

# ANNUAL REPORT 2023/24



school of government

Department:  
National School of Government  
REPUBLIC OF SOUTH AFRICA

Learn Serve Grow





STATE OF THE NATION ADDRESS  
BY PRESIDENT OF SOUTH AFRICA,  
NELSON MANDELA, CAPE TOWN - 24  
May 1994

*“The government I have the honour to lead, and I dare say, the masses who elected us to serve in this role, are inspired by the single vision of creating a people-centred society”*





**school of government**

Department:  
National School of Government  
REPUBLIC OF SOUTH AFRICA

# NATIONAL SCHOOL OF GOVERNMENT

## VOTE NO.7

# ANNUAL REPORT

## 2023/2024 FINANCIAL YEAR



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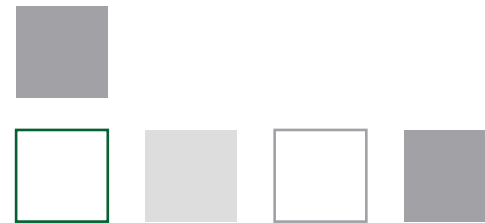
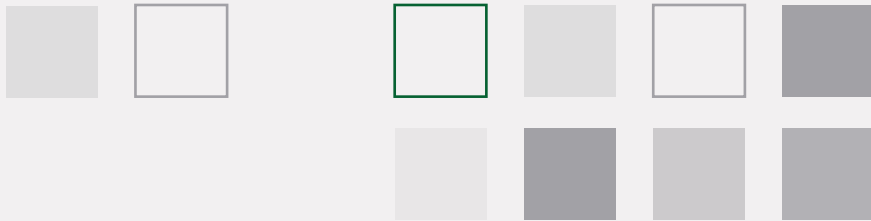
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## Part A

# General Information

# 1. DEPARTMENT GENERAL INFORMATION



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

- i. **Cadet and Foundation Development:** Providing ETD interventions to graduates who wish to join the public service, public service interns and public servants up to occupation level 8 (support staff, administrators and supervisors). Emphasis is placed on understanding the rules of government and service delivery excellence (especially as most front-line officials are in this band).
- ii. **Middle Management Development:** Providing ETD interventions for occupational levels 9-12 (junior and middle managers) with emphasis on occupational skills (know-how), supply chain management, budgeting, supervisory skills and pathways to (further) qualifications.
- iii. **Senior Management Development and Professionalisation:** Providing ETD interventions to senior managers between levels 13 and 14 (Directors and Chief Directors). Chapter 4 of the SMS Handbook determines a set of competencies that employees in these core categories should have. These include analytical skills, problem-solving, and the ability to manage money and people. This is in addition to the core competencies (expertise) required to perform as a professional in finance, ICT, issuing licences/permits, policy formulation and monitoring, planning and implementing built environment projects like housing, road construction, water provision, etc.

- iv. **Executive Development and Leadership Support:** This band is complex because it caters to occupational levels 15-16 (Deputy Director-General, Director-General) and Political Office Bearers. In addition to top-up training on the requirements of Chapter 4 of the SMS (for DDGs and DGs), this category of leadership in the public sector is expected to lead as experts and advisors both in the work of departments and government and as nurturers of talent, stewards of public funds and champions of transformation. The NSG has shifted its focus to expose this layer of government to design theories, modelling and forecasting, leadership by outcomes, talent management, and the management of the political-administrative interface. As for the political office bearers, we are focusing on building expertise in areas such as economic governance, political oversight and accountability, using instruments like the Executive Ethics Code and Public Finance Management Act (PFMA).

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

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## 2. LIST OF ACRONYMS

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

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



### 3. FOREWORD BY THE MINISTER



**INKOSI MZAMO BUTHELEZI, MP**  
MINISTER FOR THE PUBLIC SERVICE AND  
ADMINISTRATION

It gives me immense pleasure to table my inaugural Annual Report for the National School of Government (the NSG) covering the 2023/24 financial year. The tabling of this Annual Report comes at a time when the outcome of the 2024 national and provincial elections has led to the creation of coalitions and governments of provincial and national unity. Political organisations that committed to the Government of National Unity (GNU) in the seventh administration are working within the framework of the statement of intent. Fundamentally, it commits us to ensure stability and peace, tackle the challenges of poverty, unemployment and inequality, and build a South Africa for

all its people. Some of the GNU's foundational principles, which anchor the work of the Ministry for Public Service and Administration, include:

- Accountability, transparency and community participation in government.
- A professional, merit-based, non-partisan, developmental public service that puts people first.
- Integrity, good governance and accountable leadership.

We have committed to driving the reforms and improvements that will be pivotal in realising the goal of rebuilding public trust in a purpose-driven public service. As we professionalise the public service, the trajectory of the NSG's work will reposition it as a world-class academy that will shape and mould the future of patriotic technocrats.

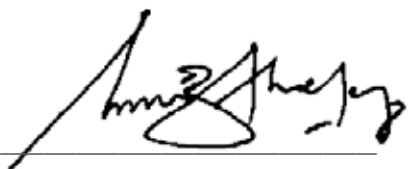
This tabling of the 2023/24 Annual Report marks the fourth year of implementation of the current five-year strategic plan (2020-2025). Building state capacity remains one of the priorities of the seventh administration, and the NSG has been spearheading this effort through its education, training, and development (ETD) interventions. For this financial year, I am pleased to report that 84 443 learners were trained through the various ETD interventions. This brings the total number to an excess of 293 000 learners trained by the NSG since the commencement of the current strategic plan from the 2020/21 financial year.

I am pleased to report that the School has supported traditional leaders through a flagship programme called 'The Art of Facilitation'. This programme empowers traditional leaders to act as economic change agents in their communities, transfer new knowledge and skills on building sustainable economic rural interventions for long-term economic impact and support economic development through mutually beneficial partnerships. Following the Cabinet's approval of the National Framework towards the Professionalisation of the Public Sector in October 2022, the NSG has been spearheading interventions towards its implementation. Some of these interventions include the rolling out of compulsory programmes (e.g. Ethics in the Public Service),



conducting advocacy sessions on the Framework with stakeholders, engaging with professional bodies and developing a pre-entry programme (Nyukela) for the Middle Management Service (MMS).

In conclusion, I am pleased with the NSG's performance and wish to express my appreciation to the Principal, Prof. Busani Ngcaweni, the executive, management, and staff for their dedication and commitment to building state capacity. I also wish to take this opportunity to thank my predecessor, Ms Noxolo Kiviet, for her leadership and for steering the work of the Ministry for Public Service and Administration under the sixth administration.

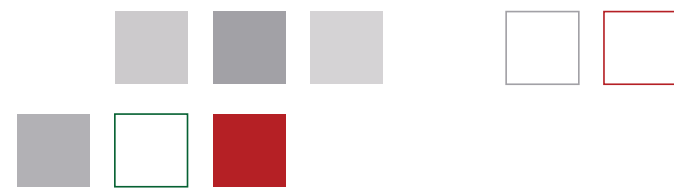


**INKOSI MZAMO BUTHELEZI, MP**

MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

31 AUGUST 2024





## 4. DEPUTY MINISTER STATEMENT



**MS PINKY KEKANA, MP**  
DEPUTY MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

I am greatly honoured to have been appointed Deputy Minister for the Public Service and Administration in the seventh administration. This administration and the outcome of the national and provincial elections mark an important milestone in the history of governance and democracy in our country. Thirty years after the first Government of National Unity (GNU) was formed under the presidency of the late Mr Nelson Rolihlahla Mandela in 1994, we have again formed a GNU.

The 1995 White Paper on the Transformation of the Public Service dealt extensively with the GNU formation then, many of which hold true with the formation of the

GNU today. The White Paper reminds us that many problems did not automatically disappear when the GNU came into power in May 1994. Now too, in 2024, our successes and challenges will not be wiped away for a clean slate; we have to build (and rebuild, where necessary) on the 30 years of public service delivery.

In announcing the new national executive, President Cyril Ramaphosa reminded us that we have a responsibility to work together to serve the people as a whole and that none of the members of the national executive has been appointed to serve the interests of a particular constituency, a particular party or a particular section of society. The Statement of Intent commits us to respect the Constitution, promote accountable and transparent governance, evidence-based policy and decision-making, professionalise the public service, and promote integrity and good governance.

I am also pleased that we are tabling the Annual Report of the National School of Government (the NSG) for the 2023/24 financial year. One of the NSG's strategic interventions is to use domestic and global public and private partnerships to support relevant and quality ETD interventions, maximise knowledge exchanges in specialist areas, and mobilise resources to support special projects for capacity building in South Africa and the African continent.

In this regard, the School has established global partnerships, some of which are the China National Academy of Governance, Beijing Administration Institute, China-Africa Institute, Civil Service College Singapore, National Human Resource Development Institute in South Korea, Institut National du Service Public (INSP) France, University College London, Escola Nacional de Administração Pública in Brazil and the School of African and Oriental Studies at the University of London. These partnerships have led to capacity development exchanges in the form of short online and offline programmes catering to political office bearers, public sector executives and management.

The NSG also participates in the global knowledge exchange network to position the NSG and South Africa in discourses on public administration reform and development



through the organisation or participation in conferences, seminars, masterclasses and various forums with international partners. To this effect, the NSG organised a BRICS Conference on Governance and Public Administration Reforms in July 2023 as part of South Africa's official build-up activities to the BRICS Summit held in August 2023 in Johannesburg. The NSG also participates in the OECD Network of Schools of Government by invitation to forums and committees on public administration organised by multilateral bodies such as the African Union, United Nations and the World Bank. Furthermore, the NSG also work with similar institutions on the African Continent to share information and knowledge, benchmark best practices and facilitate exchanges. It is also the permanent secretariat for the African Management Development Institutes Network (AMDIN), which focuses on public sector capacity building in Africa.

In conclusion, I am pleased with the NSG's performance. I wish to thank the Principal, Prof. Busani Ngcaweni, the executive management and staff for their dedication and commitment to building state capacity. I also wish to take this opportunity to thank my predecessor, Dr Chana Pilane-Majake, for her leadership and for steering the



**MS PINKY KEKANA, MP**

DEPUTY MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

31 AUGUST 2024



## 5. REPORT OF THE ACCOUNTING OFFICER



**PROF. BUSANI NGCAWENI**

PRINCIPAL: NATIONAL SCHOOL OF GOVERNMENT

The National School of Government (the NSG) is a part of the portfolio of institutions reporting to the Minister for the Public Service and Administration. We have a mandate to provide or facilitate the provision of education, training and development (ETD) in the three spheres of government, state-owned entities (SOEs) and organs of state. Our mandate is in line with Section 195 of the Constitution of the Republic of South

Africa, 1996, which declares public administration to be development-oriented and participatory, and the basic values and principles being the basis of interaction between public administration (three spheres of government, organs of state, public enterprises) and society.

The foremost priority of the sixth administration was to build a capable, ethical and developmental state. As President Cyril Ramaphosa consistently emphasises, our public sector requires qualified public servants with relevant skills and competencies for the job they have been employed to do and ethical dispositions steeped in the *Batho Pele* principles. The NSG must ensure that it provides ETD interventions to appointed public servants and elected public representatives so that they can fulfil their responsibilities.

It is now well acknowledged that as an institution, we have made strides towards meeting the expectation of delivering high-impact programmes at scale. Responsiveness has been a feature of our work during the year under review. We had to design and introduce new products that seek to bring new skills into the public sector. We had to shift some of our programmes to online delivery in order to increase access. We have brought more elected officials and traditional leaders into the classrooms as we expanded offerings into the political leadership. We have forged more partnerships with higher education institutions both locally and internationally to diversify our programmes. We have

introduced new services like mandate analysis and skills audits.

All of these developments have put us in good stead to become a premier national academy that is trusted and preferred because of its depth, dynamic delivery and impact.

### Overview of the operations of the National School of Government

In terms of current legislative arrangements, government departments must annually budget one per cent of the employee compensation budget for the training of its employees. The responsibility for training employees is vested with accounting officers and is undertaken primarily through competitive procurement processes. The NSG is required to generate revenue to ensure its financial viability and sustainability, and, as such, the NSG is placed on a competitive and cost-recovery footing, together with internal and external training providers.

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



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

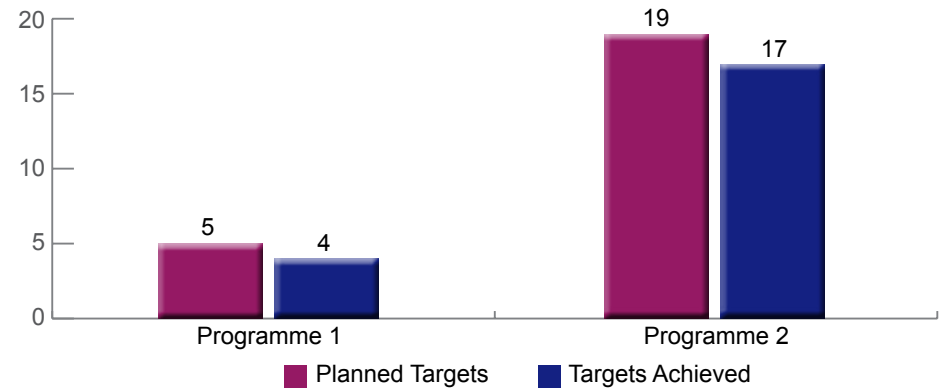
### Annual Performance Plan 2023/24

The Annual Report for the 2023/24 financial year marks the fourth year of implementation and performance of the five-year strategic plan (2020-2025). Since the implementation of the strategic plan in the 2020/21 financial year, the NSG has been committed to delivering against the strategy without any amendments or refinements to it. As we complete the fourth year of implementing the strategy, it is our firm view that the strategy remains relevant, and the strategic outcomes will be achieved by the end of the 2024/25 financial year.

This financial year further signified the NSG increasing its footprint in delivering ETD interventions towards building state capacity. One of the highlights of this financial year was the collaboration with the Human Science Research Council (HSRC) to initiate a project of conducting skills audits with identified frontline and infrastructure delivery departments. The skills audit aims to accelerate the professionalisation of the public service and for government departments to determine critical skills to deliver economic infrastructure and frontline services.

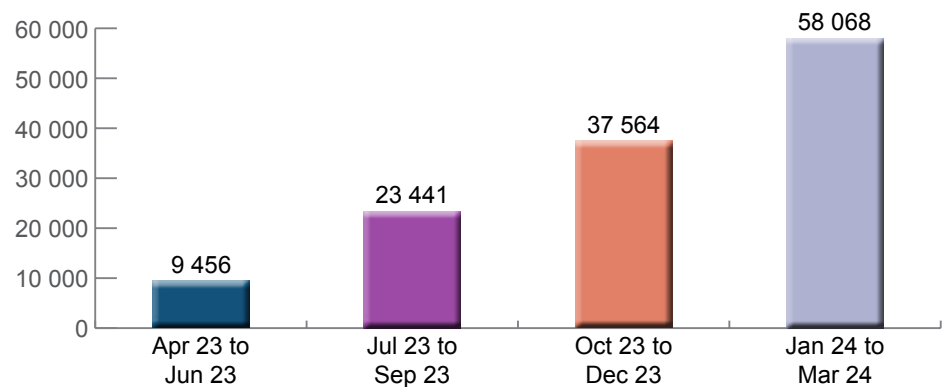
In this financial year, a total of twenty-four (24) performance targets were set in the annual performance plan, of which twenty-one (21) were achieved. This translates to a performance achievement of 88% of the total planned targets, a summation of which, per programme, is shown below:

**Graph 1: Annual Performance per Programme**



What is of significance to the NSG since the commencement of the current strategic period, is the exponential growth of the open distance eLearning, which the NSG has been monitoring and reporting on. In this financial year, twenty-one (21) eLearning courses provided enrolment to 58068 learners.

**Graph 2: Annual Performance per Programme: Cumulative quarterly eLearning enrolment for the period 1 April 2023 to 31 March 2024**



## Highlights of Performance

A total of 84443 learners were trained against a pre-determined target of 46480. This performance translates to an achievement of 182%. Since the commencement of the current strategic period from 2020/21, a total of 293590 learners were trained.

For this financial year, the NSG can also report the following highlights of performance, which are significant:

- The pre-entry programme to the Senior Management Service, *Nyukela*, is being delivered in line with the directive issued by the MPSA, wherein any individual wishing to join the SMS echelon must complete this pre-entry course. In this financial year, a total of 5042 learners (prospective and serving public servants) enrolled for *Nyukela*, with 3276 learners successfully completing it. From the start of the strategic period in the 2020/21 financial year to the current financial year, a total of 21292 learners successfully completed the course.
- The Ethics course is one of the flagship programmes, and it has also been made compulsory for all public servants. In this financial year, there was a total enrolment of 14024, with 8283 learners completing the course (82% achievement). From the start of the strategic period in the 2020/21 financial year to the current financial year, a total of 65873 learners successfully completed the course.
- The NSG, in collaboration with the HSRC, commenced the process of conducting the skills audits of (8) national departments, which comprises seven phases. The review covered an analysis of the mandate and strategic imperatives, the ideal state of delivery of the mandate based on the competencies required and organisational design assessments. The phases in the new financial year will include convening theory of change workshops and surveys with officials within the Human Resource Management units.
- The NSG convened eighteen (18) masterclasses and webinars during this financial year. One (1) of these masterclasses focused on 'The Entrepreneurial State and Mission Economy as Strategies for Increasing State Capacity and Driving Inclusive Growth', presented by Prof. Mariana Mazzucato from the University College London.

- The Economic Governance School was approved by Cabinet to build capacity among executive members from all spheres of government, including Ministers, Premiers, Deputy Ministers and Mayors. In this financial year, the NSG partnered with the National Institute of Public Administration (NIPA) in Zambia to deliver the Economic Governance School to members of the Zambian Cabinet. The programme was successfully held in Lusaka from 18 to 24 February 2024.
- The induction programme for boards of state-owned entities is aimed at equipping persons serving on boards with the appropriate expertise and experience to change the narrative of governance in public entities. During this financial year, a total of fourteen (14) boards received training on the induction programme. These entities include the South African Broadcasting Corporation (SABC), the South African National Roads Agency Limited (SANRAL), the Council for Mineral Technology (MINTEK), Productivity South Africa, the Community Schemes Ombud Service (CSOS), the Housing Development Agency (HDA), the State Information Technology Agency (SITA), the Media Diversity and Development Agency (MDDA), the National Student Financial Aid Scheme (NSFAS), Tourism KwaZulu-Natal, the KwaZulu-Natal Films Commission, the Coega Development Corporation, the Ports Regulator South Africa, and the South African Council for Planners (SACPLAN).

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

- Foresight and Scenario-based Anticipatory Planning in Public Institutions
- Introduction to Monitoring and Evaluation in the Public Sector
- Bid- Committee (MFMA Course)
- Supply Chain Management (SCM) for the Public Service
- Finance for Non-finance Managers
- Disaster Risk Management in the Public Sector
- Managing Unauthorised, Irregular, Fruitless and Wasteful Expenditure (PFMA)
- Managing of Unauthorised, Irregular, Fruitless and Wasteful Expenditure (MFMA)



## International Relations and Partnerships

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

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

The NSG signed a Memorandum of Understanding (MoU) with Civil Service College Singapore. Furthermore, through the partnership with the University of Singapore and UNICEF, the NSG held the Executive Course for Evaluation Leaders, with over 50 delegates from Brazil, Angola, Lesotho, Mozambique, Uganda, Liberia, China, Zimbabwe, Mongolia, Sri Lanka, Ukraine and North Macedonia. Moreover, the NSG hosted numerous international exchanges with its partners, enhancing global collaboration and knowledge sharing. Most notably, the NSG organised and held the BRICS Conference on Governance and Public Administration Reform, attracting presenters and participants from around the world.

Lastly, the NSG organised a few masterclasses with its international partners on critical public affairs matters. Public officials also participated in various international online and offline short programmes, including Green Development offered by the China-Africa Institute and courses on Public Sector Leadership, Ethics, Leadership and Governance, and Policy Analytics: Understanding and Using Data. These programmes were offered by the King's College London with funding from the Ben Delo Scholarship.

## Africa Affairs

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

Notably, this financial year, the NSG provided economic governance training to Kenyan and South African senior officials in collaboration with the Kenya School of Government. The NSG also hosted a webinar on implementing the African Continental Free Trade Area (AfCFTA) with the Department of Trade, Industry, and Competition, which included a panel of experts from the African Union and the South African Revenue Service (SARS).

The NSG signed an MoU with the National Institute of Public Administration in Zambia. One of the first deliverables under this MoU was the Economic Governance School training. The training programme was delivered to members of the Zambian Cabinet and successfully held in Lusaka from 18 to 24 February 2024.

The NSG also collaborated with the African Peer Review Mechanism (APRM) secretariat and the OECD to deliver a one-day workshop on policy coherence and systems thinking for sustainable development to twenty-five (25) officials from national departments.





## Professionalisation of the Public Service

Professionalising public administration is one of the key imperatives for building state capacity. In the 2022 State of the Nation Address (SONA), President Cyril Ramaphosa indicated that the government is at an advanced stage of finalising the National Framework towards the implementation of professionalisation of the Public Sector. The Framework emphasises pre-entry, recruitment, selection, induction, continuous learning and career progression of public servants. In this regard, Cabinet adopted the Framework in October 2022. The NSG has been working closely with the key partners – the Public Service Commission (PSC) and the Department of Public Service and Administration (DPSA) – in developing implementation plans. In this financial year, the NSG extensively advocated the Framework and strengthened collaborations with relevant institutions and professional bodies in preparation for the implementation of the Framework in the subsequent years.

## Overview of Financial Results of the National School of Government

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

### Vote

The full budget appropriation for the year 2023/24 was R221.1 million, a 4.5% increase from the R231.0 million allocation received in 2022/23. The increase was due to inflation-related issues issued by the National Treasury for both cost-of-living salary adjustments and the institution's operations. A saving of 1.3%, i.e. R2.9 million, was realised at the end of the financial year.



### Departmental receipts:

Departmental receipts	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Tax Receipts</b>						
Sale of goods and services other than capital assets	32	38	-6	57	75	-18
Interest, dividends and rent on land	39	1	38	61	3	58
Sale of capital assets		5	-5	51	33	18
Financial transactions in assets and liabilities	260	246	14	270	147	123
<b>Total</b>	<b>331</b>	<b>290</b>	<b>41</b>	<b>439</b>	<b>258</b>	<b>181</b>

Total departmental receipts revenue increased by R0.032 million, from R0.258 million (2022/23) to R0.290 million (2023/24), the increase is due to financial transactions in assets and liabilities.

Course fees are determined on a cost-recovery basis in accordance with Treasury Regulation 19.5.2. The tariffs are assessed annually and revised as deemed necessary as part of the ongoing NSG financial status reviews and in accordance with Treasury Regulation 19.5.3. The increase in course fees was approved by the National Treasury in the 2022/23 financial year.

### Programme Expenditure:

Programme Name	2023/2024			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	113 338	110 396	2 942	115 376	104 330	11 046
Public Sector Organisational and Staff Development	107 802	107 802	0	115 721	115 721	0
<b>Total</b>	<b>221 140</b>	<b>218 198</b>	<b>2 942</b>	<b>231 097</b>	<b>220 051</b>	<b>11 046</b>



## Programme 1: Administration

The total expenditure breakdown of R113.3 million for 2023/24 and spending patterns, compared to the 2022/23 financial year, is summarised as follows:

Compensation of employees for the Vote-funded staff component of NSG increased by 6.4% from R54.6 million (2022/23) to R58.4 million in 2023/24 due to the filling of vacancies and adjustment of the cost of living as issued by the National Treasury. Goods and services increased by 4.2% from R45.4 million (2022/23) to R47.5 million in 2023/24. The increase is due to operating lease payments and travel and subsistence. Expenditure on capital assets increased by 9.5% from R3.8 million (2022/23) to R4.2 million in 2023/24. The increase is due to intangible assets.

## Programme 2: Public Sector Organisational and Staff Development

The transfer of funds from Vote to the Training Trading Account (TTA) was R107.8 million in 2023/24.

### Training Trading Account (TTA)

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

Total revenue (including the transfer of funds from the Vote appropriation for the financial year (2023/24) increased by R26.3 million from R244.8 million (2022/23) to R271.2 million (2023/24). Income from course fees increased by 17.4%, from R118.2 million (2022/23) to R143.2 million (2023/24). The transfer of funds from the Vote to Trade decreased by 6.8% from R115.7 million (2022/23) to R107.8 million (2023/24).

Total expenditure in the TTA increased by R45.9 million from R195.4 million in 2022/23 to R241.4 million in 2023/24. The increase is related to operating expenses for the delivery of training as the client departments take up training.

The TTA closed the year with a surplus of R49.9 million in 2022/23 and the closing status in 2023/24 is a surplus of R29.8 million.

### Summary of Unauthorised, Fruitless, and Wasteful Expenditure

Trade Account – An amount of R103,000 was confirmed to be a fruitless and wasteful expenditure incurred during the year under review. The expenditure is related to late cancellation and postponement of training venues and cancellation of air tickets. The matter is under investigation.

## Strategic Focus over the Short- to Medium-term Period

In 2020, the NSG determined a five-year strategy, which culminated in the articulation of a new vision and mission and the establishment of a specific outcomes framework for the future. We recognised that the strategy and related actions are unfolding dynamically and require changes to the institution's operations and structural configuration. Based on the approval of a reconfigured organisational structure, we have finalised the organisational restructuring in this financial year.

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

1. Improve internal quality management and delivery mechanisms to ensure seamless operations. This will include improving the quality of facilitators, materials, and learner experience.
2. Strengthen collaboration with relevant institutions (e.g. HEIs) and professional bodies. We will implement the partnership strategy with international, domestic, and private partners.
3. Review existing courses/ programmes to determine relevance, and update.



## Public Private Partnerships

The NSG did not enter into any PPP contracts during the 2023/24 financial year.

## Discontinued Key Activities/Activities to be Discontinued

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

## New or Proposed Key Activities

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

## Supply Chain Management

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

Supply Chain Management processes and systems were in place throughout the financial year to prevent irregular expenditure.

## Gifts and Donations Received in Kind from Non-related Parties

NAME OF DONOR	PURPOSE	REVENUE
		R'000
Nedbank (Pty) Ltd	Utilisation of venue for delivery of training	433
<b>TOTAL</b>		<b>433</b>

## Exemptions and Deviations Received from the National Treasury

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

## Events After the Reporting Date

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

## Acknowledgement/s or Appreciation

I would like to express my appreciation to the former Minister, Ms Noxolo Kiviet, our newly appointed Minister for the Public Service and Administration, Inkosi Mzamo Buthelezi, and Deputy Minister for the Public Service and Administration, Ms Pinky Kekana for their leadership, guidance and support towards the NSG in delivering on its mandate. I would also like to express my appreciation to the management and staff of the NSG for their commitment.

The NSG partners and senior fellows Dr Mervyn King, Dr Eric Li, H.E Ambassador Nosipho Jezile, Prof Mariana Mazzucato, Dr Cassius Lubisi, Mr Tshediso Matona, Mr Tembinkosi Bonakele, Ms Sindisiwe Mabaso-Koyana, and Ms Phumla Williams are experts in their respective fields of work and have contributed greatly to various topics, discussion and engagements convened by the NSG. Lastly, I would also like to express my appreciation to Anglo-American for funding some of the NSG programmes and enabling public servants to participate in these programmes. The continuing collaboration with Nedbank and ABSA is highly appreciated.



## Conclusion

In October 2023, the NSG marked ten years of its establishment. In addition to celebrating this milestone, it was also an opportunity for the assessment of the position and institutional performance. During these ten years, the NSG experienced several successes attributed to innovative design and delivery practices and brand positioning. These accomplishments include the following:

- Training more than 526,000 learners through diverse interventions and delivery modes.
- Generating revenue over R1 billion from course fees. The TTA absorbed costs from the expanded mandate, including work undertaken in developing the National Framework towards the Professionalisation of the Public Sector.
- Designing and implementing key flagship programmes such as the Compulsory Induction Programme, Nyukela, Khaedu, Ethics in the Public Service, Economic Governance School, and other executive education courses.
- Establishing and sustaining relations with management development institutes (MDIs), government/ public administration schools and other institutions continentally and globally.

The NSG has been on a growth path that incorporates making public sector ETD more accessible, citizen-centric, and responsive to development and service delivery challenges. These interventions have been broadened to focus on the entire public sector spectrum. The reach has also grown in Africa through the African Management Development Institutes' Network (AMDIN) and bilateral agreements with management development institutes (including the Kenya School of Government and Ghana Institute of Management and Public Administration). The NSG also strengthened its international footprint with partnerships that include the World Economic Forum, the Civil Service College Singapore, the China Africa Institute, the National School of Public Administration Brazil, INSEAD, and the School of African and Oriental Studies (University of London). The NSG has been responsive to new developments both locally and globally. The value of the NSG has been further affirmed through various new initiatives and activities, the broader mandate accorded to it, and the growing pressure exerted for in-depth capacity-building activities. The pace of change and the

NSG's efforts to deliver at scale and responsively have unfolded without considering the imperatives of the need to reposition fully.

Several modifications in the NSG's scope and changes in the public sector's capacity and capability development demands created the impetus for the NSG to reposition itself better to serve the complex demands of the target audiences. An imperative for repositioning the NSG is to guarantee that the institution expands its leading role in capacity building in the public sector. It continues to be instrumental in leading the state towards future thinking on the capabilities required for transforming society. The NSG must lead initiatives towards building such capabilities of state officials and state institutions.

The NSG is, as a result of the expanded mandate and related pressures, redefining learner groups and related capacity-building stakeholders, which now includes appointed and elected officials (executive and legislative), traditional leaders; state-owned entity (SOE) board members; public sector executives; public sector interns; unemployed youth (evidenced through programmes such as Economic Governance School); and individuals (evidenced in the enrolment of Nyukela). This has also collectively served to open more ETD offerings to individuals, institutions, the corporate sector and an international market segment.

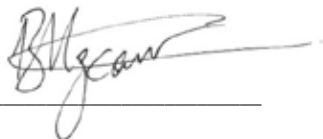
The NSG is, due to growing demands, further recalibrating its ETD offerings to be more responsive to a changing mandate by providing compulsory and demand-driven short learning programmes, qualifications, executive education, continuous professional development, just-in-time capacity interventions and offering institutional support interventions (such as training needs analyses, strategic planning, and change management). These require a variety of delivery modalities, including contact learning (physical and virtual), asynchronous open-distance eLearning, blended learning, just-in-time/ customised learning, field visits, augmented/immersive learning, and simulations.



The NSG is also further strengthening its partnerships with higher education institutions, public sector academies (national, provincial, local, and state-owned enterprises), international institutions, and the private sector to expand the depth and improve the quality and credibility of ETD offerings. The NSG recognises that partnerships provide a mechanism for augmenting and/or building state capacity where it is weak. The reach across organs of state and the scope within the changing mandate is at a scale that necessitates negotiating a more comprehensive range of partnerships, resources, and support reflecting this new and expansive scope. The NSG must also reorganise its institutional configuration to be more agile and deliver within a changing mandate. This includes reorganising systems and structure, building internal capabilities, and leveraging a limited resource base.

### Approval and Sign-off

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



**PROF. BUSANI NGCAWENI**

ACCOUNTING OFFICER

NATIONAL SCHOOL OF GOVERNMENT

DATE:



*"To succeed in all these efforts, we need to ensure that the state has the necessary resources, capacity and skills. We are taking steps to professionalise the public service across all spheres, to ensure the right people are in the right positions, that they are held accountable, and that they are empowered to provide the best possible service to the people."*

*Further to this, I am directing that all infrastructure and service departments conduct skills audits within nine months. These audits must not just tell us what training officials think they require but must help us understand where critical skills do exist in these departments to effectively deliver infrastructure and services.*

*The National School of Government will work with other organs of state like the Human Sciences Research Council to conduct these audits."*

**President Cyril Ramaphosa, Debate to the State of the Nation  
Address, 16 February 2023**

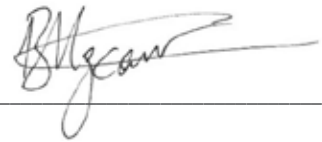
## 6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2024.

Yours faithfully,



**PROF. BUSANI NGCAWENI**  
ACCOUNTING OFFICER  
31 AUGUST 2024

## 7. STRATEGIC OVERVIEW



### 7.1 Vision

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

### 7.2 Mission

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



### 7.3 Values

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

**LEARN:** expanding learning opportunities for public servants to master statecraft

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

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

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

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





## 8. LEGISLATIVE AND OTHER MANDATES

### 8.1 Constitutional Mandate

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

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

The NSG has to ensure that all of the basic values and principles are inculcated into the value system and performance of all public servants and representatives through education, training and development (ETD) initiatives. It does so through its curriculum design, development and delivery approach with the practical application of participatory, people-centred methodologies and indigenous techniques during the

ETD initiatives, in building a caring ethos and citizen-centred service delivery focus amongst public servants. This approach consciously focuses on the application of the principles and values of the Constitution and the realisation of the public administrative justice to all whom we serve.

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

### 8.2 Legislative and Policy Mandates

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

#### Section 195(1) of the Constitution

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



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

Whilst this piece of legislation empowers the NSG to fulfil its mandate, the limitation of the Public Service Act is that it is applicable to the national and provincial spheres of government. Another piece of enabling legislation – **Public Administration Management Act, 2014 (Act No. 11 of 2014)** – gives effect, inter alia, to the progressive realisation of the values and principles governing public administration across the three spheres of government. The current provisions of the Act in relation to the NSG are as follows:

#### Section 11:

- (1) The National School of Government will, in consultation with the Minister responsible for higher education and training, be established as a higher education institution contemplated in the Higher Education Act, 1997 (Act No. 101 of 1997).
- (2) The School must, through education and training, promote the progressive realisation of the values and principles governing public administration, and enhance the quality, extent and impact of the development of human resource capacity in institutions.
- (3) The School must give effect to subsection (2) by:

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

#### Section 12:

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

#### Section 13:

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



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

Under the leadership of Minister for the Public Service and Administration, the legislative processes of the Public Administration Management Act as it relates to the NSG are being addressed. This will include amendments to certain provisions of the Act.

In addition to the aforementioned sections of legislation, the NSG is also governed by the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and Section 19 of the Treasury Regulations as it relates to the establishment and management of the Training Trade Account (TTA). The Treasury Regulations provides that, in determining charges for goods or services, the head of the trading entity must aim to recover the full cost of providing the goods or services, unless the relevant treasury approves lower charges; and that the head must review rates for user charges at least annually before the budget, and any tariff increases are subject to approval by the relevant treasury. The National School of Government TTA operates on a cost recovery model with partial funding from transfers received. The cost recovery model approach requires that the entity recovers all costs associated with the design and development of learning material and implementation of training courses from the course fees.

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

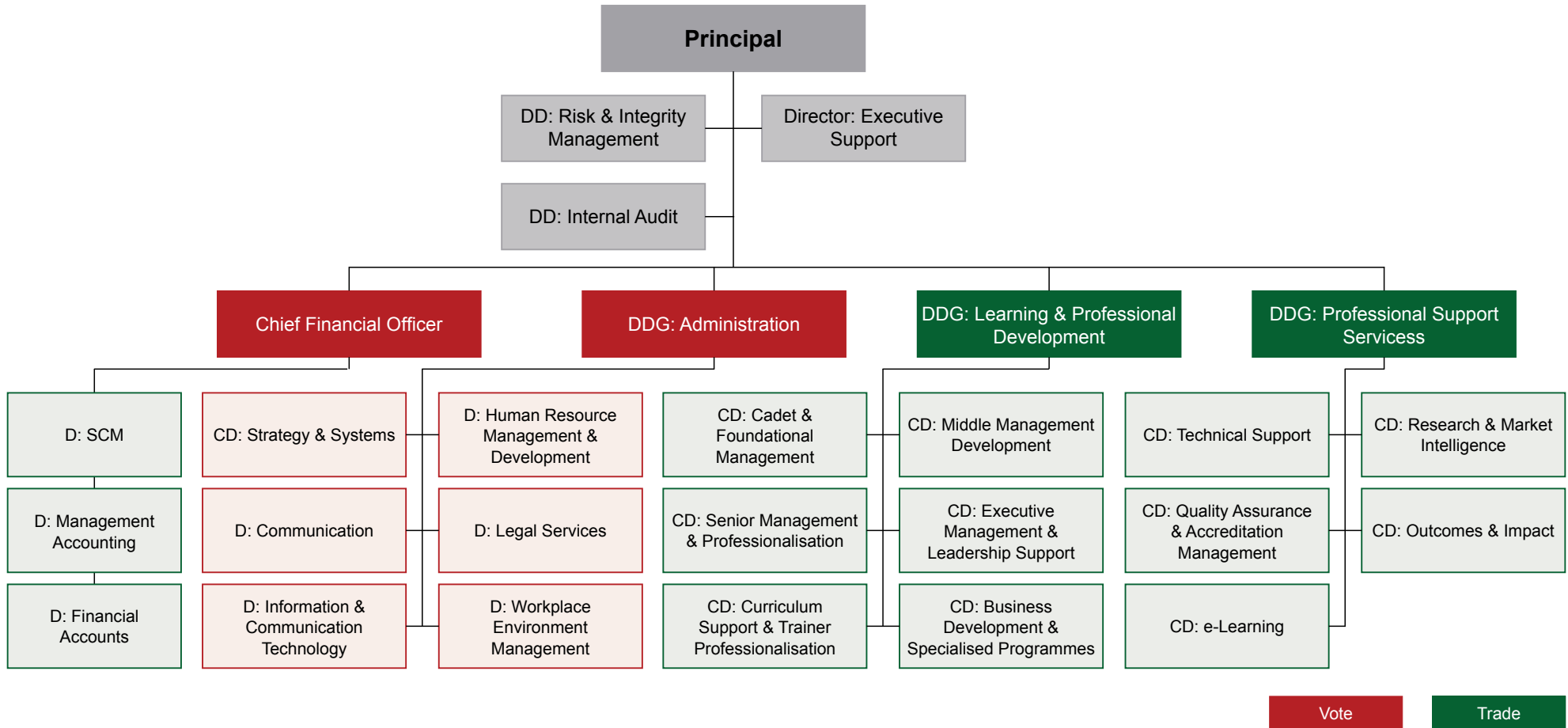
The policy alternatives and options articulated in the WP have also informed the organisational structuring and delivery model of the NSG, which is that of a competitive environment for public and private training providers to deliver training, operating within a uniformly applied set of national norms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

The learning principles for Public Service education and training, as articulated in the White Paper on Public Service Training and Education (Notice 1428 of 1998), include:

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



# 9. ORGANISATIONAL STRUCTURE



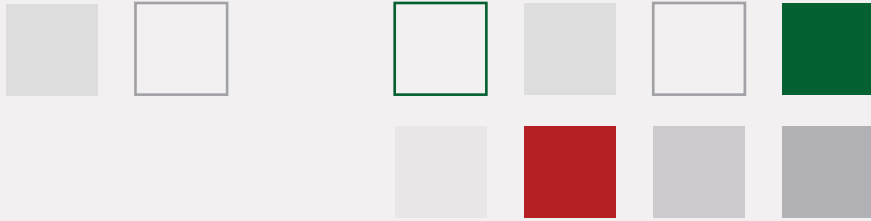
## 10. ENTITIES REPORTING TO THE MINISTER



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

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





**Part B:**  
**Performance  
Information**

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

The 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 99-208 of the Report of the Auditor General, published as Part F: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

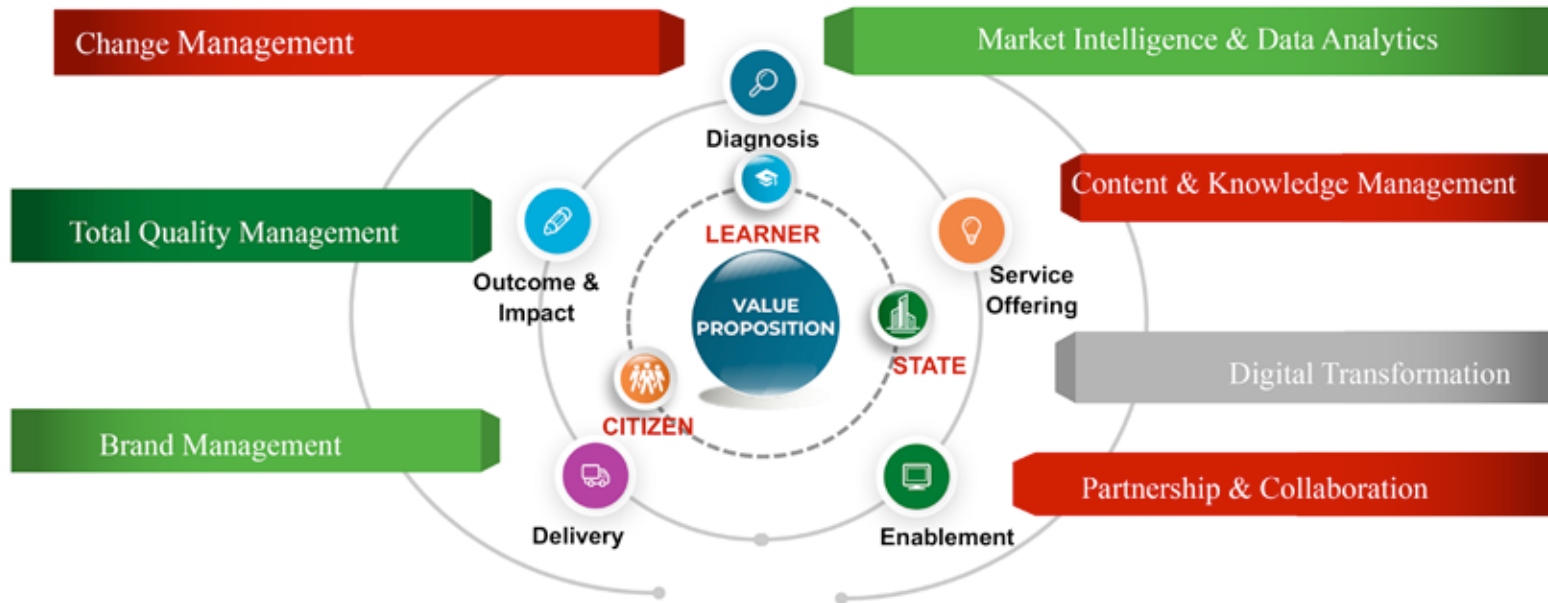
The '1997 White Paper on Transforming Public Service Delivery' (Batho Pele), emphasises the need for service delivery in the public service to be made a priority and sets out eight principles. These principles form the core of the relationship between the public service and the citizens. Furthermore,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

- Approved Service Delivery Model
- List of Core Mandated Services provided by the department
- Mapped Business Processes for all services
- Standard Operating Procedures for all services
- Service Standards for all services
- Service Delivery Charter
- Service Delivery Improvement Plan

During this financial year, the NSG has not been able to fully implement the TQM due to capacity constraints. Thus far in responding to the objectives of the plan, the NSG has managed to implement two objectives that entailed institutionalisation of the TQM through consultation and awareness as well as the approval of the TQM Policy. The TQM has a direct bearing with regard to the quality of services provided to critical key stakeholders. The service delivery environment is based on the following value chain:



# SERVICE DELIVERY MODEL



## 2.2 Service Delivery Improvement Plan

Main Services and Standards:

Main Services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievements
Access to training and development services through the NSG Contact Centre and training calendar of the NSG	All government departments and other state entities wishing to enrol employees for training	The NSG Contact Centre provides its services in line with the approved standard operating practices	Manage the Contact Centre strictly in line with the generally acceptable performance standards for the contact centre industry	In managing the Contact Centre in line with generally acceptable performance standards the Contact Centre received 4,646 calls, the average time taken to respond to calls was 00:00:27





Main Services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievements
Provide effective training and development management and delivery services to learners	All registered learners	The NSG reviews the training materials for relevancy to the learner competency requirements in line with his/ her job demands	Develop or review 8 programmes annually	8 new courses developed/ reviewed during the financial year
Expediently provide learners with certificates, managed through an improved learner records management process	All registered learners	The NSG issued a total number of 41,254 certificates	Issue certificates for qualifying learners	The NSG cumulatively issued 96,421 certificates against the standard (as of 2020 to 2024)

#### Batho Pele arrangements with beneficiaries:

Current/ Actual Arrangements	Desired Arrangements	Actual Achievements
The NSG subscribes to the Public Service Charter and has also developed a service charter and standards, which reinforces courteous behaviour towards service beneficiaries and citizens.	Communication with NSG staff to reinforce the principles of Batho Pele.	During this financial year, the NSG undertook internal communication on Batho Pele, through a Customer Relations Workshop that was held for frontline staff to reflect and engender on Batho Pele principles, as well as all staff were provided with name tags.

#### Service Delivery Information Tool:

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

#### Complaints Mechanism:

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



## 2.3 Organisational Environment

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

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

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

The performance of the NSG is based on the APP for the 2023/24 financial year as was approved by the MPSA and tabled in Parliament. The 2020-2025 Strategic Plan guided the work of the School. The planning, monitoring and reporting of performance is undertaken in line with the legislative prescripts as well as the internal policy on managing organisational performance. It is undertaken as follows:

- Developing an Annual Performance Plan
- Developing and implementing detailed work plans, including an Annual Operational Plan and Branch Business Plans
- Signing individual performance agreements in line with the School's performance and development management system

- Quarterly performance monitoring and review through the Executive Management Committee (EMC), Management Committee (MANCO) and Internal Audit
- Quarterly performance reporting to the MPSA, DPME and National Treasury

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

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

## 2.4 Key Policy Developments and Legislative Changes

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

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



## National Framework towards the Professionalisation of the Public Sector

In responding to the Priority 1 (Building a Capable, Ethical and Developmental State) of the sixth administration, the NSG was mandated by the Minister for the Public Service and Administration to lead the development of the National Framework towards the Professionalisation of the Public Sector. The NSG then embarked on a consultative process of developing the Framework, which was approved by Cabinet on 19 October 2022. The Framework will also ensure that qualified and competent individuals are appointed into positions of authority, in pursuit of a transformed, professional, ethical, capable and developmental public sector. Public officials should have the right qualifications and technical skills and be inducted into Batho Pele principles.

### 3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

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

#### Outcome 1: Functional and integrated institution

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

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

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements are the implementation of seven (7) ICT business solutions that contribute toward effectiveness and efficiency of the electronic systems of the NSG; twenty (20) communications interventions were undertaken to promote the NSG offerings. The NSG Brand and Marketing Strategy

was also successfully implemented enabling the increase in the visibility of the NSG intervention across the public service and various media platforms, to promote the NSG ETD interventions.

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

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

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

During this reporting period, the NSG recorded achievements supporting this strategic outcome. Some of these achievements include completing six (6) skills assessments to address training needs and ensure uptake of NSG offerings; eight (8) courses/ programmes/interventions were developed/ reviewed; and six (6) impact evaluation studies were completed. In terms of the National Framework on the Professionalisation of the public sector, the NSG has also conducted advocacy sessions to capacitate stakeholders across the spheres of government. The Nyukela Programme for middle managers was also developed and is anticipated to be implemented in the subsequent years.

#### Outcome 3: Sustainable partnerships and collaboration to support ETD interventions

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



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

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include five (5) partnerships agreements entered, which have resulted in the uptake of ETD interventions in this financial year. In establishing thought leadership platforms, the NSG has increased its footprint and reach through various webinars and masterclasses convened, through which prevalent discussions are held on various topics that attracted a diverse group of public servants from different sectors and spheres of government.

#### Outcome 4: Quality ETD Practitioners

The objective of this outcome is to ensure that ETD practitioners are professionalised to deliver ETD interventions. The performance of this outcome is measured by the implementation of a Performance Management System for ETD Practitioners to ensure the delivery of quality and teaching to respective learners enrolled for NSG courses.

#### Outcome 5: Responsive ETD Interventions

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

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

During this reporting period, the NSG has recorded achievements supporting this strategic outcome. Some of these achievements include eight (8) course materials that were developed/reviewed in line with the course development plan. Of significance is that the enrolment for online learning was 58,064 learners, which reflects the positive response in the participation and enrolment of online training by public servants.



## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 4.1 Programme 1: Administration

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

Sub-programmes under Programme 1 are organised as follows:

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

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

#### Outcomes, outputs, output indicators, targets and actual achievements

The programme had a total of five (5) planned targets for the financial year – four (4) targets were achieved, and one (1) target was not achieved. The annual performance translates to 80% achievement. The achievement of the planned targets has contributed to the outcome of ensuring the NSG is a functional and integrated institution. The implementation of the Total Quality Management plan was not concluded due to capacity constraints, however, approval and institutionalisation of the policy was done. The Decision-making Standard Operating Procedure was also developed, engaged at various organisational platforms and approved. The post has also been filled and the outstanding objectives will be achieved in the subsequent financial years.

This institutionalisation of the TQM is critical as it will contribute towards supporting the improvement of systems and services offered by the NSG to ensure that they meet the desired standards. In terms of Digital Transformation, the NSG has embarked on a journey of identifying various technical solutions that would assist the organisation to move swiftly and align with the Fourth Industrial Revolution (4IR) era. A comprehensive preliminary analysis of the status quo, and the modality in which the organisation can be transformed, has been conducted and a series of solutions identified.

The implementation of the communications marketing strategy has contributed to retaining and strengthening the brand identity of the NSG. The Masterclasses have contributed significantly and attracted a large number of participants. The NSG employees have also become brand ambassadors which further strengthened the internal capability and capacity of employees as advocates of the NSG Programmes.

The NSG focused on prioritising the employment equity statistics and there has been a noticeable improvement in the statistics which reflect 50% of females employed at SMS level, 24.1% of youth employed and 1.89% of persons with disability employed at the NSG. The NSG will continue with various interventions to further improve the EE statistics to ensure there is fair representation across the various designated groups within the organisation.



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

PROGRAMME 1: ADMINISTRATION									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
1.1	Functional integrated institution	Total quality management plan implemented	Percentage of total quality management plan implemented	Total quality management plan developed by March 2022	Total quality management plan not implemented Progress thus far on the two objectives per TQM plan: 1. Institutionalise TQM at the NSG (consultations and awareness) TORs for the establishment of the Inter-branch Quality Management Committee were broadened from focusing exclusively on ETD quality management 2. Implement Total Quality Management Policy Total Quality Management policy approved	100% of total quality management plan implemented	Total quality management plan not implemented in the financial year	100%	Capacity constraints impacted progress on the delivery of the TQM plan
1.2		Mapped business processes in line with operations management plan implemented	Number of mapped business processes in line with operations management plan implemented	6 business processes mapped in line with operations management plan by March 2022	4 mapped business processes in line with operations management plan Implemented by March 2023	4 mapped business processes in line with operations management plan implemented	4 mapped business process in line with operations management plan implemented	None	None



PROGRAMME 1: ADMINISTRATION									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
1.3		ICT projects enabling NSG operations implemented	Number of ICT projects enabling NSG operations implemented	6 ICT business solutions enabling operations implemented by March 2022	8 ICT business solutions enabling NSG operations implemented by March 2023	6 ICT projects enabling NSG operations implemented	7 ICT projects enabling NSG operations implemented	1	One solution was implemented retrospectively as it was delivered during COVID-19 outbreak
1.4		Material audit findings resolved by the end of the financial	Percentage of material audit findings resolved by the end of financial year	100% of material audit findings resolved by March 2022	100% (1/1) of material audit findings resolved by the end of the financial year by March 2023	100% of material audit findings resolved by the end of the financial year	No material findings were identified in the audit process for 22/23 FY and therefore no material findings to resolve by the end of the financial year	None	None



PROGRAMME 1: ADMINISTRATION									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
1.5		NSG brand and marketing strategy implemented	Percentage of NSG brand and marketing strategy implemented	50% of the NSG brand and marketing strategy implemented by March 2022	50% of the NSG brand and marketing strategy implemented by March 2023 Implementation covers the two objectives per strategy: <ul style="list-style-type: none"> <li>Develop and maintain NSG brand identity</li> <li>Enhance brand awareness</li> </ul>	75% of the NSG brand and marketing strategy implemented	75% of the NSG brand and marketing strategy implemented Implementation covers the three objectives per branding strategy: <ul style="list-style-type: none"> <li>Develop and maintain NSG brand identity</li> <li>Enhance brand awareness</li> <li>Make NSG staff brand ambassadors</li> </ul>	None	None

## Linking performance with budget

Sub-programme expenditure:

Sub-Programme Name	2023/2024			2022/2023		
	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	12,349	11,205	1,144	10,806	7,973	2,833
Corporate Services	82,192	80,394	1,798	86,778	78,565	8,213
Property Management	18,797	18,797	-	17,792	17,792	-
<b>Total</b>	<b>113,338</b>	<b>110,396</b>	<b>2,942</b>	<b>115,376</b>	<b>104,330</b>	<b>11,046</b>





During this financial year, the Vote was allocated an amount of R113.3 million to fulfil the mandate and operations of the NSG. The under-expenditure has primarily been the result of cost containment in the Vote. However, Programme 1 achieved five of the six performance targets. The expenditure in Programme 1 reflects the achievement of performance – particularly in the areas of ICT systems and solutions, facilities management and organisational design. Quite significant during this financial year is the utilisation of allocated budget to maximise on communications and marketing. These efforts have contributed to the NSG fulfilling its mandate to deliver on education, training and development. The media and marketing presence of the NSG in the utilisation of different platforms continues to grow and in ensuring the brand positioning.

### Strategy to overcome areas of underperformance

In addressing areas of underperformance, the NSG will focus on implementing the outstanding objectives in terms of the TQM intended to ensure the provision of quality services and products by the NSG and a representation of the *Batho Pele* principles and standards. The NSG will delve deeper into a comprehensive assessment of the School's digital readiness for the digital era through reviewing and identifying the issues and key priority areas that require digital intervention in order to align with the repositioning of the future NSG.

A process of creating digital awareness will be undertaken, focusing on equipping and empowering officials with digital skills, e.g. having digital showrooms/screens that highlight the work of NSG, the greenroom, and the Virtual Reality and Simulator for digital learning leadership simulation equipment. In terms of the Organisational Design (OD) process, the OD Policy has been reviewed and the next step is facilitating internal engagements, such as the Policy Forum, followed by the ratification process.

An in-depth analysis and review of the functions performed within the department has been conducted to determine alignment with the approved structure, and the next step is to expedite the process of ensuring all the posts within the NSG have been evaluated and functions responsive to the extended mandate of the department. There will also be a review of the Job Evaluation Policy and crafting a Standard Operating Procedure (SOP) to oversee job profile management and maintenance filling of vacant posts.

Lastly, to strengthen gender mainstreaming within the department, the NSG will be focused on capacitating employees on Gender Planning and Budget. The NSG will also review policies to determine alignment to gender mainstreaming and use various interventions to capacitate employees on transformation issues in terms of Framework on Gender, Responsive, Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEA).

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

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



## 4.2 Programme 2: Public Sector Organisational and Staff Development

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

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

The programme is underpinned to the five (5) outcomes, which are:

- Functional Integrated Institution
- Competent Public Servants
- Sustainable Partnerships
- Quality ETD Practitioners
- Responsive ETD Interventions

### Outcomes, outputs, output indicators, targets and actual achievements

The programme had a total of nineteen (19) planned targets for the financial year; seventeen (17) targets were achieved, whilst two (2) targets were not achieved. The annual performance translates to 90% achievement. The targets not achieved were the skills audit for infrastructure and frontline service departments, which has taken longer than anticipated. The skills audit aims to help accelerate the professionalisation of the public service and determine whether critical skills exist to deliver economic infrastructure and frontline services effectively. The project, which is being undertaken in partnership with the HSRC, has been extended to a multi-year project that will be

completed in the 2024/25 financial year as the process required desktop research to determine the ideal state of delivery in the six (6) identified departments to be undertaken for the development of the situational analysis report.

The low enrolment of SMS to the Programme on 'How to Deal with All Forms of Discrimination' had presented challenges such that the NSG had to seek ways to overcome the poor uptake for the course. The DPSA issued a directive to urge public servants to enrol for the programme and, with permission from DPME, revised the indicator to allow public servants of all levels to access the course to stimulate uptake. Given the revision, our baseline also started from zero, and therefore, a record-high achievement of 46% was obtained in the current financial year.

There has been an improvement with the programme in the achievement of the planned targets that contribute to the Strategic Outcomes of the NSG. The noticeable increase in the revenue generated will enable the department to offer more learning interventions that contribute to the ETD of public servants. The signed partnership agreements have enabled the NSG to increase collaborations and provide access to local and international institutions focusing on the development and capacitation of public servants.

The NSG has also undertaken extensive advocating of the National Framework towards the Professionalisation of the Public Sector which is critical and an enabler towards professionalising the public sector and building public servants who are professional, capable and can deliver on quality services. To ensure programmes are delivered effectively and efficiently, the implementation of the Performance Management System for ETD practitioners will be essential for NSG to retain the required standard of teaching and learning through the delivery of quality ETD interventions.

Training has also been exemplary with the delivery of some programmes online and through virtual platforms. This has also enabled a self-paced environment for a learner; it ensures participation and sufficient time in providing in completing a programme.



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

PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2.1	Functional integrated institution	Revenue and other funding sources generated	Amount of revenue generated and other funding sources in TTA	R98.7 million in revenue and other funding sources generated by March 2022	R115.2 million in revenue and other funding sources generated	R101m in revenue and other funding sources generated in TTA	R143 206 256 in revenue and other funding sources generated in TTA	R 42 206 256	Strict implementation of signed MoAs to meet the revenue projections and continued marketing of NSG courses.
2.2		Business development interventions resulting in the uptake of the ETD offerings	Percentage of business development interventions resulting in the uptake of the ETD offerings	50% (23/46) business development interventions resulting in opportunities for the uptake of the NSG offerings by March 2022	83% of business development interventions resulting in the uptake of the NSG offerings by March 2023	60% of business development interventions resulting in the uptake of the ETD offerings	84% (117/140) business development interventions resulting in the uptake of the ETD offerings	24%	A project management approach was undertaken to ensure integrative and collaborative partnerships between clients and the NSG.
2.3		Research projects informing ETD interventions developed	Number of research projects informing ETD interventions developed	4 research reports informing ETD interventions developed by March 2022	6 research reports informing ETD interventions developed by March 2023	6 research reports informing ETD interventions developed	6 research reports informing ETD interventions developed	None	None



PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2.4	Competent public servants empowered to do their jobs	Skills assessment reports on specific departments or public sector on training needs for relevant ETD interventions	Number of skills assessment reports on specific departments or public sector on training needs for relevant ETD interventions completed	11 skills assessment reports informing ETD needs completed by March 2022	9 skills assessment reports on specific departments or public sector informing ETD needs completed by March 2023	6 skills assessment reports on specific departments or public sector on training needs for relevant ETD interventions completed	6 skills assessment reports on specific departments or public sector on training needs for relevant ETD interventions completed	None	None
2.5		Courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	Number of courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	8 courses/ programmes / interventions responsive to identified skills gaps and government priorities developed/ reviewed by March 2022	8 courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed by March 2023	8 courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	8 courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	None	None
2.6		Impact evaluations to improve the quality of ETD interventions	Number of impact evaluations studies conducted	6 impact evaluation studies conducted by March 2022	6 progress reports on the impact evaluation studies conducted by March 2023	6 impact evaluation studies conducted	6 impact evaluation studies conducted	None	None



PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2.7		Partnerships established with professional bodies on functional areas for professionalisation	Number of partnerships established with professional bodies on functional areas for professionalisation	National implementation framework on professionalisation of the public service developed by March 2022	No functional areas professionalised with professional bodies by March 2023  1 MoA signed with the Chartered Institute of Procurement and Supply.  Finalising MoA with Institute of Internal Auditors	2 partnerships established with professional bodies on functional areas for professionalisation	3 partnerships established with professional bodies on functional areas for professionalisation  1. The South African Council for Social Service Professions (SACSSP)  2. Institute of Chartered IT Professionals (ICITP) and  3. Association of Certified Fraud Examiners South Africa (ACFE)	1	High level of interest by professional institutions to partner with the NSG to help the public sector achieve its professionalisation objectives
2.8		Status report on the accreditation of the postgraduate qualification	Status report on the accreditation of the postgraduate qualification developed	Post-graduate qualification developed for the NSG by March 2022	Facilitation of accreditation process not achieved by March 2023	Status report on accreditation of the postgraduate qualification developed	Status report on accreditation of the postgraduate qualification developed	None	None



PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2.9		Skills audit for 2 public service departments conducted	Number of skills audit for public service departments conducted	No baseline	No baseline	Skills audit for 2 public service departments conducted	Skills audit for 2 public service departments not conducted	Skills audit for 2 departments	The current FY focused on the desktop analysis, which yielded situational analysis reports for each of the 6 departments involved
2.10		Advocacy sessions conducted on the implementation of the National Framework towards the Professionalisation of the public sector	Number of advocacy sessions conducted on the implementation of the National Framework towards the Professionalisation of the public sector	No baseline	No baseline	6 Advocacy sessions conducted on the implementation of the National Framework towards the Professionalisation of the public sector	42 Advocacy sessions conducted on the implementation of the National Framework towards the Professionalisation of the public sector	36	Organisations with vested interest in the public sector invite the NSG to present the framework whilst others respond positively to the NSG's request to present the framework
2.11		Nyukela Programme for Middle Management Services developed	Nyukela programme for Middle Management Services developed	No baseline	No baseline	Nyukela programme for Middle Management Services developed	Nyukela programme for Middle Management Services developed	None	None



PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2.12	Sustainable partnerships and collaboration to support ETD interventions	Partnerships and collaborations facilitated to support ETD interventions	Percentage of partnerships and collaborations facilitated to support ETD interventions	55% (28/51) partnerships facilitated to supported interventions by March 2022	88% (114/129) of partnerships and collaborations facilitated to support ETD interventions by March 2023  Percentage implemented of partnership covers 7 International and 107 local partnerships with facilitated training	25% of partnerships and collaborations facilitated to support ETD interventions	84% (122/145) of partnerships and collaborations facilitated to support ETD interventions  This includes 5 international and 111 local partners	59%	Integrated project management approach used for local partnership improved collaborations with partners



PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2.13	Quality ETD practitioners	Performance management system for ETD practitioners piloted and implemented	Performance management system for ETD practitioners piloted and implemented	Framework for performance management system for ETD practitioners developed by March 2022	Performance management system for ETD Practitioners piloted by March 2023	Performance management system for ETD Practitioners piloted and implemented	Performance management system for ETD Practitioners piloted and not fully implemented	Functional performance management system	Some deliverables related to the ETD practitioner value chain were implemented  The NSG recently recruited a new cohort of trainers and thus will trigger the full implementation of the ETD practitioner value chain in the new financial year
2.14	Responsive Education, Training and Development Interventions	NSG accreditation status approved by accrediting bodies	Approved NSG accreditation status by accrediting bodies	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider by March 2022	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider by March 2023	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider	Accreditation processes facilitated and managed to maintain the status of the NSG as an accredited training provider	None	None





PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2.15		Programmes/ courses quality assured by the NSG Quality Assurance Committee	Number of programmes/ courses quality assured by the NSG Quality Assurance Committee	8 programmes/ courses quality assured by the NSG Quality Assurance Committee by March 2022	8 programmes/ courses quality assured by the NSG Quality Assurance Committee by March 2023	8 programmes/ courses quality assured by the NSG Quality Assurance Committee	8 programmes/ courses quality assured by the NSG Quality Assurance Committee	None	None
2.16		Compulsory courses/ programmes implemented	Number of compulsory courses/ programmes implemented	9 compulsory programmes implemented by March 2022	7 compulsory courses/ programmes implemented by March 2023	8 compulsory courses/ programmes implemented	8 compulsory courses/ programmes implemented	None	None
2.17		Learners trained on compulsory and demand-led ETD interventions	Number of learners trained on compulsory and demand-led ETD interventions	86 687 learners trained on compulsory and demand-led ETD interventions by March 2022	79 049 learners trained on compulsory and demand-led ETD interventions by March 2023	46 480 learners trained on compulsory and demand-led ETD interventions	84 443 learners trained on compulsory and demand-led ETD interventions	37 963	There has been a large uptake of free courses in the financial year which resulted in high training numbers



PROGRAMME 2: PUBLIC SECTOR ORGANISATIONAL AND STAFF DEVELOPMENT									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
2.18		Public servants in the public sector trained on how to deal with all forms of discrimination	Percentage increase of public servants in the public sector trained on how to deal with all forms of discrimination	No training done by March 2022	0.6% (62/9612) of senior managers in the public service trained on how to deal with all forms of discrimination by March 2023	10% increase of public servants in the public sector trained on how to deal with all forms of discrimination	46% (886/1929) increase of public servants in the public sector trained on how to deal with all forms of discrimination	36%	The indicator was revised to include public servants of all levels  The reported number is higher than anticipated as the baseline was also revised, starting at 0
2.19		ODeL courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	Number of ODeL courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed	12 online courses developed by March 2022	10 ODeL courses / programmes / interventions responsive to identified skills gaps developed/ reviewed by 2023	8 ODeL courses/ programmes/ interventions responsive to identified skills gaps developed/ reviewed by 2023	8 identified courses developed/ reviewed in line with the course development plan	None	None



## Linking performance with budgets

### Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Augmentation to the Training Trading Account	107,802	107,802	-	115,721	115,721	-
<b>Total</b>	<b>107,802</b>	<b>107,802</b>	<b>-</b>	<b>115,721</b>	<b>115,721</b>	<b>-</b>

During this financial year, the transfer from the Vote to the TTA (R107.8 million) was further supplemented by the interventions of the NSG to raise revenue in excess of R143 million. The Trade was also impacted upon by the organisational restructuring process, which resulted in vacancies in many key areas of delivery. However, Programme 2 achieved seventeen (17) of the nineteen (19) performance targets. The expenditure in Programme 2 reflects the achievement of performance. Key programmes such as the Economic Governance School continue to raise the brand of the NSG with interest being shown. The advocacy of the Framework on the Professionalisation of the Public Sector has also contributed significantly to the performance of the programme due to the high interest in the framework and the process of institutionalisation. The training performance (actual achievement against pre-determined targets) is an indication that the NSG expenditure has contributed to the performance of the institution.

### Strategy to overcome areas of underperformance

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

The provision of more online, self-paced and customised training per the client's needs and requirements will also contribute to a larger group of public servants being trained, and this approach, as reflected from the current statistics of online training, indicates that a large group of public servants are enrolling for online training.

The expansion of the NSG mandate to conduct training across the spheres of government has also yielded positive outcomes as the department conducted training such as the Local Government Leadership Development Programme in which councillors participated and graduated reflecting a critical role in the capacitation and development of local government. There has also been training on The Art of Facilitating Socio-economic Development for Traditional Communities focused on building an active citizenry that can know and assert its rights, fully access and utilise government resources for societal development, and to hold government accountable.



To guarantee the quality and value of the ETD practitioners, the NSG will ensure the performance management system is fully implemented in the next financial year. Over the past four years, the department has established the framework and policies, prepared and piloted the Art of Facilitation Programme for practitioner induction and onboarding, and developed the ETD Practitioner value chain to safeguard the full implementation of the system in the last financial year of the NSG Strategy 2020-25.

The generation of revenue for the NSG has also increased as the department prioritised the backlog in terms of training that had to be undertaken and recognised the payment made by various departments. Therefore, the continuation of the backlog is critical. In an effort to increase enrolment by SMS to the online course.

Lastly, in the subsequent financial years, the department will continue to review the current funding model in order to establish mechanisms that can positively contribute to increasing revenue for the NSG to ensure its sustainability. The role of the NSG will be strongly expressed in the process of implementing the National Framework towards the Professionalisation of the Public Sector. The NSG will continue to develop and review courses offered through the e-learning platform as it has positively contributed to increased training.

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

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

## **5. TRANSFER PAYMENTS**

### **5.1 Transfer payments to public entities**

The NSG did not make any transfers to public entities.

### **5.2 Transfer payments to all organisations other than public entities**

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

## **6. CONDITIONAL GRANTS**

The NSG did not receive conditional grants.

## **7. DONOR FUNDS**

### **Funds received 2023/24**

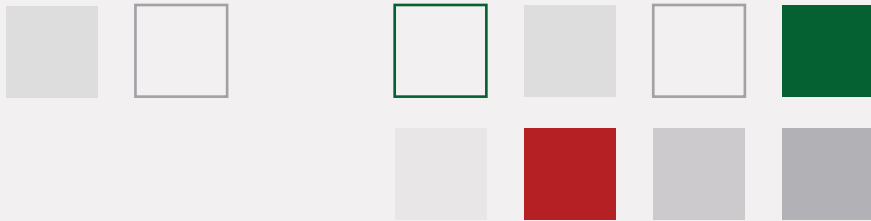
The NSG has not received any donor funds.

## **8. CAPITAL INVESTMENT**

### **Capital investment, maintenance and asset management plan**

The NSG did not have capital investment.





school of government

Department:  
National School of Government  
REPUBLIC OF SOUTH AFRICA



## Part C: Governance

## 1. INTRODUCTION

Section 195 (1) of the Constitution of the Republic of South Africa, 1996 provides that public administration must be governed by the democratic values and principles as enshrined therein, including, among others, that a high standard of professional ethics must be promoted and maintained. Furthermore, section 3 (1) (h) of the Public Service Act, 1994 (as amended) empowers the Minister for the Public Service and Administration to establish norms and standards in respect of integrity, ethics, conduct and anti-corruption in the public service. Regulation 22 of the Public Service Regulations (PSR), 2016 provides for anti-corruption and ethics functions which are mandatory for all government departments.

Section 38 (1) (a) (i) of the PFMA states that “the Accounting Officer of a department must ensure that the department has and maintains an effective, efficient and transparent systems of financial and risk management and internal control. Section 3.2.1 of the Treasury Regulations states that “The Accounting Officer must ensure that risk assessment is conducted regularly so as to identify emerging risks of the institution”. The NSG has established the Risk Management Committee (Committee) to assist the Accounting Officer to fulfil the risk management and control responsibilities in accordance with prescribed legislation and corporate governance principles.

## 2. RISK MANAGEMENT

The NSG follows an integrated approach towards risk management and has adopted the Public Sector Risk Management Framework and international standards such as the COSO framework, ISO 31000 and other best practices in developing the approved Enterprise Risk Management Framework. The Enterprise Risk Management Framework is annually revised together with the Risk and Ethics Management Committee Charter, which are among other governance requirements for the Committee.

The Enterprise Risk Management Framework outlines the risk management approach followed by the Department, combining efforts by the NSG management and staff, the Risk and Ethics Management Committee, and Internal Audit and Audit Committee, in identifying strategic, operational and emerging risks that could impede the organisation in achieving its set objectives. Through these efforts, mitigation

strategies are developed, implemented and continuously monitored to ensure that risks are minimised to an acceptable level. The overall risk management processes focus on developmental strategic risks, ICT risks and operational risks. These risks are monitored continuously on a quarterly basis to assess implementation of the identified action plans, and progress on the risk action plan and status is presented to the Risk and Ethics Management Committee (REMC) and the Audit Committee of the NSG. The REMC is chaired by an external member (non-executive), who also serves as a member of the Audit Committee, to ensure transparency and objectivity in the discharge of its responsibilities. The Committee provides assurance to the Accounting Officer and Audit Committee that risks are effectively managed.

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

## 3. FRAUD AND CORRUPTION

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



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

#### 4. MINIMISING CONFLICT OF INTEREST

The NSG adheres to the Conflict of Interest standard as contained in Chapter 2, Part 2 (21) of the Public Service Regulations, 2016. It is required of Senior Management Services (SMS) and other categories to disclose their interests so that heads of departments, the Public Service Commission (PSC) and DPSA will be able to detect and manage conflicts of interest at an early stage. In our efforts to strengthen governance, the NSG has effectively implemented the Financial Disclosure Framework. In terms of the Public Service Regulations (PSR), all members of the Senior Management Services (SMS), Middle Management Services (MMS), certain Occupational Specific Dispensation (OSD) employees, Assistant Directors and employees in Finance and Supply Chain are required to disclose their financial interest through the e-disclosure system. The NSG communicates the dates with designated categories of employees timeously to ensure compliance with the Financial Disclosure Framework.

Furthermore, employees are required by law and the departmental policy to obtain approval from the Accounting Officer prior to conducting other remunerative work outside the department on an annual basis. There is an approved Conflict of Interest Policy in line with this. The policy sets forth applicable provisions and assists NSG employees, businesses conducting business with the NSG and certain other individuals under contractual obligation with the NSG to declare conflicts of interest. The policy further outlines the requirements and procedure for application to undertake other remunerative work, disclose financial interests, and disclose actual and/or perceived conflicts of interest as well as implications of conducting business with an organ of the state.

#### 5. CODE OF CONDUCT

The NSG adheres to the Code of Conduct as contained in Chapter 2, Part 1 (13) of the Public Service Regulations, 2016. The NSG includes the discussion and awareness of the Code of Conduct in the programmes for internship, induction courses for newly appointed employees and HR roadshows.

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

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

#### 6. SAFETY AND ENVIRONMENTAL ISSUES

The NSG reviewed the appointment of the Occupational Health and Safety Committee and conducted training for Fire Marshals and First Aiders, thus ensuring compliance with OHS Policy. The approved departmental OHS Policy is under review. The OHS Committee convened quarterly and on an ad hoc basis when the need arises. The OHS Committee also reports regularly to the Departmental Bargaining Committee on OHS related items. The management of OHS is implemented through a Safety, Health, Environment, Risk and Quality (SHERQ) Management Operational Plan and quarterly reports are submitted to DPSA. The Risk Assessment report is compiled and presented to the OHS Committee.



## 7. PORTFOLIO COMMITTEES

During the financial year under review, the NSG was invited to the Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation. The engagements were convened through the virtual platform and are indicated below:

Date of Meeting	Issue for Presentation and Engagement
2 May 2023	National School of Government Annual Performance Plan for 2023/2024
11 October 2023	National School of Government Annual Performance Report for 2022/23 Financial Year
15 November 2023	Presentation on the implementation of the National Framework Towards Professionalisation of the Public Sector
20 February 2024	Presentation on the implementation of the MTSF 2019-2024 performance targets
28 February 2024	The National School of Government First, Second and Third Quarter Organisational Performance Reports for 2023/24

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

- The National School of Government should develop a fully-fledged funding model to maintain self-generated income through the Training Trading Account.
- The NSG should move with speed towards the development of the Implementation plan of the National Framework towards the Professionalisation of the public sector.
- The NSG, together with the DPSA and the PSC should ensure that all government departments and entities abide by the Framework. There must be a monitoring tool to measure the implementation of the Framework.
- The NSG should conduct impact evaluation of its training programmes to measure the efficacy and application of knowledge with the aim of improving performance.

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

The NSG also presented its Annual Performance Plan for 2023/24 to the Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure on 03 May 2023.

## 8. SCOPA RESOLUTIONS

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

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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





## 10. INTERNAL CONTROL UNIT

The Internal Audit is currently outsourced to SAB&T Business Consulting for a period of three years from 1 April 2022, working together with the NSG's Internal Auditor in carrying out audits. Internal Audit follows a risk-based audit approach which places emphasis on the identification of risks, the prioritising thereof and testing of controls over key risk areas.

The Audit Committee approved the Internal Audit Operational plan for the 2023/24 financial year. In line with the annual Internal Audit Plan for the year, the internal audit focus was on Review of Financial Statements and annual Performance report, Supply Chain Management, Financial Controls Review, Performance Information, Partnership, Human Resources Review, Business Continuity and Disaster Recovery – Business Impact Assessment and Follow up Reviews.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

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

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

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

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

### Audit Committee members and attendance

The Audit Committee continued to provide independent advice to management and to oversee the functioning of the Internal Audit unit. The contract of three members of the Committee expired on 31 October 2023. To ensure continuity, the NSG reappointed one (1) member as the new Chairperson and appointed four (4) new members as indicated in the table below.



The Audit Committee currently consists of five (5) independent members in line with good corporate governance as listed below. The Committee meets at least four (4) times per annum as per its approved terms of reference. During the year under review, the Committee held four (4) meetings.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Term End Date	No. of Meetings attended
<b>Mr Sakhi Simelane</b>	Master of Commerce: Accounting, Master of Business Administration, Bachelor of Commerce (Honours), Bachelor of Commerce (Accounting)	External (Chairperson)	N/A	01 November 2016	31 October 2023	3
<b>Dr Maria Peenze</b>	Doctor Technologiae: Business Administration, Magister Legum: Human Rights, Baccalaureus Legum, Baccalaureus Luris	External (Member)	N/A	01 November 2016	31 October 2023	4
<b>Ms Zanele Nkosi</b>	Bachelor of Commerce in Accounting Bachelor of Commerce (Honours) CTA, QE Board 1 and PPE Board 2	External (Member)	N/A	01 November 2016	N/A	4
<b>Prof Daniel (DP) van der Nest</b>	Doctor Technologiae, Master of Commerce: Economics, Bachelor of Commerce (Honours) in Economics, Bachelor of Commerce (Accounting), Post Graduate Diploma in Higher Education	External (Member)	N/A	01 November 2016	N/A	5
<b>New Audit Committee Members from 01 November 2023</b>						
<b>Prof Daniel (DP) van der Nest</b>	Doctor Technologiae, Master of Commerce: Economics, Bachelor of Commerce (Honours) in Economics, Bachelor of Commerce (Accounting), Post Graduate Diploma in Higher Education	External				
<b>Dr Tebogo Sethibe</b>	Doctor of Business Leadership, Master of Business Leadership, Master of Information Technology, Bcom Science in Computer Science.	External (Member)	N/A	01 November 2023	N/A	1
<b>Ms Noziphiwo Phumeza Lubanga</b>	Master's in Business Administration, Post Graduate Diploma General Management, Bcom Honours Internal Audit, Bcom Internal Audit, National Diploma Internal Audit.	External (Member)	N/A	01 November 2023	N/A	1
<b>Ms Khanyisile Kweyama</b>	Post Graduate Diploma in Management	External (Member)	N/A	01 November 2023	N/A	1
<b>Mr Mojalefa Daniel Claude Rathebe</b>	Bachelor of Law	External (Member)	N/A	01 November 2023	N/A	1



## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

### Audit Committee Responsibility

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

### The Effectiveness of Internal Control

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

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

- Annual Financial Statements and Annual Performance report
- Supply Chain Management
- Financial Controls Review
- Performance Information
- Partnership Review
- Human Resources Review
- Business Continuity and Disaster Recovery – Business Impact Assessment
- Follow-up Reviews

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

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

### Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department and has also requested an internal audit review of the financial statements, to provide additional assurance. There were no material adjustments to the financial statement of the vote and the trading entity,

### Other Matters:

The Audit Committee is appreciated:

- The implementation of the current five-year strategy, which remains aligned to government's priority of building state capacity. With this being the fourth year of implementing the strategy, the NSG has demonstrated consistency in performance and strategy implementation despite the challenges of the COVID-19 pandemic.
- The recognition by the NSG that building state capacity requires it to grow and expand its mandate to reach elected and appointed public officials across the public sector spectrum, including members of the executive and board members of state-owned entities.
- The growth of the partners, domestically and internationally, to support education, training and development interventions. This has now firmly placed the NSG on the continental and global map as an institution worthy of being associated with.
- The education, training and development innovations that have been introduced, such as the masterclasses and webinars, which continue to draw participations from public servants and interested individuals, including academics and students.
- The continued interest and implementation of digital transformation, through course offerings and masterclasses, as well as its own institutional innovation. The Learner Management System of the NSG will ultimately ensure greater accuracy in reporting of financial and non-financial performance.



## 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. The audit committee wishes to thank the Auditor General for the contribution as an assurance provider in the NSG.

The Audit Committee wishes to congratulate the Principal and management with the clean audit reports on the Vote and the Trading Entity of NSG.



### Prof Daniel van der Nest

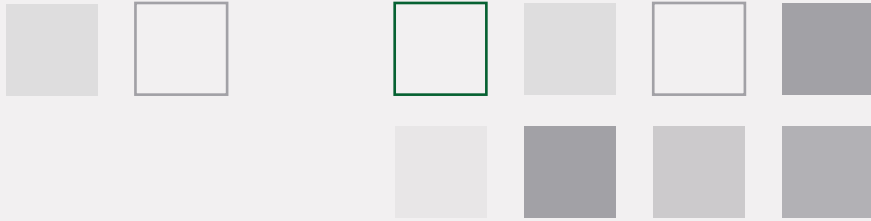
Chairperson of the Audit Committee  
National School of Government  
Date: 31 August 2024

## 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry:

Has the Department applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	-
Developing and implementing a preferential procurement policy?	Yes	In complying with the prescripts of PPPFA, the NSG's Supply Chain Management's Policy has incorporated the Regulations 2022 requirements. Procurement of goods and services is carried out in terms of the preference points system.
Determining qualification criteria for the sale of state-owned enterprises?	No	-
Developing criteria for entering into partnerships with the private sector?	No	-
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-based Black Economic Empowerment?	No	-





**Part D:**

# Human Resource Management



## 1. INTRODUCTION

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

## 2. OVERVIEW OF HUMAN RESOURCES

The NSG staff establishment comprises of 238 funded posts aligned with the approved structure, of which 215 are filled posts and 23 vacant as of 31 March 2024, translating to 90% filled posts. In the financial year under review, the vacancy rate reduced from 17.5% in 2022/23 to 9.6% by the end of 2023/24 financial year, reflecting a plausible performance by the department to fill vacant posts. The reduction was the determination of the department to embark on a recruitment drive to fill the posts and responding to the extended mandate, as well as to improve performance post the migration process. In line with the approved structure, 45 SMS posts were filled out of 47 posts that highlighted the SMS vacancy rate at 4.25% as of 31 March 2024. The NSG filled 2 SMS posts during 2023/2024 and, 2 SMS were appointed on a twelve-month fixed term contract which is an addition to the fixed-term establishment.

The NSG managed to align 100% of the approved structure with PERSAL establishment, and employees were placed according to their signed placement letters in line with the PERSAL establishment. The NSG met the Cabinet targets for employment of people with disabilities, representing 2.7% of employees. The NSG also trained 118 officials in line with the Workplace Skills Plan (WSP) representing 55% of the staff. The focus

on training the officials was on critical skills required to deliver on the mandate of the school. The NSG also awarded 26 bursaries to employees to further their studies for the 2023/24 academic years.

The NSG reached a target of 100% of SMSs who submitted performance agreements and were captured on the PERSAL System for 2023/24 financial year. The NSG also implemented Employee Health and Wellness (EHW) Programmes and monitored the environment to take care of employee's wellbeing by ensuring compliance to environmental wellness and safety standards. The NSG performed excellently in implementing programmes aimed at enhancing active uptake of EHW Interventions. A total of 171 employees were able to attend Health and Wellness Programmes during 2023/24 financial year and the target was exceeded.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel-related expenditure

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

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



**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2023 and 31 March 2024:**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Vote Programme 1	110 396	58 418	634	2 526	53%	739
Vote Programme 2	107 802	-	-	-	-	-
NSG TTA	242 427	105 139	1 911	34 600	43%	735
<b>Total</b>	<b>460 625</b>	<b>163 557</b>	<b>2 545</b>	<b>37 126</b>	<b>36%</b>	<b>737</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 to 31 March 2024:**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)				
Skilled (level 3-5)	5 292	3%	331	5 292
Highly skilled production (levels 6-8)	36 831	23%	428	36 831
Highly skilled supervision (levels 9-12)	55 217	34%	767	55 217
Senior and Top management (levels 13-16)	66 217	40%	1 380	66 217
<b>Total</b>	<b>163 557</b>	<b>100%</b>	<b>737</b>	<b>163 557</b>

**Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2023 to 31 March 2024:**

Programme	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Vote Programme 1	40 033	24%	460	0%	1 187	1%	2 247	1%
Vote Programme 2								
NSG TTA	73 030	45%	16	0%	1 882	1%	3 595	2%
<b>Total</b>	<b>113 063</b>	<b>69%</b>	<b>476</b>	<b>0%</b>	<b>3 069</b>	<b>1%</b>	<b>5 842</b>	<b>4%</b>



**Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2023 to 31 March 2024:**

Salary band	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	-	-	-	-	-	-	-	-
Skilled (level 3-5)	3 705	2%	54	0%	225	0%	489	0%
Highly skilled production (levels 6-8)	26 160	16%	297	0%	1 424	1%	3 073	2%
Highly skilled supervision (levels 9-12)	39 948	24%	125	0%	666	0%	1 470	1%
Senior management (level 13-16)	43 250	26%		0%	754	0%	810	0%
<b>Total</b>	<b>113 063</b>	<b>69%</b>	<b>476</b>	<b>0%</b>	<b>3 069</b>	<b>2%</b>	<b>5 842</b>	<b>4%</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 at 31 March 2024:**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
VOTE	87	79	9.19%	1
TRADE	151	136	9.93%	5
<b>Total</b>	<b>238</b>	<b>215</b>	<b>9.66%</b>	<b>6</b>





**Table 3.2.2 Employment and vacancies by salary band as at 31 March 2024:**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0	0	0	0
Skilled (3-5)	27	20	25%	0
Highly skilled production (6-8)	82	76	7.31%	4
Highly skilled supervision (9-12)	82	74	9.75%	0
Senior management (13-16)	47	45	6.38%	2
<b>Total</b>	<b>238</b>	<b>215</b>	<b>9.66%</b>	<b>6</b>

**Table 3.2.3 Employment and vacancies by critical occupations as at 31 March 2024:**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
HOD (Principal)	1	1	100%	-
Top Management & Executive staff (Deputy Director-Generals) SR15	3	3	100%	-
Management & General Support (Chief Financial Officer) SR14	1	1	100%	-
Information Technology & related personnel (Director: ICT) SR SR13	1	1	100%	1
<b>Total</b>	<b>6</b>	<b>6</b>	<b>100%</b>	<b>1</b>

**Notes**

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



### 3.3 Filling of SMS Posts

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

**Table 3.3.1 SMS post information as at 31 March 2024:**

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%	-	
Salary Level 16	1	1	100%	-	100%
Salary Level 15	2	2	100%	-	100%
Salary Level 14	13	13	100%	-	100%
Salary Level 13	30	28	93.33%	2	6.67%
<b>Total</b>	<b>47</b>	<b>45</b>	<b>95.74%</b>	<b>2</b>	<b>4.25%</b>

**Table 3.3.2 SMS post information as at 30 September 2023:**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1		-	100%
Salary Level 16	1	1	100%	-	100%
Salary Level 15	2	2	100%	-	100%
Salary Level 14	13	13	100%	-	100%
Salary Level 13	30	27	90%	3	10%
<b>Total</b>	<b>47</b>	<b>44</b>	<b>93.61%</b>	<b>3</b>	<b>6.38%</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 to 31 March 2024:**

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

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2023 to 31 March 2024:**

Reasons for vacancies not advertised within six (6) months
N/A

Reasons for vacancies not filled within twelve (12) months
N/A



## Notes

- In terms of the Public Service Regulation 65 of 2016, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within twelve (12) months for the period 1 April 2023 to 31 March 2024:**

Reasons for vacancies not advertised within six (6) months
N/A

Reasons for vacancies not filled within six (6) months
N/A

**Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 to 31 March 2024:**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	-					-	-
Skilled (Levels 3-5)	27	5	19%	-	-	-	-
Highly skilled production (Levels 6-8)	82	8	10%	2	25%	-	-
Highly skilled supervision (Levels 9-12)	82	17	21%	1	6%	-	-
Senior Management Service Band A	30	6	20%	-	-	-	-
Senior Management Service Band B	13	3	23%	-	-	-	-
Senior Management Service Band C	3	0	0%	-	-	-	-
Senior Management Service Band D	1	0	0%	-	-	-	-
<b>Total</b>	<b>238</b>	<b>39</b>	<b>16.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes

- In terms of the Public Service Regulations 65 of 2016, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

## 3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.



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

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 to 31 March 2024:**

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employees with a disability					-

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

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 to 31 March 2024:**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director: Accreditation	1	11	13	Previously retained due to counter-offer in December 2012
-	-	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				0.46%

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

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 to 31 March 2024:**

Gender	African	Asian	Coloured	White	Total
Female	--	-	-	-	-
Male	1	-	-	-	1
<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

Employees with a disability	-	-	-	-	-
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#### Notes

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

Total number of Employees whose salaries exceeded the grades determined by job evaluation 1



### 3.5 Employment Changes

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

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 to 31 March 2024:**

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	22	5	3	13.63%
Highly skilled production (Levels 6-8)	71	10	4	5.63%
Highly skilled supervision (Levels 9-12)	62	11	4	6.45%
Senior Management Service Band A	26	2	1	3.84%
Senior Management Service Band B	13	-	-	-
Senior Management Service Band C	3	-	-	-
Senior Management Service Band D	1	-	-	-
Contracts		6	5	-
<b>Total</b>	<b>198</b>	<b>34</b>	<b>17</b>	<b>29.55%</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 to 31 March 2024:**

Critical occupation	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
HOD (Principal)	1	-	-	-
Top Management & Executive staff (Deputy Director-Generals) SR15	3	-	-	-
Management & General Support (Chief Financial Officer) SR14	1	-	-	-
Information Technology & related personnel (Director: ICT) SR SR13	1	-	-	-
Curriculum Design	1			
<b>TOTAL</b>	<b>7</b>		<b>-</b>	<b>-</b>



## Notes

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

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

**Table 3.5.3 Reasons why staff left the department for the period 1 April 2023 to 31 March 2024:**

Termination Type	Number	% of Total Resignations
Death	2	16.66%
Resignation	3	-
Expiry of contract	5	41.66%
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	2	16.66%
Transfer to other Public Service Departments	5	25%
Other	-	-
<b>Total</b>	<b>17</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>	<b>17/221</b>	<b>7.69%</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 to 31 March 2024:**

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Director: ETD Practitioner Professionalisation (13)	--	1	100%	-	-
<b>TOTAL</b>	<b>-</b>	<b>1</b>	<b>100%</b>	<b>-</b>	<b>-</b>



**Table 3.5.5 Promotions by salary band for the period 1 April 2023 to 31 March 2024:**

Salary Band	Employees 1 April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	-	-	-	-	-
Skilled (Levels 3-5)	22	1	4.54%	-	-
Highly skilled production (Levels 6-8)	71	4	4.22%	1	1.4%
Highly skilled supervision (Levels 9-12)	62	7	11.29%	1	1.6%
Senior Management (Level 13-16)	43	-	-	-	-
<b>Total</b>	<b>198</b>	<b>12</b>	<b>6.06%</b>	<b>2</b>	<b>100</b>

### 3.6 Employment Equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2024:**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18		2	2	13	4	2	4	45
Professionals	28	2	3	2	33	2	-	4	74
Technicians and associate professionals	26	1	-	-	45	1	1	2	76
Clerks	8	-	-	-	10	2	-	-	20
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>80</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>101</b>	<b>9</b>	<b>3</b>	<b>10</b>	<b>215</b>
Employees with disabilities	2	-	2		2	-	-	-	



**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2024:**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2				2	-	-	-	4
Senior Management	16		2	2	11	4	2	4	41
Professionally qualified and experienced specialists and mid-management	28	2	3	2	33	2	-	4	74
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	26	1	-	-	45	1	1	2	76
Semi-skilled and discretionary decision making	8	-	-	-	10	2	-	-	20
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>80</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>101</b>	<b>9</b>	<b>3</b>	<b>10</b>	<b>215</b>

**Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024:**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	-	1	1	-	-	3
Professionally qualified and experienced specialists and mid-management	7				12	-	-	-	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	-	1	-	6	-	-	-	11
Semi-skilled and discretionary decision making	3	-	-	-	2	-	-	-	5
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15</b>		<b>1</b>	<b>-</b>	<b>21</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>38</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-





**Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024:**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management	3	-	-	-	3	-	-	-	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	-	-	-	-	3	-	-	-	3
Semi-skilled and discretionary decision making	1	-	-	-	1	-	-	-	2
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>
Employees with disabilities									

**Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024:**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management	1	-	-	-	1	1	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	-	-	1	-	1	-	-	5
Semi-skilled and discretionary decision making	1	-	-	-	7	-	-	-	8
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>									
Employees with Disabilities	6	-	-	1	8	2	-	-	17



**Table 3.6.6 Disciplinary action for the period 1 April 2023 to 31 March 2024:**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Formal Disciplinary Enquiry (Sanction imposed – final written warning, (1) month suspension without pay and counselling)	-	-	-	-	1	-	-	-	1
Formal Disciplinary Enquiry (Sanction – One (1) month suspension without pay, final written warning and recovery of financial loss)	1	-	-	-	-	-	-	-	1
Formal Disciplinary Enquiry (Final written warning and two (2) months suspension without pay)	-	-	-	-	-	-	1	-	1

**Table 3.6.7 Skills development for the period 1 April 2023 to 31 March 2024:**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	15	-	1	2	11	2	1	4	36
Professionals	10	1	-	1	17	-	-	1	30
Technicians and associate professionals	16	-	-	-	24	2	1	-	43
Clerks	5	-	-	-	4	-	-	-	9
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>46</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>56</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>118</b>
Employees with disabilities	1	-	-	-	1	-	-	-	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 at 31 May 2023:**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	2	2	2	100%
Salary Level 14	13	13	13	100%
Salary Level 13	26	26	26	100%
<b>Total</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>100%</b>

#### Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2023.

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as at 31 March 2023:**

Reasons
All SMS Members complied with Section 12.1.1, Chapter 4 for Members of the Senior Management Service (SMS)

#### Notes

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

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as at 31 March 2024:**

Reasons
None

#### Notes

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



### 3.8 Performance Rewards

To encourage good performance, the NSG has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

**Table 3.8.1 Performance Rewards by race, gender, and disability for the period 1 April 2023 to 31 March 2024:**

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

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024 (No performance bonus was awarded during the reporting period):**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (level 3-5)	-	-	-	-	-	-
Highly skilled production (level 6-8)	-	-	-	-	-	-
Highly skilled supervision (level 9-12)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-



**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024:**

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

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

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation:

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction.
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024:**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-



### 3.9 Foreign Workers

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

### 3.10 Leave utilisation

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

**Table 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2023:**

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	-	-	-	-	-	-
Skilled (levels 3-5)	125	82	17	8.5%	7.35	135 068.49
Highly skilled production (levels 6-8)	739	577	81	40.5%	9.12	1 173 953.19
Highly skilled supervision (levels 9 -12)	457	327	63	31,5%	7.25	1 462 745.85
Top and Senior management (levels 13-16)	224	159	39	19.5%	5.74	1 121 758.40
<b>Total</b>	<b>1545</b>		<b>200</b>	<b>100%</b>	<b>29.36</b>	<b>3 893 525.93</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023:**

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	20	20	4	33.33%	5	-
Highly skilled supervision (Levels 9-12)	10	10	2	33.33%	5	-
Senior management (Levels 13-16)	-	-	-	-	-	-
<b>Total</b>	<b>30</b>	<b>30</b>	<b>6</b>	<b>-</b>	<b>10</b>	<b>-</b>



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

**Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023:**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	-	-	-
Skilled Levels 3-5)	397	21	37
Highly skilled production (Levels 6-8)	2085	91	66.19
Highly skilled supervision (Levels 9-12)	1818	62	100.4
Senior management (Levels 13-16)	1157	50	119.81
<b>Total</b>	<b>5457</b>	<b>224</b>	<b>323.4</b>

**Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023:**

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2024
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Table 3.10.5 Leave pay-outs for the period 1 April 2023 to 31 March 2024:**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2023/24 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2023/24	R202 318.90	2	R101 159.45
Current leave payout on termination of service for 2023/24	R247 945.03	6	R41324.17
<b>Total</b>	<b>R450 263.93</b>	<b>8</b>	<b>R56 282.99</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

**Table 3.11.1 Steps taken to reduce the risk of occupational exposure:**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
-	-
-	-



**Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes:**

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.	X		Ms Letty Raseroka, Director: HRM&D is responsible for Employee Health & Wellness Programmes, including HIV/AIDS Programmes
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.			Two staff members with annual salaries of R1,433,328.00. The budget allocated for programme activities is R211,051.68 Total budget R644,379.68
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<ul style="list-style-type: none"> <li>▪ Unlimited 24/7/365 support for employees and their immediate dependants.</li> <li>▪ Six face-to-face sessions per person per incident per year. Face-to-face counselling is for employees and immediate dependants only.</li> <li>▪ e-Care programme to enhance access to services</li> <li>▪ Monthly education and awareness sessions</li> <li>▪ Referral to appropriate professional and health services institutions</li> <li>▪ Financial and Legal advice</li> <li>▪ Retirement and planning support</li> <li>▪ Return work and remote working support</li> <li>▪ Trauma and bereavement counselling</li> <li>▪ Managerial support</li> <li>▪ Restructuring, change management and career counselling</li> <li>▪ A marketing and communications strategy to promote effective utilisation of the services</li> <li>▪ Health screening and ergonomic assessment of the NSG work environment for proactive- management of physical wellbeing</li> </ul> <p>Monitoring and evaluation</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, 20016 If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X	N/A	Wellness matters are discussed as part of the OHS Committee.





Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.			The approved policy for the management of HIV/AIDS, TB & STIs Operational Plan incorporates elements of non-discrimination in the workplace
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X	N/A	<ul style="list-style-type: none"> <li>▪ The policy clearly outlines non-discriminatory practices and disciplinary action against perpetrators</li> <li>▪ HIV testing is conducted in private and by qualified professionals</li> <li>▪ Advocacy and awareness programmes on key calendar days that focus on HIV issues are implemented</li> </ul>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Bi-annual Health Screening, which includes HIV Counselling and Testing (HCT), was implemented, and 20% of staff were tested during the reporting period.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		<ul style="list-style-type: none"> <li>▪ Quarterly and annual reports are received from the outsourced service provider for Employee Wellness services.</li> <li>▪ Quarterly and Annual HIV/AIDS Operational Plan Reports are submitted internally and to the DPSA</li> <li>▪ Quarterly Integrated EHWP reports are submitted to the DPSA</li> </ul>

### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2023 to 31 March 2024:**

Subject matter	Date
Resolution 1 of 2024, Charter of the General Public Service Sectoral Bargaining Council (GPSSBC)	11 March 2024
Resolution 2 of 2024, Improvement in conditions of services: Special Leave	11 March 2024

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

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 to 31 March 2024:**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	14.28%
Verbal warning	-	-
Written warning	1	14.28%
Final written warning	3	42.85%
Suspended without pay	3	42.85%
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
<b>Total</b>	<b>7</b>	<b>100%</b>



**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 to 31 March 2024:**

Type of misconduct	Number	% of total
Gross dishonesty and fraud	1	33.33%
Absent from work without permission and gross insubordination	1	33.33%
Unauthorised use of state property, gross dishonesty, and fraud	1	33.33%
<b>Total</b>	<b>3</b>	<b>100%</b>

**Table 3.12.4 Grievances logged for the period 1 April 2023 to 31 March 2024:**

Grievances	Number	% of Total
Number of grievances resolved	5	71.42%
Number of grievances not resolved	2	28.58%
<b>Total number of grievances lodged</b>	<b>7</b>	<b>100%</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 to 31 March 2024:**

Disputes	Number	% of Total
Number of disputes upheld	1	100%
Number of disputes dismissed	0	-
<b>Total number of disputes lodged</b>	<b>1</b>	<b>100%</b>

**Table 3.12.6 Strike actions for the period 1 April 2023 to 31 March 2024:**

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

**Table 3.12.7 Precautionary suspensions for the period 1 April 2023 to 31 March 2024:**

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	31 days
Cost of suspension(R'000)	R34,986.96



### 3.13 Skills development

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

**Table 3.13.1 Training needs identified for the period 1 April 2023 to 31 March 2024:**

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	21	-	33	0	33
	Male	22	-	19	2	21
Professionals	Female	32	-	10	1	11
	Male	29	-	15	0	15
Technicians and associate professionals	Female	52	-	32	1	33
	Male	24	-	23	0	23
Clerks	Female	9	-	5	1	6
	Male	8	-	3	0	3
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
<b>Sub Total</b>	<b>Female</b>	<b>114</b>	<b>0</b>	<b>80</b>	<b>3</b>	<b>83</b>
	<b>Male</b>	<b>83</b>	<b>0</b>	<b>60</b>	<b>2</b>	<b>62</b>
<b>Total</b>		<b>197</b>	<b>0</b>	<b>140</b>	<b>5</b>	<b>145</b>



**Table 3.13.2 Training provided for the period 1 April 2023 to 31 March 2024:**

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	21	-	18	0	18
	Male	22	-	18	2	20
Professionals	Female	32	-	18	5	23
	Male	29	-	12	5	17
Technicians and associate professionals	Female	52	-	27	7	34
	Male	24	-	16	5	21
Clerks	Female	9	1	4	0	5
	Male	8	0	5	2	7
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
<b>Sub Total</b>	<b>Female</b>	<b>114</b>	<b>1</b>	<b>67</b>	<b>12</b>	<b>80</b>
	<b>Male</b>	<b>83</b>	<b>0</b>	<b>51</b>	<b>14</b>	<b>65</b>
<b>Total</b>		<b>197</b>	<b>1</b>	<b>118</b>	<b>26</b>	<b>145</b>



### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

**Table 3.14.1 Injury on duty for the period 1 April 2023 to 31 March 2024:**

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

### 3.15 Utilisation of Consultants

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

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

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 to 31 March 2024:**

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
-	-	-	-
-	-	-	-

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024:**

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

**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 to 31 March 2024:**

Project title	Total Number of consultants that worked on project	Duration (Workdays)	Donor and contract value in Rand
-	-	-	-

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
-	-	-	-

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024:**

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

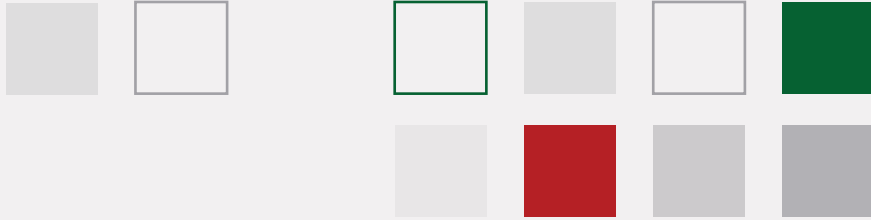


### 3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2023 to 31 March 2024:

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





**Part E:**

# **PFMA Compliance Report**

**(VOTE ACCOUNT)**

# 1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

## 1.1 Irregular expenditure

### a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	54	170
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	0	0
Less: Irregular expenditure condoned	54	116
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable <sup>1</sup>	0	0
Less: Irregular expenditure not recoverable and written off	0	0
<b>Closing balance</b>	<b>0</b>	<b>54</b>

### Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Transfer to receivables

### b) Details of irregular expenditure (under assessment, determination, and investigation)

Description <sup>2</sup>	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	54	116
<b>Total</b>		

Irregular Expenditure condoned by National Treasury

### d) Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>2</sup> Group similar items





f) Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
<b>Total</b>

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)<sup>3</sup>

Description	2023/2024 <sup>4</sup>	2022/2023
	R'000	R'000
N/A	0	0
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>3</sup> Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

<sup>4</sup> Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
N/A

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	5	5
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure recoverable <sup>5</sup>	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
<b>Closing balance</b>	<b>5</b>	<b>5</b>

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/2023	5	5
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	0
<b>Total</b>	<b>5</b>	<b>5</b>

<sup>5</sup> Transfer to receivables



b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description <sup>6</sup>	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	5
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>5</b>

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	5	0
<b>Total</b>	<b>5</b>	<b>0</b>

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Disciplinary steps taken
<b>Total</b>

<sup>6</sup> Group similar items

### 1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable <sup>7</sup>	0	0
Less: unauthorised not recoverable and written off <sup>8</sup>	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>

Reconciling notes

Description	2023/2024	2022/2023 <sup>9</sup>
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>7</sup> Transfer to receivables

<sup>8</sup> This amount may only be written off against available savings

<sup>9</sup> Record amounts in the year in which it occurred



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

Description <sup>10</sup>	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)<sup>11</sup>

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	0	5
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
<b>Total</b>	<b>0</b>	<b>5</b>

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
Laptops	194	248
Projector	7	0
<b>Total</b>	<b>201</b>	<b>248</b>

Losses are under investigations by the appointed Loss Control Committee

<sup>10</sup> Group similar items

<sup>11</sup> Information related to material losses must be disclosed in the annual financial statements.

c) Other material losses recoverable

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	0
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

d) Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	0
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1,325	87 469 419.58
Invoices paid within 30 days or agreed period	1,315	87 469 419.58
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

## 3. SUPPLY CHAIN MANAGEMENT

### 3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Annual Conference	Intelligence Transfer Centre	Single source supplier	DUN/Q/01/2023/2024	20 697,70
Shredding Services	Delta Facilities Management	Natural continuation of services	DUN/Q/02/2023/2024	12 847,80
Transportation	City of Tshwane	Single source supplier	DUN/Q/03/2023/2024	2 372,00
Counselling Course	Vita Nova Training Company	Single source supplier	DUN/Q/04/2023/2024	21 999,00
Link Upgrade	SITA	Single source supplier	DUN/Q/06/2023/2024	4 415 109,22
Training	OPLSG	Obtain less than 3 quotations	DUN/Q/07/2023/2024	43 973,00
Subscription	SAGE	Single source supplier	DUN/Q/08/2023/2024	27 255,00
SCM Training	WITS	Obtain less than 3 quotations	DUN/Q/09/2023/2024	12 712,00
Printing Annual Report	Gasp Creative	Cheapest quote	DUN/Q/10/2023/2024	125 400,00
Marketing	Shereno Printers	Obtain less than 3 quotations	DUN/Q/13/2023/2024	287 281,50
Renewal	SITA	Single source supplier	DUN/Q/14/2023/2024	5 162,19
Subscription	Cloudsell Africa	Single source supplier	DUN/Q/15/2023/2024	70 322,50
Training	OLSPS	Obtain less than 3 quotations	DUN/Q/16/2023/2024	7 927,00
Training	University of Witwatersrand (IPADA)	Sole supplier	DUN/Q/17/2023/2024	13 000,00
Catering	Food & Beverages	Cheapest quote	DUN/Q/18/2023/2024	26 063,25
Advanced Logistics & SCM	University of Witwatersrand	Sole supplier	DUN/Q/19/2023/2024	67 160,00



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Disaster Management Course	University of Free State	Obtain less than 3 quotes	DUN/Q/20/2023/2024	229 680,00
Seminar	Van Zyl, Rudd & Associates	Sole supplier	DUN/Q/21/2023/2024	7 935,00
Data Video Recording Machine	Macro Video (Pty) Ltd	Sole supplier	DUN/Q/22/2023/2024	218 695,50
Future Literacy Masterclass	The Enterprise University of Pretoria	Sole supplier	DUN/Q/24/2023/2024	30 000,00
Conferencing Venue	IPM Convention 2023	Sole supplier	DUN/Q/25/2023/2024	28 750,00
Subscription	KMSA	Sole supplier	DUN/Q/26/2023/2024	4 710,00
Membership Subscription	Liasa	Sole supplier	DUN/Q/27/2023/2024	10 600,00
Membership Subscription	University of South Africa	Sole supplier	DUN/Q/28/2023/2024	21 000,00
Conference	Carlamani	Sole supplier	DUN/Q/29/2023/2024	3 000,00
Membership Subscription	Graduate School Business	Less than 3 quotations	DUN/Q/30/2023/2024	22 500,00
Renewal	SITA	Sole supplier	DUN/Q/31/2023/2024	10 053,00
Subscription	Newspaper Direct	Sole supplier	DUN/Q/32/2023/2024	199 950,00
Upgrade CCTV	Mobeni Integrated Systems	Less than 3 quotations	DUN/Q/35/2023/2024	87 291,81
Membership Subscription	INSEAD Executive Education	Sole supplier	DUN/Q/37/2023/2024	288 000,00
Membership Subscription	EANA - SA	Sole supplier	DUN/Q/38/2023/2024	23 998,00
Membership Subscription	Petra Lawson	Sole supplier	DUN/Q/40/2023/2024	9 500,00
Membership Subscription	Stellenbosch University	Sole supplier	DUN/Q/41/2023/2024	18 000,00
Maintenance	Toshiba Tech	Sole supplier	DUN/Q/42/2023/2024	7 941,06
Membership Subscription	Tend Logistics	Less than 3 quotations	DUN/Q/44/2023/2024	30 792,54
Shredding Services	Tshwane Electronic Waste Company	Less than 3 quotations	DUN/Q/46/2023/2024	6 000,00
Training	Unisa	Less than 3 quotations	DUN/Q/47/2023/2024	5 000,00
Workshop	Shereno Printers	Less than 3 quotations	DUN/Q/48/2023/2024	480 412,50
Promotional Materials	Shereno Printers	Less than 3 quotations	DUN/Q/50/2023/2024	24 173,00
Leather Folders	Shereno Printers	Less than 3 quotations	DUN/Q/51/2023/2024	16 387,50
Training	Adapt It	Single source supplier	DUN/Q/54/2023/2024	129 927,85
Licence Renewal	SAIGA	Single source supplier	DUN/Q/55/2023/2024	8 399,00
Membership Subscription	Alliance Francaise de Pretoria	Single source supplier	DUN/Q/56/2023/2024	5 336,00
Membership Subscription	National University Of Singapore	Single source supplier	DUN/Q/58/2023/2024	99 111,97
Membership Subscription	Post Office SA	Single source supplier	DUN/Q/59/2023/2024	2 670,00
Licence Renewal	Sage SA	Single source supplier	DUN/Q/60/2023/2024	7 271,00
Membership Subscription	Trainers without Borders	Single source supplier	DUN/Q/65/2023/2024	48 869,25

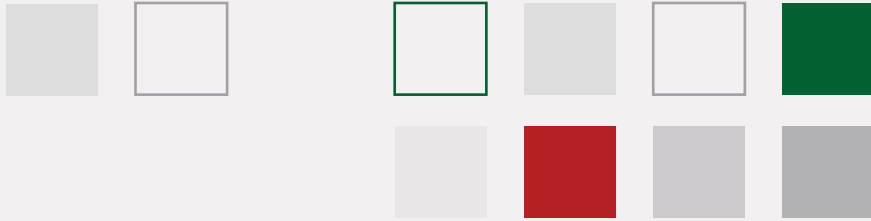


Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Membership Subscription	University Of Witwatersrand	Single source supplier	DUN/Q/67/2023/2024	80 400,00
Membership Subscription	Early Worx	Single source supplier	DUN/Q/69/2023/2024	5 865,12
<b>Total</b>				<b>7 232 390.29</b>

### 3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Physical security services for 3 months	Phutadichaba	Extension	NSG/BID/07/2018-19	17 538 566.28	0	876 928.31
CCTV	Vox	Extension	NSG/BID/08/2019-20	2 128 829.36	0	302 305.20
<b>Total</b>						





**Part E:**

# **PFMA Compliance Report**

(TRADE ACCOUNT)

## 4. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

### 4.1 Irregular expenditure

#### a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	132	739
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	83	0
Less: Irregular expenditure condoned	132	0
Less: Irregular expenditure not condoned and removed	0	607
Less: Irregular expenditure recoverable <sup>12</sup>	0	0
Less: Irregular expenditure not recoverable and written off	0	0
<b>Closing balance</b>	<b>83</b>	<b>132</b>

#### Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	83	0
<b>Total</b>	<b>83</b>	<b>0</b>

<sup>12</sup> Transfer to receivables

#### b) Details of irregular expenditure (under assessment, determination, and investigation)

Description <sup>13</sup>	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	132
Irregular expenditure under investigation	83	0
<b>Total</b>	<b>83</b>	<b>132</b>

#### c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	132	0
<b>Total</b>	<b>132</b>	<b>0</b>

#### d) Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	607
<b>Total</b>	<b>0</b>	<b>607</b>

#### e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>13</sup> Group similar items





f) Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
<b>Total</b>

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)<sup>14</sup>

Description	2023/2024 <sup>15</sup>	2022/2023
	R'000	R'000
	0	0
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>14</sup> Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

<sup>15</sup> Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
N/A

4.2 Fruitless and wasteful expenditure

f) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	15	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	103	15
Less: Fruitless and wasteful expenditure recoverable <sup>16</sup>	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
<b>Closing balance</b>	<b>118</b>	<b>15</b>

Reconciling notes

Description	2023/2024	2022/2023 <sup>17</sup>
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	103	15
<b>Total</b>	<b>103</b>	<b>15</b>

<sup>16</sup> Transfer to receivables

<sup>17</sup> Record amounts in the year in which it was incurred



g) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description <sup>18</sup>	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	103	15
<b>Total</b>	<b>103</b>	<b>15</b>

h) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

i) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

j) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
<b>Total</b>

<sup>18</sup> Group similar items

### 4.3 Unauthorised expenditure

c) Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable <sup>19</sup>	0	0
Less: unauthorised not recoverable and written off <sup>20</sup>	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>

Reconciling notes

Description	2023/2024	2022/2023 <sup>21</sup>
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>19</sup> Transfer to receivables

<sup>20</sup> This amount may only be written off against available savings

<sup>21</sup> Record amounts in the year in which it occurred



d) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description <sup>22</sup>	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

4.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)<sup>23</sup>

e) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

f) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	0
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

<sup>22</sup> Group similar items

<sup>23</sup> Information related to material losses must be disclosed in the annual financial statements.

g) Other material losses recoverable

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	0
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

h) Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	0
	0	0
	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



## 5. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1,959	59 760 404.96
Invoices paid within 30 days or agreed period	1,959	59 760 404.96
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

## 6. SUPPLY CHAIN MANAGEMENT

### 6.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Workshop	Pelican Training International	Single source supplier	DUN/Q/05/2023/2024	29 858,40
Subscription	Kweda Media	Single source supplier	DUN/Q/11/2023/2024	131 100,00
Transcription	Fowatek Trading	Obtain less than 3 suppliers	DUN/Q/23/2023/2024	4 800,00
Executive Development Programme	University of Free State	Less than 3 quotations	DUN/Q/33/2023/2024	SLA
Membership Subscription	Liasa	Sole supplier	DUN/Q/34/2023/2024	1 440,00
Conference	Liasa	Less than 3 quotations	DUN/Q/36/2023/2024	22 160,00
Membership Subscription	Dr Mothibi	Less than 3 quotations	DUN/Q/39/2023/2024	4 574,00
Membership Subscription	Proquest	Sole supplier	DUN/Q/43/2023/2024	419 916.69
Membership Subscription	Sabinet Online	Sole supplier	DUN/Q/45/2023/2024	18 687,50
Transportation	Tekeshe Projects	Less than 3 quotations	DUN/Q/49/2023/2024	4 800,00
Capacity Building Programme	Eastern Cape Cooperative Governance & Traditional Affairs	Single source supplier	DUN/Q/52/2023/2024	125 745,00
Membership Subscription	LIASA	Single source supplier	DUN/Q/53/2023/2024	2 160,00
Membership Subscription	KMSA	Single source supplier	DUN/Q/57/2023/2024	5 295,00
Maintenance	CSX	Single source supplier	DUN/Q/62/2023/2024	20 977,70
Membership Subscription	Human Capital Learning Solutions	Single source supplier	DUN/Q/63/2023/2024	5 104,00

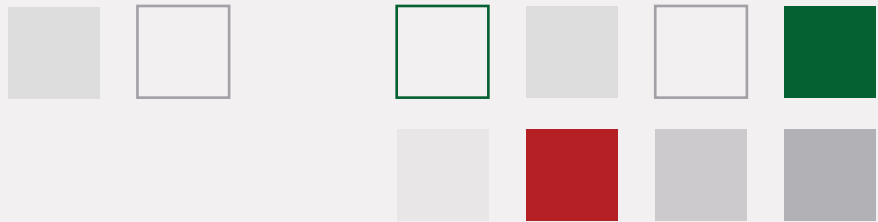


Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Membership Subscription	Association Of SA Schools And Departments In Public Management	Single source supplier	DUN/Q/64/2023/2024	10 800,00
Membership Subscription	Vusi Mona and Chris Vick	IIC's	DUN/Q/68/2023/2024	649 000,00
Licence Renewal	Sabinet	Single source supplier	DUN/Q/70/2023/2024	434 476,83
<b>Total</b>				<b>1 890 894.43</b>

## 6.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Maintenance of legacy Training Management System – 9 months	e-Software Solutions	Variation	BID/NSG/04/2018-19	4 486 401.56	0	702 059.00
Maintenance of legacy Training Management System – 7 months	e-Software Solutions	Variation	BID/NSG/04/2018-19	4 486 401.56	702 059.00	774 661.32
<b>Total</b>					<b>702 059.00</b>	<b>1 476 720.32</b>





## Part F:

# Financial Information

(VOTE ACCOUNT)



**school of government**

Department:  
National School of Government  
REPUBLIC OF SOUTH AFRICA

**NATIONAL SCHOOL OF GOVERNMENT VOTE 7**

# ANNUAL FINANCIAL STATEMENTS

**For the year ended 31 March 2024**



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

## Report on the audit of financial statements

### Opinion

1. I have audited the financial statements of the National School of Government (NSG-Vote) set out on pages 110 to 160, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National School of Government as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

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

### Restatement of comparative figures

7. As disclosed in note 25 and note 26 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2024.

### Responsibilities of the accounting officer for the financial statements

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

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement





when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page [page number of the annexure to the auditor's report], forms part of our auditor's report.

### Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following programme presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected a programme that measure the department's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Public Sector Organisational and Staff Development	41-48	Provides education, development and training to public sector employees

14. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
  - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected programme.

### Other matters

18. I draw attention to the matters below.



## Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.
20. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 44 to 46.

## Public Sector Organisational and Staff Development

Targets achieved: 89%		
Budget spent: 50%		
Key indicator not achieved	Planned target	Reported achievement
Number of skills audit for public service departments conducted	Skills audit for 2 public service departments conducted	Skills audit for 2 public service departments not conducted
Performance management system for ETD practitioners piloted and implemented	Performance management system for ETD practitioners piloted and implemented	Performance management system for ETD Practitioners piloted and not fully implemented

## Material misstatements

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

## Report on compliance with legislation

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

## Other information in the annual report

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



28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

### Internal control deficiencies

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

Auditor General

Pretoria

31 July 2024



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the department's compliance with selected requirements in key legislation.

### Financial statements

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

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



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

### Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

### Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 (Definition of irregular expenditure) Section 38(1)(a)(iv) Section 38(1)(b) Section 38(1)(c)(i) Section 38(1)(c)(ii) Section 38(1)(d) Section 38(1)(h)(iii) Section 39(1)(a) Section 39(2)(a) Section 40(1)(a) Section 40(1)(b) Section 40(1)(c)(i) Sections 43(4) Section 44 Section 45(b) Section 51(1)(a)(iv) Section 57(b)
Treasury regulations	TR4.1.1 TR 4.1.3 TR5.1.1 TR 5.2.1 TR 5.2.3(a) TR 5.2.3(d) TR 5.3.1 TR 6.3.1(a) TR 6.3.1(b) TR 6.3.1(c) TR 6.3.1(d) TR 6.4.1(b) TR 7.2.1 TR 8.1.1 TR 8.2.1 TR 8.2.2 TR 8.2.3 TR 8.4.1 TR 9.1.1 TR 9.1.4 TR 10.1.1(a)



Legislation	Sections or regulations
	TR 10.1.2 TR 11.4.1 TR 11.4.2 TR 11.5.1 TR 12.5.1 TR 15.10.1.2(c) TR 16A3.2 (fairness) TR 16A3.2(a) TR 16A6.1 TR 16A6.2(a) TR 16A6.2(b) TR 16A6.3(a) TR 16A6.3(b) TR 16A6.3(c) TR 16A6.3(e) TR 16A6.4 TR 16A6.5 TR 16A6.6 TR 16A7.1 TR 16A.7.3 TR 16A7.6 TR 16A.7.7 TR 16A8.3 TR 16A8.4 TR 16A9.1(d) TR 16A9.1(e) TR 16A9.1(f) TR 16A9.2(a)(ii) TR 17.1.1 TR 18.2; TR 19.8.4

Legislation	Sections or regulations
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulation 17 Regulation 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section 1(i) Section 2.1(a) Section 2.1(b) Section 2.1(f)
Preferential Procurement regulations (PPR), 2011	Regulation 4.1 Regulation 4.3 Regulation 5.5

Legislation	Sections or regulations
	Regulation 6.1 Regulation 6.5 Regulation 7.1 Regulation 9.1 Regulation 9.5 Regulation 11.2 Regulation 11.5
Preferential Procurement regulations (PPR), 2017	Regulation 4.1 Regulation 4.2 Regulation 5.1 Regulation 5.3 Regulation 5.6 Regulation 5.7 Regulation 6.1 Regulation 6.2 Regulation 6.3 Regulation 6.5 Regulation 6.6 Regulation 6.8 Regulation 7.1 Regulation 7.2 Regulation 7.3 Regulation 7.5 Regulation 7.6 Regulation 7.8 Regulation 8.2 Regulation 8.5 Regulation 9.1 Regulation 10.1 Regulation 10.2 Regulation 11.1 Regulation 11.2



Legislation	Sections or regulations
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Public Service regulations (PSR), 2016	Regulations 18(1) Regulation 18(2) Regulation 25(1)(e)(i) Regulation 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998 (SITA)	Section 7(3)
NT SCM Instruction Note 05 of 2009/10	Par 3.3
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 03 of 2016/17	Par 8.1 Par 8.2 Par8.3 Par 8.5



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# APPROPRIATION STATEMENT

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

Appropriation per programme									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	113,338	-	-	113,338	110,396	2,942	97.4%	115,376	104,330
2. Public Sector Organisational and Staff Development	107,802	-	-	107,802	107,802	-	100.0%	115,721	115,721
<b>TOTAL</b>	<b>221,140</b>	<b>-</b>	<b>-</b>	<b>221,140</b>	<b>218,198</b>	<b>2,942</b>	<b>98.7%</b>	<b>231,097</b>	<b>220,051</b>

	2023/24				2022/23	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
<b>TOTAL (brought forward)</b>	<b>221,140</b>	<b>218,198</b>			<b>231,097</b>	<b>220,051</b>
<b>Reconciliation with statement of financial performance</b>						
<b>ADD</b>						
Departmental receipts	290				258	
Aid assistance	-				2,120	
<b>Actual amounts per statement of financial performance (Total revenue)</b>	<b>221,430</b>				<b>233,475</b>	
<b>ADD</b>						
Aid assistance		-				2,120
<b>Actual amounts per statement of financial performance (Total expenditure)</b>		<b>218,198</b>				<b>222,171</b>





# APPROPRIATION STATEMENT

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

Appropriation per economic classification									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>109,343</b>	<b>(467)</b>	-	<b>108,876</b>	<b>105,934</b>	<b>2,942</b>	<b>97.3%</b>	<b>111,166</b>	<b>100,120</b>
Compensation of employees	60,416	(200)	-	60,216	58,418	1,798	97.0%	62,445	54,646
Goods and services	48,927	(267)	-	48,660	47,516	1,144	97.6%	48,721	45,474
<b>Transfers and subsidies</b>	<b>107,802</b>	<b>200</b>	-	<b>108,002</b>	<b>108,002</b>	-	<b>100.0%</b>	<b>116,083</b>	<b>116,083</b>
Departmental agencies and accounts	107,802	-	-	107,802	107,802	-	100.0%	115,721	115,721
Households	-	200	-	200	200	-	100.0%	362	362
<b>Payments for capital assets</b>	<b>3,995</b>	<b>261</b>	-	<b>4,256</b>	<b>4,256</b>	-	<b>100.0%</b>	<b>3,848</b>	<b>3,848</b>
Machinery and equipment	3,995	(1,694)	-	2,301	2,301	-	100.0%	3,463	3,463
Intangible assets	-	1,955	-	1,955	1,955	-	100.0%	385	385
<b>Payments for financial assets</b>	<b>-</b>	<b>6</b>	-	<b>6</b>	<b>6</b>	-	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>221,140</b>	<b>-</b>	<b>-</b>	<b>221,140</b>	<b>218,198</b>	<b>2,942</b>	<b>98.7%</b>	<b>231,097</b>	<b>220,051</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

Programme 1: Administration									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management	10,607	1,742	-	12,349	11,205	1,144	90.7%	10,806	7,973
2. Corporate Services	83,494	(1,302)	-	82,192	80,394	1,798	97.8%	86,778	78,565
3. Property Management	19,237	(440)	-	18,797	18,797	-	100.0%	17,792	17,792
<b>Total for sub programmes</b>	<b>113,338</b>	<b>-</b>	<b>-</b>	<b>113,338</b>	<b>110,396</b>	<b>2,942</b>	<b>97.4%</b>	<b>115,376</b>	<b>104,330</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>109,343</b>	<b>(467)</b>	<b>-</b>	<b>108,876</b>	<b>105,934</b>	<b>2,942</b>	<b>97.3%</b>	<b>111,166</b>	<b>100,120</b>
Compensation of employees	60,416	(200)	-	60,216	58,418	1,798	97.0%	62,445	54,646
Goods and services	48,927	(267)	-	48,660	47,516	1,144	97.6%	48,721	45,474
<b>Transfers and subsidies</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>-</b>	<b>100.0%</b>	<b>362</b>	<b>362</b>
Households	-	200	-	200	200	-	100.0%	362	362
<b>Payments for capital assets</b>	<b>3,995</b>	<b>261</b>	<b>-</b>	<b>4,256</b>	<b>4,256</b>	<b>-</b>	<b>100.0%</b>	<b>3,848</b>	<b>3,848</b>
Machinery and equipment	3,995	(1,694)	-	2,301	2,301	-	100.0%	3,463	3,463
Intangible assets	-	1,955	-	1,955	1,955	-	100.0%	385	385
<b>Payments for financial assets</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>113,338</b>	<b>-</b>	<b>-</b>	<b>113,338</b>	<b>110,396</b>	<b>2,942</b>	<b>97.4%</b>	<b>115,376</b>	<b>104,330</b>



# APPROPRIATION STATEMENT

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

Programme 2: Public Sector Organisational and Staff Development									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Augmentation to the Training Trading Account	107,802	-	-	107,802	107,802	-	100.0%	115,721	115,721
<b>Total for sub programmes</b>	<b>107,802</b>	<b>-</b>	<b>-</b>	<b>107,802</b>	<b>107,802</b>	<b>-</b>	<b>100.0%</b>	<b>115,721</b>	<b>115,721</b>
<b>Economic classification</b>									
<b>Transfers and subsidies</b>	<b>107,802</b>	<b>-</b>	<b>-</b>	<b>107,802</b>	<b>107,802</b>	<b>-</b>	<b>100.0%</b>	<b>115,721</b>	<b>115,721</b>
Departmental agencies and accounts	107,802	-	-	107,802	107,802	-	100.0%	115,721	115,721
<b>Total</b>	<b>107,802</b>	<b>-</b>	<b>-</b>	<b>107,802</b>	<b>107,802</b>	<b>-</b>	<b>100.0%</b>	<b>115,721</b>	<b>115,721</b>



# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2024

## 1. Detail of transfers and subsidies as per Appropriation Act (after Virement)

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1B & 1G of the Annual Financial Statements.

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

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

## 3. Detail on payments for financial assets

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

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

### 4.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	113,338	110,396	2,942	2.60%
Public Sector Organisational and Staff Development	107,802	107,802	-	0.00%
<b>Total</b>	<b>221,140</b>	<b>218,198</b>	<b>2,942</b>	<b>1.33%</b>



# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

## 4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
<b>Current payments</b>				
Compensation of employees	60,216	58,418	1,798	2.99%
Goods and services	48,660	47,516	1,144	2.35%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	107,802	107,802	-	0.00%
Households	200	200	-	0.00%
<b>Payments for capital assets</b>				
Machinery and equipment	2,301	2,301	-	0.00%
Intangible assets	1,955	1,955	-	0.00%
<b>Payments for financial assets</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>0.00%</b>
<b>Total</b>	<b>221,140</b>	<b>218,198</b>	<b>2,942</b>	<b>1.33%</b>

Variance relates to compensation of employees – delays in filling of vacancies due to circular 38 of 2023 on cost containment. Variance relates to goods and services – travel and subsistence due to the deceleration of activities arising from the implementation of cost containment measures.



# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

		2023/24	2022/23
	Note	R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	221,140	231,097
Departmental revenue	2	290	258
Aid assistance	3	-	2,120
<b>TOTAL REVENUE</b>		<b>221,430</b>	<b>233,475</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>		<b>105,934</b>	<b>102,240</b>
Compensation of employees	4	58,418	54,646
Goods and services	5	47,516	45,474
Aid assistance	3	-	2,120
<b>Transfers and subsidies</b>		<b>108,002</b>	<b>116,083</b>
Transfers and subsidies	7	108,002	116,083
<b>Expenditure for capital assets</b>		<b>4,256</b>	<b>3,848</b>
Tangible assets	8	2,301	3,463
Intangible assets	8	1,955	385
<b>Payments for financial assets</b>		<b>6</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>		<b>218,198</b>	<b>222,171</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3,232</b>	<b>11,304</b>



# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

		2023/24	2022/23
	Note	R'000	R'000
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds			
Annual appropriation	12	2,942	11,046
Departmental revenue and NRF receipts	2	290	258
Aid assistance	3	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3,232</b>	<b>11,304</b>



# STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

		2023/24	2022/23
	Note	R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	947	4,308
Prepayments and advances	10	23	30
Receivables	11	2,007	7,042
<b>TOTAL ASSETS</b>		<b>2,977</b>	<b>11,380</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	12	2,942	11,046
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	3	38
Payables	14	32	296
Aid assistance repayable	3	-	-
<b>TOTAL LIABILITIES</b>		<b>2,977</b>	<b>11,380</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>





# STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

		2023/24	2022/23
	Note	R'000	R'000
<b>Capitalisation reserves</b>			
Opening balance		-	-
Transfers		-	-
Movement in equity		-	-
Movement in operational funds		-	-
Other movements		-	-
Closing balance		-	-
<b>Recoverable revenue</b>			
Opening balance		-	-
Transfers:		-	-
Irrecoverable amounts written off		-	-
Debts revised		-	-
Debts recovered (included in departmental revenue)		-	-
Debts raised		-	-
Closing balance		-	-
<b>Retained funds</b>			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
<b>Revaluation reserve</b>			
Opening balance		-	-
Revaluation adjustment (Human Settlements departments)		-	-



# STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

		2023/24	2022/23
	Note	R'000	R'000
Transfers		-	-
Other		-	-
Closing balance		-	-
<b>Unauthorised expenditure</b>			
Opening balance		-	-
Unauthorised expenditure - current year		-	-
Relating to overspending of the vote or main division within the vote		-	-
Incurred not in accordance with the purpose of the vote or main division		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Current		-	-
Capital		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing Balance		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>



# CASH FLOW STATEMENT

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

		2023/24	2022/23
	Note	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		221,425	233,442
Annual appropriation funds received	1	221,140	231,097
Departmental revenue received	2.1/2.4	284	222
Interest received	2.2	1	3
Aid assistance received	3	-	2,120
Net (increase)/decrease in net working capital		4,778	(78)
Surrendered to Revenue Fund		(11,371)	(7,018)
Surrendered to RDP Fund/Donor		-	(2,418)
Current payments		(105,934)	(102,240)
Payments for financial assets		(6)	-
Transfers and subsidies paid		(108,002)	(116,083)
<b>Net cash flow available from operating activities</b>	15	<b>890</b>	<b>5,605</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(4,256)	(3,848)
Proceeds from sale of capital assets	2.3	5	33
<b>Net cash flow available from investing activities</b>		<b>(4,251)</b>	<b>(3,815)</b>
Net increase/(decrease) in cash and cash equivalents		(3,361)	1,790
Cash and cash equivalents at beginning of period		4,308	2,518
<b>Cash and cash equivalents at end of period</b>	16	<b>947</b>	<b>4,308</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

## PART A: ACCOUNTING POLICIES

### Summary of significant accounting policies

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

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

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

#### 1. Basis of preparation

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

#### 2. Going concern

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

#### 3. Presentation currency

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

#### 4. Rounding

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

#### 5. Foreign currency translation

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

#### 6. Comparative information

##### 6.1 Prior period comparative information

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

6.2	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7.	<b>Revenue</b>
7.1	<b>Appropriated funds</b> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amounts receivable. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	<b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
8.	<b>Expenditure</b>
8.1	<b>Compensation of employees</b>
8.1.1	<b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	<b>Social contributions</b> 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.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)

VOTE 7

Annual Financial Statements

8.2	<b>Other expenditure</b> <p>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.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</p>
8.3	<b>Accruals and payables not recognised</b> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.</p>
8.4	<b>Leases</b>
8.4.1	<b>Operating leases</b> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<b>Finance leases</b> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"><li>cost, being the fair value of the asset; or</li><li>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li></ul>
9.	<b>Aid assistance</b>
9.1	<b>Aid assistance received</b> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>CARA Funds are recognised when receivable and measured at the amounts receivable.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>



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9.2	<b>Aid assistance paid</b> Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10.	<b>Cash and cash equivalents</b> Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11.	<b>Prepayments and advances</b> Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.
12.	<b>Loans and receivables</b> Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	<b>Investments</b> Investments are recognised in the statement of financial position at cost.
14.	<b>Financial assets</b>
14.1	<b>Financial assets (not covered elsewhere)</b> A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	<b>Impairment of financial assets</b> 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.



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15.	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
16.	<b>Capital assets</b>
16.1	<b>Immovable capital assets</b> Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	<b>Movable capital assets</b> Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	<b>Intangible capital assets</b> Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.





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16.4	<b>Project costs: Work-in-progress</b> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17.	<b>Provisions and contingents</b>
17.1	<b>Provisions</b> <p>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.</p>
17.2	<b>Contingent liabilities</b> <p>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.</p>
17.3	<b>Contingent assets</b> <p>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.</p>
17.4	<b>Capital commitments</b> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>



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## 18. Unauthorised expenditure

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of

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

## 19. Fruitless and wasteful expenditure

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

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

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

## 20. Irregular expenditure

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

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

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



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21.	<p><b>Changes in accounting policies, estimates and errors</b></p> <p>Changes in accounting policies are applied in accordance with MCS requirements.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22.	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23.	<p><b>Departures from the MCS requirements</b></p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.</p>
24.	<p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
25.	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
26.	<p><b>Related party transactions</b></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The full compensation of key management personnel is recorded in the notes to the financial statements.</p>



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

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

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

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

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

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28. **Employee benefits**

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

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

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

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## PART B: EXPLANATORY NOTES

### 1. Annual Appropriation

#### 1.1 Annual Appropriation

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

	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	113,338	113,338	-	115,376	115,376	-
Public Sector Organisational and Staff development	107,802	107,802	-	115,721	115,721	-
<b>Total</b>	<b>221,140</b>	<b>221,140</b>	<b>-</b>	<b>231,097</b>	<b>231,097</b>	<b>-</b>

### 2. Departmental revenue

		2023/24	2022/23
	Note	R'000	R'000
Sales of goods and services other than capital assets	2.1	38	75
Interest, dividends and rent on land	2.2	1	3
Sales of capital assets	2.3	5	33
Transactions in financial assets and liabilities	2.4	246	147
<b>Total revenue collected</b>		<b>290</b>	<b>258</b>
Less: Own revenue included in appropriation		-	-
<b>Total</b>		<b>290</b>	<b>258</b>



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

		2023/24	2022/23
	Note	R'000	R'000
Sales of goods and services produced by the department			
Other sales		38	42
Sales of scrap, waste and other used current goods		-	33
<b>Total</b>	<b>2</b>	<b>38</b>	<b>75</b>

## 2.2 Interest, dividends and rent on land

		2023/24	2022/23
	Note	R'000	R'000
Interest		1	3
<b>Total</b>	<b>2</b>	<b>1</b>	<b>3</b>

## 2.3 Sales of capital assets

		2023/24	2022/23
	Note	R'000	R'000
<b>Tangible capital assets</b>			
Machinery and equipment		5	33
<b>Total</b>	<b>2</b>	<b>5</b>	<b>33</b>

## 2.4 Transactions in financial assets and liabilities

		2023/24	2022/23
	Note	R'000	R'000
Other receipts including Recoverable Revenue		246	147
<b>Total</b>	<b>2</b>	<b>246</b>	<b>147</b>



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## 3. Aid assistance

	2023/24	2022/23
Note	R'000	R'000
Opening balance	-	2,418
Transferred from statement of financial performance	-	-
Paid during the year	-	(2,418)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

### 3.1 Aid assistance expenditure per economic classification

	2023/24	2022/23
Note	R'000	R'000
Current	-	2,120
<b>Total aid assistance expenditure</b>	<b>-</b>	<b>2,120</b>

## 4. Compensation of employees

### 4.1 Analysis of balance

	2023/24	2022/23
Note	R'000	R'000
Basic salary	40,033	36,545
Service based	-	87
Compensative/circumstantial	914	942
Other non-pensionable allowances	10,108	10,287
<b>Total</b>	<b>51,055</b>	<b>47,861</b>



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## 4.2 Social contributions

		2023/24	2022/23
	Note	R'000	R'000
Pension		5,106	4,647
Medical		2,248	2,130
Bargaining council		9	8
<b>Total</b>		<b>7,363</b>	<b>6,785</b>
<b>Total compensation of employees</b>		<b>58,418</b>	<b>54,646</b>
Average number of employees		<b>74</b>	<b>73</b>

## 5. Goods and services

		2023/24	2022/23
	Note	R'000	R'000
Administrative fees		96	119
Advertising**		908	257
Minor assets	5.1	118	319
Bursaries (employees)		709	494
Catering		309	233
Communication		883	806
Computer services*	5.2	10,399	14,039
Consultants: Business and advisory services	5.8	796	749
Legal services		12	-
Contractors		842	407
Agency and support / outsourced services		75	281
Audit cost - external	5.3	4,321	4,412
Fleet services		228	291





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		2023/24	2022/23
	Note	R'000	R'000
Consumables	5.4	1,341	1,297
Operating leases		15,207	14,022
Property payments	5.5	4,993	5,293
Rental and hiring		3	29
Travel and subsistence***	5.6	3,928	1,273
Venues and facilities****		859	246
Training and development		634	467
Other operating expenditure	5.7	855	440
<b>Total</b>		<b>47,516</b>	<b>45,474</b>

\*The decrease in computer services is due to the passthrough monthly cost for EOH being split between VOTE and TRADE from 2023/24 financial year.

\*\*The increase in advertising is due marketing advertising.

\*\*\*The increase in Travel and subsistence is due to an increase in overseas trips taken during the year.

\*\*\*\*The increase in venues is for the BRICS conference and strategic planning sessions.

## 5.1 Minor assets

		2023/24	2022/23
	Note	R'000	R'000
<b>Tangible capital assets</b>			
Machinery and equipment		118	319
<b>Total</b>	5	<b>118</b>	<b>319</b>



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## 5.2 Computer services

		2023/24	2022/23
	Note	R'000	R'000
SITA computer services		1,702	1,126
External computer service providers		8,697	12,913
<b>Total</b>	<b>5</b>	<b>10,399</b>	<b>14,039</b>

## 5.3 Audit cost - external

		2023/24	2022/23
	Note	R'000	R'000
Regularity audits		4,321	4,412
<b>Total</b>	<b>5</b>	<b>4,321</b>	<b>4,412</b>

## 5.4 Consumables

		2023/24	2022/23
	Note	R'000	R'000
Consumable supplies			
Uniform and clothing		2	-
Household supplies		289	281
Communication accessories		2	30
IT consumables		216	254
Other consumables		43	35
Stationery, printing and office supplies		789	697
<b>Total</b>	<b>5</b>	<b>1,341</b>	<b>1,297</b>



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## 5.5 Property payments

		2023/24	2022/23
	Note	R'000	R'000
Municipal services		1,429	1,396
Property management fees		690	593
Property maintenance and repairs		188	580
Other		2,686	2,724
<b>Total</b>	5	<b>4,993</b>	<b>5,293</b>

## 5.6 Travel and subsistence

		2023/24	2022/23
	Note	R'000	R'000
Local		1,261	647
Foreign		2,667	626
<b>Total</b>	5	<b>3,928</b>	<b>1,273</b>

## 5.7 Other operating expenditure

		2023/24	2022/23
	Note	R'000	R'000
Professional bodies, membership and subscription fees		11	40
Other		844	400
<b>Total</b>	5	<b>855</b>	<b>440</b>

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

		2023/24	2022/23
Name of Commission / Committee of Inquiry	Note	R'000	R'000
Audit Committee		257	295
<b>Total</b>		<b>257</b>	<b>295</b>



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## 6. Payments for financial assets

		2023/24	2022/23
	Note	R'000	R'000
Debts written off	6.1	6	-
<b>Total</b>		<b>6</b>	<b>-</b>

### 6.1 Debts written off

		2023/24	2022/23
	Note	R'000	R'000
Nature of debts written off			
Other debt written off (Employee Debt)		6	-
<b>Total debt written off</b>	6	<b>6</b>	<b>-</b>

## 7. Transfers and subsidies

		2023/24	2022/23
	Note	R'000	R'000
Departmental agencies and accounts	Annex 1B	107,802	115,721
Households	Annex 1G	200	362
<b>Total</b>		<b>108,002</b>	<b>116,083</b>

## 8. Expenditure for capital assets

		2023/24	2022/23
	Note	R'000	R'000
<b>Tangible capital assets</b>			
Machinery and equipment		2,301	3,463
<b>Intangible capital assets</b>			
Software		1,955	385
<b>Total</b>		<b>4,256</b>	<b>3,848</b>



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## 8.1 Analysis of funds utilised to acquire capital assets - Current year

Name of entity	2023/24		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible capital assets</b>			
Machinery and equipment	2,301	-	2,301
<b>Intangible capital assets</b>			
Software	1,955	-	1,955
<b>Total</b>	<b>4,256</b>	<b>-</b>	<b>4,256</b>

## 8.2 Analysis of funds utilised to acquire capital assets - Prior year

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

## 8.3 Finance lease expenditure included in Expenditure for capital assets

Name of entity	Note	2023/24	2022/23
		R'000	R'000
<b>Tangible capital assets</b>			
Machinery and equipment		10	-
<b>Total</b>		<b>10</b>	<b>-</b>



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## 9. Cash and cash equivalents

		2023/24	2022/23
	Note	R'000	R'000
Consolidated Paymaster General Account		917	4,278
Cash on hand		30	30
<b>Total</b>		<b>947</b>	<b>4,308</b>

The decrease is due to a decrease in the bank balance.

## 10. Prepayments and advances

		2023/24	2022/23
	Note	R'000	R'000
Travel and subsistence		23	30
<b>Total</b>		<b>23</b>	<b>30</b>

### Analysis of Total Prepayments and advances

Current Prepayments and advances		23	30
<b>Total</b>		<b>23</b>	<b>30</b>

## 11. Receivables

	Note	2023/24			2022/23		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	11.1	723	-	723	5,777	-	5,777
Staff debt	11.2	124	-	124	99	-	99
Other receivables	11.3	1,160	-	1,160	1,166	-	1,166
<b>Total</b>		<b>2,007</b>	<b>-</b>	<b>2,007</b>	<b>7,042</b>	<b>-</b>	<b>7,042</b>



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## 11.1 Claims recoverable

		2023/24	2022/23
	Note	R'000	R'000
National departments		723	5,777
<b>Total</b>	11	<b>723</b>	<b>5,777</b>

## 11.2 Staff debt

		2023/24	2022/23
	Note	R'000	R'000
Bursary Debts		28	40
Salary Overpayment		59	59
GG Vehicle		37	-
<b>Total</b>	11	<b>124</b>	<b>99</b>

## 11.3 Other receivables

		2023/24	2022/23
	Note	R'000	R'000
VAT		1,160	1,160
Medical		-	6
<b>Total</b>	11	<b>1,160</b>	<b>1,166</b>

## 11.4 Impairment of receivables

		2023/24	2022/23
	Note	R'000	R'000
Estimate of impairment of receivables		1,269	-
<b>Total</b>		<b>1,269</b>	<b>-</b>



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## 12. Voted funds to be surrendered to the Revenue Fund

	2023/24	2022/23
Note	R'000	R'000
Opening balance	11,046	6,795
As restated	11,046	6,795
Transferred from statement of financial performance (as restated)	2,942	11,046
Paid during the year	(11,046)	(6,795)
<b>Closing balance</b>	<b>2,942</b>	<b>11,046</b>

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

	2023/24	2022/23
Note	R'000	R'000
Opening balance	38	3
As restated	38	3
Transferred from statement of financial performance (as restated)	290	258
Paid during the year	(325)	(223)
<b>Closing balance</b>	<b>3</b>	<b>38</b>

## 14. Payables - current

	2023/24	2022/23
Note	R'000	R'000
Amounts owing to other entities	32	296
<b>Total</b>	<b>32</b>	<b>296</b>

Decrease is due to the fact that tax for IIC's is done on Trade since November 2023 and no longer done on the Vote.





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## 15. Net cash flow available from operating activities

	2023/24	2022/23
Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	3,232	11,304
Add back non-cash/cash movements not deemed operating activities	(2,342)	(5,699)
(Increase)/decrease in receivables	5,035	(307)
(Increase)/decrease in prepayments and advances	7	(12)
Increase/(decrease) in payables - current	(264)	241
Proceeds from sale of capital assets	(5)	(33)
Expenditure on capital assets	4,256	3,848
Surrenders to Revenue Fund	(11,371)	(7,018)
Surrenders to RDP Fund/Donors	-	(2,418)
<b>Net cash flow generated by operating activities</b>	<b>890</b>	<b>5,605</b>

## 16. Reconciliation of cash and cash equivalents for cash flow purposes

	2023/24	2022/23
Note	R'000	R'000
Consolidated Paymaster General account	917	4,278
Cash on hand	30	30
<b>Total</b>	<b>947</b>	<b>4,308</b>

## 17. Contingent liabilities and contingent assets

### 17.1 Contingent liabilities

			2023/24	2022/23
Liable to	Nature	Note	R'000	R'000
Claims against the department		Annex 3B	27,200	26,778
<b>Total</b>			<b>27,200</b>	<b>26,778</b>



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## 18. Capital commitments

		2023/24	2022/23
	Note	R'000	R'000
Machinery and equipment		-	1,036
Intangible assets		-	1,980
<b>Total</b>		<b>-</b>	<b>3,016</b>

## 19. Accruals and payables not recognised

### 19.1 Accruals

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		907	-	907	2,256
Other		100	-	100	142
<b>Total</b>		<b>1,007</b>	<b>-</b>	<b>1,007</b>	<b>2,398</b>

		2023/24	2022/23
Listed by programme level	Note	R'000	R'000
Programme 1 - Administration (Goods and services)		907	2,256
Programme 1 - Administration (Compensation)		100	142
<b>Total</b>		<b>1,007</b>	<b>2,398</b>



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## 20. Employee benefits

		2023/24	2022/23
	Note	R'000	R'000
Leave entitlement		2,784	2,818
Service bonus		1,724	1,540
Capped leave		1,078	1,062
Other*		27	11
<b>Total</b>		<b>5,613</b>	<b>5,431</b>

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

\*This amount includes negative leave which relates to vacation leave taken in advance by employees R-17 thousand as well as the provision for long service awards R44 thousand.

## 21. Lease commitments

### 21.1 Operating leases

	2023/24				
	Vehicles	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	1,743	-	-	958	2,701
Later than 1 year and not later than 5 years	597	-	-	554	1,151
<b>Total lease commitments</b>	<b>2,340</b>	<b>-</b>	<b>-</b>	<b>1,512</b>	<b>3,852</b>



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

The operating leases include vehicles with a contract period of 36 months or 100,000 km reached, whatever is first. These contracts started in 2022. The photocopier machine rentals have a lease period of 36 months and started in November 2022. Watercoolers were only contracted for one year and will end in November 2024.

## 21.2 Finance leases

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	11	11
Later than 1 year and not later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Leases in the 2023/2024 financial year are all operating leases except for the IPAD, which is a finance lease.



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## 22. Unauthorised, Irregular and Fruitless and wasteful expenditure

	2023/24	2022/23
Note	R'000	R'000
Unauthorised expenditure - current year	-	-
Irregular expenditure - current year	-	-
Fruitless and wasteful expenditure - current year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

## 23. Related party transactions

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

Entity	Nature of transactions
Government Employees Medical Scheme	Under the same Minister
Department of Public Service & Administration	Under the same Minister
NSG Training Trading Account	Provision of training; Administration; maintenance of records
Public Service Commission	Under the same Minister
Centre for Public Service Innovation	Under the same Minister



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## 24. Key management personnel

	2023/24	2022/23
	R'000	R'000
Officials:		
Level 15 to 16	4,803	4,646
Level 14 (Including CFO)	3,008	2,343
<b>Total</b>	<b>7,811</b>	<b>6,989</b>

## 25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	33,780		2,301	(267)	35,814
Computer equipment	20,931		866	(134)	21,663
Furniture and office equipment	8,237		-	(5)	8,232
Other machinery and equipment	4,612		1,435	(128)	5,919
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>33,780</b>		<b>2,301</b>	<b>(267)</b>	<b>35,814</b>

Movable Tangible Capital Assets under investigation

	Number	Value
	Note	R'000
<b>Included in the above total of the movable tangible capital assets per the asset register that are under investigation:</b>		
Machinery and equipment	21	449
<b>Total</b>	<b>21</b>	<b>449</b>

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



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

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	32,494	75	3,464	(2,253)	33,780
Computer equipment	19,996	-	3,113	(2,178)	20,931
Furniture and office equipment	8,223	(1)	72	(57)	8,237
Other machinery and equipment	4,275	76	279	(18)	4,612
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>32,494</b>	<b>75</b>	<b>3,464</b>	<b>(2,253)</b>	<b>33,780</b>

### 25.1.1 Prior period error

Nature of prior period error	Note	2022/23 R'000
Relating to 2022/23 (affecting the opening balance)		
Rounding Adjustment		(1)
Library books added to assets and rounding adjustment		76
<b>Total prior period errors</b>		<b>75</b>

Prior year errors on the assets relates to library books that were rectified because of an AG finding in 2022/23 financial year. The books will be accounted for in the Vote as per the current practice on all tangible assets. Rounding of figures have also been affected due to prior year incorrect rounding of amounts.



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## 25.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	87	-	10,718	-	10,805
Value adjustments					-	-
Additions	-	-	-	118	-	118
Disposals	-	-	-	(131)	-	(131)
<b>Total Minor assets</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>10,705</b>	<b>-</b>	<b>10,792</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	211	-	6,278	-	6,489
<b>Total number of minor assets</b>	<b>-</b>	<b>211</b>	<b>-</b>	<b>6,278</b>	<b>-</b>	<b>6,489</b>

Minor capital assets under investigation

	Note	Number	Value
			R'000
<b>Included in the above total of the minor capital assets per the asset register that are under investigation:</b>			
Machinery and equipment		6	9

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





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

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	262	-	8,595	-	8,857
Prior period error	-	(175)	-	1,984	-	1,809
Additions	-	-	-	335	-	335
Disposals	-	-	-	(196)	-	(196)
<b>Total Minor assets</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>10,718</b>	<b>-</b>	<b>10,805</b>

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

### 25.2.1 Prior period error

	Note	2022/23
Nature of prior period error		R'000
Relating to 2022/23 [affecting the opening balance]		
Books		1,980
Surpluses		4
Licences removed from asset register		(175)
<b>Total prior period errors</b>		<b>1,809</b>

Prior year errors on the assets relates to library books that were rectified because of an AG finding in 2022/23 financial year. The books will be accounted for in the Vote as per the current practice on all tangible assets. Surpluses were also found during the 2023/24 financial year. Values of these assets are equal to similar assets in the asset register. Licences incorrectly included on the asset register in prior years have been removed. Rounding of figures have also been affected due to prior year incorrect rounding of amounts.



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## 26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	651	1,955	-	2,606
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>651</b>	<b>1,955</b>	<b>-</b>	<b>2,606</b>

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

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	657	(391)	385	-	651
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>657</b>	<b>(391)</b>	<b>385</b>	<b>-</b>	<b>651</b>

#### 26.1.1 Prior period error

		2022/23
Nature of prior period error	Note	R'000
Relating to 2022/23 [affecting the opening balance]		
Rounding Adjustment		1
Licences removed from asset register		(392)
<b>Total prior period errors</b>		<b>(391)</b>

Licences incorrectly included on the asset register in prior years have been removed. Rounding of figures have been affected due to prior year incorrect rounding of amounts.

## 27. Broad Based Black Economic Empowerment performance

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



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## ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2023/24				2022/23		Final Budget R'000	Actual transfer R'000
	TRANSFER ALLOCATION			Total Available R'000	TRANSFER			
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000		Actual transfer R'000	% of available funds transferred %		
National School of Government Trading Account	107,802	-	-	107,802	107,802	100.0%	115,721	115,721
<b>TOTAL</b>	<b>107,802</b>	<b>-</b>	<b>-</b>	<b>107,802</b>	<b>107,802</b>	<b>100.0%</b>	<b>115,721</b>	<b>115,721</b>



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## ANNEXURE 1G

### STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2023/24				2022/23			
	TRANSFER ALLOCATION			Total Available	EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments		Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers</b>								
Leave Gratuities	200	-	-	200	200	100.0%	362	362
<b>TOTAL</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>100.0%</b>	<b>362</b>	<b>362</b>



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## ANNEXURE 2A

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

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 23/24	% Held 22/23	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed
				R'000		R'000		R'000		R'000		
				2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	
<b>National / Provincial Public entity</b>												
NSG Training Trading Entity												
		-	-	-	-	-	-	189,345	160,348	-	-	
<b>TOTAL</b>		-	-	-	-	-	-	<b>189,345</b>	<b>160,348</b>	-	-	

The Investment amount for 2022/23 is restated.



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## ANNEXURE 3B

### STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
An employee of the National School of Government has issued a statement of claim in the Labour Court, wherein he is claiming remuneration that he be paid on the same level as a Deputy Director even though he was appointed as an Assistant Director.	300	-	-	-	300
Two employees of the NSG who were not awarded performance bonuses for the performance cycle 2018-2019 referred an unfair labour practice dispute to the Bargaining Council and obtained a favourable award. The NSG referred the matter to the office of the State Attorney to review the award.	388	-	(138)	-	250
The plaintiff, a former employee of the NSG issued summons against the NSG for losses and damages allegedly as a result of the NSG rejecting to approve his application for remunerative work outside of the Public Service.	26,090	200	-	-	26,290
The NSG received an application to compel MP COGTA and others to issue a certification of completion of the Compulsory Induction programme (CIP) to a learner.	-	-	-	-	-
The NSG received an adverse arbitration award re-instating a dismissed employee. The NSG then resolved to review the arbitration award at the Labour Court which process is currently taking place.	-	360	-	-	360
<b>TOTAL</b>	<b>26,778</b>	<b>560</b>	<b>(138)</b>	<b>-</b>	<b>27,200</b>



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## ANNEXURE 4

### CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
COGTA	-	-	47	47	47	47	-	-
NSG Trading Account	542	5,474	-	-	542	5,474	-	-
DPSA	-	-	-	73	-	73	-	-
Justice	-	-	25	-	25	-	-	-
AMDIN	18	-	-	92	18	92	-	-
Office of the Chief Justice	-	-	89	89	89	89	-	-
Stats SA	-	-	2	2	2	2	-	-
<b>TOTAL</b>	<b>560</b>	<b>5,474</b>	<b>163</b>	<b>303</b>	<b>723</b>	<b>5,777</b>	-	-



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## ANNEXURE 5

### INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
SARS	31	295	-	-	31	295	-	-
GEPF	1	1	-	-	1	1	-	-
<b>TOTAL INTERGOVERNMENT PAYABLES</b>	<b>32</b>	<b>296</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>296</b>	<b>-</b>	<b>-</b>





# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

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## ANNEXURE 6

### INVENTORIES

				Materials and Supplies	Total
Inventories for the year ended 31 March 2024	R'000	R'000	R'000	R'000	R'000
Opening balance				66	66
Add/(Less: Adjustments to prior year balances				-	-
Add: Additions/Purchases - Cash				178	178
Add: Additions - Non-cash				90	90
(Less): Disposals				(15)	(15)
(Less): Issues				(198)	(198)
Add/(Less): Received current, not paid; (Paid current year, received prior year)				-	-
Add/(Less): Adjustments				39	39
<b>Closing balance</b>				<b>160</b>	<b>160</b>



# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

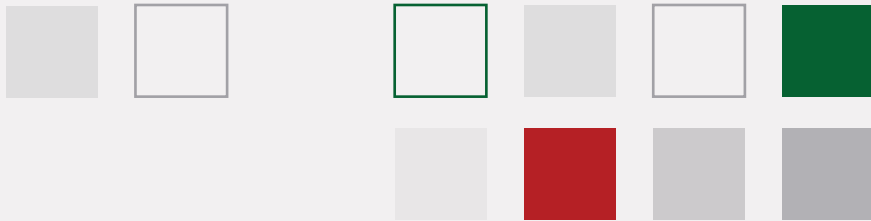
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				Materials and Supplies	Total
Inventories for the year ended 31 March 2023	R'000	R'000	R'000	R'000	R'000
Opening balance				33	33
Add/(Less): Adjustments to prior year balances				-	-
Add: Additions/Purchases - Cash				1	1
Add: Additions - Non-cash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





## Part F:

# Financial Information

(TRADE ACCOUNT)

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

## Report on the audit of the financial statements Opinion

1. I have audited the financial statements of the National School of Government Training Trading Account (NSG - TTA) set out on pages 171 to 209, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National School of Government Training Trading Account as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for opinion

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

### Emphasis of matter

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

### Restatement of corresponding figures

7. As disclosed in note 19 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2024.

### Responsibilities of the accounting officer for the financial statements

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



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

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

### Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. The trading entity's performance information was reported in the annual performance report of the National School of Government. I audited the reported performance information as part of the audit of National School of Government and any audit findings are included in that audit report.

### Report on compliance with legislation

14. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.

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

### Other information in the annual report

18. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
19. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
20. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
21. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.



## Internal control deficiencies

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

Auditor General

Pretoria

31 July 2024



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

## Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the trading entity's compliance with selected requirements in key legislation.

## Financial statements

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

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

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

### Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

### Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 (Definition of irregular expenditure) Section 38(1)(a)(iv) Section 38(1)(b) Section 38(1)(c)(i) Section 38(1)(c)(ii) Section 38(1)(d) Section 38(1)(h)(iii) Section 39(1)(a) Section 39(2)(a) Section 40(1)(a) Section 40(1)(b) Section 40(1)(c)(i) Sections 43(4) Section 44 Section 45(b) Section 51(1)(a)(iv) Section 57(b)
Treasury regulations	TR4.1.1 TR 4.1.3 TR 5.1.1 TR 5.2.1 TR 5.2.3(a) TR 5.2.3(d) TR 5.3.1 TR 6.3.1(a) TR 6.3.1(b) TR 6.3.1(c) TR 6.3.1(d) TR 6.4.1(b) TR 7.2.1 TR 8.1.1 TR 8.2.1 TR 8.2.2 TR 8.2.3 TR 8.4.1 TR 9.1.1 TR 9.1.4 TR 10.1.1(a)



Legislation	Sections or regulations
	TR 10.1.2 TR 11.4.1 TR 11.4.2 TR 11.5.1 TR 12.5.1 TR 15.10.1.2(c) TR 16A3.2 (fairness) TR 16A3.2(a) TR 16A6.1 TR 16A6.2(a) TR 16A6.2(b) TR 16A6.3(a) TR 16A6.3(b) TR 16A6.3(c) TR 16A6.3(e) TR 16A6.4 TR 16A6.5 TR 16A6.6 TR 16A7.1 TR 16A.7.3 TR 16A7.6 TR 16A.7.7 TR 16A8.3 TR 16A8.4 TR 16A9.1(d) TR 16A9.1(e) TR 16A9.1(f) TR 16A9.2(a)(ii) TR 17.1.1 TR 18.2; TR 19.8.4
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulation 17 Regulation 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section 1(i) Section 2.1(a) Section 2.1(b) Section 2.1(f)
Preferential Procurement regulations (PPR), 2011	Regulation 4.1 Regulation 4.3 Regulation 5.5

Legislation	Sections or regulations
	Regulation 6.1 Regulation 6.5 Regulation 7.1 Regulation 9.1 Regulation 9.5 Regulation 11.2 Regulation 11.5
Preferential Procurement regulations (PPR), 2017	Regulation 4.1 Regulation 4.2 Regulation 5.1 Regulation 5.3 Regulation 5.6 Regulation 5.7 Regulation 6.1 Regulation 6.2 Regulation 6.3 Regulation 6.5 Regulation 6.6 Regulation 6.8 Regulation 7.1 Regulation 7.2 Regulation 7.3 Regulation 7.5 Regulation 7.6 Regulation 7.8 Regulation 8.2 Regulation 8.5 Regulation 9.1 Regulation 10.1 Regulation 10.2 Regulation 11.1 Regulation 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)





Legislation	Sections or regulations
Public SeNice regulations (PSR), 2016	Regulations 18(1) Regulation 18(2) Regulation 25(1)(e)(i) Regulation 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998 (SITA)	Section 7(3)
NT SCM Instruction Note 05 of 2009/10	Par 3.3
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 03 of 2016/17	Par 8.1 Par 8.2 Par 8.3 Par 8.5





**school of government**

Department:  
National School of Government  
REPUBLIC OF SOUTH AFRICA

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

# Annual Financial Statements

**for the year ended 31 March 2024**



公众号 · 北京对话Beij



## GENERAL INFORMATION

Executive Management	Prof Busani Ngcaweni Dr Botshabelo Maja Ms Phindile Mkwanazi Dr Lakela Kaunda Mr Kubele Hlalethwa
Business address	<b>ZK Matthews Building</b> 70 Mentjies Street Sunnyside Pretoria 0001
Postal address	<b>Private Bag X759</b> Pretoria 0001
Bankers	ABSA Bank
Auditors	Auditor General South Africa
Controlling Department	National School of Government

## Index

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

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## Statement of Responsibility

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

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

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

The financial statements are prepared in accordance with Generally Recognised Accounting Practice (GRAP) and incorporate disclosure in line with the accounting philosophy of the entity and the requirements of the PFMA. The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The Accounting Officer hereby approves the annual financial statements of the NSG TTA for the year ended 31 March 2024, as set out on pages 171 to 209.



**Prof Busani Ngcaweni**  
Principal

# Statement of Financial Position

as at 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)  
TRAINING TRADING ACCOUNT (TTA)  
Annual Financial Statements

	Note(s)	2024 R '000	2023 Restated* R '000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	253,868	235,374
Receivables from exchange transactions	8	6,907	7,318
		<b>260,775</b>	<b>242,692</b>
<b>Non-Current Assets</b>			
Intangible assets	9	39,941	36,065
<b>Total Assets</b>		<b>300,716</b>	<b>278,757</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	10	95,701	103,094
Payables from non-exchange transactions	11	-	744
Employees benefits	12	9,668	9,385
		<b>105,369</b>	<b>113,223</b>
<b>Total Liabilities</b>		<b>105,369</b>	<b>113,223</b>
<b>Net Assets</b>			
Accumulated surplus		195,347	165,534
<b>Total Net Assets</b>		<b>195,347</b>	<b>165,534</b>



# Statement of Financial Performance

NATIONAL SCHOOL OF GOVERNMENT (NSG)  
TRAINING TRADING ACCOUNT (TTA)  
Annual Financial Statements

	Note(s)	2024 R '000	2023 Restated* R '000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Courses Rendered		143,206	118,242
Interest received (trading)		952	927
Other revenue		2,114	-
Interest received - investments		16,733	9,297
<b>Revenue from exchange transactions</b>	2	<b>163,005</b>	<b>128,466</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Grants & subsidies		108,235	116,389
<b>Revenue from non-exchange transactions</b>	3	<b>108,235</b>	<b>116,389</b>
<b>Total revenue</b>		<b>271,240</b>	<b>244,855</b>
<b>Expenditure</b>			
Employee related costs	4	(105,641)	(94,123)
Operating Expenses	5	(135,787)	(101,349)
<b>Total expenditure</b>		<b>(241,428)</b>	<b>(195,472)</b>
<b>Surplus for the year</b>		<b>29,812</b>	<b>49,383</b>



## Statement of Changes in Net Assets

	Accumulated surplus / deficit R '000	Total net assets R '000
Opening balance as previously reported	110,816	110,816
Adjustments		
Correction of Prior Period (Note 19)	5,335	5,335
<b>Balance at 01 April 2022 as restated*</b>	<b>116,151</b>	<b>116,151</b>
Changes in net assets Surplus for the year	49,383	49,383
Surplus for the year as previously stated	47,115	47,115
Correction of Prior Period Error (Note 19)	2,269	2,269
<b>Restated* Balance at 01 April 2023</b>	<b>165,535</b>	<b>165,535</b>
Changes in net assets Surplus for the year	29,812	29,812
Total changes	29,812	29,812
<b>Balance at 31 March 2024</b>	<b>195,347</b>	<b>195,347</b>

# Cash Flow Statement

	Note(s)	2024 R '000	2023 Restated* R '000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash Received from Clients		141,484	119,653
Grants		107,802	115,721
Interest income		16,733	9,297
		266,019	244,671
<b>Payments</b>			
Employee costs		(105,359)	(95,589)
Suppliers for goods and services		(136,211)	(98,149)
		(241,570)	(193,738)
<b>Net cash flows from operating activities</b>	13	<b>24,449</b>	<b>50,933</b>
<b>Cash flows from investing activities</b>			
Purchase of other intangible assets	9	(5,957)	(650)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>18,492</b>	<b>50,283</b>
Cash and cash equivalents at the beginning of the year		235,375	185,092
<b>Cash and cash equivalents at the end of the year</b>	6	<b>253,867</b>	<b>235,375</b>





## Statement of Comparison of Budget and Actual Amounts

		Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
		R '000	R '000	R '000	R '000	R '000
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rendering of service - course fees		103,586	-	103,586	143,206	39,620
Interest received (trading)		-	-	-	952	952
Other revenue		-	-	-	2,114	2,114
Interest received - investments		3,724	-	3,724	16,733	13,009
<b>Total revenue from exchange transactions</b>		<b>107,310</b>	<b>-</b>	<b>107,310</b>	<b>163,005</b>	<b>55,695</b>
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies		115,680	(7,878)	107,802	107,802	-
Donations		-	-	-	433	433
<b>Total revenue from non-exchange transactions</b>		<b>115,680</b>	<b>(7,878)</b>	<b>107,802</b>	<b>108,235</b>	<b>433</b>
<b>Total revenue</b>		<b>222,990</b>	<b>(7,878)</b>	<b>215,112</b>	<b>271,240</b>	<b>56,128</b>
<b>Expenditure</b>						
Personnel		(106,392)	-	(106,392)	(105,641)	751
General Expenses		(116,598)	-	(116,598)	(135,787)	(19,189)
<b>Total expenditure</b>		<b>(222,990)</b>	<b>-</b>	<b>(222,990)</b>	<b>(241,428)</b>	<b>(18,438)</b>
<b>Surplus before taxation</b>		<b>-</b>	<b>(7,878)</b>	<b>(7,878)</b>	<b>29,812</b>	<b>37,690</b>
<b>Capital Expenditure</b>		<b>-</b>	<b>(7,878)</b>	<b>(7,878)</b>	<b>29,812</b>	<b>37,690</b>
Intangible Assets		-	-	-	(5,744)	(5,744)
<b>Budget Surplus</b>	Note 14	<b>-</b>	<b>(7,878)</b>	<b>(7,878)</b>	<b>24,068</b>	<b>31,946</b>

The adjustment to the budget on Government grants and subsidies are a result of budget cuts as implemented by National Treasury.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)  
TRAINING TRADING ACCOUNT (TTA)  
Annual Financial Statements

## Accounting Policies

### 1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Statement of compliance

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

#### 1.2 Standards of GRAP issued but not yet effective.

The Standard of GRAP that has been issued by the ASB, but where the Minister has not determined an effective date, has not been adopted by the NSG.

Once adopted the following standards will be applicable to the entity:

Grap 1- Presentation of financial statements

Grap 104 - Financial instruments

#### 1.3 Basis of preparation, presentation currency and rounding

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

#### 1.4 Functional Currency

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

#### 1.5 Going concern assumption

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern for a period of 12 months from the reporting date. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

#### 1.6 Significant judgements and estimates

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

## 1.7 Fair value adjustment of receivables and payables

The calculation of the fair value adjustment of receivables is based on an assessment of the average age of receivables. All receivables are assumed to settle their accounts on the average settlement period. The receivables balance is discounted to its current fair value over this term at the government gazetted rate. As at reporting date the rates specified were 11.75% (2022/23: 11.25%) per annum on the outstanding balance.

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

## 1.8 Determination of allowance for doubtful debts

The calculation in respect of the impairment of debtors is based on a historical assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to subsequently make payments. The entity has recognised an allowance for doubtful debts of 100% against all receivables over 2 years because historical experience has been that receivables that are past due beyond 2 years are not recoverable. Refer to note 7.

## 1.9 Comparative information

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

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

## 1.10 Revenue from non-exchange transactions

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

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

## 1.11 Revenue from exchange transactions

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

### Rendering of services

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

### Stage of completion method

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)  
TRAINING TRADING ACCOUNT (TTA)  
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## 1.11 Revenue from exchange transactions (continued)

Where the entity provides administrative support and the client department is responsible for the training roll out, the revenue will be recognised in relation to the administrative services provided at the set mile stones where the entity hands over to the client department and resume again when client department provides the required evidence for the entity to complete the remaining administrative services.

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

### Interest revenue

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

## 1.12 Expenditure

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

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

The NSG recognises expense immediately in the statement of financial performance when expenses produce no future economic benefits or service potential or when and to the extent that, future economic benefits or service potential do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

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

## 1.13 Employee benefits

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

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

### Short-term employee benefits

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

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NATIONAL SCHOOL OF GOVERNMENT (NSG)  
TRAINING TRADING ACCOUNT (TTA)  
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## 1.13 Employee benefits (continued)

### Post-employment retirement benefits

The entity, through its controlling department - NSG Vote 7, provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are charged to the statement of financial performance in the year to which they relate.

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

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

### Termination benefits

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

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

## 1.14 Financial assets

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

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

### Classification of financial assets

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

### Financial assets at amortised cost and the effective interest method

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

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



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## 1.14 Financial assets (continued)

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Gain or losses

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

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

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

### Offsetting

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

### Impairment of financial assets at amortised cost

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

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

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

Objective evidence of impairment could include:

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

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



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## 1.14 Financial assets (continued)

Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 2 years, as well as observable budget constraints that correlate with default on receivables.

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

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

### Derecognition of Financial Assets

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

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

## 1.15 Financial liabilities and equity instruments

### Classification of financial liabilities and equity

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

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

### Financial guarantee contract liabilities

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

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

### Other financial liabilities

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

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



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## 1.15 Financial liabilities and equity instruments (continued)

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

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

### Derecognition of financial liabilities

The entity derecognises a financial liability or a part thereof when, and only when, the entity's obligations are discharged, cancelled, or they expire. On derecognition, the difference between the carrying amount of the financial liability including related unamortised costs, and the amount paid for it is included in surplus or deficit for the period.

## 1.16 Property, plant and equipment

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

## 1.17 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

## 1.18 Intangible assets

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

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

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

The Library System was determined to have a useful life of 87 months as from the date of purchase and is impaired monthly.

### Internally generated intangible assets

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

### Impairment of assets

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





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## 1.18 Intangible assets (continued)

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

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

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

## 1.19 Inventories

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

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

## 1.20 Borrowings

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

## 1.21 Leases

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

The entity may generally not enter into finance leases as it is prohibited by Treasury Regulation 13.2.4. However, National Treasury permits entities to enter into finance leases under certain conditions as outlined in the Office of the Accountant- General practice note 5 of 2006/07 'Finance Lease Transactions' despite the provisions of Treasury Regulation 13.2.4.

### The NSG as lessee

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

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

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



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## 1.21 Leases (continued)

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

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

## 1.22 Accruals

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

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

## 1.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities are not recognised, but only disclosed in the notes to the annual financial statements.

## 1.24 Commitments

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

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

## 1.25 Provisions

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



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## 1.25 Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows.

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

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

## 1.26 Fruitless and wasteful expenditure

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

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

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

## 1.27 Irregular expenditure

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

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written off as irrecoverable.

## 1.28 Related parties

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

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

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

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## 1.28 Related parties (continued)

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

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

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

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

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

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

## 1.29 Tax

The entity is exempt from paying income tax in terms of section 10(1)(a) of The Income Tax Act, Act 58 of 1962 as amended. The entity is exempt from paying VAT (Value Added Tax) in terms of the Value-Added Tax Act, Act 89 of 1991 as amended.



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## 2. Revenue from exchange transactions

	2024	2023
	R'000	R'000
Courses Rendered	143,206	118,242
Interest received (trading)	952	927
Interest received - investments	16,733	9,297
Other revenue	2,114	-
	<b>163,005</b>	<b>128,466</b>

## 3. Revenue from non-exchange transactions

Funds from the Department (NSG)	107,802	115,721
Donations	433	668
	<b>108,235</b>	<b>116,389</b>

The NSG has received a donation in kind from Nedbank through utilization of a venue for teaching purposes in the 2023-24 financial year. In the prior year, courses which were funded by the European Union and Department of Planning Monitoring and Evaluation and were handed over to the National School of government.



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2024	2023
R'000	R'000

## 4. Employee related information

### 4.1 Employee related costs

Basic Salary	73,342	63,357
Other non-pensionable allowances	19,129	18,963
Long-service awards	87	149
Overtime pay	16	375
Pension	9,684	9,104
Medical	3,595	3,504
Official unions and associates	17	14
Leave pay provision expense	(229)	(1,343)
	<b>105,641</b>	<b>94,123</b>

### 4.2 Number of employees

<b>Employees</b>		
Permanent	136	125



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2024	2023
R'000	R'000

## 5. Operating expenses

Consulting and professional fees	37,118	33,474
Consumables	1,292	2,594
IT expenses	21,202	2,282
Marketing	351	94
Communication costs.	841	767
Postage and courier	697	507
Printing and stationery	4,688	4,472
Property payments	8,146	7,902
Venue and facilities	24,926	16,995
Disposal of intangible assets	1,560	1,770
Movement in the provision for debtors impairment	(7,875)	(1,474)
Catering departmental activities	159	56
Equipment rental payments	563	539
Travel and subsistence	8,745	7,016
Property rental payments	23,214	21,050
Armortisation of Intangible assets	225	225
Bad debts written off	9,379	3,034
General administrative expenses	556	46
	<b>135,787</b>	<b>101,349</b>

\*Due to the implementation of caseware system in preparation of the financial statements, certain operating expenses amounts have been moved around in the prior year figures. The balances remains the same except the expenses that were affected by prior period adjustments.



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2024	2023
R'000	R'000

## 6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances

253,868	235,374
<b>253,868</b>	<b>235,374</b>

## 7. Inventories

### CIP Material

Opening Balance

Additions

Disposal

**Closing Balance**

-	113
-	-
-	(113)
<b>-</b>	<b>-</b>

## 8. Trade and other receivables

2024	Less than one year	One to two years	More than two years	Total
	R '000	R '000	R '000	R '000
Trade debtors	5,588	1,319	4,084	10,991
Allowance for impairment provision	-	-	(4,084)	(4,084)
Other receivables	-	-	-	-
	<b>5,588</b>	<b>1,319</b>	<b>-</b>	<b>6,907</b>





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## 8. Trade and other receivables (continued)

2023	Less than one year	One to two years	More than two years	Total
	R '000	R '000	R '000	R '000
Trade debtors	6,528	790	11,959	19,277
Allowance for impairment provision	-	-	(11,959)	(11,959)
Other receivables	-	-	-	-
	<b>6,528</b>	<b>790</b>	<b>-</b>	<b>7,318</b>

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

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

All invoices issued to customers must be settled within 30 days from date of receipt of the invoice as per Treasury Regulation 8.2.3. However, due to delayed payment from customers the entity is assumed to provide extended credit terms of 29 days (2022/23: 49 days) to customers affecting the fair value of debt raised. Implicit interest is charged in accordance with Section 80 of the PFMA at the rates specified. As at the reporting date the rates specified were 11.75% (2022/23: 11.25%) per annum on the outstanding balance.

Consequently, the entity does not assess the credit quality of customers and does not set any credit limits per customer.

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

A review of the payment history of NSG's customers, based on transaction data captured in the debtor administration system, revealed an average collection period of 29 days (2022/23: 49 days) from course date. Customers are expected to settle invoices within 60 days from date of issue of the invoice.

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



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## 8. Trade and other receivables (continued)

Trade receivables past due, but not impaired - 31 March 2024			
	61 to 365 days	366 to 730 days	Total
	R '000	R '000	R '000
Nominal Value	(19,755)	3,210	(16,545)
Impairment Adjustment	-	-	-
	<b>(19,755)</b>	<b>3,210</b>	<b>(16,545)</b>
Trade receivables past due, but not impaired - 31 March 2023			
	61 to 365 days	366 to 730	Total
	R '000	days R '000	R '000
Nominal Value	(19,339)	(284)	(19,623)
Impairment of trade receivables			
	2024	2024	
	R '000	R '000	
Balance at cost	11,071	19,277	
Less: impairment	(81)	-	
	<b>10,990</b>	<b>19,277</b>	

The impairment of trade receivables is based on cash flows discounted using the rate prescribed by the Minister of Finance in terms of section 80 of the PFMA of 11.75% (2022/23: 11.25%).

Movement in the impairment provision		
	2024	2024
	R '000	R '000
Opening balance	11,959	13,433
Provision for impairment	1,504	1,559
Amounts Written off during the year	(9,379)	(3,034)
	<b>4,084</b>	<b>11,958</b>



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## 9. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Wisenet System	4,648	-	4,648	-	-	-
Training Management System	2,334	(1,475)	859	2,334	(1,269)	1,065
Library System	134	(129)	5	134	(111)	23
Training Courses	35,504	(1,075)	34,429	36,052	(1,075)	34,977
<b>Total</b>	<b>42,620</b>	<b>(2,679)</b>	<b>39,941</b>	<b>38,520</b>	<b>(2,455)</b>	<b>36,065</b>

### Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Wisenet System	-	4,648	-	-	4,648
Training Management System	1,065	-	-	(206)	859
Library System	23	-	-	(18)	5
Training Courses	34,977	1,012	(1,560)	-	34,429
	<b>36,065</b>	<b>5,660</b>	<b>(1,560)</b>	<b>(224)</b>	<b>39,941</b>

### Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Training Management System	1,271	-	-	(206)	1,065
Library System	41	-	-	(18)	23
Training Courses	35,429	1,318	(1,770)	-	34,977
	<b>36,741</b>	<b>1,318</b>	<b>(1,770)</b>	<b>(224)</b>	<b>36,065</b>

- The management of the entity decided to increase the useful life of the Library management system, the impact of the change is reflected in the financial statements . (Refer to note:19.1).



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## 9. Intangible assets (continued)

Training Courses includes Internally generated courses with an amount of R2.8 million, and Other Courses with an amount R32.7 million and impairment of R1.8 million.

A test was conducted at the end of the reporting period on the training courses and nothing was identified for Impairment. The Training Management System was amortised due to the change in its useful life.

The amortisation expense is recognised are included in the line item 'amortisation and impairment' in the statement of financial performance.

The following useful lives are used in the calculation of amortisation:

	Useful life 2024	Useful life 2023
Capitalised training course development Library System	Indefinite 87 Months	Indefinite 87 Months
Training management system	7 Years	7 Years

## 10. Payables from exchange transactions

2024	30 days R '000	30+ days R '000	Total R '000
Trade creditors	3,226	-	3,226
Amounts due to customers: trade debtors	-	91,932	91,932
Amount owed to NSG Vote 7	541	-	541
	<b>3,767</b>	<b>91,932</b>	<b>95,699</b>

2023	30 days R '000	30+ days R '000	Total R '000
Trade creditors	2,448	-	2,448
Amounts due to customers: trade debtors	-	95,171	95,171
Amount owed to NSG Vote 7	5,474	-	5,474
	<b>7,922</b>	<b>95,171</b>	<b>103,093</b>

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



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2024	2023
R'000	R'000

## 11. Payables from non-exchange transaction

National Treasury advance for course development

-	744
<b>-</b>	<b>744</b>

The amount for payables from Non-Exchange was redirected to fund an e-learning NSG course. During 2022-23 financial year R514 000 was recognised and the remaining R744 000 has been recognised as part of revenue in the current financial year.

## 12. Employments benefits

Leave entitlement	2024	2023
	R'000	R'000
Carrying amount beginning of period	7,098	8,441
Current Service cost	(11,534)	(11,722)
Less benefit utilised	11,306	10,379
	<b>6,870</b>	<b>7,098</b>



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## 12. Employments benefits (continued)

13th cheque	2024	2023
	R'000	R'000
Carrying amount beginning of period	2,277	2,412
Current Service cost	2,711	2,277
Less benefit utilised	(2,277)	(2,412)
	<b>2,711</b>	<b>2,277</b>

Performance bonus	2024	2023
	R'000	R'000
Current Service cost	-	(208)
Less benefit utilised	-	208
	<b>-</b>	<b>-</b>

Long Service Awards	2024	2023
	R'000	R'000
Carrying amount beginning of period	10	-
Current Service cost	87	10
Less benefit utilised	(10)	-
	<b>87</b>	<b>10</b>
	<b>9,668</b>	<b>9,385</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

## 13. Cash generated from operations

Surplus

**Adjustments for:**

Disposal of intangible assets

Allowances for doubtful debts

Interest income

Impairment of assets

Bad debts

Changes in estimates of employee benefits

Non-cash donations and other in-kind benefits

**Changes in working capital:**

Inventories

Receivables from exchange transactions

Payables from exchange transactions

	2024	2023
	R'000	R'000
	29,812	49,383
	1,560	1,770
	(7,875)	(4,508)
	(952)	(927)
	225	225
	9,379	3,034
	(283)	(1,468)
	(433)	(668)
	-	113
	411	3,828
	(7,395)	151
	<b>24,449</b>	<b>50,933</b>



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## 14. Budget information

The budget is approved on an accrual basis by nature classification. The approved budget covers the period from 01 April 2023 to 31 March 2024.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

Reconciliation between budget deficit and statement of financial performance:	2024
	R'000
Budget Deficit	(7,878)
Course fee's above the budgeted amount	39,620
Non exchange donations	433
Interest trade receivables	952
Favourable interest on investment	13,009
Capital expenditure	(5,744)
Savings on compensation of employees	751
Over-expenditure on operational expenditure	(19,189)
Other Revenue	2,114
<b>Surplus for the year</b>	<b>24,068</b>

### Reason for budget deviation in revenue

The revenue performance for the financial year ending 31 March 2024 reflects a favourable variance of R24 million due to higher roll out of courses and National Treasury allocations.

### Reason for budget deviation in expenditure.

Expenditure is above budget due to high volume of training related activities. There was savings on salaries due to vacant positions.





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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2024	2023
R'000	R'000

## 15. Financial instruments

### Capital risk management

The entity does not have share capital that is publicly tradable on the capital markets. Upon closure of the entity all assets and liabilities will be transferred to the controlling department as required by Treasury Regulation 19.9.

The objectives when managing capital (retained earnings) are to safeguard the entity's ability to continue as a going concern on the cost-recovery basis and to execute government priorities through service delivery. The annual financial statements of the entity have been prepared on the going concern basis.

### Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in the accounting policies.

Financial assets		
Amortised cost	2024	2023
	R'000	R'000
Cash and cash equivalents (Note 6)	253,868	235,374
Trade and other receivables (Note 8)	6,907	7,318
	<b>260,775</b>	<b>242,692</b>



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2024	2023
R'000	R'000

## 15. Financial instruments (continued)

Financial liabilities		
Amortised cost	2024	2023
	R'000	R'000
Trade and other payables (Note 10)	95,699	103,093
	<b>95,699</b>	<b>103,093</b>

### Financial risk management objectives

The entity has limited exposure to financial risks due to its limited ownership (ownership is limited to the net asset holders of the controlling department - National School of Government Vote 7) and the funding of any cash deficit by the controlling department. The entity has no exposure to foreign currency risk, cash flow interest rate risk and equity price risk.

### Credit risk management

Credit risk comprises the risk of financial loss to the entity if a counter party to a financial instrument fails to meet its contractual obligations.

The entity only transacts with entities in the national, provincial, and local spheres of government and function within the pool of funds managed by National Treasury. The credit quality of government entities is therefore not assessed as these entities are considered creditworthy.

The entity makes use of only National Treasury approved banks representing high credit quality financial institutions.

The entity does not hold any collateral or other credit enhancements to cover credit risk. However, any cash deficit caused by government entities defaulting on their contractual obligations is funded by the controlling department through augmentation as mentioned in Treasury Regulation 19.7.3.



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2024	2023
R'000	R'000

## 15. Financial instruments (continued)

The carrying amount of trade and other receivables recorded in the financial statements (refer to note 8), which is net of impairment losses, represents the entity's maximum exposure to credit risk without taking into account any funding by the controlling department in accordance with TR 19.7.

Receivables from exchange transactions<sup>6)</sup>  
Allowance for doubtful debts<sup>8)</sup>

2024	2023
R'000	R'000
10,991	19,277
(4,084)	(11,959)
<b>6,907</b>	<b>7,318</b>

There has been no significant change during the financial year, or since the end of the financial year, to the entity's exposure to credit risk, the approach of measurement or the objectives, policies, and processes for managing this risk.

### Liquidity risk

Liquidity risk comprises the risk that the entity will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Accounting Officer, who has established an appropriate liquidity risk management framework for the management of the entity's short-, medium- and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity Analysis		At 31 March 2024
Cash and cash equivalents		253,868
Receivables from exchange transactions		6,907
<b>Current Assets</b>		<b>260,775</b>
Payable from exchange transaction		95,699
<b>Current Liabilities</b>		<b>95,699</b>
<b>Excess liquidity</b>		<b>165,076</b>



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2024	2023
R'000	R'000

## 15. Financial instruments (continued)

### Maturity analysis

The entity's remaining contractual maturity for all its financial liabilities are between one and three months.

### Impairment of financial instruments

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

### Financial assets at amortised cost

- Trade and other receivables	6,907	7,318
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### Financial liabilities at amortised cost

- Trade and other payables	95,699	103,093
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The fair value of financial assets and liabilities measured at amortised cost is determined by discounting the future cash flows at the current interest rate prescribed by the Minister of Finance in terms of section 80 of the PFMA.

## 16. Related parties

The entity is controlled through the Department of National School of Government at National Government level.

As a result of the constitutional independence of the three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management and executive committee members are considered management.



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2024	2023
R'000	R'000

## 16. Related parties (continued)

### Related party transactions and outstanding balances

Revenue from non-exchange transactions – NSG Vote Account	107,802	115,721
Outstanding balance- Claims receivable – NSG Vote Account	-	-
Outstanding balance- Claims payable - NSG Vote Account	541	5,474

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

### Other Government Departments

2024	2023	
R'000	R'000	
Outstanding balances- Trade and other Payables	11,148	38,867
Outstanding balances- Trade and other receivables	24,093	11,890

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

### Key Management Personnel remuneration

2024					
Name	Position	Basic salary R '000	Other short- term employee benefits R '000	Post- employment benefits R '000	Total R '000
Dr B Maja	Deputy Director General	1,123	603	146	1,872
Ms P Mkwanazi	Deputy Director General	998	536	130	1,664
		<b>2,121</b>	<b>1,139</b>	<b>276</b>	<b>3,536</b>



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## 16. Related parties (continued)

2023					
Name	Position	Basic salary R '000	Other short- term employee benefits R '000	Post- employment benefits R '000	Total R '000
Dr B Maja	Deputy Director General	1,075	607	140	1,822
Ms PP Mkwanazi	Deputy Director General	954	531	124	1,609
		<b>2,029</b>	<b>1,138</b>	<b>264</b>	<b>3,431</b>

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

Official	Position
Prof B Ngcaweni	Principal
Mr KS Hlaethwa	Chief Financial Officer
Dr L Kaunda	Deputy Director General

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

## 17. Commitments

### Leases Commitments

All lease agreements are entered into by the controlling department - National School of Government Vote 7. Therefore, all lease commitments are presented and disclosed in the financial statements of National School of Government Vote 7. The lease payments are recovered from the National School of Government TTA in accordance with the expenditure allocation policy.



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2024	2023
R'000	R'000

## 17. Commitments (continued)

The controlling department, National School of Government Vote 7, leases office equipment used by the entity for a period of three years to 31 October 2025. The average lease payment is R 79,135 per month (2022-23: R 62 847) with no contingent lease payments. The lease agreements do not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreements may be extended in accordance with clause 4 of the Master transversal agreement.

The controlling department also leases office accommodation used by the entity. The renewal period is currently on a month-to-month basis. The average lease payment is R1,665,333 per month (2022-23: R 1,563,693) escalating at 6.5% per year on 31 October. The agreement contains no contingent lease payments. The agreement does not transfer substantially the risks and rewards associated with ownership of the assets to National School of Government. The lease agreement imposes no restrictions.

### Expenditure Commitments

Capital Commitments	26,206	40,627
Operational Commitments	6,642	5,481
<b>Total</b>	<b>32,848</b>	<b>46,108</b>

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

## 18. Irregular expenditure and Fruitless expenditure

Description		
Irregular Expenditure	83	-
Fruitless and wasteful expenditure	103	15
	<b>186</b>	<b>15</b>

No amount disclosed in the irregular and fruitless expenditure resulted in any material losses through criminal conduct and no criminal or disciplinary steps were taken as a result at the reporting date.



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2024	2023
R'000	R'000

## 19. Prior period errors

### 19.1

During the 2023/24 financial year the entity's management changed the useful life of an intangible asset - Library System from eighty on months to eighty seven (87). The changed resulted in prior period error resulting in understatement of assets, overstatement of impairment expense and understatement of opening accumulated surplus. The result of the correction is as follows:

	2023
	R'000
Increase in opening balance - accumulated surplus	(7)
Decrease in Amortisation of Intangible assets	(1)
Increase in assets	8

### 19.2

During the 2023/24 financial year the entity's management identified an error with the accruals as stated in the 2022-23 financial year. The error resulted in the overstatement of payables and overstatement of expenses. The result of the correction is as follows:

	2023
	R'000
Decrease in payables	1
Decrease in expenses	(1)





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

2024	2023
R'000	R'000

## 19. Prior period errors (continued)

### 19.3

During the 2023/24 financial year the entity's management identified invoices that were not included in the 2022/23 financial year. The error resulted in the overstatement of payables, receivables and understatement of revenue. The result of the correction is as follows:

	2023
	R'000
Decrease in payables	3,623
Increase in receivables	79
Increase in revenue	(3,703)

### 19.4

During the 2023/24 financial year the entity's management identified invoices that were included in the 2022/23 financial year. The error resulted in the understatement of payables, Understatement of receivables and overstatement of revenue. The result of the correction is as follows:

	2023
	R'000
Increase in payables	(680)
Decrease in receivables	(744)
Decrease in revenue	1,424



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2024	2023
R'000	R'000

## 19. Prior period errors (continued)

### 19.5

During the 2023/24 financial year the entity's management identified invoices and credit notes that were included in the 2019/20, 2020-21 and 2021/22 financial year. The error resulted in the overstatement of payables, understatement of receivables and understatement of Opening accumulated surplus balances. The result of the correction is as follows:

	2023
	R'000
Increase in payables	343
Increase in receivables	(202)
Increase in opening balance- Accumulated surpluses	(142)

### 19.6

During the 2023/24 financial year the entity's management identified an omission of long service award provision in the 2022- 23 financial year. The error resulted in the understatement of payables, and understatement of expenses. The result of the correction is as follows:

	2023
	R'000
Increase in employment costs	11
Increase in provisions	(11)

### 19.7

During the 2023/24 financial year the entity's management identified an amount of debtors with credit balances which were incorrectly recorded against the reserves from 2010-11 to 2014-15 financial years. The error resulted in the understatement of receivables, and understatement of reserves. The result of the correction is as follows:



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2024	2023
R'000	R'000

## 19. Prior period errors (continued)

Increase in receivables

Increase in opening balance- Accumulated surpluses

2023
R'000

5,186

(5,186)

## 20. Going concern

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

The ability of the entity to continue as a going concern is reinforced by the allocation already included in the MTEF allocation from National Treasury for the trading entity.

## 21. Events after the reporting date

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

## 22. Approval of the Financial Statements

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



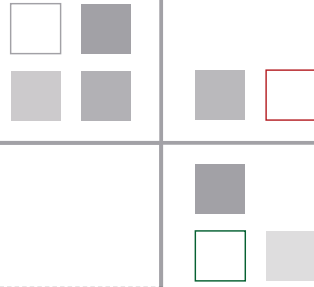
# NOTES



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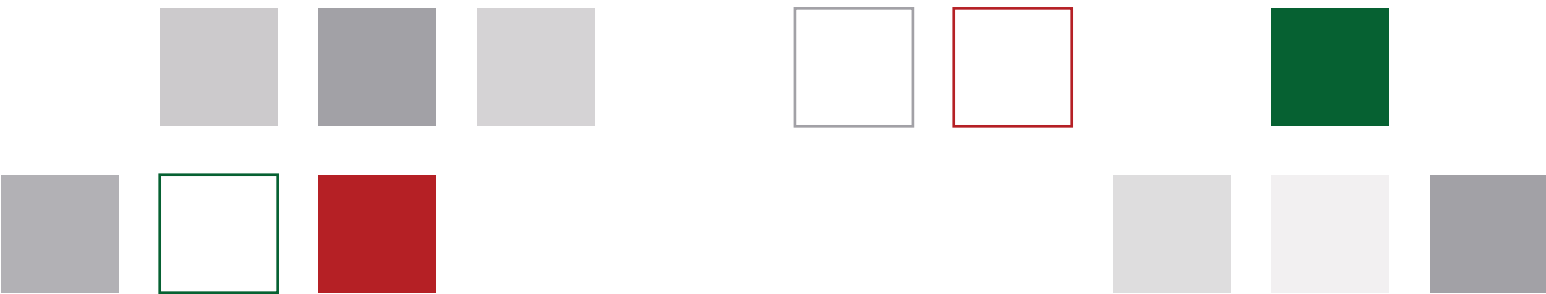
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