

ANNUAL REPORT 2022/2023



school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

Learn Serve Grow



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PART A: **GENERAL INFORMATION**

1. DEPARTMENT GENERAL INFORMATION

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

- i. **Cadet and 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 is undertaken in training facilities within these premises.

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2. LIST OF ACRONYMS

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

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

3. FOREWORD BY THE MINISTER



MS NOXOLO KIVIET, MP
MINISTER FOR THE PUBLIC SERVICE
AND ADMINISTRATION

This financial year (2022/23) marks the third year of implementation of the five-year strategic plan of the National School of Government (the NSG). It marks another milestone achievement for the NSG with the attainment of clean audit outcomes on both the Vote and Trade Account. I must applaud the Principal, management, and staff of the School for this sustained achievement.

The NSG has been trailblazing the building of state capacity through its education, training, and development (ETD) interventions. This responds to our administration's priority of building a capable, ethical, and developmental state. This is in line with the commitment made by President Cyril Ramaphosa in the 2022 State of the Nation Address of rebuilding the State and restoring trust and pride in public institutions.

Since 2020, the NSG has been leading in the development of the National Framework towards the Professionalisation of the Public Sector. This was a process that included extensive consultations, engagements with professional and other bodies, and a peer-review process through the appointment of a ministerial advisory team. I am pleased that after the conclusion of all these processes, Cabinet approved the Framework in October 2022 for implementation. This is indeed a significant achievement for the State towards efforts of creating a professional and ethical public administration. In this regard, I look forward to all public sector institutions implementing the Framework.

For its role, the NSG must implement key proposals including the design and implementation of pre-entry programmes that inform meritocratic appointments at middle and senior management levels; establishing strategic partnerships and collaboration with higher education institutions and professional bodies/associations to enhance capacity building interventions; and delivering executive education programmes for the professionalisation of executives within institutions to replenish and augment existing knowledge and skills through lifelong learning interventions.

For this financial year, I am pleased to report that a total of 78 720 learners were trained through the various ETD interventions. Since the commencement of the current strategic period from 2020/21, a total of 209 147 learners were trained. As the mandate of the NSG has expanded to provide ETD to state owned entities, one of the flagship programmes is the induction programme for boards of state-owned entities. This programme is aimed at equipping persons serving on boards with appropriate expertise and experience to change the narrative of governance in public entities.

During this financial year, a total of 28 boards of state-owned entities and 2 departments received training on the induction programme. Some of these entities include: KZN Liquor Authority; South African National Parks; South African National Roads Agency SOC Ltd; Council for the Built Environment; South African Council for the Project and Construction Management Professions; Ports Regulator South Africa; National Home Builders Registration Council; Property Practitioner Regulatory Authority; and Gauteng Growth Development Agency.

A further area of intervention by the School has been the support to traditional leaders through another flagship programme, the Art of Facilitation, which empowers traditional leaders to act as economic change agents in their communities; transfer new knowledge and skills on how to build sustainable economic rural interventions for long term economic impact; create sustainable jobs and community wealth; and build an active rural citizenry who participate in and support economic development through mutually beneficial partnerships. During this financial year, a total of 73 traditional leaders were supported in the Eastern Cape and KwaZulu-Natal provinces.

The task of building state capacity is by no means an easy feat. As the Ministry, we continue to pursue the priority of the current Medium Term Strategic Framework (MTSF) and I commend the National School of Government for their innovations and interventions in ensuring that we build capacity among public servants – elected and appointed – to deliver on the mandate of our government and service to our people.

A handwritten signature in black ink, appearing to read 'Noxolo Kiviet', written over a horizontal line.

MS NOXOLO KIVIET, MP
MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION
31 AUGUST 2023

4. DEPUTY MINISTER STATEMENT



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

The National School of Government (the NSG), as a public sector 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.

The NSG continues to strengthen its partnerships domestically and internationally towards leveraging relevant expertise. The NSG five-year strategy (2020-2025) places emphasis on ensuring quality, extent and impact of ETD interventions. Equally significant is the emphasis on managing and sustaining partnerships and collaboration. These include public, private, international and domestic institutions,

In this regard, I am pleased that the NSG has made significant progress in this financial year with its established partners. The School signed a memorandum of understanding with INSEAD, a top ranked global business school, on 6 October 2022. Resulting from this partnership, officials participated in a course on Design Thinking and Creativity.

Through its partnership with the China National Academy of Governance, courses on long-term planning as well as infrastructure, urban and industrial culture and economic development were delivered to South African public servants. The partnership with the China-Africa Institute also resulted in the delivery of courses on local governance as well as poverty reduction and sustainable development.

The NSG participates in bodies responsible for governance and capacity building. These include the OECD Network of Schools of Government and the African Management Development Institute's Network (AMDIN). Participation in such bodies provides the NSG with opportunities to share information and knowledge, benchmark best practices and facilitate exchanges.

As the Ministry for Public Service and Administration, we continue to encourage greater partnership and collaboration with the NSG towards knowledge exchange. I take this opportunity to congratulate the executive and staff of the NSG on the financial and non-financial performance which has resulted in a clean audit outcome. As the Ministry, we continue to provide leadership and guidance to the NSG in fulfilling its mandate of building state capacity.

A stylized 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 2023

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 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.

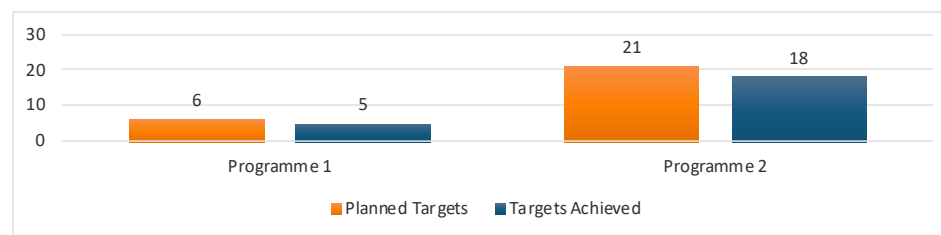
Compulsory and demand-led ETD is provided in four occupational bands (Cadet & Foundational Development, Middle Management Development, Senior Management & Professionalisation, and Executive Management & Leadership Support) through a suite of accredited and non-accredited programmes and courses. The NSG delivers on its mandate by taking on a blended approach of classroom interaction, online learning, onsite experimentations, webinars, thought leadership master classes, and conferences.

Annual Performance Plan 2022/23

The Annual Report for the 2022/23 financial year marked the third year of implementation and performance of the five-year strategic plan (2020-2025). This financial year marked a significant return of operations since the global COVID-19 pandemic, which had significantly impacted the NSG performance in the preceding two financial years. However, the recovery made by the NSG is evidenced in the current financial 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 27 performance targets were set in the APP, of which 23 were achieved as planned. This translates to an overall performance achievement of 85% 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



What is of significance to the NSG since the commencement of the current strategic period is the exponential growth of the open distance eLearning, which the NSG has been monitoring and reporting on. In this financial year, twenty-one (21) eLearning courses provided enrolment to 70 934 learners.

Highlights of Performance

A total of 78 720 learners were trained against a pre-determined target of 40 460. This performance translates to an achievement of 195%. Since the commencement of the current strategic period from 2020/21, a total of 208 818 learners were trained.

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

- The pre-entry programme to the Senior Management Service, Nyukela, is being delivered 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 7450 learners (prospective and serving public servants) enrolled for the course, with 5523 learners successfully completing the programme.
- The Ethics course is one of our flagship programmes that has also been made compulsory for all public servants, and in this financial year, there was a total enrolment of 16753, with 13 765 learners completing the course (82% achievement).
- A total of 73 traditional leaders were supported in the Eastern Cape and KwaZulu-Natal provinces, The Art of Facilitation programme seeks to empower traditional leaders to act as economic change agents in their communities; transfer new knowledge and skills on how to build sustainable economic rural interventions for long term economic impact; create sustainable jobs and community wealth; and build an active rural citizenry who participate in and support economic development through mutually beneficial partnerships.
- The NSG also convened 9 masterclasses during this financial year. One of these masterclasses focused on “Civil Service Reforms in Post-transition Societies: The Quest for Professionalisation”, which was held with the Pakistan National School of Public Policy (NSPP) on 27 October 2022. Other topics covered the following: Just Energy Transition; Cybersecurity; Building Social Compacts for Inclusive Growth; and Re-investing Africa’s Development.
- The Economic Governance School was approved by Cabinet to build capacity among members of the Executive from all spheres of government including Ministers, Premiers, Deputy Ministers and Mayors. In this financial year, the Economic Governance School was held on 27 June to 1 July 2022.
- The induction programme for Boards of state-owned entities is aimed at equipping persons serving on Boards with appropriate expertise and experience to change the narrative of governance in public entities. During this financial year, a total of 28 boards and 2 departments received training on the induction programme. Some of these entities include: KZN Liquor Authority; South African National Parks; South African National Roads Agency SOC Ltd; Council for the Built Environment; South African Council for the Project and Construction Management Professions; Ports Regulator South Africa; National Home Builders Registration Council; Property Practitioner Regulatory Authority; and Gauteng Growth Development Agency.

During this financial year, the NSG developed/ reviewed the following programmes for rollout:

- District Development Model (DDM): Joint Decision Making and Implementation through the District Development Model
- Local Government Executive Leadership Programme for Mayors
- Executive Induction Programme (EIP): Oversight of Financial Management and Supply Chain Management
- Managing and Commissioning Evaluations in Government
- Evaluation Methodologies and the use of Evaluation Results in Government
- Introduction to digital transformation in the Public Sector
- Systems and Design Thinking for Public Sector Planning
- Digital Art of Facilitation: Facilitating Content within Context

International Relations and Partnerships

The NSG continues to strengthen its partnerships domestically and internationally towards leveraging relevant expertise. The NSG five-year strategy (2020-2025) places emphasis on ensuring quality, extent and impact of ETD interventions. Equally significant is the emphasis on developing, managing and sustaining partnerships and collaboration – public, private, international and domestic that is in line with the prescripts of the Public Administration Management Act, 2014. To execute this mandate, the NSG approved its partnership strategy which addresses three specific objectives:

1. Support the development and domestic roll out of relevant and quality ETD interventions for development outcomes.
2. Maximise international exchanges in specialist areas necessary for the public sector development and improved service delivery.
3. Mobilise resources to support special projects for capacity building in South Africa and the African continent.

Through the partnership with the China National Academy of Governance, two courses were delivered to South African public servants on: (i) Long-term planning from 17-21 October 2022; and (ii) Infrastructure, Urban and Industrial Culture and Economic Development from 24 October to 04 November 2022. The partnership with the China-Africa Institute resulted in two courses (Local Governance held from 19-29 July 2022 and Poverty Reduction & Sustainable Development held from 19-30 September 2022. In addition, a masterclass on Poverty Reduction was held with the participation of the Minister of Social Development, Ms Lindiwe Zulu.

The NSG signed a memorandum of understanding with INSEAD, a top ranked global business school, on 6 October 2022. Resulting from this partnership, 15 NSG officials participated a course on Design Thinking and Creativity in November 2022.

The partnership with the World Economic Forum (WEF) Strategic Intelligence resulted in a pilot project on developing policy skills focusing on innovation and sustainability to achieve the Sustainable Development Goals (SDGs) from 2 November to 1 December 2022. A total of 28 interns and 4 officials from the NSG, National Youth Development Agency (NYDA), Gauteng Office of the Premier and Department of International Relations and Co-operation (DIRCO) participated in the programmes, with expertise also sourced from University of Pretoria (UP), United Nations Development Programme (UNDP) and the Gauteng Office of the Premier.

Africa Affairs

South Africa participates in various continental and global bodies responsible for governance, capacity building and public sector reform. These bodies include the African Union Specialised Committee on Public Administration, Southern African Development Community (SADC) and the BRICS. Of note is the relationship with various Management Development Institutes and Schools of Government as part of the African Management Development Institute's Network (AMDIN). It is a continental network that strengthens MDIs and plays a crucial role in providing capacity building on the continent. The NSG continues to provide secretariat support to the Network. In line with South Africa's foreign policy and Africa's interest the purpose of NSG participation in these bodies is to influence public sector capacity building and promote the AU Agenda 2063.

During this financial year, the NSG provided training to 25 officials from the Lesotho Institute of Public Administration (LIPAM) on Project Khaedu. Memoranda of Understanding (MoU) were signed with ENA Cote D'Ivoire, Seychelles and the Kenya School of Government. The NSG also hosted an international webinar on grassroots participation and economic development with the Ghana Institute of Management and Public Administration (GIMPA) and the Kerala Centre for Rural Development, India from 25-27 May 2022.

The Economic Governance School hosted by the NSG from 27 June to 1 July 2022 drew attendance from leaders in the Democratic Republic of Congo, Lesotho, Cote D' Ivoire, Zambia, Ghana and Tanzania.

Professionalisation of the Public Sector

Professionalising public administration is one of the key imperatives for building state capacity. In the 2022 State of the Nation Address (SONA), President Cyril 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. In this regard, Cabinet adopted the Framework in October 2022. The NSG has been working closely with the key partners – Public Service Commission (PSC) and Department of Public Service and Administration (DPSA) – in the development of implementation plans. The new financial year, 2023/24, will signal a full intent on the implementation of the Framework.

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.

Departmental receipts:

Vote

The full budget appropriation for the year 2022/23 was R231.0 million which was a 7.8% increase from the R214.2 million allocation received in 2021/22. The increase was inflation-related issued by the National Treasury for both cost of living salary adjustments and operations of the institution. A saving of 5.8% i.e. R11.0 million was realised at the end of the financial year.

Departmental receipts	2022/2023			2021/2022		
	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	36	75	-39	49	52	-3
Interest, dividends and rent on land	40	3	37	39	1	38
Sale of capital assets		33	-33	0	50	-50
Financial transactions in assets and liabilities	270	147	123	229	265	-36
Total	346	258	-88	317	368	-51

Total departmental receipts revenue decreased by R0.110 million, from R0.368 million (2021/22) to R0.258 million (2022/23), the decrease is due to less sales of capital assets and financial transaction in 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 Financial Year 2021/22.

Programme Expenditure

Programme Name	2022/2023			2021/2022		
	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	115 376	104 330	11 046	110 874	104 079	6 795
Public Sector Organisational and Staff Development	115 721	115 721	0	103 423	103 423	0
Total	231 097	220 051	11 046	214 297	207 502	6 795

Programme 1: Administration

The total expenditure breakdown of R115.2 million for 2022/23 and spending patterns, compared to the 2021/22 financial year is summarised as follows:

Compensation of employees for the Vote-funded staff component of NSG decreased by 4.1% from R56.8 million (2021/22) to R54.6 million in 2021/22, due to non-payment of the 1.5 % of pay progression and vacancies in the organisation. Goods and services increased by 1.2% from R44.9 million (2021/22) to R48.7 million in 2022/23. The increase is due to audit costs, and computer services. Expenditure on capital assets increased by 46.9% from R1.9 million (2021/22) to R3.8 million in 2022/23. The increase is due to procurement of new computer hardware.

Programme 2: Public Sector Organisational and Staff Development

The transfer of funds from Vote to the Training Trading Account (TTA) was R115.7 million in 2022/23.

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 the 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 (2022/23) increased by R34.0 million from R208.5 million (2021/22) to R242.4 million (2022/23). Income from course fees increased by 17.2%, from R98.8 million (2021/22) to R115.9 million (2022/23). The transfer of funds from the Vote to Trade increased by 11.8% from R103.4 million (2021/22) to R115.7 million (2022/23).

Total expenditure in the TTA increased by R12.6 million from R181.6 million in 2021/22 to R194.4 million in 2022/23. The increase is related to operating expenses in the uptake of training delivery.

The TTA closed the year with a surplus of R26.8 million in 2021/22 and the closing status in 2022/23 is a surplus of R48.1 million.

Summary of Unauthorised, fruitless, and wasteful expenditure

Vote – The department did not incur any unauthorised, fruitless, and wasteful expenditure during the current year. The R5, 000 fruitless and wasteful expenditure reflected in the report was incurred during 2021/2022 financial year and is still under investigation by the appointed committee.

Trade Account – An amount of R11 000 was confirmed to be fruitless and wasteful expenditure incurred during the current year. The matter is under investigation.

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. We 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. We have finalised the organisational restructuring in this financial year, based on the approval of a reconfigured organisational structure.

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

1. Improving the internal quality management and delivery mechanisms to ensure seamless operations. This will include improving the quality of facilitators, materials, and learner experience.
2. 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.
3. Reviewing existing courses/ programmes to determine relevance and update.

Public Private Partnerships

The NSG did not enter into any PPP contracts during the 2022/23 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:		N/A
TOTAL		N/A

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.

Acknowledgement/s or Appreciation

I would like to express my appreciation to the acting Minister, Mr Thulas Nxesi, our newly appointed Minister for the Public Service and Administration, Ms Noxolo Kieviet, 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. The NSG partners and senior fellows Marvin King, Dr Eric Li, H.E Ambassador Nosipho Jezile, Prof Mariana Mazzucato, Dr Cassius Lubisi, Mr Tshediso Matona, Mr Tembinkosi Bonakele, Ms Sindisiwe Mabaso-Koyana, Ms Phumla Williams as experts in their respective fields of work and have contributed greatly to various topics, discussion and engagements convened by the NSG. Lastly, I would also like to express my appreciation for the sponsorships made by Anglo American funding some of our programmes and enabling participation by public servants, as well as Old Mutual, Nedbank and Absa.

Conclusion

The current state of public service delivery is a matter of grave concern for every public servant and elected public official. The economy is neither transforming nor growing at the pace that it should be, and the high levels of unemployment, especially among youth continue to plague our societies.

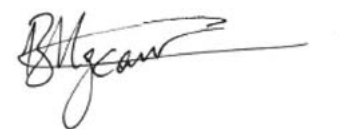
The safety and wellbeing of citizens, especially the poor, depend on capable, responsive, effective state institutions led by capable public servants who master statecraft to holistically understand state affairs and diligently manage public affairs in pursuit of sustainable socio-economic transformation and social justice.

Strong and effective institutions are essential for good governance and the promotion of the public good. They provide stability and predictability, create opportunities for economic growth and development, and help to protect the rights and interests of citizens. On the other hand, weak institutions are often associated with poor governance, corruption, and social and economic instability. In state-building efforts, strengthening institutions is crucial. The creation of effective institutions that are accountable to the people and responsive to their needs is a key aspect of state-building.

The National School of Government therefore continues to play this role in ensuring that public servants master their statecraft in order to deliver on government's mandate. Over this financial year, the School has demonstrated its ability to fulfil its mandate and will continue on this trajectory of permeating the broader public sector.

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.



PROF. BUSANI NGCAWENI
ACCOUNTING OFFICER
NATIONAL SCHOOL OF GOVERNMENT
DATE: 31 AUGUST 2023

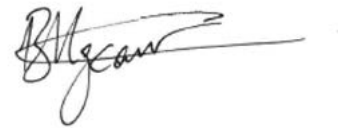
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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 2023.

Yours faithfully



PROF. BUSANI NGCAWENI
ACCOUNTING OFFICER
31 AUGUST 2023

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.

SECTION 195(1) OF THE CONSTITUTION

- (a) A high standard of professional ethics must be promoted and maintained.
- (b) Efficient, economic and effective use of resources must be promoted.
- (c) Public administration must be development-oriented.
- (d) Services must be provided impartially, fairly, equitably and without bias.
- (e) People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- (f) Public administration must be accountable.
- (g) Transparency must be fostered by providing the public with timely, accessible and accurate information.
- (h) Good human resource management and career-development practices, to maximise human potential, must be cultivated.
- (i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

8.2 Legislative and Policy Mandates

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

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

Whilst this piece of legislation empowers the NSG to fulfil its mandate, the limitation of the Public Service Act is that it is applicable to the national and provincial spheres of government. 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 Minister for the Public Service and Administration, the legislative processes of the Public Administration Management Act as it relates to the NSG are being addressed.

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 (Notice 1428 of 1998), include:

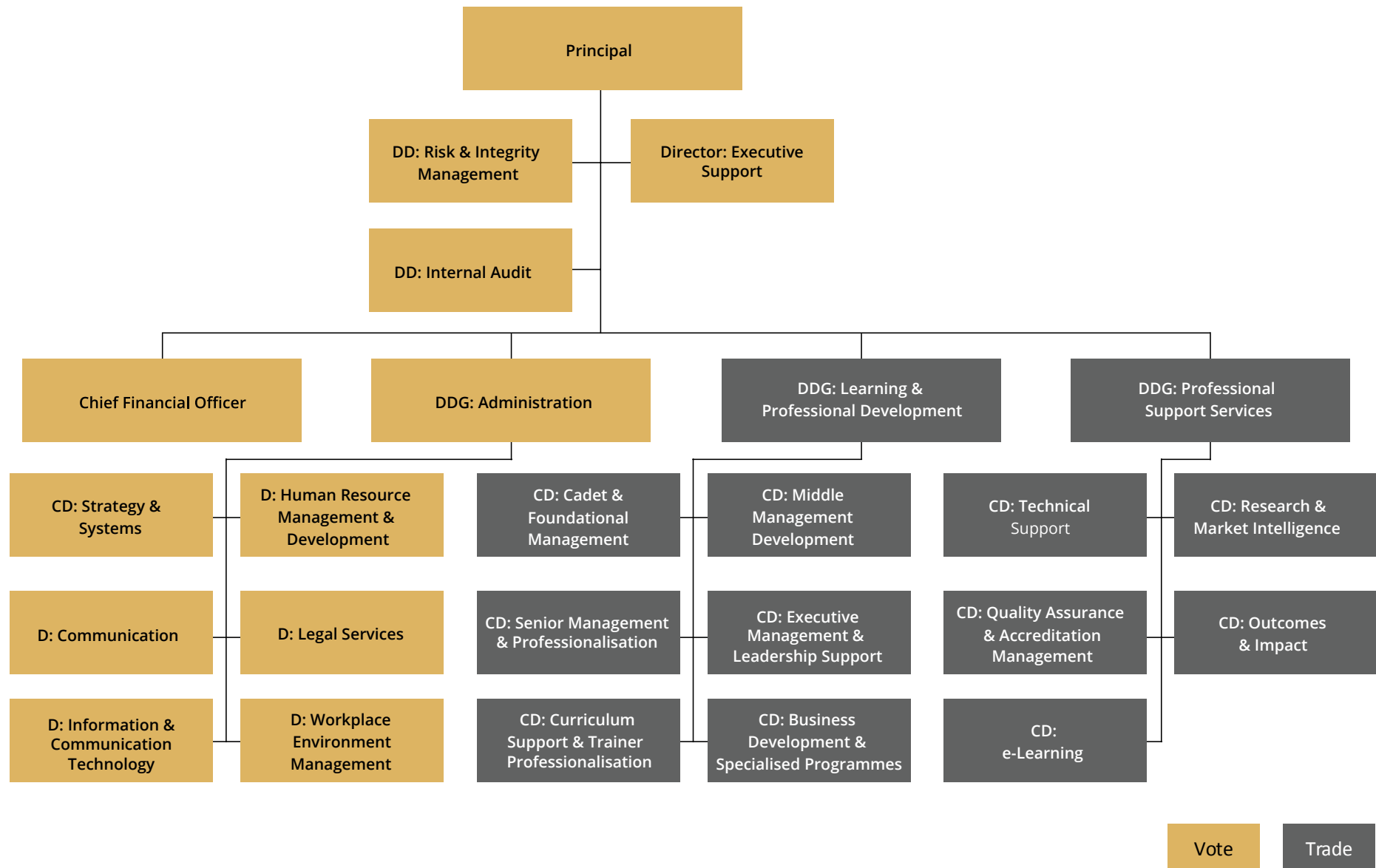
- All public servants will be entitled to ongoing and meaningful opportunities for education and training, on recruitment and throughout their working lives.
- Education and training programmes will be based on a detailed assessment of the needs of individual organisations and employees and will be designed 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.



“The NSG Celebrates 10 Years”

The National School of Government was officially launched on 21 October 2013.

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

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

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

“Public Service Capacity Building”

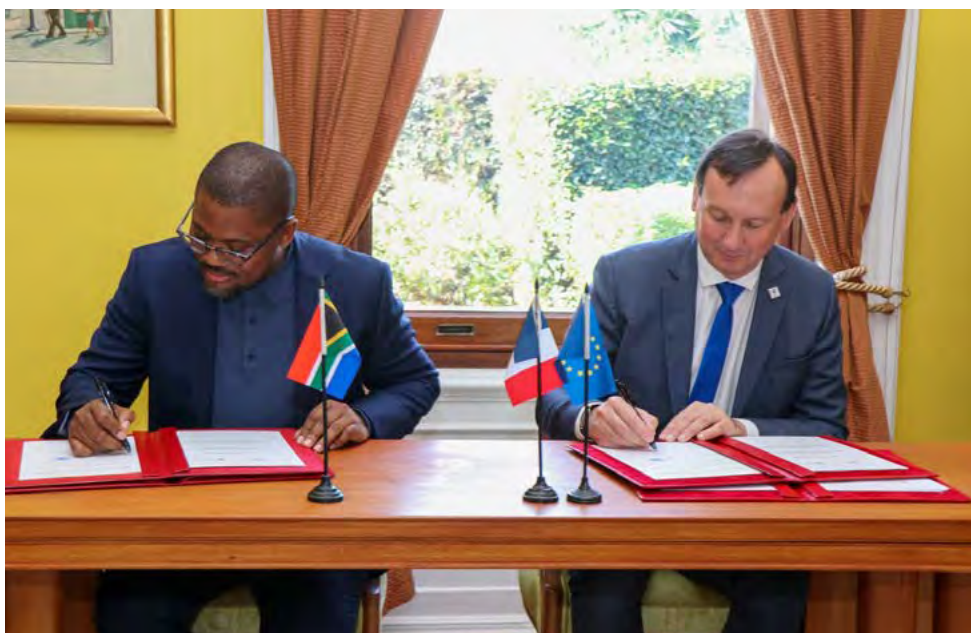
Over 500,000 public servants have trained in all forms of training interventions and delivery modes in the past 10 years.

PART B: **PERFORMANCE** **INFORMATION**



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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



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, on Total Quality Management (TQM), the NSG has commenced with the process of implementing the plan and institutionalising through convening advocacy sessions. An inter-branch TQM committee has also been established that would focus on ETD quality management. The TQM has a direct bearing with regards to the quality of services provided to critical key stakeholders. The service delivery environment is based on the following value chain:



2.2. Service Delivery Improvement Plan

Main Services and Standards

Main Services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievements
Access to training and development services through the NSG Contact Centre and training calendar of the NSG	All government departments and other state entities wishing to enrol employees for training	The NSG Contact Centre provides its services in line with the approved standard operating practices	Manage the Contact Centre strictly in line with the generally acceptable performance standards for the contact centre industry	In managing the Contact Centre in line with generally acceptable performance standards the call centre received 4224 calls, the average time take to respond to calls was 00:00:29
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 cumulatively issued 55 167 certificates against the standard.

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.

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 managing the website chat platform and communicating information through social media on platforms such as Twitter, Facebook and an online chat option with potential learners.

Complaints Mechanism

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

2.3. Organisational environment

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

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

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

The performance of the NSG is based on the APP for the 2022/23 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 which are the "application of learning studies", where the objective is to determine whether a programme has made any difference to performance (initially of the participants) after a particular training programme. It is anticipated that, as data is collected over a period of time from specific departments, a determination can eventually be made as to the effect of the training on the department.

2.4. Key policy developments and legislative changes

Reviewing of the Public Service Act (PSA) and Public Administration Management Act (PAMA)

The Department of Public Service and Administration is currently reviewing the Public Service Act, 1994; Public Services Regulations 2016 and the Public Administration Management Act, 2014.

National Framework towards the Professionalisation of the Public Sector

In responding to the Priority 1 of the current Administration which is Building a Capable, Ethical and Developmental State, the NSG was mandated by the Minister to lead the development of the National Framework towards the Professionalisation of the Public Sector. The NSG embarked on consultative process of developing the National Framework towards the Professionalisation of the Public Sector which was approved by Cabinet on 19 October 2022.

The Framework will also ensure that qualified and competent individuals are appointed into positions of authority, in pursuit of a transformed, professional, ethical, capable and developmental public sector. Public officials should have the right qualifications and technical skills and be inducted into Batho Pele principles.

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 is the implementation of 6 ICT business solutions that contribute

toward effectiveness and efficiency of the electronic systems of the NSG; 24 communications interventions were undertaken to promote the NSG offerings. The NSG Brand and Marketing Strategy was also successfully implemented that enabled the increase in the visibility of the NSG intervention across the public service and various media platforms, to promote the NSG ETD interventions.

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
- 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 9 skills assessments to address training needs and ensure uptake of NSG offerings; 8 courses/ programmes/ interventions were developed/ reviewed; and 6 reports on the impact evaluation studies were completed. The National Framework on the Professionalisation of the Public Sector was approved by Cabinet in preparation for advocacy and implementation.

Outcome 3: Sustainable partnerships and collaboration to support ETD interventions

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

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

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements includes 7 partnership agreements entered which have resulted in the uptake of ETD interventions in this financial year. In establishing thought leadership

platforms, the NSG has increased its footprint and reach as the various webinars and master classes convened discussed topics that attracted a diverse group of public servants from different sectors and spheres of government.

Outcome 4: Quality ETD Practitioners

The objective of this outcome is to ensure that ETD practitioners are professionalised in order to deliver ETD interventions. The performance of this outcome is measured by the implementation of a Performance Management Systems for ETD Practitioners. In this financial year, a pilot process was undertaken with regards to the implementation of the Performance Management System that will inform the implementation of the system in the subsequent years ahead.

Outcome 5: Responsive ETD Interventions

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

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

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include 10 course materials that were developed/ reviewed in line with the course development plan. Of significance is that the enrolment for online learning was 69 990 learners which reflect the positive response in the participation and enrolment of online training by public servants. Training was also conducted with six Provincial Education Departments 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

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

Sub-programmes under Programme 1 are organised as follows:

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

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

Outcomes, outputs, output indicators, targets and actual achievements

The programme had a total of 6 planned targets for the financial year, 5 targets were achieved, and 1 target not achieved. The achievement of the planned targets has contributed to the improvement of ensuring a functional integrated institution. The implementation of the Total Quality Management plan will be undertaken in the following financial year. Work had been done in terms of the approval of the TQM Policy and establishment of an inter- branch Quality Management Committee with the focus on ETD quality management.

This institutionalisation of the TQM is critical as it will contribute towards supporting the improvement of systems and services offered by the NSG to ensure that they meet the desired standards. The implementation of the communications marketing strategy has contributed in increasing awareness of the NSG in terms of the ETD interventions offered by the school within the public service. The NSG will continue to focus on prioritising employment equity numbers within the department, in the period under review the EE statistics reflect 48.8% of females employed at SMS level, 16.7% of Youth employed and 2.5% of persons with disability employed at the NSG. Towards improving the EE statistics, the depart embark on a recruitment drive to fill vacant posts in the department that will contribute towards the improvement of the EE statistics.



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

PROGRAMME 1: ADMINISTRATION									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
1.	Functional integrated institution	Approved total quality management plan implemented	Percentage of total quality management plan implemented	Total quality management framework developed	Total quality management plan developed by March 2022	50% of total quality management plan implemented by March 2023.	Total quality management plan not implemented: Progress thus far on the two objectives per TQM plan: 1.Institutionalise TQM at the NSG (consultations and awareness) -TORs for the establishment of the Inter-branch Quality Management Committee were broadened from focusing exclusively on ETD quality management 2.Implement Total Quality Management Policy -Total Quality Management policy approved	50%	Continuation of TQM deliverables hindered by capacity constraints
2.		Mapped business processes in line with operations management plan implemented	Number of mapped business processes in line with operations management plan implemented	Operations management policy and plan for the NSG developed	6 business processes mapped in line with operations management plan by March 2022	4 mapped business processes in line with operations management plan implemented by March 2023	4 mapped business processes in line with operations management plan implemented by March 2023	None	None
3.		ICT projects enabling NSG operations implemented	Number of ICT projects enabling NSG operations implemented	4 ICT business solutions responsive to NSG operations implemented	6 ICT business solutions enabling operations implemented by March 2022	6 ICT business solutions enabling NSG operations implemented by March 2023	8 ICT business solutions enabling NSG operations implemented by March 2023	2	Ad-hoc requests based on various branch priorities

PROGRAMME 1: ADMINISTRATION									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
4.		Material audit findings resolved by the end of the financial year	Percentage of material audit findings resolved by the end of financial year	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 the end of the financial year by March 2023	100% (1/1) of material audit findings resolved by the end of the financial year by March 2023	None	None
5.		NSG brand and marketing strategy implemented	Percentage of the NSG brand and marketing strategy implemented	NSG brand strategy developed and approved	50% of the NSG brand and marketing strategy implemented by March 2022	50% of the NSG brand and marketing strategy implemented by March 2023	50% of the NSG brand and marketing strategy implemented by March 2023 Implementation covers the two objectives per strategy: - Develop and maintain NSG brand identity - Enhance brand awareness	None	None
6.		Communication interventions promoting NSG offerings in the public sector	Number of communication interventions promoting NSG offerings in the public sector	33 communication interventions implemented	34 communication interventions promoting NSG offerings in the public sector undertaken by March 2022	20 communication interventions promoting NSG offerings in the public sector by March 2023	22 communication interventions promoting NSG offerings in the public sector by March 2023	2	NSG priority programmes implementation in support of the NSG strategy

Linking performance with budget

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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	10,806	7,973	2,833	19,549	15,440	4,109
Corporate Services	86,778	78,565	8,213	75,109	72,423	2,686
Property Management	17,792	17,792	-	16,216	16,216	-
Total	115,376	104,330	11,046	110,874	104,079	6,795

During this financial year, the Vote was allocated an amount of R115,3 million to fulfil the mandate and operations of the NSG. The under-expenditure has primarily been the result of vacancies in the Vote, which stems from an organisational restructuring process. However, Programme 1 achieved five of the six performance targets. The expenditure in Programme 1 reflects the achievement of performance – particularly in the areas of ICT systems and solutions, facilities management and organisational design. Quite significant during this financial year is the utilisation of allocated budget to maximise on communications and marketing. These efforts have contributed to the NSG fulfilling its mandate to deliver on education, training and development. The media and marketing presence of the NSG continues to grow and in ensuring the brand positioning.

Strategy to overcome areas of under -performance

In addressing areas of under-performance, the NSG will focus on implementing the TQM that is intended to ensure that quality services and products provided by the NSG are a representation of the Batho Pele principles and standards. The NSG will focus on implementing the revised Information and Communication Technology Policy that would enable the NSG to protect the confidentiality, integrity, and availability of organisational (data used for business/ data belonging to the employees and data belonging to stakeholders) as well as the system and infrastructure that store, process or transition such data. In terms of the Organisational Design process the NSG will conduct an in-depth analysis and reviewing the functions performed within the department are aligned with the approved structure and improving service delivery by the NSG through the provision of ETD. The filling of vacant posts is critical for the NSG and therefore the process is underway to ensure that posts advertised are filled to support the mandate of the department

in order to achieve the desired and planned outcomes. Lastly in an effort to strengthen gender mainstreaming with the department, the NSG will be focused on capacitating employees within the department on Gender Planning and Budget, the department will also conduct advocacy sessions, and capacitating the employees on Sexual Harassment as part of the process to respond to the Framework on Gender, Responsive, Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEA).

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

The NSG does not report on standardised customised indicators as it is not a concurrent function.

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 subprogrammes:

- Sub-programme 1: Learning and Professional Development incorporating Cadet and Foundational Management, Middle Management, Senior Management and Professionalisation, Executive management & Leadership Support; Business Development & Specialised Programmes; and Curriculum Design & ETD Practitioner Professionalisation.
- 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 to the 5 outcomes, which are:

- Functional Integrated Institution
- 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 21 planned targets for the financial year, 18 targets were achieved, wherein 3 targets were not achieved, and the annual performance translated to 86% achievement. The targets that were not achieved were as a result of delays in the signing of the Memorandum of Agreement with a professional body as part of the process contributing towards the professionalisation of the public sector. There were also delays in the appointment of a Higher Education Institute that would collaborate with the NSG in the development of a Postgraduate Qualification and the process has continued to the new financial year therefore it is anticipated the targets would be achieved in the new financial year.

There has been a significant improvement within the programme in the achievement of the planned targets that contribute to the Strategic Outcomes of the department. The noticeable increase in partnership agreements has enabled the NSG to increase collaborations and provide access to a variety of ETD interventions contributing to the development and capacitation of public servants. The achievement of the revenue generation and training target is a positive step towards the sustainability of the NSG and recognition by respective public servants across the Spheres of Government various ETD interventions offered by the NSG.

The NSG in response to prioritising women, youth and persons with disability trained Provincial Education Departments (PEDs) and School Management Team 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. Training was also conducted with Senior Managers within the public sector focusing on how to deal with all forms of discrimination as it sensitises and capacitates managers with regards to discrimination and conduct in the public sector.

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

PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
1.	Functional integrated institution	Revenue and other funding sources generated	Amount of revenue generated and other funding sources in TTA as part of the cost-recovery	R28.3 million revenue generated by TTA	R98.7 million in revenue and other funding sources generated by March 2022	R101,3m in revenue and other funding sources generated by March 2023	R115 million in revenue and other funding sources generated.	R13.7 million	NSG coordinated and trained in departments that have been on training backlog
2.		Business development interventions resulting in the uptake of the NSG offerings	Percentage of business development interventions resulting in the uptake of NSG offerings	34% of business development interventions resulting in uptake of the NSG offerings in the public sector (including SOEs)	50% (23/46) business development interventions resulting in opportunities for the uptake of the NSG offerings by March 2022	75% of business development interventions resulting in the uptake of the NSG offerings by March 2023	83% of business development interventions resulting in the uptake of the NSG offerings by March 2023	8%	Key focus on ensuring successful implementation of funded programmes across three spheres of government
3.		Areas of good practice in the public sector documented to enhance ETD interventions	Number of areas of good practice in the public sector documented to enhance ETD interventions	NSG repository for information and knowledge management developed	4 areas of good practice in the public sector documented to support ETD by March 2022	4 areas of good practice in the public sector documented to enhance ETD interventions by March 2023	4 areas of good practice in the public sector documented to enhance ETD interventions by March 2023	None	None
4.	Competent public servants empowered to do their jobs	Research projects informing ETD interventions developed	Number of research projects informing ETD interventions developed	6 research reports informing ETD discourse completed	4 research reports informing ETD interventions developed by March 2022	5 research reports informing ETD interventions developed by March 2023	6 research reports informing ETD interventions developed by March 2023	1	Ad-hoc requests for additional research
5.		Skills assessment reports on specific departments or public sector on training needs for relevant ETD interventions completed	Number of skills assessment reports on specific departments or public sector informing ETD needs completed	4 skills assessment reports completed and shared with all internal stakeholders	11 skills assessment reports informing ETD needs completed by March 2022	5 skills assessment reports on specific departments or public sector informing ETD needs completed by March 2023	9 skills assessment reports on specific departments or public sector informing ETD needs completed by March 2023	4	Demand for additional assessments from departments / entities

PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
6.	Competent public servants empowered to do their jobs	Courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	Number of courses/ programmes/ interventions responsive to identified skills gaps 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 developed/ reviewed by March 2023	8 courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed by March 2023	None	None
7.		Impact evaluations to improve the quality of ETD interventions	Number of impact evaluation studies conducted	6 Reports on the Impact evaluation studies completed (phase 1)	6 impact evaluation studies conducted by March 2022	6 progress reports on the impact evaluation studies conducted by March 2023	6 progress reports on the impact evaluation studies conducted by March 2023	None	None
8.	Sustainable partnerships and collaboration to support ETD interventions	Partnerships facilitated to support ETD interventions	Percentage of partnerships and collaborations facilitated to support ETD interventions	34% of business development interventions resulting in uptake of the NSG offerings in the public sector (including SOEs)	55% (28/51) partnerships facilitated to supported interventions by March 2022	20% of partnerships and collaborations facilitated to support ETD interventions by March 2023	88% (114/129) of partnerships and collaborations facilitated to support ETD interventions by March 2023 Percentage implemented of partnership covers 7 International and 107 local partnerships with facilitated training	68%	Key focus on ensuring successful implementation of funded programmes across three spheres of government

PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
9.		Thought leadership seminars/ platforms in partnership with public and private sectors	Number of thought leadership seminars/ platforms in partnership with public and private sectors hosted	6 thought leadership platforms in the form of master classes were hosted The NSG developed a Fellowship Programme and the strategy was approved.	8 thought leadership platforms/ seminar hosted by March 2022	5 thought leadership platforms/ seminars hosted by March 2023	9 thought leadership platforms/ seminars hosted by March 2023	4	Greater demand for knowledge exchange on thematic areas
10.	Quality ETD practitioners	Performance management systems for ETD practitioners piloted	Performance management systems for ETD practitioners piloted	Performance management system for ETD practitioners not implemented	Framework for performance management system for ETD practitioners developed by March 2022	Performance management system for ETD Practitioners piloted by March 2023	Performance management system for ETD Practitioners piloted by March 2023	None	None
11.	Responsive Education, Training and Development Interventions	NSG accreditation status approved by accrediting bodies	Approved NSG accreditation status by accrediting bodies	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 2023	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider by March 2023	None	None
12.		Programmes/ courses quality assured by the NSG Quality Assurance Committee	Number of programmes courses quality assured by the NSG Quality Assurance Committee	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 2023	8 programmes courses quality assured by the NSG Quality Assurance Committee by March 2023	None	None

PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
13.	Responsive Education, Training and Development Interventions	Functional areas professionalised with professional bodies	Number of Functional areas professionalised with professional bodies	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	2 Functional areas professionalised with professional bodies by March 2023	No functional areas professionalised with professional bodies by March 2023 1 MoA signed with the Chartered Institute of Procurement and Supply. Finalising MoA with Institute of Internal Auditors	2	Delays in the finalisation of MoA's between the NSG and professional bodies
14.		Accreditation of the post-graduate qualification	Accreditation of the Postgraduate qualification	Report on the scoping not completed	Post-graduate qualification developed for the NSG by March 2022	Accreditation of the Post-graduate qualification facilitated by March 2023	Facilitation of accreditation process not achieved by March 2023	Appointment of HEI partner	The initial tender process was unsuccessful and a new tender process initiated, HEI partner will be appointed in the new financial year.
15.		Compulsory courses/ programmes implemented	Number of compulsory courses/ programmes implemented	Draft Compulsory in- Service training Framework developed	9 compulsory programmes implemented by March 2022	4 compulsory courses/ programmes implemented by March 2023	7 compulsory courses/ programmes implemented by March 2023	3	Increased uptake of compulsory courses by departments
16.		Learners trained on compulsory and demand- led ETD interventions	Number of learners trained on compulsory and demand-led ETD interventions	43 411 learners trained	86 687 learners trained on compulsory and demand-led ETD interventions by March 2022	40 460 learners trained on compulsory and demand-led ETD interventions by March 2023	78 720 learners trained on compulsory and demand-led ETD interventions by March 2023	38 260	All modalities of teaching (online and face to face) are fully operational

PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
17.	Responsive Education, Training and Development Interventions	Senior managers in the public service trained on how to deal with all forms of discrimination	Percentage of senior managers in the public service trained on how to deal with all forms of discrimination	Completed the development of the online course "Championing Antidiscrimination in the public sector"	No training done by March 2022	50% of senior managers in the public service trained on how to deal with all forms of discrimination by March 2023	0.6% (62/9612) of senior managers in the public service trained on how to deal with all forms of discrimination by March 2023	49.4%	Despite the efforts to make the course free and compulsory for SMS the uptake remained slow
18.		Provincial departments of education trained by NSG (Teaching for All) to roll out training on handling diversity and dealing with all forms of discrimination to teachers and School Management Teams	Number of provincial departments of education trained (Teaching for All) by NSG to roll out training on handling diversity and dealing with all forms of discrimination to teachers and School Management Teams	The NSG completed the customisation of "Teaching for All" module into a short online learning course	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)	5 provincial departments of education trained (Teaching for All) by NSG to roll out training to teachers and School Management Teams by March 2023	6 provincial departments of education trained (Teaching for All) by NSG to roll out training to teachers and School Management Teams by March 2023	1	Session was integrated with DBE arranged interprovincial meeting
19.		Open Distance eLearning (ODeL) courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	Number of ODeL courses / programmes / interventions responsive to identified skills gaps developed/ reviewed	12 online courses developed	12 online courses developed by March 2022	8 ODeL courses /programmes / interventions responsive to identified skills gaps developed/ reviewed by 2023	10 ODeL courses /programmes / interventions responsive to identified skills gaps developed/ reviewed by 2023 1. Digital Art of Facilitation: Advanced Facilitation Skills 2. Art of Facilitating Public Participation 3. Master the Art of Government Communication	2	Materials are developed on demand and eLearning unit is under pressure to meet development demands

PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
19.							4. Local Government Leadership Development Programme (Review and update) 5. Ethics in the Public Service (review and update) 6. Digital Art of Facilitation: Facilitating Content within Context and Programme Hub 7. Public Sector Systems and Design Thinking 8. Digital Art of Facilitation: Facilitating Open Distance eLearning 9. Digital Art of Facilitation: Programme Hub 10. Mayoral Leadership and Oversight Programme		

PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual 2020/21	Audited Actual 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reason for deviation
20.		ODEL Help desk tickets successfully closed	Percentage of ODeL Help desk tickets successfully closed	No baseline	No baseline	100% of ODeL Help desk tickets successfully closed by March 2023	100% of ODeL Help desk tickets successfully closed by March 2023	None	None
21.		Perception survey to determine learner satisfaction on NSG's ETD	Perception survey to determine learner satisfaction on NSG's ETD interventions in response to government priorities and performance improvement in the public sector undertaken	Comprehensive methodology approved	Perception survey in national and provincial government to determine the learner satisfaction on NSG's ETD interventions completed by March 2022	Annual Perception survey to determine the learner satisfaction on NSG's ETD interventions undertaken by March 2023	Satisfaction survey on the client services of the National School of Government completed. A changed approach was adopted to determine client satisfaction of HRD officials from client departments	None	None

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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
Augmentation to the Training Trading Account	115,721	115,721	-	103,423	103,423	-
Total	115,721	115,721	-	103,423	103,423	-

During this financial year, the transfer from the Vote to the TTA (R115,7m) was further supplemented by the interventions of the NSG to raise revenue in excess of R100m. The Trade was also impacted upon by the organisational restructuring process, which resulted in vacancies in many key areas of delivery. However, Programme 2 achieved 18 of the 21 performance targets. The expenditure in Programme 2 reflects the achievement of performance. Key programmes such as the Economic Governance School continue to raise the brand of the NSG with interest being shown. The training performance (actual achievement against pre-determined targets) is an indication that the NSG expenditure has contributed to the performance of the institution.

Strategy to overcome areas of under performance

The NSG will continue with the increased momentum of advertising ETD interventions at recognised social media platforms, and convened webinars where thought leaders from respective institutions are invited to participate and engage on topical issues and thematic areas affecting the public service, therefore attracting a wider audience and in anticipation to increase participation from a wider spectrum of public servants.

The provision of more online, self-paced and customised training per the client's needs and requirements will also contribute to a larger group of public servants being trained and this approach as reflected from the current statistics of online training that a large group of public servants are enrolling for online training. The expansion of the NSG mandate to conduct training across the spheres of government has also yielded positive outcomes as the department conducted training such as the Local Government Leadership Development Programme in which councillors participated and graduated reflecting a critical role in the capacitation and development of the Local Government Sphere.

The generation of revenue for the NSG has also increased as the department prioritised the backlog in terms of training had to be undertaken and recognise the payment made by various departments, therefore the continuation from the backlog is critical. In an effort to increase enrolment by SMS to the online course "Championing Antidiscrimination in the public sector" the course has been recognised as mandatory in an effort to increase enrolment. A circular was issued by DPSA encouraging SMS to enrol for the course and it also contributes to the critical element of gender sensitivity and anti-discrimination against various target groups.

Lastly, in the subsequent financial years to come the department will continue to review the current funding model in order to establish mechanisms that can positively contribute to increasing revenue for the NSG to ensure its sustainability. The role of the NSG will be strongly expressed in the process of implementing the National Framework towards the Professionalisation of the Public Sector. The NSG will continue develop and review courses offered through the e-learning platform as it has positively contributed to increased training, as well as the implementation of the Performance Management System that ensures that NSG has trainers and practitioners whom are professional and capable of provide quality training.

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

The NSG does not report on standardised customised indicators as it is not a concurrent function.

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 2022/23

Name of donor	European Union
Full amount of the funding	10 million Euros of which 2,7million Euros (R39 948 660,00) was transferred to NSG and managed by NSG in annual tranches.
Period of the commitment	7 June 2016 – 7 December 2022
Purpose of the funding	To improve public sector capacity through education, training and development by NSG.
Expected outputs	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	RA 1: • Strategic / organisational support to the NSG • Business process mapping and training • NSG strategic planning & change management support • NSG Value Chain /Technical advice & guidance • NSG Skills audit / NSG curriculum review • Communication & branding management strategy • Total quality management support • Framework for professionalising of ETD practitioners • ICT/ Enterprise architecture support – Hardware, Software & Technical support RA 2: • Assessment centre Sector consultations and Implementation plan and 2 x Research projects • Diagnostic tool & skills database developed & piloted • Ethics assessment tool developed & piloted • 20 Courses developed/reviewed/ converted to elearning • 15 Case studies + Journal Publication • Partnerships with 5 x HEI in development of case studies • Partnership with SAAPAM & ASSADPAM RA 3: Coaching & mentoring programme • Training roll-out (BB2E, CIP, ROP) • Leadership/ executive/masterclass/webinars/dialogues with various partners supported RA 4: Local partnerships • Public Sector Trainers' Forum • Continental partnerships • International partnerships
Amount received in current period (R'000)	R2 120 464.69
Amount spent by the department (R'000)	R2 120 426.22
Reasons for the funds unspent	Late receipt of funding and clarity required from EU on procurement procedures.
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 Management Committee (Committee) 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 Risk and Ethics Management Committee 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 Risk and Ethics Management Committee, 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 Risk and Ethics Management Committee (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 Fraud and Anti-Corruption 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 (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. It is required of SMS and other categories to disclose their interests so that heads of departments, the Public Service Commission (PSC) and DPSA will be able to detect and manage conflicts of interest at an early stage. In our efforts to strengthen governance, the NSG has effectively implemented the Financial Disclosure Framework. In terms of the Public Service Regulations (PSR), all members of the Senior Management Services (SMS), Middle Management Services (MMS), certain Occupational Specific Dispensation (OSD) employees, Assistant Directors and employees in Finance and Supply Chain are required to disclose their financial interest through the edisclosure system. The NSG communicates the dates with designated categories of employees timeously to ensure compliance with the Financial Disclosure Framework.

Furthermore, employees are required by law and the departmental policy to obtain approval from the Accounting Officer prior to conducting other remunerative work outside the department on

an annual basis. 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.

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

During the 2022/23 financial year the National School of Government reviewed and appointed the Occupational Health and Safety Committee, including Fire Marshals and First Aiders thus ensured compliance with OHS Policy. There is an approved Occupational Health and Safety Policy in place. The OHS Committee convened quarterly and on an ad hoc basis when the need arises. The OHS Committee also reports regularly to the Departmental Bargaining Committee on OHS related items. DPSA Circular 38 of 22 (Approved on the 29/06/2023) was fully implemented. 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 COVID management reports and Risk Assessment reports compiled by the OHS Committee were 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. The engagements were convened through the virtual platform and are indicated below:

Date of Meeting	Issue for Presentation and Engagement
03/05/2022	NSG Annual Performance Plan
06/05/2022	Budgets: Committee Reports
12/10/2022	Portfolio Audit Outcomes
18/10/2022	Consideration of BRRR's
02/11/2022	Professionalisation in Public Sector
22/02/2023	First, Second and Third Quarter Organisational Performance Reports for 2022/23

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

- The NSG should conduct impact evaluation of its training programmes to measure the efficacy and application of knowledge with the aim of improving performance.
- The NSG should create more awareness campaigns on the Nyukela programme annually in order to attract young people employed in both public and private sector aspiring to consider public service as career of choice.
- The School should offer mostly accredited courses so that full recognition is afforded to employees being trained, so that they have opportunities for development and promotion.
- The School should consider, where possible, to offer most of its training courses through e-Learning platforms, as part of modernising its business and saving costs on the logistics such as venues. The School has to devise a strategy to attract public servants to enrol for online courses.
- The School has to approach all data network companies to donate data for NSG courses to be offered on a zero rated basis. Zero rated data for training courses will assist the School to attract more public servants to enrol for training and development interventions that will assist government officials to learn, serve and grow.

The NSG also presented its Annual Performance Plan for 2022/23 to the Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure on 11 May 2022.

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

10. INTERNAL CONTROL UNIT

The Internal Audit is currently outsourced to SAB&T Business Consulting for a period of three years from 1 April 2022, 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 2022/23 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 Performance report, Supply Chain Management, Financial Controls Review, Performance Information, Governance and Ethics, Compliance with POPIA, ICT Vulnerability Assessment, Business Continuity and Disaster Recovery - Business Impact Assessment and Follow up Reviews.

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 Department. This function helps the Department 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 of the Department 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. When conducting their work or any other tasks assigned to them, Internal Audit is always guided by the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics, as published by the Institute of Internal Auditors, and complies with the relevant sections in the PFMA and related Treasury Regulations.

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

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

The Audit Committee is also responsible for reviewing the Annual Financial Statements and Performance Information reports, as required by the Public Finance Management Act and the related Treasury Regulations. The Audit Committee does not perform any management functions or assume any management responsibilities, but functions as an objective and independent oversight committee, making recommendations to the Accounting Officer for his/her approval or final decision.

Overall, the Audit Committee executes its responsibilities through close liaison and communication with management, Internal and External Auditors and where it deems it necessary and engages with the Executive Authority

Audit Committee members and attendance

The Audit Committee consists of the members listed below of which four are independent members in line with good corporate governance practice. The Committee meets at least four times per annum as per its approved terms of reference. During the year under review, the Committee held five 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 Sakhi Simelane	Masters of Commerce: Accounting, Master of Business Administration, Bachelor of Commerce (Honours), Bachelor of Commerce (Accounting)	External (Chairperson)	N/A	01 November 2016	N/A	5
Dr Maria Peenze	Doctor Technologiae: Business Administration, Magister Legum: Human Rights, Baccalaureus Legum, Baccalaureus Luris	External	N/A	01 November 2016	N/A	5
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	5
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 2023.

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

The system of internal control is designed to provide reasonable cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. Internal Audit provides the Audit Committee and management with assurance that the controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective action and suggested enhancements to the controls and processes.

Where control weaknesses and other matters were reported, the Audit Committee has considered management's responses to address the matters and to facilitate corrective actions, improvements and monitoring the controls and procedures. Implementation of such corrective actions is monitored and reported on quarterly.

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

- Annual Financial Statements and Annual Performance report.
- Supply Chain Management.
- Financial Controls Review.
- Performance Information.
- Governance and Ethics.
- Compliance with POPIA.
- ICT Vulnerability Assessment.
- Business Continuity and Disaster Recovery - Business Impact Assessment.
- Follow up Reviews.

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

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

The Audit Committee wishes to congratulate the management of the NSG, led by the Principal, on their continued commitment to the improvement of the internal control environment of the NSG which is evident by the achievement of clean audit outcomes on both Vote and Trading Account. Whilst the Vote has been receiving clean audit outcomes over the financial years, this is the first clean audit outcome for the Trading Account.

Other Matters:

The Audit Committee is delighted with:

- The continued success in the implementation of the current five-year strategy, which is in line with the priority of building state capacity.
- Growth and expansion of the mandate of the NSG in reaching learners across the public sector spectrum, including members of the executive and board members of state-owned entities.
- Commitment and hard work of the NSG in leading the development of the National Framework towards the Professionalisation of the Public Sector, which was approved by Cabinet.
- Implementing its digital transformation, through its course offerings as well as introducing a Learner Management System. This will ultimately ensure greater accuracy in reporting of financial and non-financial performance.
- Stability in the leadership and management of the NSG, which also bears testimony to the success of the organisational restructuring and employee migration processes.
- The improvement of internal controls in Information and Communications Technology (ICT).

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
DATE: 31 AUGUST 2023



13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	-
Developing and implementing a preferential procurement policy?	Yes	In complying with the prescripts of PPPFA, the NSG's Supply Chain Management's Policy has incorporated the B-BBEE requirements. Procurement of goods and services is carried out in terms of the preference points system.
Determining qualification criteria for the sale of state-owned enterprises?	No	-
Developing criteria for entering into partnerships with the private sector?	No	-
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	-



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 NSG staff establishment comprises of 239 funded posts aligned with the approved structure, of which 197 are filled posts and 42 vacant as of 31 March 2023, translating to 82% filled posts. In the financial year under review the vacancy rate increased from 10.9 percent in 2021/22 to 17.5 percent by the end of 2022/23 financial year. The increase was as a result of the employee migration process that required the matching and placement being undertaken first before posts could be advertised. In terms of the matching in line with the approved structure, 43 SMS posts were filled out of 47 posts that highlighted the SMS vacancy rate at 6.3 percent as of 31 March 2023. The NSG also appointed five non-SMS employees additional to the fixed establishment for twelve months.

The NSG managed to align 100% of the approved structure with PERSAL establishment, and employees were placed according to their signed placement letters in line with the PERSAL establishment. The NSG met the Cabinet targets for employment of people with disabilities, representing 2.5 percent of employees. The NSG also trained 132 officials in line with the Workplace Skills Plan (WSP) representing 67% of the staff. The focus on training the officials was on critical skills required to deliver on the mandate of the School. The NSG also awarded 39 bursaries to employees to further their studies for the 2022/23 academic years.

The NSG complied with 100% for SMS submission of performance agreements and were captured on Persal System. No performance bonus was awarded during the reporting period due to changes in incentive legislative framework. The NSG also implemented Employee Health and Wellness (EHW) Programmes, monitored the environment and ensured 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 167 employees were able to attend Health and Wellness programmes during the financial year.

The major challenge experienced by NSG was meeting the 10% vacancy rate target delayed by the matching and placing process. As 48 posts remain vacant there will be an urgent need in the new financial year to fill the posts in order to improve the vacancy rate of the department as well as meeting all the Employment Equity targets.

3 HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

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	104 330	54 646	467	1436	52%	719
Vote Programme 2	115 721	-	-	-	-	-
TTA	194 407	94 683	972	32 566	49%	734
Total	414 458	149 329	1 439	34 002	36%	728

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (level 3-5)	2 245	2%	18	281
Highly skilled production (levels 6-8)	20 839	22%	73	393
Highly skilled supervision (levels 9-12)	32 516	34%	63	834
Senior and Top management (levels 13-16)	39 083	41%	43	1 348
Total	94 683	100%	197	734

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

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	-	-	-	-	-	-	-	-
TTA	63 469	67%	375					4
Total	63469	67%	375	0%	1963	2%	2 504	4%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	-	-	-	-	-	-	-	-
Skilled (level 3-5)	1 456	2%	-	0%	120	0%	265	0%
Highly skilled production (levels 6-8)	13 971	15%	308	0%	828	1%	1 757	2%
Highly skilled supervision (levels 9-12)	23 158	24%	67%	0%	476	1%	944	1%
Senior management (level 13-16)	24 904	26%	-	0%	539	1%	538	1%
Total	63 469	67%	0%	1 963	2%	3 504	2%	4%

3.2. Employment and Vacancies

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

The following tables summarise the number of posts 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 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Vote Programme1	85	70	17.6%	1
NSG TTA	154	127	17,5%	4
Total	239	197	17,5%	5

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

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)	30	18	40%	1
Highly skilled production (6-8)	82	73	10,9%	4
Highly skilled supervision (9-12)	80	63	21,2%	-
Senior management (13-16)	47	43	8,5%	-
Total	239	197	17,5%	-

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees 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 –
 - 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;
 - 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;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - 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 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	-	0%
Salary Level 16	1	1	100%	0	0
Salary Level 15	3	3	100%	0	0
Salary Level 14	13	13	100%	0	0
Salary Level 13	30	27	90%	3	10
Total	47	44	93,6	3	6,3

Table 3.3.2 SMS post information as on 30 September 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					
Salary Level 16	1	1	100	0	0
Salary Level 15	3	3	100	0	0
Salary Level 14	13	12	92.3	1	7.6
Salary Level 13	30	26	86.6	4	13.3
Total	47	42	89,3	5	10.6

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	2	1	-
Salary Level 13	3	2	-
Total	5	3	

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
N/A

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, 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 2022 and 31 March 2023

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)	30	2	6.6%	-	-	-	-
Highly skilled production (Levels 6-8)	82	42	48.7%	-	-	-	-
Highly skilled supervision (Levels 9-12)	80	25	31,2%	-	-	-	-
SMS Band A	47	7	14.8%-	-	-	-	-
SMS Band B	-	-	-	-	--	-	-
SMS Band C	-	-	-	-	-	-	-
SMS Band D	-	-	-	-	-	-	-
Total	239	76	31.7%				

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 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability					-

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 2022 and 31 March 2023

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				-
Percentage of total employed				-

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 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Employees with a disability	-	-	-	-	-
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Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determined by job evaluation	None
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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 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	N/A	N/A	
Skilled (Levels 3-5)	20	-	1	5%
Highly skilled production (Levels 6-8)	75	2	6	8%
Highly skilled supervision (Levels 9-12)	60	5	7	11.6%
SMS Band A	41	2	3	7.3%
SMS Band B	-	-	-	-
SMS Band C	-	-	-	-
SMS Band D	-	-	-	-
Contracts				
Total	196	9	17	8,6%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
N/A	-	-	-	-
TOTAL				

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.

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 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	1	
Resignation	8	
Expiry of contract	0	
Dismissal – operational changes	0	
Dismissal – misconduct	0	
Dismissal – inefficiency	0	
Discharged due to ill-health	0	
Retirement	7	
Transfer to other Public Service Departments	1	
Other		
Total	17	
Total number of employees who left as a % of total employment	8,6%	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	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	-	-	-	-	-
Total	-	-	-	-	-

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2022	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)	0			-	-
Skilled (Levels 3-5)	20	1	5%	-	-
Highly skilled production (Levels 6-8)	75	1	1.3%	-	-
Highly skilled supervision (Levels 9-12)	60	3	5%	1	1,6
Senior Management (Level 13-16)	41	3	7,3%	-	-
Total	196	8	4%	1	0,5

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 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18	0	2	2	12	3	2	4	43
Professionals	23	2	3	2	27	2	-	4	63
Technicians and associate professionals	24	0	-	1	43	2	1	2	73
Clerks	6	-	-	-	10	2	-	-	18
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	71	2	5	5	92	9	3	10	197
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 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2				2				4
Senior Management	16		2	2	10	3	2	4	39
Professionally qualified and experienced specialists and mid-management	23	2	3	2	27	2		4	63
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	-	-	1	43	2	1	2	73
Semi-skilled and discretionary decision making	6	-	-	-	10	2	-	-	18
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	71	2	5	5	92	9	3	10	197

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management		-	-	-	-	-	-	-	
Senior Management	4	-	-	-	2	1	-	-	7
Professionally qualified and experienced specialists and mid-management	1	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management supervisors, foreman and superintendents	4	-	-	-	2	-	-	-	6
Semi-skilled and discretionary decision making	2	-	-	-	1	-	-	-	3
Unskilled and defined decision making		-	-	-	-	-	-	-	
Total	11	-	-	-	5	1	-	-	17
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	
Senior Management	2	-	-	-	1	1	-	-	3
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	-	-	-	-	
Semi-skilled and discretionary decision making	-	-	-	-	2	-	-	-	2
Unskilled and defined decision making	-	-	-	-	-	-	-	-	
Total	2	-	-	-	3	1	-	-	5
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	1						1		2
Professionally qualified and experienced specialists and mid-management	2	0	0	0	4	0	0	1	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	6	0	0	0	1		0	0	7
Unskilled and defined decision making		0	0	0	0	0	0		0
Total	9	-	-	-	6	-	1	1	17
Employees with Disabilities									

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Verbal Warnings	0	0	0	0	0	0	0	0	0
Misconduct (Dismissal)	1	0	0	0	0	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	0	2	2	10	3	2	4	35
Professionals	9	0	1	1	18	0	0	3	32
Technicians and associate professionals	16	0	0	0	28	1	1	0	46
Clerks	8	0	0	0	10	1	0	0	19
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	45	0	3	3	66	5	3	7	132
Employees with disabilities	1		1	0	0	0	0	0	2

3.7. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 July 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				
Salary Level 16	1	1	1	100%
Salary Level 15	3	3	3	100%
Salary Level 14	13	12	12	100%
Salary Level 13	30	26	26	100%
Total	47	42	42	100%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2022.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 July 2022

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 July 2022as on 31 July 2022

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 2022 to 31 March 2023 (No performance bonus was awarded during the reporting period)

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Asian	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Coloured	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
White	-	-	-	-	-
Male	-	-	-	-	-
Female	-	-	-	-	-
Total	-	-	-	-	-

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 (No performance bonus was awarded during the reporting period)

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)	-	-	-	-	-	-
Highly skilled production (level 6-8)	-	-	-	-	-	-
Highly skilled supervision (level 9-12)	-	-	-	-	-	-
Total	-	-	-	-	-	-

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

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

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.

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 –
 - 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;
 - 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.
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 (No performance bonus was awarded during the reporting period)

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	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
Total	-	-	-	-	-	-

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 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	83	-	15	50.0%	18	81 272
Highly skilled production (levels 6-8)	636	-	73	89%	11.4	934 075
Highly skilled supervision (levels 9 -12)	449	-	61	76%	13.5	1 531 460
Top and Senior management (levels 13-16)	227	-	32	68%	14	1 158 549
Total	1395	-	181	75.7%	56.9	3 705 356

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

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)	-	-	-	0	-	0
Highly skilled supervision (Levels 9-12)	82	100%	1	1,6	0,6	299,576
Senior management (Levels 13-16)	--	-	-	-	-	-
Total	82	100%	1	1,6	0.6	299,576

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 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	-	-	-
Skilled (Levels 3-5)	382	17	64,94
Highly skilled production (Levels 6-8)	2390	77	1,8
Highly skilled supervision (Levels 9-12)	1904	61	1,16
Senior management (Levels 13-16)	1302	41	533,8
Total	5978	196	11,7

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

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 pay-outs for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2022/23	641 263	5	128 252
Current leave payout on termination of service for 2022/23	318 542	8	39 817
Total	959 805	13	73 831

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 Letty Raseroka 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
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 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
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.	✓		Bi-annual Health Screening which includes HIV Counselling and Testing (HCT) was implemented and 20% of staff were tested during the reporting period.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you 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 2022 and 31 March 2023

Subject matter	Date
Agreement on the Payment of salary adjustment in the Public Service for the Financial year 2021/2022. The agreement remained applicable for the 2022/2023 financial year because no new agreement was concluded (Clause 3.3 of PSCBC Resolution 1 of 2021)	26 July 2021

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None
--	-------------

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	
Verbal warning	0	
Written warning	0	
Final written warning	0	
Suspended without pay	0	
Fine	0	
Demotion	0	
Dismissal	0	
Not guilty	0	
Case withdrawn	0	

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	None
--	-------------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
Gross Dishonesty & Fraud	1	50%
Gross Absenteeism & Gross Insubordination	1	50%
Total	2	100%
Gross Dishonesty & Fraud	1	50%

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

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

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	1	50%
Number of disputes dismissed	1	50%
Total number of disputes lodged	2	100%

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

Total number of persons working days lost	36 working days
Total costs working days lost	R 37 641
Amount recovered because of no work no pay (R'000)	R 37 641

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	N/A
Number of people whose suspension exceeded 30 days	None
Average number of days suspended	N/A
Cost of suspension(R'000)	

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 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	-	-	-	-	-
	Male	-	-	-	-	-
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	-	-	-	-	-
	Male	-	-	-	-	-
Total		-	-	-	-	-

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	-	-	-	-	-
	Male	-	-	-	-	-
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		-	-	-	-
	Male	--	-	-	-	-
Total		-	-	-	-	-

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023

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: The rendering of expert advice.

The drafting of proposals for the execution of specific tasks; and

The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Audit Committee Members	9	Ad hoc	295,158.00
Internal Audit Services – SAB&T	1	12 months	366,218.17
Training of National and Provincial departments and Local government (IIC)	210	12 months	19,922,609.56
IT Outsourced Services (EOH) Management Fee	1	12 months	6,091,610.04
Verification of Qualifications: SAQA	1	Ad hoc	2,215.00

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Verification of Qualifications: Heita Staffing Group	1	Ad hoc	26,304.25
Verification of Qualifications: Treetops	1	Ad hoc	53,346.00
Verification of Qualifications: Assessment Toolbox	1	Ad hoc	8,891.00
Verification of Qualifications: Mokgoma Research and Development	1	Ad hoc	8,891.00
Verification of Qualifications: Litha Lethu	1	Ad hoc	8,891.00
Audit Committee Members	9	Ad hoc	295,158.00
Internal Audit Services – SAB&T	1	12 months	366,218.17
Training of National and Provincial departments and Local government (IIC)	210	12 months	19,922,609.56
IT Outsourced Services (EOH) Management Fee	1	12 months	6,091,610.04
Verification of Qualifications: SAQA	1	Ad hoc	2,215.00

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
10	227	Ad Hoc	26,784,134.02

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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 2022 and 31 March 2023

Project title	Total Number of consultants that worked on project	Duration (Workdays)	Donor and contract value in Rand
EU Donor Funded Project – Onsite Personnel	2	A hoc	EU Donor Funded Project – Onsite Personnel

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
1	2	Ad hoc-	-

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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 2022 and 31 March 2023

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)	-	-	-	-
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

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PART E: **PFMA COMPLIANCE** **REPORT** **(VOTE)**

1. VOTE: IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	170	116
Add: Irregular expenditure confirmed	0	54
Less: Irregular expenditure condoned	116	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	54	170

N/A

Reconciling notes

Description	2022/2023	2021/2022[1]
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	0	54
Total	0	54

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description[1]	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	54
Irregular expenditure under investigation	0	0
Total [2]	0	54

Irregular Expenditure referred to the relevant authority for determination

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	116	0
Total	116	0

Irregular Expenditure was condoned by National Treasury

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

N/A

1 Record amounts in the year in which it was incurred

4 Record amounts in the year in which it was incurred
5 Group similar items
6 Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	0	0
Total	0	0

N/A

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

N/A

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution **is not** responsible for the non-compliance)

Description
N/A
Total
0
0

N/A

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution **is** responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

N/A

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Written warnings were issued to the officials.

Written warning issued to two officials

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	5	0
Add: Fruitless and wasteful expenditure confirmed	0	5
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Closing balance	5	5

Fruitless and wasteful expenditure under investigation

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	0	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	0	5
Fruitless and wasteful expenditure for the current year	0	0
Total	0	0

- b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁵	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	5
Fruitless and wasteful expenditure under investigation	0	0
Total⁶	5	5

- c) Details of current and previous year fruitless and wasteful expenditure recovered

Description		
N/A		
Total	0	0

- d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description		
N/A		
Total	0	0

N/A

- e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken		
N/A		
Total		

1.3. Unauthorised expenditure

- a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	5	0
Add: unauthorised expenditure confirmed	0	5
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure recoverable	0	0
Less: unauthorised not recovered and written off		
Closing balance	0	0

N/A

5

Group similar items

6

Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/22	0	0
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	0	0
Unauthorised expenditure for the current year	0	0
Total	0	0

b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description ⁹	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	5
Unauthorised expenditure under investigation	0	0
Total¹⁰	0	0

N/A

Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) & (iii)

7 This amount may only be written off against available savings
8 Record amounts in the year in which it was incurred
9 Group similar items
10 Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	5	0
Other material losses	0	5
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	0	0

N/A

d) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	171	171
Laptops	77	5
	0	0
	0	0
Total	248	171

Under assessment and investigation

e) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	0
	0	0
Total	0	0

N/A

f) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	0	0
Laptops	0	32
	0	0
Total	0	32

N/A

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS – VOTE ACCOUNT

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1327	R72,744
Invoices paid within 30 days or agreed period	1326	R72,735
Invoices paid after 30 days or agreed period	1	R8
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	R0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	R0

Official was on leave when the supplier sent the invoice

”

No unauthorised, fruitless, and wasteful expenditure in 22/23 FY.

3. VOTE: SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
				R'000
Once off bulk shredding	Delta Facilities Management	Natural continuation of services	DUN/Q/01/2022/2023	112
Changing from Voice Messaging from PALAMA to NSG	GIJIMA	Natural continuation of services	DUN/Q/02/2022/2023	3
Procurement of 3 double page spread NSG advert	Kweda Media and Communication	Using single source suppliers	DUN/Q/03/2022/2023	63
Security and screening of recommended candidates – Graduate Internships	Heita Staffing Group	Obtaining less than 3 quotations	DUN/Q/04/2022/2023	4
Activity based costing training	African Training Institute	Obtaining less than 3 quotations	DUN/Q/05/2022/2023	11
SSL Certificate	SITA	Natural continuation of services	DUN/Q/7/2022/2023	5
Digital Marketing training	University of Pretoria	Obtaining less than 3 quotations	DUN/Q/9/2022/2023	59
Conference	SAIMAS	Sole service provider	DUN/Q/10/2022/2023	8
Facilitation of the KMSA virtual e-lmbizo 2022	Knowledge Management South Africa	Sole service provider	DUN/Q/11/2022/2023	2
Subscription renewal fees	Proquest Central	Sole service provider	DUN/Q/12/2022/2023	363
Powtoon software solution	Neo Technologies	Sole service provider	DUN/Q/13/2022/2023	385
Annual international Conference	IPADA	Sole service provider	DUN/Q/14/2022/2023	24
Librarian Conference	LIASA	Sole service provider	DUN/Q/16/2022/2023	12
Conference	Employee Assistance Professional	Sole service provider	DUN/Q/17/2022/2023	11
M & E Conference	SAMEA	Sole service provider	DUN/Q/20/2022/2023	11
Annual Conference	SAAPAM	Sole service provider	DUN/Q/23/2022/2023	11
Annual Conference	Institute of People Management	Sole service provider	DUN/Q/24/2022/2023	41
Staff Development Programme	Enterprise University of Pretoria	Obtaining less than 3 quotations	DUN/Q/28/2022/2023	8
Staff Development Programme	International Institution – London School of Economics	Obtaining less than 3 quotations	DUN/Q/29/2022/2023	27
Staff Development Programme	International Institution – London School of Economics	Obtaining less than 3 quotations	DUN/Q/29/2022/2023	28
Annual Conference	Van Zyl Rudd and Associates	Sole service provider	DUN/Q/30/2022/2023	17
Staff Development Programme	The Intelligence Transfer Centre	Sole service provider	DUN/Q/32/2022/2023	41
Staff Development Programme	Institute of Business Executives	Sole service provider	DUN/Q/34/2022/2023	16
Staff Development Programme	ASSADPAM	Sole service provider	DUN/Q/35/2022/2023	7
Legal Practice Training	Law Society of South Africa	Obtaining less than 3 quotations	DUN/Q/39/2022/2023	18
Maintenance	Knowledge Solution Success	Obtaining less than 3 quotations	DUN/Q/40/2022/2023	20

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
				R'000
Licence renewal and subscription	Lexis Nexis	Sole service provider	DUN/Q/41/2022/2023	125
Reloading of Franking Machine	Early Wox	Sole service provider	DUN/Q/45/2022/2023	50
ICT	SITA	Sole service provider	DUN/Q/46/2022/2023	5
Annual licence renewal	SAGE	Sole service provider	DUN/Q/47/2022/2023	44
Catering	PHD Supply & Services	Obtaining less than 3 quotations	DUN/Q/48/2022/2023	57
Ambulance Services	Mminaphuthi Holdings	Obtaining less than 3 quotations	DUN/Q/49/2022/2023	10
Camera Repairs	Premium Brand Distributors	Obtaining less than 3 quotations	DUN/Q/50/2022/2023	6
Licence renewal	SITA	Sole service provider	DUN/Q/51/2022/2023	5
Legal Practice Training	Law Society of South Africa	Sole service provider	DUN/Q/52/2022/2023	18
Renewal Fees	Post Office	Sole service provider	DUN/Q/54/2022/2023	3
Tablet Contract	Vodacom	Obtaining less than 3 quotations	DUN/Q/59/2022/2023	29
FMS Equipment	Powermode	Sole service provider	DUN/Q/60/2022/2023	6
Total				1,665

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
		(Expansion or Variation)				
				R'000	R'000	R'000
Comprehensive management and maintenance of the CCTV surveillance, access control and intruder alarm system	Vox Telecommunications (Pty) Ltd	Allow to proper system handover. Removal of infrastructure and installation and testing of new system	NSG/BID/08/019/2020	2,129	No previous extensions	302
The provision of support, maintenance and enhancements of the Training Management System (TMS) for the NSG	eSoftware Solutions	To circumvent the disruption of business while the project to procure, install, configure, and deploy a new training management system is underway, the NSG requires to extend the support and maintenance contract of the current support and maintenance if the TMS	NSG/BID/04/2018/2019	4,486	No previous extensions	702
Total						1,009



PART E: **PFMA COMPLIANCE** **REPORT** **(TTA)**

1. TTA: IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Irregular expenditure Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	739	607
Add: Irregular expenditure confirmed	0	132
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	607	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	132	739

Irregular expenditure has been investigated. The other part has been submitted to the relevant authority for determination.

Reconciling notes

Description	2022/2023	2021/2022[1]
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	132
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	0	0
Total	0	132

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description ¹²	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	132	0
Irregular expenditure under investigation	0	0
Total¹³	132	0

Awaiting the outcome of investigation and determination from the relevant authority.

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

N/A

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	607	0
Total	607	0

Irregular Expenditure removed after approval was granted

11 Record amounts in the year in which it was incurred
12 Group similar items
13 Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	0	0
Total	0	0

N/A

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

N/A

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution **is not** responsible for the non-compliance)

Description
N/A
Total
0
0

N/A

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution **is** responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

N/A

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
No disciplinary action was taken. Internal controls have been put in place, where a CSD report indicating the tax compliance of facilitator prior to deployment will be printed and kept as proof.

Internal controls put in place

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	0	0
Add: Fruitless and wasteful expenditure confirmed	15	5
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Closing balance	15	0

Under Investigation

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	0	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	0	5
Fruitless and wasteful expenditure for the current year	15	0
Total	15	0

- b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ¹⁵	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	5
Fruitless and wasteful expenditure under investigation	15	0
Total¹⁶	15	5

Under investigation.

- c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
Total	0	0

N/A

- d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written-off	0	0
Total	0	0

N/A

- e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
N/A
Total

Current fruitless and wasteful expenditure incurred is under investigation

1.3. Unauthorised expenditure

- a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure recoverable	0	0
Less: unauthorised not recovered and written off ¹⁷		
Closing balance	0	0

N/A

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/22	0	0
Unauthorised expenditure that relates to 2021/22 and identified in 2022/22	0	0
Unauthorised expenditure for the current year	0	0
Total	0	0

b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description ¹⁹	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	5
Unauthorised expenditure under investigation	0	0
Total²⁰	0	0

N/A

Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) & (iii)

18 Record amounts in the year in which it was incurred
 19 Group similar items
 20 Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
N/A	0	0
Other material losses	0	5
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	0	0

N/A

d) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	5
	0	0
	0	0
Total	0	0

N/A

e) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	0	0
N/A	0	0
	0	0
Total	0	0

N/A

f) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	0
	0	0
Total	0	0

N/A

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS - TRADE ACCOUNT

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1857	R41,559
Invoices paid within 30 days or agreed period	1856	R41,614
Invoices paid after 30 days or agreed period	1	R54
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	R0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	R0

Final authoriser sent back payment as the amount had to be rectified. She signed of the payment before it was finalised, Payment official did not rectify amount.

”

*No unsolicited bid proposals
concluded in 22/23 FY*

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means - TRADE ACCOUNT

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Reaccreditation of the NSG Extension of scope 1 – 9 unit standards	SABPP	Natural continuation of services	DUN/Q/6/2022/2023	9
KMSA Membership fee	KMSA	Sole service provider	DUN/Q/8/2022/2023	3
Facilitators for the Chief of Staff Development Programme	Gayle Cherylyn Kaylor	Obtaining less than 3 quotations	DUN/Q/19/2022/2023	397
Annual Conference	CIGFARO	Obtaining less than 3 quotations	DUN/Q/21/2022/2023	20
Annual Conference	IPM	Obtaining less than 3 quotations	DUN/Q/22/2022/2023	29
Annual Conference	CIGFARO	Sole service provider	DUN/Q/25/2022/2023	42
Venue Finders	Ndabaningi	Second highest points scores	DUN/Q/26/2022/2023	38
Social Media Advertising	Dikeledi Mokgokolo & Lakela Kaunda	Natural continuation of services	DUN/Q/27/2022/2023	30
Library Books	Optivision	Obtaining less than 3 quotations	DUN/Q/33/2022/2023	166
Library Books	Van Schaik	Obtaining less than 3 quotations	DUN/Q/36/2022/2023	115
Facilitators	The NSG	Natural continuation of services	DUN/Q/37/2022/2023	766
Legal Practice Training	Enterprise University of Pretoria	Obtaining less than 3 quotations	DUN/Q/38/2022/2023	17
Membership subscription	International Institute of Administrative Science	Sole service provider	DUN/Q/40/2022/2023	6
Licence renewal and subscription	Perlego e-Books	Sole service provider	DUN/Q/42/2022/2023	200
Licence renewal and subscription	Sabinet	Sole service provider	DUN/Q/43/2022/2023	235
Licence renewal and subscription	Emerald Group Publishing	Sole service provider	DUN/Q/44/2022/2023	214
Conference Venue	Ndabaningi Holdings	Obtaining less than 3 quotations	DUN/Q/53/2022/2023	104
Printing	Lebone Litho Printers	Obtaining less than 3 quotations	DUN/Q/55/2022/2023	114
Catering	Ayiqhame Trading	Obtaining less than 3 quotations	DUN/Q/56/2022/2023	10
Printing	Lebone Litho Printers	Second highest points scores	DUN/Q/57/2022/2023	77
Subscription fees	Sabinet	Sole service provider	DUN/Q/58/2022/2023	63
Total				2,655

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Venue Finders	Meeting Planners International, Ndabaningi Conference and Event Management	Continuation with the contractors whilst new contract is being finalised	NSG/BID/09/2018/2019	Demand Driven	No Previous Extension	Demand Driven
Training services from the University of Free state for the delivery of the EDP	University of Free State (UFS)	To continue with several groups of participants that have signed on with the NSG to undertake the EDP	NSG/BID/01/2019/2020	Demand Driven	No Previous Extension	Period of contract is not going to influence the contract price
Panel of Experts (IICs)	Various Individuals	Reconfiguration of the organisational structure that brought the change in the different functions	NSG/BID/13/2019/2022 NSG/BID/14/2019/2022 NSG/BID/15/2019/2022 NSG/BID/16/2019/2022 NSG/BID/17/2019/2022	Demand Driven	No Previous Extension	Demand Driven
Total						



PART F: FINANCIAL INFORMATION

NATIONAL SCHOOL OF GOVERNMENT: VOTE 7

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 7: NATIONAL SCHOOL OF GOVERNMENT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the National School of Government (NSG - Vote) set out on pages 102 to 142, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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 responsibilities of the auditor-general 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 matters

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

UNAUDITED SUPPLEMENTARY SCHEDULES

7. The supplementary information set out on pages to 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.

NATIONAL TREASURY INSTRUCTION NOTE NO. 4 OF 2022-23: PFMA COMPLIANCE AND REPORTING FRAMEWORK

8. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 21 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of NSG - Vote. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

REPORT ON THE ANNUAL PERFORMANCE REPORT

13. In accordance with the Public Audit Act 25 of 2004 (PA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following material performance indicators related to public sector organisational and staff development presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

- Percentage of business development interventions resulting in the uptake of NSG offerings.
 - Number of areas of good practice in the public sector documented to enhance ETD interventions.
 - Number of research projects informing ETD interventions developed.
 - Number of skills assessment reports on specific departments or public sector informing ETD needs completed.
 - Number of courses/programmes/interventions responsive to identify skills gaps developed/ reviewed.
 - Number of impact evaluations studies conducted.
 - Accreditation of the postgraduate qualification.
 - Approved NSG accreditation status by accrediting bodies.
 - Number of programmes/courses quality-assured by the NSG Quality Assurance Committee.
 - Number of compulsory courses/programmes implemented.
 - Number of learners trained on compulsory and demand-led ETD interventions.
 - Percentage of senior managers in public service trained on how to deal with all forms of discrimination.
 - Number of provincial departments of education trained (Teaching for All) by NSG to roll out training on handling diversity and dealing with all forms of discrimination, to teachers and School Management Teams.
 - Number of ODeL courses/ programmes/ interventions responsive to identified skills gaps developed/reviewed.
15. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides the users with useful and reliable information and insights on the department's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as were committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner here is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

17. I performed the procedures for the purpose of reporting material findings only.

18. I did not identify any material findings on the reported performance information for the selected material performance indicators

Other matters

19. I draw attention to the matters below. Achievement of planned targets

ACHIEVEMENT OF PLANNED TARGETS

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement.

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for public sector organisational and staff development. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

REPORT ON COMPLIANCE WITH LEGISLATION

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit

and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow for consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

25. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. 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

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

Auditor-General

Auditor-General
Pretoria
31 July 2023



ANNEXURE TO THE AUDITOR'S REPORT THE ANNEXURE INCLUDES:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

The Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 material performance indicators and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department 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

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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.

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Appropriation per programme									
2022/23								2021/22	
APPROPRIATION STATEMENT	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	115,376	-	-	115,376	104,330	11,046	90.4%	110,874	104,079
2. Public Sector Organisational and Staff development	115,721	-	-	115,721	115,721	-	100.0%	103,423	103,423
TOTAL	231,097	-	-	231,097	220,051	11,046	95.2%	214,297	207,502

	2022/23			2021/22	
	Final Budget	Actual Expenditure		Final Budget	Actual Expenditure
	R'000	R'000		R'000	R'000
TOTAL (brought forward)	231,097	220,051		214,297	207,502
Reconciliation with statement of financial performance					
ADD					
Departmental receipts	258			368	
Aid assistance	2,120			10,100	
Actual amounts per statement of financial performance (total revenue)	233,475			224,765	
ADD					
Aid assistance		2,120			7,682
Actual amounts per statement of financial performance (total expenditure)		222,171			215,184

Appropriation per economic classification									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	111,550	(384)	-	111,166	100,120	11,046	90.1%	107,292	101,815
Compensation of employees	62,807	(362)	-	62,445	54,646	7,799	87.5%	59,671	56,880
Goods and services	48,743	(22)	-	48,721	45,474	3,247	93.3%	47,621	44,935
Transfers and subsidies	115,721	362	-	116,083	116,083	-	100.0%	103,642	103,642
Departmental agencies and accounts	115,721	-	-	115,721	115,721	-	100.0%	103,423	103,423
Households	-	362	-	362	362	-	100.0%	219	219
Payments for capital assets	3,826	22	-	3,848	3,848	-	100.0%	3,363	2,045
Machinery and equipment	3,826	(363)	-	3,463	3,463	-	100.0%	3,271	1,953
Intangible assets	-	385	-	385	385	-	100.0%	92	92
Total	231,097	-	-	231,097	220,051	11,046	95.2%	214,297	207,502

Programme 1: Administration									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	12,311	(1,505)	-	10,806	7,973	2,833	73.8%	19,549	15,440
2. Corporate Services	99,541	(12,763)	-	86,778	78,565	8,213	90.5%	75,109	72,423
3. Property Management	3,524	14,268	-	17,792	17,792	-	100.0%	16,216	16,216
Total for sub programmes	115,376	-	-	115,376	104,330	11,046	90.4%	110,874	104,079
Economic classification									
Current payments	111,550	(384)	-	111,166	100,120	11,046	90.1%	107,292	101,815
Compensation of employees	62,807	(362)	-	62,445	54,646	7,799	87.5%	59,671	56,880
Goods and services	48,743	(22)	-	48,721	45,474	3,247	93.3%	47,621	44,935
Transfers and subsidies	-	362	-	362	362	-	100.0%	219	219
Households	-	362	-	362	362	-	100.0%	219	219
Payments for capital assets	3,826	22	-	3,848	3,848	-	100.0%	3,363	2,045
Machinery and equipment	3,826	(363)	-	3,463	3,463	-	100.0%	3,271	1,953
Intangible assets	-	385	-	385	385	-	100.0%	92	92
Total	115,376	-	-	115,376	104,330	11,046	90.4%	110,874	104,079

Programme 2: Public Sector Organisational and staff Development									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	99R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Augmentation to the Training Trading Account	115,721	-	-	115,721	115,721	-	100.0%	103,423	103,423
Total for sub programmes	115,721	-	-	115,721	115,721	-	100.0%	103,423	103,423
Economic classification									
Transfers and subsidies	115,721	-	-	115,721	115,721	-	100.0%	103,423	103,423
Departmental agencies and accounts	115,721	-	-	115,721	115,721	-	100.0%	103,423	103,423
Total	115,721	-	-	115,721	115,721	-	100.0%	103,423	103,423

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, and Annexure 1B & 1G of the Annual Financial Statements.

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

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

3 Detail on payments for financial assets.

Detail of these transactions can be viewed in the 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

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	115,376	104,330	11,046	9.57%
Public Sector Organisational and Staff Development	115,721	115,721	-	0.00%
Total	231,097	220,051	11,046	4.78%

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees*	62,445	54,646	7,799	12.49%
Goods and services**	48,721	45,474	3,247	6.66%
Transfers and subsidies				
Departmental agencies and accounts	115,721	115,721	-	0.00%
Households	362	362	-	0.00%
Payments for capital assets				
Machinery and equipment	3,463	3,463	-	0.00%
Intangible assets	385	385	-	0.00%
Total	231,097	220,051	11,046	4.78%

*The variance is related to compensation of employees, vacancies as well as COLA allocation received and fully allocated to VOTE.

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

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
STATEMENT OF THE FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

REVENUE	Note	2022/23	2021/22
		R'000	R'000
Annual appropriation	1	231,097	214,297
Departmental revenue	2	258	368
Aid assistance	3	2,120	10,100
TOTAL REVENUE		233,475	224,765
EXPENDITURE			
Current expenditure		102,240	109,497
Compensation of employees	4	54,646	56,880
Goods and services	5	45,474	44,935
Aid assistance	3	2,120	7,682
Transfers and subsidies		116,083	103,642
Transfers and subsidies	6	116,083	103,642
Expenditure for capital assets		3,848	2,045
Tangible assets	7	3,463	1,953
Intangible assets	7	385	92
Payments for financial assets		-	-
TOTAL EXPENDITURE		222,171	215,184
SURPLUS/(DEFICIT) FOR THE YEAR		11,304	9,581

		2022/23	2021/22
	Note	R'000	R'000
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds			
Annual appropriation	11	11,046	6,795
Departmental revenue and NRF receipts	2	258	368
Aid assistance	3	-	2,418
SURPLUS/(DEFICIT) FOR THE YEAR		11,304	9,581

NATIONAL SCHOOL OF GOVERNMENT VOTE 7
STATEMENT OF THE FINANCIAL POSITION AS AT 31 MARCH 2023

		2022/23	2021/22
	Note	R'000	R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	4,308	2,518
Prepayments and advances	9	30	18
Receivables	10	7,042	6,735
TOTAL ASSETS		11,380	9,271
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11	11,046	6,795
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	38	3
Payables	13	296	55
Aid assistance repayable	3	-	2,418
TOTAL LIABILITIES		11,380	9,271
NET ASSETS		-	-

		2022/23	2021/22
	Note	R'000	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 revenue)		-	-
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		-	-

		2022/23	2021/22
	Note	R'000	R'000
Revaluation reserve			
Opening balance		-	-
Revaluation adjustment (Human Settlements departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
Unauthorised expenditure			
Opening balance		-	-
Unauthorised expenditure - current year		-	-
Relating to overspending of the vote or main division within the vote		-	-
Incurred not in accordance with the purpose of the vote or main division		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing Balance		-	-
TOTAL		-	-

		2022/23	2021/22
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		233,442	224,715
Annual appropriation funds received	1	231,097	214,297
Departmental revenue received	2	222	317
Interest received	2.2	3	1
Aid assistance received	Annex 11	2,120	10,100
Net (increase)/decrease in net working capital		(78)	2,081
Surrendered to Revenue Fund		(7,018)	(6,223)
Surrendered to RDP Fund/Donor		(2,418)	(3,194)
Current payments		(102,240)	(109,497)
Transfers and subsidies paid		(116,083)	(103,642)
Net cash flow available from operating activities	14	5,605	4,240
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(3,848)	(2,045)
Proceeds from sale of capital assets	2.3	33	50
Net cash flow available from investing activities		(3,815)	(1,995)
Net increase/(decrease) in cash and cash equivalents		1,790	2,245
Cash and cash equivalents at beginning of period		2,518	273
Cash and cash equivalents at end of period	15	4,308	2,518

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

Appropriated funds 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.

Appropriated funds are measured at the amounts receivable. 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.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

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.

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value 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. Operating lease payments received are recognised as departmental revenue.

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. Finance lease payments received are recognised as departmental revenue.

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.

CARA Funds are recognised when receivable and measured at the amounts receivable.

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 asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

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

Payables are recognised in the statement of financial position are recognised 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 forms part of the cost of the existing asset when ready for use.

16.3 Intangible capital assets

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

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

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

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

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

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

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 measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets 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 recorded in the notes to the financial statements comprise of

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- Unauthorised incurred in the current year.

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of .

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

20. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

21. Changes in accounting estimates and errors

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

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

27. Inventories (Effective from date determined by the Accountant-General)

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

28. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

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

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
Programmes						
Administration	115,376	115,376	-	110,874	110,874	-
Public Sector Organisational and Staff Development	115,721	115,721	-	103,423	103,423	-
Total	231,097	231,097	-	214,297	214,297	-

1.2. Departmental revenue

	Note	2022/23	2021/22
		R'000	R'000
Sales of goods and services other than capital assets	2.1	75	52
Interest, dividends and rent on land	2.2	3	1
Sales of capital assets	2.3	33	50
Transactions in financial assets and liabilities	2.4	147	265
Total revenue collected		258	368
Less: Own revenue included in appropriation		-	-
Total		258	368

2.1. Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department			
Other sales		42	52
Sales of scrap, waste and other used current goods		33	-
Total	2	75	52

2.2. Interest, dividends and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest		3	1
Total	2	3	1

2.3. Sales of capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		33	50
Total	2	33	50

2.4. Transactions in financial assets and liabilities

	Note	2022/23 R'000	2021/22 R'000
Other receipts including Recoverable Revenue		147	265
Total	2	147	265

3. Aid assistance

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		2,418	3,194
Transferred from statement of financial performance	Annex 11	-	2,418
Paid during the year		(2,418)	(3,194)
Closing balance		-	2,418

3.1. Analysis of balance by source

		2022/23	2021/22
	Note	R'000	R'000
Aid assistance from RDP	Annex 11	-	2,418
Closing balance	3	-	2,418

3.2. Analysis of balance

		2022/23	2021/22
	Note	R'000	R'000
Aid assistance repayable	Annex 11	-	2,418
Closing balance	3	-	2,418

3.3. Aid assistance expenditure per economic classification

		2022/23	2021/22
	Note	R'000	R'000
Current		2,120	7,682
Total aid assistance expenditure		2,120	7,682

4. Compensation of employees

4.1. Analysis of balance

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Basic salary		36,545	38,357
Performance award		-	174
Service based		87	121
Compensative/circumstantial		942	147
Other non-pensionable allowances		10,287	11,026
Total		47,861	49,825

4.2. Social contributions

		2022/23	2021/22
	Note	R'000	R'000
Employer contributions			
Pension		4,647	4,884
Medical		2,130	2,162
Bargaining council		8	9
Total		6,785	7,055
Total compensation of employees		54,646	56,880
Average number of employees		73	79

5. Goods and services

		2022/23	2021/22
	Note	R'000	R'000
Administrative fees		119	92
Advertising		257	183
Minor assets	5.1	319	279
Bursaries (employees)		494	605
Catering		233	10
Communication		806	771
Computer services	5.2	14,039	13,147
Consultants: Business and advisory services*	5.8	749	2,130
Contractors**		407	1,479
Agency and support / outsourced services		281	464
Audit cost – external***	5.3	4,412	5,913
Fleet services		291	156
Consumables	5.4	1,297	671
Operating leases		14,022	13,898
Property payments****	5.5	5,293	4,048
Rental and hiring		29	9
Travel and subsistence	5.6	1,273	323
Venues and facilities		246	24
Training and development		467	332
Other operating expenditure	5.7	440	401
Total		45,474	44,935

* Decrease in payments to internal auditors

** Correction of Vox payments to property payments

*** Decrease in audit cost

**** Annual increase

5.1. Minor assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets			
Machinery and equipment		319	279
Total	5	319	279

5.2 Computer Services

		2022/23	2021/22
	Note	R'000	R'000
SITA computer services		1,126	1,022
External computer service providers		12,913	12,125
Total	5	14,039	13,147

5.3. Audit cost - external

		2022/23	2021/22
	Note	R'000	R'000
Regularity audits		4,412	5,913
Total	5	4,412	5,913

5.4. Consumables

		2022/23	2021/22
	Note	R'000	R'000
Consumable supplies			
Household supplies		281	133
Communication accessories		30	9
IT consumables		254	180
Other consumables		35	18
Stationery, printing and office supplies		697	331
Total	5	1,297	671

5.5. Property payments

		2022/23	2021/22
	Note	R'000	R'000
Municipal services		1,396	869
Property management fees		593	656
Property maintenance and repairs		580	35
Other		2,724	2,488
Total	5	5,293	4,048

5.6. Travel and subsistence

		2022/23	2021/22
	Note	R'000	R'000
Local		647	282
Foreign		626	41
Total	5	1,273	323

5.7. Other operating expenditure

		2022/23	2021/22
	Note	R'000	R'000
Professional bodies, membership and subscription fees		40	3
Other		400	398
Total	5	440	401

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

Name of Commission / Committee of Inquiry	Note	2022/23	2021/22
		R'000	R'000
Audit Committee	5	295	204
Total		295	204

6. Transfers and subsidies

	Note	2022/23	2021/22
		R'000	R'000
Departmental agencies and accounts	Annex 1B	115,721	103,423
Households	Annex 1G	362	219
Total		116,083	103,642

7. Expenditure for capital assets

	Note	2022/23	2021/22
		R'000	R'000
Tangible capital assets			
Machinery and equipment	24/7.1	3,463	1,953
Intangible capital assets			
Software	25.1/7.1	385	92
Total		3,848	2,045

7.1. Analysis of funds utilised to acquire capital assets - Current year

Name of entity	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets			
Machinery and equipment	3,463	-	3,463
Intangible capital assets			
Software	385	-	385
Total	3,848	-	3,848

7.2. Analysis of funds utilised to acquire capital assets - Prior year

Name of entity	2021/22		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets			
Machinery and equipment	1,953	-	1,953
Intangible capital assets			
Software	92	-	92
Total	2,045	-	2,045

8. Cash and cash equivalents

	Note	2022/23	2021/22
		R'000	R'000
Consolidated Paymaster General Account		4,278	2,503
Cash on hand		30	15
Total		4,308	2,518

The increase is due to an increase in the bank balance and an increase in the petty cash float.

9. Prepayments and advances

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Travel and subsistence		30	18
Total		30	18
Analysis of Total Prepayments and advances			
Current Prepayments and advances		30	18
Total		30	18

10. Receivables

		2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
	<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	5,777	-	5,777	5,516	-	5,516
Staff debt	10.2	99	-	99	80	-	80
Other receivables	10.3	1,166	-	1,166	1,139	-	1,139
Total		7,042	-	7,042	6,735	-	6,735

10.1. Claims recoverable

		2022/23	2021/22
	Note	R'000	R'000
National departments		5,777	5,516
Total	10	5,777	5,516

10.2. Staff debt

		2022/23	2021/22
	Note	R'000	R'000
Bursary Debts		40	21
Salary Overpayment		59	59
Total	10	99	80

10.3. Other receivables

		2022/23	2021/22
	Note	R'000	R'000
VAT		1,160	1,139
Medical		6	-
Total	10	1,166	1,139

11. Voted funds to be surrendered to the Revenue Fund

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		6,795	5,804
As restated		6,795	5,804
Transferred from statement of financial performance (as restated)		11,046	6,795
Paid during the year		(6,795)	(5,804)
Closing balance		11,046	6,795

12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		3	54
As restated		3	54
Transferred from statement of financial performance (as restated)		258	368
Paid during the year		(223)	(419)
Closing balance		38	3

13. Payables - current

		2022/23	2021/22
	Note	R'000	R'000
Amounts owing to other entities	Annex 5	296	55
Total		296	55

Increase is due to large volume of IIC payments received in last days of March after tax payment for March was done.

14. Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		11,304	9,581
Add back non-cash/cash movements not deemed operating activities		(5,699)	(5,341)
(Increase)/decrease in receivables		(307)	2,701
(Increase)/decrease in prepayments and advances		(12)	(18)
Increase/(decrease) in payables - current		241	(602)
Proceeds from sale of capital assets	2.4	(33)	(50)
Expenditure on capital assets		3,848	2,045
Surrenders to Revenue Fund		(7,018)	(6,223)
Surrenders to RDP Fund/Donors		(2,418)	(3,194)
Net cash flow generating		5,605	4,240

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

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		4,278	2,503
Cash on hand		30	15
Total		4,308	2,518

16. Contingent liabilities and contingent assets

16.1. Contingent liabilities

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Claims against the department		Annex 3B	26,778	300
Total			26,778	300

17. Capital commitments

		2022/23	2021/22
	Note	R'000	R'000
Machinery and equipment		1,036	-
Intangible assets		1,980	1,955
Total		3,016	1,955

18. Accruals and payables not recognised

18.1. Accruals

		2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		2,256	-	2,256	1,278
Other		142	-	142	47
Total		2,398	-	2,398	1,325

		2022/23	2021/22
	Note	R'000	R'000
Listed by programme level			
Programme1 – Administration (Goods and services)		2,256	1,278
Programme 1 – Administration (Compensation)		142	47
Total		2,398	1,325

		2022/23	2021/22
	Note	R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Note Annex 5	296	55
Total		296	55

19. Employee benefits

	Note	2022/23 R'000	2021/22 R'000
Leave entitlement		2,818	3,825
Service bonus		1,540	1,620
Capped leave		1,062	1,140
Other**		11	74
Total		5,431	6,659

At this stage the department is not able to reliably measure the long term portion of the long service awards.

**This amount includes negative leave which relates to vacation leave taken in advance by employees as well as the provision for long service awards.

20. Lease commitments

20.1 Operating leases

	2022/23				
	Vehicles R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	1,743	-	-	958	2,701
Later than 1 year and not later than 5 years	2,339	-	-	1,504	3,843
Total lease commitments	4,082	-	-	2,462	6,544

	2021/22				
	Vehicles R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	440	440
Later than 1 year and not later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	440	440

All leases in the 2022/23 financial year are operating leases that include vehicles with a contract period of 36 months or 100,000 km reached, whatever is first. Contract started in 2022. Photocopier machine rentals have a lease period of 36 months and started in November 2022. Watercoolers were only contracted for one year and will end in November 2023.

21. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2022/23 R'000	2021/22 R'000
Irregular expenditure - current year		-	54
Fruitless and wasteful expenditure - current year		-	5
Total		-	59

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

22. Related party transactions

	Note	2022/23 R'000	2021/22 R'000
Payments made			
Compensation of employees		(2,003)	(1,984)
Goods and services		(589)	(252)
Total		(2,592)	(2,236)

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

23. Key management personnel

	2022/23	2021/22
	R'000	R'000
Officials: Level 15 to 16	4,646	4,621
Officials: Level 14 (including CFO)	2,343	3,218
Total	6,989	7,839

The decrease is due to the one employee transferring to the trade from April 2022.

24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	32,494	-	3,464	(2,253)	33,705
Computer equipment	19,996	-	3,113	(2,178)	20,931
Furniture and office equipment	8,223	-	72	(57)	8,238
Other machinery and equipment	4,275	-	279	(18)	4,536
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	32,494	-	3,464	(2,253)	33,705

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 that are under investigation:		
Machinery and equipment	11	248
Total	11	248

The assets under investigation is due to losses prior to 2023/24 financial year not finalised yet. It is either being investigated or in the process of being written off.

24.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	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

24.1.1. Prior period error

Nature of prior period error	Note	2021/22
		R'000
Relating to 2021/22		
Movable Capital Assets Written off for the year ended March 2022 incorrectly disclosed		-3
Total prior period errors		-3

24.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	262	-	8,595	-	8,857
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	335	-	335
Disposals	-	-	-	(196)	-	(196)
Total Minor assets	-	262	-	8,734	-	8,996

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	495	-	3,234	-	3,729
Total number of minor assets	-	495	-	3,234	-	3,729

Minor capital assets under investigation

	Number	Value
		R'000
<i>Note</i>		
Included in the above total of the minor capital assets per the asset register that are under investigation:		
Machinery and equipment	4	9

The assets under investigation is due to losses prior to 2023/24 financial year not finalised yet. It is either being investigated or in the process of being written off.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022 Minor capital assets under investigation

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	625	-	8,537	-	9,162
Additions	-	-	-	279	-	279
Disposals	-	(363)	-	(221)	-	(584)
Total Minor assets	-	262	-	8,595	-	8,857

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	495	-	3,252	-	3,747
Total number of minor assets	-	495	-	3,252	-	3,747

24.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

2022/23					
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	-	-	-	-	-
Total movable assets written off	-	-	-	-	-

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

2021/22					
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	-	-	32	-	32
Total movable assets written off	-	-	32	-	32

25. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

					2022/23			
					Opening balance	Additions	Disposals	Closing balance
					R'000	R'000	R'000	R'000
SOFTWARE					657	385	-	1,042
TOTAL INTANGIBLE CAPITAL ASSETS					657	385	-	1,042

25.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	11,531	-	92	(10,966)	657
TOTAL INTANGIBLE CAPITAL ASSETS	11,531	-	92	(10,966)	657

26. 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.

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National School Of Government Trading Account	115,721	-	-	115,721	115,721	100.0%	103,423	103,423
TOTAL	115,721	-	-	115,721	115,721	100.0%	103,423	103,423

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Leave Gratuities	362	-	-	362	362	100.0%	219	219
TOTAL	362	-	-	362	362	100.0%	219	219

ANNEXURE 11

STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March	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 and Management	2,418	2,120	(2,120)	(2,418)	-
TOTAL		2,418	2,120	(2,120)	(2,418)	-

ANNEXURE 2A

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

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 22/23	% Held 21/22	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaran- teed
				R'000		R'000		R'000		R'000		
				2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	Yes/No
National / Provincial Public entity												
NSG training Trading Account		-	-	-	-	-	-	158,992	110,817	-	-	-
TOTAL		-	-	-	-	-	-	158,992	110,817	-	-	-

The Investment amount for 2021/22 is restated.

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
An employee of the National School of Government has issued a statement of claim in the Labour Court, wherein he is claiming remuneration that he be paid on the same level as a deputy director even though he was appointed as an assistant director.	300	-	-	-	300
Two employees of the NSG who were not awarded performance bonuses for the performance cycle 2018-2019 referred an unfair labour practice dispute to the Bargaining Council and obtained a favourable award. The NSG referred the matter to the office of the State Attorney to review the award.	-	388	-	-	388
The plaintiff, a former employee of the NSG issued summons against the NSG for losses and damages allegedly as a result of the NSG rejecting to approve his application for remunerative work outside of the Public Service.	-	26,090	-	-	26,090
TOTAL	300	26,478	-	-	26,778

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	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	5,474	5,450	-	-	5,474	5,450	-	-
DPSA	-	-	73	-	73	-	-	-
Sport Arts & Culture	-	-	-	8	-	8	-	-
AMDIN	-	-	92	11	92	11	-	-
Office Of The Chief Justice	-	-	89	-	89	-	-	-
Stats SA	-	-	2	-	2	-	-	-
TOTAL	5,474	5,450	303	66	5,777	5,516		

ANNEXURE 5

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment 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
DEPARTMENTS								
Current								
SARS	295	55	-	-	-	-	-	-
GEPF	1	-	-	-	-	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	296	55	-	-	-	-	-	-

ANNEXURE 6

INVENTORIES

				Materials and Supplies	Total
Inventories for the year ended 31 March 2023	R'000	R'000	R'000	R'000	R'000
Opening balance				33	33
Add/(Less): Adjustments to prior year balances				-	-
Add: Additions/Purchases - Cash				1	1
Add: Additions - Non-cash				-	-
(Less): Disposals				-	-
(Less): Issues				(32)	(32)
Add/(Less): Received current, not paid; (Paid current year, received prior year)				-	-
Add/(Less): Adjustments				64	64
Closing balance				66	66

				Materials and Supplies	Total
Inventories for the year ended 31 March 2022	R'000	R'000	R'000	R'000	R'000
Opening balance				98	98
Add/(Less): Adjustments to prior year balances				-	-
Add: Additions/Purchases - Cash				110	110
Add: Additions - Non-cash				60	60
(Less): Disposals				-	-
(Less): Issues				(227)	(227)
Add/(Less): Received current, not paid; (Paid current year, received prior year)				-	-
Add/(Less): Adjustments				(8)	(8)
Closing balance				33	33



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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 TT A) set out on pages 158 to 189, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, 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 2023 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general 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 2022 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2023.

Other matter

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

NATIONAL TREASURY INSTRUCTION NOTE NO. 4 OF 2022-23: PFMA COMPLIANCE AND REPORTING FRAMEWORK

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 17 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of NSG TT A. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

10. 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.
11. 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.

Responsibilities of the auditor general for the audit of the financial statements

12. 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.
13. 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 ANNUAL PERFORMANCE REPORT

14. 4. 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 the National School of Government (NSG Vote). I audited the reported performance information as part of the audit of NSG VOTE and any audit findings are included in the auditor's report ..

REPORT ON COMPLIANCE WITH LEGISLATION

15. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.
16. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
17. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the trading entity, clear to allow for consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
18. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

19. The accounting officer is responsible for the other information included in the annual report, The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
20. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit_opinion or any form of assurance conclusion on it.
21. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
22. 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.

Auditor-General

Auditor-General
Pretoria
31 July 2023



INTERNAL CONTROL DEFICIENCIES

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

General Information

Item

Executive Management

Description

Prof Busani Ngcaweni

Dr Botshabelo Maja

Ms Phindile Mkwana

Ms Lakela Kaunda

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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.

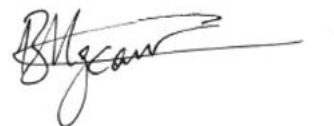
The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded, and transactions executed and recorded in accordance with generally accepted business practices, as well as the 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 on the operations of the NSG Training Trading Account (NSG TTA).

The Accounting Officer hereby approves the annual financial statements of the NSG TTA for the year ended 31 March 2023, as set out on pages 158 to 189.



PRINCIPAL
PROF BUSANI NGCAWENI

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADE ACCOUNT
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note(s)	2023 R'000	2022 Restated R'000
Current assets			
Cash and cash equivalents	5	235,374	185,092
Inventories	6	-	113
Receivables from exchange transactions	7	2,998	4,686
		238,372	189,892
Non-Current assets			
Intangible assets	8	36,057	36,736
		36,057	36,736
Total Assets		274,429	226,628
Current liabilities			
Payables from exchange transactions	9	106,378	103,700
Payables from non-exchange transactions	10	744	1,258
Employees benefits	11	9,375	10,853
Total Liabilities		116,497	115,811
Total Net Assets		157,932	110,817
Accumulated surplus		157,932	110,817
		157,932	110,817

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADE ACCOUNT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

	Note(s)	2023 R'000	2022 Restated R'000
Revenue from exchange transactions			
Services Rendered		115,964	98,863
Interest received (trading)		927	721
Interest received investment		9,297	3,486
Revenue from exchange transactions	1	126,188	103,070
Revenue from non-exchange transactions			
Grants & subsidies		116,389	105,475
Revenue from non-exchange transactions	2	116,389	105,475
Total revenue		242,577	208,545
Expenditure			
Employee related costs	3	(94,111)	(92,308)
Operating Expenses	4	(101,351)	(89,380)
Total Expenditure		(195,462)	(181,687)
Surplus for the year		47,115	26,858

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADE ACCOUNT
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2023

		Accumulated surplus R'000	Total net assets R'000
Balance as at 31 March 2021		85,531	85,531
Correction of Prior Period	Note 19	(1,572)	(1,572)
Balance at 1 April 2021		83,959	83,959
Surplus for the year		26,858	26,858
Surplus for the as previously stated		26,694	26,694
Correction of Prior Period Error	Note 19	164	164
Balance as at 31 March 2022		110,817	110,817
Surplus for the year		47,115	47,115
Balance at 31 March 2023		157,932	157,932

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADE ACCOUNT
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

	Note(s)	2023 R'000	2022 Restated R'000
Receipts			
Rendering of services		119,653	109,310
Grants		115,721	103,423
Interest Income		9,297	3,486
		244,671	216,219
Payments			
Employee costs		(95,589)	(92,510)
Suppliers		(98,149)	(83,625)
		(193,738)	(176,135)
Net Cash generated from operating activities	12	50,933	40,085
Cash flow from investing activities			
Purchase of intangible assets		(650)	(1,925)
		(650)	(1,925)
Cash and cash equivalents			
Net increase/(decrease) in cash and cash equivalents		50,282	38,160
Cash at the beginning of the period		185,092	146,932
Cash at the end of the period		235,374	185,092

NATIONAL SCHOOL OF GOVERNMENT TRAINING TRADE ACCOUNT
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2023

	Approved budget	Actual amounts on comparable basis	Difference between final and budget and actual	Prior YTD Actual 2021/22 Restated
Rendering of service - course fees	101,357	115,964	14,607	98,863
Interest received (trading)	-	927	927	721
Interest received (investment)	3,563	9,297	5,734	3,486
	104,920	126,188	21,268	103,070
Government grants and subsidies	115,721	115,721	-	103,423
Donations of intangible assets at fair value	-	668	668	2,052
	115,721	116,389	668	105,475
Total revenue	220,641	242,577	21,936	208,545
Employee related cost	(106,069)	(94,111)	11,958	(92,307)
Operating Expenses	(114,572)	(101,351)	13,221	(89,380)
Total expenditure	(220,641)	(195,462)	25,179	(181,687)
Surplus/(deficit)	-	47,115	47,115	26,858
Capital Expenditure				
Intangible Assets	-	(650)	(650)	(1,925)
Budget Surplus (Note 13)	-	46,465	46,465	24,933

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 for a period of 12 months from the reporting date. 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 11.75% (2021/22: 7.75%) per annum on the outstanding balance.

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

Determination of allowance for doubtful debts

The calculation in respect of the impairment of debtors is based on a historical assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to subsequently make payments. The entity has recognised an allowance for doubtful debts of 100% against all receivables over 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 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.

The Library System was determined to have a useful life of 81 months as from the date of purchase and is impaired monthly.

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.

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the period it was incurred.

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.

Irregular Expenditure

Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with a requirement of any applicable legislation, including: - the PFMA; Irregular Expenditure Framework; National Treasury regulations, National Treasury instruction notes and the National school of government's Supply Chain Management Policy (only upon contravention of legislative prescripts is irregular expenditure recognised against the respective class of expense in the period in which it was incurred).

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity 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 or 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.

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, Act 58 of 1962 as amended.

The entity is exempt from paying VAT (Value Added Tax) in terms of the Value-Added Tax Act, Act 89 of 1991 as amended.

1. Revenue from exchange transactions

1.1 Revenue from exchange transactions

	2023 R'000	2022 R'000
Courses Rendered	115, 964	98,863
Interest Received (trading)	927	721
Interest Received-Investments	9,297	3,486
	126,188	103,070

2. Revenue from non-exchange transactions

2.1 Revenue from non-exchange transactions

	2023 R'000	2022 R'000
Funds from the Department (NSG)	115,721	103,423
Donations of intangible assets at the fair value	668	2,052
	116,389	105,475

The Donations of intangible assets were for courses which were funded by the European Union and Department of Planning Monitoring and Evaluation and were handed over to the National School of Government

3. Employee related information

3.1 Employee related costs

	2023 R'000	2022 R'000
Basic Salary	(64,758)	(63,789)
Other non-pensionable allowances	(17,561)	(16,476)
Long Service Awards	(138)	(10)
Overtime Pay	(375)	-
Pension	(9,104)	(8,406)
Medical	(3,504)	(3,437)
Official unions and associates	(14)	(14)
Leave pay provision expense	1,343	(176)
	(94,111)	(92,308)

3.2 Number of employees

Employees

	2023	2022
Permanent	125	128

4. Operating expenses

4.1. Operating expenses

	2023 R'000	2022 R'000
Consulting and professional fees	(33,474)	(28,567)
Consumables	(2,594)	(1,700)
IT expenses	(2,283)	(2,185)
Marketing	(94)	(219)
Communication costs	(767)	(677)
Postage and courier	(507)	(499)
Printing and stationery	(4,472)	(4,160)
Property payments	(7,902)	(6,540)
Venue and facilities	(16,995)	(11,542)
Disposal of intangible assets	(1,770)	(383)
Movement in the provision for impairment	1,474	(2,275)
Equipment rental payments	(539)	(583)
Catering departmental activities	(56)	-
Travel and subsistence	(7,016)	(3,996)
Property rental payments	(21,050)	(20,261)
Disposal of training materials	-	(3,882)
Impairment of Intangible assets	(226)	(192)
Bad debts- Write off	(3,034)	(1,200)
General administrative expenses	(46)	(519)
	(101,351)	(89,380)

5. Cash and cash equivalents

5.1. Cash and cash equivalents consist of:

	2023 R'000	2022 R'000
Bank balances	235,374	185,092

6. Inventories

CIP Material

	2023 R'000	2022 R'000
Opening Balance	113	4,132
Additions Issued	-	-
	(113)	(137)
Disposal	-	(3,882)
Closing Balance	-	113

7. Trade and other receivables

2023

	Less than oneyear R'000	One to two years R'000	More than two years R'000	Total R'000
Trade debtors	2,208	790	11,959	14,957
Allowance for impairment provision	-	-	(11,959)	(11,959)
Other receivables	-	-	-	-
	2,208	790	-	2,998

2022

Trade debtors
Allowance for impairment provision
Other receivables

Less than one year R'000	One to two years R'000	More than two years R'000	Total R'000
2,218	2,468	13,434	18,120
-	-	(13,434)	(13,434)
-	-	-	-
2,218	2,468	-	4,686

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 49 days (2021/22: 60 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 the reporting date the rates specified were 11.75% (2021/22: 7.75%) 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.

A review of the payment history of NSG's customers, based on transaction data captured in the debtor administration system, revealed an average collection period of 49 days (2021/22: 60 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 - 2023

	61 to 365 days R'000	366 to 730 days R'000	Total R'000
Nominal Value	(19,007)	(284)	(19,291)
Impairment Adjustment	-	-	-
	(19,007)	(284)	(19,291)

Trade receivables past due, but not yet impaired - 2022

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

Impairment of trade receivables

	2023 R'000	2022 R'000
Balance at cost	15,129	18,120
Less: impairment	(171)	-
	14,958	18,120

Movement in the impairment provision

	2023 R'000	2022 R'000
Opening balance	13,434	11,158
Provision for impairment	1,559	3,475
Amounts Written off during the year	(3,034)	(1,200)
	11,959	13,434

8. Intangible assets

Reconciliation of carrying value - 2023

	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
Training Management System	2,334	(1,268)	1,066
Library System	134	(119)	15
Training Courses	36,052	(1,075)	34,977
Total	38,520	(2,463)	36,057

Reconciliation of carrying value - 2022

	Cost / Valuation R'000	Accumulated amortisation and accumulated impairment R'000	Carrying value R'000
TMS	2,334	(1,062)	1,272
Library System	134	(99)	35
Training Courses	36,504	(1,075)	35,429
Total	38,972	(2,236)	36,736

Reconciliation of movement - 2023

	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation and impairment R'000	Total R'000
TMS	1,272	-	-	(206)	1,066
Library System	35	-	-	(20)	15
Training Courses	35,429	1,318	(1,770)	-	34,977
	36,736	1,318	(1,770)	(226)	36,057

Reconciliation of movement - 2022

	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation and impairment R'000	Total R'000
TMS	1,542	-	(98)	(172)	1,272
Library System	55			(20)	35
Training Courses	31,738	3,976	(285)	-	35,429
	33,335	3,976	(383)	(192)	36,736

- The intangible assets were understated due to the error in the impairment calculation in 2022. (Refer to note:18.3)
- The Library System was included erroneously under training Courses in the prior years with an indefinite useful life. The error was corrected during the year (Refer to note: 18.3)

An impairment test was conducted at the end of the reporting period. The Training Management System was amortised due to the change in its useful life.

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:

9. Payables from exchange transactions

Trade and other payables - 2023

	30 days R'000	30+ days R'000	Total R'000
Trade creditors	2,449	-	2,449
Amounts due to customers: trade debtors	-	98,455	98,455
Amount owed to NSG Vote 7	5,474	-	5,474
	7,924	98,455	106,378

Trade and other payables - 2022

	30 days R'000	30+ days R'000	Total R'000
Trade creditors	2,935	-	2,935
Amounts due to customers: trade debtors	-	95,316	95,316
Amount owed to NSG Vote 7	5,449	-	5,449
	8,384	95,316	103,700

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

	2023 R'000	2022 R'000
National Treasury advance for course development	744	1,258
Total	744	1,258

**The amount for prepayment has been redirected to fund an e-learning NSG course, it was partially recognised as part of revenue in the current financial year when selected government personnel enroll the course online.*

11. Employments benefits

Leave entitlement

Carrying amount beginning of period
Current Service cost
Less benefit utilised

2023 R'000	2022 R'000
8,441	8,266
(11,722)	(8,948)
10,379	9,123
7,098	8,441

13th cheque

Carrying amount beginning of period
Current Service cost
Less benefit utilised

2023 R'000	2022 R'000
2,412	2,347
2,277	2,412
(2,412)	(2,347)
2,277	2,412

Performance bonus

Carrying amount beginning of period
Current Service cost
Less benefit utilised

2023 R'000	2022 R'000
-	443
(208)	(650)
208	208
-	-
9,375	10,853

12. Cash generated from operations

	2023 R'000	2022 R'000
Surplus	47,115	26,858
Adjustments for non-cash movement:		
Disposal of intangible assets	1,770	383
Bad debts	3,034	1,200
Disposal of material	-	3,882
Impairment of assets	226	192
Allowance for doubtful debts	(4,508)	2,275
Changes in estimates of employee benefits	(1,478)	(202)
Non-Cash donations	(668)	(2,052)
Changes in working capital:		
Inventories	113	137
Receivables from exchange transactions	3,163	(6,894)
Payables from exchange transactions	2,167	14,304
	50,933	40,085

13. Budget information

The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 1 April 2022 to 31 March 2023.

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:

	2023 R'000
Budget Deficit	-
Course fess below the budgeted amount	14,607
Non exchange donations	668
Interest trade receivables	927
Favourable interest on investment	5,734
Capital expenditure	(650)
Savings on compensation of employees (vacant positions)	11,958
Savings on operational expenditure	13,221
Surplus for the year	46,465

Reason for budget deviation in revenue

The revenue performance for the financial year ending 31 March 2023 reflects a favourable variance of R44.7 million 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 and savings on salaries due to unfilled posts.

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)

2023 R'000	2022 R'000
235,374	185,092
2,998	4,686
238,372	189,779

Financial liabilities

Amortised cost

Trade and other payables (Note 9)

2023 R'000	2022 R'000
106,378	103,700

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.

Receivables from exchange transactions

Allowance for doubtful debts

31-Mar-23 R'000	31-Mar-22 R'000
14,957	18,120
(11,959)	(13,434)
2,998	4,686

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

Cash and cash equivalents

Receivables from exchange transactions

AT 31 MARCH 2023

235 374
2 998

Current Assets

238 373

Payable from exchange transaction

106 378

Current Liabilities

106 378

Excess liquidity

131 995

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	2023	2022
	R'000	R'000
-Trade and other receivables	2,998	4,686

Financial assets at amortised cost	2023	2022
	R'000	R'000
-Trade and other payables	106,378	103,700

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	2023	2022
	R'000	R'000
Revenue from non-exchange transactions – NSG Vote Account	115,721	103,423
Outstanding balance- Claims receivable – NSG Vote Account		
Outstanding balance- Claims payable - NSG Vote Account	5,474	5,449

The department of the 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	2023	2022
	R'000	R'000
Outstanding balances- Trade and other Payables	38,867	38,810
Outstanding balances- Trade and other receivables	11,890	11,702

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

Key Management Personnel remuneration

2023

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	1,075	-	607	140	1,822
Ms PP Mkwana	Deputy Director General	954	-	531	124	1,610
		2,030	-	1,138	264	3,431

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

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
Mr KS Hlaethwa	Chief Financial Officer
Ms L Kaunda	Deputy Director General

Key management personnel are appointed in terms of the Public Service Act, Act 103 of 1994 as amended. The remuneration of the key management personnel is determined in accordance with the Senior Management Service remuneration scales issued by the Department of Public Service and Administration on an annual basis. Performance awards are approved by the Accounting Officer having regard to the performance of the individuals.

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 2025. The average lease payment is R 79,135 per month (2022: 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 may be extended in accordance with clause 4 of the Master transversal agreement.

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

	2023 R'000	2022 R'000
Capital Commitments	40,627	-
Operational Commitments	5,481	4,237
Total	46,108	4,237

Commitments relate to the new training management system, other capital goods that have been procured and operational goods and services.

17. Irregular expenditure and Fruitless expenditure

17.1

Description	2023 R'000	2022 R'000
Irregular Expenditure	-	739
Fruitless and wasteful expenditure	15	-
	15	739

18. Prior period Error

18.1

During the 2022/23 financial year, the entity's management identified invoices and credit notes that were not included in the 2021/22 financial year. The error resulted in the understatement of revenue and overstatement of payables. The result of the correction is as follows:

	2022
Increase in Revenue	(78)
Decrease in Payables	78

18.2

During the 2022/23 financial year the entity's management identified invoices and credit notes that were not included in the 2017/18, 2018/19, 2019/20 and 2020/21 financial year. The error resulted in the overstatement of opening accumulated surplus balances, overstatement of receivables and understatement of payables. The result of the correction is as follows:

	2022
Decrease in opening balance - accumulated surplus	1,493
Decrease in Payables	(1,144)
Decrease in Debtors	(348)

18.3

During the 2022/23 financial year the entity's management identified intangible assets were understated for the 2021/22 financial year. The error resulted in the understatement of assets and overstatement of impairment expense. The result of the correction is as follows:

	2022
Increase assets	105
Decrease in Amortisation of Intangible Assets	(105)

18.4

During the 2022/23 financial year the entity's management changed the useful life of an intangible asset (Library system) from indefinite life to eighty one months. The change resulted in prior period error resulting in overstatement of assets, understatement of impairment expense and overstatement of opening accumulated surplus. The result of the correction is as follows:

	2022
Decrease opening balance – accumulated surplus	79
Increase in amortisation of Intangible assets	20
Decrease in assets	(99)

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.

21. Approval of the Financial Statements

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

EXECUTIVE EDUCATION



BRICS 2023



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