

# ANNUAL REPORT

2013 ■ 2014



**mineral resources**

Department:  
Mineral Resources  
REPUBLIC OF SOUTH AFRICA





# ANNUAL REPORT

VOTE NO. 32

**2013 ■ 2014**





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A

General  
Information



## PART A: GENERAL INFORMATION

### 1. DEPARTMENT GENERAL INFORMATION

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### 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AC</b>	Audit Committee
<b>ADPA</b>	African Diamond Producers Association
<b>AFS</b>	Annual Financial Statements
<b>AGSA</b>	Auditor-General of South Africa
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>AMD</b>	Acid Mine Drainage
<b>AMDP</b>	Advanced Management Development Programme
<b>AO</b>	Accounting Officer
<b>ASS</b>	Auxiliary Support Services
<b>BAS</b>	Basic Accounting System
<b>BBBEE</b>	Broad Based Black Economic Empowerment
<b>BEE</b>	Black Economic Empowerment
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CIO</b>	Chief Information Officer
<b>CIOM</b>	Chief Inspector of Mines
<b>CTF</b>	Culture Transformation Framework
<b>CV</b>	Curriculum Vitae
<b>DHET</b>	Department of Higher Education and Training
<b>DMR</b>	Department of Mineral Resources
<b>DWA</b>	Department of Water Affairs
<b>CGS</b>	Council for Geoscience

<b>CRRSA</b>	Coal Resources and Reserves of South Africa
<b>DDG</b>	Deputy Director-General
<b>DPSA</b>	Department of Public Service and Administration
<b>EAP</b>	Employee Assistance Programme
<b>EE</b>	Employment Equity
<b>EMI</b>	Environmental Management Inspectors
<b>EU</b>	European Union
<b>FSCM</b>	Finance and Supply Chain Management
<b>FDf</b>	Financial Disclosure Form
<b>GCC</b>	Government Certificate of Competency
<b>GIS</b>	Geographic Information System
<b>HCT</b>	HIV Counselling and Testing
<b>HDSA</b>	Historically Disadvantaged South Africans
<b>HIV</b>	Human Immunodeficiency Virus
<b>HR</b>	Human Resource
<b>HRD</b>	Human Resource Development
<b>IAA</b>	Internal Audit Activity
<b>KP</b>	Kimberley Process
<b>KPCS</b>	Kimberley Process Certification Scheme
<b>MANCO</b>	Management Committee
<b>MHSA</b>	Mine Health and Safety Act
<b>MHSC</b>	Mine Health and Safety Council



<b>MHSI</b>	Mine Health and Safety Inspectorate
<b>MIGDETT</b>	Mining Industry Growth, Development and Employment Task Team
<b>MINTEK</b>	Council for Mineral Technology Research
<b>MISS</b>	Minimum Information Security Standards
<b>MP</b>	Member of Parliament
<b>MPAT</b>	Management Performance Assessment Tool
<b>MPRDA</b>	Mineral and Petroleum Resources Development Act
<b>MPSS</b>	Minimum Physical Security Standards
<b>MQA</b>	Mining Qualifications Authority
<b>MRS</b>	Mine Rescue Services
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTSF</b>	Medium Term Strategic Framework
<b>MWP</b>	Mining Works Programme
<b>NDP</b>	National Development Plan
<b>NEMA</b>	National Environmental Management Act
<b>NEPAD</b>	New Partnership for Africa's Development
<b>NGP</b>	New Growth Path
<b>NIPF</b>	National Industrial Policy Framework
<b>NJF</b>	National Jewellery Forum
<b>NT</b>	National Treasury
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>OEL</b>	Occupational Exposure Limit

<b>OHS</b>	Occupational Health and Safety
<b>OLA</b>	Operational Level Agreement
<b>OSD</b>	Occupational Specific Dispensation
<b>PAIA</b>	Promotion of Access to Information Act
<b>PAJA</b>	Public Administration of Justice Act
<b>PFMA</b>	Public Finance Management Act
<b>PGM</b>	Platinum Group Metal
<b>PI</b>	Principal Inspector
<b>PILIR</b>	Policy and Procedure for Incapacity Leave and Ill-health Retirement
<b>PMDS</b>	Performance Management and Development System
<b>PPE</b>	Personal Protective Equipment
<b>PSC</b>	Personnel Suitability Checks
<b>(Pty) Ltd</b>	Private Company
<b>PWP</b>	Prospecting Works Programme
<b>RCA</b>	River Catchment Areas
<b>ROD</b>	Record of Decisions
<b>SADPMR</b>	South African Diamond and Precious Metals Regulator
<b>SAMRAD</b>	Electronic Mining Application and Licensing System
<b>SAMSHA</b>	South African Mine Safety and Health Administration System

<b>SAPS</b>	South African Police Service
<b>SARS</b>	South African Revenue Service
<b>SCM</b>	Supply Chain Management
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SITA</b>	State Information Technology Agency
<b>SKA</b>	Square Kilometre Array
<b>SLA</b>	Service Level Agreement
<b>SLP</b>	Social and Labour Plan
<b>SMME</b>	Small Medium and Micro Enterprises
<b>SMS</b>	Senior Management Service
<b>SMWMP</b>	Strategic Mine Water Management Plan
<b>SOE</b>	State Owned Entity
<b>SSA</b>	State Security Agency
<b>TB</b>	Tuberculosis
<b>TR</b>	Treasury Regulations
<b>UIF</b>	Unemployment Insurance Fund
<b>UN</b>	United Nations
<b>UNGA</b>	United Nations General Assembly
<b>USA</b>	United States of America

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## 3. FOREWORD BY THE MINISTER




**Ngoako Ramathlodi**  
Minister of Mineral  
Resources

Mineral and petroleum resources in South Africa play a pivotal function in economic development, uplifting society, addressing unemployment, poverty and inequality. Accordingly, the Department of Mineral Resources (DMR) has, during the 2013/14 financial year, continued to play a central role in the sustainable development of these resources. What is required is that this situation should be taken to a higher level by rolling out programmes that will enhance and promote the equitable resource exploitation for the benefit of the nation.

### **STABILITY IN THE MINING SECTOR**

Whilst satisfactory progress has been made in respect of the programmes of the Department,

the instability in the industry poses a challenge for the country. For that reason the Department continues to engage stakeholders on the matter. In this regard, during the reporting period, a Framework Agreement for a Sustainable Mining Industry was entered into by Organised Labour, Organised Business and Government. This was followed by the development of an action plan to implement the commitments in the framework agreement. The process continues to facilitate discussions between government, mining companies and labour and has yielded positive results. The Department will continue to engage all stakeholders to ensure that maximum stability is achieved on the mines.



Stakeholders recognise the need to improve the socio-economic conditions of mineworkers. In this regard, the Mining Charter and the aforementioned framework agreement are being used as mechanisms to address these socio-economic conditions, including living conditions of workers. With regard to the Mining Charter and its broader transformation objectives, the Department is progressing with the assessment of compliance by the mining industry over the ten-year window period, ending in 2014. The information gathered from the assessment will assist the Department in measuring the extent of transformation within the industry.

## REGULATORY FRAMEWORK AND SYSTEMS

Notwithstanding the tremendous progress achieved over the first phase of implementing the Mineral and Petroleum Resources Development Act, 28 of 2002 (MPRDA) that created an enabling environment for the growth and the basis for transformation of the industry, South Africa's broader developmental objectives require a paradigm shift. This is to allow development of the country's natural resources, especially solid minerals and petroleum, in a way that benefits the broader populace, workers and investors alike as well as improve the ease of doing business. In this regard, the financial year under consideration was important in respect of the review of the Mineral and Petroleum Development Regulatory Framework, which involved amending the MPRDA and the Mine Health and Safety Act, 29 OF 1996

(MHSA), as well as the drafting of technical regulations for hydraulic fracturing. These regulations were meant to augment the current regulatory framework governing the development of petroleum resources, particularly in as far as it relates to hydraulic fracturing, and to prescribe international petroleum industry practices and standards that will enhance the safe exploration and production of oil and gas. As part of the process of improving the ease of doing business, necessary amendments were made to the regulatory framework governing mining, environment and water authorisations.

The electronic mining application and licensing system, SAMRAD is an important tool in the administration and management of the mineral resources of the country. The Department continued to enhance the system to improve its performance and thereby improve service delivery. In this regard, initial linkages with Geographic Information System (GIS) of the Department of Environmental Affairs were created. In the long term, the intent is to bring about a far more efficient GIS to manage the balance between mining, agriculture, conservation and urban development. To achieve such an objective, the Department will initiate a process of developing an integrated information technology system that will provide for the effective management of the mineral and petroleum resources of the country.

The Department continued to play an important role in respect of international cooperation. During the reporting year and in celebration of the tenth anniversary of the Kimberley Process Certification Scheme (KPCS), South Africa assumed the role of Chair of this organisation from January to December 2013. This was a momentous occasion for South Africa, as one of the founding members of the KPCS, where the country hosted international guests from the diamond and jewellery industries at both the intercessional and plenary meetings, in June and November 2013, respectively. Through the role of Chair, the country was able to highlight the significance of institutions such as the African Union (AU) in African mining matters and that of the African Diamond Producers Association (ADPA), as well as the importance of working in partnership with them as opposed to duplicating their work.

South Africa, led by the Department, participated in the United Nations General Assembly (UNGA) meeting in December 2013 to give feedback on the KPCS Resolutions of 2013; the UNGA adopted the KPCS Resolutions by consensus. The UNGA was also briefed on progress made on the KPCS plans to assist the Ivory Coast to comply with the KPCS minimum requirements and the United Nations' embargo on the country's trade in diamonds. It is important for South Africa to continue supporting the sustainable development of Africa's mineral resources in support of the African Renaissance and the New Partnership for Africa's Development (NEPAD) agendas.

# Annual Report 2013-14

## PART A GENERAL INFORMATION

The Department continued to place particular emphasis on the health and safety of mineworkers, which is so crucial to the sustainability of the mining sector. As a result, progress has been made in improving the record of fatalities, injuries and occupational diseases. For example, a comparison of the years 2012 and 2013 indicates an overall 17% improvement in fatalities statistics in the mining industry, year on year. As Government, we will continue to use the provisions of the Mine Health and Safety Act to ensure that mineworkers have a safe and dignified work environment and we will not rest until this is achieved.

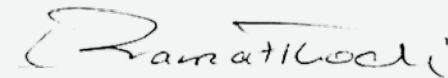
Skills development and education are key to meeting some of the challenges that the mining industry is facing. Hence, the Department is collaborating with the Department of Higher Education and Training (DHET) and other stakeholders through the Mining Qualification Authority (MQA) to improve skills development of the youth and mineworkers. Training of health and safety representatives and shop stewards is progressing very well and the MQA is also implementing programmes to provide learners in townships and rural mining areas with core mathematics and physical science, so that they can pursue professional and artisan skills in the mining sector.

I acknowledge the need for improvement in respect of human capital, business processes and financial resource requirements. Every effort is being made to accelerate our organisational readiness to deliver on our mandate, notwithstanding prevailing economic conditions and fiscal constraints.

As part of the review of the regulatory administrative framework, I have directed the Department to conduct a comprehensive assessment of the organisational structure and business processes, including the information systems infrastructure during the financial year 2014/15. In this way, we aim to strengthen our capacity and effect efficient service delivery. This will also ensure that the granting of prospecting and mining rights are streamlined with the environmental and water authorisation, to guarantee the issuing of licenses within a maximum of 300 days.

With regards to the capacity in the Mine Health and Safety Inspectorate, we have together with the MQA, commenced with a learner inspector programme. Already 50 graduates have been placed at different mines to undergo experiential training and to be assisted in the attainment of the Government Certificate of Competency before they become fully qualified inspectors.

As we continue to play our part in the consolidation of South Africa as a truly democratic, great, strong and prosperous nation, it gives me great pleasure to submit for tabling, the Department of Mineral Resources Annual Report 2013/14.



**Adv Ngoako Ramatlhodi, MP**  
**Minister of Mineral Resources**

#### 4. DEPUTY MINISTER'S STATEMENT



Godfrey Oliphant, MP  
Deputy Minister of  
Mineral Resources

Twenty years into a democratic dispensation, South Africa is still dealing with the remnants of an unjust system in a range of sectors, including the mining industry. It is against this background that we are compelled to continue using mechanisms of the State to improve the lives of all South Africans, particularly the previously exploited majority.

During the 2013/14 financial year, the Department continued to focus on improving the health and safety of mineworkers. In 2013, the Department was granted approval by Cabinet to publish the Mine Health and Safety Act Amendment Bill in the Government Gazette for public comment. The public was given an opportunity to submit comments on the Amendment Bill.

Inputs from the stakeholders will be used to revise the Amendment Bill, which will be submitted to Parliament during the 2014/15 financial year. The amendments are an effort to keep the South African mining environment safe and healthy to work in, whilst positioning our country as a competitive and attractive mining jurisdiction.

The Department continued to implement the 2011 Tripartite Summit Action Plan in collaboration with our stakeholders, through the Mine Health and Safety Council.

This Action Plan includes the eradication of fatalities; injuries; Silicosis; Noise Induced Hearing Loss; and the implementation of the national strategy on Tuberculosis (TB) and Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) programmes. Later in 2014, a Tripartite Summit will be held to review the overall mining industry's performance on health and safety matters during the past ten years and also report on the achievements of health and safety milestones, as adopted by the stakeholders.

The lack of significant improvement regarding health issues, mainly Noise Induced Hearing Loss and Silicosis diseases which further predisposes miners to TB, remains a major concern. However, the latest statistics reveal an 8% improvement in the number of Pulmonary TB diseases reported between 2011 and 2012. Similarly, there has been a 77% reduction in the number of Silico-TB diseases and 13% reduction in the number of Noise Induced Hearing Loss cases reported during same period.

The Department of Mineral Resources together with the Departments of Health and Labour are establishing One Stop Service Centres at public health facilities to assist former mineworkers with amongst others, health and rehabilitation programmes, compensation services and facilitation of access to benefits such as the Unemployment Insurance Fund (UIF), provident and pension funds. The initial sites have been set up at Mthatha's Nelson Mandela Academic Hospital in the Eastern Cape and the Carltonville Hospital

in Gauteng. Additional sites will be established in Kuruman in the Northern Cape and Burgersfort in Limpopo.

Although remarkable strides have been made in a number of areas, illegal mining continues to be of great concern to the Department. Increased numbers of illicit activities have been reported in Gauteng, in the Ekurhuleni, Roodepoort and Florida areas. The situation poses a serious safety challenge because illegal miners access dangerous old mines, working without much appreciation of the safety risks involved, resulting in numerous deaths. The Department will continue collaborating with the relevant law enforcement agencies and social partners to ensure that there is national co-ordination in combating illegal mining.

Protection of the environment is an important part of mineral resources management and the Department continues to collaborate with other Departments and relevant stakeholders. During the financial year under review, the Department has, through the Council for Geoscience, continued to focus on research and development relating to acid mine drainage. To this end, the construction of the Florida Lake Canal was concluded as a mechanism of reducing the increase in acid mine drainage formation in Gauteng. This strategic mine water research is being conducted in identified high risk areas across the country, as part of increasing the knowledge base and providing solutions to address acid mine drainage.

Even though the mining sector faced numerous challenges during the year under review, I remain hopeful that the different stakeholders in the sector will continue to engage with issues in a productive and systematic manner. The Department of Mineral Resources, as a key stakeholder, will continue to work diligently in ensuring the provision of services to the mining sector stakeholders and in building the mining sector as a major platform for economic development and job creation, as per the National Development Plan.



**Mr Godfrey Oliphant, MP**

**Deputy Minister of Mineral Resources**

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## 5. REPORT OF THE ACCOUNTING OFFICER



**Dr T Ramontja**  
Director-General:  
Department of  
Mineral Resources

During the 2013/14 financial year, the Department of Mineral Resources continued to deliver on its mandate and there have been some successes and challenges.

### **SECTOR PERFORMANCE**

Notwithstanding the current global economic upheavals and disruptions in the sector, characterised by unprecedented labour unrest since the dawn of a democratic dispensation, the mining industry remains the foundation of the country's economy and will be central to government's efforts to resuscitate its ailing industrial sector. Implementation of elements of the mining sector strategy continues to place the industry on a more transformative and competitive

trajectory, contributing to an equitable and inclusive economy as envisioned in the National Development Plan. The following milestones were achieved:

- Gross fixed capital formation in the mining industry has increased significantly under the MPRDA from R18 billion in 2004 to R79 billion in 2013 (Data source: South African Reserve Bank)
- Foreign Direct Investment in the mining industry grew considerably from R112 billion in 2004 to R429 billion in 2012 (Data source: South African Reserve Bank)
- Employment in the mining industry grew from 448,909 in 2004 to 501,851 in 2013



- Employment of women in the mining industry grew substantially from well below 1% across all levels to marginally above 10% in 2013
- Gross sales of primary minerals have appreciated from R125.3 billion in 2004 to R384 billion in 2013
- The number of mines has increased from 993 in 2004 to 1,699 in 2013

The global economic growth outlook presents a significant upward potential, with the United States of America (USA) and the European economies emerging from the crisis, while the new engines of global economic growth, that is, developing countries are expected to experience economic growth. These signs provide us with a positive outlook for the economy and the mining industry which will contribute towards the acceleration of inclusive growth of the industry and job creation, consistent with the objectives of the National Development Plan. The Department will continue to ensure that investments in the mining industry be sustained to address the triple challenges of poverty, inequality and unemployment.

### COAL RESOURCES AND RESERVES REPORT

The Department, through its public entity, Council for Geoscience, commissioned a Coal Resources and Reserves of South Africa (CRRSA) study in 2012, following the last quantification of national coal resources and reserves that was done in 1987. The study is to provide the State with an

accurate scientific account of the remaining coal resources and its impact on energy security supply in order to assist government to make informed decisions that will support and contribute to, amongst others, economic development and job creation. The report will be released during the 2014/15 financial year.

### REGULATORY FRAMEWORK AND INVESTMENT PROMOTION

The Department continues to create a globally competitive, transformative and attractive regulatory environment to nurture the sustainable growth and meaningful transformation of South Africa's mining industry. In this regard, the benefit of jurisprudence was the premise on which the Mineral and Petroleum Resources Development Act was amended in order to, inter alia, further improve the ease of doing business. To this effect, the Bill seeks to streamline licensing mechanisms for mining (and upstream petroleum), environment and water, which process is unprecedented and commits to a maximum of 300 days for the processing of applications.

Synchronously, the Department developed and published technical regulations for shale gas development in the Government Gazette for public comments. Substantive comments were received from interested and affected stakeholders, all of which were meticulously processed and where applicable, included in the regulations. The

publication of the final technical regulations will presage an orderly exploration of the shale gas potential in a manner that protects the water and environment and coexists with other key programmes of government, such as the Square Kilometre Array (SKA).

The Department intensified its investment promotion activities with local and international stakeholders to ensure that the regulatory intentions of the country are properly understood, including, albeit not limited to, providing for security of tenure and protecting the sanctity of investments. A number of commodity reports, including production, employment and sales statistics are released on a frequent basis, as part of the transparency embraced by government in the management of mining and mineral development in the country. The Department conducted local and international road-shows which were primarily intended to reaffirm, for the investment community, the competitiveness of the country's regulatory environment.

### LICENSING AND REGULATION

As part of improving service delivery, the South African Mineral Resources Administration System's (SAMRAD) online application system was further strengthened with the upgrading and rollout of the ARC-GIS desktop software during the financial year. The software enables the public to view spatial data and produce shape file, and is more user friendly and enhances the spatial planning function



within government. Additional investments were made in the SAMRAD system through procurement of additional hardware to improve its speed and capacity.

Through the additional allocation of funds to implement the National Environment Management Act, 107 of 1998 (NEMA), the Department has employed additional staff to strengthen capacity at regional offices. This capacity is part of the Department's plan towards an integrated licensing system. Training for the Environmental Management Inspectors (EMI) was approved and is planned to be implemented during the 2014/15 financial year.

As part of implementing commitments from the Mpumalanga Mining Lekgotla, further engagements were held with the House of Traditional Leaders as well as the Chief Executive Officers' (CEOs) of mines operating in Mpumalanga. The outcomes of these engagements led to the strengthening of amendments to the MPRDA, around consultation.

A number of social and labour projects were implemented during the 2013/14 period in various localities across the country. Of significance were the launches of key infrastructure projects in labour sending areas in the Eastern Cape (Libode and Bizana) as well as some key priority mining towns, such as, the West Rand in Gauteng. These projects continue to change the lives of communities and contribute towards addressing key priorities of government in the fields of education, health and rural development.

## HEALTH AND SAFETY

The Department has developed and implemented a Health and Safety Improvement Strategy which has contributed to the mining sector achieving the lowest fatalities ever recorded and an improvement in health matters. The Strategy includes the monitoring and evaluation of health and safety management systems at mines through audits and inspections. The audits mainly focus on the effectiveness of control measures that were put in place to prevent rock falls, seismicity, transport equipment accidents and other accidents. The audits also evaluate mine systems for preventing exposure of employees to noise and dust (including silica dust) which could result in workers suffering from Noise Induced Hearing Loss and Silicosis.

However, the Department has also experienced challenges regarding notably high turnover and vacancy rates. The Department has embarked on several initiatives in an attempt to improve on the challenges, including a learner inspector programme where approximately 50 graduates have been placed at different mines to undergo experiential training which will result in fully qualified inspectors.

## OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

### Departmental receipts

Departmental receipts	2013/14			2012/13		
	Estimate	Actual	(Over)/ Under Collection	Estimate	Actual	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	2,560	2,416	144	2,124	4,157	(2,033)
Fines, penalties and forfeits	1,226	1,115	111	1,476	1,206	270
Interest, dividends and rent on land	37,064	104,938	(67,874)	93,920	87,158	6,762
Financial transactions in assets and liabilities	798	565	233	1,516	842	674
<b>Total</b>	<b>41, 648</b>	<b>109,034</b>	<b>(67,386)</b>	<b>99,036</b>	<b>93,363</b>	<b>5,673</b>

Revenue collection amounted to R109 million against the estimated R41.6 million for the 2013/14 financial year. Included in interest, dividends and rent on land is the revenue from royalties and prospecting fees which amount to R104.8 million and constitute 95% of total revenue received. The Department estimated less royalty collection during the year under review, as the responsibility to collect royalty payments is with the Receiver of Revenue in terms of the Mineral and Petroleum Resources Royalty Act, 28 of 2008. The over collection relates to those whose rights were not yet converted in the year under review. The Department has continued to improve systems to ensure more efficient and effective collection.

### PROSPECTING FEES

Since the promulgation of the Mineral and Petroleum Resources Development Act, new prescribed rates apply on all new prospecting rights granted, including privately owned land as from 1 May 2004 – see regulation 76 of the new MPRDA.

### ROYALTIES

The Department recorded revenue received in terms of section 12 of the Minerals Act, 50 of 1991 and section 25(2) (g) of the Mineral and Petroleum Resources Royalty Act, 2002. In terms of section 2 of the Mineral and Petroleum Resources Royalty Act, 28 of 2008, revenue has been payable

to the Receiver of Revenue from March 2010. The Department recorded revenue received from holders of unconverted mining rights and revenue received from holders of converted mining rights was paid over to the South African Revenue Service (SARS). The Department charges minimum royalties and also actual royalties as stipulated in the contract.

### Programme Expenditure

Programme Name	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	310,144	308,572	1,572	295,254	295,254	-
2. Promotion of Mine Safety and Health	153,998	153,220	778	141,511	140,715	796
3. Mineral Regulation	205,521	205,521	-	191,609	191,395	214
4. Mineral Policy and Promotion	724,186	719,906	4,280	547,159	546,278	881
<b>TOTAL</b>	<b>1,393,849</b>	<b>1,387,219</b>	<b>6,630</b>	<b>1,175,533</b>	<b>1,173,642</b>	<b>1,891</b>

The Department spent R1.387 billion or 99.52% of the adjusted appropriation of R1.394 billion for the 2013/14 financial year. The unspent funds against the appropriation increased from 0.02% in 2012/13 to 0.05% in 2013/14; this is mainly attributable to under expenditure on capital and transfer, and subsidies expenditure that could not materialise as planned. The Department has since put corrective measures in place that will ensure that all funds appropriated are spent in the year incurred. Detailed variance analysis per programme is disclosed under the appropriation statements.

### VIREMENT/ROLLOVERS

An amount of R27.8 million was shifted from various programmes to Programme 1 for the payment of operating lease expenses associated with office accommodation. The virement was done in terms of section 43(1) of the Public Finance Management Act, 1 of 1999 which allows for the savings under main divisions of the vote to be utilised for the defrayment of

expenditure under other main divisions within the vote. The virement done is reflected in the appropriation statement per programme. The details of the shifted funds are as follows:

SHIFT FUNDS FROM	R'000	REASONS
Programme 2: Promotion of Mine Safety and Health	(9,733)	Savings on compensation of employees as a result of not attracting skills in the technical areas.
Programme 3: Mineral Regulation	(6,387)	Savings relating to delays in implementing the National Environmental Management Act.
Programme 4: Mineral Policy and Promotion	(11,744)	Savings on goods and services due to non-travel costs activities.
<b>Totals</b>	<b>(27,864)</b>	

## FUTURE PLANS OF THE DEPARTMENT

The Department will implement the Medium Term Strategic Framework (MTSF) as tabled in Parliament, aligned with the Strategic Plan and Annual Performance Plan of the Department.

## NEW OR PROPOSED ACTIVITIES

The MPRDA was amended, making granting of prospecting/mining/reconnaissance applications, subject to environmental authorisations (one of the granting conditions). The National Environmental Management Act was equally amended to ensure alignment of processes. The amendment of the NEMA together with the MPRDA amendments will require the Department to increase capacity and reorganise itself in order to deliver successfully on the new mandate. Funding for the changes will follow government budget processes.

## SUPPLY CHAIN MANAGEMENT

There were no unsolicited bid proposals concluded for the year under review. The Department implemented policies and procedures in order to avoid irregular expenditure. The number of irregular expenditure cases decreased from 18 in 2012/13 to seven in 2013/14. The Department continues to raise awareness on policies and procedures.

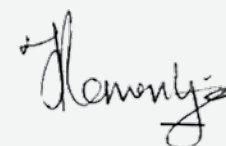
## OTHER

During the year under review, the Department made noticeable progress in filling key management positions. In addressing some of the capacity constraints, the Department continues with the implementation of training programmes identified in the Workplace Skills Plan. The programme to attract and to retain key staff such as Inspectors and Mineral Economists, through bursary schemes and learner

inspector training is starting to yield positive results. These have resulted in the vacancy rate of the inspectorate being improved from 19% in 2012/13 to 15% in 2013/14.

## ACKNOWLEDGEMENT/S OR APPRECIATION

I would like to thank the officials of the Department for their efforts throughout the year, not just for doing their jobs but contributing to their workplace to make it such a great place to work in; and giving it a splendid reputation for its values and its practices. The Audit Committee has been a constant source of support and guidance for the implementation of internal control systems. Lastly, I would like to acknowledge the guidance and leadership provided by the Executive Authority during the year under review.



**Dr T Ramontja**

**Director-General: Department of Mineral Resources**



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

In terms of section 40 of the PFMA, the Accounting Officer of a Department is required to prepare the Annual Financial Statements and the performance information and submit them to the Auditor-General for auditing within two months after the end of the financial year.

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 2014.

**Yours faithfully**

**Accounting Officer**  
**Dr T Ramontja**

## 7. STRATEGIC OVERVIEW

### 7.1 VISION 2014

A globally competitive, sustainable and meaningfully transformed mining and minerals sector.

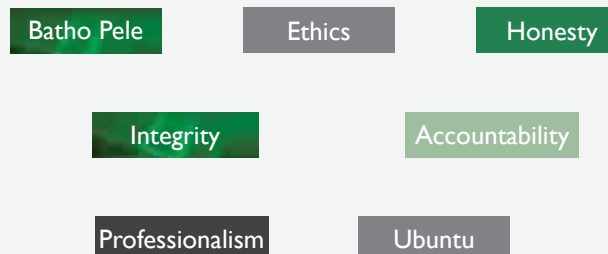
### VISION 2025

A leader in the transformation of South Africa through economic growth and sustainable development.

### 7.2 MISSION

Promote and regulate the minerals and mining sector for transformation, growth, development and ensure that all South Africans derive sustainable benefit from the country's mineral wealth.

### 7.3 VALUES



## 8. LEGISLATIVE AND OTHER MANDATES

### CONSTITUTIONAL MANDATE

The Department's Constitutional mandate is derived from section 24 of the Constitution.

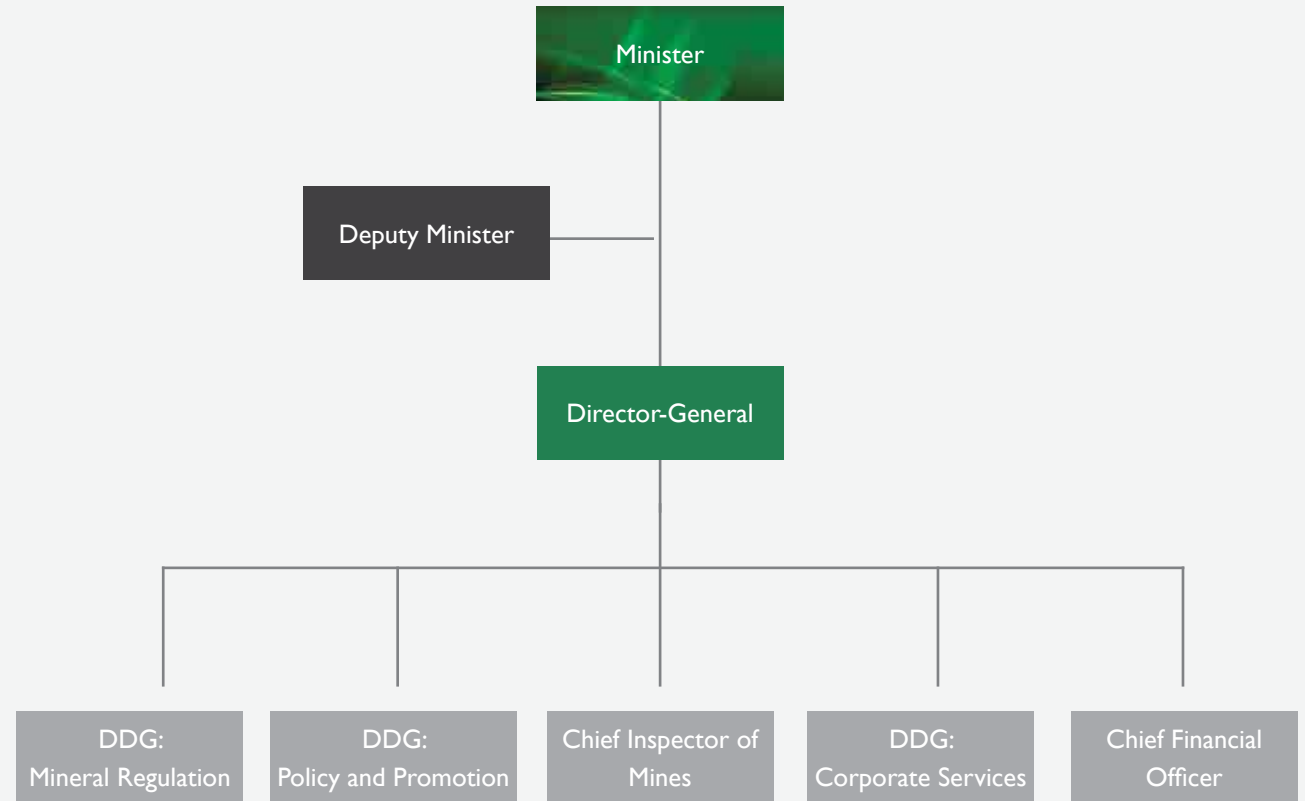
### LEGISLATIVE MANDATE

The Mineral and Petroleum Resources Development Act, 28 of 2002, provides the regulatory framework for equitable access to and sustainable development of the nation's mineral resources and related matters.

### POLICY MANDATE

The Minerals and Mining Policy of South Africa (October 1998 White Paper) ensures transparent and efficient regulation of the development of South Africa's mineral resources and mineral industry to meet national objectives and bring optimum benefit to the nation.

## 9. ORGANISATIONAL STRUCTURE





## 10. ENTITIES REPORTING TO THE MINISTER

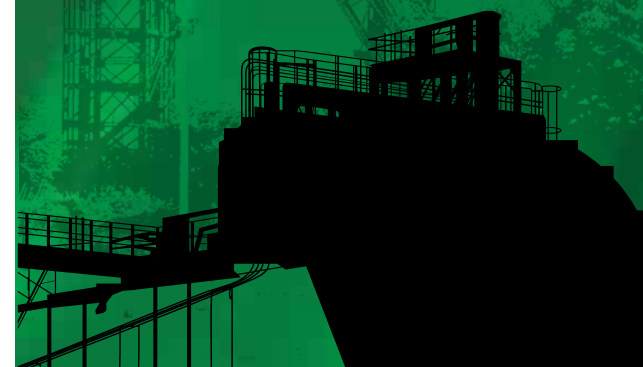
The table below indicates the entities that report to the Minister:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
The Mine Health and Safety Council (MHSC)	Established in terms of section 42(1) of the Mine Health and Safety Act, 29 of 1996.	Co-funding in terms of establishment act.	Research and advisory function to the Minister in terms of mine health and safety, as well as promoting a culture of health and safety in the mining industry.
The Council for Mineral Technology Research (MINTEK)	Established in terms of the Mineral Technology Act, 30 of 1989.	Co-funding in terms of establishment act.	Provides research, development and technology that fosters the development of business in the mineral and mineral products industries.
The Council for Geoscience (CGS)	Established in terms of the Geoscience Act, 100 of 1993.	Co-funding in terms of establishment act.	Development and maintenance of the national geosciences knowledge infrastructure for both the onshore (land) and offshore (oceans) environments of South Africa.
The South African Diamond and Precious Metals Regulator (SADPMR)	Established in terms of the Diamond Act, 1986 as amended and the Precious Metals Act, 37 of 2005.	Co-funding in terms of establishment act.	Regulation of the diamond, platinum and gold sectors.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
The State Diamond Trader	Established in terms of the Diamond Act, 56 of 1986.	Co-funding in terms of establishment act.	Promote equitable access to and beneficiation of diamond resources, address distortions in the diamond industry and correct historical market failures to develop and grow South Africa's diamond cutting and polishing industry.



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B

Performance  
Information



## PART B: PERFORMANCE INFORMATION

### 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

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

### 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 2.1 SERVICE DELIVERY ENVIRONMENT

##### *Overview of Mine Health and Safety Inspectorate*

##### **Staffing**

The Mine Health and Safety Inspectorate's (MHSI) establishment provides for 312 funded posts, of which 263 are currently filled and 49 posts are vacant. Nine officials are carried as additional to the approved establishment, therefore, bringing the total number of employees to 272. The demographics of the Inspectorate as at 31 March 2014 were as follows:

Gender	African	White	Asian	Coloured	Total
Male	111	49	0	1	161
Female	95	12	0	4	111

##### **Human Resource Development**

##### *Capacity Development*

During the reporting period, the MHSI developed the skills and knowledge base of its staff in the following areas:

- 81 officials attended technical and non-technical training courses
- 10 managers attended Advanced or Emerging Management Development Programmes



- 126 officials attended Defensive Driver Training to curb road accidents that may be encountered while carrying out legislative mandate duties
- Two Managers obtained their Masters Degree in Business Administration

### Training Interventions

#### *Assistant Inspector Programme*

A total of 13 Assistant Inspectors were recruited with Electrical/Mechanical Engineering tertiary qualifications who are undergoing Inspector training at various regional offices of the Department in preparation for permanent appointments as Inspectors of Mines on acquisition of the Government Certificate of Competency (GCC).

Six out of the above 13 Assistant Inspectors attained their GCC during the reporting period and were subsequently absorbed as permanent Inspectors within the Department. The other outstanding seven Assistant Inspectors are at various stages of training towards acquisition of the GCC.

#### *Learner Inspector Programme*

There were four Learner Inspectors at the commencement of the reporting period, who were beneficiaries of the Department's Bursary Scheme. Following completion of their undergraduate qualifications, they were placed for mine experiential training at a mining site.

An additional three Learner Inspectors completed their mine experiential training during the reporting period and were placed at various regional offices to commence the Assistant Inspector Programme but one learner resigned.

The Department, in collaboration with the Mining Qualifications Authority (MQA) further placed fifty Learner Inspectors for a two-year mine experiential training to top up its human resource pool from which the Inspectorate may recruit. They were placed in the various disciplines of electrical engineering, mechanical engineering, mine engineering, mine surveying and occupational hygiene.

#### *Bursary Scheme*

Three bursaries were issued by the Department during the reporting period to previously disadvantaged students in the field of Electrical Engineering (Heavy Current), Mechanical Engineering, Mine Engineering and Mine Surveying. All three bursars have completed their undergraduate qualifications and are currently undergoing mine experiential training in preparation for acceptance as GCC candidates.

### Current Health and Safety Performance

The Department continues to place great emphasis on the health and safety of mine workers which is so crucial to the sustainability of the mining sector. Hence, the steely resolve to enforce applicable laws for protecting mine workers from health and safety hazards in their workplaces.

#### *Mine Health*

Mines are required to submit annual medical reports in terms of the provisions of the Mine Health and Safety Act. These reports have revealed a lack of significant improvement regarding the health issues; mainly Noise Induced Hearing Loss and Silicosis diseases, which further predispose miners to tuberculosis.

However, there has been an 8% improvement in the number Pulmonary TB diseases reported, from three thousand and seventy (3,070) cases in 2011 to 2,838 in 2012. Similarly, there has been a 77% reduction in the number of Silico-TB diseases reported from 555 in 2011 to 126 during 2012. Also, the total number of Noise Induced Hearing Loss cases reduced by about 13%, from 1,229 in 2011 to 1,075 during 2012.

The gold sector continues to report the majority of the occupational diseases compared to the other sectors put together. The mining sector needs to put more focus on health matters, as there has not been a significant improvement and more mine workers continue to lose their lives as a result of exposure to health hazards.



### *Mine Safety*

The safety track record in the South African mining industry remains a challenge for the Department, although there has been a downward trend and improvement on the reported number of mine accidents year on year. Despite this downward trend, one death is still one too many. A total of 93 fatalities were reported in 2013 compared to 112 during the previous year, which translates into an improvement of about 17% year on year. The breakdown of these fatalities per commodity during 2013, is as follows:

- Gold (37)
- Platinum (27)
- Coal (7)
- Other mines (22). The category of other mines includes diamonds, chrome, copper, iron ore and so forth

The statistics also suggest that gold and platinum mines are the main contributors to accident figures and the subsequent loss of life. This is regrettable because these mines should be in the forefront with the appropriate systems and expertise to enhance health and safety.

Fatalities reported by the mines during the year 2013, are the lowest ever reported since the dawn of mining in South Africa. Also, for the first time ever, the mining sector has recorded fatalities of less than a hundred, whilst mine fatalities have historically been trending in the hundreds.

The number of fatalities reported by gold mines during 2013 reduced by 30%, from 53 to 37, and coal mines fatalities also reduced by 36%, from 11 to seven when compared to 2012, whilst in the platinum mines the number of fatalities improved by 4% from 28 to 27. However, the same cannot be said about other mines where there was a 10% regression in fatalities reported year on year, from 20 in 2012 to 22 in 2013.

The month of December is always the worst calendar month due to the high number of fatalities at our mines during this period. This is in most cases exacerbated by poor supervision, anxiety and excitement associated with the festive season. However, for the first time in the history of South African mining, the number of fatalities dropped by 77%, from 13 in 2012 to 3 in December 2013.

The number of mine injuries reduced by about 7% from 3,367 in 2012 to 3,126 in 2013. Although this is the lowest ever reported, the Department is still greatly concerned about the high number of injuries reported at our mines because the majority of these injuries are not new but are mainly as a result of repeat accidents.

### *Disaster type accidents*

There was a multi-fatal accident at the Eskom Ingula Water Pumping Scheme involving a structure that was installed in one of the water inlet tunnels. This platform was meant to be used as a working platform in the installation of the

water inlet tunnel linings. The platform broke loose from its supports and ran down the incline, fatally injuring six people.

### **HIV/AIDS and TB**

The Department has continued to enforce and ensure compliance with monitoring of HIV/AIDS and TB programmes, and the implementation of the National Strategic Plan. The mining companies have reported for the first time to the Department on the HIV and TB programmes implemented. This information will assist the Department in assessing the impact of HIV on other occupational diseases, as well as understanding the disease burden that needs to be addressed to inform the interventions in awareness, prevention and treatment in the mining sector. More mining companies need to promote HIV Counselling and Testing (HCT) campaigns to increase the number of mine workers tested for HIV, and screened for TB and chronic diseases.

### **Health and Safety Improvement Measures**

Whilst the Department has recognised a general improvement in health and safety matters affecting mine workers, there is still loss of life, injuries and occupational diseases of mine workers in the sector. Hence, a number of initiatives have been embarked upon to enhance health and safety in the mining industry. These include the following:

### *Stakeholder Collaboration*

The Department continued to engage its social partners through the Mine Health and Safety Council, Mining Qualifications Authority, bilateral meetings and relevant structures to ensure that mine health and safety in the industry is prioritised. It is through the Department's commitment to collaborate with all the stakeholders that there is also improvement regarding health and safety in the mining sector; over the past two decades.

### *Mine Health and Safety Summit*

The Department continued to implement the 2011 Tripartite Summit Action Plan in collaboration with stakeholders, through the MHSC. This Action Plan includes the eradication of fatalities, injuries, Silicosis, Noise Induced Hearing Loss and the implementation of the National Strategy on TB and HIV/AIDS programmes.

In addition, the stakeholders approved the Culture Transformation Framework (CTF) that targets the culture and attitude towards occupational health and safety in the sector. The Council is currently monitoring the implementation of the CTF which identified 11 pillars that address aspects such as leadership, bonus incentives, risk management, discrimination and technology, among others.

The MHSC will be hosting a Tripartite Summit later in 2014 to further review the mining industry's performance on health and safety matters during the past 10 years. In addition, a report on the achievement of the health and safety milestones adopted during the Mine Health and Safety Summit of 2003 will be presented.

### *Skills Development and Education*

Skills development and education are critical in meeting the triple challenges of unemployment, inequality and poverty faced by our country. Hence, the Department is collaborating with the Department of Higher Education and Training (DHET) and other stakeholders, through the MQA, to improve on skills development of the youth and mine workers.

The training of health and safety representatives and shop stewards, using accredited institutions is progressing well.

The MQA is implementing programmes to provide learners in townships and rural mining areas with core mathematics and physical science, so that they can pursue professional and artisan skills in the mining sector. These initiatives are being strengthened by the career guidance programmes to encourage learners to make informed choices in growing a pool of learners that are successful in Grade 12 to pursue mining careers. Learners are awarded MQA bursaries annually for studies in the engineering fields such as mining, electrical, mechanical and metallurgy. Other skills

programmes at the MQA include artisan development, improving women's participation in mining as well as skills required for jewellery making.

### *Monitoring compliance and enforcing legal provisions*

In order to monitor and enforce compliance to health and safety measures at mines, group audits and inspections are conducted. The group audits mainly focus on the effectiveness of control measures that have been put in place to prevent rock fall, rock burst and transport equipment accidents. The audits evaluate mine management systems for preventing exposure of employees to noise and dust (including silica dust) which could result in workers suffering from Noise Induced Hearing Loss and Silicosis. As part of the audits, the mines' TB, HIV and AIDS programmes are being evaluated to ensure that there is an improvement.

Mine inspectors are also checking whether the mines are complying with the Mining Charter commitments for improving the living conditions of employees and conversion of single sex hostels, as research indicates that poor living conditions further exacerbate TB, HIV/AIDS and other health and safety matters.

### *Capacity to Monitor Compliance*

The Department is working together with the MQA and the DHET in placing bursary-holders, interns and students at various universities and companies so that they can form part of the professionals in training. This includes engineers, environmental scientists as well as surveyors who can help

improve the internal capacity of the Department. This will also include the inspectors, as it remains a challenge for the Department to attract and retain them. In this regard, the Department has, in collaboration with the MQA and mining companies, embarked on a learner inspector programme where approximately fifty graduates will annually be placed at different mines, to undergo experiential training which will result in fully qualified inspectors.

### Women's Health and Safety

There has been a welcomed increase of women's participation in the mining sector since the promulgation of the MPRDA. However, what is of concern is that the number of reported incidents of women being sexually harassed and treated inhumanely by fellow workers underground has increased. All the stakeholders need to ensure that there are interventions implemented to prevent the intimidation of women miners. Greater attention should be given to the health and safety of women in the mining sector. Therefore, the mining sector should continue to take appropriate measures to ensure that women have a safe and dignified working environment.

Currently, the personal protective equipment (PPE) available for use in the mines does not fit women workers as most PPE is designed based on the male body structure. In this regard, research has been conducted through the MHSC and the recommendations of this study should assist the sector to select and provide appropriate PPE for women in mining.

### Illegal Mining

Although a remarkable improvement has been achieved, illegal mining continues to be of great concern to the Department. Illicit activities have recently been reported in Gauteng at the Ekurhuleni, Roodepoort and Florida areas. There is a serious safety challenge in this because these people access dangerous old mine workings without any understanding of the safety risks involved, resulting in numerous deaths. The Department will continue collaborating with the relevant law enforcement agencies and social partners to ensure that there is national co-ordination and collaboration in combating illegal mining.

## Accident Statistics

### Fatalities and rates per region

The total percentage decrease in all the mine fatality rates is 10% which is a change from 0.10% during 2012 to 0.09% during 2013. The regions that showed a decrease in fatality rates are Western Cape, Northern Cape, Free State, Mpumalanga, Limpopo, Gauteng and North West (Rustenburg), (as shown in Table 1). The other regions showed an increase in the fatality rates.

Table 1: Actual fatalities and rates per region

Region	2012	Fatality rate	2013	Fatality rate	% change in rates
All mines	112	0.10	93	0.09	-10.00
Eastern Cape	0	0.00	1	0.21	100.00
Free State	12	0.15	8	0.10	-33.33
Gauteng	31	0.16	21	0.12	-25.00
Klerksdorp	9	0.19	5	0.11	-42.11
KwaZulu-Natal	1	0.03	9	0.27	800.00
Limpopo	15	0.13	6	0.05	-61.54
Mpumalanga	14	0.07	11	0.06	-14.29
Northern Cape	3	0.04	2	0.02	-50.00
Rustenburg	25	0.07	30	0.09	28.57
Western Cape	2	0.14	0	0.00	-100.00

### Injuries and rates per region

The injury rates for all mines decreased from 3.03% during 2012 to 2.88% during 2013. This was attributed to a decrease in the Western Cape, Eastern Cape, Mpumalanga, Limpopo, Gauteng, Free State and North West (Klerksdorp) regions, (as shown in Table 2). All the other regions have shown an increase in the injury rates.

Table 2: Actual reportable injuries and rates per region

	2012	Injury rate	2013	Injury rate	% change in rates
<b>All mines</b>	3,367	3.03	3,126	2.88	-4.95
<b>Eastern Cape</b>	2	0.44	0	0.00	-100.00
<b>Free State</b>	323	4.03	305	3.96	-1.74
<b>Gauteng</b>	797	3.97	631	3.58	-9.82
<b>Klerksdorp</b>	378	8.06	319	7.16	-11.17
<b>KwaZulu-Natal</b>	35	1.11	44	1.30	17.11
<b>Limpopo</b>	202	1.69	156	1.37	-18.93
<b>Mpumalanga</b>	314	1.65	277	1.43	-13.33
<b>Northern Cape</b>	60	0.72	67	0.83	15.28
<b>Rustenburg</b>	1,242	3.61	1,321	3.82	5.82
<b>Western Cape</b>	14	0.99	6	0.42	-57.58

### Fatalities and rates per commodity

There has been an overall decrease of about 10% in all the fatality rates; this includes commodities such as gold, coal, diamonds and iron ore as shown below (Table 3). The fatality rates in platinum and manganese mines remained the same whilst all the other mining commodities have shown an increase in fatality rates.

Table 3: Fatalities and rates per commodity

Commodity	2012	Fatality rate	2013	Fatality rate	% change in rates
<b>All mines</b>	112	0.10	93	0.09	-10.00
<b>Chrome</b>	4	0.10	7	0.17	70.00
<b>Coal</b>	11	0.06	7	0.04	-33.33
<b>Copper</b>	1	0.15	1	0.15	0.00
<b>Diamonds</b>	2	0.07	0	0.00	-100.00
<b>Gold</b>	53	0.18	37	0.14	-22.22
<b>Iron ore</b>	2	0.04	0	0.00	-100.00
<b>Manganese</b>	0	0.00	0	0.00	0.00
<b>Other</b>	11	0.12	14	0.13	8.33
<b>Platinum</b>	28	0.07	27	0.07	0.00



### Actual reportable injury rates per commodity

Commodity reportable injury rates show that for all the mines combined there was a decrease in the injury rates from 3.03% during 2012 to 2.88% during 2013. However, regrettably, there was an increase in injury rates in the platinum, copper, chrome and iron ore mines as shown below (Table 4).

**Table 4: Actual reportable injuries and rates per commodity**

Commodity	2012	Injury rate	2013	Injury rate	% change in rates 2012/13
All mines	3 367	3.03	3 126	2.88	-4.95
Chrome	82	1.96	91	2.27	15.81
Coal	269	1.51	263	1.41	-6.62
Copper	13	1.90	15	2.19	15.26
Diamonds	49	1.78	19	0.64	-63.81
Gold	1 477	5.13	1 252	4.66	-4.04
Iron ore	20	0.39	34	0.75	92.32
Manganese	13	0.80	14	0.65	-18.75
Other	99	0.90	94	0.89	-1.11
Platinum	1 345	3.43	1344	3.53	2.92

### Number of fatalities for all mines per classification

The classification of the fatal accidents shows that the three largest classification areas of these accidents in 2013 was fall of ground (32), transport and mining (31) and general (19). There was an overall reduction of 17% in the fatal accidents for 2013 with 93 fatalities when compared to 112 in 2012.

**Table 5: Actual fatalities by classification**

Classification	2012	2013	% change
Conveyance accidents	1	1	0
Electricity	5	2	-60
Explosives	4	1	-75
Fall of ground	25	32	28
Fires	0	0	0
General	34	19	-44
Heat sickness	1	0	-100
Machinery	9	3	-67
Miscellaneous	2	4	100
Subsidence/caving	1	0	-100
Transportation and mining	30	31	3
<b>Total</b>	<b>112</b>	<b>93</b>	<b>-17</b>

### Overview of Mineral Regulation Branch

#### Integrated licensing

The current construct of the Mining and Petroleum Regulatory Framework is fragmented and has been identified as one of the binding constraints to growth and competitiveness of the South African mining sector. The Department of Mineral Resources has been engaging with the Departments of Water Affairs and Environmental Affairs and agreed to amend the respective Acts to provide for the industry to be regulated by a single environmental piece of legislation. The Minister of Mineral Resources will be the Competent Authority for the implementation of the National Environmental Management Act on mining and prospecting sites, and the Minister of Environmental Affairs will be the Appeal Authority. This has resource implications and, while certain capacity is already being put in place, there will

be a fundamental shift in the way the Department operates, particularly in the area of monitoring and evaluation of compliance in the mining industry.

The electronic mining application and licensing system (SAMRAD) is currently in the process of being enhanced to ensure improved performance. A much more efficient integrated geographic information system (GIS) will be required to manage the balance between mining, agriculture, conservation and urban development.

### **Sustainable human settlements for mineworkers**

In response to the economic challenges, the government has recognised the need for upgrading all human settlements with a focus on improving the living conditions of mineworkers in both mining communities and in labour sending areas. Business has re-committed to ensuring that Social Labour Plans are aligned to the socio-economic needs of the mining communities. There are initiatives that need to be implemented within the formal planning framework to address living conditions and socio-economic issues for sustainable and integrated human settlements.

The necessary co-operation between the Department and the Departments of Cooperative Governance, Traditional Affairs, Human Settlements and the Municipalities has been facilitated.

## **Overview of Mineral Policy and Promotion Branch**

### **Regulatory Framework**

One of the key focus areas for the Branch during the financial year was the review of the Mineral and Petroleum Resources Development Act and the Mine Health and Safety Act. The MPRDA Bill has passed the Constitutional test, and has been approved by Cabinet and the two Houses of Parliament and is being considered for assenting by the President.

The MHSA Bill was approved by Cabinet for gazetting in November 2013 and was subsequently subjected to a process of rigorous stakeholder consultation, whose inputs were considered and incorporated into the Bill, where possible. The Bill will be submitted to Parliament for processing during the 2014/15 financial year.

The Department chaired an inter-departmental task team on drafting of the Technical Regulations on the development of petroleum resources in South Africa. The task team concluded the draft Regulations and secured Cabinet approval to publish the same in the Government Gazette in October 2013.

These regulations place particular emphasis on unconventional extractive mechanisms for gas in the Karoo Basin. They are also aimed at ensuring that development is

executed in a socially and environmentally safe manner; to address concerns of communities as well as other interested and affected stakeholders.

Comments received on the draft Regulations are currently being considered and will be incorporated for publication during the 2014/15 financial year. The regulations provide for the following:

- Assessment of potential impacts of the proposed activities on the environment
- Protection of fresh water resources
- Protection of biodiversity, palaeontology and broader environmental impact in line with the objectives of outcome 10 of government
- Mechanisms for site specific buffer zone determination for co-existence of shale gas development and the Square Kilometre Array (SKA) project

The Technical Regulations furthermore address crucial elements of the hydraulic fracturing process under the following chapters:

- Site Assessment, Selection and Preparation – this relates to site selection and preparation, taking into consideration resources that must be availed for hydraulic operations and the resources in respect of which necessary protection must be afforded, such as, provision for the development

- of mechanisms for coexistence with the SKA observatory
- Well Design and Construction – this relates to well design in terms of well casing standards to ensure non-contamination of the natural environmental and water resources
  - Operations and management – makes provision for the management of the hydraulic fracturing process, including the disclosure of fracture fluids to be utilised and the testing of the structures to ensure they can sustain the pressures to be imposed
  - Well Suspension and Abandonment – this chapter addresses issues related to the closure and rehabilitation of the operation

### Mineral Beneficiation

The provisions of the MPRDA Amendment Bill relating to beneficiation were strengthened to enable the attainment of the national beneficiation and industrialisation objectives. In this regard, extensive consultation specifically dedicated to mineral beneficiation provisions, secured stakeholder convergence and support. This enabled the introduction of a regulatory pillar that outlines critical mechanisms to enable the security of the supply of minerals exploited in South Africa for further downstream value addition in the country. Accordingly, a Mineral Beneficiation Implementation Framework was developed in consultation with the relevant departments within the Economic Sector and Employment

Cluster. This framework provides practical mechanisms to effect implementation of the Mineral Beneficiation Strategy, which was adopted by government as policy in 2011. In collaboration with the Department of Trade and Industry, detailed implementation plans will be developed.

### 2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department completed the process of developing its Service Charter and Service Delivery Improvement Plan for 2014-2017, which was submitted to the Department of Public Service and Administration (DPSA).

### 2.3 ORGANISATIONAL ENVIRONMENT

During the 2013/14 financial year, the Department appointed the Chief Financial Officer as well as the Chief Director: Finance and Supply Chain Management. This has helped to stabilise the environment within the Financial Administration branch.

The high cost of training and the inability to retain staff, especially Inspectors, within the Mine Health and Safety branch continued to contribute to a substantial loss of human capital investment. The inability to retain staff has been identified as a major challenge which could hamper service delivery.

## 2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

### *The Mineral and Petroleum Resources Development Act (MPRDA)*

The Department held numerous consultative workshops with interested and affected stakeholders on the MPRDA Amendment Bill and presented the Bill to Parliament for tabling. Both Houses of Parliament, namely the National Assembly and the National Council of Provinces, processed and ultimately adopted the Bill and referred it to the President for assent. The Department has already commenced with drafting regulations for effective and efficient implementation of the Act. This is part of the drive to strengthen and improve the regulatory environment for sustainable growth and meaningful transformation of the nation's mining industry.

The Bill seeks to enhance the Mining and Upstream Petroleum Regulatory Framework to further augment the gains of the first decade of implementation, consistent with the benefit of a decade-long jurisprudence. Some of the key objectives of the amendment include, albeit are not limited to:

- Enhance consultation with interested and affected stakeholders, including communities
- Remove unintended ambiguities inherent in the prevailing legislation



- Introduce an integrated authorisation for mining, environment and water licensing
- Improve the ease of doing business
- Streamline social and labour plan commitments at district municipality level to augment the social development impact of mining and enable synergies among companies operating within reasonable proximity to complement their social programmes
- Provide for security of tenure
- Create an enabling environment for State participation in petroleum resources
- Protect sanctity of investments
- Enhance provisions for security of mineral supply for local beneficiation
- Introduce a coordinated system of lodgement of applications by invitation, including a mechanism for a third party to trigger the process, to bring about certainty, transparency and further enhance optimal development of the nation's mineral and upstream petroleum resources

### ***Mine Health and Safety Amendment Act, 1996, as amended***

The Mine Health and Safety Amendment Bill, 2012 seeks to amend the Mine Health and Safety Act, 72 of 1997 as amended by the Mine Health and Safety Amendment Act, 74 of 2008, (Amendment Act). The objectives of the Draft Amendment Bill are, amongst others, to:

- Review the enforcement provisions
- Strengthen offences and penalties
- Add certain definitions and expressions to remove ambiguities
- Effect certain amendments necessary to ensure alignment with other laws, particularly the Mineral and Petroleum Resources Development Act, 28 of 2002
- To harmonise administrative processes in the Act with sound administrative practices taking into consideration the objects of the Promotion of Administrative Justice Act, 3 of 2000

In November 2013, Cabinet approved that the Bill be gazetted for public consultation with interested and affected stakeholders. Through this process, submissions were received from stakeholders and incorporated into the Bill where appropriate. Some of the issues raised during consultations on the Amendment Bill included clarity on definitions, employee rights to dispute findings of unfitness

to perform work, establishment of the tripartite institutions, duties of the Mine Health and Safety Council, strengthening of penalties and the Berts' Bricks (Pty) Ltd court judgment relating to the MHSA's non-applicability to brick factories situated in mining areas. The Bill will be introduced in Parliament during the 2014/15 financial year.

### ***The Mining Charter***

One of the key characteristics of the Mining Charter entails stakeholder agreement to review the Charter after ten years of implementation, ending 2014. Consequently, the Department initiated a process of evaluating the progress on the implementation of the Charter during the reporting period, the findings of which will constitute a critical input to the review process. Several stakeholder workshops were held to prepare companies for the Mining Charter audit and promote cooperation with the industry in respect of the process. The findings of the report will be released during the financial year 2014/15.



### 3. STRATEGIC OUTCOME ORIENTATED GOALS

The Department developed its strategic outcomes in support of its vision and mission. Our mission, vision, strategies and programmes are anchored to the imperatives of creating meaningful employment, eradicating poverty, transformation of the minerals and mining sector; ensuring sustainable and equitable use of our mineral wealth and creating a service orientated Department, committed to upholding good corporate governance and financial stewardship.

#### DMR Outcomes and the link to the National Outcomes

Departmental Outcomes	National Outcomes
Increased investment in the minerals and mining sector	Outcome 4: Decent employment through inclusive economic growth
Improved health and safety conditions in the mining sector	Not directly linked to national outcomes
Equitable and sustainable benefit from mineral resources	Outcome 4: Decent employment through inclusive economic growth Outcome 7: Vibrant, equitable, sustainable rural communities Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced
Transformed minerals sector	Outcome 4: Decent employment through inclusive economic growth
Efficient, effective and development-orientated Department	Outcome 12: An efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship

#### Strategic outcome-oriented goals of the Department

<b>STRATEGIC GOAL 1</b>	<b>Increased investment in the minerals and mining sector</b>
Outcome statement	Promote and facilitate an increase in mining activity and value addition to mineral resources extracted in the Republic.
<b>STRATEGIC GOAL 2</b>	<b>Improve the health and safety conditions in the mining sector</b>
Outcome statement	Provide a framework to manage health and safety risks, enforce compliance and promote best practice in the mining sector.
<b>STRATEGIC GOAL 3</b>	<b>Achieve equitable and sustainable benefits from mineral resources</b>
Outcome statement	Promote sustainable resource management and contribute to skills development and the creation of meaningful/sustainable jobs. Contribute to the reduction of adverse environmental impacts from mining.
<b>STRATEGIC GOAL 4</b>	<b>Transform the minerals sector</b>
Outcome statement	Redress past imbalances through broader participation in the minerals sector; direct intervention in communities and an increase in BEE and SMME participation, which includes women, the youth and the disabled.
<b>STRATEGIC GOAL 5</b>	<b>Create an efficient, effective and development-oriented Department</b>
Outcome statement	Attract, develop and retain appropriate skills and ensure the optimal utilisation of resources through implementing risk management strategies and promoting sound corporate governance.

## 4. PERFORMANCE INFORMATION BY PROGRAMME

During the 2013/14 financial year, the Department implemented activities that were organised according to the following programmes:

**Programme 1:** Administration (Corporate Services and Financial Administration)

**Programme 2:** Promotion of Mine Health and Safety

**Programme 3:** Mineral Regulation

**Programme 4:** Mineral Policy and Promotion

### 4.1 PROGRAMME 1: CORPORATE SERVICES

#### **Purpose**

The purpose of Corporate Services is to enable the Department to deliver on its mandate by providing strategic support and management services to the Ministry and the Department.

The branch is headed by the Deputy Director-General: Corporate Services, and consists of the following Chief Directorates:

- Human Resource Management

- Legal Services
- Communication
- Special Programmes and Outreach
- Auxiliary Support Services

#### **Chief Directorate: Human Resource Management**

This Chief Directorate is responsible for rendering a management support service to the Department. It provides services relating to organisational development, human resource planning and policy, human resource administration and practices, human resource development, security risk management as well as employment relations management to line functions.

#### **Organisational Development**

The purpose of the Directorate: Organisational Development is to provide a comprehensive organisational development service to the Department. The Directorate embarked on a rationalisation project where all departmental administrative positions on salary Levels 5-8 were rationalised to ensure their optimal utilisation. In addition to this, some components' processes were mapped and re-engineered. This assisted such components to work smartly and efficiently.

The Culture and Climate Survey was successfully completed. It is anticipated that the implementation of the recommendations of the survey will assist the Department in resolving its attraction and retention challenges.

Due to the implementation of some parts of Resolution 1 of 2012, the Department completed a total of 448 job evaluations as opposed to the 120 targeted for the year.

The structure of the Department was reviewed to provide for, amongst others, the implementation of the National Environmental Management Act. This resulted in the creation and filling of 37 environmental management positions.

#### **Human Resource Planning and Policy**

The main purpose of this Directorate is to manage human resource related planning, systems, functions, branding, marketing and policies within the Department. During the 2013/14 financial year, the Directorate successfully reviewed and published the integrated Human Resource Plan for the Department.

The Attraction and Retention Strategy was developed with the aim of reducing the turnover rate of the Department and will be implemented in the 2014/15 financial year. The Directorate also reviewed its Employment Equity Plan and submitted the Department's Employment Equity Report to the Department of Labour.

To ensure that there is a joint effort between the Corporate Services Branch and line functions, the Directorate signed an Operational Level Agreement with the Heads of all Branches in which an agreement was reached on the type and quality of service required for the achievement of the strategic objectives.

Regardless of various technical difficulties, the Directorate also succeeded in rolling out the e-Disclosure system for senior managers when it was introduced by the Department of Public Service and Administration at the end of 2013.

### **Human Resource Administration and Practices**

The purpose of this Directorate is to manage relationships with the Department's business unit partners on human resource matters and administration. This entails recruitment and selection, facilitating competency-based assessments and individual performance evaluations through the Performance Management and Development System (PMDS), managing service conditions and the implementation of Policy and Procedure for Incapacity Leave and Ill-health Retirement (PILIR).

During the financial year, the Directorate organised a ceremony where employees received awards for long service and excellent performance. A total of 81 employees received awards for long service ranging from 10, 15, 20, 25 and 30-year intervals. An additional 21 employees received

special awards in five categories - Ubuntu, Mentorship, Employee of the Year, Rising Star and Woman Manager. The Directorate managed to review one existing policy.

### **Human Resource Development**

The main purpose of the Directorate Human Resource Development is to address skills challenges through training and development programmes that can ensure a supply of employees with the required skills to meet the departmental strategic needs, as well as the needs of the South African Economy. For the 2013/14 financial year, the Directorate achieved the following:

- Recruited 71 interns – amongst these interns, four were offered permanent employment within the Department and nine interns were offered permanent employment outside the Department. A total of 58 interns are in the process of completing the programme which ends in June 2014
- 84 learners (youth) were placed in a Learnership Programme running for two years, which is due to end in 2015. Learnership programmes enrolled for are Boilermaker, Diesel Mechanic, Fitter and Turner, and Artisan
- 12 internal bursary holders successfully completed their qualifications in the following fields: National Diploma in Safety Management; National Diploma

in Management Services; Masters in Psychology; National Diploma in Office and Management; Honours Degree in Public Administration; Honours Degree in Environmental Management; National Diploma in Economic Management; B.Tech in Logistics; B.Tech in Human Resource Management; Masters in Development Studies and National Diploma in Human Resource Management

- 78% of the Workplace Skills Plan was implemented. Courses implemented include: Advanced Management Development Programme, Emerging Management Development Programme, Report Writing for Senior Management Service (SMS) members, Project Khaedu, Government Certificate of Competency, Project Management, Computer Literacy, Mentoring and Coaching, Defensive Driving, and Occupational Health and Safety
- 48 new employees were orientated on departmental policies and procedures to reduce irregularities

### **Employment Relations Management**

The purpose of the Directorate is to manage employee relations, collective bargaining and employee wellness. The focus is on ensuring compliance with national as well as departmental policies in order to:

- Improve and maintain a healthy and sound employer-employee relationship

- Offer assistance to incapacitated employees through the Employee Assistance Programme (EAP)
- Assist employees to detect health risk issues through Health Risk Assessments; this comprises tests for high blood pressure, cholesterol, sugar diabetes, body mass index (BMI) , and HIV testing.

The Directorate successfully conducted workshops on Labour Relations, Wellness as well as Occupational Health and Safety. Twenty six managers were trained as chairpersons to preside over internal disciplinary hearings. This pool of chairpersons is aimed at minimising delays in chairing disciplinary hearings which in turn will improve the turnaround time in finalising disciplinary cases, which is a legal requirement.

The Directorate managed to initialise and finalise disciplinary and grievance cases within the prescribed timeframes. This resulted in the DMR being nominated as a good practice department on management of disciplinary cases during the Monitoring Performance Assessment Tool (MPAT) process for 2013.

In addition to the above, the Directorate started implementing occupational health and safety in the Department. The emergency evacuation drill was conducted to familiarise employees with evacuation procedures. The departmental Health and Safety Policy Statement was finalised and signed off by the Director General, and is posted on the walls at head office and regional offices. Health and Safety Committees have been established at head office and regional offices,

to assist in the implementation of Occupational Health and Safety programmes. Peer groups have also been established at head office and regional offices to assist in the management of the Wellness Programme. Health and Safety representatives have been trained.

### **Security Risk Management**

The main purpose of the Directorate is to ensure effective security risk management services. Its main focus is the implementation of the Minimum Information Security Standards (MISS) and Minimum Physical Security Standards (MPSS).

The strategic objective of the Directorate is to ensure the implementation of the National Vetting Strategy. The Directorate managed to conduct and complete pre-screening/personnel suitability checks (PSC) of all prospective departmental employees. All prospective service providers and contractors of the Department were also screened through the assistance of the State Security Agency (SSA). A total of 122 vetting files for strategic positions were completed and submitted to the State Security Agency for vetting purposes. The Directorate further co-ordinated the conducting of security audits by the South African Police Services (SAPS) together with the State Security Agency in head office, Klerksdorp, Witbank, Port Elizabeth, Springbok and the Kimberley office. The Directorate also provided protective security support in 30 events organised by the Department.

### **Chief Directorate: Legal Services**

The Chief Directorate: Legal Services consists of two Directorates, namely Directorate: Mineral Legal Services and Directorate: Legal and Support (Mine Health and Safety). The Chief Directorate provided the Department with comprehensive legal support services, which included legal opinions and advice, assistance with legal drafting, litigation management, handling of administrative appeals and assistance with enquiries and investigations. The Chief Directorate also assisted with the monitoring and implementation of the Promotion of Access to Information Act, 2 of 2000 (PAIA), and the Promotion of Administrative Justice Act, 3 of 2000 (PAJA). Furthermore, the Chief Directorate assisted with debt collection as well as the determination of culpability of officials in cases of lost or damaged property. The Chief Directorate also facilitated the certification and signing of international agreements between the Department and third parties.

### **Achievements**

Improved processes resulted in the target of 75% for timeous responses to appeals, litigation, PAIA requests and opinions being finally achieved in the latter part of the 2013/14 reporting period. Taking into account the large influx of work and the limited human resources compared to the legal sections in other Departments, this is a remarkable achievement.



### **Chief Directorate: Communication and Knowledge Management**

The Chief Directorate is responsible for providing an efficient and effective communication service in line with the DMR's mandate, mission, vision and values, whilst bearing in mind the context and environment of the minerals and mining industry. Working together with the management of the Department, the Chief Directorate leads the Department's communication efforts in support of the overall objectives of the Department.

It is also charged with supporting the Minister, Deputy Minister, Director-General and line function branches in media management, branding, marketing, public relations, internal communications, publication services, library, knowledge management services, switchboard and reception services.

The Department's communication and stakeholder relations are driven by the need to:

- Profile and promote the objectives, policies and programmes of the Department
- Sustain public confidence in government's ability to deliver on its mandate through the Department's programmes
- Build the reputation and brand of the Department

- Demonstrate how the Department is contributing to government's priorities, including the creation of decent jobs and sustainable communities through mining regulatory interventions
- Help the mining industry to understand the Department's policies and programmes, especially as they relate to transformation and promote local beneficiation of raw materials
- Communicate South Africa's mining legislative and regulatory framework, including licensing processes
- Market South Africa and the mining industry abroad and build consensus on South Africa's reputation as a viable destination for foreign investment
- Build the Department's capacity to communicate coherently and effectively with all stakeholders
- Develop appropriate and ethical networks and relationships with stakeholders that enhance the image of the Department

### **Achievements**

#### **Re-launch of DMR Online platforms**

The Chief Directorate re-launched the Department's online communication platforms, website and intranet to make it much more effective, accessible and user-friendly


#### **Presidential Hotline**

The Chief Directorate hosts the function of public liaison services which deals with Presidential Hotline queries received from the general public. Through the Directorate's facilitation, the departmental Presidential Hotline call resolution rate stands at 96%

### **Chief Directorate: Special Programmes and Outreach**

The Chief Directorate: Special Projects and Outreach aims at redressing imbalances and creating access for vulnerable groups to benefit from the mining and minerals sector.

During the year under review, the Chief Directorate continued to encourage education and skills development amongst young people. This saw the component reaching out to rural and urban areas in the Western Cape, Mamelodi and Daveyton in Gauteng, Limpopo and Northern Cape. This is in a bid to encourage learners to study mathematics and physical science at high school to enable them to take up technical careers such as mining engineering at tertiary institutions. This programme would not be effective without the support and partnership of stakeholders in the mining sector, such as the mining companies, the Department of Mineral Resources' State Owned Entities, such as Mintek, the Mining Qualifications Authority and the Council for Geoscience.



The DMR also engaged the government financing institutions such as the National Student Financial Aid Scheme (NSFAS) and Eduloan so as to empower students about possible funding sources, and the requirements thereof, which they can access in order to pursue their career of choice, post Grade 12.

### ***Sishen Mine Bursaries***

Sishen Mine in Kathu, in collaboration with the Department of Mineral Resources, collated curriculum vitae (CVs) of learners who studied mathematics and science and were in Grade 12 or had just completed high school. Thirty four students qualified for admission to the Sishen FET College for training in various artisan and trades skills programmes.

### ***Girl Learner Programme***

The flagship programme initiated by the Department in the previous financial year, continued with its implementation to assist and support girl learners through visits and mentorship. As a result, 18 of the girl learners are progressing well with their studies at various tertiary institutions. The project is also undertaken in partnership with mining companies. Special Projects continued to facilitate developmental projects in rural communities, focussing on women and young people.

During the year under review, the Chief Directorate commemorated all the national days, namely, Youth Day, Mandela Day, Women's Day, International Day of Persons with Disabilities and Sixteen Days of Activism against Women and Children Abuse.

### ***Directorate: Auxiliary Support Services (ASS)***

The responsibilities of the Directorate entail providing support services in transport, facilities and records management to the Department. The 2013/14 financial year has been a very successful year with the Directorate developing a Service Catalogue with defined turnaround times for all services rendered and entering into Service Level Agreements with five service providers.



### PROGRAMME 1: CORPORATE SERVICES

Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
Equitable and sustainable benefit from mineral resources (customer/stakeholder)	Communicate DMR policies and programmes with internal and external stakeholders	Percentage of branch inputs received and updated on the website and intranet	100%	100%	100%	0	Achieved. Verification source: Website Printout per page. Number of requests/Number of uploads performed $\times 100$ , $103/103 \times 100 = 100\%$ .	
		Approved internal communication strategy	N/A	100%	100%	0	Achieved. Verification source: Implementation of Internal Communication plan. Calculation: Total number of action plans implemented/ Number of action plans to be implemented $41/41 \times 100 = 100\%$ .	
		Number of media and stakeholder engagements held	48	20	40	20	Achieved. Verification source: Media Reports. The figure was based on the Principals' diaries of activities and the Department's annual activities/projects from various Branches. There were additional activities from both the Principals' diaries of activities and from Line Functions, for which the Chief Directorate rendered Communication support. Calculation: $6 + 14 + 12 + 8 = 40$ .	



Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of positive and balanced news (published/broadcast) items from DMR initiated activities	193	70	153	83	Achieved. Media Clippings: The branch planned to host 70 Stakeholder Engagements by quarter four that would lead to the Department being profiled positively. The figure was based on the Principals' diaries of activities and the Department's annual activities from various branches. There were additional activities from both the Principals' diaries of activities and from Line Functions, for which the branch rendered communication support.	
		Number of public participation programmes	10	10	17	7	Achieved. Verification source: Reports.	
	Contribute to skills development	Number of bursaries acquired and recipients identified to study towards mining related qualifications	5	20	35	15	Achieved. Verification source: The branch planned to grant bursaries to 20 students only, The over achievement is due to more mining companies offering more bursaries. Therefore, an additional 15 were granted bursaries out of 73 students.	
		Number of mining career awareness initiatives	16	12	18	6	Achieved. Verification source: Attendance Registers. The over achievement was due to better collaboration between the HRD and Special Projects. This measure is combined for both Special Projects and HRD.	

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## PART B PERFORMANCE INFORMATION



Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
	Drive transformation policies	Women in Mining Strategy approved	0	100%	0	-100%	Not achieved. Still in the process of consultation, also had to align to the amended MPRDA.	To incorporate inputs by 31 March 2015
	Provide adequate facilities for effective service delivery	Percentage of facilities aligned with business needs	83%	85%	88%	3%	Achieved. Verification source: Report on facilities aligned with business needs. Over achievement by 3% is due to the measurement of square metre calculations and dynamics of office buildings.	
	Sustainably develop vulnerable groups	Approved youth strategy	0	1	0	-1	Not achieved. Awaiting comments from the Youth Desk at the Presidency.	Awaiting comments from Youth Desk at the Presidency, 31 July 2013.
		Number of identified projects facilitated for vulnerable groups	3	4	4	0	Achieved. Verification source: Report on projects facilities for vulnerable groups.	
<b>Efficient, effective and development-orientated department (internal processes)</b>	Develop, review and improve internal processes/guidelines/procedures	Number of business processes mapped	19	10	11	1	Achieved. Verification source: Report of business processes mapped. There was a need to map additional processes. There was an urgent need to map one additional process and this could not wait for the next performance year.	
		Number of OLAs reviewed	N/A	1	1	0	Achieved. Verification source: Reviewed OLAs	
		Number of policies/guidelines developed and/or reviewed	18	8	8	0	Achieved. Verification source: DBC Minutes. The minutes will be signed in the next DBC meeting to be held on 16 May 2014.	

Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of re-engineered processes	8	7	7	0	Achieved. Verification source: Re-engineered processes report.	
	Ensure compliance with human resources (HR) legislation/directives	Percentage of financial disclosures submitted within the prescribed period	100%	100%	100%	0%	Achieved. Verification source: List of submitted financial disclosure forms. Calculation: Total number of Senior Managers/Total number of financial disclosures submitted, 73/73 X 100 = 100%.	
		Percentage of performance agreements signed within the prescribed period	95%	100%	97%	-3%	Partially achieved. The branch achieved 97% against a target of 100. The challenge is that the remaining 3% of performance agreements were submitted after 31 May 2013. Calculation: Total number of performance agreements submitted/Total number of Senior Managers, 70/72 x 100 = 97%. Performance agreement is 72 not 73 due to the resignation of one of the Senior Managers. Verification source: List of names of Senior Managers who signed Performance Agreements.	Disciplinary action taken against those who did not comply,
		Number of posts evaluated	138	120	448	328	Achieved. Verification source: Signed submission. The large variance is as a result of the implementation of Resolution 1 of 2012. A number of group evaluations were done.	

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## PART B PERFORMANCE INFORMATION



Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
	Ensure implementation of National Vetting Strategy	Percentage of pre-employment screening requests processed	100%	100%	100%	0%	Achieved. Verification source: Proof of receipt of screening requests by SSA Domestic branch. Calculation: $208 + 396 + 170 + 224 = 998$ ; New screening requests/total number of new employees screened, $998/998 \times 100 = 100\%$ .	
		Percentage of service providers' and contractors' screening requests processed	100%	100%	100%	0%	Achieved. Verification source: Proof of receipt of screening requests by SSA Domestic branch. Calculation: $10 + 5 + 4 = 19$ , New screening requests/total number of contractors and service providers screened, $19/19 \times 100 = 100\%$ .	
		Number of vetting files completed	121	120	122	2	Achieved. Verification source: Proof of receipt of a completed file from SSA Domestic branch. Calculation: $30 + 25 + 12 + 55 = 122$ . Two additional files were identified in order to ensure that we do not fall below target in instances where a file could not be completed due to lack of information.	
	Improve turnaround times	Percentage adherence to defined turnaround times	75%	100%	100%	0%	Achieved. Verification source: Report on adherence to defined turnaround times. Calculation: $\text{Defined turnaround time}/\text{response time} \times 100 = 100\%$ , $1\text{hr}/1\text{hr} \times 100 = 100\%$ .	

Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage adherence to SLA	N/A	100%	100%	0%	Achieved. Verification source: Report on adherence to SLA. Calculation: Number of queries/ Number of resolved queries X 100, 88/88 X 100 = 100%.	
	Provide professional legal support and advisory service to Ministry and Department	Percentage timeous response to opinions, appeals, enquiries, agreements and litigations	88%	75%	87%	12%	Achieved. Verification source: Legal Services Register. Calculation: 160/183 X 100 = 87%, the over achievement is due to PAIA requests which is paying dividends.	
<b>Efficient, effective and development-orientated Department (learning and growth)</b>	Attract, develop and retain skills	Percentage reduction in staff turnover	-1%	5%	2%	-3%	Not achieved. The branch had one transfer and one resignation in the fourth quarter but with the number of posts that are going to be filled in the next financial year; this will have an impact on the reduction in staff turnover. Verification source: Persal Report and calculation.	The branch will continue with the advertisements and interviews to improve staff turnover; 31 March 2015.
		Improved numbers in terms of identified EE categories	98	118	103	-15	Partially achieved. The branch has advertised the posts but failed to attract people from all categories. Only people with disabilities were attracted. Verification source: Persal and Excel Spreadsheet.	The branch will ensure that more attention is given to those categories that were not achieved when filling positions in the fourth quarter; 31 March 2015.
		Number of health and wellness programmes implemented	8	10	21	11	Achieved. Verification source: Attendance Registers. The overachievement is due to the implementation of OHS.	

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## PART B PERFORMANCE INFORMATION



Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of HRD initiatives implemented	9	13	13	0	Achieved. Verification source: Attendance Registers.	
	Facilitate management and leadership development	Number of management programmes implemented	4	4	4	0	Achieved. Verification source: Attendance Registers. Although Business Report Writing was not identified as an initiative at the beginning of the year, a directive was issued during the year at the Strategic Planning session to prioritise this for SMS members.	
		Number of managers completed the management courses	15	10	15	5	Achieved. Verification source: List of completed officials. The reason for the over achievement was due to more managers attending the management courses than was initially anticipated.	
		Number of workshops on DMR strategy	N/A	2	2	0	Achieved. Verification source: Agenda.	
	Filling of funded vacancies	Percentage reduction in vacancies	11%	5%	2%	-3%	Not achieved. Due to the delay from SSA in finalising the personal suitability checks.	23 posts are still vacant; the branch will conduct interviews and vacant posts will be filled within three months of becoming vacant.
<b>Efficient, effective and development-orientated department (financial)</b>	Align budget to strategy	Percentage changes made to the original allocated budget	1%	20%	6%	-14%	Achieved. Less than 20% changes were made to the original budget: Verification source: Shifting Report.	

Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
	Manage cost effectively	Percentage reduction in irregular expenditure cases	22%	100%	57%	-43%	Partially achieved. Due to lack of procurement champions within each branch, the branch experienced a 57% reduction in irregular expenditure. Calculation $3 - 7 \text{ cases} = 4$ , $4/7 \times 100 = 57\%$ .	Corporate Services will train officials on how to handle emergency procurement with assistance from Supply Chain Management.
		Percentage variance on allocated budget	22.41%	5%	0.54%	-4.46%	Achieved. Verification source: Cash Flow Report: Calculation: Revised Budget of 176 318 - Actual of 175 361 = $957/176\ 318 \times 100 = 0.54$ . The branch planned not to over/under spend. The allocated budget was spent accordingly in the 2013/14 financial year.	
	Maximise use of resources	Percentage reduction in the number of branch assets disposed of prior to the end-of-lifespan	2091.5%	15%	109%	94%	Not achieved. Due to three losses of assets. Verification source: Loss Register: Calculation: Current year - Last year/Last year, $61\ 321.03 - 29\ 389.46 = 23\ 068.48 \times 100 = 109$	Assets cannot be recovered from officials since no negligence can be attributed them.
	Promote corporate governance	Percentage adherence to compliance framework	100%	100%	100%	0%	Achieved. Verification source: Completed checklist.	
		Percentage implementation of risk management plans	100%	100%	76%	-24%	Partially achieved. 68% of risk action plans were fully implemented while 32% was not implemented due to the reprioritisation of projects.	The 32% that is not implemented will be implemented in the new financial year, 31 March 2015.

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## PART B PERFORMANCE INFORMATION

Strategic Goals	Strategic Objectives	Measure	Actual 2012/13	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage of fully implemented, agreed-upon management action plans (external audit)	100%	100%	100%	0%	Achieved. Verification source: AG Management Report Action Plan.	
		Percentage of fully implemented, agreed-upon management action plans (internal audit)	100%	100%	50%	-50%	Partially achieved. Only 50% of Internal Audit Action Plans were implemented, 50% was not implemented due to findings that were not implemented. Verification source: Original Audit Report.	The 50% that was not implemented will be implemented in the new financial year, 30 September 2014.

### Linking performance with budgets

#### Sub-programme expenditure: Corporate Services

Sub-programmes	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	28,361	28,229	132	24,458	24,458	-
Corporate Services	152,167	151,195	972	123,369	123,369	-
Department Management	17,208	17,127	81	17,414	17,414	-
Financial Administration	76,453	76,448	5	87,518	87,518	-
Internal Audit	11,787	11,785	2	13,292	13,292	-
Office Accommodation	24,168	23,788	380	29,203	29,203	-
<b>Totals</b>	<b>310,144</b>	<b>308,572</b>	<b>1,572</b>	<b>295,254</b>	<b>295,254</b>	<b>-</b>



#### 4.1.1 PROGRAMME 1: FINANCIAL ADMINISTRATION

##### *Purpose:*

To provide strategic and administrative support services to the Ministry and the Department.

The Branch Financial Administration headed by the Chief Financial Officer, consists of the following Chief Directorates:

- Finance and Supply Chain Management responsible for the finance, budget and supply chain management processes
- Information Management which is responsible for providing a communication technology platform that supports business needs which are aligned to the strategic objectives of the Department

##### *Chief Directorate: Finance and Supply Chain Management*

The Chief Directorate: Finance and Supply Chain Management is made up of the followings Directorates:

- **Financial Planning and Management Accounting**, which is responsible for coordinating the budget processes, managing revenue and reporting on all financial matters including the Annual Financial Statement
- **Expenditure Management**, which focuses on ensuring that payments to service providers/ suppliers, interdepartmental claims, salary and other allowances as well as transfers to state owned entities are done on time and within a controlled

environment to ensure compliance with relevant policies and prescripts

- **Supply Chain Management**, which is responsible for managing demand, acquisition of goods and services, logistics, contracts as well as asset management for the Department

##### *Chief Directorate: Information Management*

The Chief Directorate's primary responsibility is to provide communication technology platforms that support the business needs aligned to the strategic goals and objectives of the Department. It is made up of two Directorates, namely:

- **Information Technology**, which is mainly responsible for providing information technology infrastructure and networks
- **System Development and Maintenance**, which is responsible for the development and maintenance of application systems

##### *Strategic objectives, performance indicators, planned targets and actual achievements*

The Chief Directorate: Finance and Supply Chain Management's focus for the year under review was to improve and implement internal control processes to achieve clean audit outcomes. It also focused on ensuring that the spending plans aligned to the strategic objectives are properly implemented.

The Chief Directorate successfully co-ordinated the implementation of the recommendations from the Auditor-

General's report. The action plans relating to incorrect valuation of Receivables on Departmental Revenue were fully implemented. The level of compliance with laws and regulations has improved, as a result, the number of reported cases for irregular expenditure decreased by 50% from two cases reported in 2012/13 financial year to one case reported in 2013/14 financial year. Furthermore, 98% of invoices were paid within 30 days compared to 94.97% in 2012/13 financial year. The branch will continue to improve internal processes to ensure 100% compliance with laws and regulations.

Led by the Chief Information Officer (CIO), the Chief Directorate: Information Management's focus was to ensure that the Master Systems Plan (MSP) is implemented successfully in order to accommodate new technology and business needs of the Department.

The Chief Directorate has successfully implemented 100% of the MSP targets. The reduction of system unavailability was achieved by improving ICT infrastructure and working tools, upgrading bandwidth, and assessment of security penetration and implementation of remedial actions. It further promoted efficient performance and cost containment measures through the implementation of multi-functional printers that drive cost saving, improving boardroom infrastructure, implementing governance structures and the review of agreements which resulted in the termination of undesired services. Lastly, the Chief Directorate also focused on the development and empowerment of people through training, which resulted in the elimination and reduction of consultants.



### PROGRAMME 1: FINANCIAL ADMINISTRATION

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
Efficient, effective and development-orientated Department (customer/stakeholder perspective)	Educate and empower stakeholders	Percentage reduction in non-compliance with internal processes	-0.14%	50%	50%	0%	Achieved. Verification source: Irregular Expenditure Report (for the branch). Two cases were reported in 2012/13 and one case was reported in 2013/14 financial year i.e. $[(2-1)/2] * 100 = 50\%$ .	
		Percentage reduction in the number of complaints	100%	30%	100%	70%	Achieved. Verification source: System Generated Report (QMS Report). There were no complaints received in both 2012/13 and 2013/14 financial years. Although the target was met, not all branches utilised the system. The branch will raise more awareness on the complaint handling system for improved service delivery.	
	Improve service delivery	Customer satisfaction index (1-5 index) on OLA	3.35	3	3	0	Achieved. Verification source: Customer Satisfaction Survey Report. Calculation: Total points 106.07/Number of questions 35 = 3.03.	
		Number of defined turnaround times adhered to	72	70	85	15	Achieved. Verification source: Service Catalogue. The target had taken into account capacity challenges which have since been resolved.	

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
	Promote transformation policies	Percentage of suppliers invoices paid in 30 days	94.97%	90%	98%	8%	Achieved. Verification source: Invoice Payment Report. Calculation: [(Number of invoices paid within 30 days [(164 + 178 + 330 = 672)/Total number of invoices received (170 + 181 + 333 = 684)] * 100 = 98%. The target had since been revised to be in line with the PFMA requirement.	
	Provide ICT systems	Percentage reduction in system unavailability	N/A	95%	98%	3%	Achieved. Verification source: Helpdesk Report and/or System Monitoring Report. The measure has since been revised as the target was to have 95% of system availability and not to measure unavailability.	
	Provide reliable and timely information	Number of reports submitted within prescribed timeframes	18	20	20	0	Achieved. Verification source: Reporting Calendar. The branch had 32 reports in total and targeted 20 reports for the 2013/14 financial year and all have since been achieved.	
<b>Efficient , effective and development-orientated Department (internal processes)</b>	Aligning ICT to business objectives	Percentage implementation of Master Systems Plan	100%	50%	100%	50%	Achieved. Verification source: Implementation of MSP Report and/or Software Asset Register. All three activities were achieved. Funding was made available for all the activities to be implemented.	
	Implement policies processes and procedures	Number of approved policies implemented	5	3	3	0	Achieved. Verification source: Approval submission and/or Circular to DMR Group.	

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## PART B PERFORMANCE INFORMATION



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of approved processes and procedures implemented	5	3	3	0	Achieved. Verification source: Circular to DMR Group and/or Published processes (intranet). Processes and procedures are incorporated in all approved policies.	
	Improve turnaround times	Percentage improvement in turnaround times	55%	10%	19%	9%	Achieved. Verification source: Service Catalogue. Calculation: (Number of processes with improved turnaround time: 20/Total number of processes: 103) * 100 = 19%. The target took into account capacity challenges which have since been resolved.	
		Number of processes with improved turnaround times	28	10	20	10	Achieved. Verification source: Report on processes with improved turnaround times. Calculation: F&SCM 16 + IM 4 = 20. The target took into account capacity challenges which have since been resolved.	
<b>Efficient, effective and development-orientated Department (learning and growth)</b>	Attract, develop and retain skills	Percentage reduction in staff turnover	3%	5%	6%	1%	Achieved. Verification source: Persal Report and Excel Spreadsheet. Good Management.	
		Improved numbers in terms of identified categories	70	89	74	-15	Partially achieved. The branch has advertised the posts but failed to attract people from all categories. Only women and women in management were attracted. Verification source: Persal and excel spreadsheet.	The branch will ensure that more attention is given to those categories that were not achieved when filling positions in the fourth quarter; 31 March 2015.

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of HRD initiatives implemented	3	3	3	0	Achieved. Verification source: Attendance Register and/or Training Report.	
	Facilitate management and leadership development	Number of managers completed management courses	11	5	11	6	Achieved. Verification source: List of completed officials or Certificates. Managers from Assistant Director level were considered for training and funds were made available to cater for training.	
		Number of workshops on DMR strategy	N/A	2	2	0	Achieved. Verification source: Agenda.	
	Fill funded vacancies	Percentage reduction in vacancies	-5%	5%	-5%	-10%	Not Achieved. Due to the increase in the number of vacancies. Verification source: Persal Report and/or excel spreadsheet.	The Branch will strive to fill vacancies within four months of the post being vacant.
<b>Efficient, effective and development-orientated Department (Financial)</b>	Align budget to strategy	Percentage changes made to the original allocated budget	0%	20%	0%	-20%	Achieved. Verification source: Shifting Report. No changes were made to the original allocated budget.	
	Manage costs effectively	Percentage reduction in irregular expenditure cases	0%	100%	50%	-50%	Partially Achieved. There was one incident of non-compliance with the PFMA and other relevant prescripts. Verification source: Irregular Expenditure Report. Two cases were reported in 2012/13 financial year and one case was reported in 2013/14 financial year. $[(2-1)/2] * 100 = 50\%$ .	The Branch is in the process of investigating the matter; and the process will be finalised by 31 May 2014.



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage variance on allocated budget	5%	5%	0%	-5%	Achieved. Verification source: Cash Flow Projections.	
	Maximise utilisation of resources	Percentage reduction in the number of branch assets disposed prior to the end-of-lifespan	69.3%	15%	100%	85%	Achieved. Verification source: Loss Register and/or Disposal Report Improved Management of Assets.	
	Promote corporate governance	Percentage adherence to compliance framework	100%	100%	100%	0%	Achieved. Verification source: Compliance Checklist.	
		Percentage implementation of risk management plans	100%	100%	93%	-7%	Partially Achieved. Electronic Contract Management System for SCM could not be implemented due to discussions with Intenda for enhancing the system to include contract management and monitoring modules not being finalised. The asset register quarterly certification by Management could not be implemented due to the asset verification process not being completed. The Revenue Management System was not procured due to delays in finalising the procurement process. Verification source: Monitoring Report.	Electronic Contract Management System for SCM will be implemented in the 2014/15 financial year. The asset verification process was completed by 31 March 2014 and the quarterly certification by Management will be implemented by 30 June 2014. The procurement process for Revenue Management System will be finalised by 30 June 2014.

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage of fully implemented, agreed-upon management action plans (External Audit)	100%	100%	69%	-31%	Partially Achieved. Verification source: AG Management Report Action Plan; follow up audit report; summary of audit findings. Eight out of 26 actions plans could not be implemented due to delays in finalising the approval processes.	The process of approval of the eight partially implemented action plans will be finalised by 30 June 2014.
		Percentage of fully implemented, agreed-upon management action plans (Internal Audit)	100%	100%	100%	0%	Achieved. Verification source: Original Audit Report and/or Follow up Audit Report and/or summary of audit findings.	

### Linking performance with budgets

#### Sub-programme Expenditure: Financial Administration

Sub-programmes	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	28,361	28,229	132	24,458	24,458	-
Corporate Services	152,167	151,195	972	123,369	123,369	-
Department Management	17,208	17,127	81	17,414	17,414	-
Financial Administration	76,453	76,448	5	87,518	87,518	-
Internal Audit	11,787	11,785	2	13,292	13,292	-
Office Accommodation	24,168	23,788	380	29,203	29,203	-
<b>Totals</b>	<b>310,144</b>	<b>308,572</b>	<b>1,572</b>	<b>295,254</b>	<b>295,254</b>	<b>-</b>



### 4.2 PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY

#### **Purpose**

The purpose of the programme is to execute the Department's statutory mandate to safeguard the health and safety of the mine employees and people affected by mining activities.

The Branch, headed by the Chief Inspector of Mines, consists of two sub-programmes:

- Governance and Policy Oversight
- Mine Health and Safety Regions

#### **Legislative Framework**

The Inspectorate in collaboration with the Mine Health Safety Council developed and recommended promulgation of the following:

- Refuge Bay Regulations
- Rail Bound Regulations and Guidelines
- Electricity Regulations
- Trackless Mobile Machinery Regulations
- Guidelines on Risk Based Fatigue Management
- Roles and Responsibilities of Occupational Medicine Practitioners in Medical Surveillance

#### **Enforcement**

The regions use enforcement guidelines as a means of promoting health and safety in the mines. The following statutory instructions were issued in terms of the MHSA to protect health and safety of mineworkers and to address unsafe or hazardous conditions, practices or acts.

- Section 54s: 1,074
- Section 55s: 2,390
- Administration fines: 9

#### **Inquiries**

The regions initiated 97 an accident inquiries and completed 85, which translated to 88% completion rate.

#### **Inspections and Audits**

There were 9,446 inspections conducted against a target 8,000, which translates to a percentag of 118%. Similarly with audits, a total of 473 were conducted against a target of 396, which is a 119% achievement. The over achievement for both was as a result of the commitment of staff and their willingness to go the extra mile. This was also due to embracing the principle of doing more with less.

#### **Tripartite Workshops**

The regions have carried out a total of 62 tripartite workshops against a target of 40.



**PROGRAMME 2: PROMOTION OF MINE HEALTH AND SAFETY**

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations	
<b>Sufficient and relevant skills in the mining sector</b>	Contribute to skills development	Reviewed and implemented Certificate of Competency model to improve pass rate				0	Achieved. Model reviewed. Verification source: Draft Report.		
		Promote health and safety	Percentage adherence to the enforcement guideline	100%	100%	100%	0%	Achieved. There were 1,074 section 54 instructions issued; 2,390 section 55 instructions and 9 administrative fines imposed during 2013/14. Verification source: Summary of Statutory Instruction Report (section 54 or 55 or admin fines).	
			Percentage of enquiries completed (initiated vs completed)	70%	70%	88%	18%	Achieved. The average percentage achieved is 88%. Calculation: There were 97 initiated and 85 completed (85/97) = 88% achieved as indicated in the Verification source. Verification source: Summary of Enquiry Reports.	
<b>Transformed mineral sector (Stakeholder)</b>	Promote health and safety	Percentage of investigations completed (initiated vs completed)	87%	80%	87%	7%	Achieved. The average performance achieved is 87% Calculation: Initiated 2,773 and completed 2,408. Calculation: (2,408/2,773) = 87% as indicated in the Verification source. Verification source: Summary of Investigation Reports.		

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## PART B PERFORMANCE INFORMATION



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage reduction in dangerous occurrences	5%	20%	1.5%	-18.5%	<p>Not achieved.</p> <p>There were 475 dangerous occurrences during the reporting period 2013/14 and 468 during the same period in 2012/13. Calculation: <math>(475 - 468)/468 = 1.5\%</math> regression.</p> <p>Verification source: Summary of Dangerous Occurrences.</p>	<p>More investigations and audits to be conducted on the causes of these dangerous occurrences. However, mines that have not reported were monitored and this has resulted in an increase in these reports. It must be noted that these reports are for incidents that occurred on the mine and have not resulted in an injury or fatality. The outcome of investigations will assist in identifying strategies to minimise these dangerous occurrences.</p>
		Percentage reduction in employee overexposure to noise Occupational Exposure Limit (OEL) to reduce Noise Induced Hearing Loss	38%	10%	10%	0%	<p>Achieved.</p> <p>Quarter 1: -33% Improvement                      Quarter 2: -14.17% Improvement                      Quarter 3: +3% Regression                      Quarter 4: +3% Regression. Therefore: <math>[-33 - 14.17 + 3 + 3] = 41/4 = -10.25</math> improvement.</p> <p>Verification source: Noise Milestone Indicator Report.</p>	

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage reduction in employee overexposure to silica Occupational Exposure Limit (OEL) to reduce Silicosis	22%	10%	3.6%	-6.4%	Not Achieved. Quarter 1: -18% Improvement Quarter 2: +31% Regression Quarter 3: -8% Improvement Quarter 4: -19.42% Improvement Therefore: $[-18+31-8-19.42] = -14.42/4 = -3.6$ improvement. Verification source: Silicosis Milestone Indicator Report.	More inspections and audits to be carried out by the Occupational Hygiene Inspectors in the areas of silica exposure in the mines.
		Percentage reduction in occupational fatalities	24%	20%	16%	-4%	Partially Achieved. There were 109 fatalities in the reporting period of 2013/14 and 129 during the same period in 2012/13. Calculation: $(109-129)/129*100\% = -16\%$ improvement. There were two disasters during 2013/14 reporting period, where six and nine mineworkers were killed in two separate accidents, respectively. Verification source: Summary of Fatalities.	Two CIOM instructions were issued to all mines to be more vigilant during first and last quarters of every calendar year, because it is during these periods that the mining industry experiences high numbers of fatalities. Mines were also instructed to have health and safety campaigns to reduce the number of fatalities. However, more investigations and inquiries are to be conducted on the causes of these fatalities.

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Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage reduction in occupational injuries	5%	20%	28%	-8%	Achieved. There were 3,044 injuries reported in 2013/14 and 4,202 during the same period in 2012/13. Calculation $(3,044 - 4,202)/4,202 * 100 = -28\%$ improvement. Verification source: Summary of Injuries.	
		Legislative Framework reviewed	N/A	100	100	0	Achieved. Quarter 1: Refuge Bay Regulations completed. Quarter 2: Conveyor Belt Regulation and Occupational Health Incident Reporting Regulations. Quarter 3: Two Chief Inspector Instructions were issued on Protection of Women mine employees and extra caution and vigilance to minimise fatalities and injuries of mineworkers during the last quarter of the calendar year. Quarter 4: Electricity Regulations and Trackless Mobile Machines Regulations were completed. Verification source: Copies of the Instructions and Regulations.	
		Mining and Health Safety Annual Report submitted	1	1	1	0	Achieved. Annual Report submitted and tabled in Parliament on 26 September 2013. Verification source: Copy of the Annual Report.	
		Number of audits conducted (cumulative), individual audits included	421	396	473	77	Achieved. Calculation: Total 1st quarter is 130; 2nd quarter is 120; 3rd quarter 101 and 4th quarter 122. Verification source: Summary of Audit Report.	

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of inspections conducted (cumulative)	8,632	8,000	9,446	1,446	Achieved. 1st quarter was 2,412; 2nd quarter was 2,511; 3rd quarter was 2,213 and the 4th quarter was 2,310. Verification source: Summary of Inspection Report.	
		Number of Tripartite workshops conducted	60	40	62	22	Achieved. Calculation: Calculation: Total 1st quarter was 15; 2nd quarter was 18; 3rd quarter was 18 and 4th quarter was 11. Verification source: Summary of Tripartite Workshops conducted.	
		Quarterly OHS newsletters published	4	4	4	0	Achieved. Verification source: Copies of newsletters.	
<b>Efficient, effective and development-orientated Department (internal processes)</b>	Develop and review internal processes	Percentage of identified internal processes developed, reviewed and implemented	100%	100%	100%	0%	Achieved. Quarter 1: DMR 164-HIV and TB Reporting Form was developed and sent to the regions to be distributed to various mines. Reviewed template for quarterly reporting of branch performance was presented at the Principal Inspector's meeting and adopted. Quarter 2: Exam procedure GCC engineers' annexure "E" reviewed and standard operation procedure for the packaging of exam papers developed. Quarter 3: Revision of the SAMRASS codebook training offered to the stakeholders on the review and implementation of the revised forms. Quarter 4: Instructions were issued to all the mines related to the exit medical examination and the challenges of mine fatalities and injuries in the first quarter of the calendar year. Verification source: All copies of the above documents are attached.	

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## PART B PERFORMANCE INFORMATION



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
	Implement SLAs	Percentage adherence to existing SLAs	100%	100%	100%	0%	Achieved. The department has an SLA with Mine Rescue Services (MRS) and the department must pay MRS once services have been rendered. Verification source: Proof of payment attached to show all services rendered were paid for: The services rendered are rescuing of illegal miners from ownerless or abandoned mines.	
	Improve turnaround times	Percentage adherence to prescribed timeframes for administrative tasks	96%	80%	100%	20%	Achieved. There were 1,786 applications received and 1,789 completed during 2013/14. The additional three applications were a rollover from 2012/13. Calculation: $((1,789/1,786)*100) = 100\%$ . Verification source: Summary of admin registers.	
		Percentage adherence to prescribed timeframes for CIOM appeals	100%	90%	100%	10%	Achieved. All CIOM appeals received during 2013/14 were completed within the prescribed timeframes. Verification source: Letter of reply to appeals attached.	
		Percentage adherence to prescribed timeframes for medical appeals	100%	80%	96%	16%	Achieved. There were 162 appeals received and 156 completed during 2013/14. Calculation: $((156/162)*100) = 96\%$ . Verification source: Summary of medical appeal register.	
		Percentage adherence to prescribed timeframes for MPRDA applications	100%	80%	96%	16%	Achieved. There were 3,773 applications received and 3,638 completed during 2013/14. Calculation: $(3,638/3,773)*100 = 96\%$ . Verification source: Summary of admin register.	

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
Efficient, effective and development-orientated Department (learning and growth)	Attract, develop and retain skills	Percentage reduction in staff turnover	1%	1	-1	-2	Not achieved. Verification source: HR Establishment Report.	Review of exit interviews to determine the causes of the high staff turnover
		Improved numbers in terms of identified EE categories	108	157	125	-32	Partially achieved. The branch advertised the posts but failed to attract people from all categories. Verification source: Persal and excel spreadsheet.	The branch will ensure that more attention will be given to those categories that were not achieved when filling positions in the fourth quarter; 31 March 2015.
		Number of HRD initiatives implemented	6	6	6	0	Achieved. Workplace learning, technical programmes, demand/supply of scarce skills, career planning and talent management programmes plus SETAs implemented as part of the HRD initiatives. Source: MHSI Branch Reporting Template. Lists and attendance registers are with HRD.	
	Facilitate management and leadership development	Number of management programmes implemented	3	4	4	0	Achieved. The following training programmes were implemented during the financial year i.e. MDP,AMDP,B.Tech. MBA.Verification source: Attendance registers.	
		Number of Managers completed management courses	10	10	13	3	Achieved. Thirteen Managers attended management courses. EMPD (2),AMPD (8), B.Tech. (1) and MBA (2).Verification source:The list of nominated officials.	
		Number of workshops on DMR Strategy	-	11	11	0	Achieved. Verification source: Summary of DMR Strategy workshops.	

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## PART B PERFORMANCE INFORMATION



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
	Filling of funded vacancies	Percentage reduction in vacancies	2%	3%	4%	1%	Achieved. Vacancy rate decreased with 2% to 19% the previous quarter with a target of 4%. Verification source: HRD Report.	
<b>Efficient, effective and development-oriented department (Financial)</b>	Align budget to strategy	Percentage changes made to the original allocated budget	0%	20%	0%	-20%	Achieved. There was no shifting between economic classifications. Verification source: Report on changes effected on original spending plan received from FPMA.	
	Manage cost effectively	Percentage variance on allocated budget	6.77%	5%	1%	-4%	Achieved. There was R153.3 million of the budget spent against a projected budget of R154.44 million. This entails an under spending of 0.51%. Verification source = March 2014 Budget Analysis Report received from FPMA.	
		Percentage reduction in irregular expenditure cases	0%	100%	100%	0%	Achieved. Nil cases for this quarter. Verification source: DMR Irregular Expenditure Report.	
	Maximise use of resources	Percentage reduction in the number of branch assets disposed off prior to the end-of-lifespan	100%	15%	-26%	-41%	Not achieved. Increased from R44,667 in previous year to R60,246 for current year: (R60,246 - R44,667 = R15,579) (R15,579/R60,246 = 26%). Verification source: SCM Report percentage reduction in the number of assets disposed prior to the end-of-lifespan.	Encourage and instruct employees to safeguard assets at all times as the majority of these assets were laptops that were stolen.
	Promote corporate governance	Percentage adherence to compliance framework	100%	100%	100%	0%	Achieved. Compliance checklist has been completed.	



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage implementation of risk management plans	100%	100%	100%	0%	Achieved. All 45 action plans were implemented. Verification source: Summary of Risk Register Report for 2013/14.	
		Percentage of fully implemented, agreed upon management action plans (External audit)	100%	100%	100%	0%	Achieved. All agreed upon management action plan were fully implemented. Verification source: Audit Reports are kept with internal auditors.	
		Percentage of fully implemented, agreed upon management action plans (Internal audit)	100%	100%	33%	67%	Not Achieved. The branch implemented one of three action plans.	

### Linking performance with budgets

#### Sub-programme expenditure: Mine Health and Safety Inspectorate

Sub-programmes	2013/14			2012/13		
	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
Governance Policy and Oversight	44,807	44,029	778	44,329	43,612	717
Mine Health and Safety Regions	109,191	109,191	-	97,182	97,103	79
<b>Totals</b>	<b>153,998</b>	<b>153,220</b>	<b>778</b>	<b>141,511</b>	<b>140,715</b>	<b>796</b>



### 4.3 PROGRAMME 3: MINERAL REGULATION

#### **Purpose**

The purpose of the programme is to regulate the minerals and mining sectors to ensure economic development, employment, transformation and environmental compliance.

The Branch, headed by the Deputy Director-General, consists of three sub-programmes:

- Mineral Regulation and Administration (regions)
- Management Mineral Regulation
- South African Diamond and Precious Metals Regulator

#### **Strategic objectives, performance indicators, planned targets and actual achievements**

In the area of job creation, the decline in mining employment levels due to unfavourable global economic conditions has to some extent been offset by the creation of 5,206 indirect jobs through the Social and Labour Plans (SLPs).

With regard to sustainable resource use and management, the Department continues to ensure that each right granted and issued, is accompanied by an approved Environmental Management Plan or Programme and an approved Work Programme and where applicable an approved SLP.

State environmental liability was reduced *firstly* through the identification of cases where financial provision for rehabilitation became inadequate and the imposition of available remedial measures in those instances, and *secondly*, the issue of closure certificates, only in cases where these have complied with the regulatory framework.

In implementing the transformation policies and legislation, the Mineral Regulation Branch regularly engaged with the industry, communities and stakeholders to manage conflicts and provide clarity on regulatory requirements. Annual workshops were also conducted to communicate policy developments and regulatory requirements.

With regard to the number of rights issued to Historically Disadvantaged South Africans (HDSAs), the Branch fell short of the target by 4% as a result of HDSAs sometimes experiencing difficulty in meeting the necessary regulatory requirements. The 4% deviation from target is, however, not substantial and the application of administrative justice procedures is deemed sufficient to address any concerns in this regard.

Turnaround times in respect of rights granted and registration have improved and the targets have been achieved. With regard to the collection of prospecting fees, however, there has been a decline necessitating the implementation of available legislative instruments to remedy cases of default going forward.

With regard to monitoring and enforcing compliance, the inspection targets have been reached. However, in view of the anticipated legislative amendments to regulate the mining environment in accordance with the National Environmental Management Act, additional capacity is currently being put in place to improve compliance inspection and enforcement capacity.

**PROGRAMME 3: MINERAL REGULATION**

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
Equitable and sustainable benefit from mineral resources	Promote job creation	Verified number of implemented SMME development projects towards sustainable job creation	41	40	60	20	Achieved. Verification source: Inspection Reports. The variance is due to increase focus on delivery by mines.	
		Verified number of jobs created through mining	2,431	14,000	5,206	-8,794	Not Achieved. The stated number of jobs was created through SLP. The target was not met due to the lack of growth in industry jobs as a result of unfavourable global economic conditions.	The Department will continue to monitor and manage the risk of downscaling in the mining industry.
		Verified number of LED development projects towards sustainable job creation	94	50	147	97	Achieved. Inspection Reports. The variance is due to increase focus on delivery by mines.	
	Promote sustainable resource use and management	Percentage of approved EMPs relative to rights issued considering the elements of sustainable development	100%	100%	100%	0%	Achieved. Verification source: Issued rights (No rights issued without an approved EMP) $(472/472 * 100/1 = 100\%)$ .	
		Percentage of approved SLPs relative to rights issued considering the elements of sustainable development	100%	100%	100%	0%	Achieved. Verification source: Issued rights (No rights issued without acceptable SLP) $(126/126 * 100/1 = 100\%)$ .	



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage of evaluated work programmes relative to rights issued considering the elements of sustainable development	100%	100%	100%	0%	Achieved. Verification source: Issued rights (Each right issued and notarised includes an acceptable work programme) $(349/349 * 100 = 100\%)$ .	
	Reduce state environmental liability and financial risk	Percentage of mines issued with closure certificates without residual state liability	100%	100%	100%	0%	Achieved. Verification source: Closure Certificates (All closure certificates issued are preceded by a ROD which shows that the DWA and PI concurred). $(214/214 * 100 = 100\%)$	
		Percentage of rights and permits/or mines with adequate financial provision for rehabilitation	60.4%	100%	100%	0%	Achieved. Verification source: Number of remedial orders issued/Number of cases of inadequate provisions identified by inspection of records or sites. $(480/480 * 100 = 100\%)$ .	
<b>Transformed mineral sector</b>	Implement transformation policies/legislation	Number of consultations/engagements and conflict management with communities/stakeholders and the mining industry	120	230	260	30	Achieved. Verification sources: Agenda, attendance register and/or minutes. The positive variance is due to a great need for consultation in a dynamic environment.	
		Number of industry workshops conducted	25	9	12	3	Achieved. Verification source: Agenda, attendance register and/or minutes.	

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of new HDSA entrants supplying the mining industry	N/A	800	825	25	Achieved. Verification source: List of new HDSA companies supplying the mining industry. The positive variance is due to forecasting accuracy.	
		Number of rights and permits issued to HDSA-controlled entities	102	200	192	-8	Partially Achieved. Verification source: Issued rights. HDSA's to whom rights have been granted have not all timeously submitted requisite documents and financial provision for execution.	Before the end of the next quarter, the Department will initiate available remedial requisite principles of Administrative Justice.
Efficient, effective and development-orientated Department (Internal processes)	Improve turnaround time	Percentage adherence to prescribed timeframes	61%	70%	74.59%	4.59%	Achieved. Verification source: Report of cases served before National Licensing meeting together with applicable report dates (687/921*100/1 = 74.59%).	
		Percentage adherence to registration timeframes.	N/A	70%	71.37%	1.37%	Achieved. Verification source: Rights registered (Total done within timeframe/total received *100 - 571/800*100 = 71.37%).	
		Percentage of prospecting fees revenue collected	91%	100%	84.06%	-15.94%	Partially Achieved. Verification source: Index card per right, Receivables register and the issued right. Certain holders are in arrears, despite reminders and statutory notices issued in terms of section 93 of the Act. Formula: Collected/Due *100 - R 30 983 298.51/R 36 855 872.90 *100 = 84.06%.	The Department has commenced with the implementation of available remedial action in cases of default, as part of the revenue management system.

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Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
	Monitor and enforce compliance	Number of Environmental Management Plans/programme inspections	1 751	1 700	1 868	168	Achieved. Verification source: Inspection Reports. The positive variance is due to an increased focus on the need to monitor compliance.	
		Number of joint compliance inspections (MLA and SLP)	159	230	276	46	Achieved. Verification source: Inspection Reports. The positive variance is due to an increased focus on the need to monitor compliance.	
		Number of Mining Work Programmes/ Prospecting Work Programmes inspections (ME)	504	500	546	46	Achieved. Verification source: Inspection Reports. The positive variance is due to an increased focus on the need to monitor compliance.	
		Number of SLP inspections	181	210	285	75	Achieved. Verification source: Inspection Reports. The positive variance is due to an increased focus on the need to monitor compliance.	
<b>Efficient, effective and development-orientated Department (Learning and growth)</b>	Attract, develop and retain skills	Percentage reduction in staff turnover	-1%	5%	0%	-5%	Achieved. Verification sources: Persal and Excel Spreadsheet from HR.	
		Improved numbers in terms of identified EE categories	4	236	347	11	Partially achieved. The branch advertised the posts but failed to attract people from all categories. Only women were attracted. Verification source: Persal and excel spreadsheet.	The branch will ensure that more attention is given to those categories that were not achieved when filling positions in the fourth quarter, 31 March 2015.

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of HRD initiatives implemented	4	4	4	0	Achieved. Verification source: Training Report from HRD on initiatives implemented.	
	Facilitate management and leadership development	Number of implemented management programmes	3	4	4	0	Achieved. Verification source: Attendance registers.	
		Number of managers completed management courses	6	6	8	2	Achieved. Verification source: Certificates.	
		Number of workshops on DMR strategy	N/A	10	10	0	Achieved. All ten workshops were conducted in quarter 2. Verification source: Minutes of the workshop.	
	Filling of funded vacancies	Percentage reduction in vacancies	-2%	5%	-5%	-10%	Not Achieved. Increased vacancies due to attrition while new appointments in respect of posts advertised were not occupied in time for the end of the reporting period.	None. New incumbents have already been offered employment in respect of most vacant positions to start at the beginning of the new year.
<b>Efficient, effective and development-orientated department (Financial)</b>	Align budget to strategy	Percentage changes made to the original allocated budget	1%	20%	6%	-14%	Achieved. Verification source: Shifting Report. While the target was to keep changes to less than 20%, the branch succeeded in keeping changes to less than 6%.	
	Manage cost effectively	Percentage reduction in irregular expenditure cases	-3%	100%	67%	-33%	Partially Achieved. Verification sources: Irregular Expenditure Report.	

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Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage variance on allocated budget	0.5%	5%	3%	-2%	Achieved. Verification source: Expenditure Control Report/Cash Flow Projections.	
	Maximise use of resources	Percentage reduction in the number of branch assets disposed prior to the end-of-lifespan	96%	15%	55%	40%	Not Achieved. The result reflects losses of laptops due to theft, which increased since the previous year.	Hand the matter over to legal services to determine whether there was any negligence on the part of the officials whose laptops were stolen. Once the report is received, appropriate preventive measures will be designed accordingly.
	Promote corporate governance	Percentage adherence to compliance framework	100%	100%	100%	0%	Achieved. Verification source: Compliance Checklist.	
		Percentage implementation of risk management plans	100%	100%	100%	0%	Achieved. Verification source: Risk Register.	
		Percentage of fully implemented, agreed upon management action plans (External audit)	100%	100%	100%	0%	Achieved. Action plan as it pertains to Mineral Regulation has been implemented.	



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Percentage of fully implemented, agreed upon management action plans (Internal audit)	100%	100%	33%	-67%	Not Achieved. Internal Audit has repeat findings which will be resolved in the year-end reconciliation.	Integration of Internal Audit report into operational plans of Regional Managers to strengthen implementation.

### Linking performance with budgets

#### Sub-programme expenditure: Mineral Regulation

Sub-programmes	2013/14			2012/13		
	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
Mineral Regulation and Administration	145,610	145,610	-	140,731	140,517	214
Management Mineral Regulation	15,087	15,087	-	9,277	9,277	-
South African Diamond and Precious Metal Regulator	44,824	44,824	-	41,601	41,601	-
<b>Totals</b>	<b>205,521</b>	<b>205,521</b>	<b>-</b>	<b>191,609</b>	<b>191,395</b>	<b>214</b>



### 4.4 PROGRAMME 4: MINERAL POLICY AND PROMOTION

#### Purpose

The purpose of the programme is to formulate mineral related policies and promote the mining and minerals industry of South Africa to make it attractive to investors.

The Branch, headed by the Deputy Director-General, consists of four sub-programmes:

- Mining and Mineral Policy
- Mineral Promotion and International Coordination
- Mine Environmental Management
- Economic Advisory Services

On the measure of the number of stakeholder engagements, a total of 13 engagements were held, one more than the target due to a request received from stakeholders. The Department values the stakeholder consultations process to secure the necessary support for effective and efficient implementation of the beneficiation strategy in terms of section 26 of the MPRDA.

On the measure, number of stakeholder engagements with industry and social partners, relevant government departments and stakeholders, nine engagements were held from a target of eight. The variance was a result of technical committee meetings necessitated by the Deputy

President's Framework Agreement for a Sustainable Mining Industry.

The number of managers completing management courses had more managers attending than planned, that is, seven achieved from a target of six. The Branch leveraged an opportunity for two women managers, instead of one to attend a "Women in mining study tour to Australia" in pursuit of the development of women.

On the measure, percentage variance on allocated budget, a 0.59% was achieved from a target of 5%. The Branch was able to minimise deviations from the planned annual plan, which would have otherwise affected the budget allocation.

**PROGRAMME 4: MINERAL POLICY AND PROMOTION**

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
<b>Transformed minerals sector</b>	Facilitate transformation in the mining and minerals sector	Number of bills drafted and certified	2	2	2	0	Achieved. Two Bills were drafted and certified. Verification source: Draft Amendment Bill. The MHSA Bill was certified in March 2014.	
		Number of policy impact study reports on investment produced	1	2	2	0	Achieved. Two Policy Impact Study Reports were produced. Verification sources: Reports	
<b>Increased investment in the minerals and mining sector</b>	Promote investment in the mining sector	Number of beneficiation implementation plans	3	1	1	0	Achieved. The implementation plan has been submitted to Cabinet for approval. Verification source: Implementation Plan.	
		Number of provincial SMME and cooperatives workshops held	N/A	8	5	-3	Partially Achieved. Five workshops were held. Verification source: Reports	The measure was not achieved as the project started late due to reprioritisation of tasks within the Branch.
		Number of publications	35	11	13	2	Achieved. 13 Publications completed. Verification sources: Completed Publications. The ever changing nature of the mining sector necessitated the drafting of two additional publications.	



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of SMME's supported	72	67	81	14	Achieved. 81 small scale mining projects were supported. Verification sources: Reports. The Branch experienced a high number of requests for support from new projects during the 2013/14 financial year.	
		Number of stakeholder engagements - Advocacy activities on beneficiation plans	N/A	12	13	1	Achieved. 13 advocacy activities were held with stakeholders. Verification sources: Minutes.	
		Number of stakeholder engagements - Engagements with industry and social partners, relevant government departments and stakeholders	N/A	8	9	1	Achieved. Nine stakeholder engagements were held. Verification source: Minutes and/or Reports.	
		Number of strategic partnerships established	N/A	3	3	0	Achieved. Three strategic partnerships were established. Verification source: Action Plans.	
		Number of strategic partnerships implemented	3	4	4	0	Achieved. Four strategic partnerships were implemented. Verification sources: Progress Reports.	

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
Equitable and sustainable benefit from mineral resources (not in MTEF)	Promote sustainable resource use and management	Framework developed for mining environmental management	1	1	1	0	Achieved. A Framework Document was developed. Verification source: Framework Document.	
		Number of derelict and ownerless mine sites rehabilitated	13	30	28	-2	Partially Achieved. 28 holings were closed during the first quarter. Verification source: Reports.	The two outstanding sites could not be completed due to the unusual rainy weather conditions that the country experienced at the beginning of 2014. These sites will be completed during the next financial year.
		Number of strategic partnerships implemented	2	2	2	0	Achieved. Two strategic partnerships are being implemented. Verification source: Reports.	
Efficient, effective and development-orientated (internal processes)	Develop and review internal processes	Number of internal business processes developed/reviewed	4	2	2	0	Achieved. Two internal business process documents were developed. Verification source: Process Documents.	
	Improve turnaround times	Percentage adherence to timeframes	95%	95%	95%	0%	Achieved. A total of 14 correspondences were received and all were responded to within set timeframes. $Q1+Q2+Q3+Q4 (95.7+95+100+90 = 380.7/4 \times 100 = 95\%)$ Verification source: Document Register.	

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Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
Efficient, effective and development-orientated department (learning and growth)	Attract, develop and retain skills	Percentage reduction in staff turnover	2%	5%	1%	-4%	Not Achieved. The Branch lost two officials during this quarter.	The Branch will continue implementing the retention strategy to retain officials.
		Improved numbers in terms of identified EE categories	66	77	66	-11	Partially achieved. The branch advertised the posts but failed to attract people from all categories. Verification source: Persal and excel spreadsheet.	The branch will ensure that more attention will be given to those categories that were not achieved when filling positions in the fourth quarter; 31 March 2015.
		Number of HRD initiatives implemented	6	5	5	0	Achieved. The Branch implemented five initiatives - appointment of interns, attendance of Leadership and Management Development Programmes, Workplace Learning, Special Development Programmes and the Bursary Scheme. Verification source: List of programmes attended and list of names of attendees.	Verification sources do not include reports, due to error in the Measure Description Document which will be rectified in the next financial year.
	Facilitate management and leadership development	Number of management programmes implemented	5	4	4	0	Achieved. Four management programmes were implemented. Branch officials attended a Management Development Programme, AMDP, EDMP and Business Report Writing for SMS. Verification source: List of programmes attended and list of completed officials.	

Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
		Number of managers completed management courses	6	6	7	1	Achieved. Seven managers completed management development training courses. Verification source: List of completed officials.	
		Number of workshops on DMR strategy	N/A	2	2	0	Achieved. Two workshops were held on DMR strategy. Verification source: Reports. The first workshop was held as a Branch and for the second one, the different Units held their own workshops due to limitations on venues brought about by austerity measures.	
	Filling of funded vacancies	Percentage reduction in vacancies	7%	5%	-5%	-10%	Not Achieved. The Branch could not continue filling vacancies whilst restructuring was in process.	The Branch will prioritise the filling of critical posts for the first quarter of the 2014/2015 financial year.
<b>Efficient, effective and development-orientated Department (Financial)</b>	Align budget to strategy	Percentage changes made to the original allocated budget	1%	20%	14%	-6%	Achieved. The set target of less than 20% was achieved. Verification source: Shifting Report	
	Manage cost effectively	Percentage reduction in irregular expenditure cases	100%	100%	0%	-100%	Not Achieved. The target was not met as the Branch incurred an irregular expenditure. Verification source: Irregular Expenditure Register.	Workshops have been held with officials of the Branch to refrain from irregular expenditure.
		Percentage variance on allocated budget	4.14%	5%	0.59%	-4.41%	Achieved. The Branch has a variance of 0.59% (100% - 99.41%), which is less than the target of 5%. Verification source: Expenditure Control Report.	

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## PART B PERFORMANCE INFORMATION



Strategic Goals	Strategic Objectives	Measure	2012/13 Actual	2013/14 Target	2013/14 Actual	Variance	Performance Analysis	Recommendations
	Maximise use of resources	Percentage reduction in the number of branch assets disposed of prior to the end-of-lifespan	34.88%	15%	-50%	-65%	Not Achieved. The Branch has a 50% increase in the number of assets disposed of, due to theft of assets. Verification source: Loss Register.	Workshops were held with Branch officials to emphasise the importance of securing departmental assets.
	Promote corporate governance	Percentage adherence to compliance framework	100%	100%	100%	0%	Achieved. All of the seven compliance requirements were met. Verification source: Completed Checklist.	
		Percentage implementation of risk management plans	100%	100%	94%	-6%	Partially Achieved. 94% of the risk action plans were implemented. Verification source: Monitoring Report.	The Branch had challenges in terms of the high number of resignations and was therefore unable to complete the outstanding risks. These risks will be transferred to 2014/15 financial year for implementation.
		Percentage of fully implemented, agreed-upon management action plans (External Audit)	100%	100%	100%	0%	Achieved. All agreed upon management action plans were implemented. (3/3 x 100) Verification source: AG Management Report Action Plan.	
		Percentage of fully implemented, agreed-upon management action plans (Internal Audit)	100%	100%	50%	-50%	Partially Achieved. The branch implemented one of the two action plans (1/2 x 100 = 50%). Verification source: Summary of audit findings.	



### Linking performance with budgets

#### Sub-programme expenditure: Mineral Policy and Promotion

Sub-programmes	2013/14			2012/13		
	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	12,240	12,240	-	11,516	10,759	757
Mineral Policy	23,980	23,964	16	14,061	14,061	-
Mineral Promotion	41,399	37,159	4,240	34,278	34,267	11
Assistance to Mines	-	-	-	-	-	-
Council for Geoscience	271,232	271,232	-	223,006	223,006	-
Council for Mineral Technology	364,709	364,709	-	253,531	253,531	-
Economic Advisory Services	3,350	3,329	21	4,073	4,073	-
Mine Environmental Management	7,276	7,273	3	6,694	6,581	113
<b>Totals</b>	<b>724,186</b>	<b>719,906</b>	<b>4,280</b>	<b>547,159</b>	<b>546,278</b>	<b>881</b>



## 5. TRANSFER PAYMENTS

### 5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Mintek	Fundamental research and development in efficient mineral processing technologies and value added products and services.	R364,709,000	R364,709,000	Refer to the narrative below
The South African Diamond and Precious Metals Regulator	Regulation of the diamond, platinum and gold sectors.	R44,824,000	R44,824,000	Refer to the narrative below
Mine Health and Safety Council	The Mine Health and Safety Council is mandated, in terms of the MHSA, to advise the Minister of Mineral Resources on research programmes, regulations, standards, Occupational Health and Safety (OHS) policies, procedures and databases, focused on minimising the occupational health and safety risk at mines. The Council is also tasked with promoting a culture of health and safety in the mining industry	R 5,035,000	R 5,035,000	The 2013/14 financial year, incorporated the 10 <sup>th</sup> year of the OHS milestones that were originally set in 2003 and was critical as this was the period in which mines would report on the performance, against these agreed upon milestones. Thus, it was imperative that the MHSC facilitated the efforts of all stakeholders in striving for the target of Zero Harm. This was evident in the number of legislative topics and advisory notes that were developed and submitted to the Minister of Mineral Resources.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Council for Geoscience	Management of mine pollution impact on the water resources of South Africa	R 271,232,000	R93,335,000	Mine pollution hotspot impact assessments. Mine pollution hotspot maps.
	Strategic Mine Water Management Plan – Witwatersrand Basin			Canal designs. Environmental impact assessments. Ingress water measure implementation plan. 3D geological models. AMD Hotspot Atlas.
	Management of State contingent liabilities with respect to derelict and ownerless mines in South Africa			Updated Derelict and Ownerless (D&O) mines database. Rehabilitation plans. Rehabilitated mines. Closure of dangerous mine openings.
	Promotion of exploration and mining investment in the mineral and energy sectors			Airborne magnetic, radiometric, Time Domain Electro-magnetic (TEM) surveys of Tugela terrain completed. Major- and trace- element chemical analysis completed (8,000 samples).
The State Diamond Trader	The State Diamond Trader's main business is to buy and sell rough diamonds in order to promote equitable access to and beneficiation of diamond resources.	Nil	<p>Purchase of Rough Diamonds: R538,458,752 Operational Expenditure: R17,264,335 Finance Costs: R735,368</p> <p>The entity recorded a 35% increase in revenue for the year under review (2013: R411,462,599). The overall gross margin percentage of 3% (R16.4 million) was achieved on trading for the year under review. After considering other income received and factoring the administrative expenses and finance costs, SDT recorded R4.2 million profit at year end.</p> <p>The entity developed a HR capacity building dashboard for all personnel, and training of permanent staff members was conducted. The training programme with diamond trainees continued in this year as well.</p>	



### ACHIEVEMENTS OF THE PUBLIC ENTITIES

#### MINTEK

Key strategic achievements of Mintek in the 2013/14 financial year were as follows:

- The plant structural work, civil work and the control system programming work on the Rare Earth Element (REE) pilot separation facility have all been completed. The Steenkampskraal's Rare Earth carbonate material is currently being treated in a pilot campaign in a joint project with Mintek. This project was funded through the MTEF.
- A suitable test site for demonstrating the SAVMIN™ technology had been secured on the West Rand. A new approach to recycling Aluminium Hydroxide (Al(OH)<sub>3</sub>) is under investigation to lower the operational costs of the SAVMIN™ technology even further. This project was also funded through the MTEF allocation during 2013/14.
- The DMR and Mintek concluded an agreement on 6 June 2013 for Mintek to continue to manage rehabilitation of certain derelict and ownerless mine sites for a further 3-year period at a budget of R165 million. Service providers were appointed to undertake related work in Limpopo and Eastern Cape Provinces. Mintek also completed concept

designs for other projects in the Limpopo Province. Three other asbestos sites in the Northern Cape are currently being surveyed, with a view to undertaking the designs and requesting proposals from service providers during the first two quarters of 2014/15.

- The MTEF Northern Cape Gemstone project continued with the identification of two further areas for the set-up of training and beneficiation centres. While training at the facility in Prieska continues, centres will be set-up in Upington and Kimberley. The introduction of the cutting and polishing of semi-precious gemstones will complement the training already conducted by the Kimberley International Diamond and Jewellery Academy (KIDJA) which is diamond polishing training. The project is supported by the Northern Cape Economic Development and Tourism Department. Mintek also compiled a market study report on Tigers Eye using state funding.
- Work on the Mining Industry Growth Development and Employment Task Team (MIGDETT) continued – Meetings were held with a wide cross section of senior industry technical representatives, a range of project opportunities have been identified and discussions are underway to prioritise and better define these opportunities.
- Mintek's efforts to increase its level of collaboration

with European Community research networks, which are well-structured and well-funded, have begun to bear fruit. Mintek has been invited to participate in four research project proposals and two formal networks.

- Commercialisation of the HySA developed fuel cell catalysts has taken its first step forward with a quote for 200g of Pt/C catalysts provided to a German University that runs a large fuel cell programme. Discussions with other potential customers are underway through our HySA partners at the University of Cape Town.
- Mintek participated at the 11th Kimberley Process Certification Scheme (KPCS) Plenary meeting in November 2013 in Johannesburg. At the meeting, an administrative decision was reached allowing for import of conflict diamonds for research purposes, which in turn, allowed for the release of the Ivory Coast diamonds that are supposed to come to Mintek for research purposes. More mineralogists were trained on automated scanning electron microscopes to ensure that Mintek builds additional capacity for the operation of these high-tech instruments.

## **THE SOUTH AFRICAN DIAMOND AND PRECIOUS METALS REGULATOR**

The South African Diamond and Precious Metals Regulator (SADPMR) is a schedule 3A public entity established in terms of section 3 of the Diamond Amendment Act, 29 of 2005. Its legal mandate is to control the possession of, the purchase and sale of, the processing and export of diamonds and any matters connected therewith. It is also charged with the task of controlling the possession of, the purchase and sale of, the processing and export of precious metals and any matters connected therewith in terms of the Precious Metals Act, 37 of 2005.

The year 2013, was the 10<sup>th</sup> anniversary of the Kimberley Process Certification Scheme and South Africa hosted and chaired the Kimberley Process (KP) Inter-sessional in Kimberley while the Plenary was held in Johannesburg during June and November respectively.

The Regulator played a crucial role in supporting the Department of Mineral Resources to organise the first National Jewellery Forum (NJF) during October 2013. The Forum was well attended by government officials, Chairpersons and CEOs of State-Owned Enterprises, Jewellery Manufacturers, experts and trainers in the jewellery industry, emerging entrepreneurs, students and labour representatives.

The purpose of the National Jewellery Forum is to create an environment for engaging in open dialogue on a number of interventions which seeks to unlock constraints and increase beneficiation through jewellery manufacturing in South Africa. The intended outcome and objective of the NJF is to promote and stimulate the jewellery manufacturing sector in line with government policies, which include the National Development Plan (NDP), New Growth Path (NGP), the Beneficiation Strategy and the Industrial Policy Action Plan (IPAP). These will ensure that there is sector growth, development and transformation to address the country's socio-economic challenges.

Platinum-group metal (PGM) fabrication (beneficiation) is dominated by the fabrication of catalytic converters. The SADPMR estimates PGM fabrication at some 30 tons in 2013/14, down from the revised 34 tons in 2012/13. The decline is attributed to lower demand in Europe.

The SADPMR has experienced a decline in license applications and this could be an indication of the effect of the economic crunch from which we still have to recover.

## **MINE HEALTH AND SAFETY COUNCIL**

The Mine Health and Safety Council focused on the following strategic objectives in 2013/14 financial year in delivering on its mandate:

## **Provision of advice reports that influence mining health and safety performance**

The objective to provide advisory reports that influence the mining health and safety performance was achieved with a total of 15 advisory reports submitted to the Minister, against the eight planned for the year.

## **Strengthen Tripartite partnerships**

The Council's objective to strengthen Tripartite partnerships was achieved, with 12 stakeholders' engagements.

## **Implement Summit Agreements**

In relation to the objective to implement Summit Agreements, the percentage of initiatives of summit action plan targets of 90% set for the financial year was partially achieved. A total year to date percentage of 66% was achieved.

## **Promote health and safety culture in the mining industry**

The Council's objective to promote occupational health and safety culture in the mining industry was achieved by 82% for the year to date which was reached in relation to the promotional initiatives in the communication plan undertaken. The target of 50% for the year was exceeded.



### **Conduct focused health and safety research**

The Council's objective to conduct focused health and safety research was achieved with four knowledge transfer initiatives approved during the year.

### **Inculcate an environment that complies with policies and legislation**

In relation to the Council's objective to inculcate an environment that complies with policies and legislation, the targeted number of implemented initiatives against planned initiatives was exceeded for the year. The actual target for the year to date achieved was 14 against eight as the target set.

### **Ensure adequate capacity and skills to deliver on the mandate**

Against the Council's objective to ensure adequate capacity and skills to deliver on its mandate for the year, 88% of the initiatives were implemented.

### **Develop efficient core business processes**

The Council's objective to develop efficient core business processes was achieved with a year to date actual percentage of 100% against the set target for the financial year of 90%.

### **Ensure financial sustainability of the MHSC**

The measure of income collected target of 90% for the Council's objective to ensure financial sustainability of MHSC was met. A total of 93% was achieved in relation to the value of income collected/total value levied for the financial year 2013/14.

### **Ensure appropriate financial resources for all MHSC programmes**

The target set for the spending variance against the budgeted variance for the Council's objective to ensure appropriate financial resources for all MHSC programmes was partially achieved. Against the target of being within 85% of the budget, the MHSC achieved 72%.

## **COUNCIL FOR GEOSCIENCE**

The following are key strategic programmes of the Council for Geoscience:

### **A holistic approach towards best management of mine pollution impact on the water resources of South Africa**

The project is aimed at assessing and ranking the mine pollution hotspots of the country in a systematic and holistic manner, with a view to rehabilitation/remediation.

The assessment of the mine pollution status to identify, characterise and quantify mine pollution hotspot areas was completed for the Lower, Middle and Upper Vaal, Limpopo, Mfolozi/Pongola, Mkomazi and Tugela Primary River Catchment areas (RCAs) during 2013/14. The preparation of mine pollution hotspot maps of these RCAs is in its final stage. The next stage is to prepare a preliminary national mine pollution atlas of the country.

### **Strategic Mine Water Management Plan — Witwatersrand Basin**

The Strategic Mine Water Management Plan (SMWMP) for the Prevention of Water Ingress into Underground Workings of the Witwatersrand Mining Basins seeks to arrive at solutions to decrease the risk to society and the State for bearing the costs of continuous pumping of mine water when mines close down, and to manage and control decant of highly polluted water to surface, including the attendant risks to human health and the environment.

Fourteen major ingress areas have been identified in the East Rand Basin. Recommendations for intervention have been completed. Five areas were selected for further investigation in order to prepare the implementation plan. These ingress areas include the Central Blesbokspruit, Geduld, Alexander, Cowles Dams and the Van Ryn Pond ingress areas.

### **Management of State contingent liabilities with respect to derelict and ownerless mines in South Africa**

The objectives of the project are to update, maintain and rank the information in the database and to improve its integration into the licensing system of the Department of Mineral Resources. The database should facilitate the estimation of the contingent liability of DMR with respect to derelict and ownerless mines.

The number of sites visited and ranked to date, as of the fourth quarter of 2013/14, was 2,128. Certain commodities were found in Gauteng, Mpumalanga, Limpopo, KwaZulu-Natal, Northern Cape and North West. Field visits and the ranking workshop that were conducted indicated that 152 sites are high priority, the moderate priority sites number 130 and the low priority sites number 217. In addition to these priority rankings, it was found that 887 sites appear not to require rehabilitation, 335 sites were found to be operational, whilst 407 sites were not accessible. Detailed information on mines found to be operational, as well on the inaccessible mines, was forwarded to the Department for verification of ownership from their records.

In Gauteng and Limpopo more than 27 mine openings were sealed in the financial year 2013/14. Officials from the Department, accompanied by CGS staff, were afforded an opportunity to visit a number of these sealed shafts in Gauteng. This field visit illustrated the extent of the problem

of open mega-shafts in Gauteng, the risk they pose to communities and the security challenges that the presence of illegal miners at such sites create.

### **The promotion of exploration and mining investment in the mineral and energy sectors**

The Exploration and Mining Investment Project was developed to address and stimulate the presently declining investment in mineral exploration in South Africa. The aim was to provide updated geoscience data (gathered by means of modern technologies) and reports (accompanied by mineral prospectivity maps) of highlighted mineral target areas. Several mineral belts and districts were identified for the project.

Airborne magnetic, radiometric, TEM and soil-sampling surveys were completed. Preparation and analysis of soil samples by the CGS Laboratory have been completed (for about 8,000 samples), whilst analysis by a foreign laboratory for Au, Pt, and REE were completed by March 2014. A preliminary technical report (geophysics and the 8,000 soil data samples analysed at the CGS Laboratory) has been completed. Completion of laboratory analysis of the remaining soil samples (3,000) is expected by July 2014 and the final report will be completed in February 2015.

## **6. CONDITIONAL GRANTS**

### **6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED/PAID**

The Department did not administer any conditional grant. The earmarked funds allocation received amounted to R170 million for 2013/14. These funds were administered through transfers and subsidies as follows:

- R40 million was allocated for rehabilitation of derelict and ownerless mines
- R60 million for infrastructure upgrade and research and development, allocated to the Council for Mineral Technology
- R70 million for building and laboratory infrastructure and stimulation of investment in the mineral sector, allocated to Council for Geoscience



## 7. DONOR FUNDS

### 7.1 DONOR FUNDS RECEIVED

The Department does not have donor funds.

## 8. CAPITAL INVESTMENT

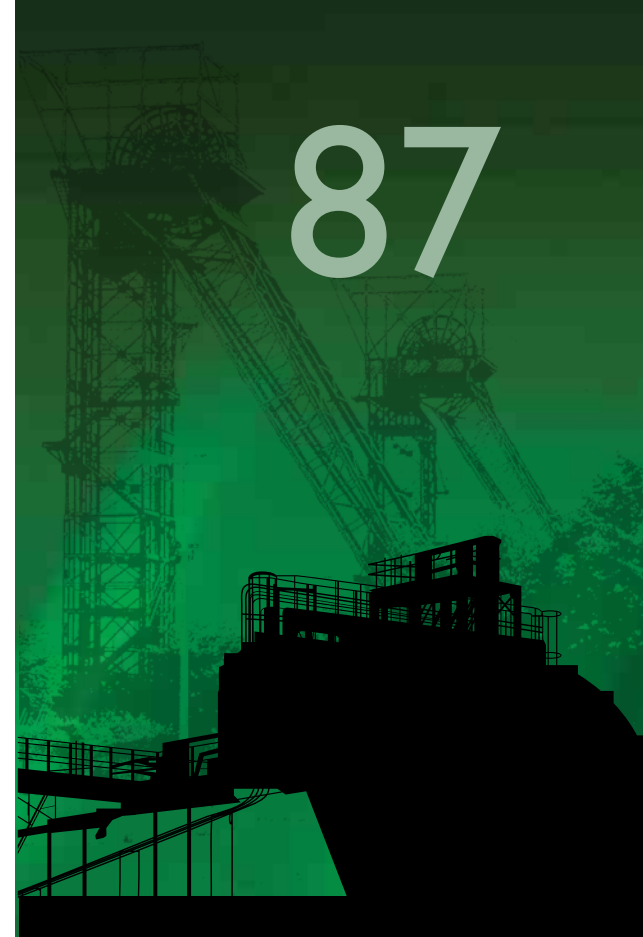
### 8.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The Department did not have any long term infrastructure and other capital plans. The assets of the Department are managed in terms of the Asset Management Policy.





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C

Governance



## PART C: GOVERNANCE

### 1. INTRODUCTION

The Department continues to be committed to maintaining the highest standards of governance in its management of public finances and resources. The risk management and internal audit structures were fully functional during the financial year.

### 2. RISK MANAGEMENT

The Department continuously maintains the highest standard of governance in its management of public finances and resources through the identification and management of unwanted outcomes or potential threats.

The Department of Performance Monitoring and Evaluation through their MPAT process has rated the Department as one of those that did well on Prevention of Fraud and Corruption, and Risk Management.

#### THE FOLLOWING STRUCTURES HAVE BEEN PUT IN PLACE FOR RISK MANAGEMENT:

- There is a Risk Management Policy in place, which outlines the commitment by management on risk management

- An approved risk management strategy that guides the Department on how risk management will be implemented
- The Departmental Risk Management Committee and the Audit Committee provide oversight, guidance and independently monitor the effectiveness of the system of risk management
- Annual risk assessments as required by PFMA are conducted at the beginning of every financial year, and approved by the Risk Committee. Risk identification is done throughout the year to identify emerging risks
- On a quarterly basis, risk monitoring reports are submitted by branches on how they have implemented action plans to respond to risks and the reports are discussed at Monthly Management meetings (MANCO)

### 3. FRAUD AND CORRUPTION

The Department of Mineral Resources has a zero tolerance policy towards fraud and corruption. Officials, clients, contractors and suppliers are urged to report all acts of fraud and corruption committed by employees of the Department, contractors and or suppliers.

The minimum anti-fraud and corruption capacity within the Department jointly ensures that this is achieved by continuously implementing the departmental fraud and corruption strategy together with the Whistle Blowing Policy through posters, fraud and corruption risk assessment and awareness workshops, Audit Services - Special Investigation, and Human Resource – Employee Relations Management ,

#### WHISTLE BLOWING POLICY

As per the Whistle Blowing Policy, the avenues available to officials to report allegations of fraud and corruption are:

- Confidential – Internal within the Department
- Anonymous – External through the hotline **number 0800 701 701**
- Officials and/or suppliers are also encouraged to report allegations directly to the Public Service Commission

#### PROTECTION OF WHISTLE BLOWERS

In addition to the avenues provided for by the policy, whistle blowers receive protection from the Protected Disclosures Act, 26 of 2000.

**The Protected Disclosures Act** was promulgated to facilitate reporting by employees (whistle blowers) of fraud, corruption or other unlawful or irregular actions by their employer(s) or co-employees, without fear of any discrimination or reprisal by their employers or co-employees. An employee who reports suspected fraud and corruption may remain anonymous should he/she so desire.

No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud and corruption which occurred within the Department.

## HANDLING OF ALLEGATIONS

Action taken by the Director: Internal Audit (Forensic) depends on the nature of the concern. The matter raised may be investigated internally, referred to the South African Police Service (SAPS) or the National Prosecuting Authority (NPA), or to a Disciplinary Committee.

## 4. MINIMISING CONFLICT OF INTEREST

The Department has introduced the following measures to curb conflict of interest:

- Senior Management Service (SMS) are required on a yearly basis to complete and submit the Financial Disclosure Forms (FDF)

- SMS members who do not comply with the FDF are charged with misconduct according to the regulations
- All Bid Committee members in the Department sign Conflict of Interest forms to avoid any potential conflict
- All declarations by Bid Committee members are regularly scrutinised against all bid applications

The Department submits all required financial disclosure forms timeously to the Public Service Commission, that is, by 31 May of each financial year.

## 5. CODE OF CONDUCT

The Department observes the Public Service Code of Conduct. During induction programmes, the code is presented to new officials joining the Department. Adherence to the code is monitored through a quarterly internal memorandum forwarded to all officials, reminding them of matters such as seeking permission on remunerative work outside the Department/Public Service, the maintenance of gift registers and the importance of declaring gifts to the value of R500 or more.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has an obligation to provide a safe and healthy working environment to all its employees. The Department started with the implementation of an Occupational Health and Safety Policy. The Departmental Health and Safety Policy Statement was finalised and signed off by the Director-General and is now posted on walls at head office and regional offices.

Health and Safety Committees have been established at head office and regional offices to assist in the implementation of Occupational Health and Safety programmes. The emergency evacuation drill was conducted to familiarise employees with evacuation procedures. Peer groups have also been established at head office and regional offices to assist in the management of the Wellness Programme. Health and Safety representatives have been trained.

## 7. PORTFOLIO COMMITTEES

The Department had various engagements with the Portfolio Committee of Mineral Resources in line with its programme. Matters of the engagement covered the broad span of the Mineral Resources mandate. All issues raised were addressed on an ongoing basis.



## 8. SCOPA RESOLUTIONS

During the year under review, the Department did not appear before SCOPA; matters initially reported were dealt with in the previous financial years.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Auditor-General qualified the financial statements of the Department of Mineral Resources and further reported issues relating to legal and other regulatory matters. The Department has since developed a management action plan to address the deficiencies identified. Out of 45 findings raised for the 2012/13 financial year, action plans for 37 findings or 82% were fully implemented by 31 March 2014. Plans are in place to implement the remaining 18% or eight findings by 31 May 2014.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Qualification	2012/13	Revenue receivable balances were recalculated and reviewed by management, the qualification matter is resolved.
Matters of non-compliance	2012/13	Internal control processes were improved to avoid the issues of non-compliance.

## 10. INTERNAL CONTROL UNIT

During the year under review, the Internal Control unit compiled the Annual Financial Statements, the Quarterly Interim Financial Statements and the monthly Compliance Certificates. The unit also facilitated/coordinated the activities of the external auditors (AGSA); and monitored the clearance of suspense/control accounts in order to ensure that financial periods are closed on time and properly on the system. Compliance checks on processed financial documents (Payments and Journals) were also conducted with the aim of ensuring the completeness of information captured in the financial system (BAS) as well as adherence to the Departmental Financial Delegations, amongst others.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### KEY ACTIVITIES AND OBJECTIVES

The purpose of internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. It helps the Department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Internal Audit Activity (IAA) intends to function in a manner that monitors that:

- Risks are appropriately identified and managed
- Interaction with the various governance groups occurs as required
- Significant financial, managerial and operating information is accurate, reliable and timely
- All the Department's assets are appropriately safeguarded and the existence of such assets, where applicable, can be verified
- Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations
- Resources are acquired economically, used efficiently and adequately protected

- Programmes, plans and objectives are achieved
- Quality and continuous improvements are fostered in the Department's control process
- Significant legislative or regulatory issues impacting the Department are recognised and addressed appropriately

The primary objective of Internal Audit is to assist the Accounting Officer (AO) and the Audit Committee (AC) in the effective discharge of their responsibilities. Internal Audit will provide them with independent analysis, appraisals, recommendations, counsel and information concerning the activities reviewed, with a view to improving accountability and performance.

The IAA will provide the Department with the following benefits:

- The regular presence of internal auditors helps to protect the Department's assets by deterring fraud, waste and abuse
- Input from internal auditors helps employees to improve their overall job performance and adherence to established controls
- The IAA helps to keep the Department accountable to the public by reviewing and reporting on adherence to established policies and procedures, laws, and the effectiveness, economy, and efficiency of operations

The IAA provides both the oversight structures such as the AC and relevant parliamentary structures with required information for them to exercise their monitoring role.

### SPECIFY SUMMARY OF AUDIT WORK DONE

Internal Audit performed the following audit work during the year under review:

- Financial Audits: Chief Financial Officer branch
- Performance Audits: All branches
- Operational Audits: All branches
- Information Communication Technology Audit: Chief Financial Officer branch

### KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

The Audit Committee (AC) is a non-executive committee in an advisory capacity to the Accounting Officer (AO), primarily responsible for oversight over the Department's governance, control and risk management processes.

The primary objective of the AC is to assist the senior management of the Department in fulfilling their responsibility relating to financial and operating reporting processes, the system of internal controls, governance, risk management, audit process and monitoring compliance with applicable laws, regulations, relevant prescripts and directives.





### ATTENDANCE OF AUDIT COMMITTEE MEETINGS BY AUDIT COMMITTEE MEMBERS

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

Name	Qualifications	Internal/external	Date appointed	Date resigned	No. of meetings attended 2013/14
Mr. Stefaan Sithole	<ul style="list-style-type: none"> <li>▪ CA (SA)</li> <li>▪ CIA</li> <li>▪ Post Graduate Diploma Business Programme –SBL</li> <li>▪ B Accountancy</li> <li>▪ B Commerce</li> </ul>	External	01/09/2004	To date	07
Prof. DP van der Nest	<ul style="list-style-type: none"> <li>▪ BCom (Accounting)</li> <li>▪ Higher Education Diploma (Post Graduate)</li> <li>▪ BCom Honours (Economic)</li> <li>▪ MCom (Economics)</li> <li>▪ Doctor Technologiae</li> </ul>	External	01/09/2004	To date	07
Ms. Zienzile Musamirapamwe	<ul style="list-style-type: none"> <li>▪ MBA</li> <li>▪ Chartered Secretaries and Administrators (CSA)</li> <li>▪ Portfolio Management I and II</li> </ul>	External	01/09/2010	To date	04

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2014.

### 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 Audit Committee regularly reviews the effectiveness of the system of internal control, based on the reports submitted by Internal Audit and Management. Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective and that key control deficiencies are adequately and timely addressed. In order to ensure effective and timely remediation of control deficiencies, management, who is responsible for the development and maintenance

of system internal control, submits its remediation plan for review and to the Audit Committee.

The overall internal system of control, especially on revenue management has improved as evidenced by the unqualified audit opinion. Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were being addressed by management.

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

#### **Full Audits**

- Financial Statements, Occupational Health and Safety, Project Management, Subsistence and Travel Allowance, Annual Report Review, Revenue Application System Rehabilitation of Ownerless and Derelict Mines, SAMSHA – Application Control review - around exam, Management Performance Assessment (MPAT) Review, Audit of Performance Information Q1, Mine Health and Safety Inspections, Administration of Fines, Leave Payouts Verification, Half-Yearly Financial Statements, Audit of Performance Q2, Audit of Performance Q3, AG Management Letter, Mine Economics.

#### **Follow-up Audits**

- Performance Management Development System, Labour Relations, Communications Strategy, Revenue and Receivables System (Application and General Controls).

The following were areas of concern:

- The management over revenue and accounts receivables on royalties and prospecting licenses.

The Audit Committee is satisfied that the Department has adequately addressed all weaknesses and issues that led to the modified audit report in the previous year in these areas and will continue to monitor for sustainability.

#### **In-Year Management and Monthly/ Quarterly Report**

The Department has been reporting monthly and quarterly to the National Treasury as is required by the PFMA.

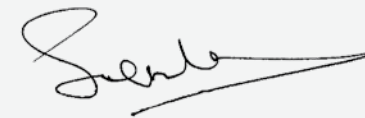
#### **Evaluation of Financial Statements**

We have reviewed the Annual Financial Statements prepared by the Department.

#### **Auditor-General's Report**

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

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



**Mr. S Sithole**  
**Chairperson of the Audit Committee**  
**Department of Mineral Resources**

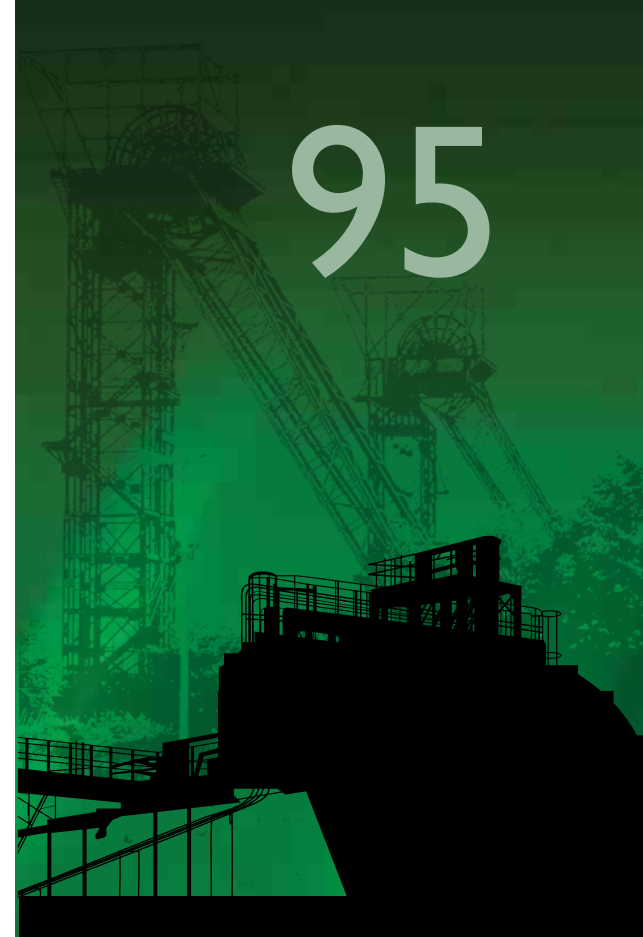


Notes






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D

Human Resource  
Management



## 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. The information provided in this part is prescribed by the Public Service Regulations (Chapter I, Part III J.3 and J.4).

### 2. OVERVIEW OF HUMAN RESOURCES

The Chief Directorate: Human Resource (HR) is responsible for rendering a management support service to the Department. It provides services relating to organisational development, human resource planning and policy, human resource administration and practices, human resource development as well as employee relations management to line function components. Its primary focus is on capacity building with a view to ensuring alignment between the departmental service delivery imperatives and its mandates and strategic objectives.

#### **HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES**

During the year under review the Chief Directorate HR committed itself to:

- Develop, review and improve on internal processes/guidelines/procedures
- Improve on turnaround times
- Ensure compliance with HR legislation/directives
- Facilitate management and leadership development
- Filling of funded vacancies
- Attract, develop and retain skills

#### **Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce**

During the year under review, the Integrated Human Resource Plan was reviewed and published. The Attraction and Retention Strategy was developed and approved. This consists of a comprehensive action plan to address issues pertaining to the attraction and retention of staff, including employment equity.

#### **Policy performance management framework**

The Performance Management and Development Policy for the Department was approved and is being implemented.

#### **Employee wellness programmes**

A Wellness Centre has been established and is running efficiently with the services of a qualified doctor who services the Department twice a week.

#### **Policy development**

The following policies were signed during 2013/14 financial year:

- Career Development Policy
- Education, Training and Development Policy
- Smoking/Non-Smoking Policy
- Policy on Performance Management and Development System
- Alcohol and Testing Policy
- Recruitment and Retention Strategy
- Employment Equity Plan 2014/15

- Policy on Organisational Structure
- Guidelines on the Management of Informal Discipline
- External Internship Policy

### ***Challenges faced by the Department***

The need to enhance capacity to inspect and enforce compliance is one of the key challenges that is facing the Department. Engagement with National Treasury on this matter will be pursued during the 2014/15 financial year. The high cost of training and the inability to retain staff (especially Mine Health and Safety Inspectors), has in the past few years resulted in a substantial loss of human capital investment.

### ***Future HR plans/goals***

Through the HR Planning process the following HR Planning Strategic Objectives were identified and will receive preference in the 2014/15 financial year:

- Alignment of the Department's structure with its strategic objectives
- Implementation of an attraction and retention strategy
- Implementation of an employment equity plan
- Continued implementation of Health and Wellness in the workplace
- Development and implementation of a HRD strategy
- Development and implementation of HR policies, processes and procedures
- Implementation of an Occupational Specific Dispensation (OSD) for Environment Officers





### 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, homeowners allowances and medical aid.

*Table 3.1.1 Personnel expenditure by programme*

Programme	Total Voted Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel as a percent of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	305,890	138,997	1,604	1,533	45.4	119
Mineral Policy and Promotion	719,928	53,153	408	1,077	7.4	46
Mineral Regulation	205,521	126,063	736	0	61.3	108
Promotion of Mine Health and Safety	153,220	119,775	258	3,069	78.2	103
<b>Total as on Financial Systems (BAS)</b>	<b>1,384,559</b>	<b>437,988</b>	<b>3,006</b>	<b>5,679</b>	<b>31.6</b>	<b>375</b>

Table 3.1.2 Personnel costs by salary band

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	% of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)	Number of Employees
Skilled (Levels 3-5)	35,371	7.6	174,241	465,309	203
Highly skilled production (Levels 6-8)	83,921	18	259,817	465,309	323
Highly skilled supervision (Levels 9-12)	216,685	46.6	495,847	465,309	437
Senior management (Levels 13-16)	66,729	14.3	914,096	465,309	73
Contract (Levels 1-2)	3,795	0.8	59,297	465,309	64
Contract (Levels 3-5)	1,002	0.2	143,143	465,309	7
Contract (Levels 6-8)	3,565	0.8	222,813	465,309	16
Contract (Levels 9-12)	20,554	4.4	540,895	465,309	38
Contract (Levels 13-16)	6,149	1.3	1,024,833	465,309	6
Periodical Remuneration	335	0.1	6,442	465,309	52
<b>TOTAL</b>	<b>438,106</b>	<b>94.2</b>	<b>359,398</b>	<b>465,309</b>	<b>1,219</b>

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme

Programme	Salaries		Overtime		Homeowners Allowance		Medical Aid		Salaries
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	
Mineral Policy and Promotion	41,586	74.9	24	0	1,278	2.3	1,539	2.8	55,551
Mineral Regulation	93,995	70.5	426	0.3	3,354	2.5	5,536	4.2	133,318
Programme I Administration	102,256	73.3	3,129	2.2	3,647	2.6	5,249	3.8	139,475
Promotion of Mine Health and Safety	96,293	70.3	57	0	2,060	1.5	3,033	2.2	136,965
<b>TOTAL</b>	<b>334,130</b>	<b>71.8</b>	<b>3,636</b>	<b>0.8</b>	<b>10,339</b>	<b>2.2</b>	<b>15,357</b>	<b>3.3</b>	<b>465,309</b>



Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band

Salary bands	Salaries		Overtime		Homeowners Allowance		Medical Aid		Total Personnel Cost per Salary Band (R'000)
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	
Skilled (Levels 3-5)	22,780	63.6	1,526	4.3	2,075	5.8	3,151	8.8	35,819
Highly skilled production (Levels 6-8)	59,274	69.3	1,026	1.2	3,139	3.7	4,867	5.7	85,513
Highly skilled supervision (Levels 9-12)	166,865	71.3	1,028	0.4	3,405	1.5	6,037	2.6	234,077
Senior management (Levels 13-16)	54,727	76.8	0	0	1,336	1.9	898	1.3	71,300
Contract (Levels 1-2)	3,748	96.5	47	1.2	0	0	0	0	3,884
Contract (Levels 3-5)	657	65.2	3	0.3	50	5	44	4.4	1,007
Contract (Levels 6-8)	2,666	74.2	5	0.1	112	3.1	121	3.4	3,593
Contract (Levels 9-12)	18,195	77.8	2	0	159	0.7	240	1	23,389
Contract (Levels 13-16)	5,216	84.1	0	0	63	1	0	0	6,202
Periodical Remuneration	0	0	0	0	0	0	0	0	526
<b>TOTAL</b>	<b>334,128</b>	<b>71.8</b>	<b>3,637</b>	<b>0.8</b>	<b>10,339</b>	<b>2.2</b>	<b>15,358</b>	<b>3.3</b>	<b>465,310</b>

### 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 2014

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Mineral Policy and Promotion, Permanent	126	109	13.5	1
Mineral Regulation, Permanent	415	355	14.5	2
Programme I Administration, Permanent	429	365	14.9	16
Programme I Administration, Temporary	2	2	0	0
Promotion of Mine Health and Safety, Permanent	321	272	15.3	9
<b>TOTAL</b>	<b>1,293</b>	<b>1,103</b>	<b>14.7</b>	<b>28</b>

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2014

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	4	3	25	0
Skilled (Levels 3-5), Permanent	242	202	16.5	1
Highly skilled production (Levels 6-8), Permanent	361	322	10.8	5
Highly skilled production (Levels 6-8), Temporary	1	1	0	0
Highly skilled supervision (Levels 9-12), Permanent	523	435	16.8	1
Senior management (Levels 13-16), Permanent	94	72	23.4	1
Senior management (Levels 13-16), Temporary	1	1	0	0
Contract (Levels 3-5), Permanent	7	7	0	5
Contract (Levels 6-8), Permanent	16	16	0	12
Contract (Levels 9-12), Permanent	38	38	0	0
Contract (Levels 13-16), Permanent	6	6	0	3
<b>TOTAL</b>	<b>1,293</b>	<b>1,103</b>	<b>14.7</b>	<b>28</b>



Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2014

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	128	117	8.6	2
Agricultural, animal, oceanography, forestry and other sciences, Permanent	1	1	0	0
Biologists, botanists, zoologists and related professional, Permanent	115	79	31.3	1
Cartographers and surveyors, Permanent	2	2	0	0
Cleaners in offices, workshops, hospitals etc., Permanent	9	9	0	0
Client information clerks (switchboard, reception, information clerks), Permanent	14	12	14.3	0
Communication and information related, Permanent	11	10	9.1	0
Communication and information related, Temporary	1	1	0	0
Economists, Permanent	48	42	12.5	0
Engineering sciences related, Permanent	3	3	0	0
Finance and economics related, Permanent	12	11	8.3	0
Financial and related professionals, Permanent	44	35	20.5	0
Financial clerks and credit controllers, Permanent	22	16	27.3	1
Food services aids and waiters, Permanent	4	3	25	0
General legal administration and related professionals, Permanent	5	5	0	0
Geologists, geophysicists, hydrologists and related professionals, Permanent	1	1	0	0
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources and organisational development and related professionals, Permanent	34	31	8.8	0
Human resources clerks, Permanent	14	12	14.3	0
Human resources related, Permanent	3	1	66.7	0
Information technology related, Permanent	10	9	10	0
Language practitioners, interpreters and other communication, Permanent	5	5	0	0



Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Legal related, Permanent	7	7	0	0
Librarians and related professionals, Permanent	3	2	33.3	0
Library, mail and related clerks, Permanent	79	71	10.1	1
Logistical support personnel, Permanent	13	10	23.1	0
Material-recording and transport clerks, Permanent	31	24	22.6	0
Messengers, porters and deliverers, Permanent	5	3	40	0
Other administration and related clerks and organisers, Permanent	100	91	9	3
Other administrative policy and related officers, Permanent	70	67	4.3	0
Other information technology personnel, Permanent	35	31	11.4	9
Other machine operators, Permanent	1	1	0	0
Other occupations, Permanent	7	3	57.1	0
Risk management and security services, Permanent	6	6	0	0
Safety health and quality inspectors, Permanent	200	163	18.5	3
Secretaries and other keyboard operating clerks, Permanent	91	85	6.6	3
Security officers, Permanent	51	49	3.9	2
Senior managers, Permanent	88	66	25	3
Senior managers, Temporary	1	1	0	0
Trade/industry advisers and other related professionals, Permanent	18	17	5.6	0
<b>TOTAL</b>	<b>1,293</b>	<b>1,103</b>	<b>14.7</b>	<b>28</b>

### 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 2014**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100%	0	0%
Salary Level I6	2	2	100%	0	0%
Salary Level I5	5	5	100%	0	0%
Salary Level I4	23	13	57%	10	43%
Salary Level I3	64	52	81%	12	19%
<b>Total</b>	<b>95</b>	<b>73</b>	<b>77%</b>	<b>22</b>	<b>23%</b>

**Table 3.3.2 SMS post information as on 30 September 2013**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100%	0	0%
Salary Level I6	2	2	100%	0	0%
Salary Level I5	5	5	100%	0	0%
Salary Level I4	23	16	70%	7	30%
Salary Level I3	64	50	78%	14	22%
<b>Total</b>	<b>95</b>	<b>74</b>	<b>78%</b>	<b>21</b>	<b>22%</b>

**Table 3.3.3 Advertising and filling of SMS posts**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100%	0	0%
Salary Level I6	2	2	100%	0	0%
Salary Level I5	5	5	100%	0	0%
Salary Level I4	23	15	65%	8	35%
Salary Level I3	65	50	77%	15	23%
<b>Total</b>	<b>96</b>	<b>73</b>	<b>76%</b>	<b>23</b>	<b>24%</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant**

Reasons for vacancies not advertised within six months
Pending disputes
Proposed restructuring of the Department
Reasons vacancies not filled within six months
Proposed restructuring of the Department
There were disputes that needed to be addressed during the filling of certain positions

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

Reasons for vacancies not advertised within six months
No disciplinary action taken
Reasons for vacancies not filled within six months
Proposed restructuring of the Department
There were disputes that needed to be addressed during the filling of certain positions

### 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

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	4	0	0	0	0	0	0
Contract (Levels 3-5)	7	0	0	0	0	0	0
Contract (Levels 6-8)	16	0	0	0	0	0	0
Contract (Levels 9-12)	38	1	2.6	0	0	0	0
Contract (Band A)	3	0	0	0	0	0	0
Contract (Band B)	1	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	242	30	12.4	30	100	0	0
Highly skilled production (Levels 6-8)	362	91	25.1	0	0	0	0
Highly skilled supervision (Levels 9-12)	523	348	66.5	9	2.6	2	0.6
Senior Management Service Band A	66	2	3	0	0	0	0
Senior Management Service Band B	22	2	9.1	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,293</b>	<b>474</b>	<b>36.7</b>	<b>39</b>	<b>8.2</b>	<b>2</b>	<b>0.4</b>

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**

Beneficiaries	African	Asian	Coloured	White	Total
Female	75	0	6	0	81
Male	65	0	1	0	66
<b>Total</b>	<b>140</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>147</b>
Employees with a Disability	2	0	0	0	2

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**

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No. of Employees in Dept
Trade/industry advisers and other related professionals	1	12	12	Retention	1,103
Biologists, botanists, zoologists and related professionals	1	12	12	Retention	1,103
Financial and related professionals	1	7	7	Retention	1,103
Senior managers	1	13	13	Retention	1,103
<b>Total</b>	<b>4</b>				<b>1,103</b>
Percentage of Total Employment	0.4%				

The following table summarises the beneficiaries 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**

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	1	0	0	0	1
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
Employees with a Disability	0	0	0	0	0

<b>Total number of Employees whose salaries exceeded the grades determined by job evaluation in 2013/14</b>	<b>None</b>
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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

Salary Band	Employment at Beginning of Period (April 2013)	Appointments and Transfers in	Terminations and Transfers out	Turnover Rate
Skilled (Levels 3-5), Permanent	215	16	20	9.3
Highly skilled production (Levels 6-8), Permanent	311	19	27	8.7
Highly skilled production (Levels 6-8), Temporary	1	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	410	32	24	5.9
Senior Management Service Band A, Permanent	52	4	6	11.5
Senior Management Service Band B, Permanent	14	1	0	0
Senior Management Service Band C, Permanent	4	1	0	0
Senior Management Service Band D, Permanent	2	0	0	0
Senior Management Service Band D, Temporary	0	1	0	0
Contract (Levels 3-5), Permanent	5	6	2	40
Contract (Levels 6-8), Permanent	20	4	6	30
Contract (Levels 9-12), Permanent	43	11	6	14
Contract (Band A), Permanent	2	1	0	0
Contract (Band B), Permanent	0	2	1	0
Contract (Band C), Permanent	0	1	0	0
Contract (Band D), Permanent	1	0	0	0
<b>TOTAL</b>	<b>1,080</b>	<b>99</b>	<b>92</b>	<b>8.5</b>



*Table 3.5.2 Annual turnover rates by critical occupation*

Occupation	Employment at Beginning of Period (April 2013)	Appointments and Transfers in	Terminations and Transfers out	Turnover Rate
Administrative related, Permanent	114	11	8	7
Agricultural, animal, oceanography, forestry and other sciences, Permanent	2	0	1	50
Biologists, botanists, zoologists and related professional, Permanent	75	8	4	5.3
Cartographers and surveyors, Permanent	2	0	0	0
Cleaners in offices, workshops, hospitals etc., Permanent	15	0	0	0
Client information clerks (switchboard, reception, information clerks), Permanent	12	1	2	16.7
Communication and information related, Permanent	10	1	2	20
Communication and information related, Temporary	1	0	0	0
Diplomats, Permanent	1	0	0	0
Economists, Permanent	41	4	4	9.8
Engineering sciences related, Permanent	3	0	0	0
Finance and economics related, Permanent	11	0	1	9.1
Financial and related professionals, Permanent	36	2	4	11.1
Financial clerks and credit controllers, Permanent	20	0	4	20
Food services, aids and waiters, Permanent	4	0	0	0
General legal administration and related professionals, Permanent	3	3	0	0
Head of department/chief executive officer, Permanent	2	0	0	0
Human resources and organisational development and related professionals, Permanent	31	2	3	9.7
Human resources clerks, Permanent	13	1	5	38.5
Human resources related, Permanent	1	0	0	0
Information technology related, Permanent	9	2	2	22.2
Language practitioners, interpreters and other communication, Permanent	4	0	0	0
Legal related, Permanent	3	3	0	0

Occupation	Employment at Beginning of Period (April 2013)	Appointments and Transfers in	Terminations and Transfers out	Turnover Rate
Librarians and related professionals, Permanent	2	0	0	0
Library mail and related clerks, Permanent	60	1	3	5
Logistical support personnel, Permanent	10	2	4	40
Material-recording and transport clerks, Permanent	26	5	6	23.1
Messengers, porters and deliverers, Permanent	8	0	0	0
Natural sciences related, Permanent	1	0	0	0
Other administrative and related clerks and organisers, Permanent	92	7	9	9.8
Other administrative policy and related officers, Permanent	63	4	1	1.6
Other information technology personnel, Permanent	25	4	8	32
Other machine operators, Permanent	1	0	0	0
Other occupations, Permanent	3	0	0	0
Risk management and security services, Permanent	6	2	6	100
Safety health and quality inspectors, Permanent	156	17	5	3.2
Secretaries and other keyboard operating clerks, Permanent	89	4	3	3.4
Security officers, Permanent	47	5	6	12.8
Senior managers, Permanent	61	9	1	1.6
Senior managers, Temporary	0	1	0	0
Trade/industry advisers and other related professionals, Permanent	17	0	0	0
<b>TOTAL</b>	<b>1,080</b>	<b>99</b>	<b>92</b>	<b>8.5</b>



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

**Table 3.5.3 Reasons why staff left the Department**

Termination Type	Number	% of Total Resignations	% of Total Employment	Total	Total Employment
Death, Permanent	2	2.2	0.2	92	1,087
Resignation, Permanent	24	26.1	2.2	92	1,087
Expiry of contract, Permanent	10	10.9	0.9	92	1,087
Dismissal-misconduct, Permanent	4	4.3	0.4	92	1,087
Transfers out	41	44.6	3.8	92	1,087
Retirement, Permanent	11	12	1	92	1,087
<b>TOTAL</b>	<b>92</b>	<b>100</b>	<b>8.5</b>	<b>92</b>	<b>1,087</b>

**Table 3.5.4 Promotions by critical occupation**

Occupation	Employment at Beginning of Period (April 2013)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch Progression as a % of Employment
Administrative related	114	10	8.8	74	64.9
Agricultural, animal, oceanography, forestry and other sciences	2	0	0	1	50
Biologists, botanists, zoologists and related professionals	75	10	13.3	57	76
Cartographers and surveyors	2	0	0	1	50
Cleaners in offices, workshops, hospitals, etc.	15	0	0	12	80
Client information clerks (switchboard, reception, information clerks)	12	0	0	9	75
Communication and information related	11	0	0	5	45.5
Computer system designers and analysts	0	1	0	0	0
Diplomats	1	0	0	0	0
Economists	41	1	2.4	34	82.9
Engineering sciences related	3	0	0	3	100
Finance and economics related	11	0	0	5	45.5
Financial and related professionals	36	1	2.8	25	69.4
Financial clerks and credit controllers	20	1	5	15	75



Occupation	Employment at Beginning of Period (April 2013)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch Progression as a % of Employment
Food services, aids and waiters	4	0	0	2	50
General legal administration and related professionals	3	0	0	3	100
Head of department/chief executive officer	2	0	0	0	0
Human resources and organisational development and related professionals	31	5	16.1	15	48.4
Human resources clerks	13	2	15.4	10	76.9
Human resources related	1	1	100	0	0
Information technology related	9	2	22.2	4	44.4
Language practitioners, interpreters and other communication	4	0	0	3	75
Legal related	3	1	33.3	2	66.7
Librarians and related professionals	2	0	0	2	100
Library mail and related clerks	60	1	1.7	43	71.7
Logistical support personnel	10	6	60	8	80
Material-recording and transport clerks	26	2	7.7	22	84.6
Messengers, porters and deliverers	8	0	0	2	25
Natural sciences related	1	0	0	1	100
Other administrative and related clerks and organisers	92	5	5.4	63	68.5
Other administrative policy and related officers	63	2	3.2	41	65.1
Other information technology personnel	25	0	0	14	56
Other machine operators	1	0	0	0	0
Other occupations, Permanent	3	0	0	1	3
Risk management and security services	6	1	16.7	3	50
Safety, health and quality inspectors	156	4	2.6	72	46.2
Secretaries and other keyboard operating clerks	89	1	1.1	69	77.5
Security officers	47	1	2.1	43	91.5
Senior managers	61	2	3.3	20	32.8
Trade/industry advisers and other related profession	17	1	5.9	13	76.5
<b>TOTAL</b>	<b>1,080</b>	<b>61</b>	<b>5.6</b>	<b>697</b>	<b>64.5</b>

Table 3.5.5 Promotions by salary band

Salary Band	Employment at Beginning of Period (April 2013)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch Progression as a % of Employment
Skilled (Levels 3-5), Permanent	215	4	1.9	156	72.6
Highly skilled production (Levels 6-8), Permanent	311	16	5.1	240	77.2
Highly skilled production (Levels 6-8), Temporary	1	0	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	410	37	9	259	63.2
Senior management (Levels 13-16), Permanent	72	3	4.2	27	37.5
Contract (Levels 3-5), Permanent	5	0	0	2	40
Contract (Levels 6-8), Permanent	20	0	0	2	10
Contract (Levels 9-12), Permanent	43	1	2.3	10	23.3
Contract (Levels 13-16), Permanent	3	0	0	1	33.3
<b>TOTAL</b>	<b>1,080</b>	<b>61</b>	<b>5.6</b>	<b>697</b>	<b>64.5</b>

### 3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	37	1	0	38	7	23	0	0	23	1	69
Legislators, senior officials and managers, Temporary	1	0	0	1	0	0	0	0	0	0	1
Professionals, Permanent	132	1	2	135	9	138	2	0	140	6	290
Professionals, Temporary	0	0	0	0	1	0	0	0	0	0	1
Technicians and associate professionals, Permanent	150	3	0	153	51	138	5	1	144	9	357
Clerks, Permanent	79	2	0	81	2	190	17	0	207	20	310
Service and sales workers, Permanent	33	3	0	36	4	14	1	0	15	0	55
Plant and machine operators and assemblers, Permanent	1	0	0	1	0	0	0	0	0	0	1
Elementary occupations, Permanent	4	0	0	4	0	12	0	0	12	0	16
Other, Permanent	1	0	0	1	0	2	0	0	2	0	3
<b>TOTAL</b>	<b>438</b>	<b>10</b>	<b>2</b>	<b>450</b>	<b>74</b>	<b>517</b>	<b>25</b>	<b>1</b>	<b>543</b>	<b>36</b>	<b>1,103</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	5	0	0	5	2	3	0	0	3	0	10

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	4	0	0	4	0	3	0	0	3	0	7
Senior Management, Permanent	33	1	0	34	7	23	0	0	23	1	65
Senior Management, Temporary	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and middle management, Permanent	212	3	2	217	38	165	2	1	168	12	435
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	80	2	0	82	6	198	14	0	212	22	322
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	1	0	0	0	0	0	1
Semi-skilled and discretionary decision making, Permanent	82	3	0	85	2	106	8	0	114	1	202
Unskilled and defined decision making, Permanent	1	0	0	1	0	2	0	0	2	0	3
Contract (Top Management), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Senior Management), Permanent	3	0	0	3	0	1	0	0	1	0	4
Contract (Professionally qualified), Permanent	10	1	0	11	20	6	1	0	7	0	38
Contract (Skilled technical), Permanent	7	0	0	7	0	9	0	0	9	0	16
Contract (Semi-skilled), Permanent	4	0	0	4	0	3	0	0	3	0	7
<b>TOTAL</b>	<b>438</b>	<b>10</b>	<b>2</b>	<b>450</b>	<b>74</b>	<b>517</b>	<b>25</b>	<b>1</b>	<b>543</b>	<b>36</b>	<b>1,103</b>



Table 3.6.3 Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Temporary	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	3	0	0	3	0	3	0	0	3	0	6
Professionally qualified and experienced specialists and middle management, Permanent	17	0	0	17	1	9	0	1	10	0	28
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	10	0	0	10	0	15	0	0	15	0	25
Semi-skilled and discretionary decision making, Permanent	6	0	0	6	0	10	2	0	12	0	18
Contract (Top Management), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Senior Management), Permanent	3	0	0	3	0	0	0	0	0	0	3
Contract (Professionally qualified), Permanent	3	0	0	3	4	2	0	0	2	0	9
Contract (Skilled technical), Permanent	1	0	0	1	0	3	0	0	3	0	4
Contract (Semi-skilled), Permanent	3	0	0	3	0	1	0	0	1	0	4
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>5</b>	<b>44</b>	<b>2</b>	<b>1</b>	<b>47</b>	<b>0</b>	<b>99</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

Table 3.6.4 Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Senior Management, Permanent	14	2	0	16	2	11	0	0	11	0	29
Professionally qualified and experienced specialists and middle management, Permanent	144	3	2	149	21	117	1	1	119	7	296
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	64	1	0	65	5	160	12	0	172	14	256
Semi-skilled and discretionary decision making, Permanent	73	3	0	76	2	77	4	0	81	1	160
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	1	0	0	1	9	0	1	0	1	0	11
Contract (Skilled technical), Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Semi-skilled), Permanent	0	0	0	0	0	2	0	0	2	0	2
<b>TOTAL</b>	<b>298</b>	<b>9</b>	<b>2</b>	<b>309</b>	<b>39</b>	<b>369</b>	<b>18</b>	<b>1</b>	<b>388</b>	<b>22</b>	<b>758</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	2	0	0	2	2	2	0	0	2	0	6



*Table 3.6.5 Terminations*

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	3	0	0	3	1	2	0	0	2	0	6
Professionally qualified and experienced specialists and middle management, Permanent	11	0	0	11	5	5	0	0	5	1	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	0	0	14	0	14	0	0	14	3	31
Semi-skilled and discretionary decision making, Permanent	11	0	0	11	0	11	0	0	11	0	22
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	0	0	0	0	1	2	0	0	2	0	3
Contract (Skilled technical), Permanent	4	0	0	4	0	2	0	0	2	0	6
Contract (Semi-skilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Unskilled), Permanent	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>7</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>4</b>	<b>92</b>

*Table 3.6.6 Disciplinary action*

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>12</b>

Table 3.6.7 Skills development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	10	0	0	10	0	14	0	0	14	0	24
Professionals	109	2	1	112	3	109	0	0	109	1	225
Technicians and associate professionals	21	0	0	21	0	74	5	0	79	1	101
Clerks	35	0	0	35	0	46	8	0	54	4	93
Service and sales workers	12	0	0	12	1	4	0	0	4	0	17
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary occupations	2	0	0	2	0	2	0	0	2	0	4
<b>TOTAL</b>	<b>189</b>	<b>2</b>	<b>1</b>	<b>192</b>	<b>4</b>	<b>249</b>	<b>13</b>	<b>0</b>	<b>262</b>	<b>6</b>	<b>464</b>
Employees with disabilities	1	0	0	1	0	1	0	0	1	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 May 2013**

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	1	1	1	100%
Salary Level I6	2	2	-	-
Salary Level I5	5	4	4	100%
Salary Level I4	23	14	13	93%
Salary Level I3	64	52	50	96%
<b>Total</b>	<b>95</b>	<b>73</b>	<b>68</b>	<b>93%</b>

**Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2014**

Reasons
Resignations.
Lack of commitment from affected managers.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2014**

Reasons
Submission was drafted for disciplinary action to be taken against the managers concerned.

### 3.8 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

**Table 3.8.1 Performance Rewards by race, gender and disability**

Demographics	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	361	549	65.8	2,782	7,706
African, Male	279	461	60.5	2,800	10,036
Asian, Female	0	1	0	0	0
Asian, Male	2	2	100	33	16,500
Coloured, Female	18	25	72	119	6,611
Coloured, Male	8	11	72.7	57	7,125
White, Female	36	36	100	318	8,333
White, Male	62	72	86.1	955	15,403
Employees with disabilities	4	10	40	32	8,000
<b>TOTAL</b>	<b>770</b>	<b>1167</b>	<b>66</b>	<b>7,096</b>	<b>9,216</b>



Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	160	203	78.8	612	3,825
Highly skilled production(Levels 6-8)	252	323	78	1,645	6,528
Highly skilled supervision(Levels 9-12)	324	437	74.1	3,875	11,960
Contract (Levels 3-5)	2	7	28.6	8	4,000
Contract (Levels 6-8)	2	16	12.5	13	6,500
Contract (Levels 9-12)	15	38	39.5	309	20,600
Periodical Remuneration	0	52	0	0	0
<b>TOTAL</b>	<b>755</b>	<b>1076</b>	<b>70.2</b>	<b>6,462</b>	<b>8,559</b>

Table 3.8.3 Performance Rewards by critical occupation

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	86	117	73.5	933	10,849
Agricultural, animal, oceanography, forestry and other sciences	1	1	100	8	8,000
Biologists, botanists, zoologists and related professionals	53	78	67.9	545	10,283
Cartographers and surveyors	1	2	50	9	9,000
Cleaners in offices, workshops, hospitals, etc.	8	9	88.9	24	3,000
Client inform clerks (switchboard, reception, inform clerks)	10	12	83.3	36	3,600
Communication and information related	7	11	63.6	81	11,571
Economists	39	42	92.9	484	12,410
Engineering sciences related	3	3	100	50	16,667
Finance and economics related	8	11	72.7	104	13,000
Financial and related professionals	23	35	65.7	171	7,435
Financial clerks and credit controllers	14	16	87.5	77	5,500
Food services, aids and waiters	2	3	66.7	7	3,500
General legal administration and related professionals	2	5	40	27	13,500
Geologists, geophysicists, hydrologists and related professionals	0	1	0	0	0

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## PART D HUMAN RESOURCE MANAGEMENT



Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Head of department/chief executive officer	0	1	0	0	0
Human resources and organisational development and related professionals	21	31	67.7	206	9,810
Human resources clerks	10	12	83.3	59	5,900
Human resources related	0	1	0	0	0
Information technology related	5	9	55.6	52	10,400
Language practitioners, interpreters and other communication	5	5	100	38	7,600
Legal related	2	6	33.3	34	17,000
Librarians and related professionals	2	2	100	12	6,000
Library mail and related clerks	52	71	73.2	196	3,769
Logistical support personnel	8	10	80	49	6,125
Material-recording and transport clerks	21	23	91.3	97	4,619
Messengers, porters and deliverers	0	3	0	0	0
Other administrative and related clerks and organisers	76	91	83.5	413	5,434
Other administrative policy and related officers	47	67	70.1	358	7,617
Other information technology personnel	12	31	38.7	85	7,083
Other machine operators	0	1	0	0	0
Other occupations	1	3	33.3	4	4,000
Rank: Unknown	0	3	0	0	0
Risk management and security services	2	6	33.3	16	8,000
Safety, health and quality inspectors	101	163	62	1,526	15,109
Secretaries and other keyboard operating clerks	75	85	88.2	468	6,240
Security officers	45	49	91.8	182	4,044
Senior managers	14	67	20.9	598	42,714
Trade/industry advisers and other related professionals	14	17	82.4	147	10,500
<b>TOTAL</b>	<b>770</b>	<b>1,103</b>	<b>69.8</b>	<b>7,006</b>	<b>9,099</b>
<b>Special Awards</b>				<b>317</b>	
<b>TOTAL PERFORMANCE REWARDS</b>				<b>7,413</b>	

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	11	54	20.4	408	37,091	0.9	47,691
Band B	4	16	25	226	56,500	1.4	16,708
Band C	0	6	0	0	0	0	0
Band D	0	3	0	0	0	0	0
<b>TOTAL</b>	<b>15</b>	<b>79</b>	<b>19</b>	<b>634</b>	<b>42,266.7</b>	<b>1</b>	<b>64,399</b>

### 3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band

Salary Band	Employment at Beginning Period	% of Total	Employment at End of Period	% of Total	Change in Employment	% of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	1	100	1	100	0	0	1	1	0
<b>TOTAL</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

Table 3.9.2 Foreign workers by major occupation

Major Occupation	Employment at Beginning Period	% of Total	Employment at End of Period	% of Total	Change in Employment	% of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Technicians and associated professionals	1	100	1	100	0	0	1	1	0
<b>TOTAL</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>



### 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 01 January 2013 to 31 December 2013**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Skilled (Levels 3-5)	1,441.5	89.6	179	20.3	8	588	882	1,292
Highly skilled production (Levels 6-8)	2,414.5	83.6	275	31.2	9	1,625	882	2,019
Highly skilled supervision (Levels 9-12)	2,486.5	83.2	323	36.6	8	3,990	882	2,069
Senior management (Levels 13-16)	391	80.6	50	5.7	8	1,227	882	315
Contract (Levels 1-2)	48	60.4	23	2.6	2	12	882	29
Contract (Levels 3-5)	8	100	2	0.2	4	3	882	8
Contract (Levels 6-8)	56	89.3	10	1.1	6	38	882	50
Contract (Levels 9-12)	81	82.7	19	2.2	4	155	882	67
Contract (Levels 13-16)	5	100	1	0.1	5	18	882	5
<b>TOTAL</b>	<b>6,931.5</b>	<b>84.5</b>	<b>882</b>	<b>100</b>	<b>8</b>	<b>7,656</b>	<b>882</b>	<b>5,854</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 01 January 2013 to 31 December 2013**

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)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Table 3.10.3 Annual leave for the period 01 January 2013 to 31 December 2013**

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Skilled (Levels 3-5)	4,378.25	21	206
Highly skilled production (Levels 6-8)	7,377.64	22	335
Highly skilled supervision (Levels 9-12)	10,149.92	22	456
Senior management (Levels 13-16)	1 706	22	79
Contract (Levels 1-2)	653	7	88
Contract (Levels 3-5)	93	13	7
Contract (Levels 6-8)	249	19	13
Contract (Levels 9-12)	652	16	42
Contract (Levels 13-16)	78	11	7
Not Available	5	5	1
<b>TOTAL</b>	<b>25,341.81</b>	<b>21</b>	<b>1,234</b>

**Table 3.10.4 Capped leave for the period 01 January 2013 to 31 December 2013**

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2013	Number of employees who took capped leave	Total number of capped leave available as at 31 December 2013	Number of employees as at 31 December 2013
Skilled (Levels 3-5)	4	2	23	2	634	27
Highly skilled production (Levels 6-8)	11	11	17	1	1,115	67
Highly skilled supervision (Levels 9-12)	42	7	30	6	2,477	83
Senior management (Levels 13-16)	24	12	25	2	677	27
<b>TOTAL</b>	<b>81</b>	<b>7</b>	<b>24</b>	<b>11</b>	<b>4,903</b>	<b>204</b>



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

**Table 3.10.5 Leave payouts**

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle	110	4	27,500
Capped leave payouts on termination of service for 2013/14	110	4	27,500
Current leave payout on termination of service for 2013/14	0	27	0
<b>TOTAL</b>	<b>220</b>	<b>35</b>	<b>6,286</b>

### 3.11 HIV/AIDS and 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 and related diseases (if any)	Key steps taken to reduce the risk
N/A	N/A
N/A	N/A

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

Question	Yes	No	Details, if yes																		
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Director ERM has been appointed and is responsible for OHS, Wellness and Labour Relations. An OHS practitioner has been appointed who is responsible for the implementation of OHS programmes.																		
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Two Assistant Directors and one Employee Wellness Practitioner reporting under Employment Relations. There is no annual budget specifically allocated to the programme, the programme utilises the annual budget of Employment Relations.																		
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		<p><b>Services provided by EWP:</b></p> <ol style="list-style-type: none"> <li>1. Counselling services (trauma debriefing, crisis management, work-related and personal problems).</li> <li>2. Health and Productivity Management (prevention, intervention, awareness, education, risk assessment and support).</li> <li>3. Wellness Management (physical, social, emotional, spiritual and intellectual wellness of employees).</li> <li>4. HIV and Aids and TB Management (prevention, treatment, care and support, human and legal rights).</li> <li>5. SHERQ Management (occupational hygiene, special facilities, lighting, ventilation, sanitation and risk assessment).</li> </ol> <p>The Department has outsourced an EAP service provider that provides counselling for the employees and their immediate families and also refers them if necessary to the relevant institutions.</p>																		
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		<p>Name of Committee Members:</p> <table border="1"> <tbody> <tr> <td>Lethlogolo Mokwena, Lerato Maruping, Joana Masemola and Tshepo Mtsele</td> <td>Head Office</td> </tr> <tr> <td>Tefo Phahla and Anna Charley</td> <td>Welkom Office</td> </tr> <tr> <td>Patience Magwae</td> <td>Rustenburg Office</td> </tr> <tr> <td>Mduduzi Hlope and Olivia Mabuza</td> <td>Witbank Office</td> </tr> <tr> <td>Dipotso Mthunywa and Carol Khanyile</td> <td>Braamfontein Office</td> </tr> <tr> <td>Martha Muthathi</td> <td>Limpopo Office</td> </tr> <tr> <td>Julia Kgwele, Taole Matsoko and Abel Mandlozi</td> <td>Klerksdorp Office</td> </tr> <tr> <td>Nontsindiso Tolwana</td> <td>Port Elizabeth Office</td> </tr> <tr> <td>Natasha Williams and Marvin Petro</td> <td>Cape Town Office</td> </tr> </tbody> </table>	Lethlogolo Mokwena, Lerato Maruping, Joana Masemola and Tshepo Mtsele	Head Office	Tefo Phahla and Anna Charley	Welkom Office	Patience Magwae	Rustenburg Office	Mduduzi Hlope and Olivia Mabuza	Witbank Office	Dipotso Mthunywa and Carol Khanyile	Braamfontein Office	Martha Muthathi	Limpopo Office	Julia Kgwele, Taole Matsoko and Abel Mandlozi	Klerksdorp Office	Nontsindiso Tolwana	Port Elizabeth Office	Natasha Williams and Marvin Petro	Cape Town Office
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Natasha Williams and Marvin Petro	Cape Town Office																				



Question	Yes	No	Details, if yes										
			<table border="1"> <tr> <td data-bbox="987 416 1720 456">Lungi Mondani and Rose Manuel</td> <td data-bbox="1720 416 2078 456">Kimberley Office</td> </tr> <tr> <td data-bbox="987 456 1720 496">Vusi Thusi, Sindi Dlamini and Musa Zikhali</td> <td data-bbox="1720 456 2078 496">KwaZulu-Natal Office</td> </tr> <tr> <td data-bbox="987 496 1720 536">Chrizelle Farmer</td> <td data-bbox="1720 496 2078 536">Springbok Office</td> </tr> <tr> <td data-bbox="987 536 1720 576">Zukiswa Kheswa</td> <td data-bbox="1720 536 2078 576">Umtata Office</td> </tr> <tr> <td colspan="2" data-bbox="987 576 2078 616">The Wellness Policy was reviewed, adopted and is available on the DMR intranet.</td> </tr> </table>	Lungi Mondani and Rose Manuel	Kimberley Office	Vusi Thusi, Sindi Dlamini and Musa Zikhali	KwaZulu-Natal Office	Chrizelle Farmer	Springbok Office	Zukiswa Kheswa	Umtata Office	The Wellness Policy was reviewed, adopted and is available on the DMR intranet.	
Lungi Mondani and Rose Manuel	Kimberley Office												
Vusi Thusi, Sindi Dlamini and Musa Zikhali	KwaZulu-Natal Office												
Chrizelle Farmer	Springbok Office												
Zukiswa Kheswa	Umtata Office												
The Wellness Policy was reviewed, adopted and is available on the DMR intranet.													
5. Has the Department reviewed the employment policies and practices of your Department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		Integrated Employee Health and Wellness Policy.										
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Department conducts VCT during March-April and September every year.										
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		The Department has more than 100 known cases of people living with HIV in the Department, and we have established support groups in five of our regional offices.										
8. Has the Department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		Health screenings (Health Risk Assessment, Flu-Vaccination and VCT) are conducted twice in a year. Awareness workshops are conducted.										



### 3.12 Labour Relations

**Table 3.12.1 Collective agreements**

Subject Matter	Date
PMDS Policy	19 June 2013
Guidelines on Management of Discipline	11 September 2013
Policy on Organisational Rights	10 February 2013
Vetting Policy	10 February 2013
Career Development Policy	10 February 2013
Recruitment and Retention Strategy	10 February 2013
Education and Training Policy	10 February 2013
Alcohol and Substance Policy	3 March 2013
ICT Data Backup Policy	3 March 2013
ICT Security Policy	3 March 2013
ICT Data Centre Policy	3 March 2013
ICT Usage Policy	3 March 2013

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**

Outcomes of disciplinary hearings	Number	% of Total	Total
Referral to rehabilitation and EAP	2	8.7	23
Verbal warning	1	4.3	23
Written warning	11	47.8	23
Final written warning	1	4.3	23
Suspended without pay	2	8.7	23
Case dismissed	1	4.3	23
Dismissal	5	21.7	23
<b>TOTAL</b>	<b>23</b>	<b>100</b>	<b>23</b>

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of Total	Total
Excessive absenteeism	6	27.3	22
Remunerative work outside public service	1	4.5	22
Report to work under influence of liquor	2	9.1	22
Conflict of interest	1	4.5	22
Claims of fraudulent kilometres	1	4.5	22
Contravention of MHSA and Transport Policy	1	4.5	22
Loss of master keys and failed to inform the supervisor	1	4.5	22
Misuse of GG Vehicle	1	4.5	22
Non-compliance with the rules	1	4.5	22
Insubordination	6	27.3	22
Issuing fraudulent blasting certificates	1	4.5	22
<b>TOTAL</b>	<b>22</b>	<b>100</b>	<b>22</b>

**Table 3.12.4 Grievances logged**

Number of grievances addressed	Number	% of Total	Total
Grievances resolved	20	83.3	24
Grievances not resolved	4	16.7	24
<b>Total</b>	<b>24</b>	<b>100</b>	<b>24</b>

**Table 3.12.5 Disputes logged with Councils**

Number of disputes addressed	Number	% of total
Upheld	3	100
Dismissed	0	0
<b>Total</b>	<b>3</b>	<b>100</b>



**Table 3.12.6 Strike actions**

Strike Actions	—
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**Table 3.12.7 Precautionary suspensions**

Precautionary Suspensions	—
Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	60
Cost (R'000) of suspensions	75,093.84



### 3.12 Skills development

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

**Table 3.13.1 Training needs identified**

Occupational Categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	30	0	19	0	19
	Male	51	0	18	0	18
Professionals	Female	221	14	201	8	223
	Male	324	2	204	15	221
Technicians and associate professionals	Female	134	0	92	41	133
	Male	38	0	42	37	79
Clerks	Female	139	0	108	6	114
	Male	76	0	83	3	86
Service and sales workers	Female	13	0	25	2	27
	Male	34	0	14	2	16
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	4	47	0	0	47
	Male	6	23	0	0	23
Elementary occupations	Female	13	0	6	0	6
	Male	4	0	9	0	9
Gender subtotals	Female	554	61	451	57	569
	Male	533	25	370	57	452
<b>Total</b>		<b>1,087</b>	<b>86</b>	<b>821</b>	<b>114</b>	<b>1,021</b>



Table 3.13.2 Training provided

Occupational Categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	30	0	14	0	14
	Male	51	0	10	0	10
Professionals	Female	221	14	110	8	132
	Male	324	2	115	15	132
Technicians and associate professionals	Female	134	0	80	41	121
	Male	38	0	21	37	58
Clerks	Female	139	0	58	6	64
	Male	76	0	35	3	38
Service and sales workers	Female	13	0	4	2	6
	Male	34	0	13	2	15
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	4	47	0	0	47
	Male	6	23	0	0	23
Elementary occupations	Female	13	0	2	0	2
	Male	4	0	2	0	2
Gender subtotals	Female	554	61	268	57	386
	Male	533	25	196	57	278
<b>Total</b>		<b>1,087</b>	<b>86</b>	<b>464</b>	<b>114</b>	<b>664</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

**Table 3.14.1 Injury on duty**

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>1</b>	

### 3.15 Utilisation of Consultants

The following tables relate to 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
- 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**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Appointment of Moloto Solutions to access compliance with the Broad Based Socio-economic Charter for the mining industry.	1	240	<b>R5,697,267.00</b>
Appointment of Magix Integration Pty Ltd services of a consultant resource for a period of four months in the Department of Mineral Resources.	2	360	<b>R1,138,176.00</b>
Appointment of ESRI South Africa for procurement, maintenance and implementation of ARCGIS software package, professional services and software migration.	1	360	<b>R4.631.187.30</b>
Appointment of O'Brian Communications to develop a communication strategy and rollout plan for creating awareness of the shale gas energy.	2	90	<b>R430,000.00</b>
Appointment of Human Communication for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years.	1	480	<b>% discount on advert placed</b>
Appointment of Ultimate Recruitment Solutions for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years.	1	480	<b>% discount on advert placed</b>
Appointment of KPMG Services (Pty) Ltd to recalculate debtors' balances for the royalties and prospecting fees in the Department of Mineral Resources for a period of six months.	18	180	<b>R 8,215,548.00</b>



Total number of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
7	26	2190	R 20,112,178.30

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)**

Project Title	% ownership by HDI groups	% management by HDI groups	Number of Consultants from HDI groups that worked on the project
Appointment of Moloto Solutions to access compliance with the Broad Based Socio-economic Charter for the mining industry.	N/A	N/A	1
Appointment of Magix Integration Pty Ltd services of a consultant resource for a period of four months in the Department of Mineral Resources.	N/A	N/A	2
Appointment of Human Communication for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years.	N/A	N/A	1
Appointment of Ultimate Recruitment Solutions for handling recruitment and other advertising for the Department of Mineral Resources for a period of two years.	N/A	N/A	1
Appointment of KPMG Services (Pty) Ltd to recalculate debtors' balances for the royalties and prospecting fees in the Department of Mineral Resources for a period of six months.	N/A	N/A	18

Project Title	% ownership by HDI groups	% management by HDI groups	Number of Consultants from HDI groups that worked on the project
Appointment of ESRI for procurement, maintenance and implementation of ARCGIS software package, professional services and software migration.	N/A	N/A	1
Appointment of O'Brian Communication to develop a communication strategy and rollout plan for creating awareness of the shale gas energy.	N/A	N/A	1

**Table 3.15.3 Report on consultant appointments using Donor funds**

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A	0	0	0

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
N/A	0	0	0

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)**

Project title	% ownership by HDI groups	% management by HDI groups	Number of consultants from HDI groups that worked on the project
N/A	0	0	0

### 3.16 Severance Packages

*Table 3.16.1 Granting of employee initiated severance packages*

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



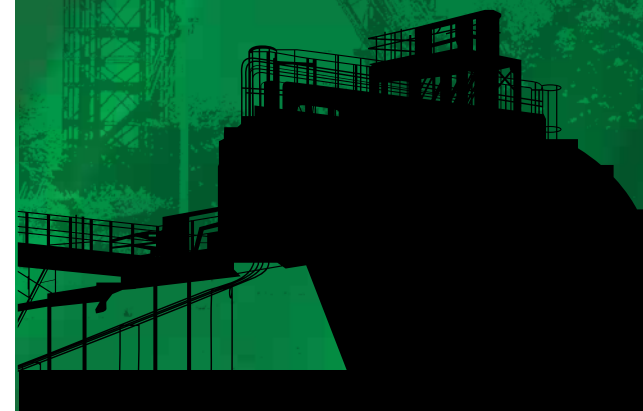
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Financial  
Information



## Annual Report 2013-14

### PART E FINANCIAL INFORMATION

#### Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014

## PART E: FINANCIAL INFORMATION

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## I. REPORT OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 32: DEPARTMENT OF MINERAL RESOURCES

#### *Report on the financial statements*

#### Introduction

1. I have audited the financial statements of the Department of Mineral Resources set out on pages 140 to 198, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### **Accounting Officer's responsibility for the financial statements**

2. The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act, 1 of 1999 (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.

#### **Auditor-General's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An

audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Mineral Resources at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### **Emphasis of matters**

7. The following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements.

### Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014



#### Restatement of corresponding figures

8. As disclosed in note 21 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of an error discovered during 31 March 2014 in the financial statements of the Department of Mineral Resources at, and for the year ended, 31 March 2013.

#### Additional matter paragraphs

9. The following additional matter paragraphs will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities, and the auditor's report.

#### Unaudited supplementary schedules

10. The supplementary information set out on pages 199 to 206 does not form part of the financial statements and is presented as additional information. I have not audited this/these schedule(s) and, accordingly, I do not express an opinion thereon.

#### Report on other legal and regulatory requirements

11. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control.

The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

#### Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2014:
- Mineral Regulation
  - Promotion of Mine Health and Safety
  - Mineral Policy and Promotion
13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for Managing Programme Performance Information (FMPP)*.
15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programme.

### Additional matter

17. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programme, I draw attention to the following matter:

### Achievement of planned targets

18. Refer to the annual performance report on page 38 to 78 for information on the achievement of planned targets for the year.

### Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of the Promotion for Mine Health, Mineral Regulation and Mineral Policy and Promotion. As management subsequently corrected the misstatements we did not raise any material findings on the reliability of the reported performance information.

### Compliance with legislation

20. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

### Financial statements, performance and annual reports

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) and (b) of the Public Finance Management Act.

22. Material misstatements related to the receivables identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

### Internal control

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation, included in this report.

### Financial and performance management

24. Management did not prepare regular, accurate and complete financial reports as the financial statements contained numerous misstatements that were subsequently corrected.

*Auditor-General*

**Pretoria**

**31 July 2014**



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

# Annual Report 2013-14

## PART E FINANCIAL INFORMATION

### Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014

## Appropriation Statement for the year ended 31 March 2014

APPROPRIATION PER PROGRAMME									
2013/14								2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>I. ADMINISTRATION</b>									
Current payment	267,048	-	28,195	295,243	294,847	396	99.9%	275,037	275,057
Transfers and subsidies	3,039	-	(340)	2,699	2,699	-	100.0%	2,438	2,438
Payment for capital assets	12,193	-	-	12,193	11,017	1,176	90.4%	17,761	17,741
Payment for financial assets	-	-	9	9	9	-	100.0%	18	18
	<b>282,280</b>	<b>-</b>	<b>27,864</b>	<b>310,144</b>	<b>308,572</b>	<b>1,572</b>		<b>295,254</b>	<b>295,254</b>
<b>2. PROMOTION OF MINE SAFETY AND HEALTH</b>									
Current payment	157,114	-	(9,733)	147,381	147,381	-	100.0%	134,757	133,961
Transfers and subsidies	5,035	-	-	5,035	5,035	-	100.0%	4,531	4,531
Payment for capital assets	1,582	-	-	1,582	804	778	50.8%	2,067	2,067
Payment for financial assets	-	-	-	-	-	-		156	156
	<b>163,731</b>	<b>-</b>	<b>(9,733)</b>	<b>153,998</b>	<b>153,220</b>	<b>778</b>		<b>141,511</b>	<b>140,715</b>

## Appropriation Statement for the year ended 31 March 2014

APPROPRIATION PER PROGRAMME									
2013/14								2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3. MINERAL REGULATION</b>									
Current payment	166,586	-	(6,769)	159,817	159,817	-	100.0%	148,262	148,048
Transfers and subsidies	44,824	-	-	44,824	44,824	-	100.0%	41,604	41,604
Payment for capital assets	498	-	382	880	880	-	100.0%	1,729	1,729
Payment for financial assets	-	-	-	-	-	-	-	14	14
	<b>211,908</b>	<b>-</b>	<b>(6,387)</b>	<b>205,521</b>	<b>205,521</b>	<b>-</b>		<b>191,609</b>	<b>191,395</b>
<b>4. MINERAL POLICY AND PROMOTION</b>									
Current payment	117,341	(23,200)	(11,363)	82,778	82,757	21	100.0%	67,619	66,738
Transfers and subsidies	616,981	23,200	-	640,181	635,941	4,240	99.3%	476,537	476,537
Payment for capital assets	1,608	-	(382)	1,226	1,207	19	98.5%	2,999	2,999
Payment for financial assets	-	-	1	1	1	-	100.0%	4	4
	<b>735,930</b>	<b>-</b>	<b>(11,744)</b>	<b>724,186</b>	<b>719,906</b>	<b>4,280</b>		<b>547,159</b>	<b>546,278</b>
<b>TOTAL</b>	<b>1,393,849</b>	<b>-</b>	<b>-</b>	<b>1,393,849</b>	<b>1,387,219</b>	<b>6,630</b>	<b>99.5%</b>	<b>1,175,533</b>	<b>1,173,642</b>

# Annual Report 2013-14

## PART E FINANCIAL INFORMATION

### Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014



## Appropriation Statement for the year ended 31 March 2014

	2013/14		2012/13	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000
Reconciliation with statement of financial performance ADD				
Departmental receipts	109,034		93,363	
Actual amounts per statement of financial performance (total revenue)	1,502,883		1,268,896	
Actual amounts per statement of financial performance (total expenditure)		<b>1,387,219</b>		<b>1,173,642</b>



Appropriation Statement for the year ended 31 March 2014

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2013/14								2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	444,115	-	(8,827)	435,288	435,251	38	100.0%	397,591	395,914
Goods and services	263,974	(23,200)	9,157	249,931	249,551	380	99.8%	228,084	227,890
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	321,091	-	-	321,091	321,091	-	100.0%	269,138	269,138
Public corporations and private enterprises	345,749	23,200	-	368,949	364,709	4,240	98.9%	253,531	253,531
Households	3,039	-	(340)	2,699	2,699	-	100.0%	2,441	2,441
<b>Payments for capital assets</b>									
Buildings and other fixed structures	1,800	-	(1,015)	785	92	693	11.7%	408	408
Machinery and equipment	14,081	-	1,015	15,096	13816	1,280	91.5%	24,148	24,128
Payments for financial assets	-	-	10	10	10	-	100.0%	192	192
<b>Total</b>	<b>1,393,849</b>	<b>-</b>	<b>-</b>	<b>1,393,849</b>	<b>1,387,219</b>	<b>6,630</b>	<b>99.5%</b>	<b>1,175,533</b>	<b>1,173,642</b>

## Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014

## Appropriation Statement for the year ended 31 March 2014

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
Programme 1 per economic classification	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	136,188	-	110	136,298	136,282	16	100.0%	127,690	127,690
Goods and services	130,860	-	28,085	158,945	158,565	380	99.8%	147,347	147,367
<b>Transfers and subsidies</b>									
Households	3,039	-	(340)	2,699	2,699	-	100.0%	2,438	2,438
<b>Payments for capital assets</b>									
Buildings and other fixed structures	1,800	-	(1,015)	785	92	693	11.7%	408	408
Machinery and equipment	10,393	-	1,015	11,408	10,925	483	95.8%	17,353	17,333
Payments for financial assets	-	-	9	9	9	-	100.0%	18	18
<b>Total</b>	<b>282,280</b>	<b>-</b>	<b>27,864</b>	<b>310,144</b>	<b>308,572</b>	<b>1,572</b>	<b>99.5%</b>	<b>295,254</b>	<b>295,254</b>

## Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Ministry</b>									
Current payment	22,526	-	5,552	28,078	28,078	-	100.0%	23,964	23,964
Payment for capital assets	278	-	-	278	146	132	52.5%	491	491
Payment for financial assets	-	-	5	5	5	-	100.0%	3	3
<b>1.2 Corporate Services</b>									
Current payment	111,884	-	33,380	145,264	145,248	16	100.0%	115,504	115,524
Transfers and subsidies	3,039	-	(340)	2,699	2,699	-	100.0%	2,438	2,438
Payment for capital assets	5,215	-	(1,015)	4,200	3,244	956	77.2%	5,418	5,398
Payment for financial assets	-	-	4	4	4	-	100.0%	9	9
<b>1.3 Departmental Management</b>									
Current payment	19,436	-	(2,492)	16,944	16,944	-	100.0%	16,769	16,769
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	264	-	-	264	183	81	69.3%	645	645

## Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014

## Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.4 Financial Administration</b>									
Current payment	73,202	-	(3,909)	69,293	69,293	-	100.0%	76,782	76,782
Payment for capital assets	6,145	-	1,015	7,160	7,155	5	99.9%	10,731	10,731
Payment for financial assets	-	-	-	-	-	-	-	5	5
<b>1.5 Internal Audit</b>									
Current payment	13,176	-	(1,680)	11,496	11,496	-	100.0%	12,815	12,815
Payment for capital assets	291	-	-	291	289	2	99.3%	476	476
Payment for financial assets	-	-	-	-	-	-	-	1	1
<b>1.6 Office Accommodation</b>									
Current payment	26,824	-	(2,656)	24,168	23,788	380	98.4%	29,203	29,203
<b>Total</b>	<b>282,280</b>	<b>-</b>	<b>27,864</b>	<b>310,144</b>	<b>308,572</b>	<b>1,572</b>	<b>99.5%</b>	<b>295,254</b>	<b>295,254</b>

Appropriation Statement for the year ended 31 March 2014

Programme 2 per Economic classification	2013/2014							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	125,138	-	(5,363)	119,775	119,775	-	100.0%	106,848	106,052
Goods and services	31,976	-	(4,370)	27,606	27,606	-	100.0%	27,909	27,909
<b>Transfers and subsidies to:</b>									
Departmental agencies and accounts	5,035	-	-	5,035	5,035	-	100.0%	4,531	4,531
<b>Payment for capital assets</b>									
Machinery and equipment	1,582	-	-	1,582	804	778	50.8%	2,067	2,067
Payments for financial assets	-	-	-	-	-	-	-	156	156
<b>Total</b>	<b>163,731</b>	<b>-</b>	<b>(9,733)</b>	<b>153,998</b>	<b>153,220</b>	<b>778</b>	<b>99.5%</b>	<b>141,511</b>	<b>140,715</b>

## Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014

## Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Governance policy and oversight</b>									
Current payment	43,233	(1,386)	(3,580)	38,267	38,267	-	100.0%	37,967	37,250
Transfers and subsidies	5,035	-	-	5,035	5,035	-	100.0%	4,531	4,531
Payment for capital assets	1,527	-	(22)	1,505	727	778	48.3%	1,738	1,738
Payment for financial assets	-	-	-	-	-	-	-	93	93
<b>2.2 Mine Health and Safety (Regions)</b>									
Current payment	113,881	1,386	(6,153)	109,114	109,114	-	100.0%	96,790	96,711
Payment for capital assets	55	-	22	77	77	-	100.0%	329	329
Payment for financial assets	-	-	-	-	-	-	-	63	63
<b>Total</b>	<b>163,731</b>	<b>-</b>	<b>(9,733)</b>	<b>153,998</b>	<b>153,220</b>	<b>778</b>	<b>99.5%</b>	<b>141,511</b>	<b>140,715</b>

Appropriation Statement for the year ended 31 March 2014

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
Program 3 per economic classification	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	127,744	-	(1,681)	126,063	126,063	-	100.0%	114,385	114,385
Goods and services	38,842	-	(5,088)	33,754	33,754	-	100.0%	33,877	33,663
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	44,824	-	-	44,824	44,824	-	100.0%	41,601	41,601
Households	-	-	-	-	-	-	-	3	3
<b>Payments for capital assets</b>									
Machinery and equipment	498	-	382	880	880	-	100.0%	1,729	1,729
Payments for financial assets	-	-	-	-	-	-	-	14	14
<b>Total</b>	<b>211,908</b>	<b>-</b>	<b>(6,387)</b>	<b>205,521</b>	<b>205,521</b>	<b>-</b>	<b>100.0%</b>	<b>191,609</b>	<b>191,395</b>

## Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014

## Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Mineral Regulation and Administration</b>									
Current payment	144,165	-	1,165	145,330	145,330	-	100.0%	139,307	139,093
Transfers and subsidies	-	-	-	-	-	-	-	3	3
Payment for capital assets	331	-	(51)	280	280	-	100.0%	1,407	1,407
Payment for financial assets	-							14	14
<b>3.2 Corporate Services</b>									
Current payment	22,421	-	(7,934)	14,487	14,487	-	100.0%	8,955	8,955
Payment for capital assets	167	-	433	600	600	-	100.0%	322	322
<b>3.3 Departmental Management</b>									
Transfers and subsidies	44,824	-	-	44,824	44,824	-	100.0%	41,601	41,601
<b>Total</b>	<b>211,908</b>	<b>-</b>	<b>(6,387)</b>	<b>205,521</b>	<b>205,521</b>	<b>-</b>	<b>100.0%</b>	<b>191,609</b>	<b>191,395</b>



Appropriation Statement for the year ended 31 March 2014

<b>STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION</b>									
<b>2013/14</b>								<b>2012/13</b>	
Programme 4 per economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	55,045	-	(1,893)	53,152	53,131	21	100.0%	48,668	47,787
Goods and services	62,296	(23,200)	(9,470)	29,626	29,626	-	100.0%	18,951	18,951
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	271,232	-	-	271,232	271,232	-	100.0%	223,006	223,006
Public corporations and private enterprises	345,749	23,200	-	368,949	364,709	4,240	98.9%	253,531	253,531
<b>Payments for capital assets</b>									
Machinery and equipment	1,608	-	(382)	1,226	1,207	19	98.5%	2,999	2,999
Payments for financial assets	-	-				-	100.0%	4	4
<b>Total</b>	<b>735,930</b>	<b>-</b>	<b>(11,744)</b>	<b>724,186</b>	<b>719,906</b>	<b>4,280</b>	<b>99.4%</b>	<b>547,159</b>	<b>546,278</b>



Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Management</b>									
Current payment	13,401	-	(1,313)	12,088	12,088	-	100.0%	10,992	10,235
Payment for capital assets	476	-	(324)	152	152	-	100.0%	524	524
<b>4.2 Mineral Policy</b>									
Current payment	28,568	-	(4,794)	23,774	23,774	-	100.0%	13,536	13,536
Payment for capital assets	206	-	-	206	190	16	92.2%	525	525
<b>4.3 Mineral Promotion</b>									
Current payment	39,329	-	(2,740)	36,589	36,589	-	100.0%	32,628	32,617
Transfers and subsidies	4,240	-	-	4,240	-	4,240			
Payment for capital assets	707	-	(138)	569	569	-	100.0%	1,650	1,650
Payment for financial assets	-	-	1	1	1	-	100.0%	-	-
<b>4.4 Council for Geoscience</b>									
Transfers and subsidies	271,232	-	-	271,232	271,232	-	100.0%	223,006	223,006

Appropriation Statement for the year ended 31 March 2014

Detail per sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.5 Council for Mineral Technology</b>									
Transfers and subsidies	341,509	23,200	-	364,709	364,709	-	100.0%	253,531	253,531
<b>4.6 Economic Advisory Services</b>									
Current payment	4,464	-	(1,353)	3,111	3,090	21	99.3%	4,073	4,073
Payment for capital assets	126	-	113	239	239	-	100.0%	-	-
<b>4.7 Mine Environmental Management</b>									
Current payment	31,579	(23,200)	(1,163)	7,216	7,216	-	100.0%	6,390	6,277
Payment for capital assets	93	-	(33)	60	57	3	95.0%	300	300
Payment for financial assets	-	-	-	-	-	-	-	4	4
<b>Total</b>	<b>735,930</b>	<b>-</b>	<b>(11,744)</b>	<b>724,186</b>	<b>719,906</b>	<b>4,280</b>	<b>99.4%</b>	<b>547,159</b>	<b>546,278</b>

## Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014



## Notes to the Appropriation Statement for the year ended 31 March 2014

**1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):**

Detail of these transactions can be viewed in the Annexure I (C-H) to the Annual Financial Statements.

**2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):**

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

**3. DETAIL ON PAYMENTS FOR FINANCIAL ASSETS (AFTER VIREMENT):**

Detail of these transactions can be viewed in note 5 to the Annual Financial Statements.

**4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):**

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration				
Compensation of employees	136,298	136,282	16	-
Goods and services	158,945	158,565	380	0.2%
Transfers and subsidies	2,699	2,699	-	-
Payments for capital assets	12,193	11,017	1,176	9.6%
Payments for financial assets	9	9	-	-

The programme spent R308.6 million against the allocated budget of R310.2 million. The 9.6% variance on payment for capital assets relates to budget on capital improvements that could not be utilised due to the delay in procuring alternative accommodation.

## Notes to the Appropriation Statement for the year ended 31 March 2014

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Promotion of Mine Safety and Health				
Compensation of employees	119,775	119,775	-	-
Goods and services	27,606	27,606	-	-
Transfers and subsidies	5,035	5,035	-	-
Payments for capital assets	1,582	804	778	49.2%
The programme spent R153.2 million against the allocated budget of R154 million. The 49.2% variance on payment for capital assets relates to the budget on capital improvements that could not be utilised due to the delay in procurement of mine surveying equipment.				
Mineral Regulation				
Compensation of employees	126,063	126,063	-	-
Goods and services	33,754	33,754	-	-
Transfers and subsidies	44,824	44,824	-	-
Payments for capital assets	880	880	-	-
Mineral Policy and Promotion				
Compensation of employees	53,152	53,131	21	-
Goods and services	29,626	29,626	-	-
Transfers and subsidies	640,181	635,941	4,240	0.7%
Payments for capital assets	1,226	1,207	19	1.5%
Payments for financial assets	1	1	-	-
The Programme spent R719.9 million against the allocated budget of R724.1 million. The 0.7% variance on transfers and subsidies relates to the transfer for small scale mining projects which could not materialise due to some internal control processes that were being reviewed.				

## Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014



## Notes to the Appropriation Statement for the year ended 31 March 2014

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	435,288	435,251	37	-
Goods and services	249,931	249,551	379	0.2%
Transfers and subsidies				
Departmental agencies and accounts	321,091	321,091	-	-
Public corporations and private enterprises	368,949	364,709	4,240	1.1%
Households	2,699	2,699	-	-
Gifts and donations				
Payments for capital assets				
Buildings and other fixed structures	670	92	578	86.3%
Machinery and equipment	15,211	13,816	1,395	9.2%
Payments for financial assets	10	10	-	-

The under spending on Capital payments relates to planned improvements for the leased buildings which could not materialise as planned. There was a delay in procuring alternative accommodation. In addition, the under spending on capital payments relates to the late delivery of computer equipment.

Statement of Financial Performance for the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
<b>REVENUE</b>			
Annual appropriation	1	1,393,849	1,175,533
Departmental revenue	2	109,034	93,363
<b>TOTAL REVENUE</b>		<b>1,502,883</b>	<b>1,268,896</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	435,251	395,914
Goods and services	4	249,551	227,890
Total current expenditure		<b>684,802</b>	<b>623,804</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	688,499	525,110
Total transfers and subsidies		<b>688,499</b>	<b>525,110</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	13,908	24,536
Total expenditure for capital assets		13,908	24,536
Payments for financial assets	5	10	192
<b>TOTAL EXPENDITURE</b>		<b>1,387,219</b>	<b>1,173,642</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>115,664</b>	<b>95,254</b>



Statement of Financial Performance for the year ended 31 March 2014

	Note	2013/14	2012/13
		R'000	R'000
<i>Reconciliation of Net Surplus/(Deficit) for the year</i>			
Voted funds		6,630	1,891
Annual appropriation		6,630	1,891
Departmental revenue and NRF Receipts	12	109,034	93,363
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		115,664	95,254



**Vote 32: Department of Mineral Resources**  
Financial Statements for the year ended at 31 March 2014

Statement of Financial Position as at 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	45,808	13,340
Prepayments and advances	9	36,951	1,927
Receivables	10	179	109
		8,678	11,304
<b>TOTAL ASSETS</b>		<b>45,808</b>	<b>13,340</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	11	43,306	10,970
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	6,630	1,891
Payables	13	36,027	4,788
		649	4,291
<b>TOTAL LIABILITIES</b>		<b>43,306</b>	<b>10,970</b>
<b>NET ASSETS</b>		<b>2,502</b>	<b>2,370</b>
<b>Represented by:</b>			
<b>Recoverable revenue</b>		<b>2,502</b>	<b>2,370</b>
<b>TOTAL</b>		<b>2,502</b>	<b>2,370</b>



Statement of Changes for the year ended 31 March 2014

	Note	2013/14	2012/13
		R'000	R'000
<b>Recoverable revenue</b>			
<b>Opening balance</b>		2,370	2,129
<b>Transfers:</b>		132	241
Debts revised		(41)	(17)
Debts recovered (included in departmental receipts)		(309)	(358)
Debts raised		482	616
<b>TOTAL</b>		<b>2,502</b>	<b>2,370</b>

## Cash Flow Statement for the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>1,502,883</b>	<b>1,268,896</b>
Annual appropriated funds received	1.1	1,393,849	1,175,533
Departmental revenue received	2	108,946	93,206
Interest received	2.3	88	157
Net (increase)/decrease in working capital		(1,086)	8,973
Surrendered to Revenue Fund		(79,686)	(101,202)
Current payments		(684,802)	(623,804)
Payments for financial assets		(10)	(192)
Transfers and subsidies paid		(688,499)	(525,110)
Net cash flow available from operating activities	14	<b>48,800</b>	<b>27,561</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(13,908)	(24,536)
Net cash flows from investing activities		<b>(13,908)</b>	<b>(24,536)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		132	241
Net cash flows from financing activities		<b>132</b>	<b>241</b>
Net increase/(decrease) in cash and cash equivalents		35,024	3,266
Cash and cash equivalents at beginning of period		1,927	(1,339)
Cash and cash equivalents at end of period	15	<b>36,951</b>	<b>1,927</b>



## Accounting Policies for the year ended 31 March 2014

### 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.

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, 1 of 1999 (PFMA) (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.

## Accounting Policies for the year ended 31 March 2014

#### 4. **Rounding**

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

#### 5. **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.

#### 6. **Revenue**

##### 6.1 **Appropriated funds**

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

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

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

## Accounting Policies for the year ended 31 March 2014

### 6.2 Departmental revenue

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

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

### 6.3 Accrued departmental revenue

Accruals in respect of departmental revenue are recorded in the notes to the financial statements when:

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

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

## 7. Expenditure

### 7.1 Compensation of employees

#### 7.1.1 Salaries and wages

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

## Accounting Policies for the year ended 31 March 2014

### 7.1.2 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.

### 7.2 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.

### 7.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department.

Accrued expenditure payable is measured at cost.



## Accounting Policies for the year ended 31 March 2014

### 7.4 Leases

#### 7.4.1 Operating leases

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

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

#### 7.4.2 Finance leases

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

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

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

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

## Accounting Policies for the year ended 31 March 2014

### 8. 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.

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.

### 9. 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.

### 10. 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.

### 11. Payables

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

## Accounting Policies for the year ended 31 March 2014

### **12. Capital Assets**

#### **12.1 Immovable capital assets**

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

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

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

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

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

## Accounting Policies for the year ended 31 March 2014

### **12.2 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 accurately, 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) are recorded at R1.

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

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



## Accounting Policies for the year ended 31 March 2014

### 12.3 Intangible assets

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

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

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined, the intangible assets are measured at RI.

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

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

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

## Accounting Policies for the year ended 31 March 2014

### 13. Provisions and Contingents

#### 13.1 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.

#### 13.2 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



## Accounting Policies for the year ended 31 March 2014

### **13.3 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

### **13.4 Commitments**

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash

### **14. Irregular expenditure**

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 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.

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.

## Accounting Policies for the year ended 31 March 2014

### **15. Prior period errors**

The prior period errors are corrected by retrospective restatement and are disclosed on the notes to the annual financial statements.



## Notes to the Annual Financial Statements for the year ended 31 March 2014

### I. ANNUAL APPROPRIATION

#### I.1 Annual Appropriation

	2013/2014			2012/13
	Final Appropriation	Actual Funds received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	310,144	310,144	-	295,254
Promotion of Mine Safety and Health	153,998	153,998	-	141,511
Mineral Regulation	205,521	205,521	-	191,609
Mineral Policy and Promotion	724,186	724,186	-	547,159
<b>Total</b>	<b>1,393,849</b>	<b>1,393,849</b>	<b>-</b>	<b>1,175,533</b>

### 2. DEPARTMENTAL REVENUE

	Note	2013/14	2012/13
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	2,416	4,157
Fines, penalties and forfeits	2.2	1,115	1,206
Interest, dividends and rent on land	2.3	104,938	87,158
Transactions in financial assets and liabilities	2.4	565	842
Departmental revenue collected		<b>109,034</b>	<b>93,363</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 2.1 Sales of goods and services other than capital assets

Note	2013/14	2012/13
	R'000	R'000
Sales of goods and services produced by the Department	2,415	4,156
Sales by market establishment	497	2,465
Administrative fees	1,356	1,137
Other sales	562	554
Sales of scrap, waste and other used current goods	1	1
<b>Total</b>	<b>2,416</b>	<b>4,157</b>

### 2.2 Fines, penalties and forfeits

Note	2013/14	2012/13
	R'000	R'000
Penalties	1,115	1,206
<b>Total</b>	<b>1,115</b>	<b>1,206</b>

### 2.3 Interest, dividends and rent on land

Note	2013/14	2012/13
	R'000	R'000
Interest	88	157
Rent on land	104,850	87,001
<b>Total</b>	<b>104,938</b>	<b>87,158</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**2.4 Transactions in financial assets and liabilities**

	Note	2013/14	2012/13
		R'000	R'000
Receivables		561	228
Other Receipts including Recoverable Revenue		4	614
<b>Total</b>		<b>565</b>	<b>842</b>

**3. COMPENSATION OF EMPLOYEES**

**3.1 Salaries and Wages**

	Note	2013/14	2012/13
		R'000	R'000
Basic salary		301,001	271,023
Performance award		7,413	8,326
Service based		179	269
Compensative/circumstantial		6,525	4,981
Periodic payments		131	304
Other non-pensionable allowances		66,139	61,533
<b>Total</b>		<b>381,388</b>	<b>346,436</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 3.2 Social contributions

	Note	2013/14 R'000	2012/13 R'000
Employer contributions			
Pension		38,434	34,407
Medical		15,367	15,013
Bargaining council		62	58
<b>Total</b>		<b>53,863</b>	<b>49,478</b>
<b>Total compensation of employees</b>		<b>435,251</b>	<b>395,914</b>
<b>Average number of employees</b>		<b>1,138</b>	<b>1,098</b>



## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 4. GOODS AND SERVICES

	Note	2013/14 R'000	2012/13 R'000
Administrative fees		2,630	2,761
Advertising		3,504	1,148
Capital assets less than R5,000	4.1	334	1,234
Bursaries (employees)		1,793	2,829
Catering		1,185	553
Communication		14,997	12,500
Computer services	4.2	18,019	23,274
Consultants, contractors and agency/outsourced services	4.3	16,315	12,480
Entertainment		3	6
Audit cost – external	4.4	6,885	5,153
Fleet services		6,040	659
Inventory	4.5	103	398#
Consumables	4.6	5,781	3,951#
Operating leases		90,421	85,563
Property payments	4.7	5,362	3,183
Rental and hiring		-	9
Travel and subsistence	4.8	59,301	61,822
Venues and facilities		2,657	3,727
Training and development		3,006	2,334
Other operating expenditure	4.9	11,215	4,306
<b>Total</b>		<b>249,551</b>	<b>227,890</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 4.1 Capital assets less than R5,000

	Note	2013/14	2012/13
		R'000	R'000
Tangible assets		334	1,234
Machinery and equipment		334	1,234
<b>Total</b>		<b>334</b>	<b>1,234</b>

### 4.2 Computer services

	Note	2013/14	2012/13
		R'000	R'000
SITA computer services		7,515	7,870
External computer service providers		10,504	15,404
<b>Total</b>		<b>18,019</b>	<b>23,274</b>

### 4.3 Consultants, contractors and agency/outsourced services

	Note	2013/14	2012/13
		R'000	R'000
Business and advisory services		5,847	1,670
Legal costs		9,218	9,198
Contractors		1,155	1,589
Agency and support/outsourced services		95	23
<b>Total</b>		<b>16,315</b>	<b>12,480</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**4.4 Audit cost – External**

	Note	2013/14 R'000	2012/13 R'000
Regularity audits		6,885	5,153
<b>Total</b>		<b>6,885</b>	<b>5,153</b>

**4.5 Inventory**

	Note	2013/14 R'000	2012/13 R'000
Food and food supplies		14	173
Learning, teaching and support material		-	29
Materials and supplies		69	158
Medical supplies		20	38
<b>Total</b>		<b>103</b>	<b>398</b>

**4.6 Consumables**

	Note	2013/14 R'000	2012/13 R'000
Consumable supplies		1,693	1,160
Uniform and clothing		1,096	-
Household supplies		409	-
IT consumables		30	-
Other consumables		158	1,160
Stationery, printing and office supplies		4,088	2,791
<b>Total</b>		<b>5,781</b>	<b>3,951</b>



## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 4.7 Property payments

Property maintenance and repairs
Other
<b>Total</b>

Note	2013/14	2012/13
	R'000	R'000
	21	18
	5,341	3,165
	<b>5,362</b>	<b>3,183</b>

### 4.8 Travel and subsistence

Local
Foreign
<b>Total</b>

Note	2013/14	2012/13
	R'000	R'000
	46,594	50,099
	12,707	11,723
	<b>59,301</b>	<b>61,822</b>

### 4.9 Other operating expenditure

Professional bodies, membership and subscription fees
Resettlement costs
Other
<b>Total</b>

Note	2013/14	2012/13
	R'000	R'000
	6,843	126
	1,868	1,743
	2,504	2,437
	<b>11,215</b>	<b>4,306</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**5. PAYMENTS FOR FINANCIAL ASSETS**

Other material losses written off  
 Debts written off  
**Total**

Note	2013/14 R'000	2012/13 R'000
5.1	10	73
5.2	-	119
	<b>10</b>	<b>192</b>

**5.1 Other material losses written off**

Nature of losses  
 Government Garage and Car Rental accidents  
 Petty Cash lost written off  
**Total**

Note	2013/14 R'000	2012/13 R'000
	8	73
	2	-
	<b>10</b>	<b>73</b>

**5.2 Debts written off**

Other debt written off  
 Bad debts written off  
**Total**

Note	2013/14 R'000	2012/13 R'000
	-	119
	-	119

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 6. TRANSFERS AND SUBSIDIES

	Note	2013/14 R'000	2012/13 R'000
Departmental agencies and accounts		321,091	269,138
Public corporations and private enterprises	Annex IC	364,709	253,531
Households	Annex IE	2,699	2,441
<b>Total</b>	Annex IH	<b>688,499</b>	<b>525,110</b>

### 7. EXPENDITURE FOR CAPITAL ASSETS

	Note	2013/14 R'000	2012/13 R'000
Tangible assets		13,908	24,536
Buildings and other fixed structures	7.1	92	408
Machinery and equipment	7.2	13,816	24,128
<b>Total</b>		<b>13,908</b>	<b>24,536</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**7.1 Analysis of funds utilised to acquire capital assets – 2013/14**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	13,908	-	13,908
Buildings and other fixed structures	92	-	92
Machinery and equipment	13,816	-	13,816
<b>Total</b>	<b>13,908</b>	<b>-</b>	<b>13,908</b>

**7.2 Analysis of funds utilised to acquire capital assets – 2012/13**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	24,536	-	24,536
Buildings and other fixed structures	408	-	408
Machinery and equipment	24,128	-	24,128
<b>Total</b>	<b>24,536</b>	<b>-</b>	<b>24,536</b>

Finance lease expenditure included in Expenditure for capital assets

	Note	2013/14
		R'000
Tangible assets		8,416
Machinery and equipment		8,416
<b>Total</b>		<b>8,416</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 8. CASH AND CASH EQUIVALENTS

Consolidated Paymaster General Account  
Cash on hand  
Investments (Domestic)

**Total**

Note	2013/14	2012/13
	R'000	R'000
	1,973	889#
	71	71
	34,907	967
	<u>36,951</u>	<u>1,927</u>

### 9. PREPAYMENTS AND ADVANCES

Travel and subsistence

**Total**

Note	2013/14	2012/13
	R'000	R'000
	179	109
	<u>179</u>	<u>109</u>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**10. RECEIVABLES**

	Note	2013/14				2012/13
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One-to-three years	Older than three years	Total	Total
Claims recoverable	10.1 Annex 4	1,191	677	-	1,868	4,763
Recoverable expenditure	10.2	11	7	2,899	2,917	2,928
Staff debt	10.3	959	1,900	1,034	3,893	3,613
<b>Total</b>		<b>2,161</b>	<b>2,584</b>	<b>3,933</b>	<b>8,678</b>	<b>11,304</b>

**10.1 Claims recoverable**

	Note	2013/14	2012/13
		R'000	R'000
National departments		1,868	4,763
<b>Total</b>		<b>1,868</b>	<b>4,763</b>

Recoverable expenditure (disallowance accounts)

	Note	2013/14	2012/13
		R'000	R'000
Disallowance damages and losses		2,914	2,922
Salary tax debt		3	6
<b>Total</b>		<b>2,917</b>	<b>2,928</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 10.3 Staff debt

	Note	2013/14 R'000	2012/13 R'000
Cell phone		19	30
Contract		60	63
Disallowance		1,410	1,289
Study debt		1,999	1,898
Subsidised vehicles		250	260
Telephone		84	57
Dinners		71	16
<b>Total</b>		<b>3,893</b>	<b>3,613</b>

### 11. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2013/14 R'000	2012/13 R'000
<b>Opening balance</b>		<b>1,891</b>	<b>9,530</b>
Transfer from statement of financial performance (as restated)		6,630	1,891
Paid during the year		(1,891)	(9,530)
<b>Closing balance</b>		<b>6,630</b>	<b>1,891</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**12. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND**

	Note	2013/14 R'000	2012/13 R'000
<b>Opening balance</b>		<b>4,788</b>	<b>3,097</b>
Transfer from statement of financial performance (as restated)		109,034	93,363
Paid during the year		(77,795)	(91,672)
<b>Closing balance</b>		<b>36,027</b>	<b>4,788</b>

**13. PAYABLES – CURRENT**

	Note	2013/14 R'000	2012/13 R'000
Clearing accounts	13.1	93	21
Other payables	13.2	556	4,270
<b>Total</b>		<b>649</b>	<b>4,291</b>

**13.1 Clearing accounts**

	Note	2013/14 R'000	2012/13 R'000
Salary pension funds		10	5
Salary income tax		82	16
Salary bargaining councils		1	-
<b>Total</b>		<b>93</b>	<b>21</b>



## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 13.2 Other payables

Note	2013/14 R'000	2012/13 R'000
Disallowance miscellaneous	511	4,267
Salary reversal control	45	3
<b>Total</b>	<b>556</b>	<b>4,270</b>

### 14. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Note	2013/14 R'000	2012/13 R'000
<b>Net surplus/(deficit) as per statement of financial performance</b>	<b>115,664</b>	<b>95,254</b>
<b>Add back non cash/cash movements not deemed operating activities</b>	<b>(66,864)</b>	<b>(67,693)</b>
(Increase)/decrease in receivables – current	2,626	7,680
(Increase)/decrease in prepayments and advances	(70)	(20)
Increase/(decrease) in payables – current	(3,642)	1,313
Expenditure on capital assets	13,908	24,536
Surrenders to revenue fund	(79,686)	(101,202)
<b>Net cash flow generated by operating activities</b>	<b>48,800</b>	<b>27,561</b>

### 15. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Note	2013/14 R'000	2012/13 R'000
Consolidated paymaster general account	1,973	889
Cash on hand	71	71
Cash with commercial banks (Local)	34,907	967
<b>Total</b>	<b>36,951</b>	<b>1,927</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**16.1 Contingent liabilities**

Liable to Nature  
 Claims against the Department  
 Environmental rehabilitation liability  
 Other  
**Total**

Note	2013/14 R'000	2012/13 R'000
Annex 3B	143,013	145,218
Annex 3B	1,844,913	1,549,864
Annex 3B	10,088	15,367
	<b>1,998,014</b>	<b>1,710,449</b>

**17. COMMITMENTS**

Current expenditure  
 Approved and contracted  
  
 Capital expenditure  
 Approved and contracted  
  
**Total commitments**

Note	2013/14 R'000	2012/13 R'000
	14,558	5,578
	<b>14,558</b>	<b>5,578</b>
	230	-
	<b>230</b>	<b>-</b>
	<b>14,788</b>	<b>5,578</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 18. ACCRUALS

	2013/14			2012/13
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	13,753	10,215	23,968	35,392
Capital assets	294	-	294	-
<b>Total</b>	<b>14,047</b>	<b>10,215</b>	<b>24,262</b>	<b>35,392</b>
	Note	2013/14	2012/13	
		R'000	R'000	
Listed by programme level				
Administration		5,789	20,957	
Promotion of Mine Safety and Health		2,339	1,183	
Mineral Regulation		4,631	428	
Mineral Policy and Promotion		11,503	12,824	
<b>Total</b>		<b>24,262</b>	<b>35,392</b>	
	Note	2013/14	2012/13	
		R'000	R'000	
Confirmed balances with other departments	Annex 5	481	4,800	
<b>Total</b>		<b>481</b>	<b>4,800</b>	



Notes to the Annual Financial Statements for the year ended 31 March 2014

19. EMPLOYEE BENEFITS

	Note	2013/14 R'000	2012/13 R'000
Leave entitlement		14,746	14,707
Service bonus (Thirteenth cheque)		11,645	10,309
Performance awards		6,529	6,034
Capped leave commitments		6,480	8,205
<b>Total</b>		<b>39,400</b>	<b>39,255</b>

20. LEASE COMMITMENTS

20.1 Operating lease expenditure

	2013/14	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year		35,140	606	35,746
Later than 1 year and not later than 5 years		-	126	126
<b>Total lease commitments</b>		<b>35,140</b>	<b>732</b>	<b>35,872</b>

	2012/13	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year		51,410	718	52,128
Later than 1 year and not later than 5 years		37,496	718	38,214
<b>Total lease commitments</b>		<b>88,906</b>	<b>1,436</b>	<b>90,342</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
Rental earned on sub-leased assets	3	497	462
<b>Total</b>		<b>497</b>	<b>462</b>

The sub-leased assets refer to the parking space used by departmental officials.

### 21. ACCRUED DEPARTMENTAL REVENUE

	Note	2013/14 R'000	2012/13 R'000
Interest, dividends and rent on land		150,366	104,946#
Sales of capital assets		393	393
<b>Total</b>		<b>150,759</b>	<b>105,339</b>

#### 21.1 Analysis of accrued departmental revenue

	Note	2013/14 R'000	2012/13 R'000
<b>Opening balance</b>		<b>105,339</b>	<b>89,953</b>
Less: amounts received		(60,457)	(88,050)
Add: amounts recognised		105,877	103,436
<b>Closing balance</b>		<b>150,759</b>	<b>105,339</b>

#### 21.2 Impairment of accrued departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Estimate of impairment of accrued departmental revenue		104,611	95,810#
<b>Total</b>		<b>104,611</b>	<b>95,810</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**22. IRREGULAR EXPENDITURE**

**22.1 Reconciliation of irregular expenditure**

	Note	2013/14 R'000	2012/13 R'000
<b>Opening balance</b>		<b>24,890</b>	<b>21,422</b>
Add: Irregular expenditure – relating to prior year		-	120
Add: Irregular expenditure – relating to current year		1,567	3,348#
Less: Prior year amounts condoned		(9,667)	-
<b>Irregular expenditure awaiting condonation</b>		<b>16,790</b>	<b>24,890</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		1,567	3,348
Prior years		15,223	21,542
<b>Total</b>		<b>16,790</b>	<b>24,890</b>

**22.2 Details of irregular expenditure – current year**

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
Service rendered before order was issued	Verbal warning	142
Service rendered before order was issued	No sanctions taken	6
Service rendered before order was issued	Under investigation	1,419
<b>Total</b>		<b>1,567</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 22.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2013/14 R'000
Service rendered before order was issued	Director-General	2,244
Procurement procedures not followed	Director-General	7,278
30% of basic salary overtime exceeded	Director-General	145
<b>Total</b>		<b>9,667</b>

### 22.4 Details of irregular expenditure under investigation

Incident	2013/14 R'000
Procurement procedures not followed	15,223
Service rendered before order was issued	1,567
<b>Total</b>	<b>16,790</b>

## 23. RELATED PARTY TRANSACTIONS

**Details of transactions with Public Entities are disclosed in the Annexures to the annual financial statements.**

Entity	Nature of Relationship
Council for Geoscience	An entity under the control of Minister
Mintek	An entity under the control of Minister
South African Diamond and Precious Metals Regulator	An entity under the control of Minister
Mine Health and Safety Council	An entity under the control of Minister
State Diamond Trader	An entity under the control of Minister



Notes to the Annual Financial Statements for the year ended 31 March 2014

**24. KEY MANAGEMENT PERSONNEL**

**Political office bearers - Officials**

Level 15 to 16

Level 14

**Total**

Included on Level 14 are four individuals on Level 13 acting on Level 14.

	Number of individuals	2013/14 R'000	2012/13 R'000
	2	3,822	3,659
	8	8,774	7,525
	23	17,216	17,308
		<b>29,812</b>	<b>28,492</b>

**25. IMPAIRMENTS: OTHER**

Impairments on recorded receivables

**Total**

	Note	2013/14 R'000	2012/13 R'000
		3,933	4,122
		<b>3,933</b>	<b>4,122</b>

**26. PROVISIONS**

Environmental liability

Long service awards

**Total**

	Note	2013/14 R'000	2012/13 R'000
		327,437	245,954
		92	-
		<b>327,529</b>	<b>245,954#</b>



## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 26.1 Reconciliation of movement in provisions – 2013/14

	Provision I R'000
Opening balance	245,954
Increase in provision	81,575
<b>Closing balance</b>	<b>327,529</b>

### 27. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	46,257	394	18,222	(58)	64,815
Transport assets	3,245	-	1,364	-	4,609
Computer equipment	24,662	324	3,707	(50)	28,643
Furniture and office equipment	14,845	50	12,939	(8)	27,826
Other machinery and equipment	3,505	20	212	-	3,737
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>46,257</b>	<b>394</b>	<b>18,222</b>	<b>(58)</b>	<b>64,815</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

## 27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Cash	Non-cash	(Finance lease payments)	Received current, not paid	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>13,816</b>	<b>12,656</b>	<b>(8,416)</b>	<b>166</b>	<b>18,222</b>
Transport assets	1,364	-	-	-	1,364
Computer equipment	3,688	-	-	19	3,707
Furniture and office equipment	8,552	12,656	(8,416)	147	12,939
Other machinery and equipment	212	-	-	-	212
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>13,816</b>	<b>12,656</b>	<b>(8,416)</b>	<b>166</b>	<b>18,222</b>

## 27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014				
	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>58</b>	<b>58</b>	<b>-</b>
Computer equipment	-	50	50	-
Furniture and office equipment	-	8	8	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>58</b>	<b>58</b>	<b>-</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 27.3 Movement for 2012/13

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>37,373</b>	<b>452</b>	<b>11,345</b>	<b>(2,913)</b>	<b>46,257</b>
Transport assets	2,929	-	316	-	3,245
Computer equipment	20,164	337	6,554	(2,393)	24,662
Furniture and office equipment	11,112	132	4,121	(520)	14,845
Other machinery and equipment	3,168	(17)	354	-	3,505
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>37,373</b>	<b>452</b>	<b>11,345</b>	<b>(2,913)</b>	<b>46,257</b>

### 27.4 Minor assets

<b>MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014</b>		
	Machinery and equipment	Total
	R'000	R'000
Opening balance	12,149	12,149
Adjustments to Prior Year balances	94	95
Additions	6,475	6,475
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>18,718</b>	<b>18,718</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

	Machinery and equipment	Total
	R'000	R'000
Number of minor assets at cost	12,834	12,834
<b>TOTAL</b>	<b>12,834</b>	<b>12,834</b>

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013		
	Machinery and equipment	Total
	R'000	R'000
<b>Opening balance</b>	<b>12,416</b>	<b>12,416</b>
Adjustments to Prior Year	87	87
Additions	1,121	1,121
Disposals	(1,475)	(1,475)
<b>TOTAL MINOR ASSETS</b>	<b>12,149</b>	<b>12,149</b>

	Machinery and equipment	Total
	R'000	R'000
Number of minor assets at cost	9,329	9,329
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>9,329</b>	<b>9,329</b>

**27.5 Movable assets written off**

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013		
	Machinery and equipment	Total
	R'000	R'000
Assets written off	3	3
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>3</b>	<b>3</b>

Notes to the Annual Financial Statements for the year ended 31 March 2014

**28. INTANGIBLE CAPITAL ASSETS**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014**

	Opening balance	Disposals	Closing balance
	R'000	R'000	R'000
SOFTWARE	7,452	1,000	6,452
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>7,452</b>	<b>1,000</b>	<b>6,452</b>

**28.1 Disposals**

	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000
SOFTWARE	1,000	1,000	-
<b>TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>

## Vote 32: Department of Mineral Resources

Financial Statements for the year ended at 31 March 2014



## Notes to the Annual Financial Statements for the year ended 31 March 2014

## 28.2 Movement for 2012/13

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013					
	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	7,452	-	-	-	7,452
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>7,452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,452</b>

## 29. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014				
	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>48,081</b>	<b>92</b>	<b>-</b>	<b>48,173</b>
Other fixed structures	48,081	92	-	48,173
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>48,081</b>	<b>92</b>	<b>-</b>	<b>48,173</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2014

### 29.1 Additions

<b>ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014</b>		
	Cash	Total
	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	92	92
Other fixed structures	92	92
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>92</b>	<b>92</b>

### 29.2 Movement for 2012/13

<b>MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013</b>					
	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	47,673	-	408	-	48,081
Other fixed structures	47,673	-	408	-	48,081
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>47,673</b>	<b>-</b>	<b>408</b>	<b>-</b>	<b>48,081</b>



Notes to the Annual Financial Statements for the year ended 31 March 2014

**29.3 Finance lease Expenditure**

	2012/13	
	R'000	Total
Not later than 1 year	7,984	7,984
<b>Total lease commitments</b>	<b>7,984</b>	<b>7,984</b>

**30. PRIOR PERIOD ERRORS**

The department had incorrectly calculated the departmental revenue receivable on royalties and prospecting fees. The revenue receivable is now recorded retrospectively and certain comparative figures have been restated as disclosed in Note 21 to the financial statements. The net effect of the error is as follows:

	2012/13
	R'000
Accrued department revenue	(267,605)
Impairment: accrued departmental revenue	(245,099)
	<b>(512,704)</b>



Annexures to the Annual Financial Statements for the year ended 31 March 2014

**ANNEXURE IC**  
**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2012/13
	Adjusted Appropriation	Rollover	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Council for Geoscience	271,232	-	-	271,232	271,232	100%	223,006
Mine Health and Safety Council	5,035	-	-	5,035	5,035	100%	4,531
SA Diamond and Precious Metals Regulator	44,824	-	-	44,824	44,824	100%	41,601
	<b>321,091</b>	<b>-</b>	<b>-</b>	<b>321,091</b>	<b>321,091</b>		<b>269,138</b>

Annexures to the Annual Financial Statements for the year ended 31 March 2014

## ANNEXURE 1E

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<i>Public Corporations</i>									
Transfers									
Council for Mineral Technology (Mintek)	364,709	-	-	364,709	364,709	100%	55,937	308,772	253,531
<b>Total</b>	<b>364,709</b>	<b>-</b>	<b>-</b>	<b>364,709</b>	<b>364,709</b>		<b>55,937</b>	<b>308,772</b>	<b>253,531</b>

Annexures to the Annual Financial Statements for the year ended 31 March 2014

**ANNEXURE IH**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act	Rollover	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<i>Transfers</i>							
Household: Employer S/Benefits Leave Gratuity	2,799	-	-	2,799	2,679	96%	2,356
Household: Claims Against the State (Cash)	-	-	-	-	-	-	5
Household: Donations and Gifts (Cash)	20	-	-	20	20	100%	80
<b>Total</b>	<b>2,819</b>	<b>-</b>	<b>-</b>	<b>2,819</b>	<b>2,699</b>		<b>2,441</b>



Annexures to the Annual Financial Statements for the year ended 31 March 2014

**ANNEXURE 1K**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

**NATURE OF GIFT, DONATION OR SPONSORSHIP**

(Group major categories but list material items including name of organisation)

**Made in kind**

Schools (Computer and office equipment)

**Subtotal**

**Remissions, refunds, and payments made as an act of grace**

Payments made as an act of grace to households

**Subtotal**

**TOTAL**

	2013/14	2012/13
	R'000	R'000
	-	4,307
	-	<b>4,307</b>
	20	80
	<b>20</b>	<b>80</b>
	<b>20</b>	<b>4,387</b>

Annexures to the Annual Financial Statements for the year ended 31 March 2014

**ANNEXURE 3B**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014**

Nature of Liability	Opening Balance 1 April 2013	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2014
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the Department</b>					
Claims against the Department	145,218	243	2,448	-	143,013
<b>Subtotal</b>	<b>145,218</b>	<b>243</b>	<b>2,448</b>	<b>-</b>	<b>143,013</b>
<b>Environmental Liability</b>					
Environmental Liability	1,549,864	295,049	-	-	1,844,913
<b>Subtotal</b>	<b>1,549,864</b>	<b>295,049</b>	<b>-</b>	<b>-</b>	<b>1,844,913</b>
<b>Other</b>					
Simrac contracts	11,847	10,342	14,062	-	8,127
Special projects	3,737	1,590	3,366	-	1,961
<b>Subtotal</b>	<b>15,584</b>	<b>11,932</b>	<b>17,428</b>	<b>-</b>	<b>10,088</b>
<b>TOTAL</b>	<b>1,710,666</b>	<b>307,224</b>	<b>19,876</b>	<b>-</b>	<b>1,998,014</b>



## Annexures to the Annual Financial Statements for the year ended 31 March 2014

**ANNEXURE 4**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Department of Energy	-	-	1,678	4,713	1,678	4,713
Department of Health	-	-	-	16	-	16
Department of Agriculture, Environmental Affairs and Forestry	-	-	-	1	-	1
Department of Health KZN	-	33	-	-	-	33
Department of Arts and Culture	-	-	34	-	34	-
Department of Higher Education and Training	-	-	49	-	49	-
Department of Public Works	-	-	14	-	14	-
South African Police Services	-	-	22	-	22	-
Office of the Premier North West	-	-	74	-	74	-
Department of Agriculture, Environmental Affairs and Forestry and Rural Development	-	-	1	-	1	-
<b>TOTAL</b>	-	<b>33</b>	<b>1,872</b>	<b>4,730</b>	<b>1,872</b>	<b>4,763</b>

Annexures to the Annual Financial Statements for the year ended 31 March 2014

**ANNEXURE 5**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Department of Justice	481	712	-	-	481	712
Department of Public Works	-	2,595	-	-	-	2,595
Department of Roads and Transport - Gauteng (Gfleet)	-	910	-	-	-	910
South African Police Services	-	95	-	-	-	95
Department of Water Affairs	-	36	-	-	-	36
Provincial Administration Gauteng	-	452	-	-	-	452
<b>Total</b>	<b>481</b>	<b>4,800</b>	<b>-</b>	<b>-</b>	<b>481</b>	<b>4,800</b>



Annexures to the Annual Financial Statements for the year ended 31 March 2014

**ANNEXURE 6  
INVENTORY**

Inventory	Note	Quantity	2013/14	Quantity	2012/13
			R'000		R'000
Opening balance		100,887	546	68,154	939
Add/(Less): Adjustments to prior year balance		(3,700)	(6)	(960)	(3)
Add: Additions/Purchases - Cash		142,910	3,890	150,301	2,366
Add: Additions - Non-cash		-	-	3,058	-
(Less): Issues		(162,233)	(4,006)	(119,653)	(2,683)
Add/(Less): Adjustments		-	8	(13)	(73)
<b>Closing balance</b>		<b>77,864</b>	<b>432</b>	<b>100,887</b>	<b>546</b>







Notes




The background of the page is a green-tinted photograph of a mining operation. In the foreground, a worker wearing a hard hat and a dark jacket is silhouetted against the bright green background. Behind the worker, there are various pieces of mining machinery, including what appears to be a conveyor system and a large headframe structure. In the background, a tall, complex metal structure, likely a headframe or part of a winding system, dominates the right side of the frame. The sky is a deep, dark green, and there are some faint, glowing lines or beams of light across the scene, suggesting an underground or night-time setting. The overall mood is industrial and somewhat somber due to the monochromatic color scheme.

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