 67: Terminations (Employees with Disabilities)

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Employees with Disabilities	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00

Table 68: Disciplinary Action

Disciplinary Action	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
	0	0	0	0	0	0	0	0	0



4.8.8 Skills Development

Table 69: Skills Development

Occupational Category	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Legislators, Senior Officials and Managers	10	0	0	1	10	0	0	3	24
Professionals	19	0	0	1	20	1	1	1	43
Technicians and Associate Professionals	46	0	0	0	48	0	0	0	94
Clerks	39	0	0	0	73	1	1	0	114
Service and Sales Workers	21	0	0	0	4	0	0	0	25
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
Employees with Disabilities	0	0	0	0	3	0	0	1	4
TOTAL	135	0	0	2	158	2	2	5	304

4.8.9 Performance

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, disability, salary bands and critical occupations.

Table 70: Performance Rewards by Race, Gender and Disability

Race and Gender	Number of Beneficiaries	Number of Employees	% of Total within Group	Total Cost (R'000)	Average Cost per Employee (R)
African, Female	99.00	271.00	36.50	2 997.48	30 278.00
African, Male	65.00	234.00	27.80	2 063.02	31 739.00
Asian, Female	1.00	4.00	25.00	31.44	31 443.00
Asian, Male	0.00	2.00	0.00	0.00	0.00
Coloured, Female	0.00	2.00	0.00	0.00	0.00
Coloured, Male	0.00	2.00	0.00	0.00	0.00
Total Blacks, Female	100.00	277.00	36.10	3 028.92	30 289.00
Total Blacks, Male	65.00	238.00	27.70	2 127.91	32 241.00
White, Female	3.00	7.00	42.90	82.06	27 353.00
White, Male	1.00	3.00	33.30	80.68	80 682.00
Employees with a disability	4.00	9.00	44.40	105.08	26 271.00
TOTAL	173.00	534.00	32.40	5 359.76	30 981.00

Table 71: Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee (R)
02 Skilled (Levels 3-5)	33.00	86.00	38.40	471.36	14 284.00
03 Highly Skilled Production (Levels 6-8)	66.00	134.00	49.30	1 522.27	23 065.00
04 Highly Skilled Supervision (Levels 9-12)	74.00	211.00	35.10	3 366.13	45 488.00
10 Contract (Levels 1-2)	0.00	15.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	0.00	3.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	0.00	1.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	0.00	3.00	0.00	0.00	0.00
TOTAL	173.00	534.00	32.40	5 359.76	30 981.00

Table 72: Performance Rewards by Critical Occupation

Critical Occupation	Number of Beneficiaries	Number Of Employees	% Of Total Within Occupation	Total Cost (R'000)	Average Cost Per Employee (R)
Financial Clerks and Credit Controllers	7.00	17.00	41.20	110.69	15 813.00
Human Resources Clerks	4.00	8.00	50.00	86.95	21 736.00
Security Officers	10.00	36.00	27.80	145.91	14 591.00
Human Resources and Organisational Development & Related Professionals	19.00	20.00	95.00	658.26	34 645.00
Messengers Porters and Deliverers	0.00	2.00	0.00	0.00	0.00
Risk Management and Security Services	6.00	12.00	50.00	140.61	23 435.00
Meteorologists	0.00	2.00	0.00	0.00	0.00
Interns	0.00	15.00	0.00	0.00	0.00
Social Sciences Related	0.00	3.00	0.00	0.00	0.00
Finance and Economics Related	4.00	8.00	50.00	265.69	66 423.00
Logistical Support Personnel	2.00	6.00	33.30	55.59	27 797.00
Natural Sciences Related	21.00	57.00	36.80	925.72	44 082.00
Other Administration and Related Clerks and Organisers	6.00	9.00	66.70	88.68	14 780.00
Housekeepers Laundry and Related Workers	0.00	2.00	0.00	0.00	0.00
Legal Related	1.00	4.00	25.00	80.68	80 680.00
Nature Conservation and Oceanographical Related, Technical	0.00	1.00	0.00	0.00	0.00
Financial and Related Professionals	10.00	19.00	52.60	352.27	35 227.00
Administrative Related	19.00	89.00	21.30	697.46	36 708.00
Communication and Information Related	1.00	9.00	11.10	25.68	25 676.00
Historians and Political Scientists	0.00	1.00	0.00	0.00	0.00
Secretaries and Other Keyboard Operating Clerks	22.00	44.00	50.00	484.59	22 027.00

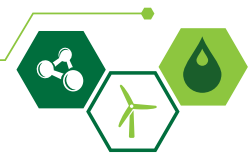


Table 72: Performance Rewards by Critical Occupation (continued)

Critical Occupation	Number of Beneficiaries	Number of Employees	% Of Total Within Occupation	Total Cost (R'000)	Average Cost Per Employee (R)
Library Mail and Related Clerks	3.00	5.00	60.00	61.35	20 452.00
Human Resources Related	3.00	5.00	60.00	106.26	35 420.00
Trade/Industry Advisers & Other Related Profession	2.00	5.00	40.00	105.27	52 635.00
Head Of Department Chief Executive Officer	0.00	1.00	0.00	0.00	0.00
Language Practitioners Interpreters and Other Communication	1.00	3.00	33.30	33.87	33 873.00
Material-Recording and Transport Clerks	7.00	13.00	53.80	101.62	14 516.00
Youth Workers	0.00	1.00	0.00	0.00	0.00
Other Administrative Policy and Related Officers	16.00	30.00	53.30	573.12	35 820.00
Statisticians and Related Professionals	4.00	7.00	57.10	188.37	47 093.00
Senior Managers	0.00	69.00	0.00	0.00	0.00
Client Inform Clerks	5.00	17.00	29.40	71.12	14 225.00
Economists	0.00	2.00	0.00	0.00	0.00
Other Information Technology Personnel	0.00	9.00	0.00	0.00	0.00
Motor Vehicle Drivers	0.00	1.00	0.00	0.00	0.00
Community Development Workers	0.00	1.00	0.00	0.00	0.00
Information Technology Related	0.00	1.00	0.00	0.00	0.00
TOTAL	173.00	534.00	32.40	5 359.76	30 981.00

Table 73: Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

Salary Band	Number of Beneficiaries	Number of Employees	% Of Total Within Salary Band	Total Cost (R'000)	Average Cost Per Employee (R)	Total Cost As A % Of The Total Personnel Expenditure
Band A	0.00	57.00	0.00	0.00	0.00	0.00
Band B	0.00	16.00	0.00	0.00	0.00	0.00
Band C	0.00	7.00	0.00	0.00	0.00	0.00
Band D	0.00	1.00	0.00	0.00	0.00	0.00
TOTAL	0.00	81.00	0.00	0.00	0.00	0.00

4.8.10 Performance Agreement Compliance

All members of the SMS must conclude and sign Performance Agreements within specific timeframes. Information regarding the signing of Performance Agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken, is presented here.

Table 74: Signing of Performance Agreements by SMS members as on 31 May 2019

SMS Level	Total Number of Funded SMS Posts 1 April 2019	Total Number of SMS Members 1 April 2019	Total Number of Signed Performance Agreements	Signed Performance Agreements as % of Total SMS Members
Director-General / Head of Department	1	1	0	0%
Salary Level 16	3	2	0	0%
Salary Level 15	9	8	6	75%
Salary Level 14	22	17	16	94%
Salary Level 13	71	60	49	82%
TOTAL	106	88	66	75%

Table 75: Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2019

Reasons
Non-compliance

Table 76: Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2019

Reasons
Non-Compliance letter

4.8.11 Foreign Workers

Table 77: Foreign Workers by Salary Band

The tables below summarise the employment of Foreign Nationals in the Department in terms of Salary Band and Major Occupation.

Salary Band	Employment at Beginning of Period	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Senior Management (Levels 13-16)	1.00	100.00	1.00	100.00	0.00	0.00	1.00	1.00	0.00
TOTAL	1.00	100.00	1.00	100.00	0.00	0.00	1.00	1.00	0.00



Table 78: Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning of Period	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Professionals and Managers	1.00	100.00	1.00	100.00	0.00	0.00	1.00	1.00	0.00
TOTAL	1.00	100.00	1.00	100.00	0.00	0.00	1.00	1.00	0.00

4.8.12 Leave

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 79: Sick Leave for January 2019 to December 2019

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total Number of Employees using Sick Leave	Total Number of Days with Medical Certification
Contract (Levels 1-2)	50.00	34.00	9.00	2.00	6.00	23.00	457.00	17.00
Contract (Levels 13-16)	14.00	64.30	3.00	0.70	5.00	63.00	457.00	9.00
Contract (Levels 6-8)	6.00	100.00	3.00	0.70	2.00	8.00	457.00	6.00
Contract (Levels 9-12)	12.00	50.00	4.00	0.90	3.00	39.00	457.00	6.00
Highly Skilled Production (Levels 6-8)	971.00	73.40	127.00	27.80	8.00	1 490.00	457.00	713.00
Highly Skilled Supervision (Levels 9-12)	1 366.00	76.40	178.00	38.90	8.00	3 782.00	457.00	1 044.00
Senior Management (Levels 13-16)	449.00	79.70	58.00	12.70	8.00	2 087.00	457.00	358.00
Skilled (Levels 3-5)	698.00	82.40	75.00	16.40	9.00	663.00	457.00	575.00
TOTAL	3 566.00	76.50	457.00	100.00	8.00	8 155.00	457.00	2 728.00

Table 80: Disability Leave (Temporary and) for January 2019 to December 2019

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total Number of Employees using Sick Leave	Total Number of Days with Medical Certification
Highly Skilled Supervision (Levels 9-12)	63.00	100.00	4.00	57.10	16.00	181.00	63.00	7.00
Senior Management (Levels 13-16)	49.00	100.00	2.00	28.60	25.00	261.00	49.00	7.00
Skilled (Levels 3-5)	213.00	100.00	1.00	14.30	213.00	219.00	213.00	7.00
TOTAL	325.00	100.00	7.00	100.00	46.00	661.00	325.00	7.00

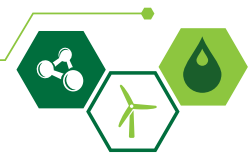
The table below summarises the utilisation of annual leave. The Wage Agreement concluded with trade unions in the PSCBC in 2000 requires management of Annual Leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 81: Annual Leave for January 2019 to December 2019

Salary Band	Total Days Taken	Average per Employee	Number of Employees using Annual Leave
Contract (Levels 1-2)	336.00	15.00	22.00
Contract (Levels 13-16)	146.00	13.00	11.00
Contract (Levels 3-5)	23.00	6.00	4.00
Contract (Levels 6-8)	54.00	8.00	7.00
Contract (Levels 9-12)	50.00	6.00	8.00
Highly Skilled Production (Levels 6-8)	3 381.00	24.00	142.00
Highly Skilled Supervision (Levels 9-12)	5 367.00	25.00	219.00
Senior Management (Levels 13-16)	1 987.00	25.00	79.00
Skilled (Levels 3-5)	2 127.00	23.00	91.00
TOTAL	13 471.00	23.00	583.00

Table 82: Capped Leave for January 2019 to December 2019

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at End of Period	Number of Employees using Capped Leave	Total Number of Capped Leave Available at End of Period	Number of Employees as at End of Period
Contract (Levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Highly Skilled Production (Levels 6-8)	0.00	0.00	14.00	0.00	154.32	11.00
Highly Skilled Supervision (Levels 9-12)	0.00	0.00	25.00	0.00	417.41	17.00
Senior Management (Levels 13-16)	19.00	6.00	54.00	3.00	594.27	11.00
Skilled (Levels 3-5)	0.00	0.00	24.00	0.00	23.90	1.00
TOTAL	19.00	6.00	30.00	3.00	1 189.90	40.00



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

Table 83: Leave Payouts

Reason	Total Estimated Amount (R'000)	Number of Employees	Estimated Average per Employee (R)
Annual - Discounting With Resignation (Work Days)	522.00	21.00	24 857.00
Annual - Discounting: Unused Vacation Credits (Work Days)	142.00	10.00	14 200.00
Annual - Gratuity: Death/Retirement/Medical Retirement (Work days)	272.00	9.00	30 222.00
Capped - Gratuity: Death/Retirement/Medical Retirement (Work days)	235.00	5.00	47 000.00
TOTAL	1 171.00	-	-

4.8.13 Health and Wellness

Table 84: 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
Male Employees Who Have Sex With Men	awareness
Transgender Employees	awareness
Employees Who Inject Drugs and Abuse Alcohol	awareness

Table 85: Details of Health Promotion and HIV/AIDS Programmes

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		Mr Thabane Zulu, Director-General
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available.	Yes		The Department has a sub-directorate: Employment Relations & Wellness Management consisting of the DD: ER (1), ASD: EHW (0), Practitioner: OHSA (1), Clerk (0). The annual budget available for 2019/2020 is R200 000.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		The Department has a Wellness Programme that addresses the four (4) wellness pillars in line with the National Wellness Strategic Framework by the DPSA.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The Department has a Peer Educators Committee which addresses awareness and education on HIV/AIDS including other sexually transmitted diseases. The names of the committee members are Tiselani Mdhuli, Benny Makhura, Vusi Ndlovu, Ramotaung Tlaka, Lesego Mosadi, Annah Sefolo, Gaugelo Mphela, Veronica Mohai, Margaret Thaba, Lister Mbowane, Matshediso Mahlaku, Nolusindiso Njengele, Nomaphosi Ngomane, Patrick Nojila, Nthabiseng Mahlaku and Lerato Mashamaite.
5. Has the Department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The Departmental HIV/AIDS Policy

Table 85: Details of Health Promotion and HIV/AIDS Programmes (continues)

Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Department conducts HIV/AIDS and Sexually Transmitted Infections awareness Campaigns i.e. STIs condom week campaigns, Candlelight Memorials, and World AIDS Day.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		The Department conducts monthly on-site clinics, including HIV/AIDS Counselling and Testing services (HTC) and also runs Condom Week campaigns. The target for 2019/20 was to increase the number of employees testing for HIV, particularly our male employees, however, the growth has decreased. Our male employees are less likely to test for HIV and to utilise on-site clinic services than female counterparts. The programme has however seen growth in the number of condoms distributed and collected by employees. This is an indication that it is an important intervention that enabled improvement in awareness and prevention among DoE employees, even though it did not increase the number of tests.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		Employee Health and Wellness Reports (Monthly, Quarterly, Bi-Annual and Annual Analysis Reports).

4.8.14 Disciplinary Issues

Table 86: Collective Agreements

Collective Agreements	Dates
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None

Table 87: Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	% of Total	Total
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None

Table 88: Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of Total	Total
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None

Table 89: Grievances Lodged

Number of grievances addressed	Number	% of Total	Total
Not resolved	9.00	3.87	9.00
Resolved	34.00	96.00	34.00
TOTAL	43.00	96.00	43.00

Table 90: Disputes Lodged

Disputes lodged	% of Total	Total
Disputes lodged	9.00	9.00
TOTAL	9.00	100.00



Table 91: Strike Actions

Strike Action	Number	Percentage of Total
None		

Table 92: Precautionary Suspensions

Precautionary Suspensions	Number
None	

4.8.15 Skills Development

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

Table 93: Training Needs identified

Occupational Category	Gender	Number of Employees at Beginning of Period	Learnerships	Skills Programmes & other Short Courses	Other Forms of Training	Total
Legislators, Senior Officials and Managers	Female	31	0	22	0	22
Legislators, Senior Officials and Managers	Male	45	0	16	0	16
Professionals	Female	58	0	51	3	54
Professionals	Male	46	0	35	1	36
Technicians and Associate Professionals	Female	123	0	68	0	68
Technicians and Associate Professionals	Male	90	0	53	3	56
Clerks	Female	83	38	60	4	102
Clerks	Male	35	20	28	3	51
Service and Sales Workers	Female	9	0	5	1	6
Service and Sales Workers	Male	39	0	26	6	32
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
Skilled Agriculture and Fishery Workers	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	0	0	0	0	0
Craft and related Trades Workers	Male	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
Plant and Machine Operators and Assemblers	Male	2	0	2	0	2
Elementary Occupations	Female	1	0	0	0	0
Elementary Occupations	Male	3	0	0	0	0
Gender Sub-totals	Female	305	38	206	8	252
Gender Sub-totals	Male	260	20	160	13	193
TOTAL		565	58	366	21	445

Table 94: Training Provided

TABLE 12.2 - Training Provided	Gender	Number of Employees at Beginning of Period	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, Senior Officials and managers	Female	31	0	13	0	13
Legislators, Senior Officials and Managers	Male	45	0	11	0	11
Professionals	Female	58	0	20	3	23
Professionals	Male	46	0	19	1	20
Technicians and Associate professionals	Female	123	0	48	0	48
Technicians and Associate professionals	Male	90	0	43	3	46
Clerks	Female	83	38	37	4	79
Clerks	Male	35	20	16	3	39
Service and Sales Workers	Female	9	0	3	1	4
Service and Sales Workers	Male	39	0	15	6	21
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
Skilled Agriculture and Fishery Workers	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	0	0	0	0	0
Craft and Related Trades Workers	Male	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
Plant and machine Operators and assemblers	Male	2	0	0	0	0
Elementary Occupations	Female	1	0	0	0	0
Elementary Occupations	Male	3	0	0	0	0
Gender Sub-totals	Female	305	38	121	8	167
Gender Sub-totals	Male	260	20	104	13	137
TOTAL		565	58	225	21	304

4.8.16 Injury on Duty

Table 95: Injury on Duty

Nature of Injury on Duty	Number	% of Total
Required basic Medical Attention Only	0.00	0.00
Temporary Total Disablement	0.00	0.00
Disablement	0.00	0.00
Fatal	0.00	0.00
TOTAL	0.00	-



4.8.17 Consultant Appointments

The following tables relates information on the utilisation of consultants in the department.

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

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

Table 96: Report on Consultant Appointments Using Appropriated Funds

No:	Project Title	Total Number Of Consultants That Worked On The Project	Duration: Work days	Contract value in Rand
1	Appointment of a service provider for the procurement of petroleum products licensing system phase 4 development, maintenance and support services from Magix for a period of three (3) years.	1	12 months	R1,698,688.00 (Year 1)
	Appointment of empanelled service providers to conduct Technical Feasibility Assessment (TFA) for the Department of Energy (DoE) under the National Solar Water Heater Programme for a period of three months under the 2018/19 financial year.	2	3 months	R 2 146 076.03
		3		R2,136,189.65
		3		R1,868,080.00
2	Appointment of a service provider to review a discussion paper on de-commissioning policy, for a period of four (4) weeks.	2	4 weeks	R367, 505.50
3	Appointment of a service provider for the production of the 2018-2019 or the Department of Energy Annual Report.	4	1 month	R121, 325.18
4	Appointment of a service provider for Technical Audits and Measurement and Verification (M&V) of energy savings achieved from the implementation of the 2019/20 Municipal Energy Efficiency and Demand Side Management (EEDSM) projects and selected government buildings for a period of twelve (12) months.	3	12 months	R922,200.00
		4		R1,680,970.00
		3		R1,100,000.00
5	Appointment of a service provider for 2019/20 Internal Audit Plan (Co-Sourcing Audits).	2	1 month	R355,409.34
6	Appointment of a service provider to facilitate a strategic planning session for the Department of Mineral Resources and Energy for a period of twenty (20) days.	1	20 days	R494 500.00
7	Appointment of a service provider to do verification (professional / agency) that will assess the Department of Energy and issue a Broad Based Black Economic Empowerment (B-BBEE) Compliance Report for the Department for a period of four (4) weeks.	1	4 weeks	R 86 250,00
8	Renewal of the Microsoft Enterprise software licensing agreement by a period of 3 years (2019-2021).	1	1 year	R3,575,886.16 (Year 1)
TOTAL NUMBER OF PROJECTS		TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION: WORK DAYS	TOTAL CONTRACT VALUE IN RAND
8		30	44 months	R15 041 079.92

Table 97: Analysis of Consultant Appointments using Appropriated Funds, i.t.o. BBBEEs

	Project Title	BBBEE Status	Number of Consultants from BBBEE groups that work on the Project
1	Appointment of a service provider for the procurement of petroleum products licensing system phase 4 development, maintenance and support services from Magix for a period of three (3) years.	Company 1 = L-0	0
	Appointment of empanelled service providers to conduct Technical Feasibility Assessment (TFA) for the Department of Energy (DoE) under the National Solar Water Heater Programme for a period of three months under the 2018/19 financial year.	Company 1 = L-1	8
2	Appointment of a service provider to review a discussion paper on de-commissioning policy, for a period of four (4) weeks.	Company 1 = L-1	2
3	Appointment of a service provider for the production of the 2018-2019 Department of Energy Annual Report.	Company 1 = L-1	4
4	Appointment of a service provider for Technical Audits and Measurement and Verification (M&V) of energy savings achieved from the implementation of the 2019/20 Municipal Energy Efficiency and Demand Side Management (EEDSM) projects and selected government buildings for a period of twelve (12) months.	Company 1 = L-1	10
5	Appointment of a service provider for 2019/20 Internal Audit Plan (Co-Sourcing Audits).	Company 1 = L-1	2
6	Appointment of a service provider to facilitate a strategic planning session for the Department of Mineral Resources and Energy for a period of twenty (20) days.	Company 1 = L-1	1
7	Appointment of a service provider to do verification professional/ agency that will assess the Department of Energy and issue a Broad Based Black Economic Empowerment (B-BBEE) Compliance Report for the Department for a period of four (4) weeks.	Company 1 = L-1	1
8	Renewal of the Microsoft Enterprise software licensing agreement by a period of 3 years (2019-2021).	Company 1 = L-0	1

Table 98: Report on Consultant Appointments using Donor Funds

Project Title	Total Number of Consultants that worked on the Project	Duration: Work days	Donor and Contract Value in Rand
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None

Table 99: Analysis of Consultant Appointments using Donor funds, i.t.o. HDIs

Project Title	Percentage Ownership by HDI groups	Percentage Management by HDI groups	Number of Consultants from HDI groups that work on the Project
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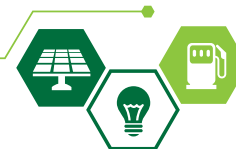
None



PART E

FINANCIAL INFORMATION





Report of the auditor-general to Parliament on vote no 26: Department of Energy

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Energy set out on pages 101 to 207, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Energy as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
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.

Restatement of corresponding figures

7. As disclosed in notes 5.8.56.3 and 5.8.63 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2020.

Irregular expenditure

8. As disclosed in note 5.8.56 to the financial statements, the department incurred irregular expenditure of R8 555 000, as it did not follow a proper procurement process.

Significant subsequent events

9. I draw attention to note 5.8.60 in the financial statements, which deals with subsequent events and specifically the possible effects of future implications of Covid-19 on department's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances. From 01 April 2020 the Department of Mineral Resources merged with Department of Energy and Department of Mineral Resources and Energy was formed. My opinion is not modified in respect of this matter.

Independent Power Producers Office

10. As disclosed in the related party note 5.8.58 to the financial statements, the department disclosed the Independent Power Producer's (IPP) Office as a related party which is established to facilitate the IPP procurement programmes and interventions in accordance with government policy and the Electricity Regulation Act which falls under the mandate and scope of the Minister's portfolio. The IPP Office is not a legal entity of the department; however, it is included as a related party to achieve fair presentation of the financial statements.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 208 to 218 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

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the PFMA, and 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.
14. 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

15. 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.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

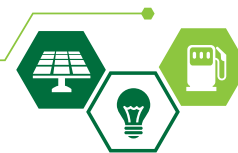
Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report 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.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. 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 programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programmes	Pages in the annual performance report
Programme 4– Electrification and Energy Programme and Project Management	42 - 44

20. 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.
21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 4– Electrification and Energy Programme and Project Management



Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages 43 to 44 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 4 – Electrification and Energy Programme and Project Management. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of the compliance with legislation

Introduction and scope

25. 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.

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

Financial statements, performance reports and annual reports

27. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

28. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R90 118 000, as disclosed in note 27 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by additional storage cost for solar water heater geysers that were manufactured but not installed.

29. Payments were made to suppliers before the services were rendered and received, in contravention of treasury regulation 15.10.1.2(c).

Consequence management

30. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred unauthorised, irregular as well as fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA.

31. I was unable to obtain sufficient appropriate audit evidence that investigations were conducted into all allegations of financial misconduct committed by officials, as required by treasury regulation 4.1.1.

Other Information

32. 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 on in the auditor's report.

33. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

34. 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.

35. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

36. 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 findings on compliance with legislation included in this report.
37. Management did not exercise adequate oversight responsibility regarding compliance and related internal controls as there were material findings on expenditure management and consequence management.
38. Management did not prepare accurate and complete financial statements that were in accordance with the requirements of the financial reporting framework as there were material adjustments to the financial statements.

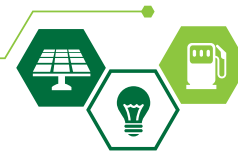
Other reports

39. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
40. The Public Protector is conducting an investigation into alleged maladministration and improper conduct by the department in renegeing on the appointment of a service provider as well as an investigation into the procurement of the Integrated Information Governance Process Management System.

Auditor-General

Pretoria
30 September 2020





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

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 Department of Energy 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

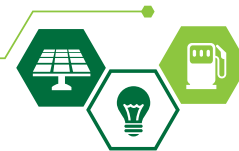
3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied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

5.2 ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

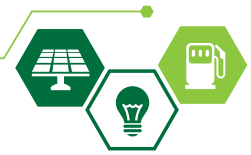
Appropriation per Programme										
2019/20										2018/19
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Programme										
1. Administration	306,483	-	(12,900)	293,583	279,383	14,200	95,2%	305,329	304,017	
2. Energy and Policy Planning	51,668	-	(4,100)	47,568	39,945	7,623	84,0%	46,073	40,066	
3. Petroleum and Petroleum Products Regulation	90,355	-	(2,000)	88,355	80,710	7,645	91,3%	79,242	77,044	
4. Electrification and Energy Programme and Project Management	5,281,825	-	(7,000)	5,274,825	5,064,328	210,497	96,0%	5,380,591	5,364,511	
5. Nuclear Energy	1,045,143	-	5,000	1,050,143	1,039,907	10,236	99,0%	875,486	875,285	
6. Clean Energy	408,083	-	21,000	429,083	422,956	6,127	98,6%	476,811	429,317	
TOTAL	7,183,557	-	-	7,183,557	6,927,230	256,327	96,4%	7,163,532	7,090,239	

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020



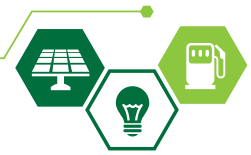
	2019/20		2018/19	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Reconciliation with Statement of Financial Performance				
ADD				
Departmental receipts	5,030		54,680	
NRF Receipts				
Aid assistance			12,034	
Actual Amounts per Statement of Financial Performance (Total Revenue)	7,188,587		7,230,246	
ADD				
Aid assistance				2,684
Prior year unauthorised expenditure approved without funding				
Actual Aper Statement of Financial Performance (Total Expenditure)		6,927,230		7,092,923

Appropriation per Economic Classification									
2019/20								2018/19	
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic Classification									
Current Payments	665,361	-	(4,921)	660,440	615,208	45,232	93,2%	779,192	678,165
Compensation of employees	380,364	-	(4,910)	375,454	356,438	19,016	94,9%	360,075	346,731
Salaries and wages	333,227	(44)	(4,200)	328,983	312,496	16,487	95,0%	316,345	304,928
Social contributions	47,137	44	(710)	46,471	43,942	2,529	94,6%	43,730	41,803
Goods and services	284,997	-	(11)	284,986	258,770	26,216	90,8%	419,116	331,433
Administrative fees	3,805	(1,082)	(13)	2,710	2,676	34	98,7%	3,296	2,270
Advertising	6,445	(1,986)	(84)	4,375	3,164	1,211	72,3%	5,645	3,067
Minor assets	467	94	-	561	395	166	70,5%	421	354
Audit costs: External	4,129	1,173	-	5,302	5,301	1	100,0%	3,972	5,016
Bursaries: Employees	867	12	-	879	881	(2)	100,2%	821	870
Catering: Departmental activities	2,087	(20)	-	2,067	1,804	263	87,3%	1,568	1,539
Communication	6,205	1,118	(63)	7,260	6,975	285	96,1%	6,206	9,373
Computer services	11,516	2,118	-	13,634	13,531	103	99,2%	10,498	11,401
Consultants: Business and advisory services	101,767	(57,848)	(7 018)	36,901	22,188	14,713	60,1%	105,197	51,150
Legal services	612	4,045	-	4,657	4,657	(0)	100,0%	3,101	10,345
Contractors	11,847	(8,966)	-	2,881	2,348	533	81,5%	1,707	4,051
Agency and support / outsourced services	858	(806)	-	52	23	29	44,9%	760	882
Entertainment	171	(171)	-	-	-	-	-	184	0
Fleet services	882	590	-	1 472	1 380	92	93,7%	725	2,091
Consumable supplies	2,390	(1,424)	-	966	645	321	66,7%	1,149	916



Appropriation per Economic Classification										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Consumable: Stationery, printing and office supplies	3,787	(1,385)	(10)	2,392	1,893	499	79,1%	4,675	2,885	
Operating leases	50,579	(2,688)	(8,900)	38,991	36,479	2 512	93,6%	45,655	47,916	
Property payments	7,321	3,201	(2,000)	8,522	8,142	380	95,5%	5,032	7,609	
Transport provided: Departmental activity	94	(2)	-	92	92	0	99,8%	-	41	
Travel and subsistence	39,507	7,109	(703)	45,913	44,495	1 418	96,9%	47,702	46,035	
Training and development	4,315	40	-	4,355	2,729	1 626	62,7%	4 069	4,250	
Operating payments	16,281	58,462	18,780	93,523	92,895	628	99,3%	159,958	113,191	
Venues and facilities	8,898	(1,673)	-	7,225	5,833	1 392	80,7%	6,775	6,150	
Rental and hiring	166	89	-	255	243	12	95,3%	-	31	
Interest and rent on land	-	-	-	-	-	-	-	1	1	
Interest	-	-	-	-	-	-	-	1	1	
Transfers and Subsidies	6,513,692	-	4,910	6,518,602	6,309,774	208,828	96,8%	6,378,197	6,359,491	

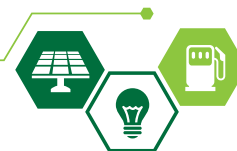
Appropriation per Economic Classification									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces and municipalities	2,090,393	-	-	2,090,393	2,086,885	3,508	99,8%	2,119,501	2,119,501
Municipalities	2,090,393	-	-	2,090,393	2,086,885	3,508	99,8%	2,119,501	2,119,501
Municipal bank accounts	227,065	-	-	227,065	227,065	-	100,0%	2,119,501	2,119,501
Municipal agencies and funds	1,863,328	-	-	1,863,328	1,859,820	3,508	99,8%		
Departmental agencies and accounts	165,916	-	-	165,916	165,916	-	100,0%	133,391	133,391
Departmental agencies	165,916	-	-	165,916	165,916	-	100,0%	133,391	133,391
Foreign governments and international organisations	29,478	-	-	29,478	24,588	4,890	83,4%	30,515	26,412
Public corporations and private enterprises	4,227,425	-	-	4,227,425	4,027,599	199,826	95,3%	4,093,894	4,079,300
Public corporations	4,014,484	-	-	4,014,484	4,014,484	-	100,0%	3,944,745	3,944,745
Subsidies on products and production	4,014,484	-	-	4,014,484	4,014,484	-	100,0%	3,944,745	3,944,745
Private enterprises	212,941	-	-	212,941	13,115	199,826	6,2%	149,149	134,555
Subsidies on products and production	212,941	-	-	212,941	13,115	199,826	6,2%	149,149	134,555
Households	480	-	4,910	5,390	4,787	603	88,8%	896	887
Social benefits	411	-	3,975	4,386	3,785	601	86,3%	405	422
Other transfers to households	69	-	935	1,004	1,002	2	99,8%	491	466
Payments for Capital Assets	4,504	-	-	4,504	2,237	2,267	49,7%	6,140	52,580
Machinery and equipment	4,504	-	-	4,504	2,237	2,267	49,7%	6,140	6,141
Transport equipment	-	-	-	-	-	-	-	1,040	1,040
Other machinery and equipment	4,504	-	-	4,504	2,237	2,267	49,7%	5,100	5,101
Intangible assets	-	-	-	-	-	-	-	-	46,439
Payments for Financial Assets	-	-	11	11	11	-	98,4%	3	3
TOTAL	7,183,557	-	-	7,183,557	6,927,230	256,327	96,4%	7,163,532	7,090,239



Programme 1: Administration										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub Programme										
1. Ministry	32,835	(1,015)	(136)	31,684	30,503	1,181	96,3%	42,424		42,132
2. Departmental Management	79,757	3,038	(2,295)	80,500	77,007	3,493	95,7%	79,434		77,907
3. Finance Administration	41,010	(1,643)	-	39,367	37,732	1,635	95,8%	40,539		38,627
4. Audit Services	8,864	(1,397)	(900)	6,567	6,513	54	99,2%	8,453		7,008
5. Corporate Services	87,641	4,384	1,331	93,356	88,585	4,771	94,9%	85,302		90,904
6. Office Accommodation	56,376	(3,367)	(10,900)	42,109	39,043	3,066	92,7%	49,177		47,438
Total for Sub Programmes	306,483	-	(12,900)	293,583	279,383	14,200	95,2%	305,329		304,017
Economic Classification										
Current Payments	300,329	-	(17,821)	282,508	271,179	11,329	96,0%	297,469		296,163
Compensation of employees	175,043	-	(6,910)	168,133	164,477	3,656	97,8%	169,837		161,936
Salaries and wages	153,401	381	(6,140)	147,642	144,351	3,291	97,8%	149,521		142,747
Social contributions	21,642	(381)	(770)	20,491	20,126	365	98,2%	20,316		19,189
Goods and services	125,286	-	(10,911)	114,375	106,701	7,674	93,3%	127,631		134,226
Administrative fees	1,970	(817)	-	1,153	1,232	(79)	106,9%	1,703		1,087
Advertising	3,300	(361)	-	2,939	2,314	625	78,7%	3,322		2,245
Minor assets	467	94	-	561	395	166	70,5%	407		340
Audit costs: External	4,129	1,173	-	5,302	5,301	1	100,0%	3,972		5,016
Bursaries: Employees	867	12	-	879	881	(2)	100,2%	821		870
Catering: Departmental activities	515	(34)	-	481	463	18	96,3%	511		496
Communication	4,167	1,042	-	5,209	5,201	8	99,8%	4,080		7,330
Computer services	11,504	1,019	-	12,523	12,409	114	99,1%	10,498		11,401

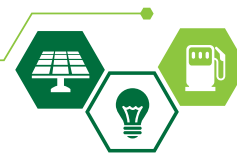
	Programme 1: Administration									
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Consultants: Business and advisory services	4,527	(2,719)	-	1,808	1,673	135	92,5%	5,382	3,633	
Legal services	568	2,408	-	2,976	2,978	(2)	100,1%	996	6,134	
Contractors	1,545	(1,158)	-	387	319	68	82,4%	1,564	659	
Agency and support / outsourced services	858	(806)	-	52	23	29	44,9%	760	882	
Entertainment	171	(171)	-	-	-	-	-	184	-	
Fleet services	770	428	-	1,198	1 174	24	98,0%	566	1,771	
Consumable supplies	2,081	(1,489)	-	592	419	173	70,8%	800	610	
Consumable: Stationery, printing and office supplies	2,857	(944)	-	1,913	1 700	213	88,9%	3,865	2,817	
Operating leases	50,320	(3,262)	(8,900)	38,158	35,528	2,630	93,1%	45,351	46,865	
Property payments	7,321	3,201	(2,000)	8,522	8,142	380	95,5%	5,032	7,609	
Travel and subsistence	17,654	4,161	(11)	21,804	20,724	1,080	95,0%	29,246	25,178	
Training and development	4,315	40	-	4,355	2,729	1,626	62,7%	4,069	4,250	
Operating payments	2,799	(602)	-	2,197	2,063	134	93,9%	2,232	2,158	
Venues and facilities	2,471	(1,304)	-	1,167	833	334	71,4%	2,270	2,865	
Rental and hiring	110	89	-	199	199	1	99,7%	-	8	
Interest and rent on land	-	-	-	-	-	-	-	1	1	
Interest	-	-	-	-	-	-	-	1	1	

Programme 1: Administration										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Transfers and Subsidies	1,650	-	4,910	6,560	5,957	603	90,8%	1,717	1 710	
Departmental agencies and accounts	1,170	-	-	1,170	1,170	-	100,0%	1,108	1,108	
Departmental agencies	1,170	-	-	1,170	1,170	-	100,0%	1,108	1,108	
Households	480	-	4,910	5,390	4,787	603	88,8%	609	602	
Social benefits	411	-	3,975	4,386	3,785	601	86,3%	389	406	
Other transfers to households	69	-	935	1,004	1,002	2	99,8%	220	196	
Payments for Capital Assets	4,504	-	-	4,504	2,237	2,267	49,7%	6,140	6,141	
Machinery and equipment	4,504	-	-	4,504	2,237	2,267	49,7%	6,140	6,141	
Transport equipment								1,040	1,040	
Other machinery and equipment	-	-	-	-	-	-	-	5,100	5,101	
Payments for Financial Assets	-	-	11	11	11	0	98,4%	3	3	
TOTAL	306,483	-	(12,900)	293,583	279,383	14,200	95,2%	305,329	304,017	



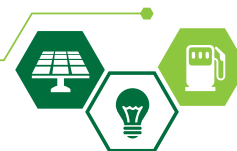
Sub Programme 1.1: Ministry										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current Payments	32,835	(1,015)	(3,125)	28,695	28 005	690	97,6%	42,424	42,118	
Compensation of employees	21,267	(1,014)	(3,125)	17,128	17,054	74	99,6%	24,199	21,850	
Salaries and wages	18,477	(513)	(2,435)	15,529	15,456	73	99,5%	21,757	19,818	
Social contributions	2,790	(501)	(690)	1 599	1,597	2	99,9%	2,442	2,032	
Goods and services	11,568	(1)	-	11,567	10,951	616	94,7%	18,225	20,268	
Administrative fees	719	(470)	-	249	295	(46)	118,6%	782	381	
Advertising	12	(12)	-	-	-	-	-	11	-	
Minor assets	96	(48)	-	48	-	48	-	91	8	
Catering: Departmental activities	139	(124)	-	15	15	0	98,4%	132	119	
Communication	853	(81)	-	772	763	9	98,8%	726	2,347	
Computer services	-	1 297	-	1,297	1,297	0	100,0%	-	-	
Contractors	158	47	-	205	165	40	80,3%	141	-	
Agency and support / outsourced services	45	(34)	-	11	11	0	99,7%	-	205	
Entertainment	139	(139)	-	-	-	-	-	154	0	
Fleet services	407	340	-	747	724	23	96,9%	207	1,131	
Consumable supplies	361	(296)	-	65	19	46	29,7%	300	38	
Consumable: Stationery, printing and office supplies	62	-	-	62	62	0	99,8%	4	138	
Operating leases	546	287	-	833	881	(48)	105,7%	290	1,742	
Travel and subsistence	7,300	(551)	-	6,749	6,238	511	92,4%	14,881	13,634	
Operating payments	513	(172)	-	341	309	32	90,7%	299	198	

Sub Programme 1.1: Ministry										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Venues and facilities	218	(45)	-	173	173	(0)	100,1%	207	326	
Transfers and Subsidies	-	-	2,989	2,989	2,498	491	83,6%	-	-	-
Households	-	-	2,989	2,989	2,498	491	83,6%	-	-	-
Social benefits	-	-	2,949	2,949	2,426	523	82,2%	-	-	-
Other transfers to households	-	-	40	40	72	(32)	180,3%	-	-	-
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	14
TOTAL	32,835	(1,015)	(136)	31,684	30,503	1,181	96,3%	42,424	42,132	

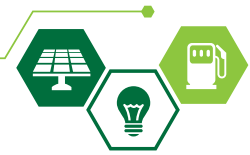


	Sub Programme 1.2: Departmental Management									
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	79,757	3,038	(2,296)	80,499	77,007	3,492	95,7%	79,434	77,888	
Compensation of employees	61,846	686	(2,285)	60,247	57,812	2,435	96,0%	58,727	55,477	
Salaries and wages	54,260	1,818	(2,285)	53,793	51,555	2,238	95,8%	52,304	49,577	
Social contributions	7,586	(1,132)		6,454	6,257	197	96,9%	6,423	5,900	
Goods and services	17,911	2,352	(11)	20,252	19,195	1 057	94,8%	20,707	22,411	
Administrative fees	702	(283)	-	419	501	(82)	119,5%	496	337	
Advertising	2,634	240	-	2 874	2 283	591	79,4%	2,646	2,185	
Minor assets	-	-	-	-	-	-	-	-	76	
Audit costs: External	-	-	-	-	-	-	-	220	288	
Catering: Departmental activities	266	86	-	352	362	(10)	102,8%	274	292	
Communication	1,154	504	-	1,658	1,583	75	95,5%	1,136	1,675	
Computer services	-	58	-	58	57	1	98,8%	40	93	
Consultants: Business and advisory services	426	195	-	621	558	63	89,9%	451	94	
Legal services	51	1,073	-	1,124	1,128	(4)	100,4%	265	3 793	
Contractors	659	(638)	-	21	12	9	57,3%	449	51	
Agency and support / outsourced services	260	(260)	-	-	-	-	-	247	677	
Entertainment	32	(32)	-	-	-	-	-	30	-	
Fleet services	170	(49)	-	121	135	(14)	111,3%	177	244	
Consumable supplies	73	11	-	84	67	17	80,1%	87	78	
Consumable: Stationery, printing and office supplies	446	(201)	-	245	189	56	77,0%	552	214	
Operating leases	82	352	-	434	425	9	97,9%	183	646	

Sub Programme 1.2: Departmental Management										
Economic classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Travel and subsistence	7,230	3,272	(11)	10,491	10 331	160	98,5%	10,252	8,415	
Operating payments	1,575	(846)	-	729	712	17	97,6%	1,407	900	
Venues and facilities	2,041	(1,219)	-	822	655	167	79,6%	1,795	2,347	
Rental and hiring	110	89	-	199	199	1	99,7%	-	8	
Transfers and Subsidies	-	-	-	-	-	-	-	-	19	
Households	-	-	-	-	-	-	-	-	19	
Other transfers to households	-	-	-	-	-	-	-	-	19	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	1	1	0	1	44,5%	-	-	
TOTAL	79,757	3,038	(2,295)	80,500	77,007	3,493	95,7%	79,434	77,907	

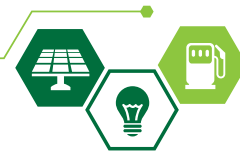


	Sub Programme 1.3: Finance Administration									
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	39,586	(1,643)	-	37,943	37,376	567	98,5%	37,519	36,771	
Compensation of employees	28,885	(1,155)	-	27,730	27,854	(124)	100,4%	27,385	25,805	
Salaries and wages	25,344	(1,276)	-	24,068	24,106	(38)	100,2%	23,923	22,522	
Social contributions	3,541	121	-	3,662	3,748	(86)	102,4%	3,462	3,283	
Goods and services	10,701	(488)	-	10,213	9,522	691	93,2%	10,134	10,966	
Administrative fees	309	(118)	-	191	187	4	98,0%	236	194	
Advertising	364	(348)	-	16	6	10	36,3%	256	11	
Minor assets	310	142	-	452	386	66	85,5%	269	228	
Audit costs: External	4,129	1,173	-	5,302	5,301	1	100,0%	3,752	4,628	
Catering: Departmental activities	51	(11)	-	40	24	16	60,7%	40	9	
Communication	283	(145)	-	138	103	35	74,7%	313	124	
Computer services	125	(5)	-	120	-	120	-	73	-	
Consultants: Business and advisory services	29	(29)	-	-	-	-	-	28	-	
Legal services		71	-	71	70	1	99,2%	241	1,682	
Contractors	85	(52)	-	33	17	16	50,4%	73	12	
Agency and support / outsourced services	12	-	-	12		12	-	11	-	
Fleet services	22	5	-	27	7	20	27,0%	35	27	
Housing	-	-	-	-	-	-	-	-	-	
Consumable supplies	1,362	(1,281)	-	81	36	45	44,2%	213	43	
Consumable: Stationery, printing and office supplies	2,133	(645)	-	1,488	1,429	59	96,0%	3,181	2,462	
Operating leases	597	467	-	1,064	1,063	1	99,9%	717	818	



Sub Programme 1.3: Finance Administration										
2019/20										2018/19
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic Classification										
Property payments	1		-	1	2	(1)	154,4%	2	3	
Travel and subsistence	659	27	-	686	506	180	73,7%	494	310	
Training and development	-	-	-	-	-	-	-	-	-	
Operating payments	93	301	-	394	379	15	96,3%	137	413	
Venues and facilities	137	(40)	-	97	5	92	5,6%	63	2	
Transfers and Subsidies	-	-	-	-	-	-	-	130	129	
Households	-	-	-	-	-	-	-	130	129	
Other transfers to households	-	-	-	-	-	-	-	130	129	
Payments for Capital Assets	1,424	-	-	1,424	355	1,069	25,0%	2,890	1,727	
Machinery and equipment	1,424	-	-	1,424	355	1,069	25,0%	2,890	1,727	
Transport equipment	-	-	-	-	-	-	-	1,040	1,040	
Other machinery and equipment	1,424	-	-	1,424	355	1,069	25,0%	1,850	687	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	41,010	(1,643)	-	39,367	37,732	1,635	95,8%	40,539	38,627	

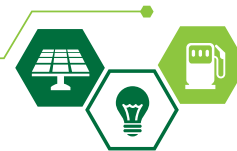
Sub Programme 1.4: Audit Services									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments	8,864	(1,397)	(900)	6,567	6,513	54	99,2%	8,453	7,008
Compensation of employees	5 832	(357)	(900)	4,575	4,570	5	99,9%	5,581	3,971
Salaries and wages	5,117	(273)	(820)	4,024	4,021	3	99,9%	4,859	3,517
Social contributions	715	(84)	(80)	551	549	2	99,7%	722	454
Goods and services	3,032	(1,040)	-	1,992	1,943	49	97,5%	2,872	3,037
Administrative fees	38	8	-	46	45	1	98,6%	63	13
Advertising	31	-	-	31	-	31	-	30	-
Catering: Departmental activities	16	-	-	16	16	(0)	100,8%	20	25
Communication	32	-	-	32	21	11	66,4%	30	37
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	2,449	(1,384)	-	1,065	1,065	0	100,0%	2,320	2,661
Fleet services	1	-	-	1	8	(7)	813,1%	-	-
Consumable supplies	5	6	-	11	11	(0)	104,3%	5	6
Consumable: Stationery, printing and office supplies	9	-	-	9	0	9	5,0%	8	-
Operating leases	8	24	-	32	32	0	99,9%	-	-
Travel and subsistence	427	296	-	723	718	5	99,3%	371	271
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	16	10	-	26	26	0	99,3%	25	23
Venues and facilities	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payments for Capital Assets	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-
TOTAL	8,864	(1,397)	(900)	6,567	6,513	54	99,2%	8,453	7,008



Sub Programme 1.5 : Corporate Service										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	82,911	4,384	(600)	86,695	83,234	3,461	96,0%	80,462	84,940	
Compensation of employees	57,213	1,840	(600)	58,453	57,187	1,266	97,8%	53,945	54,833	
Salaries and wages	50,203	625	(600)	50,228	49,213	1,015	98,0%	46,678	47,313	
Social contributions	7,010	1,215		8,225	7,975	250	97,0%	7,267	7,520	
Goods and services	25,698	2,544	-	28,242	26,047	2,195	92,2%	26,516	30,106	
Administrative fees	202	46	-	248	204	44	82,2%	126	162	
Advertising	259	(241)	-	18	25	(7)	140,9%	379	49	
Minor assets	61	-	-	61	9	52	14,5%	47	28	
Audit costs: External	-	-	-	-	-	-	-	-	100	
Bursaries: Employees	867	12	-	879	881	(2)	100,2%	821	870	
Catering: Departmental activities	43	15	-	58	46	12	79,4%	45	51	
Communication	1,845	764	-	2,609	2,731	(122)	104,7%	1,875	3,147	
Computer services	11,379	966	-	12,345	12,351	(6)	100,1%	10,385	11,308	
Consultants: Business and advisory services	1,623	(1,501)	-	122	50	72	40,8%	2,583	878	
Legal services	517	(33)	-	484	483	1	99,8%	490	659	
Contractors	643	(515)	-	128	126	2	98,1%	901	597	
Agency and support / outsourced services	541	(512)	-	29	-12	17	42,7%	502	-	
Fleet services	170	132	-	302	300	2	99,4%	147	370	
Consumable supplies	280	71	-	351	285	66	81,3%	195	444	
Consumable: Stationery, printing and office supplies	207	(98)	-	109	20	89	18,6%	120	3	
Operating leases	31	2,176	-	2,207	2,225	(18)	100,8%	14	3,826	
Travel and subsistence	2,038	1,117	-	3,155	2,932	223	92,9%	3,248	2,548	

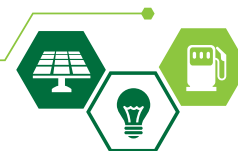
Sub Programme 1.5 : Corporate Service									
Economic Classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	4,315	40	-	4,355	2,729	1,626	62,7%	4,069	4,250
Operating payments	602	105	-	707	637	70	90,1%	364	623
Venues and facilities	75	-	-	75	0	75	0,3%	205	191
Interest and rent on land	-	-	-	-	-	-	-	1	1
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	1	1
Transfers and Subsidies	1,650	-	1,921	3,571	3,459	112	96,9%	1,587	1,562
Departmental agencies and accounts	1,170	-	-	1,170	1,170	-	100,0%	1,108	1,108
Departmental agencies	1,170	-	-	1,170	1,170	-	100,0%	1,108	1,108
Households	480	-	1,921	2,401	2,289	112	95,3%	479	454
Social benefits	411	-	1,026	1,437	1,359	78	94,6%	389	406
Other transfers to households	69	-	895	964	930	34	96,5%	90	47
Payments for Capital assets	3,080	-	-	3,080	1,881	1,199	61,1%	3,250	4,400
Machinery and equipment	3,080	-	-	3,080	1,881	1,199	61,1%	3,250	4,400
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3,080	-	-	3,080	1,881	1,199	61,1%	3,250	4,400
Payments for Financial Assets	-	-	10	10	10	(0)	103,0%	3	3
TOTAL	87,641	4,384	1,331	93,356	88,585	4,771	94,9%	85,302	90,904

Sub Programme 1.6 : Office Accommodation										
Economic Classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000	
Current Payments	56,376	(3,367)	(10,900)	42,109	39,043	3,066	92,7%	49,177	47,438	
Compensation of employees	-	-	-	-	-	-	-	-	-	-
Goods and services	56,376	(3,367)	(10,900)	42,109	39,043	3,066	92,7%	49,177	47,438	
Contractors	-	-	-	-	-	-	-	-	-	-
Operating leases	49,056	(6,568)	(8,900)	33,588	30,902	2,686	92,0%	44,147	39,832	
Property payments	7,320	(3,201)	(2,000)	8,521	8,141	380	95,5%	5,030	7,606	
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	-
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	-
TOTAL	56,376	(3,367)	(10,900)	42,109	39,043	3,066	92,7%	49,177	47,438	

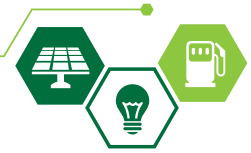


Programme 2: Energy Policy and Planning									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub Programme									
1. 1. Policy Analysis and Research	3,624	-	-	3,624	2,784	840	76,8%	2,335	3,351
2. 2. Energy Planning	22,977	-	(3,263)	19,714	18,876	838	95,8%	19,593	17,250
3. 3. Hydrocarbon Policy	14,841	-	(250)	14,591	11,783	2,808	80,8%	14,263	12,551
4. 4. Electricity, Energy Efficiency and Environmental Policy	10,226	-	(587)	9,639	6,502	3,137	67,5%	9,882	6,913
Total for Sub Programmes	51,668	-	(4,100)	47,568	39,945	7,623	84,0%	46,073	40,066
Economic Classification									
Current Payments	51,668	-	(4,100)	47,568	39,945	7,623	84,0%	46,057	40,050
Compensation of employees	41,119	-	-	41,119	34,784	6,335	84,6%	40,816	36,443
Salaries and wages	35,889	290	-	36,179	30,758	5,421	85,0%	36,142	32,259
Social contributions	5,230	(290)	-	4,940	4,026	914	81,5%	4,674	4,184
Goods and services	10,549	-	(4,100)	6,449	5,161	1,288	80,0%	5,241	3,607
Administrative fees	358	(147)	(13)	198	135	63	68,3%	197	82
Advertising	331	(18)	(84)	229	185	44	80,9%	156	58
Minor assets	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	46	33	-	79	54	25	68,2%	46	21
Communication	327	(18)	(63)	246	262	(16)	106,3%	618	452
Computer services	12	18	-	30	23	7	75,3%	-	-
Consultants: Business and advisory services	3,526	(502)	(3,018)	6	-	6	-	901	160
Contractors	108	(73)	-	35	-	35	-	17	1
Fleet services	-	-	-	-	-	-	-	5	5

Programme 2: Energy Policy and Planning										
2019/20								2018/19		
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Final Appropriation	Actual expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Consumable supplies	8	-	58	44	14	75,3%	83	83	44	
Consumable: Stationery, printing and office supplies	99	(10)	169	117	52	69,2%	16	16	-	
Operating leases	-	-	-	-	-	-	1	1	12	
Travel and subsistence	539	(692)	3,660	2,616	1,044	71,5%	2 250	2 250	1 802	
Training and development	-	-	-	-	-	-	-	-	-	
Operating payments	247	(220)	569	556	13	97,8%	502	502	612	
Venues and facilities	(186)	-	1,170	1,169	1	100,0%	449	449	360	
Transfers and Subsidies	-	-	-	-	-	-	16	16	15	
Households	-	-	-	-	-	-	16	16	15	
Social benefits	-	-	-	-	-	-	16	16	15	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
Total	51,668	(4,100)	47,568	39,945	7,623	84,0%	46,073	46,073	40,066	

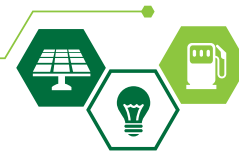


Sub programme: 2.1: Policy Analysis and Research										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	3,624	-	-	3,624	2,784	840	76,8%	2,335	3,351	
Compensation of employees	3,506	-	-	3,506	2,674	832	76,3%	1,892	3,279	
Salaries and wages	3,076	-	-	3,076	2,386	690	77,6%	1,680	2,931	
Social contributions	430	-	-	430	288	142	67,0%	212	347	
Goods and services	118	-	-	118	109	9	92,7%	443	73	
Administrative fees	20	(18)	-	2	2	0	78,6%	20	-	
Advertising		16	-	16	15	1	94,6%	-	-	
Catering: Departmental activities	13	28	-	41	40	1	98,3%	13	3	
Communication	5	(5)	-	-	-	-	-	232	-	
Consultants: Business and advisory services	-	-	-	-	-	-	-	52	-	
Consumable supplies	-	1	-	1	-	1	49,0%	-	-	
Consumable: Stationery, printing and office supplies	3	(3)	-	-	-	-	-	2	-	
Travel and subsistence	77	(19)	-	58	52	6	89,4%	124	70	
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	3,624	-	-	3,624	2,784	840	76,8%	2,335	3,351	



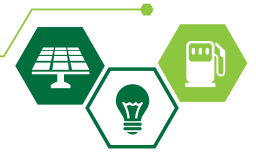
Sub programme: 2.2: Energy Planning										
Economic Classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	22,977	-	(3,263)	19,714	18,876	838	95,8%	19,577	17,234	
Compensation of employees	15,587	-	-	15,587	15,219	368	97,6%	16,796	15,016	
Salaries and wages	13,491	297	-	13,788	13,506	282	98,0%	14,778	13,300	
Social contributions	2,096	(297)	-	1,799	1,713	86	95,2%	2,018	1,717	
Goods and services	7,390	-	(3 263)	4,127	3,658	469	88,6%	2,781	2,218	
Administrative fees	210	(79)		131	77	54	58,5%	67	21	
Advertising	311	(30)	(84)	197	170	27	86,4%	130	42	
Catering: Departmental activities	4	1	-	5	1	4	14,9%	7	4	
Communication	172	(39)	-	133	118	15	88,7%	173	182	
Computer services	-	30	-	30	23	7	75,3%	-	-	
Consultants: Business and advisory services	3,105	(281)	(2 824)	-	-	-	-	558	45	
Contractors	-	-	-	-	-	-	-	-	-	
Fleet services	-	-	-	-	-	-	-	1	3	
Consumable supplies	18	3		21	13	8	60,0%	35	20	
Consumable: Stationery, printing and office supplies	4	-	-	4		4	-	-	-	
Operating leases	-	-	-	-	-	-	-	1	12	
Travel and subsistence	1,801	216	(135)	1,882	1,542	340	81,9%	868	925	
Training and development	-	-	-	-	-	-	-	-	-	
Operating payments	538	236	(220)	554	545	9	98,4%	492	604	
Venues and facilities	1,227	(57)		1,170	1,169	1	100,0%	449	360	

Sub programme: 2.2: Energy Planning										
Economic Classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transfers and Subsidies	-	-	16	16	15	1	95,8%	-	-	-
Households	-	-	-	-	-	-	-	16	16	15
Social benefits	-	-	-	-	-	-	-	16	16	15
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	-
TOTAL	22,977	-	(3,263)	19,714	18,876	838	95,8%	19,593	17,250	



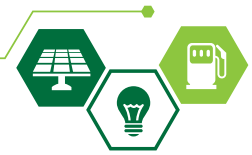
Subprogramme 2.3: Hydrocarbon Policy									
Economic Classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments	14,841	-	(250)	14,591	11,783	2,808	80,8%	14,263	12,551
Compensation of employees	13,505	-	-	13,505	10,928	2,577	80,9%	13,386	11,801
Salaries and wages	11,847	-	-	11,847	9,654	2,193	81,5%	11,889	10,428
Social contributions	1,658	-	-	1,658	1,274	384	76,8%	1,497	1,373
Goods and services	1,336	-	(250)	1,086	855	231	78,7%	877	750
Administrative fees	100	(57)	-	43	36	7	84,6%	91	48
Catering: Departmental activities	10	1	-	11	7	4	66,9%	11	7
Communication	110	17	(48)	79	77	2	97,8%	155	171
Consultants: Business and advisory services	421	(245)	(170)	6	-	6	-	155	-
Contractors	108	(73)	-	35	-	35	-	17	1
Consumable supplies	4	6	-	10	9	1	90,8%	17	9
Consumable: Stationery, printing and office supplies	37	102	-	139	117	22	84,2%	14	-
Travel and subsistence	417	378	(32)	763	608	155	79,7%	417	514
Venues and facilities	129	(129)	-	-	-	-	-	-	-
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payments for Capital Assets	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-
TOTAL	14,841	-	(250)	14,591	11,783	2,808	80,8%	14,263	12,551

	Sub programme: 2.4: Electricity, Energy Efficiency and Environmental Policy									
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	10,226	-	(587)	9,639	6,502	3,137	67,5%	9,882	6,913	
Compensation of employees	8,521	-	-	8,521	5,963	2,558	70,0%	8,742	6,347	
Salaries and wages	7,475	(7)	-	7,468	5,211	2,257	69,8%	7,795	5,599	
Social contributions	1,046	7	-	1,053	752	301	71,4%	947	747	
Goods and services	1,705	-	(587)	1,118	539	579	48,2%	1,140	566	
Administrative fees	28	7	(13)	22	21	1	94,2%	19	13	
Advertising	20	(4)	-	16	-	16	-	26	16	
Catering: Departmental activities	19	3	-	22	5	17	24,9%	15	7	
Communication	40	9	(15)	34	66	(32)	195,0%	58	99	
Computer services	12	(12)	-	-	-	-	-	-	-	
Consultants: Business and advisory services	-	24	(24)	-	-	-	-	136	115	
Fleet services	-	-	-	-	-	-	-	4	1	
Consumable supplies	28	(2)	-	26	21	5	82,6%	31	14	
Consumable: Stationery, printing and office supplies	36	-	(10)	26	-	26	-	-	-	
Travel and subsistence	1,518	(36)	(525)	957	414	543	43,3%	841	293	
Operating payments	4	11	-	15	11	4	72,9%	10	8	
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	10,226	-	(587)	9,639	6,502	3,137	67,5%	9,882	6,913	



Programme 3: Petroleum and Petroleum Products Regulation										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000		
Sub Programme										
1. Petroleum Compliance, and Enforcement	19,206	(144)	(1,500)	17,562	13,807	3,755	78,6%	14,075	13,573	
2. Petroleum Licensing and Fuel Supply	26,805	2,039	(500)	28,344	27,715	629	97,8%	26,690	26,322	
3. Fuel Pricing	6,454	-	-	6 454	4,837	1,617	74,9%	6,289	5,689	
4. Regional Petroleum Regulation Office	37,890	(1,895)	-	35 995	34,351	1,644	95,4%	32,188	31,459	
Total for Sub Programmes	90,355	-	(2,000)	88,355	80,710	7,645	91,3%	79,242	77,044	
Economic Classification										
Current Payments	87,317	-	(2,000)	85,317	78,156	7,161	91,6%	76,345	77,025	
Compensation of employees	65,257	-	-	65,257	61,673	3,584	94,5%	59,054	58,337	
Salaries and wages	57,137	(1,016)	-	56,121	53,025	3,096	94,5%	51,130	50,351	
Social contributions	8 120	1,016	-	9,136	8,647	489	94,7%	7,924	7,986	
Goods and services	22,060	-	(2,000)	20,060	16,483	3,577	82,2%	17,291	18,688	
Administrative fees	323	7	-	330	327	3	99,1%	395	311	
Advertising	894	(467)	-	427	32	395	7,4%	598	134	
Minor assets	-	-	-	-	-	-	-	-	-	
Catering: Departmental activities	180	(52)	-	128	49	79	38,1%	162	171	
Communication	590	8	-	598	454	144	75,9%	509	403	
Computer services	-	1,081	-	1,081	1,100	(19)	101,7%	-	-	
Consultants: Business and advisory services	13,534	(2,057)	(2,000)	9,477	6,490	2,987	68,5%	9,147	10,202	
Legal services	44	938	-	982	981	1	99,9%	405	706	
Contractors	72	(6)	-	66	65	1	98,9%	34	21	
Fleet services	69	145	-	214	173	41	80,7%	114	223	

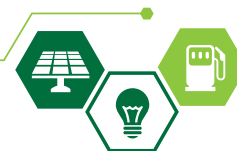
Programme 3: Petroleum and Petroleum Products Regulation										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Consumable supplies	93	15	-	108	61	47	56,7%	100	38	
Consumable: Stationery, printing and office supplies	79	8	-	87	58	29	66,4%	79	59	
Operating leases	228	512	-	740	813	(73)	109,9%	260	757	
Property payments	-	-	-	-	-	-	-	-	-	
Travel and subsistence	4,146	609	-	4,755	5,296	(541)	111,4%	4,100	4,719	
Training and development	-	-	-	-	-	-	-	-	-	
Operating payments	367	(125)	-	242	52	190	21,6%	293	55	
Venues and facilities	1,441	(616)	-	825	532	293	64,5%	1,095	888	
Rental and hiring	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies	3,038	-	-	3,038	2,554	484	84,1%	2,897	19	
Foreign governments and international organisations	3,038	-	-	3,038	2,554	484	84,1%	2,878	-	
Households	-	-	-	-	-	-	-	19	19	
Other transfers to households	-	-	-	-	-	-	-	19	19	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	90,355	-	(2,000)	88,355	80,710	7,645	91,3%	79,242	77,044	



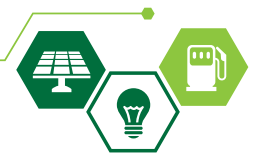
Sub programme: 3.1: Petroleum Compliance Monitoring and Enforcement										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	16,168	(144)	(1,500)	14,524	11,253	3,271	77,5%	11,197	13,573	
Compensation of employees	4,075	(144)	-	3,931	3,716	215	94,5%	3,045	3,123	
Salaries and wages	3,519	(144)	-	3 375	3,320	55	98,4%	2,715	2,788	
Social contributions	556		-	556	396	160	71,2%	330	335	
Goods and services	12,093	-	(1,500)	10,593	7,537	3 056	71,2%	8,152	10,450	
Administrative fees	23	25	-	48	38	10	78,2%	44	74	
Advertising	3	-	-	3		3	-	3	-	
Catering: Departmental activities	26	11	-	37	33	4	90,2%	50	73	
Communication	50	6	-	56	19	37	34,6%	43	25	
Consultants: Business and advisory services	11,017	(483)	(1,500)	9,034	6,310	2,724	69,8%	7,132	8,727	
Legal services	-	532	-	532	531	1	99,9%	-	349	
Fleet services	2	3	-	5	2	3	49,2%	-	0	
Consumable supplies	4	11	-	15	14	1	94,0%	20	8	
Consumable: Stationery, printing and office supplies	19	(9)	-	10	1	9	9,9%	7	2	
Operating leases	2	5	-	7	6	1	86,8%	-	0	
Travel and subsistence	809	(51)	-	758	582	176	76,7%	753	762	
Operating payments	5	-	-	5	-	5	-	5	-	
Venues and facilities	133	(50)	-	83	-	83	-	95	432	
Rental and hiring	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies	3,038	-	-	3,038	2,554	484	84,1%	2,878	-	
Foreign governments and international organisations	3,038	-	-	3,038	2,554	484	84,1%	2,878	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	19,206	(144)	(1,500)	17,562	13,807	3,755	78,6%	14,075	13,573	

Sub programme: 3.2: Petroleum Licensing and Fuel Supply									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments	26,805	2,039	(500)	28,344	27,715	629	97,8%	26,690	26,322
Compensation of employees	23,405	2,039	-	25,444	25,398	46	99,8%	23,931	24,119
Salaries and wages	20,480	1,536	-	22,016	21,992	24	99,9%	20,810	20,873
Social contributions	2,925	503	-	3,428	3,406	22	99,4%	3,121	3,246
Goods and services	3,400	-	(500)	2,900	2,317	583	79,9%	2,759	2,203
Administrative fees	67	10	-	77	59	18	77,0%	59	50
Advertising	142	(62)	-	80	-	80	-	82	23
Catering: Departmental activities	15	-	-	15	7	8	44,5%	14	19
Communication	32	183	-	215	212	3	98,5%	88	148
Computer services	-	1,081	-	1,081	1,100	(19)	101,7%	-	-
Consultants: Business and advisory services	2,291	(1,604)	(500)	187	-	187	-	1,642	1,268
Legal services	-	27	-	27	27	(0)	101,6%	-	64
Contractors	3	4	-	7	6	1	91,4%	1	-
Fleet services	-	5	-	5	4	1	74,5%	5	13
Consumable supplies	8	8	-	16	14	2	90,1%	7	11
Consumable: Stationery, printing and office supplies	20	-	-	20	-	20	-	17	0
Operating leases	-	20	-	20	19	1	97,4%	14	35
Travel and subsistence	494	468	-	962	859	103	89,3%	527	519
Operating payments	29	-	-	29	-	29	-	24	-

Sub programme: 3.2: Petroleum Licensing and Fuel Supply										
Economic Classification	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Venues and facilities	299	(140)	-	159	9	151	5,3%	279	51	
Rental and hiring	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	26,805	2,039	(500)	28,344	27,715	629	97,8%	26,690	26,322	



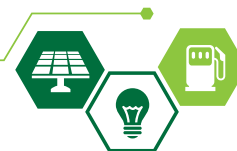
Sub programme: 3.3: Fuel Pricing									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments	6,454	-	-	6,454	4,837	1,617	74,9%	6,289	5,689
Compensation of employees	4,719	-	-	4,719	3,886	833	82,3%	4,481	4,527
Salaries and wages	4,139	(24)	-	4,115	3,480	635	84,6%	3,982	4,063
Social contributions	580	24	-	604	406	198	67,2%	499	464
Goods and services	1,735	-	-	1,735	951	784	54,8%	1,808	1,162
Administrative fees	2	13	-	15	16	(1)	108,7%	72	24
Advertising	315	(244)	-	71	-	71	-	93	-
Minor assets	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	102	(48)	-	54	-	54	-	96	73
Communication	100	-	-	100	35	65	34,6%	35	32
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	226	30	-	256	180	76	70,3%	373	206
Legal service	-	332	-	332	332	0	99,9%	405	293
Contractors	-	-	-	-	-	-	-	-	3
Fleet services	-	-	-	-	-	-	-	-	2
Consumable supplies	1	2	-	3	6	(3)	186,5%	4	7
Consumable: Stationery, printing and office supplies	40	17	-	57	57	0	99,6%	50	55
Operating leases	-	-	-	-	-	-	-	-	-
Travel and subsistence	677	6	-	683	326	357	47,7%	450	365
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	71	(5)	-	66	-	66	71	35	5



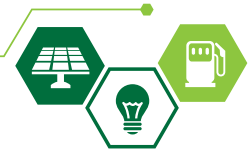
Sub programme: 3.3: Fuel Pricing										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Venues and facilities	201	(103)		98	-	98	201	195		96
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	-
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	-
TOTAL	6 454	-	-	6 454	4 837	1 617	74,9%	6 289		5,689

Sub programme: 3.4 Regional Petroleum Regulation Offices										
Economic Classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	37,890	(1,895)	-	35,995	34,351	1,644	95,4%	32,169	31,440	
Compensation of employees	33,058	(1,895)	-	31,163	28,673	2,490	92,0%	27,597	26,568	
Salaries and wages	28,999	(2,384)	-	26,615	24,234	2,381	91,1%	23,623	22,627	
Social contributions	4,059	489	-	4,548	4,440	108	97,6%	3,974	3,941	
Goods and services	4,832	-	-	4,832	5,678	(846)	117,5%	4,572	4,873	
Administrative fees	231	(41)	-	190	214	(24)	112,6%	220	163	
Advertising	434	(161)	-	273	32	241	11,6%	420	110	
Catering: Departmental activities	37	(15)	-	22	9	13	39,9%	2	6	
Communication	408	(181)	-	227	188	39	82,9%	343	198	
Legal services	44	47	-	91	90	1	99,1%	-	-	
Contractors	69	(10)	-	59	59	0	99,8%	33	19	
Fleet services	67	137	-	204	166	38	81,6%	109	208	
Consumable supplies	80	(6)	-	74	27	47	36,6%	69	12	
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	5	1	
Operating leases	226	487	-	713	788	(75)	110,5%	246	721	
Travel and subsistence	2,166	186	-	2,352	3,529	(1,177)	150,1%	2,370	3,074	
Training and development	-	-	-	-	-	-	-	-	-	
Operating payments	262	(120)	-	142	52	90	36,8%	229	50	
Venues and facilities	808	(323)	-	485	524	(39)	108,0%	526	309	

Sub programme: 3.4 Regional Petroleum Regulation Offices										
Economic Classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transfers and Subsidies	-	-	-	-	-	-	-	19	19	19
Households	-	-	-	-	-	-	-	19	19	19
Other transfers to households	-	-	-	-	-	-	-	19	19	19
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	-
TOTAL	37,890	(1,895)	-	35,995	34,351	1,644	95,4%	32,188	31,459	

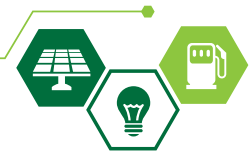


Programme 4: Electrification and Energy Programme and Project									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub Programme									
1.Integrated National Electrification Programme	5,234,630	448	(7 000)	5,228,078	5,018,960	209,118	96,0%	5,337,403	5,320,997
2.Energy Regional Offices	20,947	-	-	20,947	20,901	46	99,8%	18,153	20,174
3. Programme and Project Management Office	12,086	(448)	-	11,638	11,378	260	97,8%	12,801	9,665
4.Electrification Infrastructure / industry Transformation	8,668	(113)	-	8,555	8,019	536	93,7%	6,913	8,066
5.Community Upliftment Programmes and Projects	5,494	113	-	5,607	5,070	537	90,4%	5,321	5,609
Total for sub programmes	5,281,825	-	(7,000)	5,274,825	5,064,328	210,497	96,0%	5,380,591	5,364,511
Economic Classification									
Current Payments	81,503	-	(7,000)	74,503	67,341	7,162	90,4%	64,682	63,197
Compensation of employees	54,457	-	-	54,457	51,916	2,541	95,3%	49,118	49,039
Salaries and wages	47,770	(23)	-	47,747	45,358	2,389	95,0%	43,018	42,932
Social contributions	6,687	23	-	6,710	6,558	152	97,7%	6,100	6,107
Goods and services	27,046	-	(7,000)	20,046	15,425	4,621	76,9%	15,564	14,159
Administrative fees	884	(303)	-	581	592	(11)	102,0%	735	544
Advertising	144	(66)	-	78	63	15	80,8%	318	174
Minor assets	-	-	-	-	-	-	-	14	14
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1,068	65	-	1,133	1,117	16	98,6%	684	778



Programme 4: Electrification and Energy Programme and Project										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Communication	790	(120)	-	670	616	54	92,0%	552	576	
Computer services	-	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	12,758	2	(7,000)	5,760	18	5,742	0,3%	4,569	16	
Contractors	59	138	-	197	195	2	98,8%	91	423	
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-	-
Fleet services	41	13	-	54	29	25	54,1%	37	82	
Consumable supplies	156	15	-	171	89	82	52,3%	141	205	
Consumable: Stationery, printing and office supplies	180	(91)	-	89	5	84	5,5%	126	3	
Operating leases	17	57	-	74	124	(50)	168,0%	40	250	
Property payments	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	92	-	-	92	92	0	99,8%	-	41	
Travel and subsistence	8,853	152	-	9,005	10,687	(1,682)	118,7%	6,905	9,803	
Training and development	-	-	-	-	-	-	-	-	-	-
Operating payments	235	(92)	-	143	76	67	52,9%	186	113	
Venues and facilities	1,724	230	-	1,954	1,677	277	85,8%	1,166	1,131	
Rental and hiring	45	-	-	45	45	0	99,0%	-	5	
Transfers and Subsidies	5,200,322	-	-	5,200,322	4 996,988	203,334	96,1%	5,315,909	5,301,314	
Provinces and municipalities	1,863,328	-	-	1,863,328	1,859,820	3,508	99,8%	1,904,477	1,904,477	
Municipalities	1,863,328	-	-	1,863,328	1,859,820	3,508	99,8%	1,904,477	1,904,477	
Municipal bank accounts	1,863,328	-	-	1,863,328	1,859,820	3,508	99,8%	1,904,477	1,904,477	

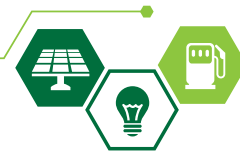
Programme 4: Electrification and Energy Programme and Project										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Public corporations and private enterprises	3 336,994	-	-	3 336,994	3 137,168	199,826	94,0%	3 411,180	3 396,586	
Public corporations	3 124,053	-	-	3 124,053	3 124,053	-	100,0%	3 262,031	3 262,031	
Subsidies on products and production	3 124,053	-	-	3 124,053	3 124,053	-	100,0%	3 262,031	3 262,031	
Private enterprises	212,941	-	-	212,941	13,115	199,826	6,2%	149,149	134,555	
Subsidies on products and production	212,941	-	-	212,941	13,115	199,826	6,2%	149,149	134,555	
Households	-	-	-	-	-	-	-	252	251	
Other transfers to households	-	-	-	-	-	-	-	252	251	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	5 281 825	-	(7 000)	5 274 825	5 064 328	210 497	96,0%	5 380 591	5 364 511	



Sub programme: 4.1: Integrated National Electrification Programme										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic Classification	34,308	448	(7,000)	27,756	21,972	5,784	79,2%	21,746	19,934	
Current Payments										
Compensation of employees	15,555	(86)	-	15,469	14,631	838	94,6%	14,001	13,052	
Salaries and wages	13,647	(86)	-	13,561	12,896	665	95,1%	12,172	11,528	
Social contributions	1,908	-	-	1,908	1,735	173	90,9%	1,829	1,524	
Goods and services	18,753	534	(7,000)	12,287	7,341	4,946	59,7%	7,745	6,882	
Administrative fees	323	60	-	383	399	(16)	104,1%	372	414	
Advertising	54	(34)	-	20	-	20	-	67	50	
Minor assets	-	-	-	-	-	-	-	-	-	
Audit costs: External	-	-	-	-	-	-	-	-	-	
Catering: Departmental activities	573	(134)	-	439	452	(13)	102,9%	73	94	
Communication	362	70	-	432	424	8	98,1%	243	323	
Computer services	-	-	-	-	-	-	-	-	-	
Consultants: Business and advisory services	12,758		(7,000)	5,758	16	5,742	0,3%	4,569	16	
Contractors	-	-	-	-	-	-	-	-	-	
Fleet services	10	4	-	14	12	2	84,2%	8	30	
Consumable supplies	19	4	-	23	24	(1)	105,6%	14	14	
Consumable: Stationery, printing and office supplies	56	(46)	-	10	-	10	-	34	1	
Operating leases	16	18	-	34	40	(6)	119,0%	20	37	
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	
Travel and subsistence	4,321	257	-	4,578	5,440	(862)	118,8%	2,100	5,407	
Operating payments	48	(29)	-	19	28	(9)	146,1%	63	57	

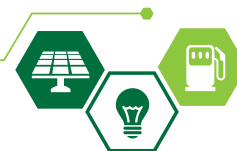
Sub programme: 4.1: Integrated National Electrification Programme										
Economic Classification	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Venues and facilities	192	364	-	556	485	71	87,3%	182	440	
Rental and hiring	21	-	-	21	21	0	98,9%	-	-	
Transfers and Subsidies	5,200,322	-	-	5,200,322	4,996,988	203,334	96,1%	5,315,657	5,301,063	
Provinces and municipalities	1,863,328	-	-	1 863 328	1,859,820	3,508	99,8%	1,904,477	1,904,477	
Municipalities	1,863,328	-	-	1 863 328	1,859,820	3,508	99,8%	1,904,477	1,904,477	
Municipal agencies funds	1,863,328	-	-	1 863 328	1,859,820	3,508	99,8%	1,904 477	1,904,477	
Public corporations and private enterprises	3,336,994	-	-	3,336,994	3,137,168	199,826	94,0%	3,411,180	3,396,586	
Public corporations	3,124,053	-	-	3,124,053	3,124,053	-	100,0%	3,262,031	3,262,031	
Subsidies on products and production	3,124,053	-	-	3,124,053	3,124,053	-	100,0%	3,262,031	3,262,031	
Private Enterprise	212,941	-	-	212,941	13,115	199,826	6,2%	149,149	134,555	
Subsidies on products and production	212,941	-	-	212,941	13,115	199,826	6,2%	149,149	134,555	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	5,234,630	448	(7,000)	5,228,078	5,018,960	209,118	96,0%	5,337,403	5,320,997	

Sub programme: 4.2: Energy Regional Offices										
Economic Classification	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	20,947	-	-	20,947	20,901	46	99,8%	18,153	20,174	
Compensation of employees	19,927	-	-	19,927	18,734	1,193	94,0%	17,221	17,943	
Salaries and wages	17,477	(22)	-	17,455	16,201	1,254	92,8%	15,080	15,545	
Social contributions	2,450	22	-	2,472	2,533	(61)	102,5%	2,141	2,398	
Goods and services	1,020	-	-	1,020	2,167	(1,147)	212,5%	932	2,231	
Administrative fees	29	-	-	29	19	10	65,1%	20	13	
Advertising	6	-	-	6	19	(13)	321,1%	-	39	
Catering: Departmental activities	28	-	-	28	7	21	26,1%	16	-	
Communication	29	(2)	-	27	7	20	24,3%	21	-	
Fleet services	29	-	-	29	9	20	29,6%	13	-	
Consumable supplies	2	-	-	2	6	(4)	283,8%	1	1	
Consumable: Stationery, printing and office supplies	26	-	-	26	-	26	-	25	-	
Operating leases	-	-	-	-	44	(44)	-	-	157	
Travel and subsistence	840	6	-	846	2,025	(1,179)	239,3%	796	-	
Operating payments	6	-	-	6	31	(25)	523,4%	18	46	
Venues and facilities	25	(4)	-	21	-	21	-	22	-	
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	20,947	-	-	20,947	20,901	46	99,8%	18,153	20,174	

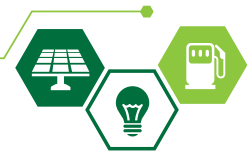


	Subprogramme 4.3: Programme and Project Management Office									
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	12,086	(448)	-	11,638	11,378	260	97,8%	12,549	9,414	
Compensation of employees	7,352	86	-	7,438	7,438	0	100,0%	8,067	7,196	
Salaries and wages	6,449	87	-	6,536	6,471	65	99,0%	7,272	6,277	
Social contributions	903	(1)	-	902	967	(65)	107,2%	795	919	
Goods and services	4,734	(534)	-	4,200	3,940	260	93,8%	4,482	2,218	
Administrative fees	426	(331)	-	95	95	0	99,9%	253	47	
Advertising	78	(32)	-	46	44	2	95,2%	47	-	
Catering: Departmental activities	302	318	-	620	620	0	100,0%	406	157	
Communication	253	(220)	-	33	28	5	83,6%	150	41	
Contractors	19		-	19	19	0	98,7%	-	26	
Fleet services	-	-	-	-	-	-	-	5	2	
Consumable supplies	48	6	-	54	36	18	65,8%	41	6	
Consumable: Stationery, printing and office supplies	50	(30)	-	20	0	20	0,5%	47	-	
Property leases	-	-	-	-	-	-	-	3	3	
Transport provided: Departmental activity	92	-	-	92	92	0	99,8%	-	32	
Travel and subsistence	2,345	(41)	-	2,304	2,181	123	94,6%	2,947	1,360	
Operating payments	97	(67)	-	30		30	-	64	2	
Venues and facilities	1,000	(137)	-	863	804	59	93,1%	519	537	
Rental and hiring	24	-	-	24	24	0	99,1%	-	5	
Transfers and Subsidies	-	-	-	-	-	-	-	252	251	

Subprogramme 4.3: Programme and Project Management Office										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Households	-	-	-	-	-	-	-	252	251	
Other transfers to households	-	-	-	-	-	-	-	252	251	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	12,086	(448)	-	11,638	11,378	260	97,8%	12,801	9,665	

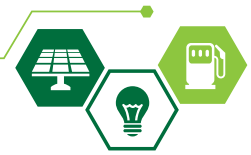


Sub programme: 4.4: Electricity Infrastructure /Industry Transformation									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments	8,668	(113)	-	8,555	8,019	536	93,7%	6,913	8,066
Compensation of employees	7,772	(113)	-	7,659	7,149	510	93,3%	6,063	6,934
Salaries and wages	6,819	(115)	-	6,704	6,329	375	94,4%	5,211	6,140
Social contributions	953	2	-	955	820	135	85,8%	852	793
Goods and services	896	-	-	896	870	26	97,1%	850	1,132
Administrative fees	66	(32)	-	34	41	(7)	119,5%	64	48
Catering: Departmental activities	-	19	-	19	19	(0)	101,0%	5	28
Communication	66	41	-	107	132	(25)	123,2%	76	149
Fleet Services	-	7	-	7	6	1	86,6%	-	-
Contractors	-	-	-	-	-	-	-	-	2
Consumable supplies	9	-	-	9	10	(1)	113,4%	14	19
Consumable: Stationery, printing and office supplies	8	(7)	-	1	1	0	52,5%	7	-
Operating Leases	-	22	-	22	21	1	97,5%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	8
Travel and subsistence	701	(48)	-	653	724	(71)	110,9%	651	784
Operating payments	6	4	-	10	8	2	77,4%	14	8
Venues and facilities	40	(6)	-	34	(92)	126	(269,4%)	19	86
Transfers and Subsidies	-	-	-	-	-	-	-	-	-
Payments for Capital Assets	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-
TOTAL	8 668	(113)	-	8 555	8 019	536	93,7%	6,913	8,066



	Sub programme: 4.5: Community Upliftment Programme and Projects									
	2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	5,494	113	-	5,607	5,070	537	90,4%	5,321	5,609	
Compensation of employees	3,851	113	-	3,964	3,964	0	100,0%	3,766	3,914	
Salaries and wages	3,378	113	-	3,491	3,460	31	99,1%	3,283	3,441	
Social contributions	473	-	-	473	503	(30)	106,4%	483	472	
Goods and services	1,643	-	-	1,643	1,106	537	67,3%	1,555	1,695	
Administrative fees	40	-	-	40	39	1	98,1%	26	21	
Advertising	6	-	-	6	-	6	-	204	85	
Minor assets	-	-	-	-	-	-	-	14	14	
Catering: Departmental activities	165	(138)	-	27	19	8	69,7%	184	500	
Communication	80	(9)	-	71	26	45	37,1%	62	63	
Computer services	-	-	-	-	-	-	-	-	-	
Consultants: Business and advisory services	-	2	-	2	2	1	75,0%	-	-	
Contractors	40	138	-	178	176	2	98,8%	91	396	
Fleet services	2	2	-	4	3	1	69,0%	11	19	
Consumable supplies	78	5	-	83	14	69	16,6%	71	166	
Consumable: Stationery, printing and office supplies	40	(8)	-	32	4	28	13,4%	13	2	
Operating leases	1	17	-	18	18	0	99,6%	17	52	
Travel and subsistence	646	(22)	-	624	318	306	50,9%	411	309	
Operating payments	78		-	78	9	69	11,2%	27		

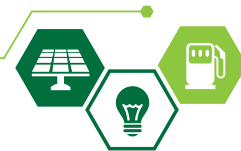
Sub programme: 4.5: Community Upliftment Programme and Projects										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Venues and facilities	467	13	-	480	480	0	99,9%	424	69	
Rental and hiring	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	5,494	113	-	5,607	5,070	537	90,4%	5,321	5,609	



Programme 5: Nuclear Energy										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Sub Programme										
1.Nuclear Safety and Technology	1,025,429	482	5,000	1,030,911	1,021,753	9,158	99,1%	856,989		857,728
2.Nuclear Non – Proliferation and Radiation Security	9,515	554	-	10,069	10,048	21	99,8%	8,647		9,015
3.Nuclear Policy	10,199	(1 036)	-	9,163	8,106	1,057	88,5%	9,850		8,542
Total for Sub Programmes	1,045,143	-	5,000	1,050,143	1,039,907	10,236	99,0%	875,486		875,285
Economic Classification										
Current Payments	40,579	-	5,000	45,579	38,183	7,396	83,8%	105,840		59,205
Compensation of employees	24,881	-	-	24,881	23,916	965	96,1%	22,594		22,434
Salaries and wages	21,827	325	-	22,152	21,454	698	96,9%	19,989		20,102
Social contributions	3,054	(325)	-	2,729	2,462	267	90,2%	2,605		2,332
Goods and services	15,698	-	5,000	20,698	14,267	6,431	68,9%	83,246		36,771
Administrative fees	121	120	-	241	199	42	82,5%	113		103
Advertising	1,575	(936)	-	639	517	122	80,9%	960		457
Catering: Departmental activities	149	(20)	-	129	39	90	30,0%	89		58
Communication	260	126	-	386	298	88	77,3%	256		360
Consultants: Business and advisory services	10,217	(953)	5,000	14,264	8,921	5,343	62,5%	77,452		29,884
Legal services	-	699	-	699	698	1	99,9%	1,700		3,505
Fleet services	-	4	-	4	3	1	65,8%	3		8
Consumable supplies	2	24	-	26	24	2	90,9%	10		12

Programme 5: Nuclear Energy										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Consumable: Stationery, printing and office supplies	505	(422)	-	83	13	70	15,8%	450		1
Operating leases	10	5	-	15	10	5	64,6%	3		26
Travel and subsistence	1,609	914	-	2,523	2,120	403	84,0%	1,687		1,844
Training and development	-	-	-	-	-	-	-	-		-
Operating payments	-	34	-	34	33	1	95,6%	45		44
Venues and facilities	1,250	405	-	1 655	1 394	261	84,2%	478		452
Rental and hiring	-	-	-	-	-	-	-	-		18
Transfers and Subsidies	1,004,564	-	-	1,004,564	1,001,724	2,840	99,7%	769,646		769,641
Departmental agencies and accounts	90,595	-	-	90,595	90,595	-	100,0%	62,042		62,042
Departmental agencies	90,595	-	-	90,595	90,595	-	100,0%	62,042		62,042
Higher education institutions	-	-	-	-	-	-	-	-		-
Foreign governments and international organisations	23,538	-	-	23,538	20,698	2 840	87,9%	24,890		24,885
Public corporations and private enterprises	890,431	-	-	890,431	890,431	-	100,0%	682,714		682,714
Public corporations	890,431	-	-	890,431	890,431	-	100,0%	682,714		682,714
Subsidies on products and production	890,431	-	-	890,431	890,431	-	100,0%	682,714		682,714
	-	-	-	-	-	-	-	-		-
Payments for Capital Assets	-	-	-	-	-	-	-	-		46,439
Machinery and equipment	-	-	-	-	-	-	-	-		-
Intangible assets	-	-	-	-	-	-	-	-		46,439
TOTAL	1,045,143	-	5,000	1,050,143	1,039,907	10,236	99,0%	875,486		875,285

	Sub programme: 5.1: Nuclear Safety and Technology									
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	21,647	482	5,000	27,129	20,660	6,469	76,2%	88,084	42,206	
Compensation of employees	12,878	(1,134)	-	11,744	10,843	901	92,3%	10,881	10,841	
Salaries and wages	11,298	(980)	-	10,318	9,748	570	94,5%	9,607	9,734	
Social contributions	1,580	(154)	-	1,426	1,096	330	76,8%	1,274	1,106	
Goods and services	8,769	1,616	5,000	15,385	9,817	5,568	63,8%	77,203	31,366	
Administrative fees	60	53	-	113	104	9	91,9%	49	30	
Advertising	307	(65)	-	242	179	63	74,1%	85	84	
Minor assets	-	-	-	-	-	-	-	-	-	
Catering: Departmental activities	72	-	-	72	13	59	18,2%	23	42	
Communication	198	(10)	-	188	104	84	55,1%	198	190	
Computer services	-	-	-	-	-	-	-	-	-	
Consultants: Business and advisory services	7,555	(385)	5,000	12,170	6,921	5,249	56,9%	76,323	29,884	
Legal Services	-	699	-	699	698	1	99,9%	-	-	
Fleet services	-	1	-	1	1	(0)	129,8%	-	2	
Consumable supplies	2	11	-	13	12	1	92,9%	2	5	
Consumable: Stationery, printing and office supplies	25	(2)	-	23	-	23	-	23	-	
Operating leases	-	2	-	2	1	1	50,1%	-	5	
Travel and subsistence	444	682	-	1,126	1,127	(1)	100,1%	474	1,080	
Operating payments	-	2	-	2	1	1	73,4%	-	-	
Venues and facilities	106	628	-	734	654	80	89,1%	26	45	



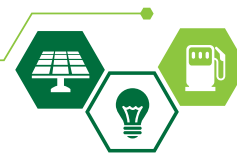
Sub programme: 5.1: Nuclear Safety and Technology										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transfers and Subsidies	1,003,782	-	-	1,003,782	1,001,093	2,689	99,7%	768,905	769,082	
Departmental agencies and accounts	90,595	-	-	90,595	90,595	-	100,0%	62,042	62,042	
Departmental agencies	90,595	-	-	90,595	90,595	-	100,0%	62,042	62,042	
Foreign governments and international organisations	22,756	-	-	22,756	20,067	2,689	88,2%	24,149	24,326	
Public corporations and private enterprises	890,431	-	-	890,431	890,431	-	100,0%	682,714	682,714	
Public corporations	890,431	-	-	890,431	890,431	-	100,0%	682,714	682,714	
Subsidies on products and production	890,431	-	-	890,431	890,431	-	100,0%	682,714	682,714	
Households	-	-	-	-	-	-	-	-	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	46,439	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Other machinery and equipment	-	-	-	-	-	-	-	-	-	
Intangible assets	-	-	-	-	-	-	-	-	46,439	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	1,025,429	482	5,000	1,030,911	1,021,753	9,158	99,1%	856,989	857,728	

	Sub programme: 5.2: Nuclear Non-Proliferation and Radiation Security									
	2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	9,515	554	-	10,069	10,048	21	99,8%	8,647	9,015	
Compensation of employees	8,659	-	-	8,659	8,595	64	99,3%	7,881	8,119	
Salaries and wages	7,595	198	-	7,793	7,718	75	99,0%	6,948	7,268	
Social contributions	1,064	(198)	-	866	878	(12)	101,3%	933	851	
Goods and services	856	554	-	1,410	1,453	(43)	103,0%	766	897	
Administrative fees	20	59	-	79	74	5	94,0%	19	26	
Advertising	22	(18)	-	4		4	-	106	100	
Catering: Departmental activities	28	(20)	-	8	-	8	-	20	11	
Communication	27	136	-	163	162	1	99,4%	26	128	
Computer services	-	-	-	-	-	-	-	-	-	
Consultants: Business and advisory services	14	(14)	-	-		-	-	13	-	
Fleet services	-	1	-	1	1	0	77,6%	1	4	
Consumable supplies	-	4	-	4	3	1	79,4%	3	3	
Consumable: Stationery, printing and office supplies	55	(38)	-	17		17	-	19	1	
Operating leases	-	3	-	3	3	0	93,2%	2	17	
Travel and subsistence	563	170	-	733	791	(58)	107,9%	557	502	
Operating Payments	-	32	-	32	31	1	97,0%	-	-	
Venues and facilities	127	239	-	366	388	(22)	105,9%	-	87	
Rental and hiring	-	-	-	-	-	-	-	-	18	
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	9,515	554	-	10,069	10,048	21	99,8%	8,647	9,015	

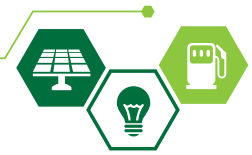


Sub programme: 5.3: Nuclear Policy										
Economic Classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	9,417	(1,036)	-	8,381	7,475	906	89,2%	9,109	7,984	
Compensation of employees	3,344	1,134	-	4,478	4,477	1	100,0%	3,832	3,475	
Salaries and wages	2,934	1,107	-	4,041	3,989	52	98,7%	3,434	3,100	
Social contributions	410	27	-	437	488	(51)	111,8%	398	375	
Goods and services	6,073	(2,170)	-	3,903	2,998	905	76,8%	5,277	4,509	
Administrative fees	41	-8	-	49	21	28	42,3%	45	47	
Advertising	1,246	(853)	-	393	337	56	85,8%	769	273	
Catering: Departmental activities	49		-	49	26	23	52,2%	46	5	
Communication	35		-	35	33	2	93,8%	32	42	
Computer services	-	-	-	-	-	-	-	-	-	
Consultants: Business and advisory services	2,648	(554)	-	2,094	2,000	94	95,5%	1,116	-	
Legal services	-	-	-	-	-	-	-	1,700	3,505	
Fleet services	-	2	-	2	1	1	27,9	2	2	
Consumable supplies		9	-	9	8	1	93,1%	5	3	
Consumable: Stationery, printing and office supplies	425	(382)	-	43	13	30	30,5%	408	0	
Operating leases	10	-	-	10	6	4	58,9%	1	5	
Travel and subsistence	602	62	-	664	201	463	30,3%	656	262	
Operating payments	-	-	-	-	-	-	-	45	44	
Venues and facilities	1,017	(462)		555	352	203	63,4%	452	320	

Sub programme: 5.3: Nuclear Policy										
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Rental and hiring	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	782	-	-	782	631	151	80,6%	741	559	
Foreign governments and international organisations	782	-	-	782	631	151	80,6%	741	559	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	10,199	(1,036)	-	9,163	8,106	1,057	88,5%	9,850	8,542	



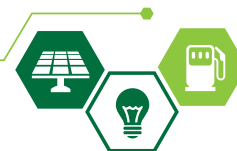
Programme 6: Clean Energy									
2019/20								2018/19	
Sub Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Energy Efficiency	318,911	-	20,095	339,006	333,653	5,353	98,4%	392,348	362,336
2. Renewable Energy	80,070	-	490	80,560	80,079	481	99,4%	75,796	58,262
3. Climate Change and Designated National Authority	9,102	-	415	9,517	9,224	293	96,9%	8,667	8,719
Total for Sub Programmes	408,083	-	21,000	429,083	422,956	6,127	98,6%	476,811	429,317
Economic Classification									
Current Payments	103,965	-	21,000	124,965	120,405	4,560	96,4%	188,799	142,525
Compensation of employees	19,607	-	2,000	21,607	19,672	1,935	91,0%	18,656	18,543
Salaries and wages	17,203	(1)	1,940	19,142	17,549	1,593	91,7%	16,545	16,537
Social contributions	2,404	1	60	2,465	2,123	342	86,1%	2,111	2,005
Goods and services	84,358	-	19,000	103,358	100,733	2,625	97,5%	170,143	123,982
Administrative fees	149	58	-	207	190	17	91,8%	153	143
Advertising	201	(138)	-	63	53	10	84,8%	291	-
Minor assets	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	129	(12)	-	117	83	34	70,6%	76	13
Communication	71	80	-	151	144	7	95,3%	191	252
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	57,205	(51,619)	-	5,586	5,087	499	91,1%	7,746	7,256
Contractors	10,063	(7,867)	-	2,196	1,769	427	80,6%	1	2,947
Fleet services	2	-	-	2	1	1	49,6%	-	-



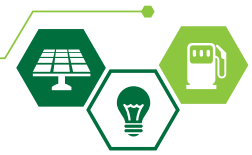
Programme 6: Clean Energy									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: clothing material and accessories	1	-	-	1	-	-	1	-	-
Consumable supplies	8	3	-	11	7	4	68,0%	15	8
Consumable: Stationery, printing and office supplies	86	(35)	-	51	-	51	-	139	5
Operating leases	4	-	-	4	3	1	84,1%	-	6
Travel and subsistence	2	(2)	-	-	-	-	-	3,514	2,689
Training and development	3,432	734	-	4,166	3,052	1,114	73,3%	-	-
Operating payments	12,338	59,000	19,000	90,338	90,116	222	99,8%	156,700	110,209
Venues and facilities	656	(202)	-	454	227	227	50,0%	1,317	453
Rental and hiring	11	-	-	11	-	11	-	-	-
Transfers and Subsidies	304,118	-	-	304,118	302,552	1,566	99,5%	288,012	286,792
Provinces and municipalities	227,065	-	-	227,065	227,065	-	100,0%	215,024	215,024
Municipalities	227,065	-	-	227,065	227,065	-	100,0%	215,024	215,024
Municipal bank accounts	227,065	-	-	227,065	227,065	-	100,0%	215,024	215,024
Departmental agencies and accounts	74,151	-	-	74,151	74,151	-	100,0%	70,241	70,241
Departmental agencies	74,151	-	-	74,151	74,151	-	100,0%	70,241	70,241
Foreign governments and international organisations	2,902	-	-	2,902	1,336	1,566	46,0%	2,747	1,527
Payments for Capital Assets	-	-	-	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-	-	-	-
TOTAL	408,083	-	21,000	429,083	422,956	6,127	98,6%	476,811	429,317

	Sub programme: 6.1: Energy Efficiency									
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	88,944	-	20,095	109,039	105,253	3,786	96,5%	174,577	128,224	
Compensation of employees	6,810	-	1,095	7,905	6,737	1,168	85,2%	6,541	6,367	
Salaries and wages	5,975	-	1,095	7,070	6,099	971	86,3%	5,860	5,761	
Social contributions	835	-	-	835	639	196	76,5%	681	606	
Goods and services	82,134	-	19,000	101,134	98,515	2,619	97,4%	168,036	121,857	
Administrative fees	128	(38)	-	90	73	17	81,3%	116	83	
Advertising	70	(18)	-	52	53	(1)	102,8%	133	-	
Minor assets	-	-	-	-	-	-	-	-	-	
Catering: Departmental activities	111	(12)	-	99	71	28	71,9%	64	7	
Communication	15	66	-	81	79	2	97,9%	131	187	
Computer services	-	-	-	-	-	-	-	-	-	
Consultants: Business and advisory services	56,694	(51,108)	-	5,586	5,087	499	91,1%	7,424	6,919	
Contractors	10,063	(7,867)	-	2,196	1,769	427	80,6%	-	2,946	
Fleet services	2		-	2	1	1	49,6%	-	1	
Consumable supplies	4		-	4	2	2	60,0%	12	3	
Consumable: Stationery, printing and office supplies	86	(35)	-	51	-	51	-	139	5	
Operating leases	4		-	4	3	1	84,1%	-	4	
Travel and subsistence	2,318	12	-	2,330	1,132	1,198	48,6%	2,347	1,434	
Operating payments	12,338	59,000	19,000	90,338	90,116	222	99,8%	156,700	110,014	
Venues and facilities	290	-	-	290	128	162	44,0%	970	253	
Rental and hiring	11	-	-	11	-	11	-	-	-	

Sub programme: 6.1: Energy Efficiency										
Economic Classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transfers and Subsidies	229,967	-	-	229,967	228,401	1 566	99,3%	217,771	234,112	
Provinces and municipalities	227,065	-	-	227,065	227,065	-	100,0%	215,024	215,024	
Municipalities	227,065	-	-	227,065	227,065	-	100,0%	215,024	215,024	
Municipal bank accounts	227,065			227,065	227,065	-	100,0%	215,024	215,024	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	17,561	
Departmental agencies	-	-	-	-	-	-	-	-	17,561	
Higher education institutions	-	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	2,902			2,902	1,336	1,566	46,0%	2,747	1,527	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	318,911	-	20,095	339,006	333,653	5,353	98,4%	392,348	362,336	



	Subprogramme 6.2: Renewable Energy									
	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	5,919	-	490	6,409	5,928	481	92,5%	5,555	5,582	
Compensation of employees	4,696	-	490	5,186	4,843	343	93,4%	4,396	4,556	
Salaries and wages	4,120	-	430	4,550	4,265	285	93,7%	3,890	4,005	
Social contributions	576	-	60	636	578	58	90,9%	506	551	
Goods and services	1,223	-	-	1,223	1,085	138	88,7%	1,159	1 026	
Administrative fees	8	54	-	62	62	0	99,5%	13	24	
Advertising	131	(120)	-	11	-	11	-	158	-	
Catering: Departmental activities	11	-	-	11	9	2	78,6%	10	5	
Communication	46	1	-	47	45	2	95,3%	44	21	
Consultants: Business and advisory services	145	(145)	-	-	-	-	-	-	337	
Inventory: Clothing material accessories	1	-	-	1	-	-	1	1	-	
Consumable supplies	-	3	-	3	1	2	31,6%	1	2	
Property payments	-	-	-	-	-	-	-	-	-	
Transport provided: Departmental activities	2	(2)	-	-	-	-	-	-	-	
Travel and subsistence	554	382	-	936	869	67	92,9%	625	320	
Training and development	-	-	-	-	-	-	-	-	-	
Operating payments	-	-	-	-	-	-	-	-	194	
Venues and facilities	325	(173)	-	152	100	52	65,5%	308	124	
Transfers and Subsidies	74,151	-	-	74,151	74,151	-	100,0%	70,241	52,680	
Departmental agencies and accounts	74,151	-	-	74,151	74,151	-	100,0%	70,241	52,680	
Departmental agencies	74,151	-	-	74,151	74,151	-	100,0%	70,241	52,680	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	80,070	-	490	80,560	80,079	481	99,4%	75,796	58,262	



Sub programme: 6.3: Climate Change and Designated National Authority										
Economic Classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current Payments	9,102	-	415	9,517	9,224	293	96,9%	8,667	8,719	
Compensation of employees	8,101	-	415	8,516	8,091	425	95,0%	7,719	7,620	
Salaries and wages	7,108	(1)	415	7,522	7,185	337	95,5%	6,795	6,771	
Social contributions	993	1	-	994	906	88	91,1%	924	849	
Goods and services	1,001	-	-	1,001	1,133	(132)	113,1%	948	1,099	
Administrative fees	13	42	-	55	55	(0)	100,3%	24	36	
Advertising	-	-	-	-	-	-	-	-	-	
Catering: Departmental activities	7	-	-	7	3	4	39,3%	2	1	
Communication	10	13	-	23	20	3	86,1%	16	44	
Computer services	-	-	-	-	-	-	-	-	-	
Consultants: Business and advisory services	366	(366)	-	-	-	-	-	322	-	
Contractors	-	-	-	-	-	-	-	1	1	
Fleet services	-	-	-	-	-	-	-	-	1	
Consumable supplies	4	-	-	4	4	(0)	103,2%	2	3	
Operating leases	-	-	-	-	-	-	-	-	2	
Travel and subsistence	560	340	-	900	1,051	(151)	116,7%	542	936	
Venues and facilities	41	(29)	-	12	-	12	-	39	76	
Transfers and Subsidies	-	-	-	-	-	-	-	-	-	
Payments for Capital Assets	-	-	-	-	-	-	-	-	-	
Payments for Financial Assets	-	-	-	-	-	-	-	-	-	
TOTAL	9,102	-	415	9,517	9,224	293	96,9%	8,667	8,719	

5.3 NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

5.3.1 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.

5.3.2 Detail of Specifically and Exclusively Appropriated Amounts voted (after Virement):

Detail of these transactions can be viewed in note 5.8.31 (Annual Appropriation) to the Annual Financial Statements.

5.3.3 Detail on Payments for Financial Assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

5.3.4 Explanations of Material Variances from Amounts Voted (after Virement):

5.3.4.1 PER PROGRAMME

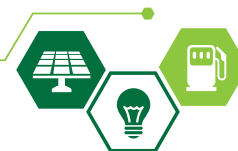
Programme 1	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	293,583	279,383	14,200	4,84%

Explanation of variance: The Programme spent R279.38 million from the projected spending of R293.58 million resulting in a net budget underspending of R14.2 million or 4.84% mainly due to the underspending in:

- Compensation of Employees: R3.66 million underspending due to the moratorium on filling vacancies pending the merger.
- Operating Leases: R2.63 million budget underspending due to payments for Head Office accommodation paid lower than budgeted for, as a result of an agreement reached by the Department and DPW pending the finalisation of DPW's assessment of the Forensic Audit Report presented by the Department.
- Households: the underspending of R603 thousand is as a result of outstanding payments in relation to early retirement applications and pension liability payments to the GEPE.
- Payments for Capital Assets: R2.27 million budget underspending due to requests lower than anticipated for office furniture and computer equipment attributable to the merger of DoE and DMR.

Programme 2	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Energy Policy and Planning	47,568	39,945	7,623	16,03%

Explanation of Variance: The Programme spent R39.95 million from the projected spending of R47.57 million, resulting in a net budget underspending of R7.62 million or 16.03%. The underspending is mainly due to vacant positions which led to a budget underspending of R6.34 million in compensation of employees as well as savings achieved in the Travel and Subsistence item due to less official trips undertaken than projected.



Programme 3	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Petroleum and Petroleum Products Regulation	88,355	80,710	7,645	8,65%

Explanation of Variance: The Programme spent R80.71 million from the projected spending of R88.36 million, resulting in a net underspending of R7.65 million or 8.65%. The contributors to the overall underspending were mainly due to underspending in compensation of employees, R3.58 million, as a result of vacant positions, Consultants Business and Advisory Services for R2.99 million relating to Fuel Sampling and testing project, delayed procurement processes for LPG Audit in the Petroleum and Liquid Fuel Industry project as well as the B-BBEE Monitoring Evaluation and Reporting System project. The delayed projects will be carried over to the 2020/21 financial year. Budget savings were achieved in other non-critical items such as Venues and facilities due to the utilisation of government facilities for hosting events.

Programme 4	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Electrification and Energy Programme and Project Management	5,274,825	5,064,328	210,497	3,99%

Explanation of Variance: A net budget underspending of R210.5 million or 3.99% due to the following:

- Compensation of employees: R2.54 million underspending mainly as a result of vacant positions
- Goods and services: R4.62 million underspending mainly due to the underspending in Consultants: Business and Advisory Services attributable to the delayed commencement of procurement processes for the Non-Grid M&V and the Electrification Master Plan projects.
- INEP Non-Grid Households: R199.83 million underspending due to delays in the procurement processes for the 2019/20 implementation plan.
- INEP Municipalities: R3.51 million underspending due to the withholding of a payment to JS Moroka municipality in the Mpumalanga province.

Programme 5	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Nuclear Energy	1,050,143	1,039,907	10,236	0,97%

Explanation of Variance: The Programme spent R1.04 billion of the projected spending of R1.05 billion, resulting in a net budget underspending of R10.24 million or 0.97% mainly due to the following.

- Compensation of employees: R965 thousand as a result of vacant positions.
- Consultants: Business and Advisory Services: R5.34 million underspending due to the delayed project to stress-test the NECSA Turnaround Strategy.
- International Membership fees: R2.84 million underspending as a result of delayed invoices for subscription fees to the IAEA.
- Budget savings were achieved in items such as Travel and Subsistence and Venues and Facilities due to cost containment initiatives.

Programme 6	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Clean Energy	429,083	422,956	6,127	1,43%

Explanation of Variance: The Programme spent R422.96 million from the projected spending of R429.08 million resulting in the net budget underspending of R6.13 million or 1.43% mainly due to vacant positions and the delayed installation of procured SWH units.

5.3.4.2 PER ECONOMIC CLASSIFICATION

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current Payments				
Compensation of employees	375 454	356 438	19 016	5,06%
Goods and services	284 986	258 770	26 216	9,20%
Interest and rent on land	-	-	-	0,00%
Transfers and Subsidies				
Provinces and municipalities	2 090 393	2 086 885	3 508	0,17%
Departmental agencies and accounts	165 916	165 916	-	0,00%
Public corporations and private enterprises	4 227 425	4 027 599	199 826	4,73%
Foreign governments and international organisations	29 478	24 588	4 890	16,59%
Households	5 390	4 787	603	11,19%
Payments for Capital Assets				
Machinery and equipment	4 504	2 237	2 267	50,34%
Payments for Financial Assets				
	11	11	0	1,64%

Explanation of Variance:

The Department's adjusted budget for the 2019/20 financial year was R7.18 billion. Expenditure at year-end amounted to R6.93 billion or 96.43% of the total 2019/20 budget leading to a budget balance of R256.33 million. The reasons for this balance are as follows: Compensation of employees – R19.02 million or 5.06% budget underspending attributable to vacant priority positions which were put on hold pending the finalisation of the merger with the DMR.

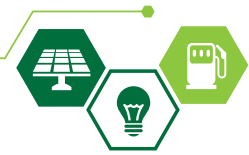
Goods and services

Actual spent was R258.77 million against projected spending of R284.99 million resulting in a net budget underspending of R26.22 million or 9.2% due to:

Delayed commencement and finalisation of planned projects which included the following:

- LPG Audit in the Petroleum and Liquid Fuel Industry project.
- B-BBEE Monitoring project.
- Non-grid Monitoring and Evaluation (M&V).
- The Electrification Master Plan Development project.
- Stress-testing the NECSA Turnaround Strategy.
- SWHP's installation of procured units.

There was also underspending in the Operating Leases item for Office Accommodation at Head Office, as payments to DPW were lower than budgeted for pending the resolution of a dispute with DPW.



Transfer Payments

Net budget underspending of R208.83 million or 3.2% due to:

- INEP Non-Grid Households: R199.83 million underspending due to procurement process which could not be finalised by year-end.
- International Membership fees: R4.89 million underspending mainly as a result of delayed invoices for subscription fees to multilateral international organisations.
- Households: R603 thousand underspending as a result of outstanding payments relating to early retirement applications and pension liability payable to the GEPF
- INEP Municipal Grant: R3.51 million underspending due to the withholding of a payment to JS Moroka in Mpumalanga due to underspending by the municipality.

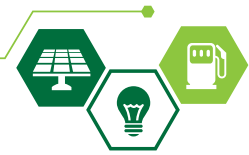
Payments for Capital Assets

The net budget underspending of R2.27 million is due to fewer requests than anticipated for office furniture and computer equipment attributable to the merger of DoE and DMR.

5.4 STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2019/20	2018/19
		R'000	R'000
REVENUE			
Annual appropriation	5.8.31	7,183,557	7,163,532
Departmental revenue	5.8.32	5,030	54,680
Aid assistance	5.8.33	-	12,034
TOTAL REVENUE		7,188,587	7,230,246
EXPENDITURE			
Current Expenditure			
Compensation of employees	5.8.34	356,438	346,731
Goods and services	5.8.35	258,770	331,433
Interest and rent on land	5.8.36	-	1
Total current expenditure	-	615,208	678,165
Transfers and Subsidies			
Transfers and subsidies	5.8.38	6,309,774	6,359,491
Aid assistance	5.8.33	-	2,684
Total Transfers and Subsidies		6,309,774	6,362,175
Expenditure for Capital Assets			
Tangible assets	5.8.39	2,237	6,141
Intangible assets	5.8.39	-	46,439
Total Expenditure for Capital Assets		2,237	52 580
Payments for Financial Assets	5.8.37	11	3
TOTAL EXPENDITURE		6,927,230	7,092,923
SURPLUS/(DEFICIT) FOR THE YEAR		261,357	137,323
Reconciliation of Net Surplus/(Deficit) for the Year			
Voted funds	-	256,327	73,293
Annual appropriation	-	256,327	73,293
Departmental revenue and NRF Receipts	5.8.46	5,030	54,680
Aid assistance	5.8.33	-	9,350
SURPLUS/(DEFICIT) FOR THE YEAR		261,357	137,323



5.5 STATEMENT OF FINANCIAL POSITION

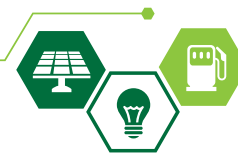
AS AT 31 MARCH 2020

	Note	2019/20	2018/19
		R'000	R'000
ASSETS			
Current Assets		256,611	122,200
Unauthorised expenditure	5.8.40	50,604	50,604
Cash and cash equivalents	5.8.41	139,327	3,472
Prepayments and advances	5.8.42	66,475	66,654
Receivables	5.8.43	205	1,470
Non-current Assets		2236	2235
Investments	5.8.44	2,205	2,205
Receivables	5.8.43	31	30
TOTAL ASSETS		258,847	124,435
LIABILITIES			
Current Liabilities		256,582	122,172
Voted funds to be surrendered to the Revenue Fund	5.8.45	256,327	73,293
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	5.8.46	207	48,770
Payables	5.8.47	48	109
Non-current Liabilities			
Payables		-	-
TOTAL LIABILITIES		256,582	122,172
NET ASSETS		2,265	2,263
Represented by:			
Capitalisation reserve	-	2,205	2,205
Recoverable revenue	-	60	58
TOTAL		2,265	2,263

5.6 STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2019/20	2018/19
		R'000	R'000
ASSETS			
Capitalisation Reserves			
Opening balance	-	2 205	2 205
Closing balance	-	2,205	2,205
Recoverable Revenue			
Opening balance	-	58	85
Transfers:	-	2	(27)
Debts revised	-	(1)	3
Debts recovered (included in departmental receipts)	-	(37)	(96)
Debts raised	-	40	66
Closing balance	-	60	58
TOTAL		2,265	2,263



5.7 CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2019/20	2018/19
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		7,188,587	7,230,246
Annual appropriated funds received	5.8.31	7,183,557	7,163,532
Departmental revenue received	5.8.32	5,027	54,668
Interest received	5.8.32.2	3	12
Aid assistance received	5.8.33	-	12,034
Net (increase)/decrease in working capital	-	1,383	(67,348)
Surrendered to Revenue Fund	-	(126,886)	(208,037)
Surrendered to RDP Fund/Donor	-	-	(9,350)
Current payments	-	(615,208)	(678,164)
Interest paid	-	-	(1)
Payments for financial assets	-	(11)	(3)
Transfers and subsidies paid		(6,309,774)	(6,362,175)
Net Cash Flow available from Operating Activities	5.8.48	138,091	(94 832)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of capital assets	5.8.39	(2,237)	(52,580)
(Increase)/decrease in non-current receivables	-	(1)	
Net Cash Flows from Investing Activities		(2,238)	(52,580)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets	-	2	(27)
Net Cash Flows from Investing Activities		2	(27)
Net increase/(decrease) in cash and cash equivalents	-	135,855	(147,439)
Cash and cash equivalents at beginning of period	-	3,472	150,911
Cash and Cash Equivalents at End of Period	5.8.41	139,327	3,472

5.8 NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

PART A: ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

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

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

5.8.1 Basis of Preparation

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

5.8.2 Going Concern

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

5.8.3 Representation Currency

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

5.8.4 Rounding

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

5.8.5 Foreign Currency Translation

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

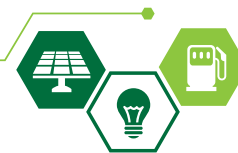
5.8.6 Comparative Information

5.8.6.1 Prior Period Comparative Information

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

5.8.6.2 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.



5.8.7 Revenue

5.8.7.1 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.

5.8.7.2 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.

5.8.7.3 Accrued Departmental Revenue

Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the Financial Statements when:

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

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

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

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

5.8.8 Expenditure

5.8.8.1 Compensation of Employees

5.8.8.1.1 Salaries and Wages

Salaries and wages are recognised in the Statement of Financial Performance on the date of payment.

5.8.8.1.2 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.

5.8.8.2 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.

5.8.8.3 Accruals and Payables not Recognised

Accruals and payables not recognised are recorded in the notes to the Financial Statements at cost at the reporting date.

5.8.8.4 Leases

5.8.8.4.1 Operating Leases

Operating lease payments made during the reporting period are recognised as current expenditure in the Statement of Financial Performance on the date of payment.

The operating lease commitments are recorded in the notes to the Financial Statements.

5.8.8.4.2 Finance Leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the Statement of Financial Performance on the date of payment.

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

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

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

5.8.9 Aid Assistance

5.8.9.1 Aid Assistance Received

Aid assistance received in cash is recognised in the Statement of Financial Performance when received. In-kind aid assistance is recorded in the notes to the Financial Statements on the date of receipt and is measured at fair value.

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

5.8.9.2 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.

5.8.10 Cash and Cash Equivalent

Cash and cash equivalents are stated at cost in the Statement of Financial Position.

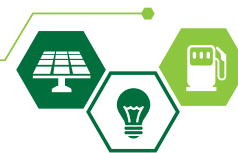
Bank overdrafts are shown separately on the face of the Statement of Financial Position as a current liability.

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.

5.8.11 Prepayments and Advances

Prepayments and advances are recognised in the Statement of Financial Position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.



5.8.12 Loans and Receivables

Loans and receivables are recognised in the Statement of Financial Position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.

5.8.13 Investments

Investments are recognised in the Statement of Financial Position at cost.

5.8.14 Financial Assets

5.8.14.1 Financial Assets (Not Covered Elsewhere)

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

5.8.14.2 Impairment of Financial Assets

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

5.8.15 Payables

Payables recognised in the Statement of Financial Position are recognised at cost.

5.8.16 Capital Assets

5.8.16.1 Immovable Capital Assets

Immovable assets reflected in the asset register of the Department are recorded in the notes to the Financial Statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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 financial statements.

5.8.16.2 Movable Capital Assets

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

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

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

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

Biological assets are subsequently carried at fair value.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

5.8.16.3 Intangible Assets

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

Internally generated intangible assets are recorded in the notes to the Financial Statements when the Department commences the development phase of the project.

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

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

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

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

5.8.16.4 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.

5.8.17 Provisions and Contingents

5.8.17.1 Provisions

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

5.8.17.2 Contingent Liabilities

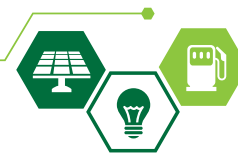
Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

5.8.17.3 Contingent Assets

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

5.8.17.4 Commitments

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



5.8.18 Unauthorised Expenditure

Unauthorised expenditure is recognised in the Statement of Financial Position until such time as the expenditure is either:

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

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

5.8.19 Fruitless and Wasteful Expenditure

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

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

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

5.8.20 Irregular Expenditure

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

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

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

5.8.21 Changes in Accounting Policies, Accounting Estimates and Errors

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

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

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

5.8.22 Events after the Reporting Date

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

5.8.23 Principal-Agent Arrangements

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

5.8.24 Departures from the MCS Requirements

That management has concluded that the financial statements present fairly the Department's primary and secondary information; that the Department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the Department has departed, the nature of the departure and the reason for departure

5.8.25 Capitalisation Reserve

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

5.8.26 Recoverable Revenue

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

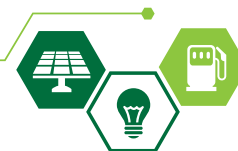
5.8.27 Related Party Transactions

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

Included in Related Party is the IPP Office (IPPO) which is established to facilitate the IPP Procurement Programmes and Interventions in accordance with government policy and the Electricity Regulation Act which falls under the mandate of the Minister's portfolio. The IPP Office is not an entity of the Department and is also not a listed entity in terms of the PFMA; however, the Department has influence over the work of the IPPO due to the nature of services of the IPPO which are derived from the mandate of the Department.

The operations of IPPO have a significant impact on the mandate of the Department and as such, it is included in the Annual Financial Statements of the Department as a related party to achieve fair presentation of the Financial Statements.

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



5.8.28 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.

5.8.29 Public-Private Partnerships

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

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

5.8.30 Employee Benefits

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

PART B: EXPLANATORY NOTES

5.8.31 Annual Appropriation

5.8.31.1 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:

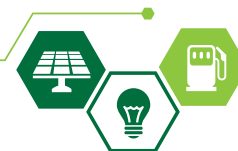
	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested/not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	293,583	306,483	(12,900)	305,329	288,888	16 441
Energy Policy and Planning	47,568	51,668	(4,100)	46,073	47,178	(1 105)
Petroleum and Petroleum Products Regulation	88,355	90,355	(2,000)	79,242	83,532	(4 290)
Electrification and Energy Programme and Project	5,274,825	5,281,825	(7,000)	5,380,591	5,383,641	(3 050)
Nuclear Energy	1,050,143	1,045,143	5,000	875,486	875,586	(100)
Clean Energy	429,083	408,083	21,000	476,811	484,707	(7 896)
Total	7,183,557	7,183,557	-	7,163,532	7,163,532	-

**All the requested funds for 2019/20 were received in full.*

5.8.32 Departmental Revenue

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	5.8.32.1	4,121	4,409
Interest, dividends and rent on land	5.8.32.2	3	12
*Transactions in financial assets and liabilities	5.8.32.3	142	48,642
Transfer received	5.8.32.4	764	1,617
Total revenue collected	-	5,030	54,680
Departmental revenue collected	-	5,030	54,680

**The significant decrease in revenue is as a result of R48,5 million refund to the Department by Eskom in 2018/19 representing unspent funds from its tenure as the implementing agent of the National Solar Water Heater Programme (NSWHP).*



5.8.32.1 Sales of Goods and Services other than Capital Assets

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services produced by the Department	-	4,116	4,407
Sales by market establishment	-	135	138
Administrative fees	-	3,835	4,134
Other sales	-	146	135
Sales of scrap, waste and other used current goods	-	5	2
TOTAL	-	4,121	4,409

5.8.32.2 Interest, Dividends and Rent on Land

	Note	2019/20	2018/19
		R'000	R'000
Interest	-	3	12
TOTAL	-	3	12

5.8.32.3 Transactions in Financial Assets and Liabilities

	Note	2019/20	2018/19
		R'000	R'000
Receivables	-	31	87
*Other Receipts including Recoverable Revenue	-	111	* 48,555
TOTAL	-	142	48,642

* Included in the 2018/19 amount for Other Receipts was a once off receipt from Eskom representing unspent funds from its tenure as the implementing agent of the national Solar Water Heater Programme (NSWHP).

5.8.32.4 Transfers Received

	Note	2019/20	2018/19
		R'000	R'000
Other governmental units	-	764	1,617
TOTAL	-	764	1,617

5.8.33 Aid Assistance

	Note	2019/20	2018/19
		R'000	R'000
Opening balance	-	-	-
Revenue	-	-	12,034
Expenditure	-	-	(2,684)
Transferred from statement of financial performance	-	-	9350
Paid during the year	-	-	(9,350)
Closing Balance	-	-	-

5.8.33.1 Aid Assistance Expenditure per Economic Classification

	Note	2019/20	2018/19
		R'000	R'000
Transfer and subsidies		-	2,684
Total Aid Assistance Expenditure		-	2,684

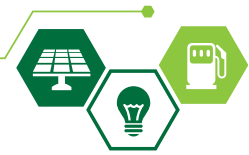
5.8.34 Compensation of Employees

5.8.34.1 Salaries and Wages

	Note	2019/20	2018/19
		R'000	R'000
Basic salary	-	242,494	235,104
Performance award	-	5,535	5,583
Service based	-	264	536
Compensative/circumstantial	-	5,740	6,584
Other non-pensionable allowances	-	58,463	57,121
TOTAL	-	312,496	304,928

5.8.34.2 Social Contributions

	Note	2019/20	2018/19
		R'000	R'000
Employer contributions	-	-	-
Pension	-	31,194	30,228
Medical	-	12,696	11,527
Bargaining council	-	52	48
TOTAL		43,942	41,803
TOTAL Compensation of Employees		356,438	346,731
Average number of employees	-	534	565



5.8.35 Goods and Services

	Note	2019/20	2018/19
		R'000	R'000
Administrative fees	-	2,676	2,270
Advertising	-	3,164	3,067
Minor assets	5.8.35.1	395	354
Bursaries (employees)	-	881	870
Catering	-	1,804	1,539
Communication	-	6,975	9,373
Computer services	5.8.35.2	13,531	11,401
Consultants: Business and advisory services	-	22,188	51,150
Legal services	-	4,658	10,345
Contractors	-	2,348	4,051
Agency and support / outsourced services	-	23	882
Entertainment	-	-	-
Audit cost – external	5.8.35.3	5,301	5,016
Fleet services	-	1,380	2,091
Consumables	5.8.35.4	2,537	3,801
Operating leases	-	36,479	47,916
Property payments	5.8.35.5	8,143	7,609
Rental and hiring	-	243	31
Transport provided as part of the Departmental activities	-	92	41
Travel and subsistence	5.8.35.6	44,495	46,035
Venues and facilities	-	5,833	6,150
Training and development	-	2,729	4,250
Other operating expenditure	5.8.35.7	92,895	113,191
TOTAL	-	258,770	331,433

5.8.35.1 Minor Assets

	Note	2019/20	2018/19
		R'000	R'000
Tangible assets	-	395	354
Machinery and equipment	-	395	354
Intangible Assets	-	-	-
TOTAL	-	395	354

5.8.35.2 Computer Services

	Note	2019/20	2018/19
		R'000	R'000
SITA computer services	-	6,089	6,108
External computer service providers	-	7,442	5,293
TOTAL	-	13,531	11,401

5.8.35.3 Audit Cost – External

	Note	2019/20	2018/19
		R'000	R'000
Regularity audits	-	4,912	4,846
*Investigations	-	-	170
Computer audits	-	389	273
TOTAL	-	5,301	5,016

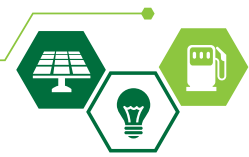
5.8.35.4 Consumables

	Note	2019/20	2018/19
		R'000	R'000
Consumable supplies	-	644	916
Uniform and clothing	-	43	9
Household supplies	-	467	523
Building material and supplies	-	26	173
Communication accessories	-	3	1
IT consumables	-	26	151
*Other consumables	-	79	59
Stationery, printing and office supplies	-	1,893	2,885
TOTAL	-	2,537	3,801

5.8.35.5 Property Payments

	Note	2019/20	2018/19
		R'000	R'000
Municipal services	-	3,154	3,742
Property management fees	-	7	2
Property maintenance and repairs	-	11	-
*Other	-	4,971	3,865
TOTAL	-	8,143	7,609

**Other property payments includes safeguard, security and cleaning Services.*



5.8.35.6 Travel and Subsistence

	Note	2019/20	2018/19
		R'000	R'000
Local	-	37,723	33,594
Foreign	-	6,772	12,441
TOTAL	-	44,495	46,035

5.8.35.7 Other Operating Expenditure

	Note	2019/20	2018/19
		R'000	R'000
Professional bodies, membership and subscription fees	-	645	664
Resettlement costs	-	133	16
*Other	-	92,117	112,511
TOTAL	-	92,895	113,191

* Other operating expenditure includes storage services, printing and publication services etc.

5.8.36 Interest and Rent on Land

	Note	2019/20	2018/19
		R'000	R'000
Interest paid	-	-	1
Rent on land	-	-	-
TOTAL	-	-	1

5.8.37 Payments for Financial Assets

	Note	2019/20	2018/19
		R'000	R'000
Debts written off	5.8.37.1	11	3
TOTAL	-	11	3

5.8.37.1 Debts Written Off

	Note	2019/20	2018/19
		R'000	R'000
Nature of Debts Written off	-	-	-
Staff debt	-	11	3
TOTAL	-	11	3

5.8.38 Transfers and Subsidies

	Note	2019/20	2018/19
		R'000	R'000
Provinces and municipalities*	5.8.64	2,086,885	2,119,501
Departmental agencies and accounts**	Annex 1B	165,916	133,391
Foreign governments and international organisations	Annex 1D	24,587	26,412
Public corporations and private enterprises**	Annex 1C	4,027,599	4,079,300
Households	Annex 1E	4,787	887
TOTAL	-	6,309,774	6,359,491

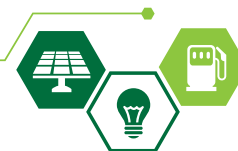
***The Department exercised its oversight role of confirming that funds transferred to municipalities and Eskom are utilised for the intended purposes, except for the funds transferred in March 2020 that exercise is in progress. Department ensured that there is compliance with DORA requirements before and after funds are transferred.*

5.8.39 Expenditure for Capital Assets

	Note	2019/20	2018/19
		R'000	R'000
Tangible Assets	-	2,237	6,141
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	5.8.39.1	2,237	6,141
Biological assets	-	-	-
Intangible Assets	-	-	46,439
*Software	5.8.39.2	-	46,439
TOTAL	-	2,237	52 580

5.8.39.1 Analysis of Funds utilised to acquire Capital Assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible Assets	2,237	-	2,237
Buildings and other fixed structures	-	-	-
Machinery and equipment	2,237	-	2,237
Intangible Assets	-	-	-
*Software	-	-	-
TOTAL	2,237	-	2,237



5.8.39.2 Analysis of Funds utilised to acquire Capital Assets – 2018/19

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible Assets	6,141	-	6,141
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	6,141	-	6,141
Biological assets	-	-	-
Intangible assets	46,439	-	46,439
*Software	46,439	-	46,439
TOTAL	52 580	-	52 580

5.8.40 Unauthorised Expenditure

5.8.40.1 Reconciliation of Unauthorised Expenditure

	Note	2019/20	2018/19
		R'000	R'000
Opening balance	-	50,604	50,604
Prior period error	-	-	-
As restated	-	50,604	50,604
Unauthorised expenditure – discovered in current year	-	-	-
Closing Balance	-	50,604	50,604
Analysis of Closing Balance	-		
Unauthorised expenditure awaiting authorisation		50,604	50,604
TOTAL	-	50,604	50,604

5.8.40.2 Analysis of Unauthorised Expenditure awaiting Authorisation per Economic Classification

	Note	2019/20	2018/19
		R'000	R'000
Current	-	34,740	34,740
Capital	-	(461)	(461)
Transfers and subsidies	-	16,325	16,325
TOTAL	-	50,604	50,604

5.8.40.3 Analysis of Unauthorised Expenditure awaiting Authorisation per Type

	Note	2019/20	2018/19
		R'000	R'000
Unauthorised expenditure relating to overspending of the a main division – Programme 1- Administration within a vote in the 2016/17 financial year	-	35,744	35,744
**Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division in the 2010/11 financial year	-	14,860	14,860
TOTAL	-	50,604	50,604

**The unauthorised expenditure incurred in 2016/17 for R35, 744 million relates to overspending in the main division of the vote in Programme 1 – Administration.*

The Department is currently putting the necessary mechanisms in place for the commencement of the required investigation/s, following which, an application for condonation will be submitted to Treasury.

***Unauthorised expenditure incurred in 2010/11 for R14, 860 million relates to overspending of the vote or main division of the vote.*

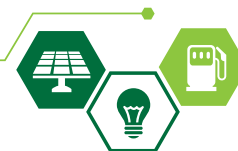
Although the matter was presented to SCOPA during the 2014/15 financial year, an outcome is still pending.

5.8.41 Cash and Cash Equivalents

	Note	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General Account	-	139,274	3,380
Cash on hand	-	46	46
Investments (Domestic)	-	7	46
TOTAL	-	139,327	3,472

5.8.42 Prepayments and Advances

	Note	2019/20	2018/19
		R'000	R'000
Travel and subsistence	-	82	65
Prepayments (Not expensed)	5.8.42.2	65,789	65 204
Advances paid (Not expensed)	5.8.42.1	604	1 385
TOTAL	-	66,475	66 654



5.8.42.1 Advances Paid (Not Expensed)

	Note	Balance as at 1 April 2019	Less: Amount Expensed in Current Year	Add or Less: Other	Add: Current Year Advances	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
National departments	-	1,385	(2,484)	-	1,703	604
TOTAL	-	1,385	(2,484)	-	1,703	604

	Note	Balance as at 1 April 2018	Less: Amount Expensed in Current Year	Add or Less: Other	Add: Current Year Advances	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
National departments		528	(5,134)	-	5,991	1,385
TOTAL		528	(5,134)	-	5,991	1,385

5.8.42.2 Prepayments (Not Expensed)

	Note	Balance as at 1 April 2018	Less: Amount Expensed in Current Year	Add or Less: Other	Add: Current Year Advances	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Goods and services	-	7	(379)	-	372	-
Transfers and subsidies	-	65,197	-	-	592	65,789
TOTAL	-	65,204	(379)	-	964	65,789

**Included in prepayments is R 65,789 million for Solar Water Heaters, the 9% payments was based on invoking clause 4.2.1.3.2 of the supply agreement and the 1% payment was as per negotiation with suppliers to address the litigation matters.*

	Note	Balance as at 1 April 2018	Less: Amount Expensed in Current Year	Add or Less: Other	Add: Current Year Advances	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	7	7
Transfers and subsidies	-	-	-	-	65,197	65,197
Capital Assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL	-	-	-	-	65,204	65,204

5.8.43 Receivables

		2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	5.8.43.1	59	-	59	1,297	-	1,297
Recoverable expenditure	-	-	-	-	-	-	-
Staff debt	5.8.43.2	146	31	177	173	30	203
TOTAL	-	205	31	236	1,470	30	1,500

5.8.43.1 Claims Recoverable

	Note	2019/20	2018/19
		R'000	R'000
National departments	-	-	1,238
Private enterprises	-	59	59
TOTAL	-	59	1,297

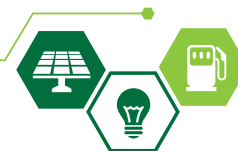
5.8.43.2 Staff Debt

	Note	2019/20	2018/19
		R'000	R'000
Sal. Pension	-	177	203
TOTAL	-	177	203

5.8.43.3 Impairment of Receivables

	Note	2019/20	2018/19
		R'000	R'000
Estimate of impairment of receivables	-	121	-
TOTAL	-	121	-

The impairment includes receivables which might not be recoverable. The amounts will be considered for write off once all due processes are complete.



5.8.44 Investments

	Note	2019/20	2018/19
		R'000	R'000
Non-Current	-	-	-
Shares and other equity	-	-	-
Nuclear Energy Corporation of South Africa	Annex 2A	2,205	2,205
TOTAL		2,205	2,205
Securities other than Shares	-	-	-
(List investments at cost)	-	-	-
TOTAL	-	-	-
Total Non-Current	-	2,205	2,205
		2019/20	2018/19
		R'000	R'000
Analysis of Non-Current Investments	-		
Opening balance	-	2,205	2,205
Additions in cash	-	-	-
Disposals for cash	-	-	-
Closing Balance	-	2,205	2,205

The Department holds 2 205 000 shares in its entity, the South African Nuclear Corporation Limited (NECSA). Investments are recorded at cost in terms of the accounting policy. Refer to Annexure 2A for the net assets value as at 31 March 2020.

5.8.44.1 Impairment of Investments

	Note	2019/20	2018/19
		R'000	R'000
Estimate of impairment of impairment	-	-	-
Closing Balance	-	-	-

NECSA investment has remained unchanged over the reporting period.

5.8.45 Voted Funds to be Surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance	-	73,293	200,775
As restated	-	73,293	200,775
Transfer from statement of financial performance (as restated)	-	256,327	73,293
Paid during the year	-	(73,293)	(200,775)
Closing Balance	-	256,327	73,293

5.8.46 Departmental Revenue and NRF Receipts to be Surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance	-	48 770	1,352
Prior period error	-	-	-
As restated	-	48 770	1,352
Transfer from Statement of Financial Performance (as restated)	-	5 030	54,680
Paid during the year	-	(53 593)	(7,262)
Closing Balance	-	207	48,770

5.8.47 Payables – Current

	Note	2019/20	2018/19
		R'000	R'000
Clearing accounts	5.8.47.1	4	68
Other payables	5.8.47.2	44	41
TOTAL	-	48	109

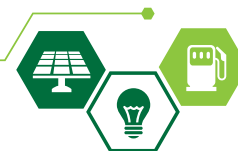
5.8.47.1 Clearing Accounts

	Note	2019/20	2018/19
		R'000	R'000
Sal: Pension Fund	-	-	3
Sal: Income tax	-	3	43
Sal: Reversal	-	1	22
TOTAL	-	4	68

***Clearing accounts include, salary reversal related transactions reversed from officials for clearing in the subsequent month. Salary Income tax is deductions payable to SARS and were not paid over in March due to system interface and cut-off date. The amounts were paid over in the subsequent month.*

5.8.47.2 Other Payables

	Note	2019/20	2018/19
		R'000	R'000
Licence fee received	-	44	41
TOTAL	-	44	41



5.8.48 Net Cash Flow Available from Operating Activities

	Note	2019/20	2018/19
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	-	261,357	137,323
Add back non cash/cash movements not deemed operating activities	-	(123,266)	(232,155)
(Increase)/decrease in receivables	-	1,265	(1,256)
(Increase)/decrease in prepayments and advances	-	179	(66,111)
(Increase)/decrease in other current assets	-	-	-
Increase/(decrease) in payables – current	-	(61)	19
Proceeds from sale of capital assets	-	-	-
Proceeds from sale of investments	-	-	-
(Increase)/decrease in other financial assets	-	-	-
Expenditure on capital assets	-	2 237	52,580
Surrenders to Revenue Fund	-	(126,886)	(208,037)
Surrenders to RDP Fund/Donor	-	-	(9,350)
Voted funds not requested/not received	-	-	-
Own revenue included in appropriation	-	-	-
Other non-cash items	-	-	-
Net Cash Flow Generated by Operating Activities	-	138,091	(94,832)

5.8.49 Reconciliation of Cash and Cash Equivalents for Cash Flow Purposes

	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster General account	139,274	3,380
Cash on hand	46	46
Cash with commercial banks (Local)	7	46
TOTAL	139,327	3,472

5.8.50 Contingent Liabilities and Contingent Assets

5.8.50.1 Contingent Liabilities

	Note	2019/20	2018/19
		R'000	R'000
Liability to Nature			
Other guarantees	Annex 3A	20,000	20,000
Claims against the Department*	Annex 3B	130,510	124,717
TOTAL	-	150,510	144,717

*The amount is an aggregation of several separate claims against the Department, wherein legal proceedings have been initiated and instituted against the Department, the Department has disputed liability.

5.8.50.2 Contingent Assets

	2019/20	2018/19
	R'000	R'000
Nature of Contingent Asset	-	-
*Possible rental overpayments for Matimba Building	12,662	12,372
**SWH units - missing components	36,499	-
TOTAL	49,161	12,372

**The possible overpayments for Matimba building was revealed in a forensic investigation report which was concluded during the year 2019 and subsequently, the report was submitted to Department of Public Works and Infrastructure (DPWI) for confirmation of the findings. The Department is disputing the current square meters of Matimba building. During the engagements, DPWI advised that The Department should not pay the full lease amount but only pay square meters indicated in the forensic report which is in line with the "trite law", pay for services utilised. The Department implemented the recommendations as outlined in the forensic report. Subsequent payments were made in line with the square meters deemed to be correct as reported in the Forensic Report. Engagements with DPWI are continuing to establish an amicable solution in this regard.*

***This matter is currently under investigation and the Department is litigating for the replacement of the missing components, to make up the complete units ready for installation.*

5.8.51.2 Capital Commitments

	Note	2019/20	2018/19
		R'000	R'000
Current Expenditure	-	-	-
Approved and contracted	-	87	46
Total Commitments	-	**87	*46

**Prior year balances were restated as per the new reporting requirement.*

*** Capital commitments for 2019/20 comprises of computer laptops.*

5.8.52 Accruals and Payables not Recognised

5.8.52.1 Accruals

			2019/20	2018/19
			R'000	R'000
Listed by Economic Classification				
	30 Days	30+ Days	Total	Total
Goods and services	13,301	13,583	26,884	*15,726
Transfers and subsidies	-	-	-	3,202
TOTAL	13,301	13,583	26,884	18,928



	2019/20	2018/19
	R'000	R'000
Programme 1: Administration	4,038	4,445
Programme 2: Energy Policy and Planning	-	436
Programme 3: Petroleum and Petroleum Products Regulation	144	495
Programme 4: Electrification and Energy Programme and Project Management	643	3,928
Programme 5: Nuclear Energy	4	8,683
Programme 6: Clean Energy	22,055	941
TOTAL	26,884	18,928

**2018/19 figures were restated with an amount of R 8 550 000*

5.8.52.2 Payables Not Recognised

			2019/20	2018/19
			R'000	R'000
Listed by Economic Classification				
	30 Days	30+ Days	Total	Total
Goods and services	-	7,743	7,743	86
Transfers and subsidies	-	-	-	9,432
TOTAL	-	7,743	7,743	9,519

	Note	2019/20	2018/19
		R'000	R'000
Listed by programme level	-	7,743	29
Programme 1: Administration	-	-	39
Programme 2: Energy Policy and Planning	-	-	-
Programme 3: Petroleum and Petroleum Products Regulation	-	-	-
Programme 4: Electrification and Energy Programme and Project Management	-	-	9,451
Programme 5: Nuclear Energy	-	-	-
Programme 6: Clean Energy	-	-	-
TOTAL	-	7,743	9,519

	Note	2019/20	2018/19
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	339	963
Confirmed balances with other government entities	Annex 5	-	1
TOTAL	-	339	964

5.8.53 Employee Benefits

	Note	2019/20	2018/19
		R'000	R'000
*Leave entitlement	-	15,663	14,737
Service bonus	-	8,845	8,482
**Performance awards	-	2,816	5,401
Capped leave commitments	-	2,694	2,823
Other	-	124	51
TOTAL	-	30,142	31,495

The leave entitlement does not include the leaves with credit balances. The leave with credit balances amounts to R 289 332,16

**The performance awards amount is based on the allowed percentage of 0.75% of the total * Compensation of employees" budget.

5.8.54 Lease Commitments

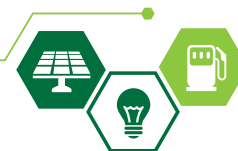
5.8.54.1 Operating Leases

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	42,854	3,367	46 221
Later than 1 year and not later than 5 years	-	-	59,622	1,512	61 134
Later than 5 years	-	-	-	-	-
Total Lease Commitments	-	-	102,476	4,880	107,355

2018/19	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	39,442	3,222	42,664
Later than 1 year and not later than 5 years	-	-	97,720	2,173	99,893
Later than 5 years	-	-	950	-	950
Total Lease Commitments	-	-	138,112	5,395	143,507

The Lease Commitment for Building and Other Fixed Structures include a lease contract for Head Office building that the Department is disputing the square meterage. The varying meterage could result in a recovery of overpayments. The forensic report was sent to Department of Public Works for confirmation of the findings.

*Commitments for building and other fixed structures will be adjusted accordingly once the over payment is agreed to. Pending the confirmation by DPW the amount has been recorded in the secondary information as Contingent Assets under note 20.



5.8.55 Accrued Departmental Revenue

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	-	5,903	4,580
TOTAL	-	5,903	4,580

5.8.55.1 Analysis of Accrued Departmental Revenue

	Note	2019/20	2018/19
		R'000	R'000
Opening balance	-	4,580	3,750
Less: amounts received	-	2,892	3,052
Add: amounts recorded	-	4,215	3,882
Closing Balance	-	5,903	4,580

5.8.56 Irregular Expenditure

5.8.56.1 Reconciliation of Irregular Expenditure

	Note	2019/20	2018/19
		R'000	R'000
Opening balance	-	264,044	89,170
Prior period error	-	-	98,380
As restated	-	264,044	187,550
Add: Irregular expenditure – relating to current year		8,555	76,494
Closing Balance	-	272,599	264,044
Analysis of Closing Balance	-		
Current year	-	8,555	76,494
Prior years	-	264,044	187,550
Total	-	272,599	264,044

**The irregular expenditure relating to prior year on NNBP was accepted and is subject to investigation.*

5.8.56.2 Details of Current and Prior Year Irregular Expenditure – Added Current Year (Under Determination and Investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20
		R'000
Procurement processes not followed	The transactions will be referred for investigation disciplinary action will follow pending investigation outcome.	5
Procurement processes not followed	The transactions will be referred for investigation.	8,550
Total	-	8,555

5.8.56.3 Prior Period Error

	2018/19 R'000
Nature of Prior Period Error	
Relating to 2017/18 (Affecting the Opening Balance)	98,380
Prior period error was due to the dispute between AG and the Department regarding non adherence to provisions of TR 16A6.6 in the procurement of the NNBP's integrated information governance process management. The Department accepted the Irregular Expenditure in 2019/20 financial year	98,380
Relating to 2018/19	64,070
Prior period error was due to the dispute between AG and the Department regarding non adherence to provisions of TR 16A6.6 in the procurement of the NNBP's integrated information governance process management. The Department accepted the Irregular Expenditure in 2019/20 financial year	64,070
Total	162,450

5.8.57 Fruitless and Wasteful Expenditure

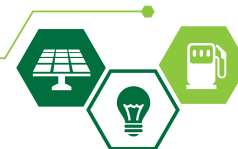
5.8.57.1 Reconciliation of Fruitless and Wasteful Expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance	-	199,290	89,143
As restated	-	199,290	89,143
Fruitless and wasteful expenditure – relating to current year	5.8.57.2	90 118	110,151
Less: Amounts recoverable	-	-	(4)
Closing Balance	-	289,408	199,290

5.8.57.2 Details of Current and Prior Year Irregular Expenditure – Added Current Year (Under Determination and Investigation)

		2019/20 R'000
Other - **Storage Services for SWH units	National Treasury has been mandated to investigate the storage costs incurred for Solar Water Heater (SWH) program.	90,116
No Shows	-	2
Total	-	90,118

*** Fruitless and Wasteful Expenditure is as a result of storage fees for SWH geysers stored at manufacturers premises pending installation. As at 31 March 2020 there were 55 059 geyser units still in the custody of the manufacturers. (Refer Annexure 6) Delivery of the geyser units to storage premises identified by the Department is in progress. Thus, storage costs will continue to be incurred in the Financial year 2020/21 as storage fees will still be paid for SWH geysers in the custody of manufacturers. Investigations are underway to determine liability and implement consequence management where applicable.*



5.8.58 Related Party Transactions

	Note	2019/20 R'000	2018/19 R'000
Guarantees issued/received	-	-	-
Guarantees issued – NECSA	-	20,000	20,000
Total	-	20,000	20,000

Entity/Departments	Relationship
CEF-State Owned Entity of Depart of Energy	State Owned Entity (SOE) of Department
Necsa-State Owned Entity of Depart of Energy	SOE of Department
NERSA-State Owned Entity of Depart of Energy	SOE of Department
NNR-State Owned Entity of Depart of Energy	SOE of Department
NRWDI-State Owned Entity of Depart of Energy	SOE of Department
SANEDI-State Owned Entity of Depart of Energy	SOE of Department
Independent Power Producers Office (IPPO)	Joint Affiliation
Council for Geoscience	An entity under control of Minister
Mintek	An entity under control of Minister
South African Diamond and Metals Regulator	An entity under control of Minister
Mine Health and Safety Council	An entity under control of Minister
State Diamond Trader	An entity under control of Minister

SFF, NECSA and PetroSA offered services to the Department for storage of solar water geyser units. At year-end and at the time of reporting there were no payments to the entities for the services.

There is a Memorandum of Agreement (MoA) between Department of Energy, the National Treasury and the Development of Southern Africa Limited (DBSA) for co-ordinated support, management and facilitation of the implementation of the Independent Power Programmes (IPP) Procurement Programmes and interventions through the IPP office, within the context of their respective statutory mandates, policy objectives, powers, functions, duties and accountability.

The Department influences the operations of the IPP Office due to the nature of service of the IPP Office which is derived from the mandate of the Department and its operations have a significant impact on the said mandate. However, there are no financial transactions between the Department and the IPP Office. The IPP Office financial statements will be consolidated in the national consolidation for entities, and subject to its own independent audit.

During 2018/19 Joint Implementation Committee resolved that the Scope of Work for the Institutionalisation of the IPP Office be approved. Further, JIC mandated the Development Bank of Southern Africa to proceed to procure services of external advisors in accordance with the approved Scope of Work.

The JIC resolved to appoint a service provider to do a business case for the institutionalisation of the IPP office as a juristic entity. The service provider made recommendations which the JIC accepted that the IPP be established in terms of Schedule 3 of the PFMA. This process will take approximately 36 months. In view of the length of time it will take, it was resolved that the IPP AFS will be appended as an Annexure to the DOE Annual report until such time that the institutionalisation process is completed.

5.8.59 Key Management Personnel

	Number of Personnel	2019/20 R'000	2018/19 R'000
*Political office bearers	2	1,040	3,974
Officials:	-	-	-
Level 15 & 16	11	16,359	16,835
Total	-	17,399	20,809

**Key Management Personnel are officials having the authority and responsibility for planning, directing and controlling the activities of the Department.*

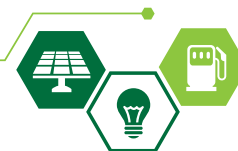
5.8.60 Non-adjusting Events After Reporting Date

	2019/20 R'000
Nature of Event	-
Total	-

**On 15 March 2020, the President of South Africa declared a National State of Disaster in terms of the Disaster Management Act, 2002 after COVID-19 was declared a world pandemic by the World Health Organisation. The National Treasury subsequently published the 2020 Special Adjustment Budget guidelines to give effect to the R130 billion baseline reprioritisation included in the President's COVID-19 response package. The Department of Mineral Resources and Energy contribution towards COVID-19 response package is R1, 574 billion – R41, 701 million from goods and services and R1, 532 billion from transfer payments. The budget cuts will necessitate adjustments to performance targets of the Department.*

From 1 April 2020 the Department of Department of Energy merged with Mineral Resources and Department of Mineral Resources and Energy was formed. The closing balances for Department of Energy will form part of the opening balances of the Department of Mineral Resources and Energy.

The Director-General of Mineral Resources was appointed the Director-General of Mineral Resources and Energy.



5.8.61 Movable Tangible Capital Assets

Movement in Movable Tangible Capital Assets per Asset Register for the Year Ended 31 March 2020					
	Opening Balance	Value Adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Heritage Assets	222	-	-	-	222
Heritage assets	222	-	-	-	222
	-	-	-	-	-
Machinery and Equipment	67,125	7	2 402	4 528	65,006
Transport assets	6,229		-	-	6,229
Computer equipment	41,366		1,860	3,788	39,438
Furniture and office equipment	13,258		335	740	12,853
Other machinery and equipment	6,272	7	207	-	6,486
Total Movable Tangible Capital Assets	67,347	7	2,402	4,528	65,228

Movable Tangible Capital Assets Under Investigation					
				Number	Value
					R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:				-	-
Heritage assets				-	-
*Machinery and equipment				10	167
Specialised military assets				-	-
Biological assets				-	-

* The above mentioned capital assets were reported missing and under investigations. The matter was reported to the Accounting Officer, the SAPS and the SSA. The investigations are still in progress.

5.8.61.1 Additions

Additions to Movable Tangible Capital Assets per Asset Register for the Year Ended 31 March 2020					
	Cash	Non-cash	(Capital Work in Progress Current Costs and Finance Lease Payments)	Received Current, not Paid (Paid Current Year, Received Prior Year)	Total
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	2,237	166	-	-	2,402
Transport assets	-	-	-	-	-
Computer equipment	1,860	-	-	-	1,860
Furniture and office equipment	335	-	-	-	335
Other machinery and equipment	41	166	-	-	207
Total Additions to Movable Tangible Capital Assets	2,237	166	-	-	2,402

5.8.61.2 Disposals

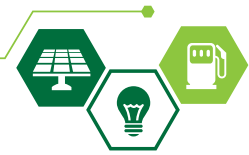
Disposals of Movable Tangible Capital Assets per Asset Register for the Year Ended 31 March 2020					
	Sold for Cash	Non-cash Disposal	Total Disposals		Cash Received Actual
	R'000	R'000	R'000		R'000
	-	-	-		-
Machinery and Equipment	-	4,528	4,528		-
Transport assets	-	-	-		-
Computer equipment	-	3,788	3,788		-
Furniture and office equipment	-	740	740		-
Other machinery and equipment	-	-	-		-
Total Disposal of Movable Tangible Capital Assets	-	4,528	4,528		-

5.8.61.3 Movement for 2018/19

Movement in Tangible Capital Assets per Asset Register for the Year Ended 31 March 2019					
	Opening Balance	Prior period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Heritage Assets	222	-	-	-	222
Heritage assets	222	-	-	-	222
Machinery and Equipment	60,381		7,676	932	67,125
Transport assets	4,005	-	2,224	-	6,229
Computer equipment	37,785	-	3,747	166	41,366
Furniture and office equipment	13,574	-	437	754	13,258
Other machinery and equipment	5,017	-	1,269	13	6,272
Total Movable Tangible Capital Assets	60,603	-	7,676	932	67,347

5.8.61.4 Minor Assets

Movement in Minor Assets per the Asset Register for the Year Ended as at 31 March 2020						
	Specialised Military Assets	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	185	8,021	-	8,206
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	395	-	395
Disposals	-	-	-	690	-	690
Total Minor Assets	-	-	185	7,726	-	7,911



	Specialised Military assets	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
Number of R1 minor assets	-	-	-	69	-	69
Number of minor assets at cost	-	-	83	4 612	-	4 695
Total Number of Minor Assets	-	-	83	4 681	-	4,764

Minor Capital Assets Under Investigation					
				Number	Value
					R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:				-	-
Intangible assets				-	-
Heritage assets				-	-
*Machinery and equipment				2	1

** The above mentioned Capital Assets were reported missing and under investigations. The matter was reported to the Accounting Officer, the SAPS and the SSA. The investigations are still in progress.*

Movement in Minor Assets per the Asset Register for the Year Ended as at 31 March 2019						
	Specialised Military assets	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	185	7,742	-	7,927
Additions	-	-	-	397	-	397
Disposals	-	-	-	118	-	118
Total Minor Assets	-	-	185	8,021	-	8,206

Movement in Minor Assets per The Asset Register for the Year Ended as at 31 March 2019						
	Specialised Military Assets	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
Number of minor assets	-	-	-	74	-	74
Number of minor assets at cost	-	-	83	4,836	-	4,919
Total Number of Minor Assets	-	-	83	4,910	-	4,993

5.8.61.5 Movable Assets Written Off

Movable Assets Written off for the Year Ended as at 31 March 2020						
	Specialised Military Assets	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	78	-	78
Total Movable Assets Written off	-	-	-	78	-	78

Movable Assets Written off for the Year Ended as at 31 March 2019						
	Specialised Military Assets	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	173	-	173
Total Movable Assets Written off	-	-	-	173	-	173

5.8.62 Intangible Capital Assets

Movement in Intangible Capital Assets per Asset Register for the Year Ended 31 March 2020					
	Opening Balance	Value Adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
*SOFTWARE	137,371	-	-	-	137,371
Total Intangible Capital Assets	137,371	-	-	-	137,371

**Intangible assets includes the amount for the NNBP systems also reported under Irregular Expenditure, a process is underway to assess use of the system in other functions within the DMRE other than sole use for Nuclear Branch as initially intended.*

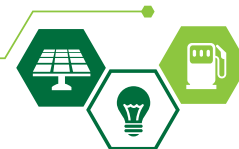
5.8.62.1 Movement for 2018/19

Movement in Intangible Capital Assets Per Asset Register for the Year Ended 31 March 2019					
	Opening Balance	Prior Period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	90,932	-	46,439	-	137,371
Total Intangible Capital Assets	90,932	-	46,439	-	137,371

5.8.63 Prior Period Errors

	Note	Amount Before Error Correction	Prior Period Error	Restated
Accruals (2018/19 figure restated, refer to note 22.1)	-	-	8,550	8,550
	-	-	8,550	8,550

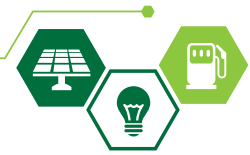
2018/19 Accrual figures were restated refer to note 5.8.52.1



5.8.64 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

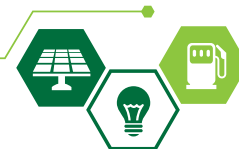
NAME OF MUNICIPALITY	2019/20						2018/19		
	GRANT ALLOCATION			TRANSFER			Division of Revenue Act	Actual Transfer	R'000
	DoRA and other Transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000		
ABAQULUSI MUNICIPALITY	19 000	-	-	19 000	19 000	-	-	15 000	15 000
ALBERT LUTHULI MUNICIPALITY	15 000	-	-	15 000	15 000	-	-	8 334	8 334
ALFRED DUMA MUNICIPALITY	11 000	-	-	11 000	11 000	-	-	14 598	14 598
ALFRED NZO DIST MUNICIPAL MUNICIPALITY	6 000	-	-	6 000	6 000	-	-	6 000	6 000
AMAHLATI MUNICIPALITY	5 500	-	(5 500)	-	-	-	-	5 000	5 000
BA-PHALABORWA MUNICIPALITY	7 000	-	-	7 000	7 000	-	-	5 000	5 000
BEAUFORT WEST MUNICIPALITY	15 400	-	-	15 400	15 400	-	-	10 000	10 000
BELA BELA MUNICIPALITY	6 000	-	-	6 000	6 000	-	-	15 580	15 580
BERGRIVIER MUNICIPALITY	6 000	-	-	6 000	6 000	-	-	3 000	3 000
BIG FIVE/HLABISA LOC MUNICIPALITY	16 000	-	-	16 000	16 000	-	-	-	-
BITOU MUNICIPALITY	6 828	-	6 000	12 828	12 828	-	-	8 000	8 000
BLOUBERG MUNICIPALITY	21 000	-	(4 000)	17 000	17 000	-	-	9 295	9 295
BLUE CRANE ROUTE MUNICIPALITY	410	-	-	410	410	-	-	6 000	6 000
BREEDE VALLEY MUNICIPALITY	10 000	-	-	10 000	10 000	-	-	5 000	5 000
BUFFALO CITY MUNICIPALITY	10 000	-	(10 000)	-	-	-	-	14 200	14 200
BUSHBUCKRIDGE MUNICIPALITY	16 008	-	(5 000)	11 008	11 008	-	-	12 000	12 000
CAPE AGULHAS MUNICIPALITY	5 000	-	1 000	6 000	6 000	-	-	7 000	7 000
CEDERBERG MUNICIPALITY	9 642	-	-	9 642	9 642	-	-	8 000	8 000
CITY OF CAPE TOWN MUNICIPALITY	10 000	-	1 065	11 065	11 065	-	-	20 000	20 000
CITY OF JOHANNESBURG MUNICIPALITY	-	-	10 000	10 000	10 000	-	-	29 748	29 748
CITY OF MATLOSANA MUNICIPALITY	5 960	-	1 000	6 960	6 960	-	-	29 000	29 000
CITY OF TSHWANE MUNICIPALITY	15 000	-	(4 000)	11 000	11 000	-	-	50 000	50 000

	2019/20						2018/19		
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld			
	R'000	R'000	R'000	R'000	R'000	R'000			
DAWID KRUIPER MUNICIPALITY	21 200	-	(4 000)	17 200	17 200	-	-	17 000	17 000
DIHLABENG MUNICIPALITY	6 000	-	5 013	11 013	11 013	-	-	10 000	10 000
DIKGATLONG MUNICIPALITY	1 500	-	-	1 500	1 500	-	-	1 000	1 000
DIPALESENG MUNICIPALITY	10 000	-	-	10 000	10 000	-	-	13 430	13 430
DITSBOTLA MUNICIPALITY	10 000	-	(10 000)	-	-	-	-	-	-
DR BEYERS NAUDE LOCAL MUNICIPALITY	-	-	-	-	-	-	-	4 500	4 500
DR JS MOROKA MUNICIPALITY	3 500	-	-	3 500	-	-	-	5 050	5 050
DR NKOSAZANA DLAMINI ZUMA MUNICIPAL	8 000	-	-	8 000	8 000	-	-	13 540	13 540
DRAKENSTEIN MUNICIPALITY	15 000	-	5 000	20 000	20 000	-	-	5 738	5 738
EDUMBE MUNICIPALITY	15 000	-	-	15 000	15 000	-	-	13 300	13 300
EKURHULENI MUNICIPALITY	13 065	-	(13 065)	-	-	-	-	59 000	59 000
ELIAS MOTSOLEDI MUNICIPALITY	24 000	-	(5 000)	19 000	19 000	-	-	14 998	14 998
ELUNDINI MUNICIPALITY	29 000	-	(8 000)	21 000	21 000	-	-	30 636	30 636
EMADLANGENI MUNICIPALITY	-	-	-	-	-	-	-	6 000	6 000
EMAKHAZENI MUNICIPALITY	10 000	-	-	10 000	10 000	-	-	9 014	9 014
EMALAHLENI MUNICIPALITY	35 010	-	-	35 010	35 010	-	-	42 000	42 000
EMFULENI MUNICIPALITY	20 000	-	(9 000)	11 000	11 000	-	-		
EMTHANJENI MUNICIPALITY	1 500	-	-	1 500	1 500	-	-	4 000	4 000
ENDUMENI MUNICIPALITY	7 000	-	-	7 000	7 000	-	-	6 930	6 930
ENGCOBO MUNICIPALITY	21 656	-	-	21 656	21 656	-	-	-	-
ENOCH MGUJIMA LOCAL MUNICIPALITY	7 448	-	(2 000)	5 448	5 448	-	-	10 162	10 162
ETHEKWINI MUNICIPALITY	15 000	-	(15 000)	-	-	-	-	41 000	41 000
FEZILE DABI DIST MUNICIPALITY	-	-	6 000	6 000	6 000	-	-	-	-



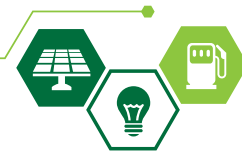
NAME OF MUNICIPALITY	2019/20						2018/19		
	GRANT ALLOCATION			TRANSFER					
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
GAMAGARA MUNICIPALITY	25 000	-	10 387	35 387	35 387	-	-	18 035	18 035
GA-SEGONYANA MUNICIPALITY	39 560	-	18 000	57 560	57 560	-	-	18 943	18 943
GEORGE MUNICIPALITY	15 044	-	2 000	17 044	17 044	-	-	20 000	20 000
GOVAN MBHEKI MUNICIPALITY	22 000	-	(6 000)	16 000	16 000	-	-	14 000	14 000
GREAT KEI MUNICIPALITY	6 400	-	-	6 400	6 400	-	-	2 000	2 000
GREATER GIYANI MUNICIPALITY	10 000	-	4 910	14 910	14 910	-	-	11 200	11 200
GREATER KOKSTAD MUNICIPALITY	13 000	-	-	13 000	13 000	-	-	17 914	17 914
GREATER LETABA MUNICIPALITY	-	-	9 285	9 285	9 285	-	-	5 983	5 983
GREATER TZANEEN MUNICIPALITY	20 000	-	-	20 000	20 000	-	-	15 996	15 996
GRTR TUBATSE/FETAKGOMO MUNICIPALITY	20 000	-	(10 000)	10 000	10 000	-	-	15 000	15 000
HANTAM MUNICIPALITY	700	-	-	700	700	-	-	-	-
HARRY GWALA DISTRICT MUNICIPALITY	-	-	7 000	7 000	7 000	-	-	-	-
HESSEQUA MUNICIPALITY	1 985	-	2 188	4 173	4 173	-	-	3 000	3 000
ILEMBE DISTRICT MUNICIPALITY	10 000	-	(2 000)	8 000	8 000	-	-	7 000	7 000
INKOSI ILANGALIBALELE MUNICIPALITY	7 000	-	-	7 000	7 000	-	-	14 000	14 000
INTSIKA YETHU MUNICIPALITY	12 033	-	-	12 033	12 033	-	-	7 592	7 592
INXUBA YETHEMBA MUNICIPALITY	10 773	-	-	10 773	10 773	-	-	7 000	7 000
JOZINI MUNICIPALITY	-	-	5 000	5 000	5 000	-	-	-	-
KAMIESBERG MUNICIPALITY	-	-	-	-	-	-	-	700	700
KANNALAND MUNICIPALITY	2 901	-	-	2 901	2 901	-	-	2 000	2 000
KAREEBERG MUNICIPALITY	-	-	-	-	-	-	-	1 000	1 000
KAROO HOOGLAND MUNICIPALITY	7 000	-	(5 000)	2 000	2 000	-	-	4 000	4 000
KGATELOPELE MUNICIPALITY	2 000	-	-	2 000	2 000	-	-	2 700	2 700
KHAI-MA MUNICIPALITY	720	-	-	720	720	-	-	1 650	1 650

NAME OF MUNICIPALITY	2019/20						2018/19			
	GRANT ALLOCATION			TRANSFER						
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
KING SABATA DALINDYEBE MUNICIPALITY	21 000	-	2 000	23 000	23 000	-	-	14 800	14 800	14 800
KNYSNA MUNICIPALITY	10 000	-	(6 000)	4 000	4 000	-	-	13 000	13 000	13 000
KOPANONG MUNICIPALITY	3 200	-	-	3 200	3 200	-	-	2 000	2 000	2 000
KOUGA MUNICIPALITY	6 002	-	1 200	7 202	7 202	-	-	10 200	10 200	10 200
KOU-KAMMA MUNICIPALITY	1 550	-	-	1 550	1 550	-	-	-	-	-
KWADUKUZA MUNICIPALITY	16 000	-	(6 000)	10 000	10 000	-	-	14 920	14 920	14 920
LAINGSBURG MUNICIPALITY	2 372	-	-	2 372	2 372	-	-	2 000	2 000	2 000
LANGEBERG MUNICIPALITY	5 000	-	-	5 000	5 000	-	-	3 000	3 000	3 000
LEJWELEPUTSWA DIST MUNICIPALITY	-	-	3 200	3 200	3 200	-	-	1 000	1 000	1 000
LEKWA MUNICIPALITY	10 050	-	(6 000)	4 050	4 050	-	-	6 000	6 000	6 000
LEKWA-TEEMANE MUNICIPALITY	4 000	-	-	4 000	4 000	-	-	9 000	9 000	9 000
LEPELLE-NKUMPI MUNICIPALITY	-	-	-	-	-	-	-	9 998	9 998	9 998
LEPHALALE MUNICIPALITY	-	-	-	-	-	-	-	16 013	16 013	16 013
LESEDI MUNICIPALITY	19 000	-	1 000	20 000	20 000	-	-	10 159	10 159	10 159
LETSEMENG MUNICIPALITY	5 200	-	-	5 200	5 200	-	-	-	-	-
MAFIKENG MUNICIPALITY	4 000	-	(4 000)	-	-	-	-	6 024	6 024	6 024
MAFUBE MUNICIPALITY	5 000	-	2 000	7 000	7 000	-	-	-	-	-
MAGARENG MUNICIPALITY	1 500	-	-	1 500	1 500	-	-	1 000	1 000	1 000
MAKANA MUNICIPALITY	-	-	-	-	-	-	-	8 000	8 000	8 000
MAKHADO MUNICIPALITY	20 000	-	-	20 000	20 000	-	-	16 913	16 913	16 913
MAKHUDUTHAMAGA MUNICIPALITY	-	-	-	-	-	-	-	12 012	12 012	12 012
MALUTI-A-PHOFUNG MUNICIPALITY	19 000	-	-	19 000	19 000	-	-	14 000	14 000	14 000
MAMUSA MUNICIPALITY	12 710	-	-	12 710	12 710	-	-	4 000	4 000	4 000



NAME OF MUNICIPALITY	2019/20						2018/19		
	GRANT ALLOCATION			TRANSFER					
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
MANDENI MUNICIPALITY	9 500	-	-	9 500	9 500	-	-	6 786	6 786
MANGAUNG MUNICIPALITY	-	-	-	-	-	-	-	15 450	15 450
MANTSOPA MUNICIPALITY	525	-	-	525	525	-	-	-	-
MAPHUMULO MUNICIPALITY	5 400	-	3 788	9 188	9 180	-	-	10 000	10 000
MASILONYANA MUNICIPALITY	3 200	-	(3 200)	-	-	-	-	-	-
MATATIELE MUNICIPALITY	70 177	-	-	70 177	70 177	-	-	41 160	41 160
MATJHABENG MUNICIPALITY	15 545	-	5 000	20 545	20 545	-	-	10 000	10 000
MATZIKAMA MUNICIPALITY	5 000	-	-	5 000	5 000	-	-	2 500	2 500
MBHASHE MUNICIPALITY	15 081	-	-	15 081	15 081	-	-	8 946	8 946
MBIZANA MUNICIPALITY	31 240	-	-	31 240	31 240	-	-	32 610	32 610
MBOMBELA MUNICIPALITY	27 010	-	8 000	35 010	35 010	-	-	31 045	31 045
MERAFONG CITY MUNICIPALITY	15 600	-	-	15 600	15 600	-	-	10 000	10 000
METSIMAHOLO MUNICIPALITY	10 000	-	-	10 000	10 000	-	-	11 650	11 650
MFOLOZI MUNICIPALITY	12 000	-	-	12 000	12 000	-	-	11 000	11 000
MHLONTLO MUNICIPALITY	11 508	-	-	11 508	11 508	-	-	4 017	4 017
MIDVAAL MUNICIPALITY	25 158	-	9 000	34 158	34 158	-	-	14 453	14 453
MKHAMBATHINI MUNICIPALITY	5 467	-	-	5 467	5 467	-	-	8 000	8 000
MKHONDO MUNICIPALITY	10 000	-	4 000	14 000	14 000	-	-	17 000	17 000
MNQUMA MUNICIPALITY	8 806	-	(7 306)	1 500	1 500	-	-	11 140	11 140
MODIMOLLE/MOOKGOPONG LOCAL MUNICIPALITY	23 000	-	-	23 000	23 000	-	-	10 000	10 000
MOGALAKWENA MUNICIPALITY	14 000	-	-	14 000	14 000	-	-	12 302	12 302
MOGALE CITY MUNICIPALITY	11 000	-	6 500	17 500	17 500	-	-	10 077	10 077
MOHOKARE MUNICIPALITY	2 211	-	-	2 211	2 211	-	-	500	500

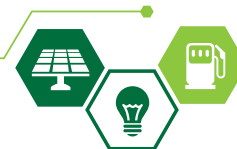
NAME OF MUNICIPALITY	2019/20						2018/19			
	GRANT ALLOCATION			TRANSFER						
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
MOSSEL BAY MUNICIPALITY	7 000	-	-	7 000	7 000	-	-	6 000	6 000	
MPOFANA MUNICIPALITY	5 000	-	-	5 000	5 000	-	-	6 984	6 984	
MSINGA MUNICIPALITY	20 000	-	-	20 000	20 000	-	-	20 700	20 700	
MSUKALIGWA MUNICIPALITY	10 000	-	-	10 000	10 000	-	-	10 075	10 075	
MSUNDUZI MUNICIPALITY	-	-	8 000	8 000	8 000	-	-	-	-	
MTHONJANENI MUNICIPALITY	15 000	-	-	15 000	15 000	-	-	15 000	15 000	
MTUBATUBA MUNICIPALITY	17 000	-	-	17 000	17 000	-	-	12 600	12 600	
MUSINA MUNICIPALITY	10 000	-	(6 900)	3 100	3 100	-	-	6 500	6 500	
NALA MUNICIPALITY	11 890	-	1 000	12 890	12 890	-	-	8 300	8 300	
NALEDI MUNICIPALITY	26 960	-	-	26 960	26 960	-	-	5 825	5 825	
NAMA KHOI MUNICIPALITY	-	-	-	-	-	-	-	4 000	4 000	
NDWENDWE MUNICIPALITY	-	-	-	-	-	-	-	6 000	6 000	
NELSON MANDELA BAY MUNICIPALITY	-	-	-	-	-	-	-	19 503	19 503	
NEW LOC MUNICIPALITY (RNDFTN & WSTNR)	30 600	-	250	30 850	30 850	-	-	16 000	16 000	
NEW LOCAL MUNICIPALITY (LIM 345)	10 000	-	-	10 000	10 000	-	-	17 000	17 000	
NEWCASTLE MUNICIPALITY	14 000	-	6 000	20 000	20 000	-	-	15 000	15 000	
NGQUSHWA MUNICIPALITY	5 160	-	-	5 160	5 160	-	-	6 332	6 332	
NGQUZA HILL MUNICIPALITY	3 182	-	-	3 182	3 182	-	-	12 350	12 350	
NGWATHE MUNICIPALITY	6 000	-	5 000	11 000	11 000	-	-	3 000	3 000	
NKANDLA MUNICIPALITY	17 000	-	-	17 000	17 000	-	-	18 000	18 000	
NKOMAZI MUNICIPALITY	15 566	-	3 000	18 566	18 566	-	-	5 000	5 000	
NONGOMA MUNICIPALITY	8 000	-	-	8 000	8 000	-	-	15 000	15 000	



NAME OF MUNICIPALITY	2019/20						2018/19			
	GRANT ALLOCATION			TRANSFER						
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
NQUTHU MUNICIPALITY	19 000	-	-	19 000	19 000	-	-	14 035	14 035	
NTABANKULU MUNICIPALITY	30 000	-	-	30 000	30 000	-	-	51 732	51 732	
NYANDENI MUNICIPALITY	15 010	-	-	15 010	15 010	-	-	18 189	18 189	
OKHAHLAMBA MUNICIPALITY	10 000	-	-	10 000	10 000	-	-	7 984	7 984	
OUTDSHOORN MUNICIPALITY	6 000	-	-	6 000	6 000	-	-	5 600	5 600	
OVERSTRAND MUNICIPALITY	7 000	-	-	7 000	7 000	-	-	4 262	4 262	
PHOKWANE MUNICIPALITY	14 458	-	-	14 458	14 458	-	-	3 200	3 200	
PHUMELELA MUNICIPALITY	5 160	-	-	5 160	5 160	-	-	-	-	
PIXLEY KA SEME MUNICIPALITY	8 468	-	-	8 468	8 468	-	-	12 375	12 375	
POLOKWANE MUNICIPALITY	46 118	-	-	46 118	46 118	-	-	46 957	46 957	
PORT ST JOHNS MUNICIPALITY	9 202	-	-	9 202	9 202	-	-	25 940	25 940	
PRINCE ALBERT MUNICIPALITY	1 100	-	-	1 100	1 100	-	-	2 500	2 500	
RAMOTSHERE MOILOA MUNICIPALITY	1 053	-	-	1 053	1 053	-	-	9 269	9 269	
RAY NKONYENI MUNICIPALITY	17 000	-	-	17 000	17 000	-	-	20 000	20 000	
RAYMOND MHLABA MUNICIPALITY	12 000	-	4 000	16 000	16 000	-	-	1 400	1 400	
RENOTSTERBERG MUNICIPALITY	2 000	-	3 000	5 000	5 000	-	-	2 000	2 000	
RICHMOND MUNICIPALITY	-	-	-	-	-	-	-	10 500	10 500	
RICHTERSVELD MUNICIPALITY	-	-	-	-	-	-	-	4 000	4 000	
RUSTENBURG MUNICIPALITY	15 410	-	-	15 410	15 410	-	-	10 038	10 038	
SAKHISIZWE MUNICIPALITY	6 949	-	(4 715)	2 234	2 234	-	-	-	-	
SALDANHA BAY MUNICIPALITY	3 000	-	(2 000)	1 000	1 000	-	-	3 000	3 000	
SENQU MUNICIPALITY	3 200	-	-	3 200	3 200	-	-	5 983	5 983	

	2019/20						2018/19		
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			Division of Revenue Act	Actual Transfer	
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld			Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000			R'000
SETSOTO MUNICIPALITY	2 600	-	-	2 600	2 600	-	-	682	682
SIYANCUMA MUNICIPALITY	9 924	-	6 000	15 924	15 924	-	-	5 000	5 000
SIYATHEMBA MUNICIPALITY	860	-	8 000	8 860	8 860	-	-	1 100	1 100
SOL PLAATJIE MUNICIPALITY	35 998	-	(11 500)	24 498	24 498	-	-	36 997	36 997
STELLENBOSCH MUNICIPALITY	15 640	-	-	15 640	15 640	-	-	5 000	5 000
STEVE TSHWETE MUNICIPALITY	8 000	-	-	8 000	8 000	-	-	9 000	9 000
SUNDAYS RIVER VALLEY MUNICIPALITY	25 000	-	(10 000)	15 000	15 000	-	-	16 731	16 731
SWARTLAND MUNICIPALITY	10 000	-	(1 000)	9 000	9 000	-	-	7 000	7 000
SWELLENDAM MUNICIPALITY	3 000	-	-	3 000	3 000	-	-	2 000	2 000
THABA CHWEU MUNICIPALITY	9 620	-	-	9 620	9 620	-	-	4 935	4 935
THABAZIMBI MUNICIPALITY	9 000	-	-	9 000	9 000	-	-	10 000	10 000
THABO MOFUTSANYANE DIST MUNICIPALITY	8 000	-	-	8 000	8 000	-	-	8 000	8 000
THEEWATERSKLOOF MUNICIPALITY	5 019	-	-	5 019	5 019	-	-	5 000	5 000
THEMBELIHE MUNICIPALITY	5 280	-	-	5 280	5 280	-	-	11 325	11 325
THEMBISILE MUNICIPALITY	-	-	5 000	5 000	5 000	-	-	-	-
THULAMELA MUNICIPALITY	25 430	-	-	25 430	25 430	-	-	35 000	35 000
TOKOLOGO MUNICIPALITY	-	-	-	-	-	-	-	3 100	3 100
TSANTSABANE MUNICIPALITY	2 000	-	-	2 000	2 000	-	-	1 000	1 000
UBUHLEBEZWE MUNICIPALITY	13 000	-	-	13 000	13 000	-	-	16 000	16 000
UBUNTU MUNICIPALITY	5 005	-	-	5 005	5 005	-	-	4 000	4 000
ULUNDI MUNICIPALITY	18 000	-	-	18 000	18 000	-	-	18 000	18 000
UMDONI MUNICIPALITY	15 000	-	-	15 000	15 000	-	-	14 000	14 000
UMHLABUYALINGANA MUNICIPALITY	19 000	-	-	19 000	19 000	-	-	22 000	22 000

NAME OF MUNICIPALITY	2019/20						2018/19		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld			
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
UMLATHUZE LOCAL MUNICIPALITY	10 000	-	(10 000)	-	-	-	-	6 000	6 000
UMLAZI MUNICIPALITY	7 000	-	-	7 000	7 000	-	-	10 000	10 000
UMNGENI MUNICIPALITY	6 000	-	-	6 000	6 000	-	-	8 000	8 000
UMSHWATHI MUNICIPALITY	5 000	-	-	5 000	5 000	-	-	10 000	10 000
UMSOBOMVU MUNICIPALITY	10 000	-	-	10 000	10 000	-	-	3 000	3 000
UMUZIWABANTU MUNICIPALITY	-	-	-	-	-	-	-	5 000	5 000
UMVOTI MUNICIPALITY	19 000	-	-	19 000	19 000	-	-	11 329	11 329
UMZIMKHULU MUNICIPALITY	13 000	-	-	13 000	13 000	-	-	15 000	15 000
UMZIMVUBU MUNICIPALITY	24 907	-	-	24 907	24 907	-	-	31 200	31 200
UMZUMBE MUNICIPALITY	15 000	-	-	15 000	15 000	-	-	14 880	14 880
UPHONGOLO MUNICIPALITY	8 500	-	-	8 500	8 500	-	-	8 500	8 500
VENTERSDORP/TLOKWE LOC MUNICIPALITY	36 855	-	1 400	38 255	38 255	-	-	31 917	31 917
WALTER SISULU MUNICIPALITY	8 514	-	-	8 514	8 514	-	-	5 231	5 231
WITZENBERG MUNICIPALITY	3 000	-	-	3 000	3 000	-	-	5 000	5 000
ZULULAND DIST MUNICIPALITY	-	-	6 000	6 000	6 000	-	-	-	-
TOTAL	2 090 393	-	-	2 090 393	2 086 885	-	-	2 119 501	2 119 501



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other Transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount Received by Municipality	Amount Spent by Municipality	Unspent Funds	% of Available funds Spent by Municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Energy Efficiency and Demand Side Management (EEDSM)	227,065	-	-	227,065	227,065	-	-	-	-	-	-	215,024	215,024
Integrated National Electrification Programme (INEP)	1,863,328	-	-	1,863,328	1,859,820	-	-	-	-	-	-	1,904,477	1,904,477
TOTAL	2 090 393	-	-	2 090 393	2,086,885		-	-	-	-	-	2,119,501	2,119,501

ANNEXURE 1B: STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

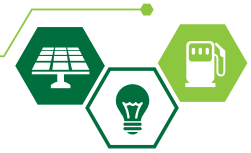
DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER			2018/19	
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation		
	R'000	R'000	R'000	R'000	R'000	%	R'000		
Chemical Industry SETA	585	-	-	585	585	100%	554		
Energy and Water SETA	585	-	-	585	585	100%	554		
National Nuclear Regulator	43,096	-	-	43,096	43,096	100%	16,510		
National Radioactive Waste Disposal Institute	47,499	-	-	47,499	47,499	100%	45,532		
SA National Energy Development Institute	74,151	-	-	74,151	74,151	100%	70,241		
TOTAL	165,916	-	-	165,916	165,916		133,391		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE 1C: STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers	4,264,484	-	(250,000)	4,014,484	4,014,484	100,0%	-	-	3,944,745
ESKOM (INEP & EEDSM)	3,374,053	-	(250,000)	3,124,053	3,124,053	100,0%	-	-	3,262,031
SA Nuclear Energy Corp LTD	890,431	-	-	890,431	890,431	100,0%	-	-	682,714
Subtotal Public Corporation									
Total	4,264,484	-	(250,000)	4,014,484	4,014,484	100,0%	-	-	3 944 745
Private Enterprises									
Transfers	222,907	-	(9,966)	212,941	13,115	6,2%	-	-	134,555
Non-grid Households	222,907	-	(9,966)	212,941	13,115	6,2%	-	-	134,555
Subtotal Private enterprise	222,907	-	(9,966)	212,941	13,115	6,2%	-	-	134,555
TOTAL	4,487,391	-	(259 966)	4,227,425	4,027,599	95,3%	-	-	4,079,300



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE 1D: STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	
						Final Appropriation R'000	
Transfers							
International Atomic Energy Agency (IAEA)	22,756	-	-	22,756	20,067	88%	24,326
The African Petroleum Producer Association APPA	3,038	-	-	3,038	2,554	84%	
Generation International Forum (GIF)	782	-	-	782	630	0%	559
International Renewable Energy Agency (IRENA)	1,201	-	-	1,201	1,336	111%	1,178
International Energy Forum (IEF)	356	-	-	356	-	0%	349
International Partnership for Energy Efficiency Cooperation (IPEEC)	1,345	-	-	1,345	-	0%	
TOTAL	29,478	-	-	29,478	24,587		26,412

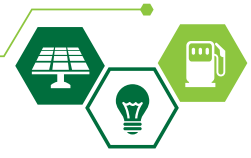
ANNEXURE 1E: STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	
Transfers							
Leave gratuity paid to employees	1,461	-	-	1,461	1,383	95%	422
Bursary non-employees	-	-	-	-	-	-	251
Post retirement benefit	-	-	-	-	-	-	-
Refund & Remission of Grace	6	-	-	6	40	667%	20
Severance package	2,925	-	-	2,925	2,402	82%	-
Donations and Gifts	109	-	-	109	74	68%	2
Claims against the State	889	-	-	889	888	100%	192
TOTAL	5,390	-	-	5,390	4,787	89%	887

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE 1G: STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2019/20	2018/19
	R'000	R'000
Made in Kind		
Purchase of electrical appliances, food package and exhibition materials etc. for events	19	-
Procurement of Ministerial corporate gifts	2	-
Purchase of gifts for long service awards	39	32
Purchase of corporate gifts and promotional materials	-	14
Purchase of consumables for Albertina Sisulu and Nelson Mandela centenary celebration	-	2
Purchasing corporate gifts on behalf of the Deputy Minister's office	-	7
Venue and consumables for school energy day in Mbombela mpumalanga	-	2
Purchase of flowers, fruit baskets, gift cards for employees at hospitals, and for memorial services	4	-
TOTAL	64	57



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE 1H: STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
		R'000	R'000
Received in Cash			
(IAEA) International Atomic Energy Agency	Request for approval for the Department of Energy to participate in the 3rd International Conference on Human Resource Development for Nuclear Power Programmes, Meeting challenges to ensure the future Nuclear workforce capability from 28-31 May 2018 in Gyeongju, Republic of Korea	-	24
(IAEA) International Atomic Energy Agency	Attendance of the Nuclear Security guidance committee meeting by the NUCLEAR NON-PROLIFR & RAD SEC from the 11 to 14 June 2018.	-	50
Sub-total		-	74
ANNEXURE 1H (continued)			
Received in Kind			
International Atomic Energy Agency (IAEA)	Attendance of technical meeting on IAEA'S tool for Radiation alarm and commodity evaluation (TRACE). Improved assessment of initial alarms and data collection for analysis of potential Nuclear Security events in dar es Salaam, United Republic of Tanzania.	Unknown	-
International Atomic Energy Agency (IAEA)	Participation at the meeting of the Technical working group on small and medium sized or Modular reactors, in Vienna, Austria.	Unknown	-
Government of the republic of Turkey	Invitation to undertake a working visit to Ankara.	Unknown	-
Russian Federation	Interregional training on stakeholder involvement in nuclear power programmes St. Petersburg Russia	Unknown	-
International Atomic Energy Agency (IAEA)	Attendance of the National liaison officers induction (NLOS) and AFRA National Co-ordinators meeting, Vienna, Austria.	Unknown	-
Renewable Energy Solutions for Africa	Training Course on the Development of Renewable Energy Solutions, Milan, Italy.	Unknown	-
Sub-total			-
TOTAL			74

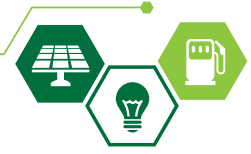
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 19/20	% Held 18/19	Number of Shares Held		Cost of Investment		Net Asset value of Investment		Profit/(Loss) for the Year		Losses Guaranteed
				R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	Yes/No
				2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	
National/Provincial Public Entity												
The South African Nuclear Corporation Limited	Schedule 2	100	100	2,205	2,205	2,205	2,205	183,118	(275,144)	47,601	(293,742)	No
Central Energy Fund (Pty)Ltd	Schedule 2	100	100	1	1	-	-	13,698,038	13,130,613	(386,124)	(440,085)	No
TOTAL				2,206	2,206	2,205	2,205	13,881,156	12,855,469	(338 523)	(733,827)	-

ANNEXURE 2B: STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of Business	Cost of investment		Net Asset Value of Investment		Amounts Owng to Entities		Amounts Owng by Entities	
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
		2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Controlled Entities									
Central Energy Fund (Pty)Ltd	Financing and promotion of the acquisition of, research into and exploitation of energy related products and technology	-	-	13,698,038	13,130, 613	-	-	-	-
TOTAL				13,698,038	13,130, 613				



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE 3A: STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 – LOCAL

Guarantor Institution	Guarantee in Respect of	Original Guaranteed Capital Amount	Opening Balance 1 April 2019	Guarantees Draw Downs During the Year	Guarantees Repayments/Cancelled/Reduced During the Year	Revaluation Due to Foreign Currency Movements	Closing Balance 31 March 2020	Revaluations due to inflation rate Movements	Accrued Guaranteed Interest for Year Ended 31 March 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	NECSA	20,000	20,000	-	-	-	20,000	-	-
	TOTAL	20,000	20,000	-	-	-	20,000	-	-

ANNEXURE 3B: STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

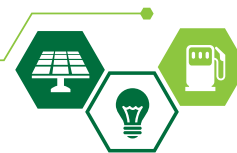
Nature of Liability	Opening Balance		Liabilities incurred During the Year	Liabilities paid/Cancelled/Reduced During the Year	Liabilities Recoverable (Provide Details hereunder)	Closing Balance
	1 April 2019					
	R'000		R'000	R'000	R'000	R'000
	Claims against the Department	-		-	-	-
Claims against the Department	124,717	124,717	10,378	4,585	-	130,510
TOTAL		124,717	10,378	4,585	-	130,510

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE 4: CLAIMS RECOVERABLE

Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total		Cash in Transit at Year End 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Receipt Date up to six (6) working Days After Year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Water and Sanitation	-	1,238	-	-	-	1,238	-	-
	-	1,238	-	-	-	-	-	-
Other Government Entities								
South Africa Post Office	59	59	-	-	59	59	-	-
TOTAL	59	1,297	-	-	59	1,297	-	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE 5: INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		TOTAL		Cash in Transit at Year End 2019/20	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment Date Up to Six (6) Working Days Before Year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
South Africa Police Services	-	51	-	-	-	51	-	-
Gauteng Provincial Government (G-Fleet)	339	-	-	-	339	-	-	-
Department of Public Works	-	31	-	-	-	31	-	-
Department of Justice and Constitutional Development	-	43	-	-	-	43	-	-
Gauteng Department of Transport (G-FLEET)	-	461	-	-	-	461	-	-
Gauteng Department of Health	-	7	-	-	-	7	-	-
Department of Mineral Resources	-	370	-	-	-	370	-	-
Sub-total	339	963	-	-	339	963	-	-
OTHER GOVERNMENT ENTITY								
Current								
Deeds Registration Trading Account (Petroleum)	-	1	-	-	-	1	-	-
TOTAL	339	964	-	-	339	964	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

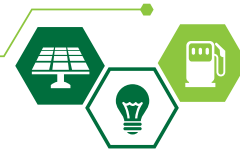
FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE 6: INVENTORIES

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2020				
	Note	Quantity	Solar Water Geyser Unit R'000	TOTAL
Opening balance	-	6,828	61,745	61,745
Add/(Less): Adjustments to prior year balance	-	-	-	-
Add: Additions/Purchases – Cash	-	-	-	-
Add: Additions - Non-cash	-	20 422	152 414	152 414
(Less): Disposals	-	-	-	-
(Less): Issues	-	-	-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-
Add/(Less): Adjustments	-	-	-	-
Closing Balance	-	27,250	214,159	214,159

The Department procured 87 206 solar water geyser units from various manufactures/suppliers from the financial years 2016/17 to 2017/18 and the expenditure were expensed in the same period/s. The units were held in storage at manufacturer's premises, at which point all the risk and rewards are with the manufactures/ suppliers until the Department takes delivery. The Department took the units into its custody in the financial years, 2019/20 and 2018/19 as stated in the table above. Thus, transferring the risk and rewards to the Department. The geyser units in the custody of the Department are currently accounted for as inventory in the financial statements, pending installation of the units while being stored in government premises and various municipalities with less storage costs. As at 31 March 2020 there were 55 059 geyser units still in the custody of the manufacturers/suppliers. (Refer note 5.8.57)

Department learnt that one of the supplier experienced theft and losses of components of the geyser units before transferring custody to Department. The Department took custody of the geysers, however, the units are not accounted for in the above amount, as the missing components/units could not be quantified and valued. Investigations are underway to determine quantities and values. The Supplier had a contract to supply 5100 units with a total contract value of R38, 037 million. The matter has been referred to the State Attorney for litigation.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2019				
	Note	Quantity	Solar Water Geyser Unit R'000	TOTAL
Opening balance	-	-	-	-
Add/(Less): Adjustments to prior year balance	-	-	-	-
Add: Additions/Purchases – Cash	-	-	-	-
Add: Additions - Non-cash	-	-	-	-
(Less): Disposals	-	-	-	-
(Less): Issues	-	-	-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	6,828	61,745	61,745
Add/(Less): Adjustments	-	-	-	-
	-	-	-	-
Closing Balance	-	6,828	61,745	61,745

ANNEXURE 8A: INTER-ENTITY ADVANCES PAID (NOTE 5.8.42)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	604	1,385	-	-	604	1,385
TOTAL	604	1,385	-	-	604	1,385



PART F

ANNEXURES





THE INDEPENDENT POWER PRODUCERS OFFICE UNAUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Independent Power Producers Office ("IPP Office") manages the Independent Power Producers Procurement Programmes and related interventions and mandates, on behalf of the Department of Mineral Resources and Energy.
Business address	The IPP Office Building 9, Byls Bridge Office Park Cnr Jean & Olievenhoutbosch Ave Centurion 0157
Level of assurance	These annual financial statements have not been audited or independently reviewed.
Preparer	The annual financial statements were internally compiled by: RAIN Chartered Accountants Incorporated Chartered Accountants
Legal Form	Unincorporated and unlisted entity (i.e. not a juristic person) managing the Independent Power Producers Procurement Programme of the Department of Mineral Resources and Energy
Approval	The Annual Financial Statements were duly approved by the members of the Joint Implementation Committee (JIC) as indicated on the approval of financial statements page below.



The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Joint Implementation Committee approval of annual financial statements

The Memorandum of Agreement that established the IPP Office provides for oversight by the Joint Implementation Committee (JIC). The JIC resolved to approve the annual financial statements for the year ended 31 March 2020, set out on pages 4 to 32, at the JIC meeting dated 03 September 2020 and are signed by:

Adv. Thabo Mokoena
Director General
Department of Mineral Resources & Energy
(Duly authorised representative)

Tshisang Moleke
Chief Director: Public Private Partnerships Unit
National Treasury
(Duly authorised representative)

Mohale Rakgato
Group Executive: Project Preparation
Development Bank of Southern Africa Limited
(Duly authorised representative)

Practitioner's Compilation Report

To the management of The Independent Power Producers Office

We have compiled the annual financial statements of The Independent Power Producers Office, as set out on pages 5 - 33, based on the information you have provided. These annual financial statements comprise of The Independent Power Producers Office as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

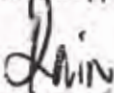
Our engagement was performed in accordance with the award letter dated 24 July 2020. The work performed to assist management with the preparation of the annual financial statements does not constitute an audit conducted in accordance with generally accepted auditing standards or other assurance, review or related services in accordance with standards established by the International Auditing and Assurance Standards Board. Accordingly, we do not express an opinion or any other form of assurance on the financial statements of the entity or any financial or other information of the entity.

Our work does not include the provision of legal advice and we make no representations regarding questions of legal interpretation of any possible structure or strategy. We make no representation regarding the sufficiency of our work either for purposes for which this work product has been requested or for any other purpose. The sufficiency of the work we performed is solely the responsibility of the IPP Office, as are any decisions with respect to the proposed accounting treatment, presentation and disclosure of any balances, events or transactions.

To the extent we provide observations as to what may be the views of the IPP Office's independent auditor, such observations may have been made without having any discussion with the company's independent auditor and may not reflect their actual views on a particular topic or issue. You are responsible for obtaining the concurrence of your independent auditor on the appropriateness of the accounting policies that you have selected and the related financial statement disclosures.

The determination of whether or not a particular transaction structure or strategy should be implemented is the sole responsibility of the IPP Office's management. The accounting under International Financial Reporting Standards and disclosure under the Public Finance Management Act is the responsibility of the management of the IPP Office.

It is understood that this work product and any related audit readiness observations is solely for the information of the IPP Office. Therefore, these draft financial statements, or portions thereof, should not be referred to or distributed to any other person or entity, other than the IPP Office's auditors and legal counsel. It is not to be referred to or quoted, in whole or in part, in any registration statement, prospectus, public filing, loan agreement, or other agreement or document without our prior written approval.



RAIN Chartered Accountants Incorporated
Chartered Accountants (S.A)
Per: I.E. Pierce
Johannesburg
23 September 2020

RAIN Chartered Accountants Inc

Director: Ian Pierce

Registration number : 2000/023955/2

P O Box 1006 Saxonwold 2132 Johannesburg South Africa

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The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Statement of financial position as at 31 March 2020

Figures in Rand

	Notes	2020 Unaudited	2019 Unaudited
Assets			
Non-Current Assets			
Property and equipment	3	13 346 505	23 249 201
Right-of-use assets	4	18 986 898	-
Intangible assets	5	2 335 489	2 739 547
		34 668 892	25 988 748
Current Assets			
Trade and other receivables	6	4 986 988	9 522 507
Contract assets	7	-	94 165 305
Short term investments	8	284 208 000	353 259 878
Other financial assets	9	80 000	80 000
Prepayments	10	349 181	105 553
Cash and cash equivalents	11	73 660 527	94 891 595
		363 284 696	552 024 838
Total Assets		397 953 588	578 013 586
Equity and Liabilities			
Equity			
Retained income		352 708 889	551 097 870
Liabilities			
Non-Current Liabilities			
Lease liabilities		-	2 628 476
Current Liabilities			
Trade and other payables	12	21 380 575	18 194 035
Lease liabilities		20 330 124	2 559 205
Contract Liabilities	13	3 534 000	3 534 000
		45 244 699	24 287 240
Total Liabilities		45 244 699	26 915 716
Total Equity and Liabilities		397 953 588	578 013 586

The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Statement of comprehensive income and other comprehensive income as at 31 March 2020

Figures in Rand	Notes	2020 Unaudited	2019 Unaudited
Revenue from contracts with customers	14	-	663 395 453
Transaction advisor and consultant expenses	15	(68 540)	(903 579)
Other operating income	16	58 240	192 808
Foreign exchange gains (losses)		181	(4 361)
Other operating expenses		(237 377 392)	(170 391 572)
Operating (loss) profit	17	(237 387 511)	492 288 749
Interest income calculated using the effective interest rate	18	43 767 865	37 776 465
Interest expenses calculated using the effective interest rate		(4 769 336)	(31 763)
(Loss) profit for the year		(198 388 982)	530 033 451
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(198 388 982)	530 033 451



The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Statement of changes in equity for the year ended 31 March 2020

Figures in Rand	Retained income	Total equity
Balance at 01 April 2018	21 064 419	21 064 419
Profit for the year	530 033 451	530 033 451
Other comprehensive income	-	-
Total comprehensive income for the year	530 033 451	530 033 451
Unaudited balance at 01 April 2019	551 097 871	551 097 871
Loss for the year	(198 388 982)	(198 388 982)
Other comprehensive income	-	-
Total comprehensive loss for the year	(198 388 982)	(198 388 982)
Unaudited balance at 31 March 2020	352 708 889	352 708 889

The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Statement of cash flows for the year ended 31 March 2020

Figures in Rand	Notes	2020 Unaudited	2019 Unaudited
Cash flows from operating activities			
Cash receipts from customers		143 186	561 834 611
Cash paid to suppliers and employees		(102 429 973)	(142 943 591)
Net cash (utilised by) /generated from operating activities		(102 286 787)	418 891 020
Cash flows from investing activities			
Purchase of property and equipment	3	(45 623)	(1 506 694)
Sale of property and equipment	3	139 855	-
Purchase of intangible assets	5	(42 735)	(109 143)
Short term (investments)		-	(476 205 604)
Short term withdrawals		69 051 878	122 945 726
Foreign exchange gain		181	-
Interest received		43 767 865	21 613 701
		-	-
Net cash from investing activities		112 871 421	(333 262 014)
Cash flows from financing activities			
Payment on lease liabilities		(31 815 702)	-
(Decrease)/increase in cash and cash equivalents for the year		(21 231 068)	85 629 006
Cash and cash equivalents at beginning of the year		94 891 595	9 262 589
Cash and cash equivalents at end of the year	11	73 660 527	94 891 595



The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Accounting policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Statement of compliance

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of measurement

The Annual Financial Statements have been prepared on the historical cost basis, except for the following items which were measured at fair value;

- Financial instruments held at fair value through profit or loss.

The Annual Financial Statements have been prepared on a going concern basis.

Presentation of Annual Financial Statements

The IPP Office presents its statement of financial position in order of liquidity as it provides information that is more reliable and relevant to the users of the financial statements. Financial assets and financial liabilities are generally reported at their net carrying amount in the statement of financial position. They are only offset when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the IPP Office and/or its counterparties.

Income and expenses are presented on a net basis only when permitted under IFRS.

The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Accounting policies

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant judgements and estimates include:

Scope of the reporting entity

The Independent Power Producers Office ("IPP Office"), which manages the Independent Power Producer Procurement Programme (IPPPP) of the Department of Mineral Resources and Energy (DMRE), is managed as a stand-alone unincorporated and unlisted entity with its own management structure and management accounts. It was formed through a tripartite Memorandum of Agreement (MOA) between the DMRE (as programme owner), the National Treasury as represented by the Government Technical Assistance Centre (GTAC) (as the treasury function), and the Development Bank of Southern Africa Limited (DBSA) (as the administrative agent and host of the IPP Office). The Joint Implementation Committee (JIC), which consists of representatives of the three parties is the governance oversight structure of the IPP Office. The management of the IPP Office is responsible for preparing the Annual Financial Statements in accordance with generally accepted accounting principles applied in accordance with the policies of the DBSA, namely IFRS. These financial statements only include the assets and liabilities ring-fenced through the MOA from the other assets and/or liabilities of the DMRE, DBSA and GTAC. Note however that, as the IPP Office is currently not an incorporated legal entity, it cannot own its own assets or be held liable for obligations as a juristic person. These financial statements provide financial information of the financial position, performance and cash flow for the IPP Office as a ring-fenced silo or reporting entity. To give effect to this principle, the ring-fenced assets and liabilities of the IPP Office can be described as follows:

- Cash equivalents and short term investments of the IPP Office are held and administered by GTAC and the DBSA, but in ring-fenced bank accounts used solely for receipt of income and reimbursement of expenditure associated with the IPP Office and incurred by the IPP Office in the execution of its mandates.
- The procurement of assets, goods and services is done through the DBSA (acting as an agent of the IPP Office) on behalf of the IPP Office and payment of suppliers for such items is made from the ring-fenced bank accounts. Notwithstanding their legal form, all related expenditure and asset purchases are in substance under the control of and exclusively for the benefit, use and consumption of the IPP Office and its staff in the execution of its mandate. All property and equipment, including leased assets, procured on behalf of the IPP Office is held at the IPP Office's premises. The IPP Office is also responsible for asset management and ensuring and maintaining adequate insurance cover for all assets and liabilities of the IPP Office.
- Where trade receivables or other financial assets arise relating to revenue, other income or amounts receivable associated to the IPP Office, the cash subsequently received is deposited into the ring-fenced bank accounts for future use by the IPP Office, and no other party has any legal claims against such amounts held on behalf of the IPP Office.
- The IPP Office is responsible for record-keeping, in its own separate set of accounts, of all transactions, including the resulting assets, liabilities, income and expenditure, entered into on its behalf in the execution of its mandate.

Control over and accountability for these assets and liabilities is therefore assumed, for the purposes of these financial statements to vest in the management of the IPP Office. Consequently:

- The readily available cash resources held by GTAC and the DBSA on behalf of the IPP Office are classified in these financial statements as cash and cash equivalents (rather than receivables) and finance income and bank charges relating to these accounts are recognised as income or expenditure of the IPP Office.
- Assets, goods and services (and related expenditure) procured under the legal name of the DBSA are recognised as assets or expenditure of the IPP Office, and where supplier payment is outstanding, the related trade payable is recognised as a liability in the financial statements of the IPP Office. Prepayments relating to the procurement of assets, goods and services on behalf of the IPP Office are also recognised as that of the IPP Office.
- Any accruals, provisions and contingent liabilities arising from transactions entered into in the execution of the IPP Office mandate are also recognised or disclosed as liabilities of the IPP Office.
- The IPP Office reimburses DBSA for employee costs in respect of staff employed by the DBSA to work fulltime at the IPP Office and these costs are recognised as employee costs of the IPP Office.
- Revenue and other income, including finance income, arising from the mandate and activities of the IPP Office and related trade receivables and other financial assets are also recognised in the financial statements of the IPP Office.

The effect of these judgements is that the IPP Office is treated as a stand-alone entity for financial reporting purposes, similar to a government business enterprise. Any further clarification of the entity's legal status or amendments to its role and mandate in the future may impact these judgements accordingly, which may necessitate adjustments to these financial statements.

Lease Liabilities

For leases with the option to extend or terminate, the IPP Office assumes that it will choose not to exercise its option to renew or terminate the contract therefore implying that the leases will be applicable until the end of the original contract.



The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Accounting policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Depreciation and amortisation

Management estimates the useful life and residual values of property and equipment, and intangible assets based on the information available at the time of making the estimate. Management revises these estimates on an annual basis where new information becomes available. Changes in accounting estimates are accounted for on a prospective basis in the year of assessment.

Provisions and contingencies

Management's judgement is required when recognising and measuring provisions. Provisions are discounted where the effect of discounting is material. Contingent liabilities may arise from the ordinary course of business in relation to claims against the IPP Office. By their nature, contingencies will be resolved only when one or more uncertain future events occurs or fails to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Revenue from contracts with customers - IFRS 15

The following judgements were applied that significantly impact the recognition of revenue from contracts with customers:

Identification of the customer and the contract

The IPP Office manages the Independent Power Producers Procurement Programmes and related interventions and mandates, on behalf of the DMRE. In doing so, the IPP Office becomes entitled to its revenue primarily through the agreements signed between Independent Power Producers and the DMRE. Although the IPP Office is not a signatory to these agreements, the agreements provide for development fee revenue and economic development performance penalties to be paid by Independent Power Producers to the ring-fenced bank account of the IPP Office. The IPP Office has determined these agreements to be the relevant contracts that give rise to revenue from customers, and establish the Independent Power Producers as the customers of the IPP Office.

Determining performance obligations

In delivering on its mandate for the procurement and contract management of Independent Power Producers, the IPP Office conducts the following core activities:

- Conceptualise and conduct the procurement programmes;
- Prepare and negotiate the Power Purchase Agreements;
- Prepare and negotiate the other Agreements and facilitate the satisfaction of any conditions precedent to financial close; and
- Monitor, evaluate, as well as contract manage the implementation of the Implementation Agreement.

Upon consideration of these activities, the IPP Office has defined its performance obligations to customers as:

- The provision of tender documents to interested parties; and
- Preparing all documentation required to enable financial close for successful bidders;
- Monitoring, evaluation and contract management of implementation agreements signed by successful Independent Power Producers.

Determining the timing of satisfaction of performance obligations

Tender document sales revenue is recognised when tender documents are delivered to interested parties. When successful bidders reach the financial close milestone, the IPP Office recognises development fee revenue. The IPP Office has determined that the monitoring, evaluation and contract management of implementation agreements is an insignificant performance obligation. Its performance obligation to Independent Power Producers in respect of development fee revenue is substantially delivered upon successful financial close.

Determining the transaction price and allocating the transaction price to performance obligations

Since each performance obligation has a distinct revenue stream, no significant judgements and estimation was required to determine the transaction price and allocate it to performance obligations. The accounting policy note for revenue describes the accounting for each revenue stream.

Expected credit losses

At any time, the IPP's debtors book consists of only a small number of debtors that the IPP Office has direct access to communicate with. Expected credit losses are determined by considering the expected amount to be paid by each debtor individually. Debtors are considered in default once they have missed a payment. At each reporting date the IPP Office considers each debtor's payment behaviour, circumstances and knowledge it has from interactions with the debtor, and exercises judgement in determining whether the debtor is an expected credit loss, and the timing and amount of the payments expected to be made by each debtor.

The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Accounting policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Development Fee Trade Debtors

Development fee Trade Debtors are raised on the date of the successful bidders' acceptance of the project (at Financial Close when signing the various agreements). Development fees are payable within the ten business days after the date of the successful bidder's acceptance of the project, as specified in the Implementation agreement. The Implementation Agreement contains a clause that if payment is not received within 10 business days, interest is levied at the prescribed rate of interest compounded monthly, until payment is received. The IPP Office generally expects to receive payment within 10 days of Financial Close. In the event of a bidder defaulting on this arrangement, this will be regarded as an Expected Credit Loss and a Provision will be raised against the Principal Debt plus interest at the prescribed rate.

Economic Development Fee Debtors

If there is a discrepancy between the actual performance and agreed upon performance as per the Implementation Agreement, the Independent Power Producer is required to pay an Economic Development Performance Penalty based on the calculation stated in the Implementation Agreement. Revenue is recognised and invoiced at the point in time when the IPP Office has assessed compliance with the Economic Development Performance obligations. The penalties are payable within 15 working days from invoice date. If payment is not received within this time, interest is levied at the prescribed rate of interest until payment is received. The IPP Office generally expects to receive payment within 15 days of assessing compliance. In the event of a bidder defaulting on this arrangement, this will be regarded as an Expected Credit Loss and a Provision will be raised against the Principal Debt plus interest at the prescribed rate.

1.3 Property and equipment

Property and equipment are tangible assets which the IPP Office holds for its own use and which are expected to be used for more than one year.

An item of property and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the IPP Office, and the cost of the item can be measured reliably.

Property and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the IPP Office. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 to 9 years
Computer equipment	Straight line	4 to 9 years
Leasehold improvements	Straight line	Lease period*
Security systems	Straight line	5 years
Motor vehicles	Straight line	7 years

*Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Assets under construction (work-in-progress) are not depreciated. Depreciation of assets under construction (work-in-progress) will commence when the asset is available for use and is transferred from work-in-progress to the relevant asset category.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.



The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Accounting policies

1.3 Property and equipment (continued)

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale,
- there is an intention to complete and use or sell it,
- there is an ability to use or sell it,
- it will generate probable future economic benefits,
- there are available technical, financial and other resources to complete the development and to use or sell the asset,
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

The Independent Power Producers Office

Annual Financial Statements for the year ended 31 March 2020

Accounting policies

1.4 Intangible assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Research and development costs

Research and development costs relate to the CRM system (see below). Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the IPP Office can demonstrate:

- It is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recognised in profit or loss. During the period of development, the asset is tested for impairment annually.

CRM system

The Microsoft Dynamics CRM System was developed by a third party based on the IPP Office's needs and specifications to assist with the procurement function. There are no restrictions on the use of the system by the IPP Office and ownership of the system has been transferred to the IPP Office.

The CRM system is recognised as an intangible asset and the development cost of the system is capitalised when incurred. Subsequent costs are capitalised if they meet the criteria for recognition of development cost.

Website

A website was developed to assist the IPP Office in the procurement and bidding process. The website provides background information on the IPP Office and information on bid windows. The costs associated with the development of the website to generate future economic benefits cannot be distinguished from the costs relating to the dissemination of information and therefore costs associated with development and maintenance of the website are recognised as an expense when incurred.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	1 - 9 years
CRM systems	Straight line	4 - 6 years



Accounting policies

1.5 Financial instruments

Financial assets and financial liabilities are recognised in the IPP Office's statement of financial position when the IPP Office becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Classification at initial recognition

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. The IPP Office's financial assets give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. Additionally, the entity's financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. At initial recognition, all financial assets are therefore classified as subsequently measured at amortised cost. IPP Office's financial liabilities are classified at initial recognition as subsequently measured at amortised cost.

Initial measurement

The IPP Office initially measures financial instruments at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The only exception is trade receivables for which the entity has applied the practical expedient under IFRS 15. These trade receivables are measured at the transaction price determined under IFRS 15.

Financial instruments consist of cash and cash equivalents, trade receivables, other receivables, short-term investments and other assets, trade and other payables

Financial assets

Trade and other receivables

Trade and other receivables are measured at amortised cost less an allowance for expected credit losses as they meet the objective of collecting cash flows over their life. They generally do not contain a significant financing component. The provision for Expected Credit Losses is determined by applying a simplified approach equaling the lifetime ECL. The IPP Office shall only write off a bad debt when all reasonable steps have been taken to recover the debt. Write-offs are presented under ECL on financial assets. Any recoveries due to enforcement activities are treated as bad debt recovered in the year in which the recoveries are made.

Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, current accounts, call deposits and fixed deposits held and administered on behalf of the IPP Office in ring fenced accounts by GTAC and the DBSA, all of which are considered to be highly liquid and available for use by the IPP Office unless otherwise stated. Cash and cash equivalents are subsequently measured at amortised cost. The IPP Office does not have any overdraft facilities.

Short term investments

Short term investments relate to investments in money market instruments and fixed deposits which include short-term investments held on behalf of the IPP Office by GTAC. Short term investments are subsequently measured at amortised cost using the EIR method, less impairment. The unwinding of interest on these investments is included in finance income in profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Other financial assets

Other financial assets relate to deposits paid. They are subsequently measured at amortised cost using the EIR method, less impairment. The unwinding of interest on these financial assets is included in finance income in profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities

Trade and other payables

Trade and other payables, which are primarily settled on 30 day terms, are subsequently measured at amortised cost using the EIR method.

Impairment of financial assets

The IPP Office recognises an allowance for expected credit losses (ECLs). ECLs are recognised using a provision for expected credit loss account in profit or loss. For trade receivables and other assets only, the IPP Office applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables if there is no significant financing component. Under this approach the tracking of changes in credit risk is not required; instead lifetime ECLs are recognised. Expected credit losses are recognised in profit or loss. Financial assets measured at amortised cost present the Loss allowances for ECL in the statement of financial position as a deduction from the gross carrying amount of the assets.

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1.5 Financial instruments (continued)

The IPP Office considers a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full within the agreed due date. When an asset is uncollectable, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

Derecognition

Financial assets

The IPP Office's accounting policy under IFRS 9 remains the same as it was under IAS 39. Financial assets are written off either partially or in their entirety only when the IPP Office has stopped pursuing the recovery of the financial asset.

Financial liabilities

The IPP Office derecognises financial liabilities when, and only when, the IPP Office's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Assets held by the IPP Office under leases that transfer to the IPP Office substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the IPP Office's statement of financial position. Costs incurred under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

1.7 Impairment of non-financial assets

At each reporting date, management reviews the carrying amounts of its property and equipment, and intangible assets to determine whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, management estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

The Independent Power Producers Office

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Accounting policies

1.8 Employee benefits

Short-term employee benefits

The IPP Office recognises the undiscounted amount of short-term employee benefits (those payable wholly within 12 months after the service is rendered, such as salaries, wages and bonuses) as an expense in the period in which the service is rendered. The expected cost of short-term employee benefits in the form of compensated absences (such as annual leave and sick leave) is recognised as follows:

- in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and;
- in the case of non-accumulating compensated absences, when the absences occur.

1.9 Revenue from contracts with customers

Revenue from contract with customers – Accounting policy under IFRS 15

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Refer also to disclosure of significant judgements and sources of estimation uncertainty, which describes the significant judgements made in accounting for revenue from contracts with customers.

Tender document sales

Revenue from tender document sales is recognised at a point in time when tender documents are provided to the customer. Tender documents are provided to the customer immediately upon receiving payment.

Development fee income

Development fee revenue is recognised in full at a point in time, on the date of the successful bidders' acceptance of the project (at Financial Close when signing the various agreements). No further obligation is due to the customer after this date. The fees are payable within the specific number of days after the date of the successful bidder's acceptance of the project, as specified in the relevant agreement. If payment is not received within 10 business days, interest is levied at the prescribed rate of interest until payment is received. The entity generally expects to receive payment within 10 days of Financial Close, therefore the revenue amount is not adjusted for any significant financing component.

Economic Development Performance Penalties

In terms of the Implementation Agreement with the Independent Power Producers, the Independent Power Producers have Economic Development Obligations they commit to at the beginning of each project. At the end of the construction measurement period and thereafter at the end of each Contract Year in the operations period, an assessment of the compliance with the Economic Development obligations is made by the IPP Office. If there is a discrepancy between the actual performance and agreed upon performance as per the Implementation Agreement, the Independent Power Producer is required to pay an Economic Development Performance Penalty based on the calculation stated in the Implementation Agreement. Revenue is recognised and invoiced at the point in time when the IPP Office has assessed compliance with the Economic Development Performance obligations. The penalties are payable within 15 working days from invoice date. If payment is not received within this time, interest is levied at the prescribed rate of interest until payment is received. The entity generally expects to receive payment within 15 days of assessing compliance, therefore the revenue amount is not adjusted for any significant financing component.

Net interest income

Interest income and expenses are recognised in profit or loss using the effective interest method. The EIR is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability

Other income

Other income includes cost recoveries, rental income and gains or losses on the disposal of assets

The Independent Power Producers Office

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Accounting policies

1.10 Translation of foreign currencies

Foreign currency transactions

The IPP Office's functional and presentation currency is South African Rand.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transactions

Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition.

Foreign currency balances

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.11 Related party disclosures

The IPP Office applies the exemption available to government-related entities in paragraph 25 of IAS 24: Related Party Disclosures for disclosure of its related party transactions and balances. Certain disclosures are however still required when the exemption is applied. Refer to the Related Parties note for the required related party disclosures.



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2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 01 April 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 does not result in a significant change to lessor accounting; however, for lessee accounting there is no longer a distinction between operating and finance leases.

Lessees will be required to recognise both:

- A lease liability, measured at the present value of remaining cash flows on the lease, and
- A right of use (ROU) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received. Subsequently the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made. The right of use asset will amortise to the income statement over the life of the lease. There is a recognition exemption in IFRS 16 for leases with a term not exceeding 12 months, which allows the lessee to apply similar accounting as an operating lease under IAS 1.

The IPP Office applied IFRS 16 on a modified retrospective basis (alternative 2) and did not restate comparatives as permitted by the standard. The IPP Office applied the following transition options available under the modified retrospective approach (alternative 2)

- To calculate the right of use of asset equal to the lease liability, as there are no prepayments or accrual items.
- To apply the recognition exception for leases with a term not exceeding 12 months.
- To use hindsight in determining the lease term if the contract contains options to extend or terminate the lease.
- The impact on adoption of IFRS 16 was an increase in property, equipment and leased assets of R47.2 million, and an increase in lease liabilities of R47.2 million.

Right of use of assets

Recognition and measurement

Initially measured at the amount of the lease liability reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the IPP Office is contractually required to dismantle, remove or restore the leased asset.

Subsequent measurement

The IPP Office applies the cost model subsequent to the initial measurement of the right of use assets.

Depreciation on right of use assets

Subsequent to initial measurement, the right of use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset should this term be shorter than the lease term. This depreciation is recognised as part of operating expenses.

Termination of lease

When the IPP Office or the lessor terminates or cancels a lease, the right of use asset is derecognised and any difference in the right of use asset is recognised in profit or loss on derecognition.

Lease liabilities

(a) Policy applicable before 1 April 2019

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Costs incurred under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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2. Changes in accounting policy (continued)

Application of IFRS 16 Leases

(b) Policy applicable from the 1 April 2019

A lease liability is initially measured at the present value of the contractual payments due to the lessor over the lease term. As the IPP Office does not have an incremental borrowing rate the Prescribed Rate of Interest of 10.25% was used as the discount rate at the date of entering into the lease. This was amended twice during the year, on the first occasion the Prescribed Rate of Interest dropped to 10% with effect from 1 September 2019, and then dropped further to 9.75% with effect from 1 February 2020. Vat rate of 15% applied from 1 April 2019.

Subsequent to initial recognition, the interest accrued is included in the balance of the lease liability and the repayments are reduced off the balance of the lease liability.

When the IPP Office or the lessor terminates or cancels a lease, the lease liability is derecognised, and any difference in the lease liability is recognised in profit or loss on derecognition.

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3. Property and equipment

	2020		2019			
	Cost	Accumulated depreciation/ Impairment	Carrying value	Cost	Accumulated depreciation/ Impairment	Carrying value
Furniture and fixtures	3 755 380	(2 691 740)	1 063 640	3 729 242	(2 568 189)	1 161 053
Motor vehicles	-	-	-	207 123	(105 509)	101 614
Computer equipment	10 082 800	(7 532 744)	2 550 056	10 063 319	(7 102 634)	2 960 685
Leasehold improvements	28 346 127	(24 198 105)	4 148 022	28 346 127	(17 110 125)	11 236 002
Work in progress	169 148	-	169 148	1 248 749	-	1 248 749
Security systems	11 853 744	(6 438 105)	5 415 639	11 853 744	(5 312 646)	6 541 098
Total	54 207 199	(40 860 694)	13 346 505	55 448 304	(32 199 103)	23 249 201

Reconciliation of property and equipment - 2020

	Opening balance	Additions/Transfers	Disposals	Depreciation	Total
Furniture and fixtures	1 161 053	26 136	-	(123 549)	1 063 640
Motor vehicles	101 614	-	(75 793)	(25 821)	-
Computer equipment	2 960 685	19 481	-	(430 110)	2 550 056
Leasehold improvements	11 236 002	-	-	(7 087 980)	4 148 022
Work in progress	1 248 749	(1 079 601)	-	-	169 148
Security systems	6 541 098	-	-	(1 125 459)	5 415 639
Total	23 249 201	(1 033 984)	(75 793)	(8 792 919)	13 346 505



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3. Property and equipment (continued)

Reconciliation of property and equipment - 2019

	Opening balance	Additions/Transfers	Disposals	Depreciation	Total
Furniture and fixtures	1 303 240	7 398	-	(149 585)	1 161 053
Motor vehicles	120 041	-	-	(18 427)	101 614
Computer equipment	3 471 004	500 565	(314 154)	(696 730)	2 960 685
Leasehold improvements	18 320 471	3 291	-	(7 087 760)	11 236 002
Work in progress	2 944 276	(1 695 527)	-	-	1 248 749
Security systems	7 059 909	995 442	-	(1 514 253)	6 541 098
	33 218 941	(188 831)	(314 154)	(9 466 755)	23 249 201

4. Right-of-use assets

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Right of use of an asset	47 376 491	(28 389 593)	18 986 898	-	-	-

The IPP Office leases their offices in Centurion, which is located at Building 9, Blys Bridge Office Park, Corner Jean & Olievenhoutbosch Avenue, Centurion, with a surface area of 10 500 m² including office premises and covered parking. The lease terminates on 30 November 2020.

Effective 1 April 2019, the IPP Office applied the new reporting standard on Leases, IFRS 16 using the modified retrospective approach (alternative 2). All leases are recognised as right-of-use assets with corresponding lease liabilities at the date on which the leased asset is available for use by the IPP Office.

Reconciliation of the right of use of an asset

Opening Balance Sheet impact on 1 April 2019	47 219 741
Interest rate adjustment on 1 September 2019	98 994
Interest rate adjustment on 1 February 2020	57 756
Closing balance as at 31 March 2020	47 376 491

Opening Balance Sheet impact as at 1 April 2019

Right of use asset	47 219 741
Lease liability	47 219 741

Twelve month ending 31 March 2020 activity

Cash lease payments	31 815 702
Lease expense recognised	
Interest expense	4 769 336
Depreciation expense	28 389 593
Total periodic expense	33 158 929



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5. Intangible assets

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	5 372 672	(3 858 478)	1 514 194	5 771 857	(4 002 379)	1 769 478
CRM system	3 021 218	(2 199 923)	821 295	3 021 219	(2 051 150)	970 069
Total	8 393 890	(6 058 401)	2 335 489	8 793 076	(6 053 529)	2 739 547

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	1 769 478	42 735	(298 019)	1 514 194
CRM systems	970 069	-	(148 774)	821 295
	2 739 547	42 735	(446 793)	2 335 489

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	2 227 743	109 143	(567 408)	1 769 478
CRM system	1 184 314	-	(214 245)	970 069
	3 412 057	109 143	(781 653)	2 739 547

6. Trade and other receivables

Financial instruments:

Trade receivables	78 901	117 536
Less provision for expected credit losses	(78 901)	-
Trade receivables at amortised cost	-	117 536
Sundry receivables	4 986 988	9 404 971
Total trade and other receivables	4 986 988	9 522 507

Expected credit losses are provided on trade receivables based on the simplified approach

Reconciliation of provision for ECLs on trade receivables

Balance at the beginning of the year	-
Increase in provision for ECLs and impairment on trade receivables	78 901
Balance at the end of the year	78 901

7. Contract assets

Contract assets	123 786 732	123 641 008
Less provision for expected credit losses	(123 786 732)	(29 475 703)
Total contract assets	-	94 165 305

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7. Contract assets (continued)		
Expected credit losses are provided on contract assets based on the simplified approach.		
Reconciliation of provision for ECL's on contract assets		
Balance at the beginning of the year	29 475 703	-
Increase in provision for ECL's and impairment on trade receivables	94 311 029	29 475 703
Balance at the end of the year	123 786 732	29 475 703
8. Short term investments		
Money market investments	284 208 000	353 259 878
Money market investments are held with financial institutions. The money market investments have an average maturity of 30 to 60 days (2019: 30 to 60 days) and an average variable rate of 7.70% (2019: 7.70%).		
	284 208 000	353 259 878
9. Other financial assets		
Current assets		
Deposits	80 000	80 000
The deposits include an amount of R 80,000 for electricity deposits and will be refundable when the lease agreements expire (also refer to note 21). The deposits do not accrue interest.		
10. Prepayments		
Supplier prepayments		
Prepayments	349 181	105 553
11. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	15 514	973
Cash at bank	80 059	64 472
Cash on call	73 564 954	94 826 150
	73 660 527	94 891 595
12. Trade and other payables		
Financial instruments:		
Trade payables	13 055 606	7 970 048
Accrued leave pay	2 477 600	3 493 143
Accrued expenses	5 847 369	6 730 844
	21 380 575	18 194 035

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13. Contract liabilities		
Financial instruments		
Contract liabilities	3 534 000	3 534 000
14. Revenue from contracts with customers		
Revenue from contracts with customers		
Development fee income	-	648 177 328
Economic development performance penalties	-	15 154 995
Tender documents sales	-	48 630
Re-financing fee income	-	14 500
	-	663 395 453
15. Transaction advisor and consultant expenses		
Financial advisor	68 540	-
Project management	-	735 092
Technical advisor	-	168 487
	68 540	903 579
16. Other operating income		
Recoverable expenses	58 240	192 808
17. Operating profit (loss)		
Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:		
Remuneration other than to employees		
Consulting and professional services	3 012 120	4 526 043
Administrative and managerial services	6 679 000	6 318 000
Total	9 691 120	10 844 043
Employee costs		
Salaries, wages, bonuses and other benefits	70 671 392	86 235 939
Leases		
Operating lease charges		
Premises	-	28 872 550
Depreciation and amortisation		
Depreciation of property and equipment	8 792 920	9 466 755
Depreciation of right-of-use assets	28 389 593	-
Amortisation of intangible assets	446 794	781 653
Total depreciation and amortisation	37 629 307	10 248 408
Expenses by nature		

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17. Operating profit (loss) (continued)

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Employee costs	70 671 392	86 235 939
Lease expenses	-	28 872 559
Depreciation, amortisation and impairment	37 629 307	10 248 408
Other expenses	134 264 374	45 070 790
	242 565 073	170 427 696

18. Finance income

Interest income

Interest - outstanding development fees	12 035 751	7 714 759
Interest - economic development performance penalties	2 520 201	2 410 921
Interest - current bank accounts	5 302 363	5 408 670
Interest - short term investments	23 909 550	22 242 115
Total interest income	43 767 865	37 776 465

Investment income on financial instruments which are available for sale or held to maturity are only presented for comparative purposes for financial instruments held in the prior reporting period but which were disposed of prior to the beginning current reporting period, which is the date of adoption of IFRS 9 Financial Instruments. Investment income on all other financial assets has been reclassified in compliance with IFRS 9.

19. Cash (used in)/generated from operations

Loss before taxation	(198 388 982)	530 033 451
Adjustments for:		
Depreciation and amortisation	37 629 307	10 248 408
Gains on foreign exchange	(181)	-
Interest income	(43 767 865)	(37 776 465)
Interest expenses calculated using the effective interest rate	4 769 336	-
Movements in provisions	-	(83 090)
Assets written off	1 079 601	2 009 680
Accrued leave pay movement	(1 015 543)	(59 926)
Profit on sale of assets	(64 058)	-
Provision for expected credit loss	94 389 930	17 547 769
Operating lease write off	(5 187 681)	(586 424)
Bad debts	14 345 975	-
Changes in working capital:		
Trade and other receivables	4 456 618	(10 581 168)
Contract assets	(14 491 699)	(94 165 305)
Prepayments	(243 628)	-
Trade and other payables	4 202 083	(1 229 910)
Contract Liabilities	-	3 534 000
	(102 286 787)	418 891 020



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20. Related parties

Relationships

Entities that were party to the establishment of the IPP office

Department of Mineral Resources and Energy
The Development Bank of South Africa
National Treasury

Significant outstanding balances and transactions with related parties

The Development Bank of South Africa

Management fee expenditure

6 679 000

6 318 000

The IPP Office is owned by National Government and therefore could be considered to be related to other government entities in the National Sphere.

21. Key Management Emoluments

Executive

2020

Short-term employee benefits

Basic Salary	Bonus	Allowances	Total
22 808 449	4 123 839	182 900	27 115 188

2019

Short-term employee benefits

Basic Salary	Bonus	Allowances	Total
23 789 761	4 169 436	160 304	28 119 501

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22. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2020

Other financial assets
Short-term investments
Trade and other receivables
Cash and cash equivalents
Contract assets

Notes	Amortised cost	Total	Fair value
8	80 000	80 000	80 000
6	284 208 000	284 208 000	284 208 000
11	4 986 988	4 986 988	4 986 988
	73 660 527	73 660 527	73 660 527
	362 935 515	362 935 515	362 935 515

2019

Other financial assets
Short-term investments
Trade and other receivables
Cash and cash equivalents
Contract assets

Notes	Amortised cost	Total	Fair value
8	80 000	80 000	80 000
6	353 259 878	353 259 878	353 259 878
11	9 522 507	9 522 507	9 522 507
	94 891 595	94 891 595	94 891 595
	94 165 305	94 165 305	94 165 305
	551 919 285	551 919 285	551 919 285

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22. Financial instruments and risk management (continued)

Categories of financial liabilities

2020

	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables	12	21 380 574	-	21 380 574	21 380 574
Lease liabilities		-	20 330 124	20 330 124	20 330 124
Contract liabilities		3 534 000	-	3 534 000	3 534 000
		24 914 574	20 330 124	45 244 698	45 244 698

2019

	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables	12	18 194 033	-	18 194 033	18 194 033
Lease Liabilities		-	5 187 681	5 187 681	5 187 681
Contract liabilities		3 534 000	-	3 534 000	3 534 000
		21 728 033	5 187 681	26 915 714	26 915 714

Capital risk management

Due to the nature of the entity, the IPP Office does not have any shareholding or equity interest, other than retained income. Any residual interest in the entity upon hypothetical winding up would be returned to the National Revenue Fund.

For the purpose of the IPP Office's capital management, capital includes cash and cash equivalents and short-term investments. The primary objective of the IPP Office's capital management is to maximise its cash inflows, through collection of tender fees and development fees, and minimise its cash outflows while fulfilling the functions for which the IPP Office was established.

Lease liabilities	20 330 124	5 187 681
Trade and other payables	21 380 574	18 194 033
Contract Liabilities	3 534 000	3 534 000
Total borrowings	45 244 698	26 915 714
Cash and cash equivalents	(73 660 527)	(94 891 595)
Net borrowings	(28 415 829)	(67 975 881)
Equity	352 708 891	551 097 871
Gearing ratio	(8)%	(12)%

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22. Financial instruments and risk management (continued)

Financial risk management

Overview

The IPP Office is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The IPP Office's principal financial liabilities comprise of trade and other payables. The IPP Office's principal financial assets comprise trade receivables, short-term investments and cash and cash equivalents.

The IPP Office's senior management oversees the management of these risks by ensuring that financial risks are identified, measured and managed in accordance with the IPP Office's policies and risk objectives. The IPP Office's exposure to market risk, credit risk and liquidity risk is considered and the risk management policies in place are described below.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2020			2019		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Short-term investments	8	284 208 000	-	284 208 000	353 259 878	-	353 259 878
Trade and other receivables	6	5 065 888	(78 900)	4 986 988	9 522 507	-	9 522 507
Contract assets	7	123 786 732	(123 786 732)	-	123 641 008	(29 475 703)	94 165 305
Cash and cash equivalents	11	73 660 527	-	73 660 527	94 891 595	-	94 891 595
		486 721 147	(123 865 632)	362 855 515	581 314 988	(29 475 703)	551 839 285

Cash and cash equivalents

Although there is a degree of credit risk associated with cash equivalents, specifically relating to the cash held on behalf of the IPP Office by other parties, this is mitigated by the fact that the majority of the funds are held by DBSA, and all cash equivalents are held at reputable financial institutions.

Short term investments

Short term investments are held at reputable and leading financial institutions and the resulting credit risk exposure is considered to be minimal.

Other financial assets

Other financial assets relate to a deposit for electricity. The risk exposure from other financial assets is not considered significant.

Trade receivables

Trade receivables may arise from development fees receivable from successful bidders and economic development performance penalties receivable from Independent Power Producers. The recovery of the debt is uncertain and impaired based on management's best estimates.



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22. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The IPP Office maintains liquidity by limiting capital and operational expenditure within the approved budgets, together with maintaining high cash and cash equivalent balances and highly liquid short-term investments, in excess of its financial liabilities.

The table below illustrates the IPP Office's exposure to liquidity risk from financial liabilities:

2020

	Carrying amount
Current liabilities	
Trade and other payables	21 380 574
Lease liabilities	20 330 124
Contract Liabilities	3 534 000
	45 244 698

2019

		Carrying amount
Non-current liabilities		
Lease liabilities		2 628 476
Current liabilities		
Trade and other payables	12	18 194 033
Lease liabilities		2 559 205
Contract Liabilities		3 534 000
		26 915 714

The maturity profile of contractual cash flows of derivative financial liabilities are as follows:

Foreign currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates. The IPP Office's exposure to currency risk is considered minimal as most of its transactions are carried out in South African Rand. Due to the infrequent nature of transactions in foreign currency, management does not employ any hedging mechanisms against this risk.

Interest rate risk

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22. Financial instruments and risk management (continued)

Interest risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The IPP Office's interest rate risk arises from account payables and short term investments. Exposure to interest rate risk is managed as follows:

- trade payables are settled within 30 days
- fixed deposits and money market instruments are held short-term and the interest rate is linked to the prime rate.

GTAC manages cash deposits and determines the strategies for short term investments. No long term investments are envisaged. Investments are made and held in the name of GTAC on behalf of the IPP Office.



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22. Financial instruments and risk management (continued)

Price risk

Price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The IPP Office does not hold any financial instruments that are exposed to significant other price risk.

23. Going concern

As required by IAS 1, the IPP Office assessed its ability to operate as a going concern as at 31 March 2020. This assessment is supported by the budget for the next 12 months. The budgets prove that there will be adequate cash resources to cover all expenses for the budget period. The budget further confirms that there will be adequate cash resources on 31 March 2021 to cover expenses of the IPP Office for the foreseeable future. The budget for FY2021 was approved by the JIC. Management is not aware of any conditions which exist to negatively impact the entity's ability to continue to operate as a going concern. The annual financial statements are therefore prepared on a going concern basis.

ENERGY SAVING TIPS



Follow Eskom instructions to reduce energy usage during peak times.



Remember to keep the lid on the pot when you cook to conserve heat and energy.



Use energy-saving light bulbs.



Use the kettle to boil water. It is energy wasting to use the stove to boil water compared to a kettle.



- Change to highest gear rather than driving in lowest gear.
 - Service your car regularly.
 - Don't over rev your car.
 - Check your tyre pressure if it's correct.
-



- Fill your tank in the morning.
 - Only fill up when it's half tank rather than quarter tank.
-



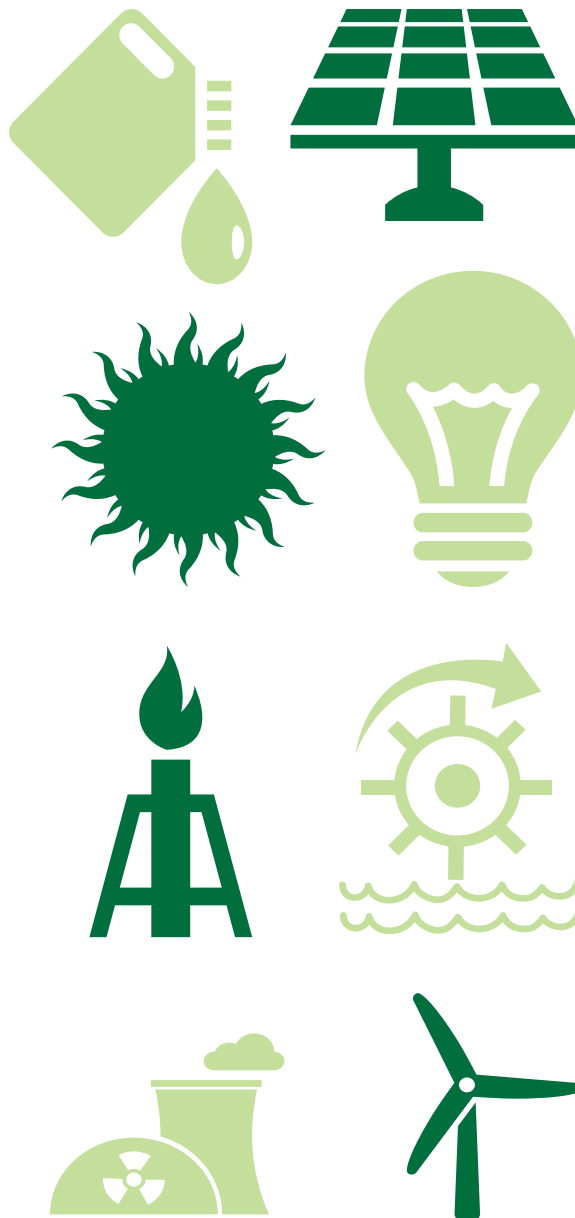
- Obey speed limit
 - Travel at a regular speed (i.e. don't repeatedly accelerate and then slow down); use cruise control if you have one.
-



Close the windows and doors when the air conditioner or heater is on and save money!



Close the door every time you take things out of the fridge and also check that it seals properly.



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