

# DEPARTMENT OF MINERAL RESOURCES



## ANNUAL REPORT PRESENTATION TO PORTFOLIO COMMITTEE ON MINERAL RESOURCES 14 OCTOBER 2009



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## CHIEF FINANCIAL OFFICER

- The main focus for this branch is to provide support with regard to Financial, Supply Chain, Facilities and Information Management services.
- This branch consists of the following directorates;
  - Supply Chain Management
  - Information Technology,
  - Systems Development and Maintenance,
  - Financial Planning and Management Accounting
  - Expenditure Management and
  - Transport, Facilities and Records Management



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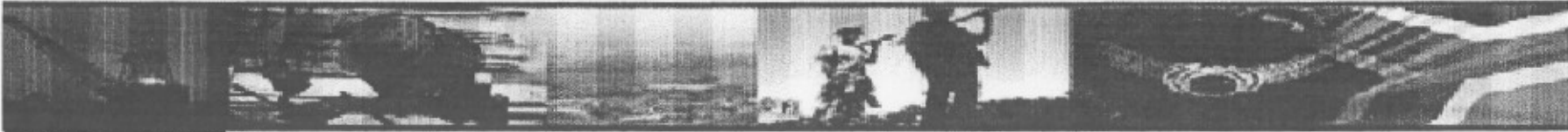
## KEY ACHIEVEMENTS

- Budget performance
- Clean audit report
- Timely and accurate financial reporting
- Implementation of ICT infrastructure plan
- Implementation of the Master Systems Plan
- Implementation of SCM framework which resulted in improvements in the procurement turnaround times, increased accountability and effective asset management.
- Approval of and implementation of Policies within Finance and Supply Chain



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## KEY CHALLENGES

- Inability to attract and retain skilled personnel, particularly on ICT
- Aging ICT infrastructure
- Inadequate office accomodation
- Limited financial resources



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# Performance against Budget

SUMMARY BY PROGRAMME	2008/09 Budget R'000	2008/09 Actual R'000	Variance R'000	2007/8 Actual R'000
1. Administration	230,445	226,023	4,422	185,792
2. Promotion of Mine Safety and Health	119,810	118,822	988	104,283
3. Mineral Regulation	149,272	125,180	24,092	143,402
4. Mineral Policy and Promotion	61,765	58,318	3,447	73,554
5. Hydrocarbons and Energy Planning	45,341	44,199	1,142	52,453
6. Electricity and Nuclear	275,220	262,575	12,645	69,841
7. Associated Services	2,904,388	2 894,889	9,499	2,318,042
<b>Departmental Total</b>	<b>3,786,241</b>	<b>3,730,006</b>	<b>56,235</b>	<b>2,947,367</b>



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## UTILISATION OF FUNDS

### UTILISATION OF VOTED FUNDS

	2008/09**	2006/07	2005/06	2004/05
COMPENSATION OF EMPLOYEES	330,089	290,561	246,154	217,070
GOODS AND SERVICES	273,386	277,222	254,665	181,577
PAYMENT FOR CAPITAL ASSETS	14,877	7,470	6,804	5,342
TRANSFER AND SUBSIDIES	3,111,061	2,366,512	2,099,917	1,768,372
THEFT AND LOSSES	593	5,602	135	44
UNSPENT	56,235	27,570	27,425	79,966
<b>TOTALS (BUDGET)</b>	<b>3,786,241</b>	<b>2,974,937</b>	<b>2,635,100</b>	<b>2,252,371</b>
% UNDER SPENDING OF VOTE	1.5%	0.93%	1.04%	3.55%



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## KEY OBSERVATIONS

- The figures are inclusive of programmes that belong to the Department of Energy
- Budget performance remained within target
- The department has maintained an underspending level below 4% in the past four years.
- Underspending is mainly attributable to the following factors
  - Delays in finalising projects at year end leading to roll over of budgets
  - Vacancies within certain branches
  - Delays in transfers due to contractual issues(INEP and EDSM programmes)
- The department received yet another unqualified audit report (4<sup>th</sup> year in a row)



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