



ANNUAL REPORT

2020/2021



school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

Learn Serve Grow





"This work is not for yourselves, kill that spirit of 'self' and do not live above your people but live with them, if you can rise bring someone with you."

Charlotte Maxeke

THE YEAR OF:
CHARLOTTE
Mannya
MAXEKE
THE MEANING OF FREEDOM
UNDER COVID-19



NATIONAL SCHOOL OF GOVERNMENT ANNUAL REPORT 2020 | 2021

Learn Serve Grow

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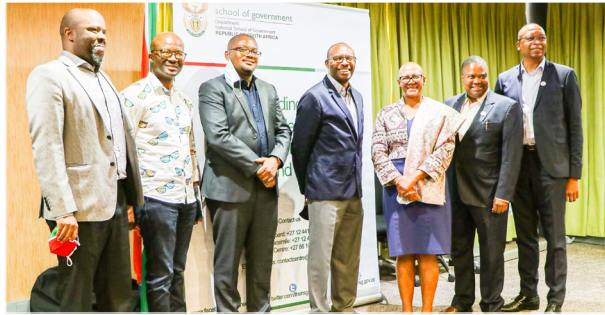
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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

The NSG has a constitutional and legislative mandate to provide education, training and development in the three spheres of government, state-owned entities (SOEs) and organs of state. This mandate is in line with Section 195 of the Constitution of the Republic of South Africa, 1996, which declares public administration to be development-oriented and participatory, and the basic values and principles being the basis of interaction between public administration (three spheres of government, organs of state, public enterprises) and society. The ETD interventions are delivered to public representatives and public servants and are clustered in accordance with the following occupational bands:

- I. **Cadet and Foundational Management:** Providing ETD interventions to graduates who wish to join the public service, public service interns and public servants up to occupational level 8 (support staff, administrators and supervisors). Emphasis is placed on understanding rules of government and service delivery excellence (especially as the majority of front-line officials are in this band).
- II. **Middle Management Development:** Providing ETD interventions for junior and middle managers with emphasis on occupational skills (know how), supply chain management, budgeting, supervisory skills and pathways to (further) qualifications.
- III. **Senior Management Development and Professionalisation:** Providing ETD interventions to senior managers. These include analytical skills, problem solving as well managing money and people. This is in addition to the core competencies (expertise) required to perform as a professional – be it in finance, ICT, issuing of licenses/permits, policy formulation and monitoring, planning and implementing built environment projects like housing, road construction, water provision, etc.

- IV. **Executive Development and Leadership Support:** This band is complex in a sense that it caters for executive leadership development and political office bearers. This category of leadership in the public sector is expected to lead as experts and advisors both in the work of departments and government and as nurturers of talent, stewards of public funds and champions of transformation. Therefore, the NSG will be shifting focus to expose this layer of government to design theories, modelling and forecasting, leadership by outcomes, talent management as well as the management of political-administrative interface. As for the political office bearers, we will focus on building expertise on economic governance, political oversight and accountability, etc. using instruments like the Executive Ethics Code, PFMA, etc.

The NSG is located in the City of Tshwane Municipality, in the suburb of Sunnyside. This is the main office of the NSG and a significant portion of training sessions is undertaken in training facilities within these premises.

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2. LIST OF ACRONYMS

AGSA	Auditor-General of South Africa
AMDIN	African Management Development Institutes' Network
AO	Accounting Officer
AOP	Annual Operational Plan
APP	Annual Performance Plan
AUC	African Union Commission
B-BBEE	Broad-Based Black Economic Empowerment
BB2E	Breaking Barriers to Entry
CFO	Chief Financial Officer
DPME	Department of Planning, Monitoring & Evaluation
DPSA	Department of Public Service and Administration
EMC	Executive Management Committee
EMDP	Emerging Management Development Programme
ETD	Education Training, and Development
EU	European Union
EIP	Executive Induction Programme
ETQA	Education and Training Quality Assurance
GRAP	Generally Recognised Accounting Practice
HEIs	Higher Education Institutions
HOD	Head of Department
KPA	Key Performance Area
LG SETA	Local Government Sector Education & Training Authority
MANCO	Management Committee

MOU	Memorandum of Understanding
MPSA	Minister for the Public Service and Administration
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NSG	National School of Government
NT	National Treasury
PSC	Public Service Commission
PFMA	Public Finance Management Act
PMDS	Performance Management & Development System
PSETA	Public Service Sector Education & Training Authority
QCTO	Quality Council for Trades & Occupations
QMS	Quality Management System
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMS	Senior Management Service
TNA	Training Needs Analysis
TR	Treasury Regulations
TTA	Training Trading Account

3. FOREWORD BY THE MINISTER



Ms Ayanda Dlodlo, MP
Minister for the Public Service
and Administration

The effects of the COVID19 pandemic has dominated the world since its outbreak and has put our government and public servants to the test under very difficult circumstances. Once again, we take the opportunity to acknowledge and salute public servants who continue to deliver public services – especially those in the frontline of service delivery. The pandemic has taught us a number of valuable lessons. It has shown us the capability of public servants who are able to work remotely or within work rotation schedules and equip themselves using digital tools – whilst continuing to deliver services. It has also shown us the capacity of public servants who are willing and able to use digital technology for their growth and development.

The enrolment rate for eLearning courses and other online interventions through the National School of Government (the NSG) is in excess of 54 000 learners for the financial year.

In addition to the prioritisation of online and virtual learning being provided to public servants, the NSG continues in the rollout of other innovative features, including webinars and Master Classes. This included the participation of the President Cyril Ramaphosa and members of the executive in a Master Class on the entrepreneurial state.

The Annual Report of the NSG for the 2020/21 financial year is the first year of implementation of the five-year strategic plan covering the period 2020-2025. I am pleased to report some of the following achievements during this first year of the strategic plan, which is a reflection of the commitment of the NSG, despite the challenges presented to the institution:

- i. Hosting a very successful Spring School on Economic Governance with members of the Executive as well as the Executive Education programme for accounting officers (Etella). This re-affirms our commitment to senior and executive leadership development in the public sector.
- ii. Hosting six Master Classes.
- iii. Training in excess of 43 000 learners, using blended training delivery approaches, against an annual projected target of 26 040, which represents a 166% achievement of the target.
- iv. Addressing the future repositioning of the NSG, including a reconfigured organisational structure.

It is pleasing to report that, based on an expanded mandate, the training was undertaken in the three spheres of government as well as organs of state. Building an ethical, capable and developmental state foregrounds the work of the Ministry of Public Service and Administration, and the NSG continues to strengthen state capacity in this regard. For example, the Ethics course had a total enrolment of 15 834, and 15 473 completing the course, representing a 98% achievement rate.

In addition to the training and development, the Ministry tasked the NSG to spearhead the professionalisation of the public service. I am very pleased to report that during this financial year, the NSG consulted key stakeholders and developed a draft framework, which was presented to Cabinet. In December 2020, the draft framework was launched for public consultation, and fruitful engagements with interested parties were held in February 2021. We are very much on track towards the professionalisation agenda of the public service.

In presenting this Annual Report, I would like to acknowledge and appreciate the performance by the executive and staff of the NSG. Your unwavering commitment towards professionalising the public service is indeed appreciated. I am confident that the NSG, with the calibre of professional public servants, will continue towards strengthening state capacity.



Ms Ayanda Dlodlo, MP

Minister for the Public Service and Administration

31 August 2021

“ The pandemic has taught us a number of valuable lessons. It has shown us the capability of public servants who are able to work remotely whilst continuing to deliver services. It has also shown us the capacity of public servants who are willing and able to use digital technology for their growth and development.”

4. DEPUTY MINISTER STATEMENT



Dr Chana Pilane-Majake, MP
Deputy Minister for the Public Service
and Administration

In his 2021 State of the Nation Address (SONA), President Ramaphosa reminded the nation that the public service is at the coalface of government, and lack of professionalism does not just impact service delivery; it also dents public confidence. Therefore, advancing honesty, ethics and integrity in the public service is critical if we are to build a capable state. I am pleased to report that the National School of Government (the NSG), in fulfilling its expanded mandate, is making significant strides in strengthening state capacity. In this financial year, some of the key online programmes delivered by the NSG include: Ethics in the Public Service; Ethics for Internal Auditors; Know and Live our Constitution; and Writing for Government.

The NSG is also committed to use domestic and international partnerships to get access to expertise and specialist programmes that are necessary for enhanced public sector performance.

The NSG does this in cognisance of the growing complexity, interdependent world and centrality of capable and well-governed institutions to sustainable development. The NSG does this responding to the call of the National Development Plan (NDP) and the Public Administration Management Act (PAMA) to use partnerships across society working together to achieve South Africa's developmental vision. Over the past financial year, the NSG delivered high impact programmes responding to various priorities of our MTSF such as economic governance and poverty reduction.

In partnership with the University of Chinese Academy of Social Sciences and the China-Africa Institute, four programmes were held between July and November 2020. Through the China National Academy of Governance, a Governance programme was held in March 2021, whilst a partnership with the Ecole Nationale d'Administration (ENA) resulted in the delivery of two programmes: (i) Leadership in Times of Crisis; (ii) Public Affairs Management in the Digital and Data Era. I am also pleased to report that many of these programmes attracted Deputy Ministers, Executive Mayors, Councillors, Directors-General, Deputy Directors-General and members of the SMS. The programmes provided useful insights on how to grow the economy, strengthen governance, reduce poverty, leading during crises and using technology in public administration.

I take this opportunity to congratulate the executive and staff of the NSG on the financial and non-financial performance. As the Ministry for Public Service and Administration, we continue to provide leadership and guidance to the NSG in fulfilling its mandate of strengthening state capacity.



Dr Chana Pilane-Majake, MP

Deputy Minister for the Public Service and Administration

31 August 2021

“I am also pleased to report that many of these programmes attracted Deputy Ministers, Executive Mayors, Councillors, Directors-General, Deputy Directors-General and members of the SMS.”

5. REPORT OF THE ACCOUNTING OFFICER



Mr Busani Ngcaweni
Principal: National School of Government

The Annual Report of the National School of Government (the NSG) for the 2020/21 financial year marked the first year of implementation and performance of the five-year strategic plan (2020-2025). As part of our efforts towards the future positioning of the NSG as a centre of excellence, we undertook to implement an expanded mandate in three spheres of government, state owned entities and organs of state. This is also in line with section 195 of the Constitution of the Republic of South Africa, 1996 and in line with the basic values and principles governing public administration. We also undertook to place emphasis in the quality of content and delivery of ETD interventions, as well as to embrace partnerships and collaboration with other teaching and learning institutions.

"The Public Service is at the coalface of government, and lack of professionalism does not just impact service delivery; it also dents public confidence. Advancing honesty, ethics and integrity in the Public Service is critical if we are to build a capable state."

"Through the National School of Government, we continue to roll out courses and training programmes for government officials from entry level to senior management and the Executive" – President Cyril Ramaphosa, SONA 2021, 11 February 2021

Overview of the operations of the National School of Government

The NSG is legislatively mandated to provide training or facilitate the provision of training in the Public Service. In terms of current legislative arrangements, government departments must annually budget one per cent of the employee compensation budget for training of its employees. The responsibility for training employees is vested with departmental accounting officers (Public Service Act) and is undertaken primarily through competitive procurement processes. The NSG is required to generate revenue towards ensuring its financial viability and sustainability and, as such the NSG is placed on a competitive and cost-recovery footing, together with internal and external training providers.

The cost recovery model is made up of partial funding appropriated by Parliament and income derived from cost recovery through training course fees, which is managed in the Training Trading Account (TTA). The cost-recovery model requires that all costs associated with the design and development of learning material and implementation of training courses from the training fees are recovered.

Compulsory and demand-led training is provided in four occupational bands (Cadet & Foundational Development, Middle Management Development,

Senior Management & Professionalisation, and Executive Management & Leadership Support) through a suite of accredited and non-accredited programmes and courses. The NSG uses a hybrid training facilitation model, in the form of partnerships with higher education institutions, contractual agreements with a panel of experts, as well as the use of existing public servants.

Annual Performance Plan 2020/21

Undoubtedly, the impact of the global COVID-19 pandemic and the restrictions of the national lockdown severely affected on the organisational performance in this financial year. The signs of a slower performance became evident towards the latter part of the 2019/20 financial year, when bookings for training were being cancelled by client departments. After the tabling of the 2020/21 Annual Performance Plan, departments were provided an opportunity to revise their plans, and the NSG had done so by reducing its revenue generating and training targets.

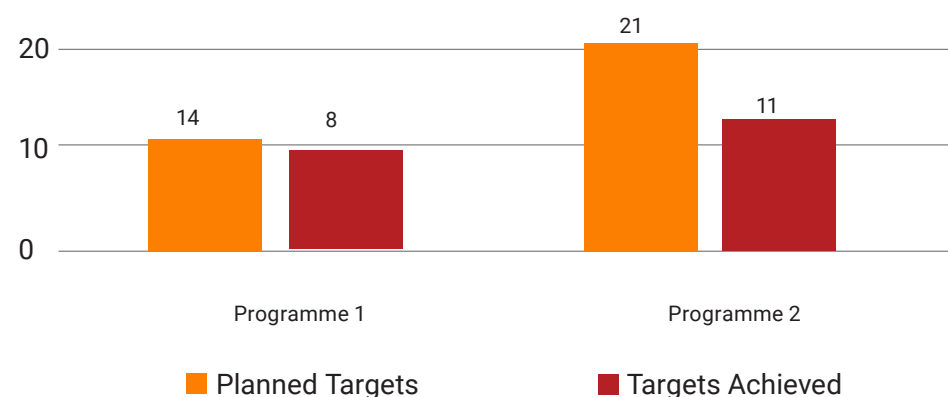
Whilst the COVID 19 pandemic has proven to be disruptive to the NSG business model, we turned this into an opportunity to refocus our attention and accordingly adopted a training response plan. Part of this response plan was to increase online and virtual learning offerings, securing licencing for virtual tools and finding other innovative features of delivering on our mandate. Such innovative features as webinars are gaining popularity among public servants as well as the Master Classes.

The performance of the NSG was also impacted by the budget reductions implemented by the National Treasury, which required a reprioritisation and an inability to fill key vacancies. A further impact on organisational performance occurred when there was a ransomware attack in July 2020, which affected the NSG data centre environment. The operations of the NSG were affected and required the School to undertake recovery and rebuilding initiatives. For this purpose, the NSG was not able to undertake a major part of operations.

The revised Annual Performance Plan for the 2020/21 financial year reflects the performance targets for the NSG. Accordingly, a total of 35 performance targets were set in the APP, of which 19 performance targets were achieved as planned. This translates to an overall performance achievement of 54% of the total planned targets for the financial year.

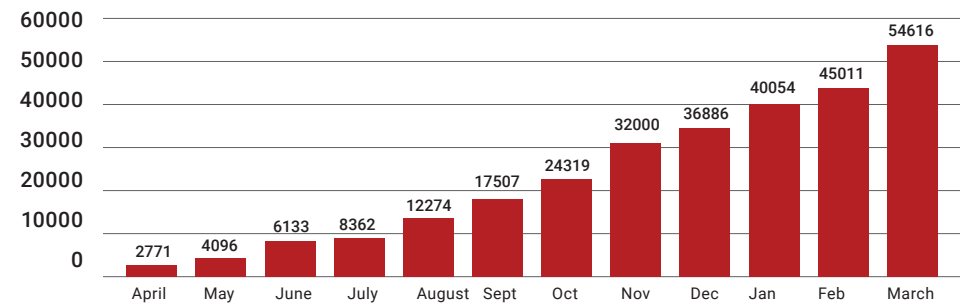
A summation of performance per programme based on overall performance results is graphically shown below:

Graph 1: Annual Performance per Programme



A key focus area for the NSG in this financial year, given the circumstances of the pandemic and the restrictions of the national lockdown, has been the rollout of online learning to scale. A total of 17 online courses (and access to a COVID-19 knowledge repository) provided enrolments to 54616 learners in the financial year, as depicted in the graph below. This is in addition to the 17 589 learners who enrolled in Getting Started with eLearning, which is not a course but prepares officials for online learning.

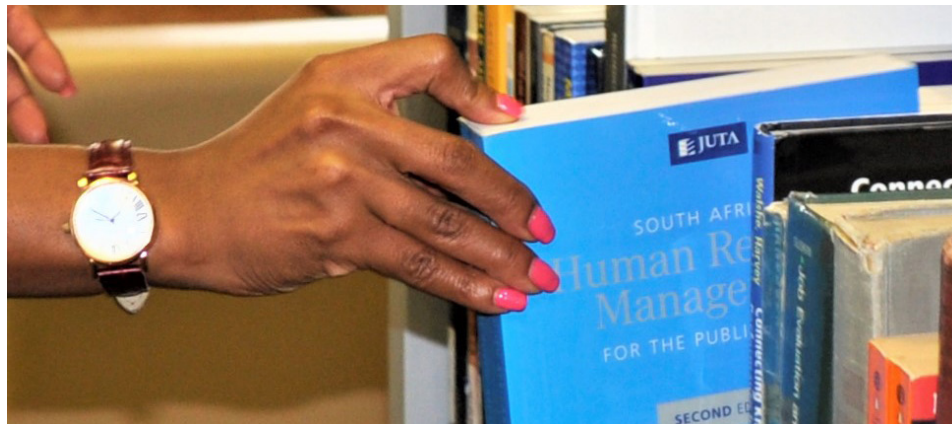
Graph 2: Cumulative online enrolments for the period 1 April 2020 to 31 March 2021



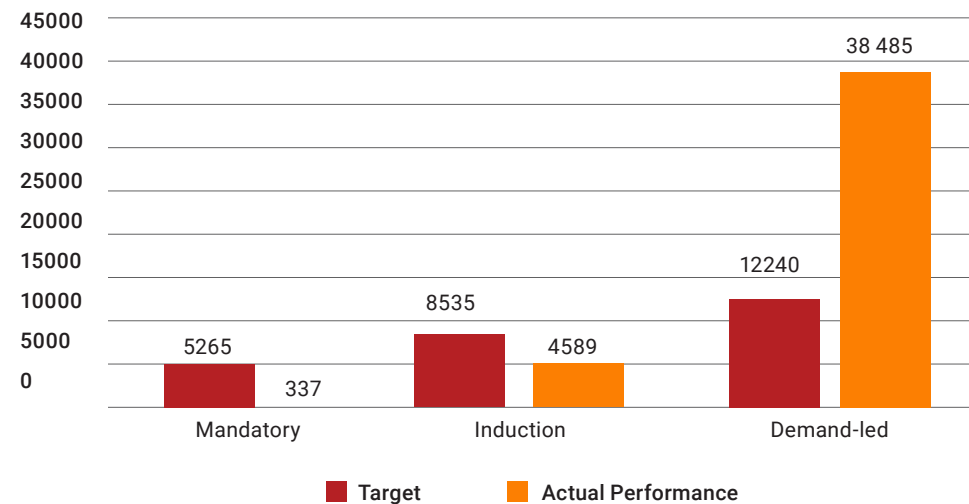
Highlights of Performance

Despite the challenges faced by the NSG in fully achieving its performance, we can report the following highlights of performance:

- In the face of the uncertainties, the NSG set a modest target training 26 040 learners in this financial year. However, due to the commitment and perseverance by the NSG staff, we trained a total of 43 411 learners in which 30 009 were related to free courses and equated to an estimation of R8 million potential revenue. The training of learners represents a 166% achievement of the performance target. This is reflected in the graph below:



Graph 3: Training Performance for the period 1 April 2020 to 31 March 2021



The pre-entry programme to the Senior Management Service, Nyukela, is now entrenched as one of our bespoke programmes. This programme is in line with a ministerial directive issued by the DPSA, wherein any person wishing to join the SMS echelon must complete this pre-entry programme. In this financial year, there was a total of 11 668 learners (prospective and serving public servants) enrolled for the course, with 6 893 successfully completing.

- The Ethics course is another of our bespoke programmes, and in this financial year, there was a total enrolment of 15 834, with 15 473 completing the course (98% achievement).
- The NSG, in partnership with the Department of Women, Youth and Persons with Disabilities (DWYPD) launched an accredited five-day gender course in August 2020. The COVID-19 pandemic resulted in an alarming increase in gender-based violence and created an urgent need for senior and middle managers across government to undergo training to acquire the technical skills for mainstreaming gender into

their work. The virtual sessions covered the following critical areas: Gender Mainstreaming in the Public Service; Gender Based Violence; and Gender Responsive Planning and Budgeting. The course is in keeping with the Global Equity Campaign with the theme: Realising Women's Rights for An Equal Future and 8 training sessions have been rolled out to 216 participants for the financial year. The launch of this course is a significant milestone for the School in its role to promote gender equality within government.

- The NSG also convened six master classes and webinars during this financial year. The inaugural webinar on "Pandemics and their impact on Public Service" was delivered on 25 June 2020 by the late Prof. Stan Sangweni. The inaugural master class on "Comparative Development Models" was delivered by Dr Eric Li on 30 October 2020.
- The Master Class on "The Entrepreneurial State and Mission Economy: Lessons and Opportunities for South Africa" was delivered on 25 March 2021 by Prof. Mariana Mazzucato. The master class was attended by President Cyril Ramaphosa together with the members of the executive and televised live on national television.
- Two international exchanges were held, one on Economic Governance for members of the Gauteng Provincial Legislature from 6-16 October 2020 and the other on Poverty Alleviation and Rural Development was held from 23 November - 4 December 2020. The two exchanges were facilitated through the NSG-CASS partnership.
- The NSG also launched the Etella programme, a Flagship Executive Programme for Accounting Officers in the public sector. Etella took place in December 2020 and was conducted by the NSG in partnership with the University College London.
- Another programme of significance was the Economic Governance Spring School for members of the Executive from all spheres of government including Ministers, Premiers, Deputy Ministers and Mayors

which took place from 15-20 November 2020. The programme is part of two high level executive courses that were approved by Cabinet to give effect to the commitment of building the capacity of the state. The former President Mr Kgalema Motlanthe was in attendance and shared his thoughts on what makes a capable state.

- As partnerships remain a key strategic thrust for the NSG, we continue to strengthen existing and forge new partnerships. Current partnerships include European Union (EU), Chinese National Academy of Governance, University College London, Arizona State University, and Ecole Nationale D'Administration (ENA).
- The NSG brand continues to grow, including a very strong social media presence. We continue to use these platforms as engagements with learners, including live streaming of certain events.

Overview of Financial Results of the National School of Government

The School operates a Trading Account for its training operations. It submits separate financial statements for the NSG Training Trading Account (TTA), a trading entity established in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended.

The statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP). To achieve full compliance with accrual accounting requirements, the prescribed financial accounting system of the trading entity is supplemented by additional manual procedures.

Vote

The full budget appropriation for the year 2020/21 was R227.4 million which was an 17% increase from the R187.9 million allocation received in 2019/20. The increase was due to funding from the Department of Public Works and

Infrastructure (DPWI) in relation the impact of COVID-19 on the Trading Account. A saving of 2.6% i.e. R5.8 million was realised at the end of the financial year.

Departmental receipts:

Departmental receipts	2020/2021			2019/2020		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Sale of goods and services other than capital assets	30	41	-11	51	44	7
Interest, dividends and rent on land	39	8	31	45	81	-36
Sale of capital assets	0	26	-26	29	69	-40
Financial transactions in assets and liabilities	0	117	-117	0	153	-153
Total	69	192	-123	125	347	-222

Total departmental receipts revenue decreased by R0.155 million, from R0.347million (2019/20) to R0.192 million (2020/21). The decrease is because of less sales of capital assets and transaction in financial assets and liabilities.

Course fees are determined on a cost-recovery basis in accordance with Treasury Regulation 19.5.2. The tariffs are assessed annually and revised as deemed necessary as part of the on-going NSG financial status reviews and in accordance with Treasury Regulation 19.5.3. The increase in course fees was approved by the National Treasury in the 2019/20 financial year.

Programme Expenditure

Programme Name	2020/2021			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	101 828	96 024	5 804	100 441	95 522	4 919
Public Sector Organisational and Staff Development	125 579	125 579	0	87 464	87 464	0
Total	227 407	221 603	5 804	187 905	182 986	4 919

Programme 1: Administration

The total expenditure breakdown of R101.8 million for 2020/21 and spending patterns, compared to the 2019/20 financial year is summarised as follows:

Compensation of employees for the Vote-funded staff component of NSG increased by 1.1% from R55.2 million (2019/20) to R55.8 million in 2020/21, due to salary adjustments. Goods and services increased by 0.38% from R37.8 million (2019/20) to R38 million in 2020/21. The increase is due to audit costs and computer services. Expenditure on capital assets decreased by 26.0% from R2.3 million (2019/20) to R1.8 million in 2020/21. The decrease is maintained by the current computer hardware.

Programme 2: Public Sector Organisational and Staff Development

The transfer of funds from Vote to the Training Trading Account (TTA) was R125.5 million in 2020/21.

Training Trading Account (TTA)

The department operates a Trading Account for its training operations. The Department submits separate financial statements for the TTA, a trading entity established in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended. The statements are prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP). To achieve full compliance with accrual accounting requirements, the prescribed financial accounting system of the trading entity is supplemented by additional manual procedures.

The National Treasury has increased the allocation of the Trading Account by approving the use of the retention of surplus amounting to R24.5 million and the funds from the DPWI amounting to R44.3 related to the impact of COVID-19 impact on the Trading Account.

Total revenue (including the transfer of funds from the Vote appropriation for the financial year (2020/21) decreased by R84.3 million from R241.2 million (2019/20) to R156.9 million (2020/21). Income from course fees decreased by 81%, from R145.7 million (2019/20) to R27.6 million (2020/21). The transfer of

funds from the Vote to Trade increased by 30%, from R87.4 million (2019/20) to R125.5 million (2020/21).

Total expenditure in the TTA decreased by R72.0 million from R205.5 million in 2019/20 to R133.5 million in 2020/21. The decrease is related to operating expenses from the impact of the pandemic.

The TTA closed the year with a surplus of R23.5 million in 2020/21 and the closing status in 2019/20 is a surplus of R35.6 million.

Strategic focus over the short to medium term period

The NSG is different from many other learning institutions due to its location in the state and its emphasis on vocational related interventions to improve public sector individual and institutional performance. The ETD interventions and initiatives are constantly evolving to ensure relevance, applicability, and quality and to improve access for learners at different levels of the public sector, as well as the institutions of traditional leadership.

Whilst the COVID 19 pandemic has proven to be disruptive to the NSG business model, we refocused on increased online and virtual learning offerings, and in the medium term we will continue to pursue this. This is proven by the unprecedented number of online enrolments for eLearning courses. We will also continue offering our courses and programmes through contact learning in line with stringent social distancing measures. New innovative features such as webinars and Master Classes are gaining popularity and we will continue pursuing these features.

Public Private Partnerships (PPP)

The NSG did not enter into any PPP contracts during the 2020/21 financial year.

Discontinued key activities / activities to be discontinued

There were no activities discontinued or to be discontinued during the financial year.

New or proposed key activities

No new activities were started or proposed during the financial year.

Supply Chain Management

All bid proposals for the year under review were concluded after having gone through the competitive bidding processes. Furthermore, Supply Chain Management processes and systems were in place throughout the financial year to prevent irregular expenditure.

Gifts and Donations received in kind from non related parties

NAME OF DONOR	PURPOSE	REVENUE
		R'000
Received in kind:		
European Union	IT support services	745
European Union	Technical expertise and implementation support for the NSG	4 311
European Union	Development of coaching and mentoring programmes, systems and rollout	781
TOTAL		5 837

The NSG received a donation from the University of China Academy of Social Sciences in the context of the current partnership between the NSG and the China Africa Institute. The NSG received 4 000 pieces of medical masks and 240 bottles of sanitisers (500 ml/bottle) in 2020. The estimated value for above materials is estimated at RMB 15,000 Yuan including the transportation costs. The masks were intended for employees and learners of the NSG. The masks were distributed during various face to face training and also given to the NSG employees.

Exemptions and deviations received from the National Treasury

No exemptions from the PFMA or Treasury Regulations or deviation from the financial reporting requirements were requested for the current and/or prior financial year.

Events after the reporting date

The NSG is not aware of any events subsequent to the year-end which might require adjustment of the stated figures.

Other

The NSG is not aware of any events subsequent to the year-end which might require adjustment of the stated figures.

Acknowledgements

I express my appreciation to Minister for the Public Service and Administration, Ms Ayanda Dlodlo and Deputy Minister, Dr Chana Pilane-Majake. for their leadership, guidance and support for the NSG. The management and employees are commended for the performance in a year that placed tremendous pressure on our ability to deliver.

Conclusion

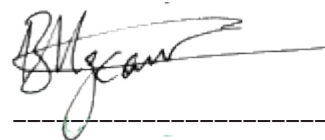
The National School of Government is on an exciting journey towards strengthening state capacity, and I do believe that with the committed team of NSG staff we will achieve our mandate. We are undergoing an organisational restructuring process, which commenced in this financial year. The Minister has approved the macro-organisational and functional structure of the NSG. Together with organised labour, we are embarking on a plan to migrate our staff into this new organisational structure.

I do believe that this will lead to a complete and integrated start- to end-accountability framework to ensure delivery on results. It would also ensure that our staff have the required authority to deliver on the roles and responsibilities they have been entrusted with. We are undertaking key initiatives such as a gap analysis of skills and knowledge levels and professional development needs, organisational change management interventions and digital transformation.

As we move forward in implementing our five-year strategy and the future positioning of the NSG, we know that the impact of the COVID-19 pandemic will not fully allow us to resume operations as it was previously. We are up to the challenge of redefining our future as a learning organisation and on our path towards being a centre of excellence.

Approval and sign off

The Accounting Officer approved the audited Annual Financial Statements of Vote 7 and the Annual Financial Statements of the Training Trading Account. The report is attached.



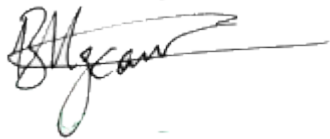
Accounting Officer
National School of Government
Date: 31 August 2021

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

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2021.

Yours faithfully



Accounting Officer
Mr Busani Ngcaweni
31 August 2021

7. STRATEGIC OVERVIEW

7.1. Vision

Build an Ethical and Capable Public Sector in Service of the People

7.2. Mission

To empower public servants to be responsive to citizen needs and government priorities through education, training and development interventions.

7.3. Values

The following values define the NSG, which are: **LEARN. SERVE. GROW.**

LEARN: expanding learning opportunities for public servants to master state craft

SERVE: building the capacity (and culture) of public servants to serve society effectively

GROW: helping public servants to combine learning and service (experience) to grow professionally

Furthermore, the NSG is also committed to, and will fulfil its mandate by subscribing to the following set of values, which are:

- Being PROFESSIONAL
- Being RESPECTFUL
- Behaving in an ETHICAL manner
- Finding INNOVATIVE ways
- Working with INTEGRITY

8. LEGISLATIVE AND OTHER MANDATES

8.1. Constitutional Mandate

The basic values and principles governing public administration under section 195(1) of the Constitution form the basis for public service interaction with society in delivering services to our citizens. These are applicable to all three spheres of government, organs of state, and public enterprises. Section 239 of the Constitution defines an organ of state as any department or administration in the three spheres of government; or any other functionary or institution exercising a power in terms of the Constitution or exercising a public power or performing a public function in terms of any legislation but does not include a court or a judicial officer.

The National School of Government (the NSG) draws its mandate from the Constitution, and with particular reference to 195(1) (h), which stipulates that: “good human resource management and career-development practices, to maximise human potential, must be cultivated”. The applicability of this, and the other values and principles to the three spheres of government, organs of state and public enterprises indicates the requisite depth and the reach of the NSG in order to fulfil this constitutional mandate.

The NSG has to ensure that all of the basic values and principles are inculcated into the value system and performance of all public servants and representatives through education, training and development (ETD) initiatives. It does so through its curriculum design, development and delivery approach with the practical application of participatory, people-centred methodologies and indigenous techniques during the ETD initiatives, in building a caring ethos and citizen-centred service delivery focus amongst public servants. This approach consciously focuses on the application of the principles and values of the Constitution and the realisation of the public administrative justice to all whom we serve.

Section 197 of the Constitution provides for a public service within public administration, which must function, and be structured, in terms of national legislation, and which must loyally execute the lawful policies of the government of the day.

Legislative and Policy Mandates

The National School of Government, as a national public service department, thus draws its mandate from national legislation – the Public Service Act, 1994 (Proclamation 103 of 1994), as amended. This is the core mandate which establishes the NSG for it to fulfil a function of providing training or causing the provision of training to occur within the public service. Accordingly, section 4 of the Act provides the following mandate:

- (1) There shall be a training institution listed as a national department (in Schedule 1 of the Act).
- (2) The management and administration of such institution shall be under the control of the Minister (Public Service and Administration).
- (3) Such institution-
 - a. shall provide such training or cause such training to be provided or conduct such examinations or tests or cause such examinations or tests to be conducted as the Head of the institute may with the approval of the Minister decide or as may be prescribed as a qualification for the appointment or transfer of persons in or to the public service;
 - b. may issue diplomas or certificates or cause diplomas or certificates to be issued to persons who have passed such examinations.

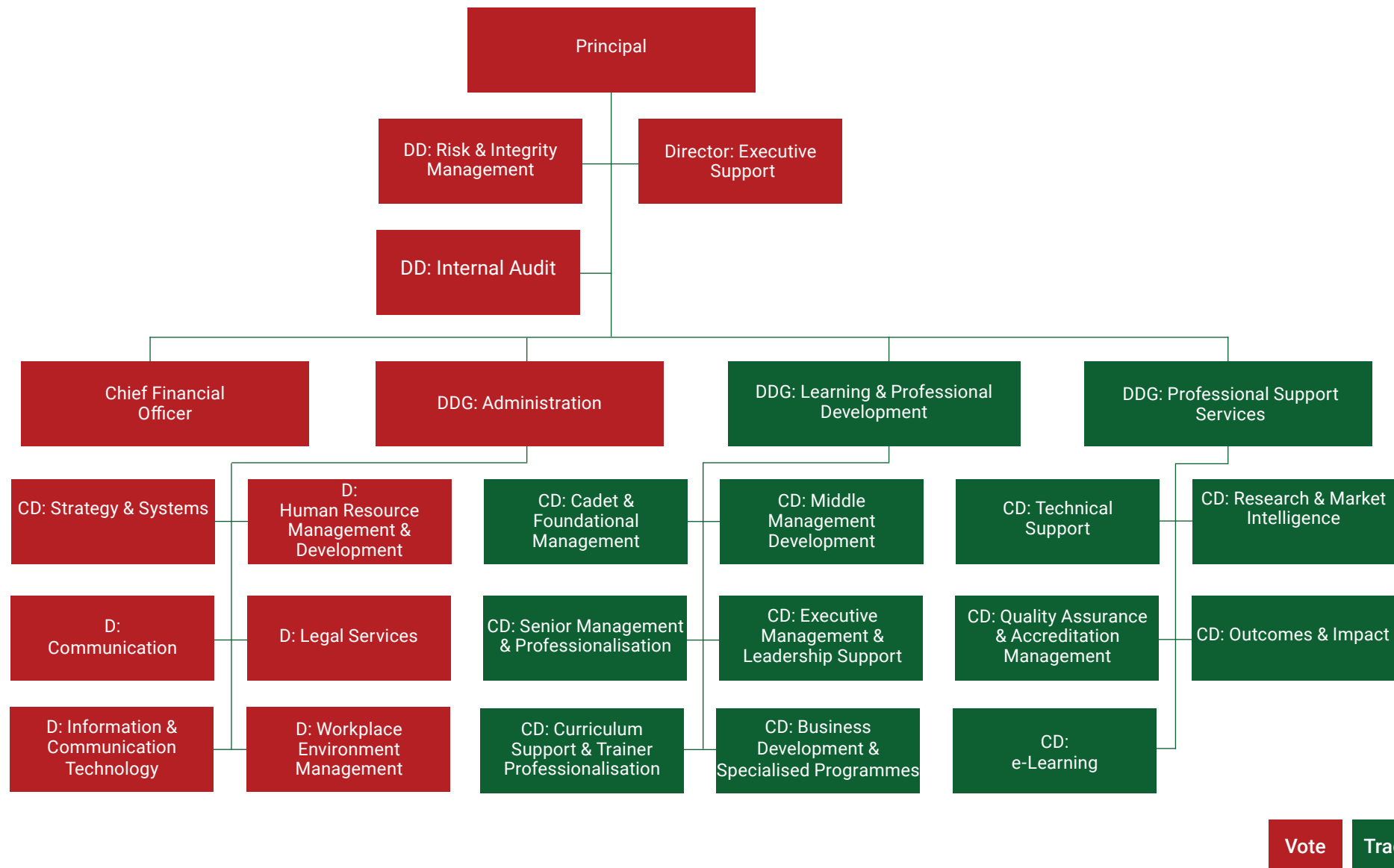
Another piece of enabling legislation - Public Administration Management Act, 2014 (Act No. 11 of 2014) - gives effect, inter alia, to the progressive realisation of the values and principles governing public administration across the three spheres of government. The current provisions of the Act requires that the School must, through education and training, promote the progressive realisation of the values and principles governing public administration and enhance the quality, extent and impact of the development of human resource capacity in institutions.

Under the leadership of Minister for the Public Service and Administration, the legislative processes of the Public Administration Management Act as it relates to the NSG are being addressed. This will include amendments to certain provisions of the Act. In addition to the aforementioned sections of legislation, the NSG is also governed by the PFMA and Section 19 of the Treasury Regulations as it relates to the establishment and management of

the Training Trading Account (TTA). The Treasury Regulations provides that, in determining charges for goods or services, the head of the trading entity must aim to recover the full cost of providing the goods or services, unless the relevant treasury approves lower charges; and that the head must review rates for user charges at least annually before the budget, and any tariff increases are subject to approval by the relevant treasury. The TTA operates on a cost recovery model with partial funding from transfers received. The cost recovery model approach requires that the entity recovers all costs associated with the design and development of learning material and implementation of training courses from the course fees.



9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Department of Public Service and Administration (DPSA)	Public Service Act, 1994 (as amended)	Contractual based on programmes jointly implemented or procurement of the NSG services	Policy development and enforcement in the public service
Centre for Public Service Innovation (CPSI)	Public Service Act, 1994 (as amended)	Contractual based on programmes jointly implemented or procurement of the NSG services	The CPSI is an initiative of the MPSA, established to identify, support and nurture innovation in the public sector with a view to improving service delivery
Government Employees Medical Scheme (GEMS)	Medical Schemes Act, 1998	Contractual based on administration of employee members' medical aid contributions	Restricted membership to a medical scheme for public service employees





Public Service



PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Chapter 9 of the Constitution of the Republic of South Africa, 1996 provides for the establishment of state institutions to strengthen constitutional democracy. One such institution, the Auditor-General, must audit and report on the accounts, financial statements and financial management of state institutions (sec. 188 of the Constitution).

The Public Audit Act, 2004 (Act No. 25 of 2004, as amended) provides that an audit report must reflect an opinion or conclusion on whether the annual financial statements of the auditee fairly present, in all material respects, the financial position of its operations and cash flow in accordance with the applicable financial framework and legislation; the auditee's compliance with any applicable legislation relating to financial matters, financial management and other related matters; and the reported information relating to the performance of the auditee against predetermined objectives. In addition, the Auditor-General may report on whether the auditee's resources were procured economically and utilised efficiently and effectively.

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

Refer to page 101 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1. Service Delivery Environment

The 1997 White Paper on Transforming Public Service Delivery (Batho Pele) emphasises the need for service delivery in the public service to be made a priority and sets out eight principles. These principles form the core of the relationship between the public service and the citizens. Furthermore, the Public Service Regulations (2016) requires that an executive authority (in the case of the NSG, being the Minister for Public Service and Administration) shall establish and maintain an operations management framework, which shall include:

- Approved Service Delivery Model
- List of core mandated services provided by the department
- Mapped business processes for all services
- Standard Operating Procedures for all services
- Service Standards for all services
- Service Delivery Charter
- Service Delivery Improvement Plan

During this financial year, the NSG finalised its Service Delivery Model (SDM), after consultations and alignment with the future positioning of the NSG. The SDM is a document that describes how an institution will deliver on the services and products. The NSG has an approved service delivery charter and service delivery improvement plan. The service delivery environment is based on the following

Value chain:



In addition, the NSG undertook other service delivery improvement initiatives, including the approval of an Operations Management policy, and developing a Quality Management Framework and Service Delivery Charter.

2.2. Service Delivery Improvement Plan

Main Services and Standards

Main Services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievements
Access to training and development services through the NSG Contact Centre and training calendar of the NSG	All government departments and other state entities wishing to enrol employees for training	The NSG Contact Centre provides its services in line with the approved standard operating practices	Manage the Contact Centre strictly in line with the generally acceptable performance standards for the contact centre industry	The NSG deployed a new contact centre solution, which required the NSG to realign its business processes. This transition to the new solution led to initial challenges which were resolved.
Provide effective training and development management and delivery services to learners	All registered learners	The NSG reviews the training materials for relevancy to the learner competency requirements in line with his/her job demands	Develop or review 8 programmes annually	8 new curriculum courses developed/ reviewed during the financial year.
Expediently provide learners with certificates, managed through an improved learner records management process	All registered learners	The NSG issued a total number of 30 551 certificates	Issue certificates for qualifying learners	During this financial year, the NSG issued 44 735 certificates, which includes certificates of attendance, completion and competence

Batho Pele arrangements with beneficiaries

Current/ Actual Arrangements	Desired Arrangements	Actual Achievements
The NSG subscribes to the Public Service Charter and has also developed a service charter and standards, which reinforces courteous behaviour towards service beneficiaries and citizens	Communication with NSG staff to re-inforce the principles of Batho Pele	During this financial year, the NSG undertook internal communication on Batho Pele, and has ensured that staff are provided with name tags.

Service Delivery Information Tool

Current/ Actual Information Tools	Desired Information Tools	Actual Achievements
Service beneficiaries access the NSG information and services through the Contact Centre, website, exhibitions, departmental visits, course directory and brochures	Ensure that service beneficiaries have full access to NSG services through the monthly updating of the Contact Centre and NSG website, scheduled quarterly intergovernmental participation and quarterly update of the course directory	The NSG website is being effectively managed through the updating of the training calendar and training programmes. The NSG is also communicating information through social media platforms such as Twitter, Facebook and an online chat option with potential learners.

Complaints Mechanism

Current/ Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
The NSG did not have a formal complaints management mechanism in place. However, the QMS policies do provide learners with avenues for complaints and redress.	Develop a formal complaints management policy and mechanisms for addressing complaints management	The NSG has a formally approved complaints handling and compliments management policy.

2.3. Organisational environment

The NSG is legislatively mandated to provide training or facilitate the provision of training in the Public Service. In terms of current legislative arrangements, government departments must annually budget one per cent of the employee compensation budget for training of its employees. The NSG is required to generate revenue towards ensuring its financial viability and sustainability and, as such the NSG is placed on a competitive and cost-recovery footing, together with internal and external training providers.

The cost recovery model is made up of partial funding appropriated by Parliament and income derived from cost recovery through training course fees, which is managed in the Training Trading Account (TTA). The cost-recovery model approach requires that all costs associated with the design and development of learning material and implementation of training courses from the training fees are recovered.

The NSG has to maintain its accreditation status as a training provider and has continuously strengthened ties and forged strategic partnerships with ETQAs and the QCTO. In this regard, the NSG delivery of ETD is guided by a set of quality management system (QMS) policies, including: Assessment Management Policy; Certification Policy; Learner Support and Management Policy; and Curriculum & Programme Management Policy.

The performance of the NSG is based on the APP for the 2020/21 financial year as was approved by the Minister and tabled in Parliament. The 2015-2020 Strategic Plan guided the work of the School. The planning, monitoring and reporting of performance is undertaken in line with the legislative prescripts as well as the internal policy on managing organisational performance. It is undertaken as follows:

Developing an Annual Performance Plan

- Developing and implementing detailed work plans, including an Annual Operational Plan and branch business plans

- Signing individual performance agreements in line with the School's performance and development management system
- Quarterly performance monitoring and review through the Executive Management Committee (EMC), Management Committee (MANCO) and Internal Audit
- Quarterly performance reporting to the MPSA, DPME and National Treasury

The NSG undertakes 100 per cent monitoring of all the training through the use of reaction evaluation questionnaires (REQs) which are completed by all participants; and facilitator feedback forms (FFFs) which are completed by the facilitator at the end of a training session. Reports are developed on every training intervention based on the feedback from the participants. These reports are handed to the programme managers on a weekly basis to attend to the areas which have been identified as areas for improvement. Several Application of Learning Studies (ALS) were undertaken, which are aimed at determining if the training provided by the NSG has made any difference to the individual, and the department concerned.

The evaluation function in the NSG is completed in two ways, the first being the onsite observations conducted by the M&E specialists at selected training interventions. Instruments (with pre-defined criteria) are utilised to obtain information related to adult learning practices, the material, and logistical arrangements as observed during the training. Interviews are also conducted with the facilitator and a sample of the participants to obtain their views and experiences. A further level of evaluation has been implemented which are the "application of learning studies", where the objective is to determine whether a programme has made any difference to performance (initially of the participants) after a particular training programme. It is anticipated that, as data is collected over a period of time from specific departments, a determination can eventually be made as to the effect of the training on the department.

2.4. Key policy developments and legislative changes

There were no major changes to policies or legislation that affected operations during the period under review or future financial periods.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The NSG set five strategic outcomes for achievement over the five-year period. The performance of these outcomes in this financial year is discussed below.

Outcome 1: Functional and integrated institution

The objective of this outcome is to ensure that the NSG has the appropriate resources, systems and processes to enable the integrated delivery of ETD interventions. The performance of the outcome is measured through some of the following outputs:

- Implementing an operations management system and a total quality management system.
- Implementing ICT business solutions
- Ensuring effective financial management systems
- Positioning the brand of the NSG
- Effective research and knowledge management for ETD

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include maintaining a vacancy rate of 9.1%, developing a Total Quality Management Framework and an Operations Management policy; implementing 4 ICT business solutions; and implementing 33 communications interventions. Furthermore

65% of the senior management of the NSG were trained on expenditure management. The NSG has also completed six research reports informing the ETD discourse and have also developed a repository for information and knowledge management.

This repository also includes a collection of resources related to the COVID-19 pandemic.

Outcome 2: Competent public servants who are empowered to do their jobs

The objective of this outcome is to ensure that public servants are empowered to do their jobs through the ETD interventions. The performance of the outcome is measured through some of the following outputs:

- Providing ETD opportunities to learners through compulsory and demand-led programmes, and induction programmes
- Completing skills assessment reports on training needs for relevant ETD interventions
- Developing courses/ programmes/ interventions responsive to identified skills gaps and government priorities
- Conducting impact evaluation studies

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include completing four skills assessments to address training needs and ensure uptake of NSG offerings; eight courses/ programmes/ interventions were developed/ reviewed; and six reports on the impact evaluation studies (phase 1) were completed. Additionally, five of the eight partnerships entered into have resulted in the uptake of ETD interventions in this financial year.

Outcome 3: Sustainable partnerships and collaboration to support ETD interventions

The objective of this outcome is to ensure that partnerships and collaborations advance responsive ETD interventions. The performance of the outcome is measured through some of the following outputs:

- Establishing partnerships and collaborations with thought leaders in the public and private sectors
- Establishing and hosting thought leadership platforms partnering with public and private institutions

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include finalising the partnership strategy; and five of the eight partnerships entered have resulted in the uptake of ETD interventions in this financial year. In establishing thought leadership platforms, the NSG developed a Fellowship Programme, with three former Directors-General being appointed to this Programme. Additionally, six thought leadership platforms in the form of master classes were hosted.

Outcome 4: Quality ETD Practitioners

The objective of this outcome is to ensure that ETD practitioners are professionalised in order to deliver ETD interventions. The performance of this outcome is measured by the implementation of a Performance Management Systems for ETD Practitioners implemented. In this financial year, a draft performance management system framework was developed.

Furthermore, the Minister for Public Service and Administration issued a call on 9 September 2020 to all Heads of National and Provincial Departments and Government Components for serving officials to express interest in assisting the NSG with ETD sessions in their area/s of expertise. The

conditions were that officials could be released for up to 8 days to train; no additional remuneration beyond the current conditions of employment; and the releasing department to manage all career incidents of officials. The NSG received 431 applications, and the processes of screening, selection and training were undertaken in this financial year.

Outcome 5: Responsive ETD Interventions

The objective of this outcome is to ensure that trainees satisfied that NSG's ETD interventions is responsive to government priorities and performance improvement in the public sector. The performance of the outcome is measured through some of the following outputs:

- ETD interventions offered to public servants
- Active online ETD interventions
- Developing an online course/ programme on how to deal with all forms of discrimination

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include providing 39 active online learning ETD interventions. Of significance is that the enrolment for online learning was 54 616 learners and a further 17 589 learners enrolled in Getting Started with eLearning (which is not a course but prepares officials for online learning).

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

The purpose of Programme 1 (Administration) is to facilitate the overall management of the School and provide for responsibilities of the Principal, Branch Heads and other members of management. These responsibilities include providing centralised administrative, legal and office support services, human resources and financial management, communication, special projects, international relations, and internal controls and oversight.

Sub-programmes under Programme 1 are organised as follows:

- Sub-programme 1, Office of the Principal incorporates Internal Audit, Risk and Integrity Management
- Sub-programme 2, Office of the Chief Financial Officer
- Sub Programme 3, Administration Branch incorporates Strategy and Systems, Legal Service, Communications, Human Resources, ICT and Workplace Environment Management

Programme 1 is anchored under the outcome of a functional integrated institution

Outcomes, outputs, output indicators, targets and actual achievements

The programme had a total of 14 planned targets for the financial year, 8 targets were achieved, and 6 targets were not achieved. The performance translates to 57% achievement. The achievement of the planned targets has contributed to the outcome as the NSG. In July and August 2020, the NSG experienced a cyber-attack which impacted on the functionality of the School. However, sufficient internal support was provided in ensuring that the NSG could recover from the cyber-attack to enable business continuity and delivery of services. The development and approval of the marketing strategy is critical in ensuring that courses offered by the NSG are known within the public sector and would encourage enrolment, thus enabling an opportunity for the NSG to train and generate revenue. The NSG has prioritised women, youth and persons with disability as the employment equity reflected a fair representation of 55.8% of females employed at SMS level, 56.1% of Youth employed and 2.4% of persons with disability employed at the NSG.

Table 2.4.4.1: Report against APP until re-tabling

ADMINISTRATION									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 until date of re-tabling	Deviation form planned target to actual achievement 2020/21	Reasons for deviation	Reasons for revision to the outputs / output indicator/ annual target
Functional integrated institution	Effective financial management system	Amount of revenue generated and other funding sources in TTA as part of the cost-recovery	R119.6m revenue generated	Revenue of R151 053m generate by the TTA	Generate an amount of R132m in revenue and other funding sources	No revenue generated	R132m	The indicator deliverables were to be achieved later in the year	Limitations due to COVID 19 lockdown regulations meant training especially face to face had to be cancelled. When the NSG resumed training, there was poor uptake by client departments.

Table 2.4.4.2: Report against table APP

ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
Functional integrated institution	Improved productivity and functionality	Implement a Total Quality Management System (TQMS)	No baseline	No baseline	Approved Total quality management policy and system for the NSG	Total Quality Management Framework developed	TQM policy and system	The full TQM system, which the Framework Policy is a part of, will be finalised with support from the EU
	ETD interventions delivered through modernised appropriate business processes	Implement an operations management system	No baseline	No baseline	Develop an operations management policy and plan for the NSG	An Operations Management policy and plan for the NSG has been developed	None	None
		Number of ICT business solutions projects enabling NSG operations	ICT to support the NSG operations in place	ICT to support the NSG operations in place	4 ICT business solutions responsive to NSG operations implemented	4 ICT business solutions responsive to NSG operations implemented	None	None

ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planed target to actual achievement 2020/21	Reason for deviation
Functional integrated institution	Effective financial management system	Expenditure management system implemented to avoid wasteful and fruitless expenditure	No baseline	No baseline	50% of Senior Management Service in the NSG trained on expenditure management	65% (27/41) of SMS trained on expenditure management	15%	Greater response from SMS members to attend training
			No baseline	No baseline	Monitor expenditure management to avoid wasteful and fruitless expenditure	Procurement request and invoices reviewed. No wasteful and fruitless expenditure recorded year to date	None	None
		Percentage of irregular expenditure reduced	R1 237m irregular expenditure incurred	No irregular expenditure incurred	50% reduction of irregular expenditure (baseline of the 2018/19 FY)	0% reduction of irregular expenditure from baseline	50% irregular expenditure	Non- adherence to SCM rules.

ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planed target to actual achievement 2020/21	Reason for deviation
Functional integrated institution	Position the brand of the NSG	Percentage of material audit findings reduced	2 audit material findings issued by AGSA	1 material audit finding issued by AGSA	Reduce the material audit findings by 30% of previous audit outcome (baseline of the 2018/19 FY)	0% reduction of audit findings from baseline outcomes 2 Material findings issued by the AGSA	30% material audit findings	30% material audit findings
		Amount of revenue generated and other funding sources in TTA as part of the cost-recovery	R119.6m revenue generated	Revenue of R151 053m generate by the TTA	Generate an amount of R75m in revenue and other funding sources	Amount of R27 804 391 revenue generated	R47 195 609	Limitations due to COVID 19 lockdown regulations meant training especially face to face had to be cancelled. When the NSG resumed training, there was poor uptake by client departments.

ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
Functional integrated institution	Position the brand of the NSG	Develop and implement the NSG brand and marketing strategy	No baseline	No baseline	Develop and approve NSG brand strategy	NSG brand strategy developed and approved	None	None
		Number of communication interventions promoting NSG offerings in the public sector (including SOEs)	No baseline	No baseline	12 communication interventions	33 communication interventions implemented	21 communication interventions	Increased demand to communicate NSG programmes in line with new strategy
		Percentage of business development interventions resulting in uptake of NSG offerings	No baseline	No baseline	50% of business development interventions resulting in uptake of the NSG offerings at in the public sector (including SOEs)	34% of business development interventions resulting in uptake of the NSG offerings at in the public sector (including SOEs)	16% business developments interventions	The focus had been on finalising the MoA with respective stakeholders then develop implementation plans that will culminate in the uptake of training in the next financial year and beyond

ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planed target to actual achievement 2020/21	Reason for deviation
Functional integrated institution	Effective research and knowledge management for ETD	Knowledge management strategy to support ETD interventions implemented	KM Strategy developed and approved	KM Strategy implemented in the NSG	NSG Repository for information and knowledge management developed	NSG Repository for information and knowledge management developed	None	None
		Number of research projects informing ETD discourse	No baseline	No baseline	2 research reports informing ETD discourse	6 research reports informing ETD discourse completed	4 research reports	Additional requests received during financial year

Strategy to overcome areas of under performance

During this financial year, the NSG experienced a cybercrime attack, which occurred on 31 July 2020. The impact of this attack compromised the entire local area network (LAN) thus affecting all operations of the organisation. The NSG was attacked again on 16 August 2020 with further encryption of files together with a demand for ransom for the decryption of these files. The ransomware in question was identified and is understood to spread its infection and initiate the malicious script for ransomware.

The performance of the NSG was impacted upon by this cybercrime attack in the following manner:

- Processing of payments to suppliers

- Unable to issue quotations for training, to the extent that manual quotations were issued
- Timely reporting on performance information
- Inability to access systems and telephones

Other functions and solutions, which are outsourced or utilizing cloud-based solutions, were not compromised. The cybercrime was reported to all relevant state institutions, as well as to the Portfolio Committee on Public Service and Administration. The recovery from the cybercrime attack required some of the following actions to be undertaken: isolating the affected environments; data recovery; rebuilding the affected environment; and the deployment of sophisticated software.

The first major challenge brought about by the COVID-19 pandemic as well as the national lockdown conditions was the impact on the NSG delivery of training, in particular the face-to-face or contact training. The lockdown in March 2020 did impact on the 2020/21 financial year, which were resulting in training booking cancellations and a low uptake of training. This also impacted on the NSG's ability to generate revenue during this financial year. The financial year has also been a transitional year in that the NSG revised its organisational structure in line with the new strategy. This included the introduction of new areas of work within the current financial year.

Furthermore, in this financial year, the NSG granted approval for 10 employees to work remotely. In addition, the NSG provided for 50% building occupancy at any given time. This, together with manual business processes, has also contributed to the challenges of under-performance. In this financial year, there have been 25 COVID-19 positive cases among employees, requiring deep cleaning of affected areas in many instances, as well as quarantine of other employees through close contact. The performance targets that were not achieved in this financial year can be attributed to factors related to the COVID-19 pandemic, for example, activities that required contact with clients. Furthermore, the filling of some key positions and the necessary capacity to fulfil these performance targets have also contributed to the under-performance. For example, the performance target related to quality management required additional capacity to be fully achieved.

In mitigation of the performance, the NSG can indicate some of the interventions undertaken:

- The Minister for Public Service and Administration (MPSA) issued media statements during the national lockdown encouraging public servants to register for online courses with the NSG. These media statements have assisted significantly with enrolments for programmes such as Nyukela and Ethics.

- The MPSA also approved an NSG training response plan on 14 May 2020, which included interventions such as greater online training activities, engaging with the National Treasury on financial sustainability, and engagements with SITA on the data line capability.
- In terms of the response plan, the NSG also prioritised the installation and application digital tools such as Microsoft Teams and Zoom. For this purpose, the NSG has ensured installation of these tool as well as training of the NSG employees. For this purpose, it has contributed significantly to online interventions, such as the NSG webinars and Master Classes that were undertaken.
- Beyond the national lockdown, the NSG followed the provisions of remote working issued by the DPSA. The business processes and systems of the NSG are not geared for efficient remote working. Despite this, there has been a push for greater automated processes (e.g. piloting of electronic submission management, virtual meetings, etc.)

The under performance of indicators will be regularly monitored through the operational plan to enable strengthened monitoring and improvement of performance indicators. The NSG will also be reviewing the funding model to enable the improvement and generating of revenue from the training conducted.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The NSG does not report on standardised customised indicators for concurrent function.

Reporting on the institutional Response to the COVID-19 Pandemic (Relief Packages)

The NSG did not receive funding for the relief fund package in response to COVID-19.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final	Actual	(Over)/Under Expenditure	Final	Actual	(Over)/Under Expenditure
	Appropriation	Expenditure		Appropriation	Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000
MANAGEMENT	14,895	14,221	674	17,528	15,389	2,139
CORPORATE SERVICES	71,973	66,843	5,130	67,144	64,518	2,626
PROPERTY MANAGEMENT	14,960	14,960	-	15,769	15,615	154
			-			-
Total	101,828	96,024	5,804	100,441	95,522	4,919

4.2. PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT

Programme 2 provides for the monthly transfers for augmenting the Training Trading Account (TTA). The TTA provides for all activities that directly enable public service training and development. Activities of the sub-programmes under Programme 2 are organised as follows:

- Sub-programme 1 (Learning and Professional Development) incorporating Chief Directorates responsible for: (i) Cadet and Foundational Management, (ii) Middle Management Development, (iii) Senior Management and Professionalisation, (iv) Executive Leadership and Management Support, (v) Business Development and Specialised Programmes, and (v) Curriculum Support & Trainer Professionalisation.
- Sub-programme 2 (Professional Support Services) incorporating Chief Directorates responsible for: (i) Research & Market Intelligence, (ii) Quality Assurance and Accreditation, (iii) eLearning, (iv) Technical Support, and (v) Impact & Outcomes.

Outcomes, outputs, output indicators, targets and actual achievements

The programme had a total of 21 planned targets for the financial year, 11 targets were achieved whilst 10 targets were not achieved as planned. The annual performance translates to 52% achievement. Unachieved targets were because of slow uptake of training necessitated by COVID-19 restrictions for persons attending training thus negatively impacted the number of public servants trained for the year. The achievement in response to the outcomes for the programme is the development of courses interventions responsive to skills gaps and needs.

The NSG held Thought Leadership seminars and platforms in partnership with public and private institutions which enabled recognition of the NSG in the public domain, developing public servants and executives which enabled the response to a sustainable partnership and collaborations to support ETD interventions. The NSG in response to prioritising women, youth and persons with disability developed an online course "Leading change by Championing Gender Equality which contributed to empowering and developing middle and senior management as there was an increase in GBV during the lockdown period and the implementation of the course enabled awareness and consciousness of public servants.

Table 2.4.4.1: Report against APP until re-tabling

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 until date of re-tabling	Deviation form planned target to actual achievement 2020/21	Reasons for deviation	Reasons for revision to the outputs / output indicator/ annual target
Sustainable partnerships and collaboration to support ETD interventions	Implement an integrated partnership strategy	Partnerships and collaborations with thought leaders in the public and private sectors established	4 thought leadership seminar/ platforms held	Submitted 6 research articles/ papers to promote thought leadership	Establish thought leadership platforms	Thought leadership platforms established and a webinar with (late) Prof. Stan Sangweni called "Pandemics and their impact on the performance of the public service" hosted	None	None	The focus of the indicator was shifted by the outbreak of COVID 19 and the NSG had to adapt its position in order to report positively on performance

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21 until date of re-tabling	Deviation form planned target to actual achievement 2020/21	Reasons for deviation	Reasons for revision to the outputs / output indicator/ annual target
Responsive Education Training and Development Interventions	Quality compulsory and demand-led ETD interventions in all spheres of government offered	Number of public servants trained on Compulsory (category 2) programmes	No baseline	2 387 public servants trained on mandatory course	7 900 public servants trained on mandatory courses	No training undertaken	7 900	The indicator deliverables were to be achieved later in the year	Limitations due to COVID 19 lockdown regulations meant training especially face to face had to be cancelled. When the NSG resumed training, there was poor uptake by client departments.
		Number of newly appointed public servants completed the Induction programmes	20 608 public servants attended public service induction	15 102 public servants attended public service induction	15 000 public servants	No training undertaken	15 000	The indicator deliverables were to be achieved later in the year	
		Number of public servants completed demand-led ETD interventions in the three spheres of government	36 006 public servants attended demand-led ETD interventions	28 889 public servants attended demand-led ETD interventions	20 765 public servants trained on demand-led ETD interventions in three spheres of government	No training undertaken	20 765	The indicator deliverables were to be achieved later in the year	

Table 2.4.4.2: Report against table APP

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
Competent public servants empowered to do their jobs	Public servants assessed to determine their skills gaps and needs before an ETD intervention	Number of skills assessment reports completed on training needs for relevant ETD interventions	31 Training needs analyses completed	13 Training needs analyses completed	10 skills assessment reports completed and shared with all internal stakeholders to address training needs and ensure uptake of NSG offerings	4 skills assessments were completed and shared with all internal stakeholders to address training needs and ensure uptake of NSG offerings	6 skills assessments	The identified departments were not able to commit to the skills assessment processes owing to challenges associated with COVID-19
		Annual report of Workplace and Sector Skills Plans to inform ETD interventions developed	No baseline	No baseline	Analysis report of Workplace and Sector Skills Plans to inform ETD interventions	Analysis report of the Workplace and Sector Skills Plans to inform ETD interventions completed	None	None

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
	Accredited and non-accredited interventions ETD interventions that meet the skills gaps and needs	Number of courses/ programmes/ interventions responsive to identified skills gaps and government priorities developed/ reviewed	6 programmes/ courses developed/ reviewed	6 programmes/ courses developed/ reviewed	8 courses/ programmes/ interventions responsive to identified skills gaps and government priorities developed/ reviewed	8 courses/ programmes/ interventions responsive to identified skills gaps and government priorities developed/ reviewed	None	None
Competent public servants empowered to do their jobs	Impact evaluations to improve the quality of ETD interventions conducted	Number of impact evaluations studies conducted	No baseline	No baseline	6 Reports on the Impact evaluation studies (Phase 1)	6 Reports on the Impact evaluation studies completed (phase 1)	None	None

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
	Professionalisation of public servants	Professionalise functional areas of public servants through partnership with professional bodies	No baseline	No baseline	Scope two areas of professionalising functional areas of public servants	Draft Professionalisation framework developed and consultations with Legal and Engineering professions ensued. Moreover, the NSG conducted 10 days on public consultation sessions on the draft consultative document for the public service	Scope Report	The focus of the project shifted, and emphasis was rather placed on the development of the framework to guide the professionalisation for the entire public service

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
Competent public servants empowered to do their jobs	Impact evaluations to improve the quality of ETD interventions conducted	Offer a full post graduate qualification by the NSG	No baseline	No baseline	Report on the scoping of the full post graduate qualification to be offered by the NSG completed	Report on the scoping not completed	Report	The project started in the 2018/19 financial year with the appointment of a consultant to develop the course. By the 2019/20 financial year, facilitator and learner guides were finalised and 8 modules developed and piloted to AMDIN members. In the 2020/21 financial year, the programme strategy was developed and finalised.

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
Sustainable partnerships and collaboration to support ETD interventions	Implement an integrated partnership strategy	Percentage of the partnerships facilitating the uptake of the NSG ETD interventions	No baseline	No baseline	30% of the partnerships facilitating the uptake of the NSG ETD interventions	55% (11/20) of the partnerships facilitated the uptake of the NSG ETD interventions	None	More agreements than anticipated were finalised despite covid 19 challenges
		Host thought leadership seminars/ platforms in partnership with public and private institutions	4 thought leadership seminar/ platforms held	Submitted 6 research articles/papers to promote thought leadership	Establish and host thought leadership platforms partnering with public and private institutions	In establishing thought leadership platforms, the NSG developed a Fellowship Programme, the strategy was approved by the Minister. six thought leadership platforms in the form of master classes were hosted	None	None

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
Quality ETD practitioners	ETD practitioners professionalised to deliver ETD interventions	Performance Management Systems for ETD Practitioners implemented	No Baseline	No baseline	Performance Management Systems for ETD Practitioners implemented	Performance Management Systems for ETD Practitioners not implemented	Performance Management System	The indicator is a deliverable of the newly created directorate as per new organisational structure. The concept outline for the framework was developed
Responsive Education, Training and Development Interventions	Quality compulsory and demand-led ETD interventions in all spheres of government offered	Compulsory in-service training framework approved and programmes rolled out	No Baseline	No Baseline	Compulsory in-service training framework approved	Draft Compulsory in-Service training Framework developed	Approved Compulsory in-Service training Framework	Delays in consultation between various external stakeholders

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
		Number of public servants trained on Compulsory (category 2) programmes	No baseline	2 387 public servants trained on mandatory course	5 265 public servants trained on mandatory courses	337 public servants trained on mandatory courses	4 928 public servants	Uptake of face to face or contact training has been low due to the outbreak of COVID 19.
		Number of newly appointed public servants completed the Induction programmes	20 608 public servants attended public service induction	15 102 public servants attended public service induction	8 535 public servants	4 589 public servants	3 946 public servants	Uptake of face to face or contact training has been low due to the outbreak of COVID 19.
		Number of public servants completed demand-led ETD interventions in the three spheres of government	36 006 public servants attended demand-led ETD interventions	28 889 public servants attended demand-led ETD interventions	12 240 public servants trained on demand-led ETD interventions in three spheres of government	38 485 public servants trained on demand-led ETD interventions in three spheres of government	26 245 public servants	Increased uptake of virtual training courses

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
		Percentage of senior managers in the public sector trained how to deal with all forms of discrimination	No baseline	No baseline	Develop an online course/ programme on how to deal with all forms of discrimination	Completed the development of the online course " <i>Championing Anti-discrimination in the public sector</i> "	None	None
Responsive Education, Training and Development Interventions	Quality compulsory and demand-led ETD interventions in all spheres of government offered	Number of provincial departments of education trained (ToT) by NSG to roll out training to teachers and School Management Teams on handling diversity and dealing with all forms of discrimination	No baseline	No baseline	Develop the online curriculum and case studies in partnership with Department of Basic Education (DBE)	The NSG completed the customisation of " <i>Teaching for All</i> " module into a short online learning course	None	The DBE resolved to develop the course with the assistance of the British Council.

PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to actual achievement 2020/21	Reason for deviation
		Number of active online learning ETD interventions	26 eLearning interventions offered	27 eLearning interventions offered	34 active online learning ETD interventions available	39 active online learning ETD interventions available	5 online interventions	Increasing need for online platforms
		Develop a comprehensive methodology for a perception survey to determine satisfaction with the NSG's ETD interventions in responsive to government priorities and performance improvement in the public sector	No baseline	No baseline	Comprehensive methodology approved	Comprehensive methodology approved	None	None

Strategy to overcome areas of under performance

The factors that affected the under performance as reported in Programme 1 was also impacted upon in Programme 2. The NSG experienced a cybercrime attack, which occurred on 31 July 2020. The impact of this attack compromised the entire local area network (LAN) thus affecting all operations of the organisation. The NSG was attacked again on 16 August 2020 with further encryption of files together with a demand for ransom for the decryption of these files. The ransomware in question was identified and is understood to spread its infection and initiate the malicious script for ransomware.

Another major challenge brought about by the COVID-19 pandemic as well as the national lockdown conditions was the impact on the NSG delivery of training, in particular the face-to-face or contact training. The lockdown in March 2020 did impact on the 2020/21 financial year, which were resulting in training booking cancellations and a low uptake of training. This also impacted on the NSG's ability to generate revenue during this financial year. The financial year has also been a transitional year in that the NSG revised its organisational structure in line with the new strategy. This included the introduction of new areas of work within the current financial year.

Furthermore, in this financial year, the NSG granted approval for 10 employees to work remotely. In addition, the NSG provided for 50% building occupancy at any given time. This, together with manual business processes, has also contributed to the challenges of under-performance. In this financial year, there have been 25 COVID-19 positive cases among employees, requiring deep cleaning of affected areas in many instances, as well as quarantine of other employees through close contact. The performance targets that were not achieved in this financial year can be attributed to factors related to the COVID-19 pandemic, for example, activities that required contact with clients. Furthermore, the filling of some key positions and the necessary capacity to fulfil these performance targets have also contributed to the under-performance. For example, the performance target related to quality management required additional capacity to be fully achieved.

In mitigation of the performance, the MPSA issued media statements during the national lockdown encouraging public servants to register for online courses with the NSG. These media statements have assisted significantly with enrolments for programmes such as Nyukela and Ethics. The MPSA also approved an NSG training response plan on 14 May 2020, which included interventions such as greater online training activities, engaging with the National Treasury on financial sustainability, and engagements with SITA on the data line capability.

In terms of the response plan, the NSG also prioritised the installation and application digital tools such as Microsoft Teams and Zoom. For this purpose, the NSG has ensured installation of these tool as well as training of the NSG employees. For this purpose, it has contributed significantly to online interventions, such as the NSG webinars and Master Classes that were undertaken.

The business processes and systems of the NSG are not fully geared for efficient remote working. Despite this, there has been a push for greater automated processes (e.g., piloting of electronic submission management, virtual meetings, etc.)

The under performance of indicators will be regularly monitored through the operational plan to enable strengthened monitoring and improvement of performance indicators. The NSG will also be reviewing the funding model to enable the improvement and generating of revenue from the training conducted.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The NSG does not report on standardised customised indicators for concurrent function.

Reporting on the institutional Response to the COVID-19 Pandemic (Relief Packages)

The NSG did not receive funding for the relief fund package in response to COVID-19.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2020/2021			2019/2020		
	Final	Actual	(Over)/Under	Final	Actual	(Over)/Under
	Appropriation	Expenditure	Expenditure	Appropriation	Expenditure	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
NSG TRAINING TRADING ACCOUNT	125,579	125,579	-	87,464	87,464	-
			-			-
Total	125,579	125,579	-	87,464	87,464	-

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The NSG did not make any transfers to public entities.

5.2. Transfer payments to all organisations other than public entities

The NSG did not make transfer payment to organisations other than public entities.

6. CONDITIONAL GRANTS

Conditional grants and earmarked funds paid

The NSG did not receive conditional grants.

7. DONOR FUNDS

Donor funds received

Name of donor	European Union
Full amount of the funding	10 million Euros of which 2,7million (R39 948 660,00) is transferred to NSG and managed by NSG
Period of the commitment	7 June 2016 – 7 December 2021
Purpose of the funding	To improve public sector capacity through education, training and development by NSG.
Expected outputs	The programme has four result areas: Result Area 1: Improved systems development and HR capacity for the NSG to fulfil its training and development Result Area 2: Strengthened research and curriculum development for increased responsiveness and relevance of training and development in meeting the needs of the public sector Result Area 3: Improved efficacy of the public sector workplace through training and development Result Area 4: Strengthened NSG through collaboration and strategic partnerships at domestic, regional and international levels.
Actual outputs achieved	• ITC hardware and software for the NSG • 5 x NSG eLearning courses developed • 2 x Evaluation reports and 15 x case studies developed for NSG development, teaching & learning purposes • Assessment centre options analysis and recommendations • NSG coaching system developed and piloted • Strengthened strategic partnerships with African Management Development Institutes AMDIN and international partners. • 3 x African programmes developed • Africa Journal of Public Sector Development and Governance developed & published with African partners. • Partnerships with EU countries, specifically ENA
Amount received in current period (R'000)	R7,071 000,00
Amount spent by the department (R'000)	R3,877 000,00
Reasons for the funds unspent	Postponement and withdrawal of partnering countries on activities due to labour unrest by booked airline.
Monitoring mechanism by the donor	Quarterly Programme steering committee meetings, oversight & reporting Annual expenditure verification Result orientated monitoring review Mid-term programme review

8. CAPITAL INVESTMENT

8.1. Capital Investment, Maintenance and asset management plan

The NSG did not have capital investment.





PART C: GOVERNANCE

1. INTRODUCTION

Section 195 (1) of the Constitution provides that public administration must be governed by the democratic values and principles as enshrined therein, including among others, that a high standard of professional ethics must be promoted and maintained. Furthermore, section 3 (1) (h) of the Public Service Act, 1994 (as amended) empowers the Minister for the Public Service and Administration to establish norms and standards in respect of integrity, ethics, conduct and anti-corruption in the public service. Regulation 22 of the Public Service Regulations (PSR), 2016 provides for anti-corruption and ethics functions which are mandatory for all government departments.

Section 38 (1) (a) (i) of the PFMA states that “the Accounting Officer of a department must ensure that the department has and maintains an effective, efficient and transparent systems of financial and risk management and internal control”. Section 3.2.1 of the Treasury Regulations states that “The Accounting Officer must ensure that risk assessment is conducted regularly so as to identify emerging risks of the institution”.

The NSG has established the Risk and Ethics Management Committee (REMC) to assist the Accounting Officer to fulfil the risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

2. RISK MANAGEMENT

The NSG follows an integrated approach towards risk management and has adopted the Public Sector Risk Management Framework and international standards such as the COSO framework, ISO 31000 and other best practises in developing the approved Enterprise Risk Management Framework. The Enterprise Risk Management Framework is annually revised together with

the REMC Charter, which are among other governance requirements for the Committee.

The Enterprise Risk Management Framework outlines the risk management approach followed by the Department, combining efforts by the NSG management and staff, the REMC, and Internal Audit and Audit Committee, in identifying strategic, operational and emerging risks that could impede the organisation in achieving its set objectives. Through these efforts, mitigation strategies are developed, implemented and continuously monitored to ensure that risks are minimised to an acceptable level. The overall risk management processes focus on developmental strategic risks, ICT risks and operational risks. These risks are monitored continuously on a quarterly basis to assess implementation of the identified action plans, and progress on the risk action plan and status is presented to the REMC and the Audit Committee of the NSG. The REMC is chaired by an external member (non-executive), who also serves as a member of the Audit Committee, to ensure transparency and objectivity in the discharge of its responsibilities. The Committee provides assurance to the Accounting Officer and Audit Committee that risks are effectively managed.

The REMC meets on a quarterly basis and the focus is on key risk areas and risk mitigation measures. The composition of the REMC comprises of all the Executive Management Committee and other officials appointed by the Accounting Officer. In addition to the Committee, based on their technical expertise, are standing invitees to REMC meetings. The Audit Committee has independently monitored the effectiveness of the system of Risk Management within the NSG by reviewing analysis reports and minutes of the REMC.

3. FRAUD AND CORRUPTION

The NSG has an approved Fraud and Anti-Corruption Policy that has a zero-tolerance to fraud, corruption and other irregularities. The Policy and the fraud and ethics implementation plan are the tools used as a response framework for combating fraud and corruption within the Department, promoting employee vigilance in fraud identification and reporting, and providing guidelines on the handling of fraud-related reports and investigation. Fraud and ethics risk assessments are conducted annually and progress on mitigation plans are provided to the REMC on a quarterly basis. The approved whistle-blowing policy protects employees who make disclosures, in terms of the Protected Disclosures Act, 2000 (Act No. 26 of 2000) from any occupational detriment thus encouraging employees to report unlawful and irregular conduct within the NSG.

The NSG supports the National Anti-Corruption Hotline (NACH) which is administered by the Public Service Commission (PSC) and employees are encouraged to make confidential disclosure in relation to suspected fraud and corruption to the hotline as an alternative to the internal reporting facilities.

4. MINIMISING CONFLICT OF INTEREST

The NSG adheres to the Conflict of Interest standard as contained in Chapter 2, Part 2 (21) of the Public Service Regulations, 2016. There is an approved Conflict of Interest Policy, which sets forth applicable provisions and assists NSG employees, businesses conducting business with the NSG and certain other individuals under contractual obligation with the NSG to declare conflicts of interest. The policy further outlines the requirements and procedure for application to undertake other remunerative work, disclose financial interests, and disclose actual and/or perceived conflicts of interest as well as implications of conducting business with an organ of state.

5. CODE OF CONDUCT

The NSG adheres to the Code of Conduct as contained in Chapter 2, Part 1 (13) of the Public Service Regulations, 2016. The NSG includes the discussion and awareness of the Code of Conduct in the programmes for:

1. Internship
2. Induction course for newly appointed employees
3. HR Roadshows

In managing labour relations, the NSG follows the processes as contained within the Public Service Co-ordinating Bargaining Council (PSCBC) Resolutions for Managing of Grievances (PSCBC Resolution 14 of 2002) and the managing of disciplinary processes (informal & formal) as contained in PSCBC Resolution 1 of 2003. The acts of misconduct within the Resolution and therefore also in the Departmental Standard Operating Procedure are aligned with the Code of Conduct. At this stage, the Directorate: HRM&D also assists in the management of financial disclosures and the vetting and security clearance of employees.

In terms of the ethics aspect of the Code of Conduct, the Ethics Unit is responsible for the implementation thereof, which include, amongst others, the management of protective disclosures, gift registers and risk management.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The NSG has an approved COVID-19 departmental policy. There is an Occupational Health and Safety Committee that convenes quarterly and an on adhoc basis due COVID-19 demands. The membership was reviewed, appointments approved, and letters issued. The management of OHS is implemented through a Safety, Health, Environment, Risk and Quality (SHERQ) Management Operational Plan and monthly reports are submitted to DPSA. The NSG established a steering committee in view of COVID-19 pandemic, with representatives from management and organised labour.

7. PORTFOLIO COMMITTEES

During the financial year under review, the NSG was invited to the Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation. However, given the unique circumstances this financial year posed by the declaration of a state of national disaster and the lockdown regulations, the engagements were convened through the virtual platform and are indicated below:

Date of Meeting	Issue for Presentation and Engagement
6 May 2020	National School of Government 5-year Strategic Plan (2020-2025) & Annual Performance Plan (2020/21)
11 June 2020	Report on unemployed graduates and internships undergoing Public Service orientation
8 July 2020	Adjustment to Budget Vote & Revised APP (2020/21) of the National School of Government
18 November 2020	National School of Government Annual Report 2019/20
3 February 2021	First and second quarters organisational performance report
3 March 2021	Third quarter organisational performance report
3 March 2021	The impact of COVID-19 on the provision of education, training and development and its budget

Key matters raised by the Portfolio Committee include the following, and to which the NSG has appropriately responded:

- Mechanism to assess the impact of training courses and programmes offered by the School
- Measures to ensure the funding model of the NSG is sustained and financially viable.

In more recent engagements with the Portfolio Committee, the impact of the COVID19 pandemic was discussed – in light of the NSG not being able to conduct face-to-face training and the ability of the NSG to raise revenue.

8. SCOPA RESOLUTIONS

The NSG had no appearances to the Standing Committee on Public Accounts (SCOPA) or related notices in the financial year under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The NSG did not have a qualification, disclaimer, adverse opinion and matters of non-compliance.

10. INTERNAL CONTROL UNIT

The Internal Audit is currently outsourced to Lunika Chartered Accountants and Auditors Inc. for a period of three years from January 2019, working together with the NSG's Internal Auditor in carrying out audits. Internal Audit follows a risk-based audit approach which places emphasis on the identification of risks, the prioritising thereof and testing of controls over key risk areas.

The Audit Committee approved the Internal Audit operational plan for the 2020/21 financial year. In line with the annual Internal Audit Plan for the year,

the internal audit focus was on review of financial statements and annual report, COVID-19 Workplace readiness assessment review, financial controls review, performance information, Supply Chain Management and Annual Performance Plan review.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services that are designed to add value and improve the operations of the NSG. This function helps the NSG to accomplish its objectives and translation thereof to operational activities by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes. Internal Audit has unrestricted access to all functions, records, property and employees of the NSG and the Audit Committee. Adequate resources to the three-year plan review are annually allocated to the Internal Audit function. Internal Audit reports administratively to the Accounting Officer and functionally to the Audit Committee.

The audit approach combines two types of audit engagements, that is, assurance and consulting (advisory) services. Internal Audit is at all times, when conducting their work or any other tasks assigned to them, guided by the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics, as published by the Institute of Internal Auditors, and complies with the relevant Sections in the PFMA and related Treasury Regulations.

The Audit Committee is an independent body that reports to the Accounting Officer through its Chairperson. The overall objective of the Audit Committee is to assist in ensuring that there are effective organisational management and control measures that are applied by the Executive Management to discharge their duties relating to:

- Safeguarding of assets
- Adequate operation of procedures and controls
- Financial reporting process
- Performance information management
- System of internal control over financial reporting
- Audit process
- Departmental processes for monitoring compliance with laws and regulations and the code of conduct

The Audit Committee is also responsible for reviewing the Annual Financial Statements and Performance Information reports, as required by the Public Finance Management Act and the related Treasury Regulations. The Audit Committee does not perform any management functions or assume any management responsibilities, but functions as an objective and independent oversight committee, making recommendations to the Accounting Officer for his/her approval or final decision. Overall, the Audit Committee executes its responsibilities through close liaison and communication with management, internal and external auditors and where it deems it necessary, and engages with the Executive Authority.

Audit Committee members and attendance

The Audit Committee consists of the members listed below of which four are independent members in line with good corporate governance practice. The Committee meets at least four times per annum as per its approved terms of reference. During the year under review, the Committee held four meetings.

Information on the Audit Committee members

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Sakhi Simelane	Masters of Commerce: Accounting, Masters of Business Administration, Bachelor of Commerce (Honours), Bachelor of Commerce (Accounting)	External (Chairperson)	N/A	01 November 2016	N/A	4
Dr Maria Peenze	Doctor Technologiae: Business Administration, Magister Legum: Human Rights, Baccalaureus Legum, Baccalaureus Luris	External	N/A	01 November 2016	N/A	4
Prof Daniel (D.P)van der Nest	Doctor Technologiae, Masters of Commerce: Economics , Bachelor of Commerce (Honours) in Economics, Bachelor of Commerce (Accounting), Post Graduate Diploma in Higher Education	External	N/A	01 November 2016	N/A	4
Ms Zanele Nkosi	Bachelor of Commerce in Accounting Bachelor of Commerce (Honours) CTA, QE Board 1 and PPE Board 2	External	N/A	01 November 2016	N/A	4

12. AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

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

- Annual Financial Statements and Annual report
- Covid 19 Readiness Assessment Review
- Financial Controls Review
- Performance Information
- Supply Chain Management
- Annual Performance Plan Review

The following were areas of concern:

There were no areas of concern during the reporting period. All audits were satisfactory with a room for improvement.

In-Year Management and Monthly/Quarterly Report

The department has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

Auditor-General's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

- Five Years External Quality Assessment (Internal Audit)
- Understatement on revenue recognised on other courses

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.



Mr Sakhiseni Simelane

Chairperson of the Audit Committee
National School of Government

Date: 31 August 2021

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the Broad-Based Black Economic Empowerment Act, 2013 (Act No. 46 of 2013) and as determined by the Department of Trade, Industry and Competition.

Has the Department applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	N/A	
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	



PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

Dramatic changes caused by the COVID-19 pandemic have influenced human resource management profoundly. Human Resource Management had to take up leadership to navigate in the vague present and unforeseeable future by managing people to cope with stress and to continue working remotely so that business goes on with its operations. Difficult as it might have been, only the part of employment equity status that relates to employees living with disability has decreased. There should be a targeted approach to recruit persons living with disabilities.

In total, 24 employees tested positive for the COVID virus and one (1) employee sadly passed away. Eleven (11) employees were granted permission to work from home due to identified uncontrolled risks and vulnerabilities. Employees who are 60 years and older with one or more stated comorbidities were granted permission to work from home as this group was identified as the most vulnerable. Employees who were in their third trimester of pregnancy were also granted permission to work from home. This decision was driven by caution as some viral infections are worse in pregnant women.

The approved NSG staff establishment is 230, with 209 of these positions filled and 21 vacant as at 31 March 2021. This translates to 91 percent of posts filled. The vacancy rate increased from 8.2 percent in 2019/20 to 9.1 percent by the end of 2020/21.

In terms of the employment equity status, the racial breakdown is as follows: African 172; White 16; Coloured 11 and Indian 10. Significantly, female employees are well-presented in the NSG. Out of 209 total employees, 59 percent (123) were females as at end of 2020/21. The School continues to meet the Cabinet targets for employment of people with disabilities, representing 2.4 percent of employees. The NSG is also doing well in terms of women at SMS as 56 percent of SMS members are women. During the period under review, the NSG appointed a total of eight employees. In the same period, one internal staff member was transferred and promoted to another position.

The NSG trained 98 employees in line with the Workplace Skills Plan (WSP). The target of 60 employees was therefore exceeded. The focus of training was on critical skills required to deliver on the mandate of the School. The NSG also awarded 39 bursaries to employees to further their studies for the 2020 and 2021 academic years. The NSG provided opportunities for internship, benefiting two (2) Graduate Interns in the financial year, and maintains a database of all interns from prior years. From 2009/10 to date, 29 interns have been offered permanent employment in the NSG. In this financial year three (3) of the Graduate Interns and Structured Youth Development Programme (Side Internship) were offered employment in the NSG.

To ensure employees' well-being, the NSG implemented an Employee Health and Wellness (EHW) Programme and monitors its environment to ensure compliance to environmental wellness and safety standards. The NSG performed excellently in implementing programmes aimed at enhancing active uptake of EHW Interventions. A total of 149 employees were able to access EHW programmes during this financial year.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. 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 3.1.1 Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Vote Programme 1	96 024	55 840	166	3 718	58%	689
Vote Programme 2	125 579	-	-	-	-	-
TTA	134 673	91 633	164	6 493	68%	699
Total	356 276	147 473	330	10 211	41%	696

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (level 3-5)	4 338	3%	21	206
Highly skilled production (levels 6-8)	30 299	21%	76	398
Highly skilled supervision (levels 9-12)	55 197	37%	71	777
Senior and Top management (levels 13-16)	57 639	39%	41	1 405
Total	147 473	100%	209	705

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Vote Programme 1	38 282	26%	14	0%	843	1%	2 040	1%
TTA	63 805	43%	-	0%	1 841	1%	3 103	2%
Total	102 087	69%	14	0%	2 684	1%	5 143	3%

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	-	-	-	-	-	-	-	-
Skilled (level 3-5)	2 975	2%	8	0%	224	0%	499	0%
Highly skilled production (levels 6-8)	21 809	15%	6	0%	1 209	1%	2 442	2%
Highly skilled supervision (levels 9-12)	40 618	28%	-	0%	638	0%	1 532	1%
Senior management (level 13-16)	36 685	25%	-	0%	613	0%	670	0%
Total	102 087	69%	14	0%	2 684	2%	5 143	3%

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. It summarises the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Vote Programme 1	87	80	8%	0
NSG TTA	143	129	9.8%	0
Total	230	209	9.1%	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0	0	0%	0
Skilled (3-5)	24	21	12.5%	0
Highly skilled production (6-8)	80	76	5%	0
Highly skilled supervision (9-12)	78	71	9%	0
Senior management (13-16)	48	41	14.6%	0
Total	230	209	9.1%	0

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
N/A				

As outlined below, the NSG in this financial year does not have critical occupations as stipulated in the CORE and do not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3. Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service (SMS) by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department Level 16	1	1	100%	0	0%
Salary Level 15	3	2	66.6%	1	33.3%
Salary Level 14	15	13	86.7%	2	13.3%
Salary Level 13	29	25	86.2%	4	13.8%
Total	48	41	85.4%	7	14.6%

Table 3.3.2 SMS post information as on 30 September 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department Salary Level 16	1	1	100%	0	0%
Salary Level 15	3	2	66.6%	1	33.3%
Salary Level 14	15	12	80%	3	20%
Salary Level 13	29	26	89.6%	3	10.3%
Total	48	41	85.4%	7	14.6%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2021

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
For the 2020/21 financial year due to budget constraints, the COVID 19 pandemic, reconfiguration of the NSG and delays in advertising and filling of DDG and SMS posts, impacted on the filling of SMS posts. The NSG ensured that acting appointments were in place during this transitional period. The NSG also filled SMS posts through transfers from supernumerary staff in the public service.
Reasons for vacancies not filled within twelve months
See above

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

Reasons for vacancies not advertised within six months
N/A
Reasons for vacancies not filled within six months
N/A

Notes

- In terms of the Public Service Regulations, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4. 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 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2020

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	-	-	-	-	-	-	-
Skilled (Levels 3-5)	24	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	80	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	78	1	1.3%	-	-	-	-
Senior Management Service Band A	29	-	-	-	-	-	-

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Senior Management Service Band B	15	1	6.7%	-	-	-	-
Senior Management Service Band C	3	1	33.3%	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Total	230	3	6.3%	0	0%	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

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

Gender	African	Asian	Coloured	White	Total
None	0	0	0	0	0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

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

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total number of employees whose salaries exceeded the level determined by job evaluation	0	0	0	0

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

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

Gender	African	Asian	Coloured	White	Total
None	0	0	0	0	0

3.5. Employment Changes

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

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

Salary band	Number of employees at beginning of period-1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	22	-	-	-
Highly skilled production (Levels 6-8)	73	4	2	2.7%
Highly skilled supervision (Levels 9-12)	74	1	4	5.4%
Senior Management Service Band A	28	2	5	17.9%
Senior Management Service Band B	12	1	-	-
Senior Management Service Band C	2	-	-	-
Senior Management Service Band D	1	-	-	-
Contracts	-	-	-	-
Total	212	8	11	5.2%

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

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
N/A	-	-	-	-

As outlined at Table 3.2.3 above, the NSG in this financial year do not have critical occupations as stipulated in the CORE and do not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

The table below identifies the major reasons why staff left the department.

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

Termination Type	Number	% of Total Resignations
Death	2	18.2%
Resignation	7	63.6%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement (Early retirement without penalty)	2	18.2%
Transfer to other Public Service Departments	-	-
Other	-	-
Total	11	100%
Total number of employees who left as a % of total employment	209	5.2%

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

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
None	-	-	-	-	-

As outlined at Table 3.2.3 above, the NSG in this financial year does not have critical occupations as stipulated in the CORE and do not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

Table 3.5.5 Promotions by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level (Grade Progressions)	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	-	-	-	-	-
Skilled (Levels 3-5)	22	1	4.5%	-	-
Highly skilled production (Levels 6-8)	73	-	-	2	2.7%
Highly skilled supervision (Levels 9-12)	74	-	-	3	4.1%
Senior Management (Level 13-16)	43	-	-	-	-
Total	212	1	0.5%	5	2.4%

3.6. Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	14	-	2	2	12	3	4	4	41
Professionals	25	2	3	2	32	2	-	5	71
Technicians and associate professionals	27	-	-	1	43	2	1	2	76
Clerks	8	-	-	-	11	2	-	-	21
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	74	2	5	5	98	9	5	11	209
Employees with disabilities	3	-	2	-	-	-	-	-	5

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	-	-	-	1	-	-	-	3
Senior Management	12	-	2	2	11	3	4	4	38
Professionally qualified and experienced specialists and mid-management	25	2	3	2	32	2	-	5	71
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	27	-	-	1	43	2	1	2	76
Semi-skilled and discretionary decision making	8	-	-	-	11	2	-	-	21
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	74	2	5	5	98	9	5	11	209

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	-	2	-	-	-	3
Professionally qualified and experienced specialists and mid-management	1	-	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management supervisors, foreman and superintendents	-	-	-	-	4	-	-	-	4
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	2	-	-	-	6	-	-	-	8
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making	1	-	-	-	-	-	-	-	1
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	1	-	-	-	-	-	-	-	1
Employees with disabilities	-	-	-	-	-	-	-	-	-

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	1	2	-	-	1	5
Professionally qualified and experienced specialists and mid-management	2	-	-	1	1	-	-	-	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	-	-	-	1	-	-	-	2
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	4	-	-	2	4	-	-	1	11
Employees with Disabilities	-	-	-	-	1	-	-	-	1

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Verbal Warnings	3	0	1	0	2	1	1	1	9

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	0	2	2	10	2	3	3	30
Professionals	6	1	3	3	15	0	0	2	30
Technicians and associate professionals	17	0	0	0	15	0	0	0	32
Clerks	3	0	0	0	3	0	0	0	6
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	34	1	5	5	43	2	3	5	98
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7. Signing of Performance Agreements by SMS Members

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 3.7.1 Signing of Performance Agreements by SMS members as on 31 July 2020

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department Salary Level 16	1	1	1	100%
Salary Level 15	3	2	2	100%
Salary Level 14	15	12	12	100%
Salary Level 13	29	28	28	100%
Total	48	43	43	100%

Notes

For the 2020/21 performance cycle, due the declaration of a national state of disaster, a deviation was granted by the MPSA that the due date for submitting of performance agreements be extended to three months after the last day of the lockdown (16 April 2020), therefore 31 July 2020.

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

Reasons
N/A

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

Reasons
N/A

3.8 Performance Rewards

To encourage good performance, the NSG 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 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	99	172	57.5%	610	6
Male	37	74	50%	226	6
Female	62	98	63.2%	384	6
Asian	6	9	66.6%	84	14
Male	4	4	100%	69	17
Female	2	5	40%	15	7
Coloured	3	12	25%	27	9
Male	0	3	0%	0	0
Female	3	9	33.3%	27	9
White	13	16	81.3%	141	10
Male	5	5	100%	60	12
Female	8	11	72.7%	81	10
Total	121	209	57.9%	863	7

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (level 3-5)	6	21	28.6%	10	1	0.2%
Highly skilled production (level 6-8)	44	76	57.9%	123	3	0.4%
Highly skilled supervision (level 9-12)	43	71	60.6%	309	7	0.6%
Total	93	168	55.3%	442	5	0.5%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
None	0	0	0%	0	0

As outlined at Table 3.2.3 above, the NSG in this financial year do not have critical occupations as stipulated in the CORE and do not experience a high degree of difficulty to recruit or retain the services of these employees or need to recruit persons with scarce skills additional to the establishment.

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	19	25	76%	196	10	0.6%
Band B	9	13	69.2%	225	25	1.2%
Band C	0	2	0%	0	0	0%
Band D	0	1	0%	0	0	0%
Total	28	41	68.3%	421	15	0.7%

3.9. Foreign Workers

No foreign workers were employed in the NSG during this period.

3.10. Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	
Skilled (levels 3-5)	76	73.6%	14	66.6%	5	69
Highly skilled production (levels 6-8)	257	68.4%	56	73.6%	5	377
Highly skilled supervision (levels 9 -12)	337	68.4%	58	81.7%	6	976
Top and Senior management (levels 13-16)	179	78.7%	34	82.9%	5	870
Total	819	72.3%	162	77.5%	5	2 292

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	6	100%	2	2.6%	3	9
Highly skilled supervision (Levels 9-12)	12	100%	1	1.4%	12	42
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	18	100%	3	1.4%	6	51

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 3.10.3 Annual Leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	-	-	-
Skilled (Levels 3-5)	318	19	17
Highly skilled production (Levels 6-8)	1626	86	19
Highly skilled supervision (Levels 9-12)	1502	77	20
Senior management (Levels 13-16)	944	47	20
Total	4390	229	19

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

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Total	0	0	0	0

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

Table 3.10.5 Leave payouts for the period 1 April 2020 and 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2020/21	343	2	172
Current leave payout on termination of service for 2020/21	587	11	53
Total	930	13	72

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in the Regulations If so, provide her/his name and position?	✓		Ms Zoleka Lamati, Director: HRM&D is responsible for the Health Promotion and HIV/AIDS Programmes
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Two staff members with annual salaries of R1,212,386. The budget allocated for programme activities is R126,029.16. Total budget R1,338,415.16
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		- Professional Support Line Service via a 24/7/365 Call Centre - Counselling services (telephonic and face to face-to-face) - Services offering information and assistance on legal advice, financial advice and health information to live better HIV/AIDS education, counselling and support - Managerial Consultancy - Online Wellness Programme - Monthly awareness session - Bi-Annually Health Screening
4. Has the department established (a) committee(s) as contemplated in the Regulations If so, please provide the names of the members of the committee and the stakeholder(s) that they represent?	✓		Wellness matters are discussed as part of the HR Forum

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		The approved policy for the management of HIV/AIDS, TB & STIs Operational Plan incorporates elements of non-discrimination in the workplace
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.	✓		• The policy clearly outlines non-discriminatory practices and disciplinary action against perpetrators • HIV testing is conducted in private and by qualified professionals • Advocacy and awareness programmes on key calendar days that focus on HIV issues are implemented
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		Bi-annual HIV Counselling and Testing (HCT) implemented and 16.5% of staff were tested during the reporting period
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		• Quarterly and annual reports are received from the outsourced service providers • Quarterly and Annual HIV/AIDS Operational Plan Reports are submitted internally and to the DPSA • Quarterly HCT reports submitted internally and to the DPSA

3.12. Labour Relations

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

Subject matter	Date
Total number of Collective agreements	None

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

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	9	100%
Written warning	-	-
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
Total	9	100%

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

Type of misconduct	Number	% of total
Minor transgressions in financial disclosures for SMS members in terms of items not fully disclosed. Progressive discipline was followed	9	100%
Total	9	100%

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

Grievances	Number	% of Total
Number of grievances resolved	0	0%
Number of grievances not resolved	2	100%
Total number of grievances lodged	2	100%

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

Disputes	Number	% of Total
Number of disputes upheld	1	100%
Number of disputes dismissed	0	0%
Total number of disputes lodged	1	100%

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

Strike actions	None
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Table 3.12.7 Precautionary suspensions for the period 1 April 2020 and 31 March 2021

Precautionary suspensions	None
---------------------------	------

3.13. Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Graduate Internship programme	Skills Programmes & other short courses	Other forms of training (Bursaries)	Total
Legislators, senior officials and managers	Female	24	0	6	0	6
	Male	19	0	3	2	5
Professionals	Female	40	0	11	7	18
	Male	34	0	9	2	11
Technicians and associate professionals	Female	45	0	13	10	23
	Male	28	0	11	10	21
Clerks	Female	13	6	4	1	5
	Male	9	6	3	1	4
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	122	6	34	18	52
	Male	90	6	26	15	41
Total		212	12	60	33	93

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

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period			
			Graduate internship	Skills Programmes & other short courses	Other forms of training (Bursaries)	Total
Legislators, senior officials and managers	Female	24	0	18	3	21
	Male	19	0	12	1	13
Professionals	Female	40	0	17	8	25
	Male	34	0	13	4	17
Technicians and associate professionals	Female	45	0	15	12	27
	Male	28	0	17	9	26
Clerks	Female	13	0	3	0	3
	Male	9	2	3	2	7
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	122	0	53	23	76
	Male	90	2	45	16	63
Total		212	2	98	39	139

3.14. Injury on duty

The following table provides basic information on injury on duty.

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

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

3.15. Utilisation of Consultants

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

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

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

Project title	Total number of consultants that worked on project	Duration(work days)	Contract value inRand
Audit Committee Members	4	Ad hoc	102,636.00
Internal Audit Services	1	12 months	490,744.29
Training of National and Provincial departments and Local Government	64 consultants	Ad hoc	3,309,371.99
IT Outsourced Services (Bytes)	1	10 months	1,835,741.93
IT Outsourced Services (EOH)	1	2 months	567,631.62
Verification of Qualifications: SAQA	4	Ad hoc	23,258.50
Verification of BBBEE status	1	Ad hoc	51,750.00
Learner Management and external moderation	1	Ad hoc	18,733.50
Research and Development Consultants: Blue Oceans Information Solutions	1	Ad hoc	338,100.00
Research and Development Consultants: De Waal Research	1	Ad hoc	27,600.00
Research and Development Consultants: LOKISA	1	Ad hoc	21,000.00
Research and Development Consultants: Kula Development and Business	1	Ad hoc	149,130.00
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
12	81		6,935,697.83

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
The NSG does not conduct an analysis of consultant's appointment in terms of the HDIs, instead B-BBEE point system is used	0%	0%	0

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

Project title	Total Number of consultants that worked on project	Duration(Work days)	Donor and contract value in Rand
EU Donor Funded Project – Onsite Personnel	3	Ad hoc	2,058,531.00
Total number of projects	Total individual consultants	Total durationWork days	Total contract value in Rand
1	3	Ad hoc	2,058,531.00

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
The NSG does not conduct an analysis of consultant's appointment in terms of the HDIs, instead B-BBEE point system is used	0%	0%	0

3.16. Severance Packages

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

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



PART E: FINANCIAL INFORMATION

Report of the Auditor-General to Parliament on Vote no. 7: National School of Government

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National School of Government (the NSG) set out on pages 103 to 165 which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National School of Government as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA).
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

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

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
7. The supplementary information set out on pages 157 to 164 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.

Unaudited supplementary schedules

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, and 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.
9. 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

10. 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

11. 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

12. In accordance with the Public Audit Act, 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 programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. 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 department's annual performance report for the year ended 31 March 2021:

Programme 2	Pages
Public Sector Organisational and Staff Development	41 - 54

15. 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2: Public Sector Organisational and Staff Development.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 42 to 54 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Public Sector Organisation and Staff Development. 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 compliance with legislation

Introduction and scope

20. 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.
21. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

22. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
24. 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.
25. 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

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

Auditor - General

Pretoria

31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the NSG to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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

NATIONAL SCHOOL OF GOVERNMENT: VOTE 7

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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NATIONAL SCHOOL OF GOVERNMENT VOTE 7 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Appropriation per programme									
2020/21								2019/20	
APPROPRIATION STATEMENT	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.Administration	101,828	-	-	101,828	96,024	5,804	94.3%	100,441	95,522
2.Public Sector Organisational and Staff Development	125,579	-	-	125,579	125,579	-	100.0%	87,464	87,464
TOTAL	227,407	-	-	227,407	221,603	5,804	97.4%	187,905	182,986

Reconciliation with statement of financial performance

ADD

Departmental receipts

Aid assistance

Actual amounts per statement of financial performance (total revenue)

ADD: Aid assistance

Actual amounts per statement of financial performance (total expenditure)

192		347
7,071		11,391
234,670		199,643
3,877		8,734
225,480		191,720

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	98,396	(305)	-	98,091	93,881	4,210	95.7%	97,086	93,103
Compensation of employees	58,644	(305)	-	58,339	55,841	2,498	95.7%	58,314	55,207
Salaries and wages	58,644	(7,316)	-	51,328	48,830	2,498	95.1%	51,627	48,520
Social contributions	-	7,011	-	7,011	7,011	-	100.0%	6,687	6,687
Goods and services	39,752	-	-	39,752	38,040	1,712	95.7%	38,772	37,896
Administrative fees	151	134	-	285	285	-	100.0%	67	67
Advertising	828	(563)	-	265	265	-	100.0%	220	220
Minor assets	370	(145)	-	225	225	-	100.0%	176	176
Audit costs: External	4,870	(731)	-	4,139	4,139	-	100.0%	3,680	3,680
Bursaries: Employees	874	(183)	-	691	691	-	100.0%	619	619
Catering: Departmental activities	266	(246)	-	20	20	-	100.0%	143	143
Communication (G&S)	436	494	-	930	930	-	100.0%	692	692
Computer Services	8,571	578	-	9,149	8,448	701	92.3%	6,242	6,242
Consultants: Business and advisory services	380	465	-	845	845	-	100.0%	954	954
Legal services	267	(267)	-	-	-	-	-	92	92
Contractors	939	43	-	982	982	-	100.0%	979	979
Agency and support/outsourced services	1,299	1,603	-	2,902	1,891	1,011	65.2%	55	55
Entertainment	5	(5)	-	-	-	-	-	-	-
Fleet services	837	(716)	-	121	121	-	100.0%	230	230

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	761	(45)	-	716	716	-	100.0%	995	995
Consumable: Stationery, printing and office supplies	932	26	-	958	958	-	100.0%	1,989	1,989
Operating leases	11,308	1,091	-	12,399	12,399	-	100.0%	12,743	12,743
Property payments	5,075	(630)	-	4,445	4,445	-	100.0%	4,540	4,386
Travel and subsistence	-	35	-	35	35	-	100.0%	1,959	1,237
Training and development	624	(458)	-	166	166	-	100.0%	1,220	1,220
Operating payments	952	(485)	-	467	467	-	100.0%	890	890
Venues and facilities	-	-	-	-	-	-	-	248	248
Rental and hiring	7	5	-	12	12	-	100.0%	39	39
Transfers and subsidies	125,579	305	-	125,884	125,884	-	100.0%	87,566	87,566
Departmental agencies and accounts	125,579	-	-	125,579	125,579	-	100.0%	87,464	87,464
Households	-	305	-	305	305	-	100.0%	102	102
Payments for capital assets	3,432	-	-	3,432	1,838	1,594	53.6%	3,253	2,317

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	3,432	-	-	3,432	1,838	1,594	53.6%	3,253	2,317
Other machinery and equipment	3,432	-	-	3,432	1,838	1,594	53.6%	3,253	2,317
Total	227,407	-	-	227,407	221,603	5,804	97.4%	187,905	182,986

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Detail Per Programme 1 – Administration									
Programme per sub-programme	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Management	16,000	(1,105)	-	14,895	14,221	674	95.5%	17,528	15,389
1.2 Corporate Services	85,131	(13,158)	-	71,973	66,843	5,130	92.9%	67,144	64,518
1.3 Property Management	697	14,263	-	14,960	14,960	-	100.0%	15,769	15,615
Total	101,828	-	-	101,828	96,024	5,804	94.3%	100,441	95,522

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Details per programme 1 Administration									
	2020/21							2019/20	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	98,396	(305)	-	98,091	93,881	4,210	95.7%	97,086	93,103
Compensation of employees	58,644	(305)	-	58,339	55,841	2,498	95.7%	58,314	55,207
Salaries and wages	58,644	(7,316)	-	51,328	48,830	2,498	95.1%	51,627	48,520
Social contributions	-	7,011	-	7,011	7,011	-	100.0%	6,687	6,687
Goods and services	39,752	-	-	39,752	38,040	1,712	95.7%	38,772	37,896
Administrative fees	151	134	-	285	285	-	100.0%	67	67
Advertising	828	(563)	-	265	265	-	100.0%	220	220
Minor assets	370	(145)	-	225	225	-	100.0%	176	176
Audit costs: External	4,870	(731)	-	4,139	4,139	-	100.0%	3,680	3,680
Bursaries: Employees	874	(183)	-	691	691	-	100.0%	619	619
Catering: Departmental activities	266	(246)	-	20	20	-	100.0%	143	143
Communication (G&S)	436	494	-	930	930	-	100.0%	692	692
Computer services	8,571	578	-	9,149	8,448	701	92.3%	6,242	6,242
Consultants: Business and advisory services	380	466	-	846	846	-	100.0%	954	954
Legal services	367	(367)	-	-	-	-	-	92	92
Contractors	939	42	-	981	981	-	100.0%	979	979
Agency and support/outsourced services	1,299	1,603	-	2,902	1,891	1,011	65.2%	55	55
Entertainment	5	(5)	-	-	-	-	-	-	-
Fleet services	837	(716)	-	121	121	-	100.0%	230	230
Consumable supplies	761	(46)	-	715	715	-	100.0%	995	995

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Details per programme 1 Administration									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	932	26	-	958	958	-	100.0%	1,989	1,989
Operating leases	11,308	1,092	-	12,400	12,400	-	100.0%	12,743	12,743
Property payments	5,075	(630)	-	4,445	4,445	-	100.0%	4,540	4,386
Travel and subsistence	-	35	-	35	35	-	100.0%	1,959	1,237
Training and development	624	(458)	-	166	166	-	100.0%	1,220	1,220
Operating payments	952	(485)	-	467	467	-	100.0%	890	890
Venues and facilities	-	-	-	-	-	-	-	248	248
Rental and hiring	7	5	-	12	12	-	100.0%	39	39
Transfers and subsidies to:	-	305	-	305	305	-	100.0%	102	102
Households	-	305	-	305	305	-	100.0%	102	102
Payment for capital assets	3,432	-	-	3,432	1,838	1,594	53.6%	3,253	2,317
Machinery and equipment	3,432	-	-	3,432	1,838	1,594	53.6%	3,253	2,317
Other machinery and equipment	3,432	-	-	3,432	1,838	1,594	53.6%	3,253	2,317
Total	101,828	-	-	101,828	96,024	5,804	94.3%	100,441	95,522

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.1 Management									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	16,000	(1,135)	-	14,865	14,191	674	95.5%	17,323	15,184
Compensation of employees	13,758	-	-	13,758	13,084	674	95.1%	13,821	12,404
Salaries and wages	13,758	(1,409)	-	12,349	11,675	674	94.5%	12,581	11,164
Social contributions	-	1,409	-	1,409	1,409	-	100.0%	1,240	1,240
Goods and services	2,242	(1,135)	-	1,107	1,107	-	100.0%	3,502	2,780
Administrative fees	57	(57)	-	-	-	-	-	-	-
Advertising	580	(496)	-	84	84	-	100.0%	111	111
Minor Assets	-	-	-	-	-	-	-	11	11
Catering: Departmental activities	123	(108)	-	15	15	-	100.0%	42	42
Communication (G&S)	262	(96)	-	166	166	-	100.0%	156	156
Computer Services	-	187	-	187	187	-	100.0%	154	154
Consultants: Business and advisory services	380	111	-	491	491	-	100.0%	656	656
Legal Services	-	-	-	-	-	-	-	14	14
Contractors	62	(62)	-	-	-	-	-	-	-
Agency and support/outsourced services	240	(240)	-	-	-	-	-	-	-
Entertainment	5	(5)	-	-	-	-	-	-	-
Fleet services	91	(89)	-	2	2	-	100.0%	3	3
Consumable supplies	51	(28)	-	23	23	-	100.0%	294	294

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.1 Management									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable:									
Stationery, printing and office supplies	103	(79)	-	24	24	-	100.0%	149	149
Operating leases	37	7	-	44	44	-	100.0%	64	64
Travel and subsistence	-	6	-	6	6	-	100.0%	1,478	756
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	244	(179)	-	65	65	-	100.0%	317	317
Venues and facilities	-	-	-	-	-	-	-	53	53
Rental and hiring	7	(7)	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	96	96
Households	-	-	-	-	-	-	-	96	96
Payment for capital assets	-	30	-	30	30	-	100.0%	109	109
Machinery and equipment	-	30	-	30	30	-	100.0%	109	109
Other machinery and equipment	-	30	-	30	30	-	100.0%	109	109
Total	16,000	(1,105)	-	14,895	14,221	674	95.5%	17,528	15,389

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.2 Corporate Services									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	81,699	(13,433)	-	68,266	64,730	3,536	94.8%	63,994	62,304
Compensation of employees	44,886	(305)	-	44,581	42,757	1,824	95.9%	44,493	42,803
Salaries and wages	44,886	(5,907)	-	38,979	37,155	1,824	95.3%	39,046	37,356
Social contributions	-	5,602	-	5,602	5,602	-	100.0%	5,447	5,447
Goods and services	36,813	(13,128)	-	23,685	21,973	1,712	92.8%	19,501	19,501
Administrative fees	94	191	-	285	285	-	100.0%	67	67
Advertising	248	(67)	-	181	181	-	100.0%	109	109
Minor assets	370	(145)	-	225	225	-	100.0%	165	165
Audit costs: External	4,870	(731)	-	4,139	4,139	-	100.0%	3,680	3,680
Bursaries: Employees	874	(183)	-	691	691	-	100.0%	619	619
Catering: Departmental activities	143	(138)	-	5	5	-	100.0%	101	101
Communication (G&S)	174	590	-	764	764	-	100.0%	536	536
Computer services	8,571	391	-	8,962	8,261	701	92.2%	6,088	6,088
Consultants: Business and advisory services	-	354	-	354	354	-	100.0%	298	298
Legal services	267	(267)	-	-	-	-	-	78	78
Contractors	877	105	-	982	982	-	100.0%	979	979

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.2 Corporate Services									
2020/21								2019/20	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support/outsourced services	1,059	1,843	-	2,902	1,891	1,011	65.2%	55	55
Fleet services	746	(627)	-	119	119	-	100.0%	227	227
Consumable supplies	710	(17)	-	693	693	-	100.0%	701	701
Consumable: Stationery, printing and office supplies	829	105	-	934	934	-	100.0%	1,840	1,840
Operating leases	11,271	(9,431)	-	1,840	1,840	-	100.0%	1,450	1,450
Property payments	4,378	(4,378)	-	-	-	-	-	-	-
Travel and subsistence	-	29	-	29	29	-	100.0%	481	481
Training and development	624	(458)	-	166	166	-	100.0%	1,220	1,220
Operating payments	708	(306)	-	402	402	-	100.0%	573	573
Venues and facilities	-	-	-	-	-	-	-	195	195
Rental and hiring	-	12	-	12	12	-	100.0%	39	39
Transfers and subsidies to:	-	305	-	305	305	-	100.0%	6	6
Households	-	305	-	305	305	-	100.0%	6	6

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

1.2 Corporate Services									
2020/21								2019/20	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for capital assets	3,432	(30)	-	3,402	1,808	1,594	53.1%	3,144	2,208
Machinery and equipment	3,432	(30)	-	3,402	1,808	1,594	53.1%	3,144	2,208
Other machinery and equipment	3,432	(30)	-	3,402	1,808	1,594	53.1%	3,144	2,208
Total	85,131	(13,158)	-	71,973	66,843	5,130	92.9%	67,144	64,518

1.3 Property Management									
2020/21								2019/20	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	697	14,263	-	14,960	14,960	-	100.0%	15,769	15,615
Goods and services	697	14,263	-	14,960	14,960	-	100.0%	15,769	15,615
Operating leases	-	10,515	-	10,515	10,515	-	100.0%	11,229	11,229
Property payments	697	3,748	-	4,445	4,445	-	100.0%	4,540	4,386
Total	697	14,263	-	14,960	14,960	-	100.0%	15,759	15,615

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Detail Per Programme 2 – Public Sector Organisational and Staff Development									
2020/21								2019/20	
Programme per 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
2.1 Augmentation to the Training Trading Account	125,579	-	-	125,579	125,579	-	100.0%	87,464	87,464
Total	125,579	-	-	125,579	125,579	-	100.0%	87,464	87,464

Detail Per Programme 2 – Public Sector Organisational and Staff Development									
2020/21								2019/20	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	125,579	-	-	125,579	125,579	-	100.0%	87,464	87,464
Departmental agencies & accounts	125,579	-	-	125,579	125,579	-	100.0%	87,464	87,464
Total	125,579	-	-	125,579	125,579	-	100.0%	87,464	87,464

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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 Annexure (1A) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per Programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	101,828	96,024	5,804	5.70%
Public Sector Organisational and Staff Development	125,579	125,579	-	-
Total	227,407	221,603	5,804	2.55%

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	58,339	55,841	2,498	4.28%
Goods and services	39,752	38,040	1,712	4.31%
Transfers and subsidies				
Departmental agencies and accounts	125,579	125,579	-	-
Households	305	305	-	-
Payments for capital assets				
Machinery and equipment	3,432	1,838	1,594	46.45%
Total	227,407	221,603	5,804	2.55%

The savings derived from the compensation of employees in relation to vacant posts at year end, goods and services on outsourced services and computer services and payments for capital assets that could not be procured during the year.

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	1	227,407	187,905
Departmental revenue	2	192	347
Aid Assistance	3	7,071	11,391
TOTAL REVENUE		234,670	199,643
EXPENDITURE			
Current expenditure			
Compensation of employees	4	55,841	55,207
Goods and services	5	38,040	37,896
Aid Assistance	3	3,877	8,734
Total current expenditure		97,758	101,837
Transfers and subsidies			
Transfers and subsidies	6	125,884	87,566
Expenditure for capital assets			
Tangible capital assets		1,838	2,317
Software and other intangible assets		-	-
Total expenditure for capital assets	7	1,838	2,317
Payments for financial assets			-
TOTAL EXPENDITURE		225,480	191,720
SURPLUS/(DEFICIT) FOR THE YEAR		9,190	7,923
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds - Annual appropriation	10	5,804	4,919
Departmental revenue and NRF Receipts	2	192	347
Aid Assistance	3	3,194	2,657
SURPLUS/(DEFICIT) FOR THE YEAR		9,190	7,923

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	273	8,856
Receivables	9	9,436	815
TOTAL ASSETS		9,709	9,671
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	10	5,804	4,919
Departmental revenue to be surrendered to the Revenue Fund	11	54	40
Payables	12	657	2,055
Aid assistance repayable	3	3,194	2,657
TOTAL LIABILITIES		9,709	9,671

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		234,644	199,574
Annual appropriated funds received	1	227,407	187,905
Departmental revenue received	2	158	197
Interest received	2.2	8	81
Aid assistance received	Annex 1C	7,071	11,391
Net (increase)/decrease in working capital		(10,019)	699
Surrendered to Revenue Fund		(5,097)	(2,467)
Surrendered to RDP fund/Donor		(2,657)	(1,430)
Current payments		(97,758)	(101,837)
Transfers and subsidies paid		(125,884)	(87,566)
Net cash flow available from operating activities	13	(6,771)	6,973
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(1,838)	(2,317)
Proceeds from sale of capital assets	2.4	26	69
Net cash flows from investing activities		(1,812)	(2,248)
Net increase/(decrease) in cash and cash equivalents		(8,583)	4,725
Cash and cash equivalents at beginning of period		8,856	4,131
Cash and cash equivalents at end of period	14	273	8,856

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
STATEMENT OF CHANGES IN NET CASH ASSETS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2020/21 R'000	2019/20 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		-	-
Transfers:			
Irrecoverable amounts written off	8.3	-	-
Debts revised		-	-
Debts recovered (included in departmental receipts)		-	-
Debts raised		-	-
Closing balance		-	-
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
TOTAL		-	-

Summary of significant accounting policies

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

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

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

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1. Prior period comparative information

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

6.2. Current year comparison with budget

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

7. Revenue

7.1. Appropriated funds

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

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

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

7.2. Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3. Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy

8. Expenditure

8.1. Compensation of employees

8.1.1. Salaries and wages

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

8.1.2. Social contributions

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

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

8.2. Other expenditure

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

8.3. 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.

8.4. Leases

8.4.1. Operating leases

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

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

8.4.2. Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Aid Assistance

9.1. Aid assistance received

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

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

9.2. Aid assistance paid

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

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

12. Loans and receivables

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

13. Investments

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

14. Financial Assets

14.1. Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2. Impairment of financial assets

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

15. Payables

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

16. Capital Assets

16.1. Immovable capital assets

Immovable 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.

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

16.3. Intangible assets

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

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

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.

17. Provisions and Contingents

17.1. Provisions

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

17.2. Contingent liabilities

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

17.3. Contingent assets

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

17.4. Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: approved by Parliament or the Provincial Legislature with funding and the related funds are received; or approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19. Fruitless and wasteful expenditure

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

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

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

20. Irregular expenditure

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

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

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

21. Changes in accounting policies, accounting estimates and errors

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

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

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

22. Events after the reporting date

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

23. Departures from the MCS requirements

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

24. 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.

25. 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.

26. 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's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

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

27. Inventories (Effective from date determined in a Treasury Instruction)

At the date of acquisition, inventories are recorded at cost price in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value. Subsequent measurement of the cost of inventory is determined on the weighted average basis.

28. 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.

29. 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.

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Annual appropriation

1.1 Annual appropriation

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

	2020/21			2019/20		
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	
Administration	101,828	101,828	-	100,441	100,441	-
Public Sector Organisational and Staff Development	125,579	125,579	-	87,464	87,464	-
Total	227,407	227,407	-	187,905	187,905	-

2. Departmental revenue

	Note	2020/21 R'000	2019/20 R'000
Sales of goods and services other than capital assets	2.1	41	44
Interest, dividends and rent on land	2.2	8	81
Transactions in financial assets and liabilities	2.3	117	153
Sales of capital assets	2.4	26	69
Total revenue collected		192	347
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		192	347

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2.1 Sales of goods and services other than capital assets

	2020/21	2019/20
	R'000	R'000
Sales by market establishment - parking	-	1
Other sales - commission	36	43
Sale of scrap, waste and other used goods	5	-
Total	41	44

2.2 Interest, dividends and rent on land

Interest on bank accounts	8	81
Total	8	81

2.3. Transactions in financial assets and liabilities

Receipts-Recoverable Revenue of previous year expenditure	117	153
Total	117	153

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2.4 Sales of capital assets

	Note	2020/21 R'000	2019/20 R'000
Tangible assets			
Machinery and equipment		26	69
Total		<u>26</u>	<u>69</u>

3. Aid assistance

Opening Balance		2,657	1,430
Transferred from statement of financial performance	Annex 1c	3,194	2,657
Paid during the year		(2,657)	(1,430)
Closing Balance		<u>3,194</u>	<u>2,657</u>

3.1 Analysis of balance by source

Aid assistance from RDP	Annex 1c	3,194	2,657
Closing balance		<u>3,194</u>	<u>2,657</u>

3.2 Analysis of balance

Aid assistance repayable	Note		
	Annex 1c	3,194	2,657
Closing balance		<u>3,194</u>	<u>2,657</u>

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3.3 Aid assistance expenditure per economic classification

Note	2020/21 R'000	2019/20 R'000
Current	3,877	8,734
Total aid assistance expenditure	3,877	8,734

4. Compensation of employees

4.1 Salaries and wages

Basic salary	38,282	37,688
Performance award	424	673
Service Based	58	65
Compensative/circumstantial	181	599
Other non-pensionable allowances	9,885	9,495
Total	48,830	48,520

4.2 Social contributions

Employer contributions

Pension	4,962	4,811
Medical	2,040	1,868
Bargaining council	9	8
Total	7,011	6,687

Total compensation of employees

55,841	55 207
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Average number of employees

81	81
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NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5. Goods and services

	Note	2020/21 R'000	2019/20 R'000
Administrative fees		285	67
Advertising		265	220
Assets less than R5,000	5.1	225	176
Bursaries (employees)		691	619
Catering		20	143
Communication		930	692
Computer services**	5.2	8,448	6,242
Consultants: Business and advisory services		845	954
Legal services		-	92
Contractors		982	979
Agency and support/outsourced services**		1,891	55
Audit cost – external	5.3	4,139	3,680
Fleet Services		121	230
Consumables	5.4	1,674	2,984
Operating leases		12,399	12,743
Property Payments	5.5	4,445	4,386
Rental and Hiring		12	39
Travel and subsistence	5.6	35	1,237
Venues and Facilities		-	248
Training and staff development		166	1,220
Other operating expenditure	5.7	467	890
Total		38,040	37,896

*Included in the goods and services expenditure is an amount of R455k which relates to COVID-19 expenditure.

**The increase in computer services and agency and support/outsourced services is due to the Department being hacked.

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5.1 Assets less than R5,000

Note	2020/21 R'000	2019/20 R'000
Tangible assets -Machinery and equipment	225	176
Intangible assets	-	-
Total	225	176

5.2 Computer services

SITA computer services	958	848
External computer service providers	7,490	5,394
Total	8,448	6,242

5.3 Audit cost – external

Regularity audits	4,139	3,680
Total	4,139	3,680

5.4 Consumables

Uniform and clothing	1	1
Household Supplies	273	472
Other consumable materials	143	221
Communication accessories	-	251
IT Consumables	299	50
Stationery and printing	958	1,989
Total	1,674	2,984

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5.5 Property payments

	Note	2020/21	2019/20
		R'000	R'000
Municipal services		1,416	1,533
Property management fees		544	89
Property maintenance and repairs		93	15
Other		2,392	2,749
Total		4,445	4,386

5.6 Travel and subsistence

Local		35	798
Foreign		-	439
Total		35	1,237

5.7 Other operating expenditure

Professional bodies, membership and subscription fees		54	52
Other		413	838
Total		467	890

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6. Transfers and subsidies

	Note	2020/21 R'000	2019/20 R'000
Departmental agencies and accounts	Annex 1A	125,579	87,464
Households	Annex 1B	305	102
Total		125,884	87,566

7. Expenditure for capital assets

Tangible assets			
Machinery and equipment	25.2/7.1	1,838	2,317
Total		1,838	2,317

7.1 Analysis of funds utilised to acquire capital assets 2020/21

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets - Machinery and equipment	1,838	-	1,838
Total	1,838	-	1,838

7.2 Analysis of funds utilised to acquire capital assets 2019/20

Tangible assets - Machinery and equipment	2,317	-	2,317
Software and other intangible assets - Computer software	-	-	-
Total	2,317	-	2,317

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

8. Cash and cash equivalents

Consolidated Paymaster General Account	258	8,841
Cash on hand	15	15
Total	273	8,856

9. Receivables

	Note	2020/21			2019/20		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	8,595	-	8,595	47	-	47
Staff debt	9.2	75	-	75	96	-	96
Other debtors	9.3	766	-	766	672	-	672
Total		9,436	-	9,436	815	-	815

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9.1 Claims recoverable

	Note	2020/21 R'000	2019/20 R'000
National departments	<i>Annex 4</i>	8,595	47
Total		8,595	47

9.2 Staff debt

Bursary Debts	13	38
Salary Overpayment	61	58
Other	1	-
Total	75	96

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9.3 Other debtors

	Note	2020/21	2019/20
		R'000	R'000
VAT		766	672
Total		766	672

10. Voted funds to be surrendered to the Revenue Fund

Opening balance	4,919	2,157
As restated	4,919	2,157
Transfer from statement of financial performance	5,804	4,919
Paid during the year	(4,919)	(2,157)
Closing balance	5,804	4,919

11. Departmental revenue to be surrendered to the Revenue Fund

Opening balance	40	3
As restated	40	3
Transfer from Statement of Financial Performance	192	347
Paid during the year	(178)	(310)
Closing balance	54	40

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. Payables – current

	Note	2020/21 R'000	2019/20 R'000
Amounts owing to other entities	Annex 5	652	2,055
Clearing Accounts	12.1	5	-
Total		657	2,055

12.1 Clearing accounts

Salary Reversal Control	12	5	-
Total		5	-

13. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance		9,190	7,923
Add back non cash/cash movements not deemed operating activities		(15,961)	(950)
(Increase)/decrease in receivables – current		(8,621)	(378)
(Increase)/decrease in prepayments and advances		-	7
Increase/(decrease) in payables – current		(1,398)	1,070
Proceeds from sale of capital assets	2.4	(26)	(69)
Expenditure on capital assets		1,838	2,317
Surrenders to Revenue Fund		(5,097)	(2,467)
Surrenders to RDP Fund/Donor		(2,657)	(1,430)
Net cash flow generated by operating activities		(6,771)	6,973

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

	Note	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General account		258	8,841
Cash on hand		15	15
Total		273	8,856

15. Contingent liabilities and contingent assets

Claims against the department	<i>Annex 3</i>	300	492
Total		300	492

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

16. Capital commitments

Machinery & Equipment - approved and contracted	990	450
Software – approved and contracted	609	641
Total Commitments	1,599	1,091

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17. Accruals

	Note	2020/21	2019/20	
		R'000	R'000	
Listed by economic classification				
	30 days	>30 Days	Total	Total
Goods and services	348	-	348	2,351
Other	-	-	-	15
Total	348	-	348	2,366
Listed by programme level				
Programme 1 – Administration (Goods and services)			348	2,366
Programme 1 – Administration (Compensation)			-	-
			348	2,366
Confirmed balances with other government departments/entities	Annex 5		652	2,055

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. Employee benefits

Note	2020/21	2019/20
	R'000	R'000
Leave entitlement	3,896	2,135
Service bonus (Thirteenth cheque)	1,645	1,551
Capped leave commitments	1,015	1,181
Performance awards	427	673
Other **	-	(9)
Total	6,983	5,531

**Negative leave relates to vacation leave taken in advance by employees.

20. Lease commitments

a. Operating leases expenditure

2020/21

Not later than 1 year
Later than 1 year and not later than 5 years
Total lease commitments

Vehicles	Machinery and equipment	Total
R'000	R'000	R'000
93	440	533
-	754	754
93	1,194	1,287

2019/20

Not later than 1 year
Later than 1 year and not later than 5 years
Total lease commitments

Vehicles	Machinery and equipment	Total
R'000	R'000	R'000
235	754	989
93	1,194	1,287
328	1,948	2,276

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Vehicles - All Toyota contracts have been extended until the 100,000 km mark has been reached- on a month to month basis. Contracts have not yet been established with G-Fleet. Submission is in process.

Machinery and Equipment – Lease of 13 photocopier machines.

Building lease - month to month expenditure due to the contract not finalised by DPWI. Monthly amount paid is R2 686k.

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

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

Opening balance	-	1,258
As restated	-	1,258
Add: Irregular expenditure – relating to current year	116	-
Less: Prior year amounts condoned	-	(1,258)
Less: Current year amounts condoned	-	-
	116	-

21.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/21
		R'000
Non-renewal of Cash in Transit contract	Under investigation	80
Award made to non-tax compliant bidder	Under investigation	36
Total		116

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

22. Fruitless and wasteful expenditure

22.1 Reconciliation of fruitless and wasteful expenditure

Note	2020/21 R'000	2019/20 R'000
Opening balance	11	11
Fruitless and wasteful expenditure – relating to current year		
Less: Amounts written off	(11)	-
Closing balance	-	11

22.2 Details of fruitless and wasteful expenditure written off

	2020/21 R'000
Incident	
Two officials who were nominated to attend media training did not attend	11
Total	11

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Related party transactions

NSG VOTE 7 has a related party relationship with all the public sector entities falling within the portfolio of the Minister for Public Service and Administration. During the period under review related party transactions were entered into with the following entities.

Entity	Nature of transactions
Government Employees Medical Scheme	Provision of medical aid benefits
Department of Public Service & Administration	Transfer payment of voted funds
NSG Training Trading Account	Provision of training; Administration and maintenance of records
Public Service Commission	Under the same Minister
Centre for Public Service Innovation	Under the same Minister

	2020/21	2019/20
	R'000	R'000
Payments made		
Goods and services	(1,924)	(2,431)
Total	(1,924)	(2,431)
 Year end balances arising from revenue/payments		
Receivable from related parties	-	(3)
Payables to related parties	-	-
Total	-	(3)

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Key management personnel

	No. of Individuals	2020/21 R'000	2019/20 R'000
Level 15 to 16*	2	4,317	840
Level 14 (including CFO)	3	4,996	6,194
Total		9,313	7,034

* The increase is due to the Principal and DDG: Corporate Management now being with the Department for the full year.

25. Movable tangible capital assets

25.1 Movement in movable tangible capital assets per asset register for the year ended 31 March 2021

	Opening balance R'000	Curr Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	31,958		1,838	(722)	33,074
Computer equipment	19,010		1,734	(552)	20,192
Furniture and office equipment	8,304		104	(101)	8,307
Other machinery and equipment	4,644		-	(69)	4,575
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	31,958		1,838	(722)	33,074

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Movable Tangible Capital Assets under investigation

Number	Value
	R'000

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

Machinery and equipment

4 62

Lost assets under investigation.

25.2 Additions to movable tangible capital assets per asset register for the year ended 31 March 2021

MACHINERY AND EQUIPMENT

Computer equipment

Furniture and office equipment

Other machinery and equipment

TOTAL

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
1,838	-	-	-	1,838
1,734	-	-	-	1,734
104	-	-	-	104
-	-	-	-	-
1,838	-	-	-	1,838

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25.3 Disposals of movable tangible capital assets per asset register for the year ended 31 March 2021

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	663	59	(722)	26
Computer equipment	499	53	(552)	24
Furniture and office equipment	95	6	(101)	2
Other machinery and equipment	69	-	(69)	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	663	59	(722)	26

25.4 Movement in movable tangible capital assets per asset register for the year ended 31 March 2020

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000		R'000	R'000	R'000
MACHINERY AND EQUIPMENT	30,595	327	2,317	(1,281)	31,958
Computer equipment	18,488	310	1,459	(1,247)	19,010
Furniture and office equipment	8,304	10	-	(10)	8,304
Other machinery and equipment	3,803	7	858	(24)	4,644
TOTAL MOVABLE TANGIBLE ASSETS	30,595	327	2,317	(1,281)	31,958

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25.5 Movement in minor assets per the asset register for the year ended 31 March 2021

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	657	8,459	9,116
Value adjustments	-	-	-
Additions	-	231	231
-Disposals	(32)	(153)	(185)
TOTAL MINOR ASSETS	625	8,537	9,162

	Intangible assets	Machinery and equipment	Total
Number of minor assets at cost	895	3,223	4,118
TOTAL NUMBER OF MINOR ASSETS	895	3,223	4,118

Minor Capital Assets under investigation

	Number	Value
		R'000

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

Machinery and equipment

2

5

Lost assets under investigation

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25.6 Movement in minor assets per the asset register for the year ended 31 March 2020

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	681	8,349	9,030
Value Adjustments	-	11	11
Additions	-	180	180
Disposals	(24)	(81)	(105)
TOTAL MINOR ASSETS	657	8,459	9,116
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of minor assets at cost	907	3,340	4,247
TOTAL NUMBER OF MINOR ASSETS	907	3,340	4,247

26. Intangible capital assets

26.1 Movement in intangible capital assets per asset register for the year ended 31 March 2021

	Opening balance	Current adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer software	11,560	-	-	(29)	11,531
TOTAL MOVABLE INTANGIBLE ASSETS	11,560	-	-	(29)	11,531

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

26.2 Disposals

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

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	-	29	29	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	29	29	-

26.3 Movement in intangible capital assets per asset register for the year ended 31 March 2020

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	11,737	-	(177)	11,560
TOTAL INTANGIBLE CAPITAL ASSETS	11,737	-	(177)	11,560

27. COVID 19 Response Expenditure

	Note	2020/21	2019/20
	Annexure 11	R'000	R'000
Goods and services		455	35
Total		455	35

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

TRANSFER ALLOCATION					TRANSFER		2019/20
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NSG Training Trading Account	125,579	-	-	125,579	125,579	100.0%	87,464
Total	125,579	-	-	125,579	125,579	100.0%	87,464

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HOUSEHOLDS

TRANSFER ALLOCATION					EXPENDITURE		2019/20
HOUSEHOLDS	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Social benefits – leave gratuity	305	-	-	305	305	100.0%	102
Total	305	-	-	305	305	100.0%	102

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 1C

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING				CLOSING
		BALANCE	SURRENDERED	REVENUE	EXPENDITURE	BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash	Development of Strategic Partnerships with African Institutes of Administration & Management					
European Union		2,657	(2,657)	7,071	(3,877)	3,194
Subtotal		2,657	(2,657)	7,071	(3,877)	3,194
Received in kind:						
NAME OF DONOR	PURPOSE	OPENING				CLOSING
		BALANCE	SURRENDERED	REVENUE	EXPENDITURE	BALANCE
		R'000	R'000	R'000	R'000	R'000
European Union	IT support services	-	-	745	(745)	-
European Union	Technical expertise and implementation support for the NSG (IT3)	-	-	4,311	(4,311)	-
European Union	Development of coaching and mentoring programmes, systems and rollout	-	-	781	(781)	-
Subtotal		-	-	5,837	(5,837)	-
TOTAL		2,657	(2,657)	12,908	(9,714)	3,194

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 2

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Controlled entities									
NSG Training Trading Account	Training			82,425	60,311	-	1,954		
TOTAL				82,425	60,311	-	1,954		

The Investment amount for 2019/20 is restated.

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 3

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

Nature of Liability

Claims against the department

This is a claim by an employee of the NSG who is claiming remuneration for work of equal pay. He is claiming that he be paid on the same level as a Deputy Director retrospectively from the date of employment as an Assistant Director.

The plaintiff has issued summons against the NSG in the magistrate's court claiming an amount for the reasonable costs of repair and reasonable towing and storage charges in respect of her vehicle which allegedly collided with an NSG vehicle which was at the time driven by an employee of the NSG. Amount was paid by G-Fleet.

The employee sent a letter of demand demanding reinstatement to an acting position and payment of an acting allowance. She then referred the matter to the GPSSBC. In both the referrals forms, she is alleging that we have failed to reinstate her in an acting position; that she was unfairly demoted from her acting position and was never paid an acting allowance. Her demand is payment of an acting allowance in the last referral form. Settlement agreement of R64k.

TOTAL

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

Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
1 April 2020				31 March 2021
R'000	R'000	R'000	R'000	R'000
300	-	-	-	300
20	-	(20)	-	-
172	-	(172)	-	-
492	-	(192)	-	300

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 4

CLAIMS RECOVERABLE

Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21 *	
Government Entity	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Receipt date up to six (6) working days after year end
	R'000	R'000	R'000	R'000	R'000	R'000	Amount R'000
Department							
COGTA	-	-	47	47	47	47	
NSG Trading Account	8,517	-	-	-	8,517	-	
DALRRD	-	-	31	-	31	-	
	8,517	-	78	47	8,595	47	
Other Government Entities							
TOTAL	8,517	-	78	47	8,595	47	

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20	
GOVERNMENT ENTITY	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	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								
SA Revenue Services	540	101	-	-	540	101		
National School of Government (TTA)	-	1,954	-	-	-	1,954		
GEPP	112	-	-	-	112	-		
TOTAL	652	2,055	-	-	652	2,055		

ANNEXURE 6

INVENTORY

Inventories for the year ended 31 March 2021

Opening balance
Add/(Less): Adjustments to prior year balances
Add: Additions/Purchases – Cash
Add: Additions - Non-cash
(Less): Disposals
(Less): Issues
Add/(Less): Received current, not paid (Paid current year, received prior year)
Add/(Less): Adjustments
Closing balance

Materials and Supplies	TOTAL
R'000	R'000
2	2
-	-
3	3
135	135
-	-
(42)	(42)
-	-
-	-
98	98

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 6

INVENTORY (CONTINUED)

Inventories for the year ended 31 March 2020

Opening balance
Add/(Less): Adjustments to prior year balances
Add: Additions/Purchases – Cash
Add: Additions - Non-cash
(Less): Disposals
(Less): Issues
Add/(Less): Received current, not paid
(Paid current year, received prior year)
Add/(Less): Adjustments
Closing balance

Materials and Supplies	TOTAL
R'000	R'000
1	1
-	-
55	55
-	-
-	-
(54)	(54)
-	-
-	-
2	2

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
ANNEXURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ANNEXURE 7

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services						
CONSULT:BUSINESS&ADVISORY SERV	29	-	88	15	132	
CONS SUPPLIES	195	-	1	-	196	
PROPERTY PAYMENTS	-	19	-	69	88	
OPERATING PAYMENTS	-	10	-	-	10	
CONTRACTORS	-	-	-	29	29	
TOTAL COVID -19 RESPONSE EXPENDWITURE	224	29	89	113	455	

NATIONAL SCHOOL OF GOVERNMENT: TRAINING TRADING ACCOUNT

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NATIONAL SCHOOL OF GOVERNMENT ACCOUNTING POLICIES TRAINING TRADING ACCOUNT
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Report of the Auditor-General to Parliament on National School of Government Training Trading Account

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National School of Government Training Trading Account (NSG TTA) set out on pages 171 to 206 which comprise the financial statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National School of Government Training Trading Account as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

NATIONAL SCHOOL OF GOVERNMENT ACCOUNTING POLICIES TRAINING TRADING ACCOUNT
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

Report on the audit of the annual performance report

10. Section 40(3)(a) of the PFMA requires the entity to prepare an annual performance report. The entity's performance information was reported in the annual performance report of National School of Government (VOTE). The usefulness and reliability of the reported performance information was tested as part of the audit of National School of Government (VOTE) and any audit findings are included in the management and auditor's report of National School of Government (VOTE).

Report on the audit of compliance with legislation

Introduction and scope

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

Revenue Management

13. Interest was not charged on debts at the approved rates determined by the minister of Finance, as required by treasury regulation 11.5.1.

Procurement and contract management

14. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).

NATIONAL SCHOOL OF GOVERNMENT ACCOUNTING POLICIES TRAINING TRADING ACCOUNT
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Other information

1. 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 that have been specifically reported in this auditor's report.
2. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
3. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
4. 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

5. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
6. Management did not ensure that the entity comply with applicable legislation. Material findings on compliance with legislation were raised in the year under review. The entity's internal processes and systems did not prevent material non-compliance on revenue management and procurement and contract management from occurring.

Auditor - General

Pretoria

31 August



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the entity's compliance with respect to the selected subject matters.

Financial statements

7. 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 entity'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 NSG TTA 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 entity 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

8. 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.
9. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

NATIONAL SCHOOL OF GOVERNMENT ACCOUNTING POLICIES TRAINING TRADING ACCOUNT
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

General Information

Country of incorporation and domicile South Africa

Executive Management

Mr Busani Ngcaweni

Dr Botshabelo Maja

Ms Lakela Kaunda

Business address ZK Matthews Building, 70 Meintjies Street, Sunnyside, Pretoria, 0001

Postal address Private Bag X759, Pretoria , 0001

Bankers ABSA Bank

Auditors Auditor-General South Africa

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The reports and statements set out below comprise the annual financial statements presented to the parliament:

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NATIONAL SCHOOL OF GOVERNMENT ACCOUNTING POLICIES TRAINING TRADING ACCOUNT
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Statement of Responsibility

The Accounting Officer is responsible for the preparation and integrity of the financial statements and related information included in the annual report. In order for the Accounting Officer to discharge these responsibilities, as well as those bestowed on him in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and other applicable legislation, he has developed, and maintains, a system of internal controls.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions executed and recorded in accordance with generally accepted business practices, as well as the entity's policies and procedures. Monitoring of these controls includes a regular review of their operations by the accounting officer and independent oversight by an audit committee.

The Auditor-General, as external auditor is responsible for reporting on the financial statements.

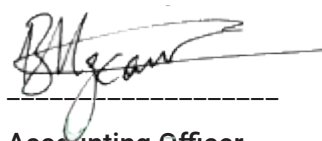
The financial statements are prepared in accordance with Generally Recognised Accounting Practice (GRAP) and incorporate disclosure in line with the accounting philosophy of the entity and the requirements of the PFMA. The

financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer believes that the entity will be a going concern in the year ahead due to the government grant and its own generation of revenue. For this reason, the Accounting Officer has adopted the going concern basis in preparing the annual financial statements. Refer to the Accounting Officer's Report of NSG Vote 7 for the operations of the NSG Training Trading Account.

The Accounting Officer hereby approves the annual financial statements of the NSG TTA for the year ended 31 March 2021, as set out on pages 167 to 206.

Yours faithfully



Accounting Officer
Mr Busani Ngcaweni
31 August 2021

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
ANNUAL FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2021

Statement of Financial Position			
as at 31 March 2021			
	Note(s)	2021 R '000	2020 Restated R '000
Assets			
Current Assets			
Cash and cash equivalents	6	146 932	89 851
Inventories	7	4 132	4 262
Receivables from exchange transactions	8	2 352	9 562
		153 416	103 675
Non-Current Assets			
Intangible assets	9	33 414	30 620
Total Assets		186 830	134 295
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	90 619	63 458
Payables from non-exchange transactions	11	1 358	1 358
Employees benefits	12	11 055	9 148
Total Liabilities		103 032	73 964
Net Assets		83 798	60 331
Accumulated surplus		83 798	60 331

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ANNUAL FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2021

Statement of Financial Performance			
	Note(s)	2021 R '000	2020 Restated R '000
Revenue			
Revenue from exchange transactions			
Services Rendered		27 613	145 756
Interest received (trading)		163	1 784
Interest received-investment		2 422	3 922
Total revenue from exchange transactions	2	30 198	151 462
Revenue from non-exchange transactions			
Grants & subsidies		126 716	89 707
Total revenue from non-exchange transactions	3	126 716	89 707
Total revenue		156 914	241 169
Expenditure			
Employee related costs	4	(93 259)	(90 439)
Operating Expenses	5	(40 191)	(115 081)
Total expenditure		(133 450)	(205 520)
Surplus for the year		23 464	35 649

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Statement of Changes in Net Assets		
	Accumulated surplus	Total net assests R
	R '000	'000
Opening balance as previously reported	21 088	21 088
Correction of errors (Note 20)	3 597	3 597
Balance at 01 April 2020 as restated*	24 685	24 685
Restated surplus for the year	35 649	35 649
Deficit for the year as previously reported	35 240	35 240
Correction of error (Noted 20)	409	409
Restated* Balance at 01 April 2021	60 334	60 334
Surplus for the year	23 464	23 464
Balance at 31 March 2021	83 798	83 798

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Cash flow Statement			
	Note(s)	2021 R '000	2020 Restated* R '000
Cash flows from operating activities			
Receipts			
Rendering of services		55 969	152 598
Grants		125 579	88 646
Interest Income		2 422	3 922
		<u>183 970</u>	<u>245 166</u>
Payments			
Employee costs		(91 352)	(90 407)
Suppliers		(33 880)	(112 584)
		<u>(125 232)</u>	<u>(202 991)</u>
Net cash flows from operating activities	13	<u>58 738</u>	<u>42 175</u>
Cash flows from investing activities			
Purchase of other intangible assets		(1 657)	(800)
Net increase/(decrease) in cash and cash equivalents		57 081	41 375
Cash and cash equivalents at the beginning of the year		89 851	48 476
Cash and cash equivalents at the end of the year	6	<u>146 932</u>	<u>89 851</u>

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Statement of Comparison of Budget and Actual Amounts						
Budget on Cash Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of service - course fees	75 262	-	75 262	27 613	(47 649)	
Interest received (trading)	-	-	-	163	163	
Interest received (Investment)	3 300	-	3 300	2 422	(878)	
Total revenue from exchange transactions	78 562	-	78 562	30 198	(48 364)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	125 579	-	125 579	125 579	-	
Donations of intangible assets at fair value	-	-	-	1 137	1 137	
Total revenue from non- exchange transactions	125 579	-	125 579	126 716	1 137	
Total revenue	204 141	-	204 141	156 914	(47 227)	
Expenditure Personnel	(104 528)	-	(104 528)	(93 259)	11 269	
Operating Expenses	(99 613)	-	(99 613)	(40 191)	59 422	
Total expenditure	(204 141)	-	(204 141)	(133 450)	70 691	
Surplus before taxation	-	-	-	23 464	23 464	

1. Presentation of Annual Financial Statements

1.1 Statement of compliance

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

1.2. Standards of GRAP issued but not yet effective

The Standard of GRAP that has been issued by the ASB, but where the Minister has not determined an effective date, has not been adopted by the NSG. The NSG used the Standard of GRAP on Related Party Disclosures (GRAP 20) to determine the extent of disclosures for related party transactions and balances.

1.3. Basis of preparation, presentation currency and rounding

The annual financial statements have been prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

1.4. Functional Currency

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.5. Going concern assumption

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern entity. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

1.6. Significant judgements and estimates

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. Management is required to exercise its judgement in the process of applying the entity's accounting policies. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Fair value adjustment of receivables and payables

The calculation of the fair value adjustment of receivables is based on an assessment of the average age of receivables. All receivables are assumed to settle their accounts on the average settlement period. The receivables balance is discounted to its current fair value over this term at the government gazetted rate. As at reporting date the rates specified were 7% (2019/20: 9.75%) per annum on the outstanding balance.

The gross payables have been assumed to approximate their fair value as the entity policy is to settle all payables one month of invoice date.

Determination of allowance for doubtful debts

The calculation in respect of the impairment of debtors is based on a historical assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to subsequently make payments. The entity has recognised an allowance for doubtful debts of 100% against all receivables over two years because historical experience has been that receivables that are past due beyond two years are not recoverable. Refer to note.

1.7 Comparative information

Prior year comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior year 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. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

1.8 Revenue from non-exchange transactions

Transfers and subsidies received represent the operating grant received from the controlling department - NSG Vote 7.

The NSG recognises the inflow of resources from a non-exchange transaction as revenue, except when a liability is recognised in respect of that inflow. These liabilities are classified as payables from non-exchange transactions. Where services are received in-kind, and a reliable estimate can be made, the NSG will recognise the related revenue. In all other cases, the NSG will only disclose the event.

1.9 Revenue from exchange transactions

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable. Charges for services are determined in accordance with Treasury Regulation 19.5.

Rendering of services

Revenue from the rendering of training services is recognised on the accrual basis in the reporting periods in which the services are rendered where applicable in reference to stage of completion method.

Stage of completion method

The revenue is recognised in reference to services performed to date as a percentage of total services to be performed.

Where the entity provides administrative support and the client department is responsible for the training roll out, the revenue will be recognised in

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relation to the administrative services provided at the set mile stones where the entity hands over to the client department and resume again when client department provides the required evidence for the entity to complete the remaining administrative services.

The entity will recognise 85% of the revenue when the entity hands over the training material to the client department as the equivalent percentage of the administrative services have been performed at this stage and the remaining 15% will be recognised when the client department provides training roll out evidence, then the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

1.10 Expenditure

Expenditure is classified in accordance with the nature of the expenditure.

The NSG recognises expenditure in the statement of financial performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

The NSG recognises expense immediately in the statement of financial performance when expenses produce no future economic benefits or service potential or when and to the extent that, future economic benefits or service

potential do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

The NSG also recognises expenses in the statement of financial performance in those cases when a liability is incurred without the recognition of an asset, for example, when a liability under a court ruling arises.

1.11 Employee benefits

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the period in which the employee renders the related service.

Social contributions include the entity's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the period in which the employee renders the related service.

Short-term employee benefits

Short-term employee benefits comprise of leave entitlements, thirteenth cheques and performance bonuses. The cost of short-term employee benefits is recognised in the period in which the employee renders the related service.

Short-term employee benefits that give rise to a present legal or constructive obligation are recognised and provided for at reporting date, based on current salary rates.

Post-employment retirement benefits

The entity, through its controlling department - NSG Vote 7, provides retirement benefits (pension benefits) for certain of its employees through

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a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are charged to the statement of financial performance in the year to which they relate.

No provision is made for retirement benefits in the annual financial statements of the entity. Any potential liabilities are disclosed in the annual financial statements of the National Revenue Fund.

The entity does not contribute to the medical aid of retired employees.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The entity recognises termination benefits when it is demonstrably committed to either terminate the employment of the current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. If the benefit due falls more than 12 months after reporting date, they are discounted to present value.

1.12 Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value plus, in the case of a financial asset not subsequently measured at fair

value, transaction costs that are directly attributable to the acquisition of the financial asset.

All recognised financial assets are subsequently measured at fair value, amortised cost or cost.

Classification of financial assets

Upon initial recognition the entity classifies financial assets in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial assets at amortised cost and the effective interest method

The entity's principal financial assets are 'trade and other receivables' and 'cash and cash equivalents'. These financial assets are classified as 'loans and receivables' and designated at amortised cost.

Loans and receivables are measured initially at fair value plus transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the time-value of money.

Loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment with interest revenue recognised on an effective yield basis in investment revenue.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or

received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Gain or losses

A gain or loss arising from a change in the fair value of a financial asset measured at fair value is recognised in surplus or deficit.

For financial assets measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset is derecognised or impaired or through the amortisation process.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

Impairment of financial assets at amortised cost

Financial assets that are measured at amortised cost are assessed for indicators of impairment at the end of each reporting period.

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes

the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of two years, as well as observable budget constraints that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, reflecting the impact of collateral and guarantees, discounted at the financial asset's original effective interest rate.

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The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

Derecognition of Financial Assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in net assets is included in net surplus or deficit for the period.

1.13 Financial liabilities and equity instruments

Classification of financial liabilities and equity

The entity operates as a trading entity under the administration of NSG Vote 7. Upon closure of the entity, all the assets and liabilities shall be transferred to the controlling department and taken on record. Consequently, debt instruments are classified as financial liabilities.

All of the entity's financial liabilities are classified as 'other financial liabilities'.

Financial guarantee contract liabilities

Financial guarantee contracts represent contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when they are contractually due. The entity provides guarantees to commercial banks on behalf of employees' housing loans.

Financial guarantee contract liabilities are initially measured at their fair values and are subsequently measured at the higher of the amount of the obligation under the contract (as determined in accordance with GRAP 19: 'Provisions, Contingent Liabilities and Contingent Assets') or the amount initially recognised.

Other financial liabilities

The entity's principal financial liability is 'trade and other payables'.

Other financial liabilities are initially measured at fair value, net of transaction costs. Where the effect on the fair value at initial recognition of any extended payment terms is material an adjustment to the fair value is made to recognise the timevalue of money.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The entity derecognises a financial liability or a part thereof when, and only when, the entity's obligations are discharged, cancelled, or they expire.

On derecognition, the difference between the carrying amount of the financial liability including related unamortised costs, and the amount paid for it is included in surplus or deficit for the period.

1.14 Property, plant and equipment

The entity does not recognise assets relating to items of property, plant and equipment as the controlling department, NSG Vote 7, holds all items of property, plant and equipment. The entity utilises property, plant and equipment belonging to the controlling department free of charge as part of the controlling department's administration function.

1.15 Intangible assets

Intangible assets acquired separately.

Intangible assets acquired externally are initially recognised at historical cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised over the useful economic life and assessed

for impairment whenever there is an indication that the intangible asset may be impaired.

Training Courses and Training Management System with effect from 1 April 2011, were determined to have indefinite useful lives and are not amortised into results of operations, but instead are reviewed for impairment annually, or more often if impairment indicators arise.

Internally generated intangible assets

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets may have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit in those expense categories consistent with the function of the impaired asset.

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Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

1.16 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, their costs are measured at fair value as at the date of acquisition. Inventory is recorded at cost price in the statement of financial performance and transferred to the statement of financial position if any remain at year end.

Subsequently inventories are measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

1.17 Borrowings

In terms of section 19.2.3 of the Treasury Regulations the entity may not borrow for bridging purposes and may not run an overdraft on its banking account.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The entity may generally not enter into finance leases as it is prohibited by

Treasury Regulation 13.2.4. However, National Treasury permits entities to enter into finance leases under certain conditions as outlined in the Office of the Accountant- General practice note 5 of 2006/07 'Finance Lease Transactions' despite the provisions of Treasury Regulation 13.2.4.

The NSG as lessee

Assets held under finance leases are initially recognised as assets of the entity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Assets held under finance leases are depreciated over the estimated useful life of the asset on the same basis as owned assets or, where shorter, lease term of the relevant lease.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately against surplus or deficit. Contingent rentals arising under finance leases are recognised as an expense in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases,

such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In terms of Treasury Regulation 13.2.5 the Accounting Officer of the entity may not enter into finance lease transactions, except for agreements concluded under Public-Private-Partnerships as contemplated in Treasury Regulation 16 and Practice Note 5 of 2007/08: "Finance Lease Transactions" issued by the Office of the Accountant-General.

The controlling department - NSG Vote 7 - enters into both finance and operating lease agreements on behalf of the entity as part of its administration function. The proportionate monthly lease payments relating to the entity are recovered by the controlling department in terms of the expenditure allocation policy. These lease payments are recognised as an expense in the periods in which they are incurred.

1.19 Accruals

Accruals represent goods or services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but payment has not been made.

Accruals are recognised in the statement of financial position as a liability under "Trade and other payables" and as expenditure in the statement of financial performance in the period to which they relate.

1.20 Contingent liabilities

A contingent liability 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 wholly within the control of the entity. Contingent liabilities are not recognised, but only disclosed in the notes to the annual financial statements.

1.21 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date. Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are disclosed in the notes to the annual financial statements.

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are disclosed in the notes to the annual financial statements where the entity enters into lease agreements.

1.22 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle an obligation are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The movement related to any provision during the reporting period is recognised in surplus or deficit.

1.23 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.24 Tax

The entity is exempt from paying income tax in terms of section 10(1)(a) of The Income Tax Act, 1962 (Act No.58 of 1962) as amended. The entity is exempt from paying VAT (Value Added Tax) in terms of the Value-Added Tax Act, 1991 (Act No. 89 of 1991) as amended.

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	2021	2020
	R '000	R '000
2. Revenue from exchange transactions		
Courses Rendered	27 613	145 756
Interest received (trading)	163	1 784
Interest received-investment	2 422	3 922
	30 198	151 462

3. Revenue from non-exchange transactions

Funds from the Department (NSG)	125 579	87 464
Donations of intangible assets at the fair value	1 137	2 243
	126 716	89 707

Funds are transferred from NSG Vote 7 as an augmentation to revenue earned to enable the Trade to carry out its operating activities. The European Union funded 5 e-learning courses in the 2020/21 financial year.

4. Employee related costs

Basic Salary	62 795	62 598
Other non-pensionable allowances	15 602	16 735
Performance Awards	75	22
Overtime Pay	5	79
Pension	8 910	8 279
Medical	3 103	2 779
Official unions and associates	14	12
Leave pay provision expense	2 755	(65)
	93 259	90 439
 Number of employees	 129	 129

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NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	R '000	R '000
5. Operating expenses		
Consulting and professional fees	5 758	45 458
Consumables	1 452	1 058
Gifts	-	518
IT expenses	2 066	2 660
Marketing	250	-
Communication costs	591	616
Postage and courier	103	1 084
Printing and stationery	1 486	7 435
Property payments	6 950	7 105
Venue and facilities	3 173	18 076
Disposal of intangible assets	-	327
Movement in the provision for impairment	(617)	1 437
Equipment rental payments	585	475
Catering departmental activities	3	164
Travel and subsistence	980	9 088
Property rental payments	17 404	19 111
General administrative expenses	7	469
	40 191	115 081

Consulting and professional fees, Printing and Stationery, Venues and facilities and Travel and subsistence expenses were significantly reduced in the current year due to the impact of COVID 19 on training services.

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NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

	2021 R '000	2020 R '000
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	146 932	89 851
7. Inventories		
CIP training material	4 132	4 262

8. Trade and other receivables

	Less than one year	One of two years	More than two years	Total 2020/21	Total 2019/20
Trade and other receivables					
Trade debtors	1 648	704	11 158	13 510	19 384
Allowance for impairment provision	-	-	(11 158)	(11 158)	(11 776)
Net trade receivables	1 648	704	-	2 352	7 608
Other receivables	-	-	-	-	1 954
	1 648	704	-	2 352	9 562

Trade receivables disclosed above are classified as financial assets measured at amortised cost. All the amounts are classified as current assets. The fair value of trade and other receivables are disclosed in note 8.3.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
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All invoices issued to customers must be settled within 30 days from date of receipt of the invoice as per Treasury Regulation 8.2.3.

However, due to delayed payment from customers the entity is assumed to provide extended credit terms of 56 days (2019/20: 56 days) to customers affecting the fair value of debt raised. Implicit interest is charged in accordance with Section 80 of the PFMA at the rates specified. As at reporting date the rates specified were 7% (2019/20: 9.75%) per annum on the outstanding balance.

The entity has recognised an allowance for doubtful debts of 100% against all receivables over two years because historical experience has been that receivables that are past due beyond two years are not recoverable.

Consequently, the entity does not assess the credit quality of customers and does not set any credit limits per customer. Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period, but against which the entity has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

A review of the payment history of NSG's customers, based on transaction data captured in the debtor administration system, revealed an average collection period of 56 days (2019/20: 56 days) from course date. Customers are expected to settle invoices within 60 days from date of issue of the invoice.

The entity does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the entity to the counterparty.

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NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

	61 to 365 days	366 to 730 days	TOTAL 2020/21
Trade receivables past due, but not impaired-2020/21			
Nominal Value	3 023	5 362	8 385
Impairment Adjustment	-	-	-
TOTAL	3 023	5 362	8 385

	61 to 365 days	366 to 73 days	TOTAL 2019/20
Trade receivables past due, but not yet impaired-2019/20			
Nominal Value	17 804	4 288	22 092
Impairment Adjustment	-	-	-
	17 804	4 288	22 092

	2021	2020
	R '000	R '000
Impairment of trade receivables		
Balance at cost	13 538	19 450
Less:impairment	(28)	(66)
	13 510	19 384

The impairment of trade receivables is based on cash flows discounted using the rate prescribed by the Minister of Finance in terms of section 80 of the PFMA of 7% (2019/20: 9.75%).

Movement in the impairment provision		
Opening balance	11 776	10 339
Provision for impairment	(618)	1 437
	11 158	11 776

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

9. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
TMS	3 218	(890)	2 328	3 218	(890)	2 328
Training Courses	32 161	(1 075)	31 085	29 367	(1 075)	28 292
Total	35 379	(1 965)	33 414	32 585	(1 965)	30 620

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Total
TMS	2 328	-	2 328
Training Courses	28 292	2 794	31 085
	30 620	2 794	33 414

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Total
TMS	2 328	-	-	2 328
Training Courses	25 576	3 043	(327)	28 292
	27 904	3 043	(327)	30 620

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9. Intangible assets (continued)

An impairment test was conducted at the end of the reporting period. There was no indication that any of the assets were impaired during the reporting period.

Capitalised Training Course Development.

TMS: capitalised Training Management System development.

The amortisation expense and impairment loss recognised are included in the line item 'amortisation and impairment' in the statement of financial performance.

The following useful lives are used in the calculation of amortisation:

Capitalised training course development	indefinite	indefinite
Capitalised training management system	indefinite	indefinite

10. Payables from exchange transactions

Trade and other payables	30 Days	30+ days	Total 2020/21	Total 2019/20
Trade creditors	1 558	-	1 558	2 544
Amounts due to customers: trade debtors	-	80 544	80 544	60 914
Amount owed to NSG Vote 7	8 516	-	8 516	-
	10 074	80 544	90 619	63 458

The amounts due to customers is made up by the prepayments received for training that will be delivered in the near future.

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
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	2021 R '000	2020 R '000
11. Payables from non-exchange transaction		
National Treasury advance for course development	1 358	1 358
12. Employments benefits		
Leave entitlement		
Carrying amount beginning of period	5 510	5 575
Current Service cost	(3 852)	(9 225)
Less benefit utilised	6 608	9 160
	8 266	5 510
13th cheque		
Carrying amount beginning of period	2 410	2 360
Current Service cost	2 347	2 410
Less benefit utilised	(2 410)	(2 360)
	2 347	2 410
Performance bonus		
Carrying amount beginning of period	1 229	1 181
Current Service cost	(1 223)	(1 158)
Less benefit utilised	437	1 205
	443	1 228
	11 055	9 148

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

13. Cash generated from operations

	2021	2020
	R '000	R '000
Surplus	23 464	35 648
Adjustments for:		
Disposal of intangible assets	-	327
Allowance for doubtful debts	(617)	1 437
Changes in estimates of employee benefits	1 907	33
Non-Cash donations	(1 137)	(2 243)
Changes in working capital:		
Inventories	130	593
Receivables from exchange transactions	7 828	1 112
Payables from exchange transactions	27 163	5 270
	58 738	42 175

14. Budget information

The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 1 April 2020 to 31 March 2021.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

Reconciliation between budget deficit and statement of financial performance:

Budget Surplus	23 434
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NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

Reason for budget deviation in revenue

The revenue performance for the financial year 2020/21 reflects a favourable variance of R23.4 million due to extra allocation from National Treasury.

Reason for budget deviation in expenditure.

Expenditure is below budget due to less operational costs incurred.

15. Financial instruments

Capital risk management

The entity does not have share capital that is publicly tradable on the capital markets. Upon closure of the entity all assets and liabilities will be transferred to the controlling department as required by Treasury Regulation 19.9.

The objectives when managing capital (retained earnings) are to safeguard the entity's ability to continue as a going concern on the cost-recovery basis and to execute government priorities through service delivery. The annual financial statements of the entity have been prepared on the going concern basis.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in note 1.

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

2021	2020
R '000	R '000
146 932	89 851
2 352	9 563
149 284	99 414
90 619	63 458

15. Financial instruments (continued)

Categories of financial instruments

Financial assets

Amortised cost

Cash and cash equivalents (Note 6)

Trade and other receivables (Note 8)

Financial liabilities

Amortised cost

Trade and other payables (Note 10)

Financial risk management objectives

The entity has limited exposure to financial risks due to its limited ownership (ownership is limited to the net asset holders of the controlling department National School of Government Vote 7) and the funding of any cash deficit by the controlling department. The entity has no exposure to foreign currency risk, cash flow interest rate risk and equity price risk.

Credit risk management

Credit risk comprises the risk of financial loss to the entity if a counter party to a financial instrument fails to meet its contractual obligations.

The entity only transacts with entities in the national, provincial and local spheres of government and function within the pool of funds managed by National Treasury. The credit quality of government entities is therefore not assessed as these entities are considered creditworthy.

15. Financial instruments (continued)

The entity makes use of only National Treasury approved banks representing high credit quality financial institutions.

The entity does not hold any collateral or other credit enhancements to cover credit risk. However, any cash deficit caused by government entities defaulting on their contractual obligations is funded by the controlling department through augmentation as mentioned in Treasury Regulation 19.7.3.

The carrying amount of trade and other receivables recorded in the financial statements (refer to note 8), which is net of impairment losses, represents the entity's maximum exposure to credit risk without taking into account any funding by the controlling department in accordance with TR 19.7.

There has been no significant change during the financial year, or since the end of the financial year, to the entity's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing this risk.

Liquidity risk

Liquidity risk comprises the risk that the entity will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Accounting Officer, who has established an appropriate liquidity risk management framework for the management of the entity's short-, medium- and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity analysis

The entity's remaining contractual maturity for all its financial liabilities are between one and three months.

Impairment of financial instruments

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	R '000	R '000
Financial assets at amortised cost		
-Trade and other receivables	2 352	9 563
Financial assets at amortised cost		
-Trade and other payables	90 619	63 458

The fair value of financial assets and liabilities measured at amortised cost is determined by discounting the future cash flows at the current interest rate prescribed by the Minister of Finance in terms of section 80 of the PFMA.

16. Related parties

The entity is controlled through the Department of National School of Government at National Government level.

As a result of the constitutional independence of the three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management and executive committee members are considered management.

Related party transactions and outstanding balances

Department of National School of Government

Revenue from non-exchange transactions	125 579	87 464
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Outstanding balance- Claims receivable - Vote Account	-	(1 954)
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Outstanding balance- Claims payable - Vote Account	8 516	-
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The department of National School of Government incurred some operating expenditure which include, but not limited to internal and external audit cost, IT cost and other administrative costs.

Other Government Departments

Outstanding balance- Trade and other payables	32 779	28 318
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Outstanding balance- Trade and other receivables	7 501	6 339
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The trading account had normal business transactions with other National departments. The outstanding balances shown above are normal business transactions.

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

16. Related parties (continued)

Remuneration of management

Key Management Personnel

2021

Name	Basic salary	Other short- term employee benefits	Post- employment benefits	Total
Dr B Maja-Deputy Director-General	1 028	552	134	1 714
Ms PP Mkwana-Acting Deputy Director-General	911	667	-	1 578
Prof TD Potgieter-Acting Branch Head TPP	1 063	343	138	1 544
	3 002	1 562	272	4 836

2020

Name	Basic salary	Other short- term employee benefits	Post- employment benefits	Total
Dr B Maja-Deputy Director-General	1 026	611	134	1 771
Ms LEJ Lapan-Acting Deputy Director-General	898	516	117	1 531
Prof TD Potgieter-Acting Branch Head TPP	1 101	329	143	1 573
	3 025	1 456	394	4 875

The key management personnel of the entity include the following personnel appointed in the controlling department –
National School of Government Vote 7:

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Officials

Mr B Ngcaweni
Ms P Mkwana
Ms L Kaunda

Key management personnel are appointed in terms of the Public Service Act, Act 103 of 1994 as amended. The remuneration of the key management personnel is determined in accordance with the Senior Management Service remuneration scales issued by the Department of Public Service and Administration on an annual basis. Performance awards are approved by the Accounting Officer having regard to the performance of the individuals.

17. Commitments

Lease Commitments

All lease agreements are entered into by the controlling department - National School of Government Vote 7. Therefore, all lease commitments are presented and disclosed in the financial statements of National School of Government Vote 7. The lease payments are recovered from the National School of Government TTA in accordance with the expenditure allocation policy.

The controlling department, National School of Government Vote 7, leases office equipment used by the entity for a period of three years to 31 October 2022. The average lease payment is R 62,847 per month (2019/20: R 62 847) with no contingent lease payments. The lease agreements do not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreements are not renewable at the end of the lease term and the entity does not have the option to acquire the equipment. No lease agreement imposes any restrictions.

The controlling department also leases office accommodation used by the entity. The renewal period is currently on a month to month basis. The average lease payment is R1,665,333 per month (2019/20: R 1,563,693) escalating at 6.5% per year on 31 October. The agreement contains no contingent lease payments. The agreement does not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreement imposes no restrictions.

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

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

Expenditure Commitments

Current Expenditure - Approved and contracted	4 413	6 339
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The commitments relate mostly to goods and services required for training activities.

Contingents Liabilities

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

19. Irregular expenditure.

Opening balance	-	1 586
Add: Irregular expenditure – current year	607	-
Add: Irregular expenditure – prior year	-	
Less: Amounts condoned	-	(1 586)
Irregular expenditure awaiting condonement	607	-

19.2 Details of irregular expenditure - Current year

Incident

	Disciplinary steps taken	Condoned by (condoning authority) DG-	R' 000
Awards made to non-tax compliant bidders	Under investigation	Under investigation	607

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NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

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

20. Prior period Error

20.1

During the 2020/21 financial year the entity's management identified invoices and credit notes that were not included in the 2019/20 financial year. The error resulted in the understatement of revenue and understatement of receivables. The result of the correction is as follows:

Increase in Receivables	-	170
Increase in Revenue	-	(20)
Increase in Payables	-	(150)

20.2

During the 2020/21 financial year the entity's management identified invoices that were partially trained in the current but were recognised in full in the 2019/20 financial year. The error resulted in the overstatement of revenue and understatement of payables. The result of the correction is as follows:

Decrease in Revenue	-	589
Increase in Payables	-	(589)

20.3

During the 2020/21 financial year the entity's management identified invoices trained that were not included in the 2017/18 and 2018/19 financial years. The error resulted in the understatement of revenue, understatement of debtors and overstatement of payables. The result of the correction is as follows:

Increase in opening balance - accumulated surplus	-	(290)
Decrease in Payables	-	279
Increase in Debtors	-	11

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20.4

During the 2020/21 financial year the entity's management realised that revenue was incorrectly omitted in 2018/19 and 2019/20 and should have been recognised. The error resulted in understatement of revenue, overstatement of payables and understatement of debtors. The result of the correction is as follows:

	2020/21	2019/20
	R'000	R'000
Increase in opening balance - accumulated surplus	-	(3 307)
Increase in Revenue	-	(977)
Decrease in Payables	-	2 915
Increase in Debtors	-	1 369

21. Going concern

We draw attention to the fact that at 31 March 2021, the entity had an accumulated surplus of R 83 764 and that the entity's total assets exceed its liabilities by R 83 764.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is reinforced by the allocation already included in the MTEF allocation from National Treasury for the trading entity.

22. Events after reporting date

The entity is not aware of any event subsequent to year end which might require adjustment of the stated figures.

23. Approval of the Financial Statements

The financial statements were approved by the Accounting Officer and authorised for issue.

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
NOTES OF THE FINANCIAL STATEMENT - FOR THE YEAR ENDED 31 MARCH 2021

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