

ANNUAL REPORT 2021/2022

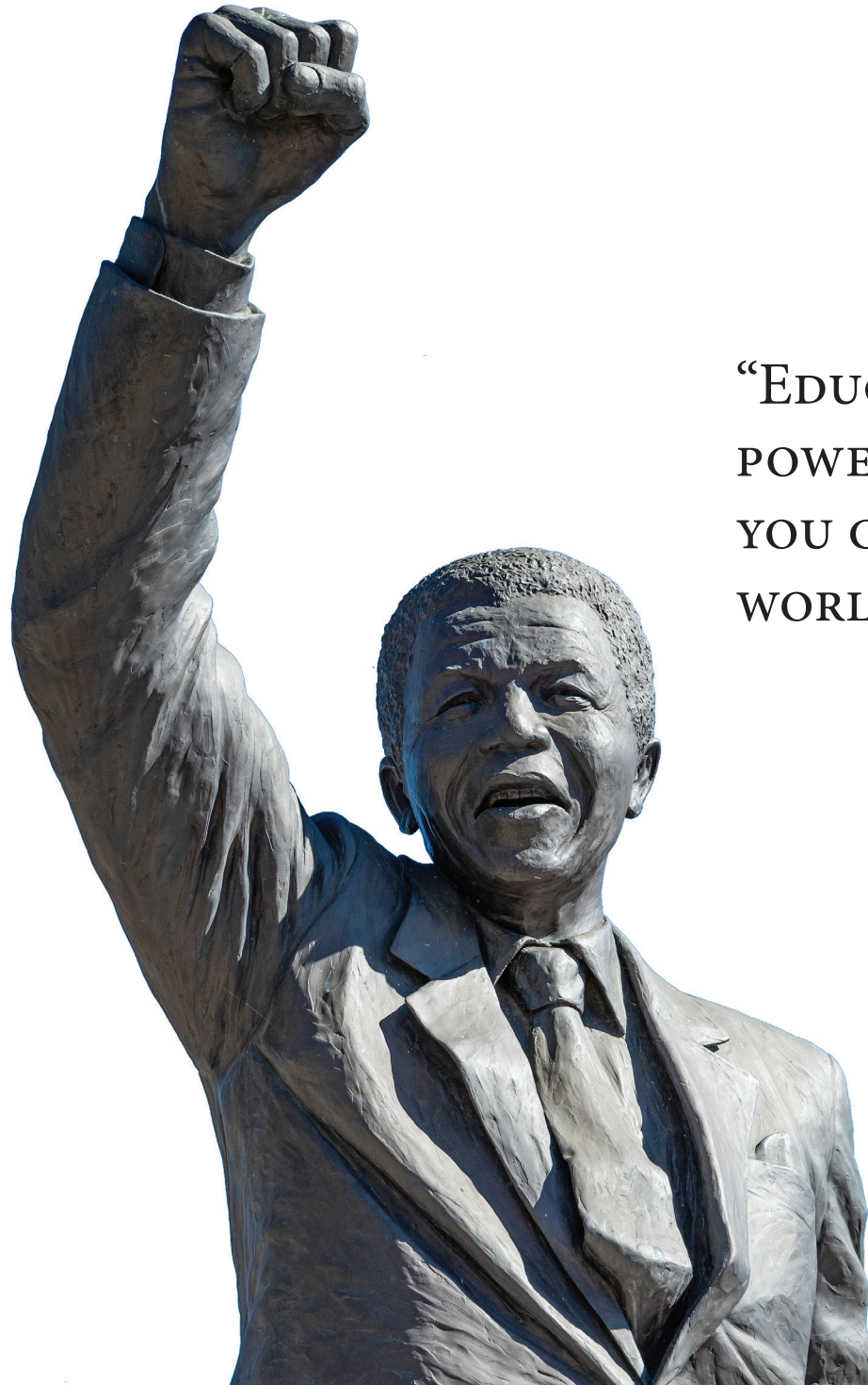


school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

Learn Serve Grow





“EDUCATION IS THE MOST
POWERFUL WEAPON WHICH
YOU CAN USE TO CHANGE THE
WORLD.” - NELSON MANDELA

NATIONAL SCHOOL OF GOVERNMENT

VOTE NO. 7

ANNUAL REPORT 2021/2022

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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, 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 Foundation Development:** Providing ETD interventions to graduates who wish to join the public service, public service interns and public servants up to occupation 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 occupational levels 9-12 (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 between levels 13 and 14 (Directors and Chief Directors). Chapter 4 of the SMS Handbook determines a set of competencies that employees in these core categories should have. These including 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 occupational levels 15-16 (Deputy Director-General, Director-General) and Political Office Bearers. In addition to top-up training on the requirements of Chapter 4 of the SMS (for DDGs and DGs), 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, the 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 are 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
ALS	Application of Learning Studies
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
EU	European Union
EIP	Executive Induction Programme
ETQA	Education and Training Quality Assurance
FFF	Facilitator Feedback Form
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
OHSC	Occupational Health & Safety Committee

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
REMC	Risk & Ethics Management Committee
REQ	Reaction Evaluation Questionnaire
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SHERQ	Safety, Health, Environment, Risk & Quality
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



MR TW NXESI, MP
**ACTING MINISTER FOR PUBLIC
SERVICE AND ADMINISTRATION**

The foremost priority of this current administration is to build a capable, ethical and developmental state. A capable state, as articulated in the Medium-Term Strategic Framework (2019-2024), must have the required human capabilities, institutional capacity, service processes and technological platforms to deliver on the National Development Plan (NDP) targets through a social contract with the people. A capable state, therefore, requires a Public Service with qualified public servants possessing relevant skills, competencies and have an ethical disposition steeped in the *Batho Pele* principles.

In the State of the Nation Address (SONA) delivered on 11 February 2021, President Cyril Ramaphosa reminded us that the Public Service is at the coalface of government, and that a lack of professionalism does not just impact on

service delivery, but it also dents public confidence. The President committed that “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”.

In this regard, I am pleased to report that the National School of Government is fulfilling its mandate by providing or facilitating the provision of education, training and development to appointed public servants and elected public representatives across the public sector and organs of state. The Annual Report of the National School of Government for the 2021/22 financial year is the second year of implementation of the five-year strategic plan (2020-2025). The School has done exceptionally well in the financial year, achieving clean audit for the third successive year.

Some of the highlights of performance include:

- i. Hosting the Economic Governance School on 05-09 July 2021 for members of the executive in the three spheres of government. The programme was approved by Cabinet and is the second School to be convened by the National School of Government.

- ii. Hosting 8 master classes.
- iii. Training a total of 86 687 learners, using blended training delivery approaches, against an annual projected target of 38 460, which represents 225% achievement of the performance target.
- iv. Training a total of 30 185 learners in the compulsory Ethics course, which represents a 79% achievement.
- v. Training of 5 provincial departments of education in rolling out the Handling diversity and dealing with all forms of discrimination course to educators.

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 National School of Government. Your unwavering commitment towards professionalising the public service is indeed appreciated.

A handwritten signature in dark ink, appearing to read 'Tw Nxesi', written over a horizontal line.

MR TW NXESI, MP

ACTING MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

31 AUGUST 2022

4. DEPUTY MINISTER STATEMENT



DR CHANA PILANE-MAJAKE, MP
DEPUTY MINISTER FOR THE PUBLIC
SERVICE AND ADMINISTRATION

The National School of Government, as a public service training institution, must ensure that the basic values and principles of public administration, as outlined in section 195(1) of the Constitution of the Republic of South Africa, 1996, are inculcated into the value system and performance of all public servants and representatives through education, training and development.

A key strategic intervention in the 2021/22 financial year has been the facilitation of domestic and international partnerships and collaboration in order to enhance its education, training and development solutions. The NSG is using partnerships to gain access to expertise and specialist programmes that are necessary for enhanced public service performance. The NSG does this in cognisance of the growing complexity, interdependent

world and centrality of capable and well-governed institutions to sustainable development. It is 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.

In this financial year, the NSG concluded a partnership with the World Economic Forum. The purpose of this partnership is to provide South African public sector with a repository of information and knowledge curated by the leading institutions from around the world to support various public sector initiatives. The NSG also signed with the *Escola Nacional de Administração Pública* (ENAP) of Brazil to contribute among others to intra BRICS cooperation.

Through the partnership with the China-Africa Institute, the NSG managed to deliver courses on Economic Governance, Poverty Reduction and Sustainable Development and China Africa Cooperation under the Belt and Road Initiative. These programmes were aimed at enhancing the skills of managers and elected officials towards meeting the priorities set in the National Development Plan and Medium-Term Strategic Framework (2019-2024).

The NSG also partnered with the *Institute National du Service Public* (INSP) of France to benefit South African public servants and gain a better understanding about managing crises, the role of digital transformation in the public sector and new trends necessitating public administration reform. This was supported by the Embassy of France in South Africa and the European Union. These efforts were complemented by participation in various innovation related programmes done in partnership with INSEAD and sponsored by the European Union. Public servants also benefited from exchanges with the Civil Service College Singapore in learning how to build future ready public services and communicating in challenging times.

Finally, we also acknowledge and appreciate the partnerships with local higher education institutions as well as the private sector, such as the support from Old Mutual and Anglo American in assisting to build public sector capacity. As the Ministry for Public Service and Administration, we encourage greater partnership and collaboration with the National School of Government towards knowledge exchange.

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

A handwritten signature in black ink, appearing to read 'Chana Pilane-Majake', written over a horizontal line.

DR CHANA PILANE-MAJAKE, MP

DEPUTY MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

31 AUGUST 2022

5. REPORT OF THE ACCOUNTING OFFICER



PROF. BUSANI NGCAWENI
PRINCIPAL: NATIONAL SCHOOL OF GOVERNMENT

The National School of Government (the NSG) is a part of the portfolio of institutions reporting to the Minister for the Public Service and Administration. We have a mandate to provide or facilitate the provision of education, training and development (ETD) in the three spheres of government, state-owned entities (SOEs) and organs of state. Our 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 foremost priority of this administration is to build a capable, ethical and developmental state. A capable state has the required human capabilities, institutional capacity, service processes and technological platforms to deliver on the NDP through a social contract with the people. An ethical state is driven by the constitutional values and principles of public administration and the rule of law, focused on the progressive realisation of socio-economic rights and social justice as outlined in the Bill of Rights. A developmental state aims to meet people's needs through interventionist, developmental, participatory public administration.

Our public sector requires that we have qualified public servants with relevant skills and competencies for the job they have been employed to do and have ethical disposition steeped in the *Batho Pele* principles. The NSG must ensure that it provides ETD interventions to appointed public servants and elected public representatives in order that they fulfil their responsibilities.

Overview of the operations of the National School of Government

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 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 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.

Compulsory and demand-led ETD 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 delivers on its mandate by taking on a blended approach of classroom interaction, online learning, onsite experimentations, webinars, thought leadership master classes, and conferences.

"Government must work for the people. That is why our foremost priority is to build a capable, ethical and developmental state. We will soon be finalising a framework for the professionalisation of the public service. This will include tighter measures for recruitment of public servants, continuous professional development through the National School of Government and partnerships between state bodies, professional associations, and universities."

- President Cyril Ramaphosa, SONA 2022, 10 February 2022

Annual Performance Plan 2021/22

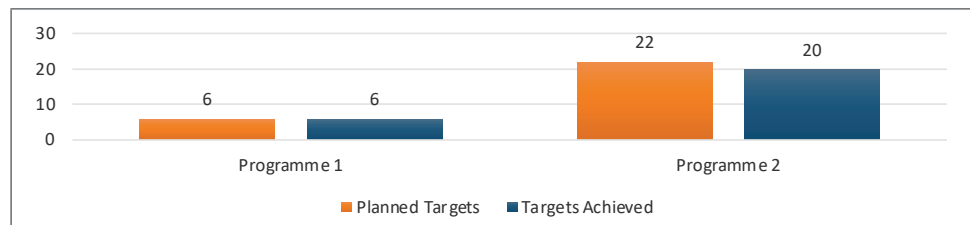
The Annual Report for the 2021/22 financial year marked the second year of implementation and performance of the five-year strategic plan (2020-2025). Undoubtedly, the impact of the global COVID-19 pandemic and the restrictions of the national lockdown did affect organisational performance in this financial year. However, it must be appreciated that the NSG responded to the challenges posed by the pandemic in the first year of implementation of the strategy, and the results thereof were reflected in our performance. For example, the NSG received a clean audit opinion from Auditor-General South Africa (AGSA), trained 43 411 learners through our suite of courses and programmes, achieved a 98% completion rate in our Ethics course, and held six master classes.

The organisational performance for the second year of implementation, i.e. the current financial year, improved significantly and demonstrates a recovery from the prior year. For this reason, we believe that the five-year strategy remains relevant, and the strategic outcomes thereof will be achieved over the medium-term strategic period.

A total of 28 performance targets were set in the APP, of which 26 were achieved as planned. This translates to an overall performance achievement of 93% of the total planned targets for the financial year.

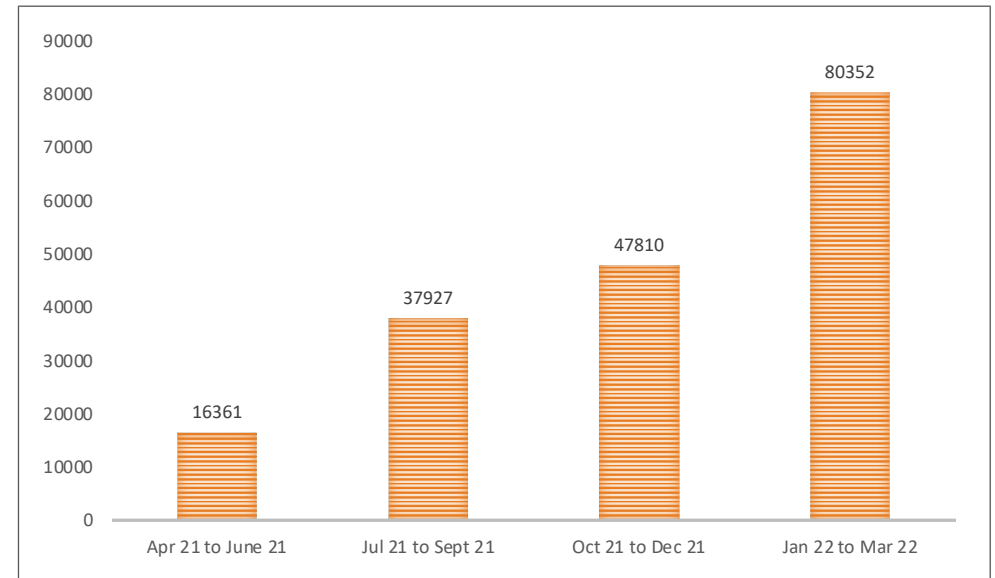
A summation of performance per programme based on overall performance results is graphically shown below:

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 open distance eLearning to scale. A total of 20 online courses provided enrolments to 80 352 learners in the financial year, as depicted in the graph below. This is in addition to the 19 075 learners who enrolled in *Getting Started with eLearning*, which is not a course but prepares officials for online learning.

Graph 2: Cumulative quarterly eLearning enrolment for the period 1 April 2021 to 31 March 2022



Highlights of Performance

For this financial year, the NSG can report the following highlights of performance, which we believe to be significant:

- The post-graduate qualification of the NSG was developed and will undergo accreditation process in the next financial year to ensure implementation in the subsequent years.

- 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 9 874 learners (prospective and serving public servants) enrolled for the course, with 6 168 successfully completing.
- The Ethics in the Public Service is another of our bespoke programmes, and in this financial year, there was a total enrolment of 38 006, with 30 185 completing the course (82% achievement).
- Seven thought leadership platforms/seminars were held that emanated from cooperation and collaboration with partners.
- As partnerships remain a key strategic thrust for the NSG, we continue to strengthen existing and forge new partnerships. The partnerships for this financial year included European Union (EU), Chinese National Academy of Governance, *Ecole National d'Administration*, University of London, Civil Service College, Singapore and University of Chinese Academy of Social Sciences. In this regard, 5 partnerships reached 259 public servants and generated revenue to the amount of R609 000-00.

Professionalisation of the Public Service

Professionalising public administration is one of the key imperatives for building state capacity. In the 2022 State of the Nation Address (SONA), President Ramaphosa indicated that government is at an advanced stage of the finalisation of the National Framework towards the implementation of professionalisation of the Public Sector. The Framework emphasises pre-entry, recruitment, selection, induction, continuous learning and career progression of public servants. The NSG has been leading in the finalisation of the Framework during this financial year, including the engagements with the Ministerial Advisory Panel.

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 2021/22 was R214.2 million, which was a 6% decrease from the R227.4 million allocation received in 2020/21. The decrease was due to funding from Department of Public Works and Infrastructure in relation the impact of COVID-19 on the Trade Account. A saving of 3.2% i.e. R6.7 million was realised at the end of the financial year.



Departmental receipts:

Departmental receipts	2021/2022			2020/2021		
	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	49	52	-3	30	41	-11
Interest, dividends and rent on land	39	1	38	39	8	31
Sale of capital assets	0	50	-50	0	26	-26
Financial transactions in assets and liabilities	229	265	-36	0	117	-117
Total	317	368	-51	69	192	-123

Total departmental receipts revenue increased by R0.176 million, from R0.192million (2020/21) to R0.368 million (2021/22). The increase is due to more sales of capital assets, sale of goods and services other than 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 course fees was approved by the National Treasury in the 2019 Financial Year.

Programme Expenditure

Programme Name	2021/2022			2020/2021		
	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	110 874	104 079	6 795	101 828	96 024	5 804
Public Sector Organisational and Staff Development	103 423	103 423	0	125 579	125 579	0
Total	214 297	207 502	6 795	227 407	221 603	5 804

Programme 1: Administration

The total expenditure breakdown of R104.0 million for 2021/22 and spending patterns, compared to the 2020/21 financial year is summarised as follows:

Compensation of employees for the Vote-funded staff component of NSG increased by 1.7% from R55.8 million (2020/21) to R56.8 million in 2021/22, due to salary adjustments. Goods and services increased by 15.3% from R38.0 million (2020/21) to R44.9 million in

2021/22. The increase is due to audit costs and computer services. Expenditure on capital assets increased by 10.0% from R1.8 million (2020/21) to R2.0 million in 2021/22. The increase is maintained in 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 R103.4 million in 2021/22.

Training Trading Account (TTA)

The department operates a Trading Account for its training operations. The Department 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 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.

Total revenue (including the transfer of funds from the Vote appropriation for the financial year (2021/22) increased by R50.7 million from R157.7 million (2021/22) to R208.6 million (2021/22). Income from course fees increased by 70.0%, from R28.3 million (2020/21) to R98.7 million (2021/22). The transfer of funds from the Vote to Trade decreased by 21.14%, from R125.5 million (2020/21) to R103.4 million (2021/22).

Strategic focus over the short to medium term period

In 2020, the NSG determined a five-year strategy, which culminated in the articulation of a new vision, mission and the establishment of specific outcomes framework for the future. The NSG recognised that the strategy and related actions are unfolding in a dynamic manner that require changes to the operations and structural configuration of the institution. It has undertaken an organisational restructuring in this financial year, based on the approval of a reconfigured organisational structure.

Over the short to medium term period, The NSG will focus on the following:

- Improving the internal quality management and delivery mechanisms to ensure seamless operations. This will include improving the quality of facilitators, materials, and learner experience.
- Strengthening collaboration with relevant institutions (e.g. HEIs) and professional bodies. We will be implementing the partnership strategy with international and domestic public and private partners.
- Reviewing existing courses/ programmes to determine relevance and update. The establishment of a Curriculum Review Committee will assist in developing, reviewing, renewing and ensuring a streamlined, relevant curriculum.

- Finalising the NSG qualification and launching Executive Education programmes.

Public Private Partnerships (PPP)

The NSG did not enter into any PPP contracts during the 2021/22 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

No unsolicited bid proposals were concluded for the year under review.

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	109
European Union	Development of a diagnostic tool for the NSG to identify development needs at the workplace	1,207
European Union	Development of research approaches to provide case studies for evidence- based learning	2,097
European Union	Technical expertise and implementation support for the NSG (IT3)	15, 756
Total		19,167

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 would like to express my appreciation to the former Minister for the Public Service and Administration, Ms Ayanda Dlodlo, the acting Minister for the Public Service and Administration, Mr Thulas Nxesi, and Deputy Minister for the Public Service and Administration, Dr Chana Pilane-Majake for their leadership, guidance and support towards the NSG in delivering on our mandate and performance. I would also like to express my appreciation to the management and staff for the performance through their individual and collective efforts.

Conclusion

Developing capacity for the public service has always been a critical role for us to play. We have recalibrated ourselves over the years – for example from focusing on management and leadership development to covering every occupational/ salary level so our focus is on all public servants and elected public representatives. As such we develop courses, programmes and interventions for certain salary levels (e.g. senior managers) but at the same time have courses and programmes that cut across all levels (e.g. ethics).

Furthermore, we are in a dynamic and complex environment with changes being brought about by digital transformation, climate change and the COVID19 pandemic, amongst others. We therefore have to keep public servants abreast with new knowledge and workplace learning. 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.

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
31 AUGUST 2022

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 2022.

Yours faithfully



ACCOUNTING OFFICER
PROF. BUSANI NGCAWENI
31 AUGUST 2022

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) 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 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.

8.2 Legislative and Policy Mandates

The NSG, 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 in relation to the NSG are as follows:

Section 11:

- (1) The National School of Government will, in consultation with the Minister responsible for higher education and training, be established as a higher education institution contemplated in the Higher Education Act, 1997 (Act No. 101 of 1997).
- (2) 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.

- (3) The School must give effect to subsection (2) by—
 - a. subject to the National Qualifications Framework Act, 2008 (Act No. 67 of 2008), providing such education and training or causing such education and training to be provided or conducting or cause to be conducted such examinations or tests as the Head of the School determines;
 - b. interacting with and fostering collaboration, in consultation with the Minister responsible for higher education and training, among training institutions, higher education institutions, further education and training institutions and private sector training providers in furtherance of such education and training; and
 - c. performing any other function or exercising any other power as prescribed.
- (4) The provisions of this section do not affect institution or sector specific training.

Section 12:

- (1) The Minister, in consultation with the Minister responsible for higher education and training, may direct the School to provide qualifications, part qualifications and non-formal education as recognised by the National Qualifications Framework or the South African Qualifications Authority.
- (2) Insofar as a directive under subsection (1) applies to municipalities, the Minister must act in consultation with the Minister responsible for local government and after consultation with organised local government.

Section 13:

- (1) The Minister may, after approval by the Cabinet, direct that the successful completion of specified education, training, examinations or tests is—
 - a. a prerequisite for specified appointments or transfers; and
 - b. compulsory in order to meet development needs of any category of employees.
- (2) The Minister must consult organised local government and obtain the concurrence of the Minister responsible for local government before seeking the approval of the Cabinet contemplated in subsection (1) in respect of a directive to be applicable to municipalities.

It is important to recognise Proclamation 15 of 2019 ('Commencement of certain provisions of the Public Administration Management Act, 2014 (Act No. 11 of 2014)') by the President of the Republic of South Africa dated 18 March 2019. In terms of this Proclamation, the Act take effect from 1 April 2019, except for sections 5, 6, 7, 9, **11, 12** (as discussed above) and 19 of the Act.

Under the leadership of the MPSA, the legislative processes of the Public Administration Management Act as it relates to the NSG are being addressed.

In addition to the aforementioned sections of legislation, the NSG is also governed by the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and Section 19 of the Treasury Regulations as it relates to the establishment and management of the Training Trade 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 National School of Government 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.

In 1998, government published the White Paper (WP) on Public Service Training and Education (Notice 1428 of 1998), to provide a "policy framework that will enable public service training and education to be appropriate, adequate and accessible and will meet the current and future requirements of public servants, the public service and the public" (WP). The WP sought to address a fragmented and uncoordinated approach to training and education across the public service. Training and education was inappropriately provided by many in-service and external providers.

The policy alternatives and options articulated in the WP has also informed the organisational structuring and delivery model of the NSG, which is that of a competitive environment for public and private training provider to deliver training, operating within a uniformly applied set of national norms and standards. The policy option of centralised setting of norms and standards, together with decentralised provision by state and non-state providers in a competitive framework was selected, as the White Paper notes, "because it combines maximum creativity and flexibility at the delivery end, but without undermining the need

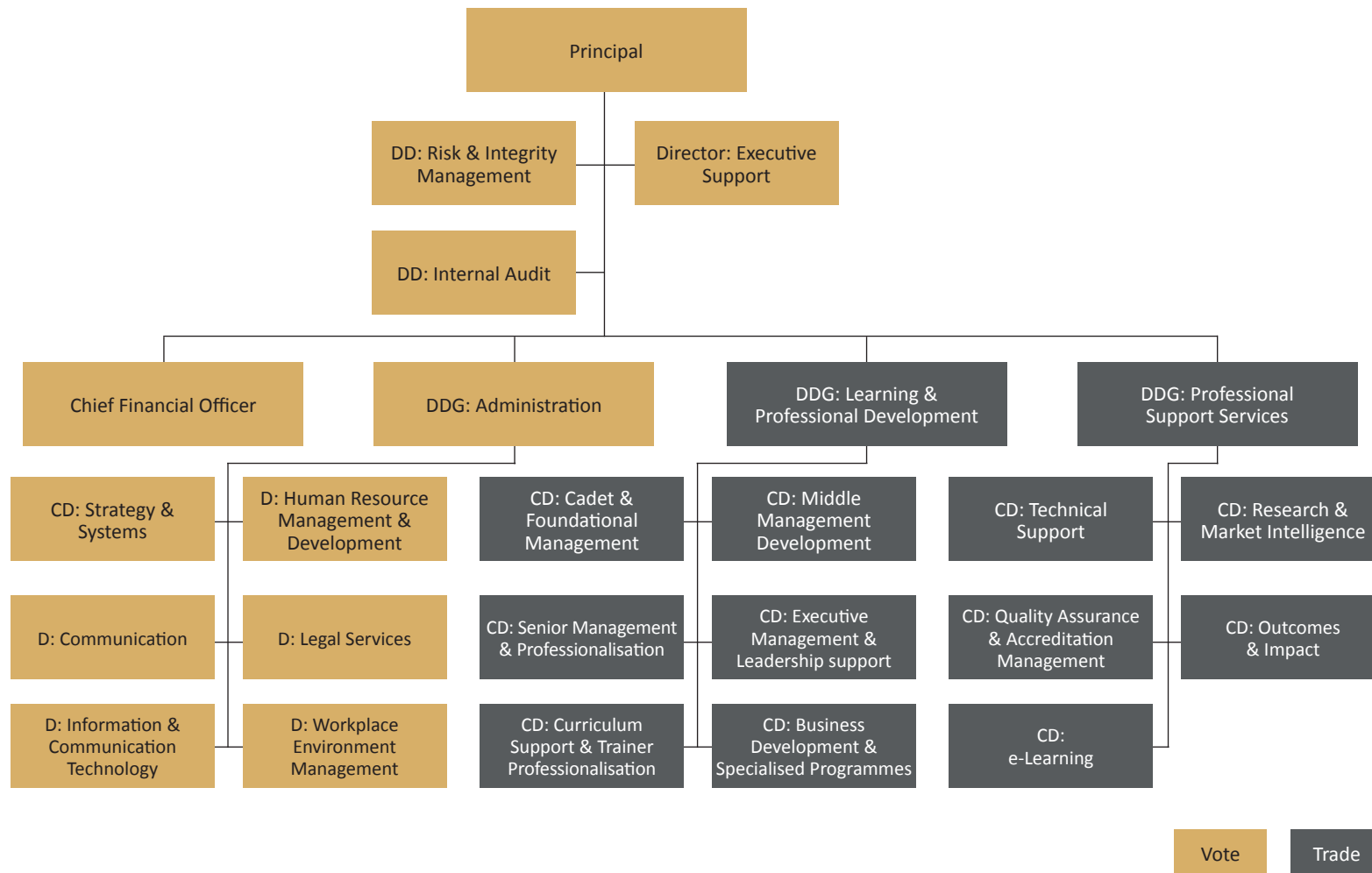
to build a unified public service with a common culture and value system".

The learning principles for Public Service education and training, as articulated in the White Paper on Public Service Training and Education, include:

- All public servants will be entitled to ongoing and meaningful opportunities for education and training, on recruitment and throughout their working lives.
- Education and training programmes will be based on a detailed assessment of the needs of individual organisations and employees, and will be designed in particular to secure an optimal fit between these two sets of needs.
- A competency-based approach to learning outcomes, with particular reference to the competence required at different levels to build individual and organisational capacity.
- Education and training programmes will be targeted in particular at facilitating career paths for all staff that promote progression (vertical and lateral) and productivity.
- Public Service education and training will be linked to the National Qualifications Framework (NQF) in ways which promote lifelong learning and the development of portable skills and competence.
- Training, education and development will be promoted in ways which enable public service institutions to become learning organisations, capable of continuous development and adaptation through the creative integration of learning with work at all levels.



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



PART B: PERFORMANCE INFORMATION



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against 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 69 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 policy 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 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	In managing the Contact Centre in line with generally acceptable performance standards the call centre received 3335 calls, the average time take to respond to calls was 00:00:34. The conversion to booking was at 45%.
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 7459 Certificates, and cumulatively against the standard 52 194 certificates were issued.

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 <i>Batho Pele</i>	During this financial year, the NSG undertook internal communication on <i>Batho Pele</i> , and has ensured that staff are provided with name tags. The NSG also developed a Service Delivery Charter, which was printed in English, Setswana and Isizulu.

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 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 2021/22 financial year as was approved by the MPSA 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 namely "application of learning studies", where the objective is to determine if 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. PROGRESS TOWARDS 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 the development of a Total Quality Management Plan; implementation of 6 ICT business solutions; and 24 communications interventions. The NSG Brand and Marketing Strategy was successfully implemented that enabled the increase in the marketing of NSG interventions across the public sector to promote the uptake of NSG ETD interventions. Furthermore, the senior management of the NSG was trained on expenditure management.

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 eleven 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 were completed.

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 collaboration 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 five of the six partnerships entered have resulted in the uptake of ETD interventions in this financial year. Additionally, seven 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 to deliver ETD interventions. The performance of this outcome is measured by the implementation of a Performance Management System for ETD Practitioners. In this financial year, a draft performance management system framework was developed.

Outcome 5: Responsive ETD Interventions

The objective of this outcome is to ensure that learners are satisfied that ETD interventions are 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 43 active online learning ETD interventions. Of significance is that the enrolment for online learning was 80 352 learners and a further 19 075 learners enrolled in *Getting Started with eLearning* (which is not a course but prepares officials for online learning). There were also five (5) Provincial Education Departments trained to roll out training on handling diversity and dealing with all forms of discrimination to teachers, and School Management Teams.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Programme 1 (Administration) provides strategic leadership, management and support services to the National School of Government. The programme also focuses on providing centralised administrative, legal and office support services, human resources and financial management, communication, international relations, 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 Services, Communications, Human Resources Management and Development, 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 6 planned targets for the financial year, all 6 targets were achieved which translates to 100% achievement. The achievement of the planned targets was attributed towards ensuring a functional integrated institution. The development of documents such as the Total Quality Management plan was critical as it will contribute towards supporting the improvement of systems and services offered by the NSG and ensure that they meet the desired standards. The implementation of the communications and marketing strategy has contributed in increasing awareness of the NSG in terms of the ETD interventions offered by the School within the public sector. The NSG has prioritised women, youth and persons with disabilities as the employment equity reflected a fair representation of 51.2% of females employed at SMS level, 19.1% of youth employed and 2.4% of persons with disabilities employed at the NSG.

Table: 2.4.4.2 Outcomes, Outputs, Output Inductors, Targets and Actual Achievements

Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reason for deviation
Functional integrated institution	Improved productivity and functionality	Total quality management Plan developed	No baseline	Total quality management framework developed	Total quality management plan developed by March 2022	Total quality management plan developed by March 2022	None	None
	ETD interventions delivered through modernised appropriate business processes	Number of mapped business processes in line with operations management plan implemented	No baseline	Operations management policy and plan for the NSG developed	3 mapped business processes in line with operations management plan implemented by March 2022	6 business processes mapped in line with operations management plan by March 2022	3 mapped business processes	A value chain review was undertaken which required new process mapping for all operations
		Number of ICT projects enabling NSG operations implemented	ICT to support the NSG operations in place	4 ICT business solutions responsive to NSG operations implemented	6 ICT business solutions enabling operations implemented by March 2022	6 ICT business solutions enabling operations implemented by March 2022	None	None
		Percentage of material audit findings resolved by the end of financial year	1 Material audit finding issued by AGSA	0% reduction of audit findings from baseline outcomes 2 Material audit findings issued by AGSA	100% of material audit findings resolved by March 2022	100% of material audit findings resolved by March 2022	None	None
Functional integrated institution	Position the brand of the NSG	Percentage of NSG brand and marketing strategy implemented	No baseline	NSG brand strategy developed and approved	30% of the NSG brand and marketing strategy implemented by March 2022	50% of the NSG brand and marketing strategy implemented by March 2022	20%	Two of the four objectives in the brand and marketing strategy were implemented
		Number of communication interventions promoting NSG offerings in the public sector	No baseline	33 communication interventions implemented	12 communication interventions promoting NSG offerings in the public sector by March 2022	34 communication interventions promoting NSG offering in the public sector undertaken by March 2022	22 communication interventions	The need to support branding and promote NSG offering to the public sector

Strategy to overcome areas of under- performance

During this financial year, the COVID-19 lockdown regulations were eased, and the departmental COVID-19 policy was approved that highlighted the occupational requirements by officials in adapting to the adjustments. The NSG focused on strengthening the protection of information and ICT software against cybercrime attacks. In this regard, the NSG implemented the following ICT solutions during the financial year:

Sophos Advanced Threat Protection

The system analyses incoming and outgoing network traffic for threats.

Using ATP, the NSG can quickly detect compromised clients in the network and log or drop the traffic from those devices.

Sophos Firewall for NSG Data Centre

Sophos Firewall's Xstream architect TLS 1.3 Decryption: Remove an enormous blind spot with intelligent TLS inspection that is fast and effective, supporting the latest standards with extensive exceptions and point-and-click policy protects NSG network from the latest threats while accelerating your important SaaS, SD-WAN, and cloud application traffic.

Deep Packet Inspection: Stop the latest ransomware and breaches with high-performance streaming deep packet inspection, including next-gen IPS, web protection, and app control, as well as deep learning and sandboxing powered by SophosLabs Intelix.

Application Acceleration: Accelerate NSG SD-WAN, and cloud traffic such as Telephony, video, and other trusted applications automatically or via NSG policies, putting them on the Xstream FastPath to optimize performance.

The NSG also embarked on a process of developing the Digital Transformation Strategy to guide the transformation of the NSG from manual business processing to digital in implementing the administrative functions and delivery of services. The NSG also commenced with the migration and placement of officials which focused on the appointment and placement of all Senior Managers. The process was then followed by various engagements and consultations with officials in preparation for the migration and placement for level 1-12 officials. In the implementation of the Communications and Marketing Strategy, the NSG increased the marketing and promotion ETD programmes to encourage the uptake within the public service. The NSG also utilised various social media platform e.g. WhatsApp/Twitter and held virtual webinars.

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

N/A- The NSG does not report on standardised customised indicators for concurrent function.

Reporting on the Institutional Response to the COVID-19

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	2021/22			2020/21		
	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
MANAGEMENT	19 549	15 440	4 109	14 895	14 221	674
CORPORATE SERVICES	75 109	72 423	2 686	71 973	66 843	5 130
PROPERTY MANAGEMENT	16 216	16 216	-	14 960	14 960	-
Total	110 874	104 079	6 795	101 828	96 024	5 804

4.2 Programme 2: Public Sector Organisational and Staff Development

The purpose of Programme 2: Public Sector Organisational and Staff Development facilitates transfer payments to the Training Trading Account, which provides education, development and training to public sector employees. This Programme comprises of the following sub-programmes:

- Sub-programme 1: Learning and Professional Development incorporating Cadet and Foundational Management, Middle Management Development, Senior Management and Professionalisation, Executive Management & Leadership Support and Business Development.
- Sub-programme 2: Professional Support Services incorporates Research & Market Intelligence, Quality Assurance and Accreditation Management, eLearning, Technical Support and Outcomes and Impact.

The programme is underpinned by the following 4 outcomes, which are

- Competent Public Servants
- Sustainable Partnerships
- Quality ETD Practitioners
- Responsive ETD Interventions

Outcomes, outputs, output indicators, targets and actual achievements

The programme had a total of 22 planned targets for the financial year, of which 20 targets were achieved, and the annual performance translated to 91% achievement. The targets that were not achieved were as a result of a low uptake with the paid courses which impact on the revenue generation for the period under review. The second target that was not achieved was as a result of the SMS training on Anti-discrimination that was not done due to the low enrolment of senior managers post circulation by DPSA (Circular 11 of 2021).

The achievements for the programme includes the development of the Post-Graduate qualification for the NSG that will focus on Public Administration and Leadership within the public service. Eight Programmes/ courses were developed/ reviewed. The development of the National implementation Framework on the Professionalisation of the Public Service. 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.

In the year under review, the NSG and the World Economic Forum (WEF) signed a Cooperation Agreement. The objective of the landmark partnership is to support public sector initiatives through access to a wide array of research, insight, publications, rich media and data for policy development, forecasting, decision-making, briefings and other needs by government departments and public sector institutions in WEF's Strategic Intelligence Platform. The information provided in the platform will be available for use by advisors, researchers, planners and content creators for different projects or activities. The Platform will complement other sources of data already available in South Africa and will provide quick access on topics from A-Z.

There has been an improvement in the partnerships facilitated that support ETD interventions which enabled public servants to enrol for various national and international programmes easily accessible online. The NSG with the focus toward providing more virtual training developed 12 online courses.

The NSG in response to prioritising women, youth and persons with disabilities trained Provincial Education Departments (PEDs) and School Management Teams on the module “Teaching for All” that contributes towards handling diversity and dealing with forms of discrimination for roll out within the basic education sector.

Table: 2.4.4.2 Outcomes, outputs, output indicators, targets and actual achievements

Public Sector Organisational and Staff Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual Achievement 2021/22	Reason for deviation
Functional integrated institution	Effective financial management for the TTA	Amount of revenue generated and other funding sources in TTA as part of the cost -recovery	R145.7 million revenue generated by TTA	R28.3 million revenue generated by TTA	R118.5million in revenue and other funding sources generated by March 2022	R98.7 million in revenue and other funding sources generated by March 2022	R19.8 million	The difference in the revenue generated is due to the lower online tariffs as opposed to face to face tariffs.
	Position the brand of the NSG	Percentage of business development interventions resulting in opportunities for the uptake of NSG offerings	No baseline	34% of business development interventions resulting in uptake of the NSG offerings in the public sector (including SOEs)	50% of business development interventions resulting in opportunities for the uptake of the NSG offerings by March 2022	50% (23/46) business development interventions resulting in opportunities for the uptake of the NSG offerings by March 2022	None	None
	Effective research and knowledge management for ETD	Knowledge management (KM) strategy to support ETD interventions implemented	KM Strategy implemented	NSG repository for information and knowledge management developed	4 areas of good practice in the public sector documented to support ETD interventions by March 2022	4 areas of good practice in the public sector documented to support ETD by March 2022	None	None
		Number of research projects informing ETD interventions developed	No baseline	6 research reports informing ETD discourse completed	4 research reports informing ETD interventions developed by March 2022	4 research reports informing ETD interventions developed by March 2022	None	None

Public Sector Organisational and Staff Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual Achievement 2021/22	Reason for deviation
Competent public servants empowered to do their jobs	Public servants assessed to determine their skills gaps and needs before and ETD interventions	Number of skills assessments reports completed on training needs for relevant ETD interventions	13 training needs analyses completed	4 skills assessment reports completed and shared with all internal stakeholders	5 skills assessments reports informing ETD needs completed by March 2022	11 skills assessment reports informing ETD needs completed by March 2022	6 skills assessment reports	The provincial request in the Department of Social Development necessitated more skills assessments to be completed
		Annual report on the analysis of the Workplace and Sector Skills Plans to inform ETD interventions developed	No baseline	Analysis report of the Workplace and Sector Skills Plans to inform ETD interventions completed	Annual Report on the analysis of Workplace and Sector Skills Plans to inform ETD interventions developed by March 2022	Annual Report on the analysis of Workplace and Sector Skills Plans to inform ETD interventions developed by March 2022	None	None
	Accredited and non-accredited 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	8 courses/ programmes/ interventions responsive to identified skills gaps and needs	8 courses/ programmes /interventions responsive to identified skills gaps and government priorities developed/ reviewed by March 2022	8 courses/ programmes /interventions responsive to identified skills gaps and government priorities developed/ reviewed by March 2022	None	None

Public Sector Organisational and Staff Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual Achievement 2021/22	Reason for deviation
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	6 Reports on the Impact evaluation studies completed (phase 1)	6 impact evaluation studies conducted by March 2022	6 impact evaluation studies conducted by March 2022	None	None
	Professionalisation of the public service	Professionalise 2 functional areas of public servants through partnership with professional bodies	No baseline	Draft Professionalisation Framework developed and consultations with Legal and Engineering professions were held. Moreover, the NSG conducted 10 days on public consultation sessions on the draft Framework	National implementation framework on professionalisation of the public service developed by March 2022	National implementation framework on professionalisation of the public service developed by March 2022	None	None
		Post graduate qualification developed for the NSG	No baseline	Report on the scoping not completed	Post-graduate qualification developed for the NSG by March 2022	Post-graduate qualification developed for the NSG by March 2022	None	None
Sustainable partnerships and collaboration to support ETD interventions	Integrated partnership strategy implemented	Percentage of the partnerships facilitated to support ETD interventions	No baseline	55% (11/20) of partnerships facilitated the uptake of the NSG ETD interventions	20% partnerships facilitated to support interventions by March 2022	55% (28/51) partnerships facilitated to supported interventions by March 2022	35% partnerships	Some partnership agreements were due for implementation since signing in the previous financial years
		Number of thought leadership seminars/ platforms in partnership with public and private sectors hosted	Submitted 6 research articles/ papers to promote thought leadership	The NSG developed a Fellowship Programme and the strategy was approved 6 thought leadership platforms in the form of master classes were hosted	5 Thought leadership platforms /seminars hosted by March 2022	8 thought leadership platforms/ seminar hosted by March 2022	3 platforms	The hosting of further thought leadership platforms emanated from cooperation and collaboration with partners.

Public Sector Organisational and Staff Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual Achievement 2021/22	Reason for deviation
Quality ETD practitioners	ETD practitioners professionalised to deliver ETD interventions	Performance Management Systems for ETD practitioners established	No baseline	Performance management system for ETD practitioners not implemented	Framework for performance management system for ETD practitioners developed by March 2022	Framework for performance management system for ETD practitioners developed by March 2022	None	None
Responsive Education, Training and Development Interventions	Quality compulsory and demand-led ETD interventions in all spheres of government offered	NSG status as an accredited training provider maintained	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider by March 2022	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider by March 2022	None	None
		Number of programmes/ courses quality assured by the NSG Quality Assurance Committee	13 programmes / courses quality assured	14 programmes/ courses quality assured	8 programmes/ courses quality assured by the NSG Quality Assurance Committee by March 2022	8 programmes/ courses quality assured by the NSG Quality Assurance Committee by March 2022	None	None
		Compulsory in-service training framework approved and programmes implemented	No baseline	Draft Compulsory in- Service training Framework developed	4 compulsory programmes implemented by March 2022	9 compulsory programmes implemented by March 2022	5 compulsory programmes	The reduced COVID-19 restrictions led to more virtual and face to face training being conducted and implementing more compulsory programmes
		Number of learners trained on compulsory and demand-led ETD interventions	41 802 learners trained	43 411 learners trained	38 460 learners trained on compulsory and demand-led ETD interventions by March 2022	86 687 learners trained on compulsory and demand- led ETD interventions by March 2022	48 227 learners	Increased face to face bookings due to the relaxed COVID-19 regulations

Public Sector Organisational and Staff Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual Achievement 2021/22	Reason for deviation
Responsive Education, Training and Development Interventions	Quality compulsory and demand-led ETD interventions in all spheres of government offered	Percentage of senior managers in the public service trained on how to deal with all forms of discrimination	No baseline	Completed the development of the online course "Championing Anti-discrimination in the public sector"	30% of senior managers in the public service trained on how to deal with all forms of discrimination by March 2022	No training done by March 2022	30% SMS	Despite DPSA issuing Circular 11 of 2021, and continual calls to HRD coordinators and launch session, no uptake on course was received
		Number of provincial departments of education trained (ToT) by NSG to roll out training on handling diversity and dealing with all forms of discrimination to teachers and School Management Teams	No baseline	The NSG completed the customisation of "Teaching for All" module into a short online learning course	4 provincial departments of education trained (ToT) to roll out training to teachers and School Management Teams by March 2022	5 provincial departments of education trained (ToT) to roll out training to teachers and School Management Teams by March 2022 (Limpopo, Gauteng, North West, Northern Cape, Western Cape)	1 provincial education department	An additional department was able to avail itself for the training session.
		Number of active online learning ETD interventions	27 eLearning interventions offered	39 active online learning ETD interventions available	36 active online learning ETD interventions available by March 2022	43 active online learning ETD interventions available (excluding blended and virtual) by March 2022	7 online ETD	In responding to the increased demand for virtual training, all NSG ETD interventions are either delivered online or have an online component.
		Number of online courses developed	2 online courses developed	12 online courses developed	2 online courses developed by March 2022	12 online courses developed by March 2022	10 online courses	
		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 developed	No baseline	Comprehensive methodology approved	Perception survey in national and provincial government to determine the learner satisfaction on NSG's ETD interventions undertaken by March 2022	Perception survey in national and provincial government to determine the learner satisfaction on NSG's ETD interventions completed by March 2022	None	None

Strategy to overcome areas of under performance

During this financial year, the NSG conducted training of the various ETD interventions. This resulted in an increase for the uptake of various online courses. Even though there has been an increase in the training conducted the revenue generated has yet to yield the intended results. In focusing on remedial actions to improve revenue generation, the NSG has continued to increase its marketing footprint and using various media platforms to encourage the uptake ETD interventions. The various modes of delivery have also been used, such as face to face, virtual, synchronised and asynchronised to enable a versatile approach in the delivery of training by the School. The NSG has entered into partnership and collaborations with various local and international institutions to promote the courses offered, signing agreements, and conduct training with the anticipation to increase the revenue generation.

The NSG has also focused on the development of more online courses which are self-paced, efficient, and there is no need for physical interaction and the learner can immediately register for the course. The offering of online courses has also reflected a high uptake of course such as Ethics in the Public Service that is critical towards the public service

comprising of public officials who are professional and ethical in the delivery of services. In improving the collaboration with basic education, the NSG has trained PED and School Management Teams on a module “Teaching for All” that focuses on handling diversity and all forms of discrimination. The NSG will continue to increase the training of respective provinces throughout the MTEF period to ensure that training can be cascaded to the rest of the PEDs within basic education sector.

The NSG was also not able to conduct training of SMS on how to deal with all forms of discrimination despite the DPSA Circular 11 of 2021 being issued. The NSG will continue to increase the marketing of the course and conduct advocacy campaigns with departments to promote the uptake of the course by SMS in the public service.

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 functions.

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	2021/2022			2020/2021		
	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
NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT	103,423	103,423	-	125,579	125,579	-
Total	103,423	103,423	-	125,579	125,579	-

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 2021/22

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 July 2022
Purpose of the funding	To improve public sector capacity through professionalization by 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 • NSG value chain and delivery model • NSG Skills audit • Digital strategy for NSG • NSG Communication & branding strategy • NSG Curriculum review • NSG Total quality management system • Framework for professionalising of ETD practitioners • 12 x NSG courses developed and/or reviewed • 2 x Evaluation reports • 15 x case studies developed for NSG development, teaching & learning purposes & a case study repository • Assessment centre options analysis and recommendations • NSG coaching system developed and piloted • PSTF national and provincial support • Workshops, webinars, masterclasses and training support to NSG and NSG clients • Ethics assessment tool • Strengthened strategic partnerships with African Institutes of Public Administration & Management (AMDIN) and international partners. • 3 x African programmes developed • Africa Journal of Public Sector Development and Governance developed & published with African partners. • NSG International Partnerships framework and strategy • Partnerships with SADC, EU countries, specifically ENA
Amount received in current period (R'000)	R7,071,365.86
Amount spent by the department (R'000)	R7,567,929.39
Reasons for the funds unspent	The funds were overspent due to the relaxing of COVID-19 restrictions as some activities became more hybrid instead of virtual.
Monitoring mechanism by the donor	Quarterly Programme Steering Committee meetings, oversight & reporting Annual expenditure verification Result orientated monitoring review Final programme evaluation

8. CAPITAL INVESTMENT

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 focuses 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 (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 in line with this. The policy 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.

The NSG communicates the due dates for financial disclosures and remunerated work outside the Department timeously to all the employees. On receipt of the applications, the Ethics Officers advise the Principal on each application, and highlights those with conflict of interest, for further engagement with those employees.

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 of the Code of Conduct, ethics management 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 convened quarterly and met on an adhoc basis due to 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 quarterly reports are submitted to DPSA. The NSG established a steering committee in view of COVID-19 pandemic, with representatives from management and organised labour. However, the OHS Committee has been mandated to deal with COVID matters and steering Committee was disbanded. COVID management reports were also presented to DBC for noting.

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
05 May 2021	Annual Performance Plan 2021/22
08 September 2021	National Framework Towards Professionalisation of the Public Sector
10 November 2021	Presentation on the 2020/21 Annual Report of the NSG
01 December 2021	Briefing on the training programmes/courses developed aimed at ensuring that public servants are capable and effective in discharging their administrative responsibilities
09 March 2022	First, Second and Third Quarter Performance Reports for 2021/22 financial year

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

- The NSG should implement total quality management mechanism.
- The NSG should introduce aggressive awareness campaign on its courses offerings.
- The NSG should ensure that measures have been put in place to prevent Cyber Crime attacks.
- The NSG should fast track the finalisation of its organisational structure and filling of vacant posts.

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 2021/22 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, Supply Chain Management, Financial Controls Review, Performance Information, Human Resources, Training Management Data Integrity, and Quality Assurance 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 personnel 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 necessary 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.

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Sakhiseni Simelane	Master of Commerce: Accounting, Master 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 2022.

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, that 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
- Supply Chain Management
- Financial Controls Review
- Performance Information
- Human Resources
- Training Management Data Integrity
- Quality Assurance Review

There were no areas of concern during the reporting period, all audit were satisfactory with room for improvement.

In-Year Management and Monthly/Quarterly Report

The department has reporting monthly and quarterly to the National 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.

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
31 August 2022

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the Broad-Based Black Economic Employment (BBBEE) requirements of the BBBEE Act 2003, ACT No. 53 of 2003 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 <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	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

The human resource management and development environment has changed and has been influenced considerably since the outbreak of the COVID-19 pandemic. The Directorate: HRM&D provided the necessary leadership to navigate in the present and unforeseeable future by managing people to cope with stress and to continue working remotely so that the NSG continues to fulfil its mandate.

Since the outbreak of the COVID-19 pandemic and national state of disaster, the NSG has been implementing measures in ensuring a safe working environment and provided support to employees. Since the declaration of the national disaster in March 2020 until 31 March 2022, a total of 70 employees tested positive for the COVID virus and two employees lost their lives. During this period, 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. Furthermore, employees who were in their third trimester of pregnancy were 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 229, with 204 of these positions filled and 25 vacant as at 31 March 2022. This translates to 89 percent of posts filled as at the end of the financial year. The vacancy rate increased from 9.1 percent in 2020/21 to 11 percent by the end of 2021/22. The increase was due to the restructuring process the NSG was undertaken.

In terms of the employment equity status, the racial breakdown is as follows: African 168; White 16; Coloured 11 and Indian 9. Significantly, female employees are well-presented in the NSG. Out of 204 total employees, 58.8 percent (120) were females as at end of the 2021/22 financial year. The School continues to meet the Cabinet targets for employment of people with disabilities, representing 2.5 percent of employees. The School is also doing well in terms of women at SMS as 51.2 percent of SMS members are women. During the period under review, the NSG appointed a total of 4 employees. In the same period, two internal staff members were transferred and promoted to other positions.

The NSG trained 151 officials against a target of 50 in the Workplace Skills Plan (WSP). The target was therefore exceeded. The focus on training the officials was on critical skills required to deliver on the mandate of the School. The NSG also awarded 35 bursaries to employees to further their studies for the 2021/2022 academic years. The NSG provided opportunities for internship, benefiting twelve (12) Graduate Interns in the financial year, and maintains a database of all interns from prior years. Since 2009/10 to date, a total of 29 interns have been offered permanent employment at 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 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 143 employees were able to access Health and Wellness 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 2021 and 31 March 2022

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	107 104	56 880	3 449	4 073	53%	639
Vote Programme 2	103 423	0	0	0	0	0
TTA	171 252	93 054	481	24 422	54%	727
Total	381 779	149 934	3 930	28 495	39%	691

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

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)	-	0%	-	-
Skilled (level 3-5)	5 264	3%	27	195
Highly skilled production (levels 6-8)	32 546	22%	80	407
Highly skilled supervision (levels 9-12)	55 265	37%	68	813
Senior and Top management (levels 13-16)	56 859	38%	42	1354
Total	149 934	100%	217	690

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

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	38 357	26%	45	0%	928	1%	2 162	1%
TTA	63 069	42%	5	0%	1 983	1%	3 437	2%
Total	101 426	68%	50	0%	2 911	1%	5 599	4%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

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)	-	0%	-	0%	-	0%	-	0%
Skilled (level 3-5)	3 640	2%	20	0%	240	0%	519	0%
Highly skilled production (levels 6-8)	22 077	15%	26	0%	1 311	1%	2 871	2%
Highly skilled supervision (levels 9-12)	39 778	27%	4	0%	652	0%	1 551	1%
Senior management (level 13-16)	35 931	24%		0%	708	0%	658	0%
Total	101 426	68%	50	0%	2 911	2%	5 599	4%

3.2. Employment and Vacancies

The following tables summarise 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 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Vote Programme1	85	77	9.4%	0
NSG TTA	144	127	11.8%	0
Total	229	204	10.9%	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

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)	-	-	-	-
Skilled (3-5)	24	20	16.7%	-
Highly skilled production (6-8)	80	75	6.3%	-
Highly skilled supervision (9-12)	78	68	12.8%	-
Senior management (13-16)	47	41	12.8%	-
Total	229	204	10.9%	-

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

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 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 2022

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%
Salary Level 15	3	2	66.6%	1	33.4%
Salary Level 14	13	13	100%	-	0%
Salary Level 13	30	25	83.3%	5	16.7%
Total	47	41	87.2%	6	12.8%

Table 3.3.2 SMS post information as on 30 September 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
Salary Level 16	1	1	100%	-	0%
Salary Level 15	3	2	66.6%	1	33.4%
Salary Level 14	13	12	92.3%	1	7.7%
Salary Level 13	30	26	86.6%	4	13.4%
Total	47	41	87.2%	6	12.8%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

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
Salary Level 16	-	-	-
Salary Level 15	1		1
Salary Level 14	1	1	-
Salary Level 13	5	2	-
Total	7	3	1

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
For the 2021/22 financial year due to the 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.

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 2021 and 31 March 2022

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 2022

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	-	0%	-	-	-	-
Highly skilled production (Levels 6-8)	80	-	0%	-	-	-	-
Highly skilled supervision (Levels 9-12)	78	1	1.3%	-	-	-	-
Senior Management Service Band A	30	4	13.3%	-	-	-	-
Senior Management Service Band B	13	1	7.7%	-	-	-	-
Senior Management Service Band C	3	-	0%	-	-	-	-
Senior Management Service Band D	1	-	0%	-	-	-	-
Total	229	6	2.6%	-	-	-	-

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 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
None	-	-	-	-	-

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 2021 and 31 March 2022

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	-	-	-	None

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 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
None				-	-

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 2021 and 31 March 2022

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	-	-	-	0%
Skilled (Levels 3-5)	21	-	1	4.8%
Highly skilled production (Levels 6-8)	76	-	-	0%
Highly skilled supervision (Levels 9-12)	71	1	5	7%
Senior Management Service Band A	25	3	2	8%
Senior Management Service Band B	13	-	1	7.7%
Senior Management Service Band C	2	-	-	0%
Senior Management Service Bands D	1	-	-	0%
Contracts	-	-	-	-
Total	209	4	9	4.3%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical occupation	Number of employees at beginning of period-April 2021	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 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	1	11.1%
Resignation	3	33.3%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	1	11.1%
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	1	11.1%
Transfer to other Public Service Departments	3	33.3%
Other	-	-
Total	9	100%
Total number of employees who left as a % of total employment	209	4.3%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	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 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 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	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)	21	-	-	-	-
Highly skilled production (Levels 6-8)	76	1	1.3%	1	1.3%
Highly skilled supervision (Levels 9-12)	71	-	-	1	1.4%
Senior Management (Level 13-16)	41	1	2.4%	-	-
Total	209	2	1%	2	1%

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	0	2	2	11	3	3	4	41
Professionals	23	2	3	2	31	2	0	5	68
Technicians and associate professionals	26	0	0	1	43	2	1	2	75
Clerks	7	0	0	0	11	2	0	0	20
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	72	2	5	5	96	9	4	11	204
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 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	-	-	-	1	-	-	-	3
Senior Management	14	0	2	2	10	3	3	4	38
Professionally qualified and experienced specialists and mid-management	23	2	3	2	31	2	0	5	68
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	26	0	0	1	43	2	1	2	75
Semi-skilled and discretionary decision making	7	0	0	0	11	2	0	0	20
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	72	2	5	5	96	9	4	11	204

Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2022

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

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

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

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	2	-	1	-	3
Professionally qualified and experienced specialists and mid-management	4	-	-	-	1	-	-	-	5
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	5	-	-	-	3	-	1	-	9
Employees with Disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Verbal Warnings	-	-	-	-	-	-	-	-	-
Misconduct (Dismissal)	1	-	-	-	-	-	-	-	-

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6	0	1	1	5	1	1	0	15
Professionals	19	2	3	1	29	0	0	3	57
Technicians and associate professionals	24	0	0	1	38	4	1	1	69
Clerks	4	0	0	0	6	0	0	0	10
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	53	2	4	3	78	5	2	4	151
Employees with disabilities	3	0	1	0	0	0	0	0	4

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 May 2021

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
Salary Level 16	1	1	1	1
Salary Level 15	3	2	2	2
Salary Level 14	13	12	12	12
Salary Level 13	30	26	26	26
Total	47	41	41	41

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2021

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 July 2021

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 2021 to 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	57	168	0.66%	283	4.9
Male	23	72	0.31%	113	4.9
Female	34	96	0.35%	170	5
Asian	5	9	1.15%	35	7
Male	2	5	0.4%	16	7.5
Female	3	4	0.75%	19	6.3
Coloured	3	11	0.33%	23	7.6
Male	0	2	0%	0	0
Female	3	9	0.33%	23	7.6
White	10	16	1.23%	78	7.8
Male	3	5	0.6%	22	7
Female	7	11	0.63%	56	8
Total	75	204	3.37%	419	5.5

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

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)	1	20	0.5%	2	2	0.03%
Highly skilled production (level 6-8)	29	75	0.38%	77	2.6	0.23%
Highly skilled supervision (level 9-12)	20	68	0.29%	145	7.2	0.26%
Total	50	163	1.17%	224	4.4	0.52%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

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

As outlined at Table 3.2.3 above, the NSG in this financial year did 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 2021 to 31 March 2022

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	15	25	0.60	106	7.0	0.33
Band B	10	13	0.76	89	8.9	0.47
Band C	1	2	0.5	0	0	0
Band D	0	1	0	0	0	0
Total	26	41	1.86	195	7.5	0.8

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 2021 to 31 December 2021

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 Skilled (Level 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	39	87.7	7	17.9%	5.7	375
Highly skilled production (levels 6-8)	221	74.66	44	19.9%	5.02	307
Highly skilled supervision (levels 9 -12)	143	89.51	27	18.8%	5.29	446
Top and Senior management (levels 13-16)	94	92.50	16	17%	5.8	466
Total	497	83.29	94	18.9%	5.3	1 257

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	4	100%	1	25	4	14
Senior management (Levels 13-16)	--	-	-	-	-	-
Total	4	100%	1	25	4	14

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 2021 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	-	-	-
Skilled (Levels 3-5)	40.67	16	2.54
Highly skilled production (Levels 6-8)	64.17	82	0.78
Highly skilled supervision (Levels 9-12)	90.95	74	1.22
Senior management (Levels 13-16)	93.70	43	2.17
Total	289.49	215	1.3

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

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee
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 summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2021/22	-	-	-
Current leave payout on termination of service for 2021/22	403	6	24
Total	403	6	24

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 Zanele Ngwenya the Director: HRM&D is responsible for Employee Health & Wellness Programmes including 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 R1'249'025.00 The budget allocated for programme activities is R211'051.68 Total budget R1'375'054.16



Question	Yes	No	Details, if yes
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.	✓		• Unlimited 24/7/365 support for employees and their immediate dependents. • 6 x face to face sessions per person per incident per year. Face to face counselling for employees and immediate dependents only. • e-Care programme to enhance access to services • Monthly education and awareness sessions • Referral to appropriate professional and health services institutions • Financial and Legal advice • Retirement and planning support • Return-work and remote working support • Trauma and bereavement counselling • Managerial support • Restructuring, change management and career counselling • A marketing and communications strategy to promote effective utilization of the services • Health screening and ergonomic assessment of the NSG work environment for proactive- management of physical well being • Monitoring and evaluation
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 OHS Committee.
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

Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		• 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 Health Screening which includes HIV Counselling and Testing (HCT) was implemented and 20% 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 provider for Employee Wellness services. • Quarterly and Annual HIV/AIDS Operational Plan Reports are submitted internally and to the DPSA • Quarterly Integrated EHWP reports are submitted to the DPSA

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022

Subject matter	Date
Total number of Collective agreements	None

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	0%
Verbal warning	2	2/2 (100%)
Written warning	2	2/2 (100%)
Final written warning	-	0%
Suspended without pay	-	0%
Fine	-	0%
Demotion	-	0%
Dismissal	1	1/1 (100%)
Not guilty	-	0%
Case withdrawn	-	0%
Total	5	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
• willfully and/or intentionally committed an act of misconduct while under severe influence of liquor and wilfully and/or intentionally causing damages and loss to state property	1	1/1 (100%)
Total	1	1/1 (100%)

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

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

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	2	2/2
Total number of disputes lodged	2	2/2 (100%)

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

Strike actions	None
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Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Precautionary suspensions	None
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3.13. Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	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	23	-	6	1	7
	Male	18	-	4	0	4
Professionals	Female	39	-	2	4	6
	Male	32	-	4	4	8
Technicians and associate professionals	Female	48	-	13	5	18
	Male	28	-	8	3	11
Clerks	Female	13	6	8	3	17
	Male	8	4	5	7	16
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	123	6	29	13	48
	Male	86	4	21	14	39
Total		209	10	50	27	87

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	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	23	-	7	5	12
	Male	18	-	8	3	11
Professionals	Female	39	-	32	5	37
	Male	32	-	25	2	27
Technicians and associate professionals	Female	48	-	44	14	58
	Male	28	-	25	9	34
Clerks	Female	13	3	6	1	10
	Male	8	9	4	0	13
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	123	3	89	25	117
	Male	86	9	62	13	85
Total		209	12	151	38	202

3.14. Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

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 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value inRand
Audit Committee Members	4	Ad hoc	204 249.60
Internal Audit Services – Lunika	1	12 months	1,873,665.66
Training of National and Provincial departments and Local government (IIC)	122	Ad hoc	14,431,261.81
IT Outsourced Services (EOH) Management Fee	1	12 Months	3,417,276.92

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value inRand
Verification of Qualifications: SAQA	1	Ad Hoc	2,795.00
Verification of Qualifications: Heita Staffing Group	1	Ad Hoc	9,563.40
Verification of Qualifications: Deloitte Consulting	1	Ad Hoc	16,882.00
Research and Development Consultants: Blue Oceans Information Solutions	1	Ad hoc	144,900.00
Research and Development Consultants: Madimetja FMDP Public Service	1	Ad hoc	42,700.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
9	133	Ad Hoc	20,143,294.39

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

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	EU Donor Funded Project – Onsite Personnel

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
1	3	Ad Hoc	1,749,905.88

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0

3.16. Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2021 and 31 March 2022

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



Since 09/10 to date, a total of 29 interns have been offered permanent employment at the NSG.



PART E: FINANCIAL INFORMATION



Report of the Auditor General to the 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 (NSG VOTE) set out on pages 73 to 120, which comprise the appropriation statement, statement of financial position as at 31 March 2022, 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the 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.

Unaudited supplementary schedules

7. The supplementary information set out on pages 75 to 111 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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 (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 2022:

Programme	Pages in the annual performance report
Programme 2: Public Sector Organisational And Staff Development	29 - 35

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 27 to 35 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 2022



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 National School of Government 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 2022



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NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Appropriation per programme									
2021/22								2020/21	
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	110,874	-	-	110,874	104,079	6,795	93.9%	101,828	96,024
2. Public Sector Organisational and Staff Development	103,423	-	-	103,423	103,423	-	100.0%	125,579	125,579
TOTAL	214,297	-	-	214,297	207,502	6,795	96.8%	227,407	221,603

Reconciliation with statement of financial performance

ADD

Departmental receipts

368

192

Aid assistance

10,100

7,071

Actual amounts per statement of financial performance (total revenue)

224,765

234,670

ADD: Aid assistance

7,682

3,877

Actual amounts per statement of financial performance (total expenditure)

215,184

225,480

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Appropriation per economic classification									
	2021/22							2020/21	
	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	107,315	(23)	-	107,292	101,815	5,477	94.9%	98,091	93,881
Compensation of employees	59,694	(23)	-	59,671	56,880	2,791	95.3%	58,339	55,841
Salaries and wages	59,694	(7,077)	-	52,617	49,826	2,791	94.7%	51,328	48,830
Social contributions	-	7,054	-	7,054	7,054	-	100.0%	7,011	7,011
Goods and services	47,621	-	-	47,621	44,935	2,686	94.4%	39,752	38,040
Administrative fees	1,413	(1,321)	-	92	92	-	100.0%	285	285
Advertising	962	(779)	-	183	183	-	100.0%	265	265
Minor assets	454	(175)	-	279	279	-	100.0%	225	225
Audit costs: External	5,152	761	-	5,913	5,913	-	100.0%	4,139	4,139
Bursaries: Employees	565	40	-	605	605	-	100.0%	691	691
Catering: Departmental activities	241	(231)	-	10	10	-	100.0%	20	20
Communication (G&S)	1,512	(741)	-	771	771	-	100.0%	930	930
Computer Services	4,503	8,644	-	13,147	13,147	-	100.0%	9,149	8,448
Consultants: Business and advisory services	1,041	1,089	-	2,130	2,130	-	100.0%	845	845
Legal services	582	(582)	-	-	-	-	-	-	-
Contractors	864	615	-	1,479	1,479	-	100.0%	982	982
Agency and support/outsourced services	5,088	(1,938)	-	3,150	464	2,686	14.7%	2,902	1,891
Entertainment	99	(99)	-	-	-	-	-	-	-
Fleet services	485	(329)	-	156	156	-	100.0%	121	121
Inventory: Food and food supplies	26	(26)	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	310	(310)	-	-	-	-	-	-	-
Inventory: Materials and supplies	24	(24)	-	-	-	-	-	-	-
Inventory: Medical supplies	9	(9)	-	-	-	-	-	-	-
Inventory: Other supplies	76	(76)	-	-	-	-	-	-	-
Consumable supplies	55	285	-	340	340	-	100.0%	716	716
Consumable: Stationery, printing and office supplies	1,183	(852)	-	331	331	-	100.0%	958	958
Operating leases	15,810	(1,912)	-	13,898	13,898	-	100.0%	12,399	12,399

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Appropriation per economic classification									
	2021/22							2020/21	
	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
Property payments	1,195	2,853	-	4,048	4,048	-	100.0%	4,445	4,445
Travel and subsistence	3,099	(2,776)	-	323	323	-	100.0%	35	35
Training and development	2,165	(1,833)	-	332	332	-	100.0%	166	166
Operating payments	474	(73)	-	401	401	-	100.0%	467	467
Venues and facilities	225	(201)	-	24	24	-	100.0%	-	-
Rental and hiring	9	-	-	9	9	-	100.0%	12	12
Transfers and subsidies	103,619	23	-	103,642	103,642	-	100.0%	125,884	125,884
Departmental agencies and accounts	103,423	-	-	103,423	103,423	-	100.0%	125,579	125,579
Households	196	23	-	219	219	-	100.0%	305	305
Payments for capital assets	3,363	-	-	3,363	2,045	1,318	60.8%	3,432	1,838
Machinery and equipment	3,363	(92)	-	3,271	1,953	1,318	59.7%	3,432	1,838
Other machinery and equipment	3,363	(92)	-	3,271	1,953	1,318	59.7%	3,432	1,838
Software and other intangible assets	-	92	-	92	92	-	100.0%	-	-
Total	214,297	-	-	214,297	207,502	6,795	96.8%	227,407	221,603

Detail Per Programme 1 – Administration									
Programme per sub-programme	2021/22							2020/21	
	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	36,508	(16,959)	-	19,549	15,440	4,109	79.0%	14,895	14,221
1.2 Corporate Services	68,697	6,412	-	75,109	72,423	2,686	96.4%	71,973	66,843
1.3 Property Management	5,669	10,547	-	16,216	16,216	-	100.0%	14,960	14,960
Total	110,874	-	-	110,874	104,079	6,795	93.9%	101,828	96,024

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Detail Per Programme 1 – Administration									
2021/22								2020/21	
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	107,315	(23)	-	107,292	101,815	5,477	94.9%	98,091	93,881
Compensation of employees	59,694	(23)	-	59,671	56,880	2,791	95.3%	58,339	55,841
Salaries and wages	59,694	(7,077)	-	52,617	49,826	2,791	94.7%	51,328	48,830
Social contributions	-	7,054	-	7,054	7,054	-	100.0%	7,011	7,011
Goods and services	47,621	-	-	47,621	44,935	2,686	94.4%	39,752	38,040
Administrative fees	1,413	(1,321)	-	92	92	-	100.0%	285	285
Advertising	962	(779)	-	183	183	-	100.0%	265	265
Minor assets	454	(175)	-	279	279	-	100.0%	225	225
Audit costs: External	5,152	761	-	5,913	5,913	-	100.0%	4,139	4,139
Bursaries: Employees	565	40	-	605	605	-	100.0%	691	691
Catering: Departmental activities	241	(231)	-	10	10	-	100.0%	20	20
Communication (G&S)	1,512	(741)	-	771	771	-	100.0%	930	930
Computer services	4,503	8,644	-	13,147	13,147	-	100.0%	9,149	8,448
Consultants: Business and advisory services	1,041	1,089	-	2,130	2,130	-	100.0%	845	845
Legal services	582	(582)	-	-	-	-	-	-	-
Contractors	864	615	-	1,479	1,479	-	100.0%	982	982
Agency and support/outsourced services	5,088	(1,938)	-	3,150	464	2,686	14.7%	2,902	1,891
Entertainment	99	(99)	-	-	-	-	-	-	-
Fleet services	485	(329)	-	156	156	-	100.0%	121	121
Inventory: Food and food supplies	26	(26)	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	310	(310)	-	-	-	-	-	-	-
Inventory: Materials and supplies	24	(24)	-	-	-	-	-	-	-
Inventory: Medical supplies	9	(9)	-	-	-	-	-	-	-
Inventory: other supplies	76	(76)	-	-	-	-	-	-	-
Consumable supplies	55	285	-	340	340	-	100.0%	716	716
Consumable: Stationery, printing and office supplies	1,183	(852)	-	331	331	-	100.0%	958	958
Operating leases	15,810	(1,912)	-	13,898	13,898	-	100.0%	12,399	12,399

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Detail Per Programme 1 – Administration									
Economic classification	2021/22							2020/21	
	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
Property payments	1,195	2,853	-	4,048	4,048	-	100.0%	4,445	4,445
Travel and subsistence	3,099	(2,776)	-	323	323	-	100.0%	35	35
Training and development	2,165	(1,833)	-	332	332	-	100.0%	166	166
Operating payments	474	(73)	-	401	401	-	100.0%	467	467
Venues and facilities	225	(201)	-	24	24	-	100.0%	-	-
Rental and hiring	9	-	-	9	9	-	100.0%	12	12
Transfers and subsidies to:	196	23	-	219	219	-	100.0%	305	305
Households	196	23	-	219	219	-	100.0%	305	305
Payment for capital assets	3,363	-	-	3,363	2,045	1,318	60.8%	3,432	1,838
Machinery and equipment	3,363	(92)	-	3,271	1,953	1,318	59.7%	3,432	1,838
Other machinery and equipment	3,363	(92)	-	3,271	1,953	1,318	59.7%	3,432	1,838
Software and other intangible assets	-	92	-	92	92	-	100.0%	-	-
Total	110,874	-	-	110,874	104,079	6,795	93.9%	101,828	96,024

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Detail Per Programme 2 – Public Sector Organisational and Staff Development									
	2021/22							2020/21	
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	103,423	-	-	103,423	103,423	-	100.0%	125,579	125,579
Total	103,423	-	-	103,423	103,423	-	100.0%	125,579	125,579

Detail Per Programme 2 – Public Sector Organisational and Staff Development									
	2021/22							2020/21	
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	103,423	-	-	103,423	103,423	-	100.0%	125,579	125,579
Departmental agencies & accounts	103,423	-	-	103,423	103,423	-	100.0%	125,579	125,579
Total	103,423	-	-	103,423	103,423	-	100.0%	125,579	125,579

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	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	110,874	104,079	6,795	6.13%
Public Sector Organisational and Staff Development	103,423	103,423	-	-
Total	214,297	207,502	6,795	3.17%

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*	59,671	56,880	2,791	4.68%
Goods and services**	47,621	44,935	2,686	5.64%
Transfers and subsidies				
Departmental agencies and accounts	103,423	103,423	-	-
Households	219	219	-	-
Payments for capital assets				
Machinery and equipment***	3,271	1,953	1,318	40.29%
Software and other intangible assets	92	92	-	-
Total	214,297	207,502	6,795	3.17%

*The variance is related to compensation of employees, vacancies

**Goods and services – saving on Agency and support/outsourced services

***Laptops which could not be procured because of letter from NT stopping all procurement above R30k.

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	1	214,297	227,407
Departmental revenue	2	368	192
Aid Assistance	3	10,100	7,071
TOTAL REVENUE		224,765	234,670
EXPENDITURE			
Current expenditure			
Compensation of employees	4	56,880	55,841
Goods and services	5	44,935	38,040
Aid Assistance	3	7,682	3,877
Total current expenditure		109,497	97,758
Transfers and subsidies			
Transfers and subsidies	6	103,642	125,884
Expenditure for capital assets			
Tangible capital assets		1,953	1,838
Software and other intangible assets		92	-
Total expenditure for capital assets	7	2,045	1,838
Payments for financial assets		-	-
TOTAL EXPENDITURE		215,184	225,480
SURPLUS/(DEFICIT) FOR THE YEAR		9,581	9,190
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds - Annual appropriation	11	6,795	5,804
Departmental revenue and NRF Receipts	2	368	192
Aid Assistance	3	2,418	3,194
SURPLUS/(DEFICIT) FOR THE YEAR		9,581	9,190

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22 R'000	2020/21 R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	2,518	273
Prepayments and advances	9	18	-
Receivables	10	6,735	9,436
TOTAL ASSETS		9,271	9,709
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11	6,795	5,804
Departmental revenue to be surrendered to the Revenue Fund	12	3	54
Payables	13	55	657
Aid assistance repayable	3	2,418	3,194
TOTAL LIABILITIES		9,271	9,709

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		224,715	234,644
Annual appropriated funds received	1	214,297	227,407
Departmental revenue received	2	317	158
Interest received	2.2	1	8
Aid assistance received	Annex 1C	10,100	7,071
Net (increase)/decrease in working capital		2,081	(10,019)
Surrendered to Revenue Fund		(6,223)	(5,097)
Surrendered to RDP fund/Donor		(3,194)	(2,657)
Current payments		(109,497)	(97,758)
Transfers and subsidies paid		(103,642)	(125,884)
Net cash flow available from operating activities	14	4,240	(6,771)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(2,045)	(1,838)
Proceeds from sale of capital assets	2.4	50	26
Net cash flows from investing activities		(1,995)	(1,812)
Net increase/(decrease) in cash and cash equivalents		2,245	(8,583)
Cash and cash equivalents at beginning of period		273	8,856
Cash and cash equivalents at end of period	15	2,518	273

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
STATEMENT OF CHANGES IN NET CASH ASSETS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2021/22 R'000	2020/21 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.

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 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.

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:

	2021/22			2020/21		
	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	110,874	110,874	-	101,828	101,828	-
Public Sector Organisational and Staff Development	103,423	103,423	-	125,579	125,579	-
Total	214,297	214,297	-	227,407	227,407	-

2. Departmental revenue

	Note	2021/22	2020/21
		R'000	R'000
Sales of goods and services other than capital assets	2.1	52	41
Interest, dividends and rent on land	2.2	1	8
Transactions in financial assets and liabilities	2.3	265	117
Sales of capital assets	2.4	50	26
Total revenue collected		368	192
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		368	192

2.1 Sales of goods and services other than capital assets

Sales by market establishment - parking	-	-
Other sales - commission	52	36
Sale of scrap, waste and other used goods	-	5
Total	52	41

2.2 Interest, dividends and rent on land

	Note	2021/22 R'000	2020/21 R'000
Interest on bank accounts		1	8
Total		1	8

2.3 Transactions in financial assets and liabilities

Receipts-Recoverable Revenue of previous year expenditure		265	117
Total		265	117

2.4 Sales of capital assets

Tangible assets

Machinery and equipment		50	26
Total		50	26

3. Aid assistance

Opening Balance		3,194	2,657
Transferred from statement of financial performance	Annex 1c	2,418	3,194
Paid during the year		(3,194)	(2,657)
Closing Balance		2,418	3,194

3.1 Analysis of balance by source

Aid assistance from RDP	Annex 1c	2,418	3,194
Closing balance		2,418	3,194

3.2 Analysis of balance

	Note		
Aid assistance repayable	Annex 1c	2,418	3,194
Closing balance		2,418	3,194

3.3 Aid assistance expenditure per economic classification

Note	2021/22	2020/21
	R'000	R'000
Current	7,682	3,877
Total aid assistance expenditure	7,682	3,877

4. Compensation of employees

4.1 Salaries and wages

Basic salary	38,357	38,282
Performance award	174	424
Service Based	121	58
Compensative/circumstantial	147	181
Other non-pensionable allowances	11,026	9,885
Total	49,825	48,830

4.2 Social contributions

Employer contributions

Pension	4,884	4,962
Medical	2,162	2,040
Bargaining council	9	9
Total	7,055	7,011

Total compensation of employees

	56,880	55,841
--	--------	--------

Average number of employees

	79	81
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5. Goods and services

	Note	2021/22 R'000	2020/21 R'000
Administrative fees		92	285
Advertising		183	265
Assets less than R5,000	5.1	279	225
Bursaries (employees)		605	691
Catering		10	20
Communication		771	930
Computer services	5.2	13,147	8,448
Consultants: Business and advisory services**	5.8	2,130	845
Contractors		1,479	982
Agency and support/outsourced services		464	1,891
Audit cost – external***	5.3	5,913	4,139
Fleet Services		156	121
Consumables	5.4	671	1,674
Operating leases		13,898	12,399
Property Payments	5.5	4,048	4,445
Rental and Hiring		9	12
Travel and subsistence	5.6	323	35
Venues and Facilities		24	-
Training and staff development		332	166
Other operating expenditure	5.7	401	467
Total		44,935	38,040

*Included in the goods and services expenditure is an amount of R32k which relates to Covid-19 expenditure.

**Increased due to the new IT contract with EOH

***Increase in audit fees.

5.1 Assets less than R5,000

Tangible assets -Machinery and equipment	279	225
Total	279	225

5.2 Computer services

Note	2021/22	2020/21
	R'000	R'000
SITA computer services	1,022	958
External computer service providers	12,125	7,490
Total	13,147	8,448

5.3 Audit cost – external

Regularity audits	5,913	4,139
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5.4 Consumables

Uniform and clothing	-	1
Household Supplies	133	273
Other consumable materials	18	143
Communication accessories	9	-
IT Consumables	180	299
Stationery and printing	331	958
Total	671	1,674

5.5 Property payments

Municipal services	869	1,416
Property management fees	656	544
Property maintenance and repairs	35	93
Other	2,488	2,392
Total	4,048	4,445

5.6 Travel and subsistence

	Note	2021/22	2020/21
		R'000	R'000
Local		282	35
Foreign		41	-
Total		323	35

5.7 Other operating expenditure

Professional bodies, membership and subscription fees		3	54
Other		398	413
Total		401	467

5.8 Remuneration of members of a commission or committee *(Included in Consultants: Business and advisory services)*

Name of Commission / Committee	No. of members		
Audit Committee	4	204	203
Total		204	203

This is a new requirement as per treasury Regulation 20.2.3.

6. Transfers and subsidies

Departmental agencies and accounts	Annex 1A	103,423	125,579
Households	Annex 1B	219	305
Total		103,642	125,884

7. Expenditure for capital assets

Tangible assets - Machinery and equipment	25.1/7.1	1,953	1,838
Intangible Assets - Software	27.1/7.1	92	-
Total		2,045	1,838

7.1 Analysis of funds utilised to acquire capital assets 2021/22

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets - Machinery and equipment	1,953	-	1,953
Intangible Assets – Software	92	-	92
Total	2,045	-	2,045

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

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

Note	2021/22	2020/21
	R'000	R'000

8 Cash and cash equivalents

Consolidated Paymaster General Account	2,503	258
Cash on hand	15	15
Total	2,518	273

The increase is due to an increase in the bank balance as well as less outstanding payments at year end.

9. Prepayments and advances

Travel and subsistence	18	-
Total	18	-

10. Receivables

		2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
Note		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	5,516	-	5,516	8,595	-	8,595
Staff debt	10.2	80	-	80	75	-	75
Other debtors	10.3	1,139	-	1,139	766	-	766
Total		6,735	-	6,735	9,436	-	9,436

10.1 Claims recoverable

		Note	2021/22	2020/21
			R'000	R'000
National departments		Annex 4	5,516	8,595
Total			5,516	8,595

10.2 Staff debt

Bursary Debts	21	13
Salary Overpayment	59	61
Other	-	1
Total	80	75

10.3 Other debtors

VAT	1,139	766
Total	1,139	766

11. Voted funds to be surrendered to the Revenue Fund

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		5,804	4,919
As restated		5,804	4,919
Transfer from statement of financial performance		6,795	5,804
Paid during the year		(5,804)	(4,919)
Closing balance		6,795	5,804

12. Departmental revenue to be surrendered to the Revenue Fund

Opening balance		54	40
As restated		54	40
Transfer from Statement of Financial Performance		368	192
Paid during the year		(419)	(178)
Closing balance		3	54

13. Payables – current

Amounts owing to other entities	Annex 5	55	652
Clearing Accounts	13.1	-	5
Total		55	657

Decrease is due to no notches paid during March in current financial year.

13.1 Clearing accounts

Salary Reversal Control	13	-	5
Total		-	5

14. Net cash flow available from operating activities

Note	2021/22	2020/21
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	9,581	9,190
Add back non cash/cash movements not deemed operating activities	(5,341)	(15,961)
(Increase)/decrease in receivables – current	2,701	(8,621)
(Increase)/decrease in prepayments and advances	(18)	-
Increase/(decrease) in payables – current	(602)	(1,398)
Proceeds from sale of capital assets	(50)	(26)
Expenditure on capital assets	2,045	1,838
Surrenders to Revenue Fund	(6,223)	(5,097)
Surrenders to RDP Fund/Donor	(3,194)	(2,657)
Net cash flow generated by operating activities	4,240	(6,771)

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

Consolidated Paymaster General account	2,503	258
Cash on hand	15	15
Total	2,518	273

16. Contingent liabilities and contingent assets

Claims against the department	300	300
Total	300	300

17. Capital commitments

Machinery & Equipment - approved and contracted	-	990
Intangible assets – approved and contracted	1,955	609
Total Commitments	1,955	1,599

18. Accruals

		Note	2021/22	2020/21
			R'000	R'000
Listed by economic classification				
	30 days	>30 Days	Total	Total
Goods and services	1,278	-	1,278	348
Other	47	-	47	-
Total	1,325	-	1,325	348
Listed by programme level				
Programme 1 – Administration (Goods and services)			1,278	348
Programme 1 – Administration (Compensation)			47	-
			1,325	348
Confirmed balances with other government departments/entities		Annex 5	55	652

19. Employee benefits

Leave entitlement	3,825	3,896
Service bonus (Thirteenth cheque)	1,620	1,645
Capped leave commitments	1,140	1,015
Performance awards	-	427
Other **	(2)	-
Total	6,583	6,983

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

20. Lease commitments

a. Operating leases expenditure

2021/22

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
-	440	440
-	-	-
-	440	440

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

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 due to floods in KZN. The Hyundai and Hilux bakkie will be kept on a month to month basis until the 100,000 km mark has been reached. Machinery and Equipment – Lease of 13 photocopier machines. Building lease - month to month expenditure due to the contract not finalised by DPWI. Total monthly amount paid is R2 861k, which is split between the Vote and the Trading Account. The allocated monthly expense to the Vote is R1 087k.

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		116	-
As restated		116	-
Add: Irregular expenditure – relating to current year		54	116
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Closing Balance		170	116
Analysis of closing balance			
Current year		54	116
Prior years		116	-
Total		170	116

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22
		R'000
Non-renewal of cash-in-transit contract – Payments to G4	Disciplinary steps taken	54
Total		54

22. Fruitless and wasteful expenditure

22.1 Reconciliation of fruitless and wasteful expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		-	11
Fruitless and wasteful expenditure – relating to current year		5	-
Less: Amounts written off		-	(11)
Closing balance		5	-

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22
		R'000
Two officials missed their flight to Durban which was paid for	Under investigation	5
Total		5

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	Under the same Minister
Department of Public Service & Administration	Under the same Minister
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

	Note	2021/22 R'000	2020/21 R'000
Payments made			
Goods and services		(2,236)	(1,924)
Total		(2,236)	(1,924)
Year end balances arising from revenue/payments			
Receivable from related parties		-	-
Payables to related parties		-	-
Total		-	-

24. Key management personnel

	No. of Individuals	2021/22	2020/21
Level 15 to 16	2	4,621	4,317
Level 14 (including CFO)*	2	3,218	4,996
Total		7,839	9,313

* The decrease is due to the one employee retiring at the end of April. The salary for the employee to the value of R118k is included in the note although the employee is not included in the number of officials.

25. Movable tangible capital assets

25.1 Movement in movable tangible capital assets per asset register for the year ended 31 March 2022

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	33,074	-	1,953	(2,533)	32,494
Computer equipment	20,192	-	1,948	(2,144)	19,996
Furniture and office equipment	8,307	-	-	(84)	8,223
Other machinery and equipment	4,575	-	5	(305)	4,275
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	33,074	-	1,953	(2,533)	32,494

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

7 171

Lost assets under investigation.

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

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000		R'000	R'000	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 ASSETS	31,958	-	1,838	(722)	33,074

26. Minor Assets

26.1 Movement in minor assets per the asset register for the year ended 31 March 2022

Opening balance

Additions

-Disposals

TOTAL MINOR ASSETS

Intangible assets	Machinery and equipment	Total
R'000	R'000	R'000
625	8,537	9,162
-	279	279
(363)	(221)	(584)
262	8,595	8,857

Number of minor assets at cost

TOTAL NUMBER OF MINOR ASSETS

Intangible assets	Machinery and equipment	Total
495	3,252	3,747
495	3,252	3,747

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

Lost assets under investigation

3 6

26.2 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
	R'000	R'000	R'000
Number of minor assets at cost	895	3,223	4,118
TOTAL NUMBER OF MINOR ASSETS	895	3,223	4,118

27. Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	35	-	35
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	35	-	35

28 Intangible capital assets

28.1 Movement in intangible capital assets per asset register for the year ended 31 March 2022

	Opening balance	Current adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer software	11,531	-	92	(10,966)	657
TOTAL MOVABLE INTANGIBLE ASSETS	11,531	-	92	(10,966)	657

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	11,560	-	(29)	11,531
TOTAL INTANGIBLE CAPITAL ASSETS	11,560	-	(29)	11,531

29. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

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

30 COVID 19 Response Expenditure

	Note	2021/22	2020/21
	Annexure 7	R'000	R'000
Goods and services		32	455
Total		32	455

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	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	103,423	-	-	103,423	103,423	100.0%	125,579
Total	103,423	-	-	103,423	103,423	100.0%	125,579

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	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	219	-	-	219	219	100.0%	305
Total	219	-	-	219	219	100.0%	305

ANNEXURE 1C

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	SURRENDERED	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
European Union	Development of Strategic Partnerships with African Institutes of Administration & Management	3,194	(3,194)	10,100	(7,682)	2,418
Subtotal		3,194	(3,194)	10,100	(7,682)	2,418
Received in kind:						
NAME OF DONOR	PURPOSE	OPENING BALANCE	SURRENDERED	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
European Union	IT support services	-	-	109	(109)	-
European Union	Development of a diagnostic tool for the NSG to identify development needs at the workplace	-	-	1,207	(1,207)	-
European Union	Development of research approaches to provide case studies for evidence-based learning	-	-	2,097	(2,097)	-
European union	Technical expertise and implementation support for the NSG (IT3)	-	-	15,756	(15,756)	-
Subtotal		-	-	19,169	(19,169)	-
TOTAL		3,194	(3,194)	29,269	(26,851)	2,418

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	
		2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Controlled entities									
NSG Training Trading Account	Training	-	-	112,225	85,531	-	-	-	-
TOTAL		-	-	112,225	85,531	-	-	-	-

The Investment amount for 2020/21 is restated.

ANNEXURE 3

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

Nature of Liability	Opening Balance 1 April 2021 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2022 R'000
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.	300	-	-	-	300
TOTAL	300	-	-	-	300

ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
COGTA	-	-	47	47	47	47		
NSG Trading Account	5,450	8,517	-	-	5,450	8,517		
DALRRD	-	-	-	31	-	31		
Sport, Arts & Culture	-	-	8	-	8	-		
AMDIN	-	-	11	-	11	-		
	5,450	8,517	66	78	5,516	8,595		
Other Government Entities								
TOTAL	5,450	8,517	66	78	5,516	8,595		

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2021/22	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	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	55	540	-	-	55	540		
GEPF	-	112	-	-	-	112		
TOTAL	55	652	-	-	55	652		

ANNEXURE 6

INVENTORY

Inventories for the year ended 31 March 2022

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
98	98
-	-
110	110
60	60
-	-
(227)	(227)
-	-
-	-
(8)	(8)
33	33

ANNEXURE 6

INVENTORY (CONTINUED)

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

ANNEXURE 7

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification

	2021/22					2020/21
	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	-	-	-	-	-	132
CONS SUPPLIES	-	-	-	-	-	196
PROPERTY PAYMENTS	-	4	-	-	4	88
OPERATING PAYMENTS	-	-	-	-	-	10
CONTRACTORS	7	21	-	-	28	29
TOTAL COVID 19 RESPONSE EXPENDITURE	7	25	-	-	32	455



**NATIONAL SCHOOL OF GOVERNMENT (NSG)
TRAINING TRADING ACCOUNT (TTA)**

Annual Financial Statements for the year ended 31 March 2022



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 129 to 161, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts 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 2022, and financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 18 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2022.

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 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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements, performance and annual report

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

Other information

16. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report that have been specifically reported in this auditor's report.
17. My opinion on the financial statements 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.
18. 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.
19. 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

20. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the compliance with legislation included in this report.

21. Management did not ensure that the trading entity has adequate internal processes and systems regarding financial reporting which resulted in the identification and correction of material misstatements during the audit process.
22. Management did not adequately implement monitoring processes to prevent non-compliance with laws and regulations relating to financial statement preparation accordance with the reporting framework.

Auditor General

Pretoria

31 July 2022



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 trading entity'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 trading 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 National School of Government Training Trading Account 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 trading 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

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.

General Information

Item	Description
Executive Management	Prof Busani Ngcaweni Dr Botshabelo Maja Ms Phindile Mkwanaazi Ms Lakela Kaunda
Business address	ZK Matthews Building 70 Mentjies Street Sunnyside Pretoria 0001
Postal address	Private Bag X759 Pretoria 0001
Bankers	ABSA Bank
Auditors	Auditor General South Africa
Controlling Department	National School of Government

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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.

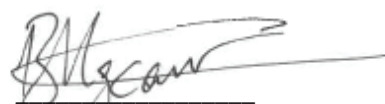
The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded, and transactions executed and recorded in accordance with generally accepted business practices, as well as the 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 2022, as set out on pages 129 to 161.


Prof Busani Ngcaweni
Principal

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2022

	Note(s)	2022 R'000	2021 Restated R'000
Current assets			
Cash and cash equivalents	5,14	185,092	146,932
Inventories	6	113	4,132
Receivables from exchange transactions	7,14	5,035	1,618
		190,240	152,682
Non-Current assets			
Intangible assets	8	36,730	33,414
		36,730	33,414
Total Assets		226,970	186,096
Current liabilities			
Payables from exchange transactions	9,14	102,634	88,152
Payables from non-exchange transactions	10	1,258	1,358
Employees benefits	11	10,853	11,055
		114,745	100,565
Non-Current liabilities			
Total Liabilities		114,745	100,565
Net Assets			
Accumulated surplus		112,225	85,531
		112,225	85,531

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2022

	Note(s)	2022 R'000	2021 Restated R'000
Revenue from exchange transactions			
Services Rendered		98,785	28,399
Interest received (trading)		721	163
Interest received investment		3,486	2,422
Revenue from exchange transactions	1	102,992	30,985
Revenue from non-exchange transactions			
Grants & subsidies		105,475	126,716
Revenue from non-exchange transactions	2	105,475	126,716
Total revenue		208,467	157,701
Expenditure			
Employee related costs	3	(92,308)	(93,260)
Operating Expenses	4	(89,465)	(40,191)
Expenditure		(181,773)	(133,451)
Surplus for the year		26,694	24,250

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2022

Balance as at 31 March 2020

Correction of Prior Period

Balance at 1 April 2020

Surplus for the year

Surplus for the as previously stated

Correction of Prior Period Error

Balance as at 31 March 2021

Surplus for the year

Balance at 31 March 2022

Accumulated surplus	Total net assets
R'000	R'000
60,334	60,334
947	947
61,281	61,281
24,250	24,250
23,464	23,464
786	786
85,531	85,531
26,694	26,694
112,225	112,225

	Note(s)	2022 R'000	2021 Restated R'000
Receipts			
Rendering of services		109,310	55,969
Grants		103,423	125,579
Interest Income		3,486	2,422
		216,219	183,970
Payments			
Employee costs		(92,510)	(91,352)
Suppliers		(83,625)	(33,879)
		(176,135)	(125,231)
Net Cash generated from operating activities	12	40,085	58,739
Cash flow from investing activities			
Purchase of other intangible assets		(1,925)	(1,657)
		(1,925)	(1,657)
Cash and cash equivalents			
Net increase/(decrease) in cash and cash equivalents		38,160	57,081
Cash at the end of the period		146,932	89,851
Cash at the beginning of the period		185,092	146,932

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADING ACCOUNT
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2022

Statement of Financial Performance

Rendering of service - course fees
Interest received (trading)
Interest received (investment)

Government grants and subsidies
Donations of intangible assets at fair value

Total revenue

Personnel
Operating Expenses

Total expenditure

Surplus/(deficit) before taxation

Capital Expenditure

Intangible Assets

Budget Surplus (Note 13)

Approved budget	Actual amounts on comparable basis	Difference between final and budget and actual	Prior YTD Actual 2020/21 Restated
118,588	98,785	(19,803)	28,399
-	721	721	163
3,400	3,486	86	2,422
121,988	102,992	(18,996)	30,985
103,423	103,423	-	125,579
-	2,052	2,052	1,137
103,423	105,475	2,052	126,716
225,411	208,467	(16,944)	157,701
(106,624)	(92,308)	14,316	(93,260)
(118,787)	(89,465)	29,322	(40,191)
(225,411)	(181,773)	43,638	(133,451)
-	26,694	26,694	24,250
	(1,925)	(1,925)	(1,658)
	24,769	24,769	22,592

Accounting Policy

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).

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.

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.

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).

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.

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 7.75% (2020/21: 7%) 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 2 years because historical experience has been that receivables that are past due beyond 2 years are not recoverable. Refer to note 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.

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.

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 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.

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.

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 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 falls due more than 12 months after reporting date, they are discounted to present value.

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 asset, 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 2 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.

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.

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 time value 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.

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.

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 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.

Training Management System determined to have a useful life of seven (7) years as from June 2021 and is reviewed annually for impairment.

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.

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.

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.

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.

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.

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.

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.

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.

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. 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.

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.

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.

1. Revenue from exchange transactions

1.1 Revenue from exchange transactions

	2022	2021
	R'000	R'000
Courses Rendered	98,785	28,399
Interest Received (trading)	721	163
Interest Received-Investments	3,486	2,422
	102,992	30,985

2. Revenue from non-exchange transactions

2.1 Revenue from non-exchange transactions

Funds from the Department (NSG)	103,423	125,579
Donations of intangible assets at the fair value	2,052	1,137
	105,475	126,716

3. Employee related information

3.1 Employee related costs

	2022	2021
	R'000	R'000
Basic Salary	(63,789)	(62,795)
Other non-pensionable allowances	(16,476)	(15,602)
Performance Awards	(10)	(75)
Overtime Pay	-	(5)
Pension	(8,406)	(8,910)
Medical	(3,437)	(3,103)
Official unions and associates	(14)	(14)
Leave pay provision expense	(176)	(2,756)
	(92,308)	(93,260)

3.2 Number of employees

Permanent	128	129
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4. Operating expenses

4.1 Operating expenses

	2022	2021
	R'000	R'000
Consulting and professional fees	(28,567)	(5,758)
Consumables	(1,700)	(1,452)
IT expenses	(2,185)	(2,066)
Marketing	(219)	(250)
Communication costs	(677)	(591)
Postage and courier	(499)	(103)
Printing and stationery	(4,160)	(1,486)
Property payments	(6,540)	(6,950)
Venue and facilities	(11,542)	(3,173)
Disposal of intangible assets	(383)	-
Movement in the provision for impairment	(2,275)	617
Equipment rental payments	(583)	(585)
Catering departmental activities	-	(3)
Travel and subsistence	(3,996)	(980)
Property rental payments	(20,261)	(17,404)
Disposal of training materials	(3,882)	-
Impairment of Intangible assets	(277)	-
Bad debts- Write off	(1,200)	-
General administrative expenses	(519)	(7)
	(89,465)	(40,191)

•No expenditure was incurred in the current financial year for the printing of inventory (CIP Material) in the current year.

5. Cash and cash equivalents

5.1 Cash and cash equivalents consist of:

Bank balances

2022	2021
R'000	R'000
185,092	146,932

6. Inventories

CIP Material

Opening Balance

Additions Issued

Disposal

Closing Balance

4,132	4,855
-	2,238
(137)	(2,961)
(3,882)	-
113	4,132

7. Trade and other receivables

2022

Trade debtors

Allowance for impairment provision

Other receivables

Less than one year	One to two years	More than two years	Total
R'000	R'000	R'000	R'000
2,566	2,468	13,434	18,468
-	-	(13,434)	(13,434)
-	-	-	-
2,566	2,468	-	5,035

2021

Trade debtors
Allowance for impairment provision
Other receivables

Less than one year	One to two years	More than two years	Total
R'000	R'000	R'000	R'000
1,094	524	11,158	12,776
-	-	(11,158)	(11,158)
-	-	-	-
1,094	524	-	1,618

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 below.

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.

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 60 days (2020/21: 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 7.75% (2020/21: 7%) per annum on the outstanding balance.

The entity has recognised an allowance for doubtful debts of 100% against all receivables over 2 years because historical experience has been that receivables that are past due beyond 2 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.

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 60 days (2020/21: 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.

Trade receivables past due, but not impaired - 2022

	61 to 365 days	366 to 730 days	Total
	R'000	R'000	R'000
Nominal Value	(24,232)	11,138	(13,094)
Impairment Adjustment	-	-	-
	(24,232)	11,138	(13,094)

Trade receivables past due, but not yet impaired - 2021

Nominal Value	(7,655)	5,362	(2,293)
Impairment Adjustment	-	-	-
	(7,655)	5,362	(2,293)

Impairment of trade receivables

	2022	2021
	R'000	R'000
Balance at cost	18,468	12,842
Less: impairment	-	(66)
	18,468	12,776

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 7.75% (2020/21:7%).

Movement in the impairment provision

Opening balance	11,158	11,776
Provision for impairment	3,475	(618)
Amounts Written off during the year	(1,200)	-
	13,434	11,158

8. Intangible assets

Reconciliation of carrying value - 2022

TMS
Training Courses
Total

Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
R'000	R'000	R'000
3,218	(1,167)	2,051
35,754	(1,075)	34,679
38,972	(2,242)	36,730

Reconciliation of carrying value - 2021

TMS
Training Courses
Total

3,218	(890)	2,328
32,161	(1,075)	31,086
35,379	(1,965)	33,414

Reconciliation of movement - 2022

TMS
Training Courses

Opening balance	Additions	Disposals	Amortisation and impairment	Total
R'000	R'000	R'000	R'000	R'000
2,328	-	-	(277)	2,051
31,086	3,976	(383)	-	34,679
33,414	3,976	(383)	(277)	36,730

Intangible assets continues

Reconciliation of movement - 2021

	Opening balance	Additions	Disposals	Total
	R'000	R'000	R'000	R'000
TMS	2,328	-	-	2,328
Training Courses	28,293	2,793	-	31,086
	30,621	2,793	-	33,414

An impairment test was conducted at the end of the reporting period. The Training Management System was amortised due to the decline in the performance of the system.

Intangible Assets (Continues)

Training courses: capitalised 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:

	Useful life 2022	Useful life 2021
Capitalised training course development	Indefinite	Indefinite
Capitalised training management system	7 years	Indefinite

Management conducted an exercise to determine if the useful life of the Training Management System could still be correctly classified as Indefinite. Based on the evidence gathered it was decided that the useful life should be decreased to reliably reflect the expected utilisation period of the asset.

9. Payables from exchange transactions

9.1 Trade and other payables - 2022

Trade creditors

Amounts due to customers: trade debtors

Amount owed to NSG Vote 7

30 days	30+ days	Total
R'000	R'000	R'000
2,935		2,935
-	94,250	94,250
5,449	-	5,449
8,384	94,250	102,634

9.2 Trade and other payables - 2021

Trade creditors

Amounts due to customers: trade debtors

Amount owed to NSG Vote 7

1,558		1,558
-	78,078	78,078
8,516	-	8,516
10,074	78,078	88,152

The amounts due to customers is made up by the prepayments received for training that will be delivered in the near future.

10. Payables from non-exchange transaction

10.1 Payables from non-exchange transaction

National Treasury advance for course development

Total

2022	2021
R'000	R'000
1,258	1,358
1,258	1,358

11. Employments benefits

Leave entitlement

Carrying amount beginning of period

Current Service cost

Less benefit utilised

2022	2021
R'000	R'000
8,266	5,510
(8,948)	(3,852)
9,123	6,608
8,441	8,266

13th cheque

Carrying amount beginning of period

Current Service cost

Less benefit utilised

2,347	2,410
2,412	2,347
(2,347)	(2,410)
2,412	2,347

Performance bonus

Carrying amount beginning of period

Current Service cost

Less benefit utilised

443	1,229
(650)	(1,223)
208	437
-	443
10,853	10,613

12. Cash generated from operations

	2022	2021
	R'000	R'000
Surplus	26,694	24,250
Adjustments for non-cash movement:		
Disposal of intangible assets	383	-
Bad debts	1,200	-
Disposal of material	3,882	-
Impairment of assets	277	-
Allowance for doubtful debts	2,275	(617)
Changes in estimates of employee benefits	(202)	1,907
Non-Cash donations	(2,052)	(1,137)
Changes in working capital:		
Inventories	137	130
Receivables from exchange transactions	(5,692)	8,563
Payables from exchange transactions	13,183	25,643
	40,085	58,739

13. Budget information

The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 1 April 2021 to 31 March 2022.

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.

13.1 Reconciliation between budget deficit and statement of financial performance:

	2022
	R'000
Budget Deficit	-
Course fees below the budgeted amount	(19,803)
Non exchange donations	2,052
Interest trade receivables	721
Favourable interest on investment	86
Capital expenditure	(1,925)
Savings on compensation of employees (vacant positions)	14,316
Savings on operational expenditure	29,322
Surplus for the year	24,769

Reason for budget deviation in revenue

The revenue performance for the financial year ending 31 March 2022 reflects a favourable variance of R27 million due to the higher roll out of courses and National Treasury allocations.

Reason for budget deviation in expenditure.

Expenditure is below budget due to less operational costs incurred.

14 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.

Financial assets

Amortised cost

Cash and cash equivalents (Note 5)

Trade and other receivables (Note 7)

2022	2021
R'000	R'000
185,092	146,932
5,035	1,618
190,127	148,550

Financial liabilities

Trade and other payables (Note 9)

102,634	88,152
---------	--------

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.

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 7), 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.

	31-Mar-22	31-Mar-21
	R'000	R'000
Receivables from exchange transactions	18,468	12,776
Allowance for doubtful debts	(13,434)	(11,158)
	5,035	1,618

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.

Liquidity Analysis

	31-Mar-22
	R'000
Cash and cash equivalents	185,092
Receivables from exchange transactions	5,035
Inventory	113
Current Assets	190,240
Payable from exchange transaction	(102,634)
Payable from non-exchange transaction	(1,258)
Employee benefits	(10,853)
Current liabilities	(114,745)
Excess liquidity	75,495

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.

Financial assets at amortised cost

-Trade and other receivables

2022	2021
R'000	R'000
5,035	1,618

Financial liabilities at amortised cost

-Trade and other payables

2022	2021
R'000	R'000
102,634	88,152

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.

15. 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

Revenue from non-exchange transactions – NSG Vote Account

Outstanding balance- Claims receivable – NSG Vote Account

Outstanding balance- Claims payable - NSG Vote Account

2022	2021
R'000	R'000
103,423	125,579
-	-
5,449	8,516

The prior year amount of outstanding balances was erroneously disclosed as a claim receivable on the note. It should be noted that the error had no impact on the statement of financial position.

The department of National School of Government paid some operating expenditure on behalf of the trading entity which include, but not limited to internal and external audit cost, IT cost and other administrative costs.

Other Government Departments

Outstanding balances- Trade and other Payables

Outstanding balances- Trade and other receivables

2022	2021
R'000	R'000
38,810	32,779
11,702	7,501

The trading account had normal business transaction with other National Departments. The outstanding balances shown above are normal business transactions.

Key Management Personnel remuneration

2022

Name	Position	Basic salary R'000	Performance Awards R'000	Other short- term employee benefits R'000	Post- employment benefits R'000	Total R'000
Dr B Maja	Deputy Director-General	1,044	-	581	136	1,761
		1,044	-	581	136	1,761

2021

Name	Position	Basic salary R'000	Performance Awards R'000	Other short- term employee benefits R'000	Post- employment benefits R'000	Total R'000
Dr B Maja	Deputy Director-General	1,028	-	552	134	1,714
Ms P Mkwanaazi	Acting Deputy Director-General	911	40	627		1,578
		1,939	40	1,179	134	3,292

Prof TD Potgieter was erroneously disclosed on the 2021 table of key management personnel in the 2021-22 financial statement as an Acting Branch Head. His acting capacity ended in the 2019-20 financial year.

The key management personnel of the entity include the following personnel appointed in the controlling department – National School of Government Vote 7:

Official	Position
Prof B Ngcaweni	Principal
Ms P Mkwanaazi	Chief Financial Officer
Ms L Kaunda	Deputy Director-General

Key management personnel are appointed in terms of the Public Service Act, 1997 (Act No. 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.

16. 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 43,965 per month (2021: 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 (2021: 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.

Expenditure Commitments

Current Expenditure - Approved and contracted

Total

The commitments relate mostly to goods and services required for training activities.

2022	2021
R'000	R'000
4,237	4,413
4,237	4,413

17. Irregular expenditure

17.1 Reconciliation

Opening balance
Add: Irregular expenditure – current year
Add: Irregular expenditure – prior year
Less: Amounts condoned
Irregular expenditure awaiting condonement

607	-
132	607
-	-
-	-
-	-
739	607

17.2 Details of irregular expenditure

Incident	Disciplinary steps taken	Condoned by (condoning authority) DG	2022
Awards made to non-tax compliant bidders	Under Investigation	Under Investigation	607
Service Provider allowed to conduct training without an order being issued	Under Investigation	Under Investigation	127
NSG showcased its course offering before paying exhibition costs (no order was issued prior to exhibition)	Under Investigation	Under Investigation	5
			<u>739</u>

18. Prior period Error

During the 2021/22 financial year, the entity's management identified invoices and credit notes that were not included in the 2020/21 financial year. The error resulted in the understatement of revenue overstatement of receivables and overstatement of payables. The result of the correction is as follows:

	2022	2021
Increase in Receivables	-	18
Increase in Revenue	-	(650)
Decrease in Payables	-	632

During the 2021/22 financial year the entity's management identified Invoices trained that were not included in the 2017/18, 2018/19 and 2019/20 financial year. 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	-	(965)
Decrease in Payables	-	1,835
Decrease in Receivables	-	(725)
Increase in Revenue	-	(145)

During the 2021/22 financial year the entity's management identified credit notes not accrued for, in the 2018/19 and 2020/21 financial year. The error resulted in the overstatement of revenue and overstatement of debtors. The result of the correction is as follows:

Decrease in opening balance - accumulated surplus	-	18
Decrease in Revenue	-	10
Decrease in Receivables	-	(28)

During the 2021/22 financial year it was identified that the Related Party Note 15 was incorrectly disclosed. The outstanding payable balance of R 8,516 million was erroneously disclosed as a claim receivable on the note. It should be noted that the error had no impact on the statement of financial position.

19. Going concern

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.

20. Events after reporting date

The entity is not aware of any event subsequent to year end which might require adjustment of the stated figures.

22. Approval of the Financial Statements

The financial statements were approved by the Accounting Officer and authorised for issue.





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