



Department of Small Business Development

# ANNUAL REPORT 2021/22



**small business  
development**

Department:  
Small Business Development  
REPUBLIC OF SOUTH AFRICA



# ANNUAL REPORT

## 2021/22 FINANCIAL YEAR

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DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

VOTE NO. 36



**small business  
development**

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Department:  
Small Business Development  
**REPUBLIC OF SOUTH AFRICA**



# TABLE OF CONTENTS

## PART A: GENERAL INFORMATION

5

1. DEPARTMENT GENERAL INFORMATION	6
2. LIST OF ABBREVIATIONS	7
3. FOREWORD: MINISTER FOR SMALL BUSINESS DEVELOPMENT	9
4. STATEMENT BY DEPUTY MINISTER	11
5. REPORT OF THE ACCOUNTING OFFICER	12
5.1 Introduction	12
5.2 Overview of the Operations of the Department:	12
5.3 Overview of the Financial Results of the Department	15
5.4 Acknowledgements	20
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	21
7. STRATEGIC OVERVIEW	23
7.1 Vision	23
7.2 Mission	23
7.3 Values	23
8. LEGISLATIVE AND OTHER MANDATES	24
8.1 Constitutional Mandate	24
8.2 Legislative Mandate and other Mandates	24
8.3 Policy Mandate	25
9. THE ORGANISATIONAL STRUCTURE	27
10. ENTITIES REPORTING TO THE MINISTER	28

## PART B: PERFORMANCE INFORMATION

29

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	30
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	30
2.1. Service Delivery Environment	30
2.2. Service Delivery Improvement Plan	31
2.3. Organisational environment	31
2.4. Key policy developments and legislative changes	31
3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES	32
4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	35
<b>4.1. Programme 1: Administration</b>	<b>35</b>
4.1.1. Purpose	35
4.1.2. Sub-programmes and purpose	35
4.1.3. Institutional Outcomes	35
4.1.4. Programme One: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements	35
4.1.5. Linking performance with budgets	41
4.1.6. Strategy to overcome under performance	41
4.1.7. Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions	41
4.1.8. Reporting on the Institutional Response to the COVID-19 Pandemic	41
<b>4.2. Programme 2: Sector and Market Development</b>	<b>42</b>
4.2.1. Purpose	42
4.2.2. Sub-programmes and purpose	42
4.2.3. Institutional Outcomes	42
4.2.4. Programme 2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements	42
4.2.5. Linking performance with budgets	46
4.2.6. Strategy to overcome under performance	46

4.2.7. Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions	46
4.2.8. Reporting on the Institutional Response to the COVID-19 Pandemic	46
<b>4.3. Programme 3: Development Finance</b>	<b>47</b>
4.3.1. Purpose	47
4.3.2. Sub-programmes and purpose	47
4.3.3. Institutional Outcomes	47
4.3.4. Programme Three: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements	47
4.3.5. Linking performance with budgets	50
4.3.6. Strategy to overcome under performance	51
4.3.7. Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions	51
4.3.8. Reporting on the Institutional Response to the COVID-19 Pandemic	51
<b>4.4. Programme 4: Enterprise Development</b>	<b>53</b>
4.4.1. Purpose	53
4.4.2. Sub-programmes and purpose	53
4.4.3. Institutional Outcomes	53
4.4.4. Programme Four: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements	53
4.4.5. Linking performance with budgets	55
4.4.6. Strategy to overcome under performance	56
4.4.7. Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions	56
4.4.8. Reporting on the Institutional Response to the COVID-19 Pandemic	56
5. TRANSFER PAYMENTS	57
5.1. Transfer payments to public entities	57
5.2. Transfer payments to all organisations other than public entities	57
6. CONDITIONAL GRANTS	58
7. DONOR FUNDS	58
8. CAPITAL INVESTMENT	60
8.1. Capital investment, maintenance and asset management plan	60

## PART C: GOVERNANCE

**63**

1. INTRODUCTION	64
2. RISK MANAGEMENT	64
3. FRAUD AND CORRUPTION	64
4. MINIMISING CONFLICT OF INTEREST	64
5. CODE OF CONDUCT	64
6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	64
7. PORTFOLIO COMMITTEE	65
8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS	75
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	75
10. INTERNAL CONTROL UNIT	75
11. INTERNAL AUDIT AND AUDIT COMMITTEES	75
12. AUDIT AND RISK COMMITTEE REPORT	76
13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION	78

## PART D: HUMAN RESOURCES

**79**

1. INTRODUCTION	80
2. OVERVIEW OF HUMAN RESOURCES	80
3. HUMAN RESOURCES OVERSIGHT STATISTICS	81

## PART E: FINANCIAL INFORMATION

**109**

REPORT OF THE AUDITOR-GENERAL	110
ANNUAL FINANCIAL STATEMENTS	114





# PART A: GENERAL INFORMATION

# 1. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS

<b>4IR</b>	The Fourth Industrial Revolution	<b>DDG</b>	Deputy Director-General
<b>ADDG</b>	Acting Deputy Director-General	<b>DDM</b>	District Development Model
<b>AFS</b>	Annual Financial Statements	<b>DG</b>	Director-General
<b>AGSA</b>	Auditor-General of South Africa	<b>DFI</b>	Development Finance Institution
<b>APP</b>	Annual Performance Plan	<b>DIMS</b>	District Information Management Systems
<b>ARC</b>	Audit and Risk Committee	<b>DMA</b>	Development Microfinance Association
<b>BAC</b>	Bid Adjudication Committee	<b>DPSA</b>	Department of Public Service and Administration
<b>B-BBEE</b>	Broad-based Black Economic Empowerment	<b>DPWI</b>	Department of Public Works and Infrastructure
<b>BBCDI</b>	Bokone Bophirima Craft and Design Institute	<b>DSBD</b>	Department of Small Business Development
<b>BBSDP</b>	Black Business Supplier Development Programme	<b>the dtic</b>	Department of Trade, Industry and Competition
<b>BRP</b>	Business Recovery Programme	<b>EA</b>	Executive Authority
<b>BRRR</b>	Budgetary Review and Recommendation Report	<b>ECDC</b>	Eastern Cape Development Corporation
<b>BS</b>	Budget Support	<b>EDSE</b>	Ecosystem Development for Small Enterprises
<b>BUSA</b>	Business Unity South Africa	<b>EE</b>	Employment Equity
<b>BVP</b>	Business Viability Programme	<b>EHW</b>	Employee Health and Wellness
<b>CBDA</b>	Cooperatives Bank Development Agency	<b>ESIED</b>	Economic Sectors, Investment, Employment and Infrastructure Development
<b>CCDI</b>	Cape Craft and Design Institute	<b>ENE</b>	Estimate of National Expenditure
<b>CDA</b>	Co-operatives Development Agency	<b>EODB</b>	Ease of Doing Business
<b>CDSP</b>	Co-operatives Development Support Programme	<b>ERRP</b>	Economic Reconstruction and Recovery Plan
<b>CIPC</b>	Companies and Intellectual Property Commission	<b>EXCO</b>	Executive Committee
<b>CIS</b>	Co-operatives Incentive Scheme	<b>ESD</b>	Enterprise Supplier Development
<b>COE</b>	Cost of Employment	<b>FDC</b>	Free State Development Corporation
<b>COGTA</b>	Cooperative Governance and Traditional Affairs	<b>GDP</b>	Gross Domestic Product
<b>COVID-19</b>	Coronavirus Disease 2019	<b>GTA</b>	Gauteng Tourism Authority
<b>CSP</b>	City Support Programme	<b>GTAC</b>	Government Technical Advisory Centre
<b>DALRRD</b>	Department of Agriculture, Land Reform and Rural Development	<b>HCT</b>	HIV Counselling & Testing
<b>DALRRD-C-LIMS</b>	Department of Agriculture, Land Reform and Rural Development Customised Laboratory Information Management System	<b>HR</b>	Human Resources
<b>DALRRD-LITS</b>	Department of Agriculture, Land Reform and Rural Development Livestock Information System	<b>IBASA</b>	Institute of Business Advisors in Southern Africa
		<b>ICT</b>	Information and Communication Technology
		<b>IDC</b>	Industrial Development Corporation



<b>IMEDP</b>	Informal and Micro Enterprise Development Programme	<b>PPP</b>	Public Private Partnerships
<b>ISP</b>	Incubation Support Programme	<b>PSCBC</b>	Public Service Co-ordinating Bargaining Council
<b>ISPESE</b>	Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, 2005	<b>QAR</b>	Quality Assurance Review
<b>ITC</b>	International Trade Centre	<b>PWDs</b>	Persons with Disabilities
<b>KRAs</b>	Key Result Areas	<b>RDP</b>	Reconstruction Development Programme
<b>KZN</b>	KwaZulu-Natal	<b>REMC</b>	Risk and Ethics Management Committee
<b>LED</b>	Local Economic Development	<b>RTRP</b>	Red-Tape Reduction Programme
<b>LEDA</b>	Limpopo Economic Development Agency	<b>SABS</b>	South African Bureau of Standards
<b>MANCO</b>	Management Committee	<b>SAIPA</b>	South African Institute of Professional Accountants
<b>MoU</b>	Memorandum of Understanding	<b>SALGA</b>	South African Local Government Association
<b>MPSA</b>	Minister of Public Service Administration	<b>SARDA</b>	South African Retail and Drug Association
<b>MTEF</b>	Medium Term Expenditure Framework	<b>SBD</b>	Small Business Development
<b>MTSF</b>	Medium Term Strategic Framework	<b>SBI</b>	Small Business Institute
<b>NAFCOC</b>	National African Federated Chamber of Commerce	<b>SCM</b>	Supply Chain Management
<b>NCASA</b>	National Cooperatives Association of South Africa	<b>SDI</b>	SMMEs Development Index (SDI)
<b>NCEDA</b>	Northern Cape Economic Development Agency	<b>SDIP</b>	Service Delivery Improvement Plan
<b>NDP</b>	National Development Plan, Vision 2030	<b>Seda</b>	Small Enterprise Development Agency
<b>NIBUS</b>	National Informal Business Upliftment Strategy	<b>sefa</b>	Small Enterprise Finance Agency
<b>NISED</b>	National Integrated Small Enterprise Development	<b>SEIAS</b>	Socio-Economic Impact Assessment System
<b>NMOG</b>	National Macro Organisation of Government	<b>SEIF</b>	Shared Economic Infrastructure Facility
<b>NSBSS</b>	National Small Business Support Strategy	<b>SEMSP</b>	Small Enterprise Manufacturing Support Programme
<b>NSEA</b>	National Small Enterprise Act 1996 (Act No. 102 of 1991)	<b>SMMEs</b>	Small, Medium and Micro Enterprises
<b>NT</b>	National Treasury	<b>SMS</b>	Senior Management Service
<b>NYDA</b>	National Development Youth Agency	<b>SOEs</b>	State-owned Enterprises
<b>OCSLA</b>	Office of the Chief State Law Advisor	<b>SOP</b>	Standard Operating Procedures
<b>PFMA</b>	Public Finance Management Act	<b>StatsSA</b>	Statistics South Africa
<b>PIC</b>	Public Investment Corporation	<b>the dtic</b>	Department of Trade, Industry and Competition
<b>PMO</b>	Project Management Office	<b>TREP</b>	Township and Rural Entrepreneurship Programme
		<b>TVET</b>	Technical Vocational Education and Training
		<b>WSP</b>	Workplace Skills Plan

### 3. FOREWORD: MINISTER FOR SMALL BUSINESS DEVELOPMENT



**Ms Stella Tembisa Ndabeni-Abrahams, MP**  
Minister for Small Business Development

The 2021/22 financial year saw the recovery of the South African economy after the devastation of Coronavirus Disease 2019 (COVID-19). Following the economic contraction of 6.4% in 2020, the economy recovered well in 2021, growing at 4.9%. However, this recovery has not been sustained with renewed global volatility associated with the War in Ukraine. Oil prices have climbed significantly triggering inflation, which has dampened consumer demand and increased the cost of debt. This has hit Small, Medium and Micro Enterprises (SMMEs) hard. SMMEs in Gauteng and KwaZulu-Natal (KZN) were also adversely affected by the July unrest, and KZN again, together with the eastern region of the Eastern Cape, was heavily affected by floods.

Government is driving economic recovery through its Economic Reconstruction and Recovery Plan (ERRP) and is implementing several industry masterplans as part of the Reimagined Industrial Strategy. The Department of Small Business Development (DSBD) is playing a critical role in these plans by looking at ways to unlock the contribution of SMMEs and Co-operatives to jobs and growth.

Our starting point was to find out how the SMME support eco-system was functioning, so that we could be more focused and targeted in our support. We undertook road shows

across the country and listened to SMMEs, Co-operatives and entrepreneurs. We also spoke to other critical role players in the eco-system including our international development partners, business formations and representative bodies, financial institutions, large corporates, government departments at both national and provincial levels, and municipalities.

Our findings were that our services need to be more accessible, especially in townships and rural areas. To address this, we have taken a decision which we are currently implementing to increase the number of our service delivery platforms, as well as to improve digital access to services.

We found that our services need to be upscaled to address the growing demand for support. To address this, we are looking at how we can be more targeted, effective, and efficient as the DSBD portfolio so that we have more impact with the resources we have. We are also entering into strategic partnerships with numerous role players in the eco-system to leverage resources and capacity. We are currently developing Game-Changer Programmes that give effect to these partnerships in terms of access to finance, access to markets, and access to business development support.

We also found that the SMME support eco-system needs to be better coordinated and monitored. To address this, we have finalised our National Integrated Small Enterprise Development (NISED) Masterplan which has recently been subject to public consultation on its way to Cabinet for final adoption. The NISED Masterplan takes an eco-system approach, looking at how all components can function in a more coherent and impactful manner. We are gearing up the Department to play this coordinating role.

The DSBD recorded several successes in the year under review. These include:

- Receiving a clean audit;
- Making significant headway on youth entrepreneurship, including designing a new instrument – the Youth Challenge Fund - and supporting more than 13 000 youth start-ups;
- Supporting more than 70 000 competitive SMMEs and Co-operatives; and
- Overachieving targets in exposing SMMEs to international markets and linking SMME products to markets.

Progress was also made on the flagship Township and Rural Entrepreneurship Programme (TREP), with R545 million disbursed to township and rural enterprises, although this was under target. We also underachieved in our Co-operatives funding support. Remedial steps are being put in place to ensure targets are met during 2022/23. We are also looking at ways of accelerating legislative reforms to improve the ease of doing business for SMMEs and Co-operatives.

The Department has been operating with several critical vacancies. The organogram has now been approved by the Department of Public Service and Administration (DPSA) and critical appointments will be made during 2022/23. As we strengthen accountability and performance management, we must at the same time enable culture change. The Department itself must become entrepreneurial like the beneficiaries we service - innovative, agile, productive, adaptive, and resilient.

We are also forging ahead decisively with the merger of the Small Enterprise Development Agency (Seda), the Small

Enterprise Finance Agency (**sefa**) and the Cooperatives Bank Development Agency (CBDA), which will improve pre-investment and post-investment support for SMMEs, and by implication increase the uptake and reduce the impairment rate on our financial products as a portfolio.

I would like to thank the Deputy Minister, the Director-General (DG) and the DSBD officials, and the Chairs and Board Members of Seda and **sefa**, both outgoing and new, for their support. I would also like to thank the Small Business Portfolio Committee for their wise counsel. As a result, the Department is more strategic and more focused.



**Ms Stella Ndabeni-Abrahams, MP**

Minister for Small Business Development



## 4. STATEMENT BY DEPUTY MINISTER



**Mr Sidumo Mbongeni Dlamini**  
Deputy Minister for Small Business Development

Despite the global economic headwinds blowing our way as a country, the collective leadership of this 6th Administration led by the Honourable President Cyril Ramaphosa has the resolve to grow the economy and fight the high levels of unemployment. The DSBD is poised to play a central role in supporting and developing SMMEs and Co-operatives to help government alleviate poverty and create a conducive environment where businesses can thrive and create jobs for the unemployed.

The focus will be on direct interventions aimed at changing the lives of the marginalised; especially women, and youth, and those living in impoverished rural areas and townships. We remain resolute that we will place the economy on a road of recovery following the COVID-19 pandemic, the looting of businesses in the July 2021 unrest, and the floods in some parts of the country.

We have a clear vision as a Department under the leadership of Minister Ndabeni-Abrahams, framed in the NISED Masterplan that seeks to radically transform the entire ecosystem and position opportunities for SMMEs and Co-operatives in value chains across all sectors of the economy.

As the leadership collective of DSBD, we are enriched by the spirit of commitment and resilience by those in formal and informal trading and production spaces. We have developed instruments such as TREP, the Youth Challenge Fund, and the SheTradesZA Hub, to name a few, aimed at supporting under-served SMMEs and Co-operatives. Our people are creative and innovative, and our role as a Department is to unlock this talent for the greater prosperity of the country.

We have met with many stakeholders across our beautiful country. They have told us what needs to be done to develop SMMEs and Co-operatives at a scale that can change the growth path of the country. This includes making finance more readily available, establishing more incubators, putting a more enabling tax regime in place, and creating a more conducive environment for SMMEs and Co-operatives through changes in legislation and regulations.

We are working on these as a Department, together with our entities Seda and **sefa**, as well as other stakeholders in the eco-system. We have also reviewed our own programmes as a Department, to improve our performance and impact. The repackaging and relaunching of our Co-operatives support programme is a case in point.

It is important to commend the visionary leadership of the Minister, Ms Stella Ndabeni-Abrahams and the administrative leadership of the Director-General, Mr Lindokuhle Mkhumane, and his officials. The support from all board and staff members of the entities is appreciated, as is the role of Parliament, especially the Portfolio Committee on Small Business Development, for their oversight and stewardship of the DSBD portfolio.

Under the leadership of DSBD working together with all committed eco-system partners and stakeholders, SMMEs and Co-operatives will surely rise to their rightful place in South Africa!

**Mr Sidumo Mbongeni Dlamini, MP**  
Deputy Minister for Small Business Development

## 5. REPORT OF THE ACCOUNTING OFFICER



**Mr Lindokuhle Mkhumane**  
Director-General

### 5.1. Introduction

While South Africa has matured as a democracy, persistent economic hardships place social stability at risk. Incidents of looting and rioting, mostly in the provinces of KZN and Gauteng in July 2021, highlighted deep-rooted vulnerabilities and emphasised the urgency of structural reforms. By disrupting businesses through looting and arson and damaging business premises and properties, the protests caused significant financial and infrastructural losses. Cognisant of the urgency of the matters at hand, the DSBD and its agencies played a positive role in those troubling days by creating significant support programmes focused on accelerating business and economic recovery, making every effort to ensure that we curb job losses and closure of small businesses.

As a result of the unrest and the disruptive COVID-19 pandemic, and new operational processes introduced within the Department following the changes that the President made in Cabinet in August 2021, our operating environment has changed in ways that we could not have predicted while making efforts to adjust to such changes, the Department achieved 60% of its annual performance targets. The 60% achievement includes only targets that have been 100% achieved, excluding those that may be partially achieved, which could have increased the

overall percentage for the financial year under review. But as a Department, in order to push ourselves to deliver the best that we can to the SMMEs and Co-operatives, we took a conscious decision to do away with this practice and focus on targets that have been fully achieved when reporting our performance.

This Annual Report is designed to give a concise, balanced and meaningful insight into our 1 April 2021 to 31 March 2022 performance to achieve our strategic objectives. We have indeed navigated the complex and uncertain operating environment. By demonstrating resilience in a time of great uncertainty, we have reinforced our SMMEs and Co-operatives' trust and confidence in the DSBD through continuous roll-out of our programmes and overall business operations to support the small business sector.

### 5.2. Overview of the Operations of the Department

#### Administration

During the reporting period, the Department achieved an unqualified audit opinion on both the non-financial performance information and the Annual Financial Statements for the 2020/21 financial year. The Department received its maiden clean audit opinion during the 2021-22 financial period, with no material findings or adjustments on either the audit of performance information or the Annual Financial Statements. This achievement reflects the commitment of the Department to good governance. In efforts to continue sharing information about the opportunities that exists for SMMEs and Co-operatives, the Department and its agencies implemented 82 public engagements which were executed in District Municipalities. Through these engagements, the Department and the agencies promoted the work of the Small Business Development (SBD) Portfolio with the aim of providing financial and non-financial support to more SMMEs and Co-operatives.

Despite the challenges experienced by the Department in achieving at least 50% female Senior Management Service (SMS) representation due to resignations of female SMS members and appointments of male SMS members, the Department managed to overachieve on the target of representation of Persons with Disabilities (PWDs). The Department is working towards a recruitment plan that will assist in going back to maintaining at least 50% female SMS representation and less than 10% vacancy rate.

## Sector and Market Development

Strategic localisation is one of the critical pillars to grow the South African economy. South Africans can contribute to the growth and employment effort by supporting small businesses and buying local. This will create demand that will stimulate opportunities for business expansion. Localisation is the driver of economic recovery. The Department has made great strides in implementing the SMME-Focused Localisation Policy Framework in South Africa as approved by Cabinet during the 2020/21 financial year. Through this Framework, the Department aims to replace imports and build the manufacturing capacity of SMMEs. To drive localisation, the Department designed a focused Small Enterprise Manufacturing Support Programme (SEMSP) that is aimed at building and supporting SMME participation in the manufacturing value chain. The purpose of the SEMSP is to build a manufacturing sector for an improved industrial base through a focused import replacement programme and build the industrial base for both the domestic market and external market. For the period under review, R122.8 million was disbursed to 31 SMMEs. The implementation of the SMME-Focused Localisation Policy Framework also saw a total of 288 products produced and services rendered by SMMEs and Co-operatives were introduced to market in the period under review. Relationships have been established with key private sector partners and the Department continues to monitor the supply and demand side of products and services produced and rendered by SMMEs and Co-operatives.

Across the world, women-owned businesses face numerous obstacles that prevent them from expanding their businesses. This is particularly the case in developing countries where women traders face disproportionately higher trade barriers and often experience difficulties with regulatory and procedural requirements. Women-owned businesses have less access to information and markets and are excluded from male-dominated distribution networks. These businesses also have time and mobility constraints, and are at higher risk of abuse, including corruption and harassment at borders. In order to tackle some of these challenges, the SheTradesZA hub seeks to galvanise global efforts to connect women entrepreneurs to markets. Through the mobile app, women entrepreneurs can share information about their companies, increase their visibility, expand networks and connect. The international aspect of this initiative offers exceptional reach and opportunities for local entrepreneurs.

The Department is implementing the SheTradesZA Hub activities through Seda, its implementing agency, in partnership with the International Trade Centre (ITC) to allow women-owned enterprises, SMMEs and Co-operatives to become competitive in the global markets. A total of 2 222 businesses were registered for the SheTradesZA Hub since

its inception in the 2020/21 financial year. The Department and Seda continue to actively engage stakeholders to create awareness and pursue potential collaborations with both the private and public sector institutions.

## Development Finance

The Department has a strong focus on making funding accessible to small enterprises and in the process reduce the prevailing credit gap, estimated to be R346 million. This will be attained by finalising the maiden SMMEs and Co-operatives Funding Policy to be introduced in South Africa, aimed at strengthening the provision of development finance by unlocking funding opportunities to the SMME sector. This will ensure that there is proper coordination of SMME funding programmes, enhance the development reach and impact, and put measures in place to monitor and evaluate the effectiveness and relevance of all funding programmes in South Africa. The 2021/22 financial year concluded with the Department having commenced consultations with various stakeholders and gearing up to conduct further consultations during the 2022/23 financial year, including with Development Finance Institutions (DFIs), the Banking Association South Africa, the World Bank, Business Chambers, organisations representing the informal sector, the Development Microfinance Association (DMA), small enterprises and Co-operatives to gather comments on how to make funding accessible to the SMME sector. Once the policy development process is concluded, it is anticipated that the SMMEs and Co-operatives Funding Policy will enable seamless flow of funding from financiers to small enterprises in South Africa.

The Department, together with its agencies Seda and **sefa**, is continuously implementing the District Development Model (DDM) across the country. The Department concluded the year under review on a countrywide product and programmes awareness campaign for SMMEs and Co-operatives themed, **Unlocking opportunities for SMMEs and Co-operatives for economic growth and job creation**. District Municipalities were engaged on the effectiveness of our policies and instruments for small businesses. The voices of SMMEs and Co-operatives loudly indicated that we need to make it easier for small businesses to do business by reducing red tape. The SMMEs and Co-operatives need access to markets, finance, and information. Furthermore, these businesses are battling to obtain credit from banks. Reach and accessibility of the SBD Portfolio, especially in townships and impoverished rural areas, remains a challenge. The work of government in supporting SMMEs and Co-operatives is not coordinated. The Department will work together with its agencies to address all the key matters of concern that were raised during these public engagements/road shows.

Several small businesses in various Districts have continued to benefit from the support programmes, offered by the Department and its agencies, such as the Township and Rural Entrepreneurship Programme commonly known as TREP, and the Informal and Micro Enterprise Development Programme commonly known as IMEDP which are specifically designed to advance the DDM model.

TREP was created in response to the urgency of the need to roll out appropriate support to SMMEs in Townships and Rural areas. Qualifying small enterprises are provided with financial and non-financial support to help them to acquire business equipment, tools and machinery as well as development services with a view to increase their capacity to access economic opportunities and enhance their competitiveness.

As the country emerges from the pandemic, the informal township economy will play a key role in tackling the unemployment crisis. As we gradually seek to revive and rebuild the economy, it is vital to have a clear picture of how these businesses are coping and assist them to stay afloat. The Department, in partnership with Seda and Local Municipalities, provides tools and equipment to informal and micro enterprises through the IMEDP. The IMEDP offers a 100% grant to informal businesses operating in townships and rural areas with the focus mainly on designated groups, i.e., women, youth, and PWDs. The IMEDP supports informal and micro enterprises by providing them with operational support equipment to the maximum value of R10 000 per beneficiary. The programme strives to accelerate growth of these enterprises by improving their competitiveness and sustainability to become formal businesses in the mainstream economy.

The persistently high youth unemployment rate has long been one of the pressing socio-economic problems in South Africa. Therefore, the importance of successful youth-owned enterprises, especially in South Africa's context of high unemployment rates, cannot be underestimated. While the problem of youth unemployment is amplified by the ramifications of the COVID-19 pandemic, its foundation is predicated in a structurally weak economy and a mismatch between human capital development and the needs of the economy. Many unemployed youths have simply disconnected from the mainstream economy, and that is a major threat to active participation and social cohesion. In the quest to cultivate an enterprising culture amongst the youth, the Department launched the Youth Challenge Fund during 2021/22 financial year in support of youth owned businesses. The Youth Challenge Fund is seen as a way of assisting in ensuring the economic participation of young people. The level of youth entrepreneurship, particularly in township areas, remains unsatisfactory. The Department has therefore

prioritised investment in youth entrepreneurship development initiatives, particularly in disadvantaged communities. The programme is geared towards facilitating financial and non-financial support, including pre- and post-investment mentoring, fundamentally narrowing the gap in productive entrepreneurship between youth and adult businesses. It will specifically focus on supporting dynamic and opportunity-driven youth-owned enterprises.

## Enterprise Development

The DSBD, in collaboration with all key role players in the small enterprise development ecosystem, has developed the Draft NISED Masterplan, which offers an unflinchingly honest assessment of government intervention in small business development. The overall objective of the NISED Masterplan is to coordinate the many actors on essential undertakings as tabled in the National Development Plan, Vision 2030 (NDP) and the new ERRP. It is wholly understood that the development and support of small businesses is not the domain of one Department, but the collective action of many public and private actors.

The Masterplan aims to harness an integrated and well-functioning ecosystem that mobilises all role players into a seamless solution for the development and support of small enterprises. This Masterplan will be a third iteration of the National Small Business Support Strategy (NSBSS), which is the national policy in respect of small enterprise support as stated in the National Small Enterprise Act, 1996 (No. 102 of 1996) as amended, this following the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises, 2005 (ISPESE) which was evaluated in partnership with the Department of Planning, Monitoring and Evaluation.

The Constitution provides that everyone has the right to have any dispute that can be resolved by the application of law decided in a fair and public hearing before a court or where appropriate before another independent and impartial tribunal or forum. The National Small Enterprise Amendment Bill seeks to effect amendments to the National Small Enterprise Act, 1996 (Act No. 102 of 1996) to provide for the establishment of the Small Enterprise Ombud Service. The proposed Office of the Small Enterprise Ombud Service is meant to resolve disputes affecting small enterprises in an economical, expeditious and equitable manner without the need to resort to costly litigation. Public comments received on the Bill have been considered and the process of amending the Bill is underway. The business case for the establishment of the Office for the Small Enterprise Ombud Service has been amended following a detailed Socio-Economic Impact Assessment System. The Bill is already in the legislative process and will go through various government

structures before it is tabled to Cabinet for approval to be introduced to Parliament. Currently there is an engagement with the Office of the Chief State Law Advisor (OCSLA) for certification.

The Department's Red-Tape Reduction Programme (RTRP) has been carefully thought through, given the strategic focus to address red-tape challenges in an accelerated and scaled-up manner. At a local level, the Department focuses on Municipalities, which are key in servicing our communities and small businesses. Municipalities administer the laws of our land at a local level, with frequently poor administrative systems, skills deficits, resource constraints, high levels of corruption and agency, as well as inadequate performance and consequence management systems. With this review, the Department aims to develop a more specific and intentional agenda for regulatory SMME reform through engagement with representatives from small enterprises and public officials. The Department also aims to clarify the approach to be followed in addressing both existing regulatory burdens and preventing additional ones from arising through new laws/regulations/by-laws.

### 5.3. Overview of the Financial Results of the Department

#### Departmental receipts

The Department does not provide services for which fees are charged. For the year under review the Department collected R144 thousand, which was transferred to the National Revenue Fund. The revenue collected was from departmental staff debts (R85 thousand), commission earned on third party deductions such as insurance premiums (R36 thousand), parking rental deductions from DSBD employees (R20 thousand), and commercial bank interest earned (R3 thousand).

The table below depicts revenue collected:

	2021/22			2020/21		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
Departmental receipts	R'000	R'000	R'000	R'000	R'000	R'000
Sales of goods and services other than capital assets	56	56	0	58	58	0
Interest, dividends and rent on land	5	3	2	0	3	(3)
Sales of capital assets	0	0	0	121	121	-
Transactions in financial assets and liabilities	26	85	(59)	16	118	(102)
<b>TOTAL</b>	<b>87</b>	<b>144</b>	<b>(57)</b>	<b>195</b>	<b>300</b>	<b>(105)</b>

#### Programme Expenditure

	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
Programme	R'000	R'000	R'000	R'000	R'000	R'000
Administration	101 002	99 194	1 808	98 474	97 200	1 274
Sector And Market Development	107 139	90 431	16 708	42 154	38 331	3 823
Development Finance	1 554 382	1 551 625	2 757	1 302 922	1 279 947	22 975
Enterprise Development	874 540	871 968	2 572	834 253	833 717	536
<b>TOTAL</b>	<b>2 637 063</b>	<b>2 613 218</b>	<b>23 845</b>	<b>2 277 803</b>	<b>2 249 195</b>	<b>28 608</b>



Annual expenditure as of 31 March 2022 amounted to R2.613 billion (99.1%) against the final appropriation of R2.637 billion, resulting in a variance of R23.8 million (0.9%). The Programmes contribution to the underspending are as follows:

**Sector and Market Development Programme** contributed R16.7 million of the overall R23.8 million due to vacant posts, late start to the Product Markets Programme in transfers and subsidies, and the non-delivery of computer equipment in capital expenditure. Compensation of employees underspent by R11.5 million, Transfers and subsidies underspent by R4 million whilst Capital underspent by R1 million.

**Development Finance Programme** contributed R2.8 million due to vacant posts amounting to R2.2 million and Customised Craft Sector Programme underspending by R380 thousand.

**Enterprise Development Programme** contributed R2.6 million due to vacant posts.

### Roll Overs

The Department did not apply for any funds to be rolled over during the period under review.

### Virement

During the 2021/22 financial year, virements were implemented in accordance with section 43 of the PFMA and reported to National Treasury (NT).

Programme	Adjusted Appropriation	Virement	Final Appropriation
	R'000	R'000	R'000
Administration	103 300	(2 298)	101 002
Sector And Market Development	138 746	(31 607)	107 139
Development Finance	1 520 109	34 273	1 554 382
Enterprise Development	874 908	(368)	874 540
<b>TOTAL</b>	<b>2 637 063</b>	<b>0</b>	<b>2 637 063</b>

### Reason for the virement

**The Administration** programme contributed a net virement of R2.3 million. The funds were mainly reprioritised from underperforming items in goods and services to Programme 3: Development Finance for the Youth Challenge Fund which is unfunded.

**The Sector and Market Development Programme** contributed a net virement of R31.6 million. The slow performing Product Market funds (R30 million); capital (R1.378 million); goods and services (R149 thousand) and compensation of employees (R80 thousand) were reprioritised to Programme 3: Development Finance for the Youth Challenge Fund (R30 million) and Programme 1: Administration to supplement the shortfall on Compensation of employees (R80 thousand) and acquisition of ministerial vehicles (R727 thousand).

**The Development Finance Programme** received a net overall amount of R34.3 million for Transfers and subsidies (R39 million) for the Youth Challenge Fund and contributed R4.6 million from goods and services within the programme.

**The Enterprise Development Programme** contributed a net virement of R368 thousand mainly from goods and services to Programme 3: Development Finance for the Youth Challenge Fund.

### A description of the reasons for unauthorised, fruitless and wasteful expenditure, irregular expenditure and the amounts involved as well as steps taken to address and prevent a recurrence follows below:

**Unauthorised expenditure:** The DSBD did not incur any unauthorised expenditure.

**Fruitless and Wasteful expenditure:** The Department started off the 2021/22 financial year with a balance of R14 thousand for the late closure of the Telkom line. Two matters worth R6 thousand were added to the register. One related to the previous financial year for a missed flight of R3 thousand and the late pay-over to GEFP of R3 thousand incurred in the 2021/22 financial year. An official missed a flight back from East London and forfeited the ticket worth R3 thousand. The Telkom and late pay-over matters were written off by the DG, whilst the missed flight matter is recoverable from the official. The debt is yet to be taken on the books. The balance in the register as at March 2022 set at zero even though the note has a R3 thousand balance.

**Irregular expenditure:** The Department started off the 2021/22 financial year with a balance of R1.570 million. For the 2021/22 financial year, a matter under consideration is services rendered under an irregularly awarded contract estimated at R336 thousand whilst the service provider claims R921 thousand.

In terms of determining liability, it was determined that the Department benefited from the services rendered and thus National Treasury approved the application to condone the R1.46 million irregular expenditure related to sourcing vehicles from gFleet, in contravention of section 8.5 of Instruction Note 3 of 2016/2017, as well as R4 thousand for appointing a service provider whose rate was above the prescribed rate for conference venues without prior approval from National Treasury.

The DG approved, as empowered by paragraph 57 of the Framework, to write off the R106 620.33 incurred on sourcing Legal Services without obtaining a minimum of three quotations.

### The strategic focus over the short to medium term period

South Africa continues to be faced with slower and inconsistent economic growth that is not inclusive, and higher unemployment rates prevalent mostly in the youth population. This overbearing phenomenon has now been further exacerbated by the undesirable socio-economic impact of the COVID-19 pandemic and the July 2021 lootings and riots

experienced mainly in KZN and Gauteng provinces, but which affected the overall business environment.

SMMEs and Co-operatives are recognised as a critical sector that will contribute significantly to the transformation of the economy and job creation. The NDP stipulates a plan to address the triple challenges of unemployment, inequality and poverty; and through its five-year implementation plan (the Medium Term Strategic Framework or MTSF) ascribes a critical role to small businesses which includes increasing their contribution to the Gross Domestic Product (GDP) from 35% to 50% by the year 2024, and reducing unemployment from the current high levels to 6% by 2030.

The revised 2019-24 (MTSF) provides the framework for the implementation of seven key priorities of which the DSBD is expected play a much more direct role in respect of *Priority 2: Economic Transformation and Job Creation* that will contribute to inclusive economic growth and job creation through industrialisation, infrastructure investment, transformative innovation and the Fourth Industrial Revolution (4IR), supporting small business and Co-operatives. Special attention is also required for support interventions and initiatives that will broaden opportunity and employment for women, youth and PWDs. To effectively position small businesses to play a meaningful role in the economy, the Department will implement the following interventions over the short to medium term period:

### Performance-related matters

a) Accelerate the implementation of TREP, which is a dedicated programme to provide financial and/or non-financial support to the township and rural enterprises with emphasis on enterprises owned and managed by the designated groups (Women, Youth and PWDs). TREP is meant to stimulate and facilitate the development of sustainable and competitive enterprises through the efficient provision of effective and accessible incentive measures that support national Priority Sectors. The key objective is to ensure that informal businesses are accounted for in the formal economy. The TREP intervention supports all small enterprises operating in townships and rural areas that meet the qualifying criteria, including but not limited to the following sectors:

- Clothing & Textile
- Bakeries & Confectionaries
- Tshisanyama and Cooked Food
- Retail (including restaurants, car washes, general dealers etc.)
- Automotive
- Personal Care
- Artisans

- b) Create an enabling environment for SMMEs and Co-operatives within which to operate:
- The Department will amend the National Small Enterprise Act and introduce the Small Enterprises Ombud Service Bill through Cabinet. Over the medium term the focus will be on monitoring of the implementation of the National Small Enterprise Act. Stakeholder engagements and the development of policy positions which will inform the amendment to the Act (establishment of a Small Enterprises Ombud Service, relooking the definition of SMME and the institutional arrangements pertaining to the agencies reporting directly to the Department), are underway. These additional areas will inform the amendments of the Bill.
  - The Department has requested and successfully got the Businesses Act, 1991 (Act No. 71 of 1991) transferred from the Department of Trade, Industry and Competition (**the dtic**) to the DSBD. The Department aims to provide for a simple and enabling framework for procedures for application of licensing of business by setting national norms and standards; and also, to repeal the Businesses Act.
  - Finalise the SMMEs and Co-operatives Funding Policy to ensure improvement in accessing affordable finance by SMMEs and Co-operatives.
  - Red-Tape Reduction Programme (RTRP): to be implemented in partnership with Provinces and the Red-Tape Office that was announced by the President during the 2022 State of the Nation Address, ensuring that the growth of SMMEs and Co-operatives is not hindered by the red-tape measures that exist in the system.
- c) Implement the Localisation Policy Framework and Implementation Programme on SMMEs and Co-operatives:
- Cabinet approved the SMMEs-focused Localisation Policy Framework and Implementation Programme, which is part of the revised 2019-24 MTSF. During the short to medium term period, the Department, together with its agencies, will continue implementing the SMMEs-focused Localisation Policy Framework and Implementation Programme, focusing on introduction of the SMMEs' products to wholesalers and retailers and SEMSP.
- d) Small Enterprise Manufacturing Support Programme:
- To promote and encourage localisation in targeted sectors, the DSBD, in collaboration with **the dtic**, introduced the SEMSP. The programme provides financial support to entrepreneurs to the maximum value of R15 million per entity. Financial support that is provided includes funding to purchase machinery and equipment, as well as working capital for the various manufacturing sub-sectors that will be supported, and funding for product accreditation, certification and testing. The term of the funding is determined by the business cash flows up to a maximum of 84 months per small enterprise with a maximum moratorium of 6 months. Blended finance instruments are utilised where up to 50% of the funding required could be a grant and the balance could be a loan, with the loan being repayable at the prime lending rate.
- e) Facilitate and ensure the increase in number of competitive small businesses and Co-operatives supported financially and/or non-financially with the ability to create or sustain jobs. This will assist in transforming the small business sector and enable small businesses to transition from being small, to participating in the mainstream economy.
- f) The Youth Challenge Fund: a youth start-up support programme intended to stimulate the establishment and growth of youth-owned businesses, promote digital skills, grow the economy and foster job creation. Over the medium term, the Department plans to provide 30 000 start-up businesses with financial and/or non-financial support.
- g) Business Infrastructure Support: Over the medium term, the Department plans to refurbish or build 20 business infrastructures for SMMEs and Co-operatives. Business infrastructure where small businesses will interact with the market to showcase their product or service offering with the view to transact.
- h) Promote sustainability and growth of SMMEs and Co-operatives by designing and implementing Business Viability Facility: the primary purpose of the Business Viability Facility is to ensure that SMMEs and Co-operatives are commercially and financially viable and contribute meaningfully to economic transformation and job creation. Some of the interventions will include business turnaround interventions including business rescue for those businesses whose business models are stronger to survive in the new normal.
- i) Establish and report on the number and performance of incubation centres and digital hubs for the development of SMMEs. These incubators will nurture new and existing small enterprises by providing them with financial and technical advice pertaining to the running of a business. The digital hubs will ensure that small enterprises access technology to improve their operational efficiencies and productivity.
- j) Sustain SMMEs and Co-operatives by linking them to markets through e-commerce platform: meaningful contribution by the SBD Portfolio towards the conclusion of the Procurement

Bill. This will assist in not only ensuring that the products and services of the SMMEs and Co-operatives are procured/listed in the shelves of big retailers, but will also assist in ensuring that the intended end users have access to these products and services.

### Administration-related matters

- a) The finalisation of the organisational structure.
- b) Business case for the new single Small Business Support Entity.

### Public Private Partnerships

The Department did not enter into any Public Private Partnerships (PPPs) as defined in Treasury Regulation 16.

### Discontinued key activities/activities to be discontinued

No.	List of activities discontinued/to be discontinued	Reasons for discontinuance	Effect on the operations of, and service delivery by the Department	Financial implications of the discontinued activity
1.	<b>Black Business Support Development Programme (BBSDP)</b>	The BBSDP Programme has been officially discontinued during the year under review and replaced with Blended Finance administered through <b>sefa</b> .	There is no negative effect on both operations of the Department and the services that the Department is expected to deliver since the programme is now embedded in the new departmental approach of Blended Finance.	None
2.	<b>Co-operatives Incentive Scheme (CIS)</b>	The CIS has been replaced by the Co-operatives Development Support Programme (CDSP), which is now managed by <b>sefa</b> .	There is no negative effect on both operations of the Department and the services that the Department is expected to deliver since the programme to support Co-operatives continues to be implemented through the CDSP.	None

### New or proposed Key activities:

No.	List new/proposed activities	Reasons for new activities	Effect on the operations of the Department	Financial implication of the new activity
1.	<b>Business Infrastructure Support</b>	Product Market Support programme has been broadened to incorporate Business Infrastructure support to cover all aspects of infrastructure support for SMMEs and Co-operatives.	The change is intended to create efficiency and ease in the delivery of targets and therefore yielding a positive effect on the operations of the Department.	The activity will be funded through the Shared Economic Infrastructure Facility (SEIF) budget allocation.

## Supply Chain Management

There were no unsolicited bid proposals that were concluded for the year under review.

Supply Chain Management (SCM) processes and systems are in place to prevent irregular expenditure and where such cases are identified, the provisions of the Irregular Expenditure Framework of 2019 are applied which includes the implementation of corrective measures and consequence management within the public service framework. Even though controls exist, the Department incurred one case of irregular expenditure in the year under review which was condoned by National Treasury. Controls are being tightened to mitigate this weakness.

## Gifts and Donations received in kind from non-related parties during the 2021/22 financial year

No.	Donor	Nature	Estimated Amount
1.	Entrepreneurship Development in Higher Education (EDHE)	Portable Speaker	R600
2.	Implementing Agency (Seda)	Four-Wheel Hard-Shell Business carry bag	R3 400

## Exemptions and deviations received from the National Treasury

Not applicable.

## Events after the reporting date

The incorporation of **sefa** and the Co-operatives Bank Development Agency (CBDA) into Seda was initially set to be concluded by 31 March 2022. This was after the Cabinet approved the incorporation of the two entities into Seda. However, on 6 April 2022, Cabinet approved a 20-month extension period for the incorporation process to be concluded taking the finalisation of the process up to December 2023.

## Other

Not applicable.

## 5.4. Acknowledgements

I am incredibly proud of the men and women employed by the Department who have all contributed to help make the 2021/22 financial year a successful one despite the many challenges it presented. I thank them for their ongoing passion for our small businesses and their passion for the mandate that we carry under challenging circumstances.

I would also like to thank Minister Stella Ndabeni-Abrahams and Deputy Minister Sidumo Dlamini for their leadership. As we plot our way forward in this strange new normal that the world finds itself in, we could not wish for better public servants within the Department to travel this journey with. Key to driving our mandate are the agencies of the Department, Seda and **sefa**. I wish to extend my sincere appreciation to both the **sefa** CEO and Seda acting CEO, and their teams, for their contributions to the Small Business Development Portfolio.

I also wish to acknowledge the support and contributions of all our stakeholders: Provincial Departments of Economic Development; the Portfolio Committee on Small Business Development; the Select Committee on Trade and Industry, Labour and Employment, Tourism and Small Business Development; and the broader SMMEs and Co-operatives Sectors – your efforts have helped the Department immensely in executing its mandate during the 2021/22 financial year.

## Conclusion

There is much more to be done. Our industry is changing radically, with the Department in the driving seat of serving SMMEs and Co-operatives. As the DSBD we will continue to monitor and support the efforts of government regarding the COVID-19 safety protocols and proactively adjust our responses to address emerging risks while developing and growing small businesses.



**Mr Lindokuhle Mkhumane**

Director-General

Department of Small Business Development

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

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

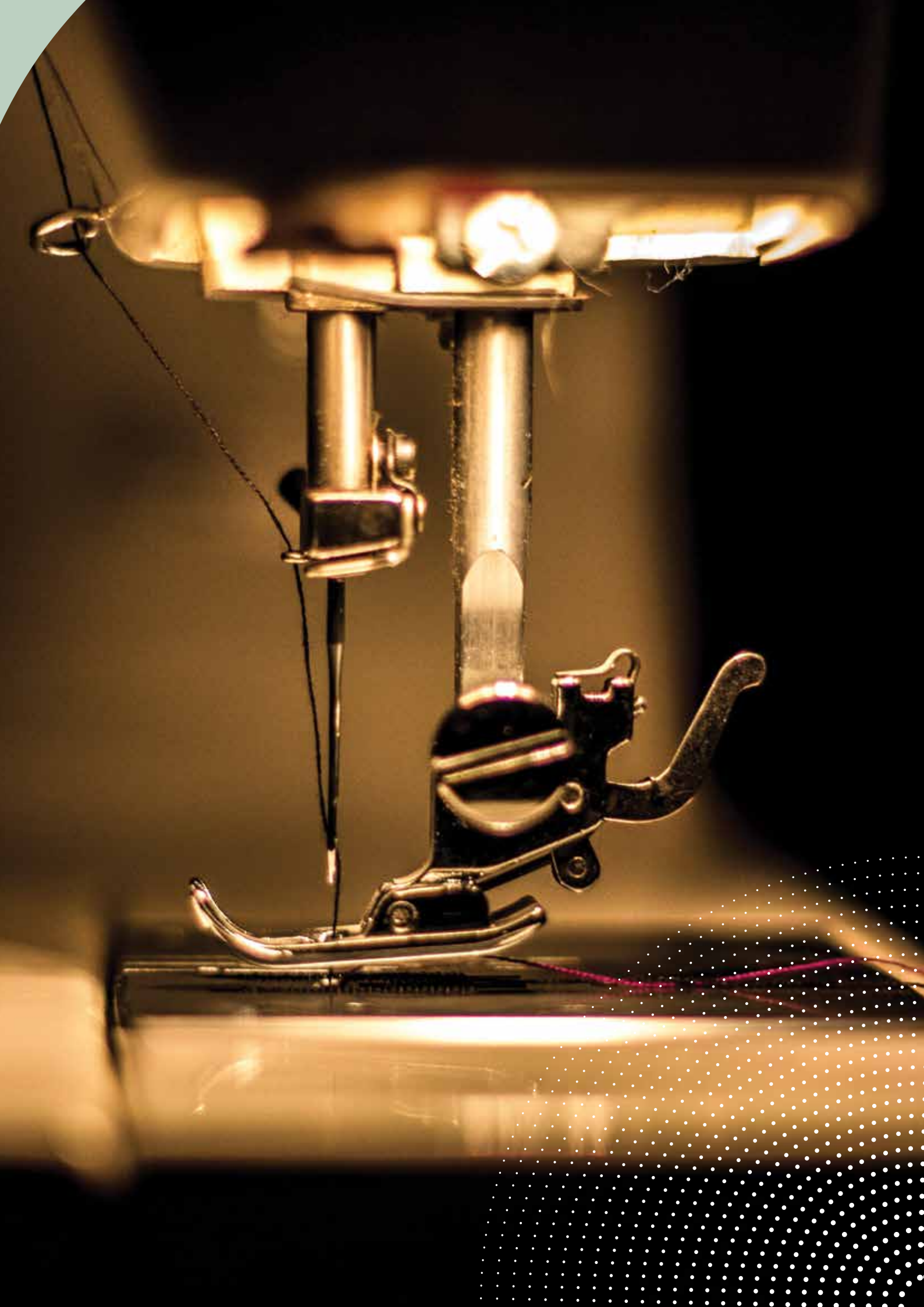
- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2022.



**Lindokuhle Mkhumane**

Director-General

Department Of Small Business Development



## 7. STRATEGIC OVERVIEW

### 7.1. VISION

A transformed and inclusive economy driven by sustainable, innovative SMMEs and Co-operatives.

### 7.2. MISSION

The coordination, integration and mobilisation of efforts and resources towards the creation of an enabling environment for the growth and sustainability of SMMEs and Co-operatives.

### 7.3. VALUES

VALUES	
<b>Innovation</b>	<p>Living this value means that we will seek to:</p> <ul style="list-style-type: none"> <li>• Foster innovative ideas and solutions in order to deliver exceptional results; and</li> <li>• Continuously seek new and better ways to serve our clients.</li> </ul>
<b>Integrity</b>	<p>Living this value means that we will seek to:</p> <ul style="list-style-type: none"> <li>• Consistently honour our commitments;</li> <li>• Uphold ethical and honest behaviour;</li> <li>• Ensure open and transparent communication; and</li> <li>• Behave with integrity in all our actions, always acting in the best interest of the organisation.</li> </ul>
<b>Professionalism</b>	<p>Living this value means that we will seek to:</p> <ul style="list-style-type: none"> <li>• Serve with utmost respect, competence and professional mannerism;</li> <li>• Display punctuality, reliability, dependability and a commitment to meet deadlines; and</li> <li>• Cooperate with all role players</li> </ul>
<b>Customer Centric</b>	<p>Living this value means that we will seek to:</p> <ul style="list-style-type: none"> <li>• Place customer service excellence at the centre of everything we do;</li> <li>• Create a nurturing environment by partnering with our clients and employees, and in the way in which we care and support them;</li> <li>• Always be available and accessible in providing public services to our society; and</li> <li>• Understand customer needs and respond timeously, efficiently and effectively to customer queries and requests.</li> </ul>
<b>Commitment</b>	<p>Living this value means that we will seek to:</p> <ul style="list-style-type: none"> <li>• Do our best to get the work done;</li> <li>• Be selfless, resolute, purposeful and steadfast;</li> <li>• Be committed to efforts of job creation, alleviating poverty and reducing inequality; and</li> <li>• Display a solution-driven attitude and commitment to serve.</li> </ul>
<b>Caring Organisation</b>	<p>Living this value means that we will:</p> <ul style="list-style-type: none"> <li>• Invest in the growth and development of our staff members;</li> <li>• Invest in the wellbeing of our staff members; and</li> <li>• Create a learning organisation.</li> </ul>



## 8. LEGISLATIVE AND OTHER MANDATES

### 8.1. Constitutional Mandate

The Constitution is the supreme law of the Republic of South Africa. Along with the Bill of Rights, it forms the legal foundation of a democratic South Africa and sets out the rights and duties of its citizens and defines the structure of government. All laws of the country must be consistent with the Constitution, and it further requires that all spheres of government to work together to address poverty, underdevelopment, marginalisation of individuals and communities and other legacies of apartheid and discrimination. In this light, all government institutions, entities and Municipalities ultimately derive their mandate from the Constitution.

The Department and its public entities derive its primary mandate from the Constitution of the Republic of South Africa, Act 108 of 1996, and in particular<sup>1</sup>:

**Section 22 – Enshrines freedom of trade, occupation and profession:** “Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law”.

**Section 217 – Which requires that:**

- When an organ of State contracts for goods and services, it must do so in accordance with a system which is fair equitable, transparent, competitive and cost effective; and
- It does not prevent the organs of State from implementing a procurement policy providing for the protection or advancement of persons or categories of persons disadvantaged by unfair discrimination.

Fully aligned to, and arising from the Constitution, the 1995 White Paper<sup>2</sup> identified the need for a systematic national framework within which the different policies and programmes at national, regional and local level could be coordinated towards the creation of an enabling environment for small enterprises. Given such an enabling environment, it was expected that the millions of SMMEs and Co-operatives would willingly accept responsibility for the operation, growth and progress of their enterprise. Therefore, policies need to be in turn informed by the evidence-based research approach with national, regional as well as sectoral developments, considering differences between sectors like manufacturing, tourism or construction, as well as differences between the categories of SMMEs and Co-operatives.

### 8.2. Legislative Mandate

The following is the legislative mandate that the DSBD is directly responsible for implementing, managing or overseeing:

Legislation	Mandate and Primary Outputs
<b>Businesses Act, 1991 (Act No. 71 of 1991).</b>	To repeal or amend certain laws regarding the licensing and carrying on of businesses, and shop hours; to make certain new provision regarding such licensing and carrying on of businesses; and to provide for matters connected therewith.
<b>National Small Enterprise Act 1996, (No.102 of 1996), as amended.</b>	To develop, support and promote small enterprises to ensure their growth and sustainability.  Seda provides non-financial business development and support services for small enterprises, in partnership with other role-players in the small business development environment.

<sup>1</sup> Republic of South Africa. (1996). The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). Pretoria. Government Printer.

<sup>2</sup> Republic of South Africa. (1995). White Paper on a National Strategy for the Development and Promotion of Small Business in South Africa; Parliament, 20 March 1995

Legislation	Mandate and Primary Outputs
<b>Section 3 (d) of the Industrial Development Corporation Act, (Act No.22 of 1940) (IDC Act).</b>	To provide access to finance to Survivalist, Micro, Small and Medium businesses throughout South Africa.  <b>sefa</b> supports the development of sustainable SMMEs through the provision of finance.
<b>Co-operatives Development Act, 2005 (Act No. 14 of 2005), as Amended.</b>	To provide for the formation and registration of Co-operatives;  the establishment of a Co-operatives Advisory Board; the winding up of Co-operatives; the repeal of Act 91 of 1981; and matters connected therewith.
<b>Co-operative Amendment Act, 2013 (Act No. 6 of 2013).</b>	To provide for the establishment, composition and functions of the Co-operatives Tribunal; to ensure compliance with the principles of intergovernmental relations; to provide for intergovernmental relations within the Co-operatives sector; and to provide for the substitution of the long title and the Preamble.

### 8.3. Policy Mandate

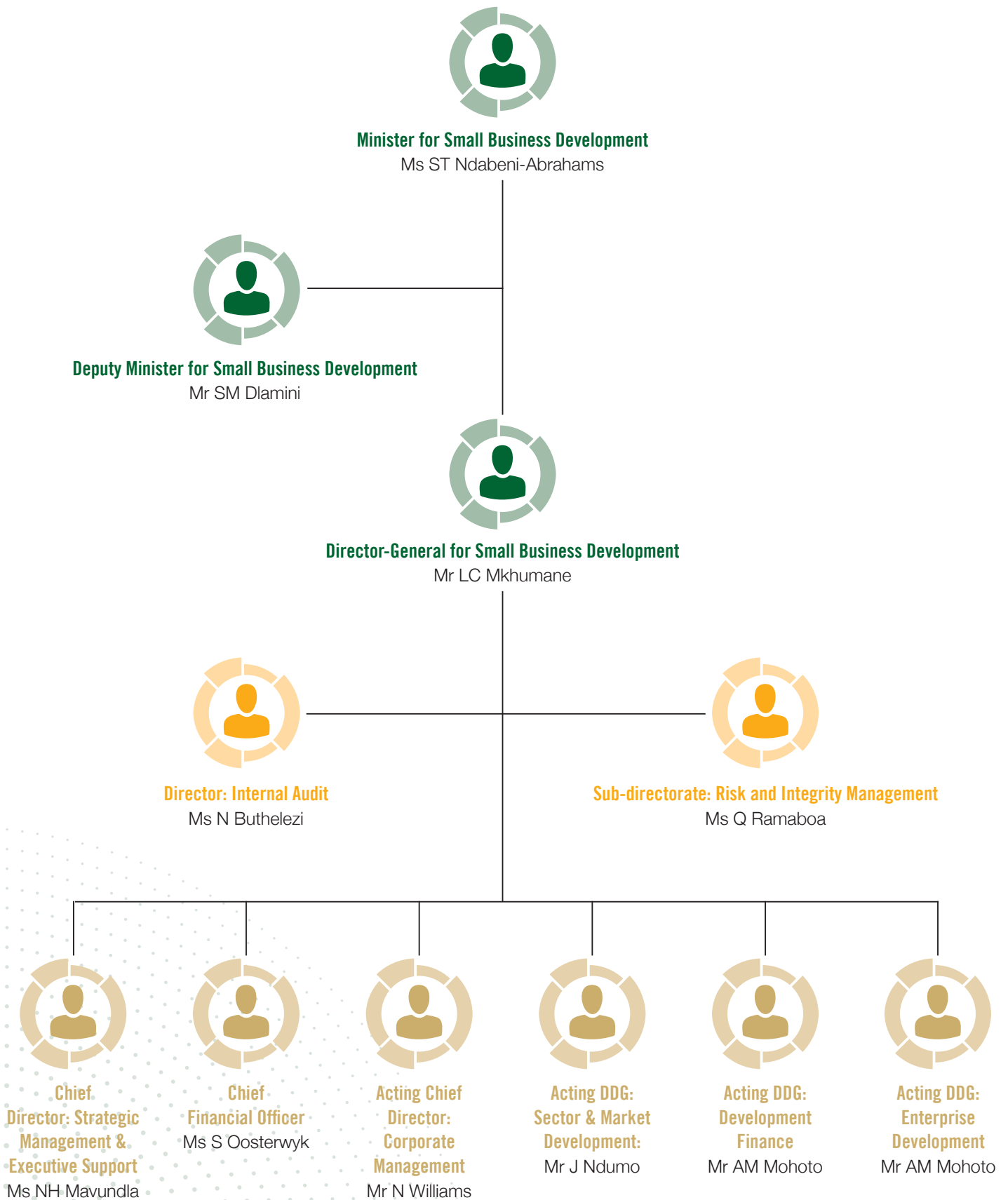
The following is the policy mandate that the DSBD is directly responsible for implementing, managing or overseeing:

Policy	Mandate and Primary Outputs
<b>Co-operatives Development Policy for South Africa (2004)</b>	<p>To create an enabling environment for Co-operative enterprises which reduce the disparities between urban and rural businesses and is conducive to entrepreneurship.</p> <p>Promote the development of economically sustainable Co-operatives that will significantly contribute to the country's economic growth.</p> <p>To increase the number and variety of economic enterprises operating in the formal economy.</p> <p>To increase the competitiveness of the Co-operative sector so that it is better able to take advantage of opportunities emerging in national, African and international markets.</p> <p>To encourage persons and groups who subscribe to the values of self-reliance and self-help, and who choose to work together in democratically controlled enterprises and to register Co-operatives in terms of this Act.</p> <p>To enable such Co-operative enterprises to register and acquire a legal status separate from their members.</p> <p>To promote greater participation by black persons, especially those in rural areas, women, and persons with disability and youth in the formation of and management of Co-operatives.</p> <p>To establish a legislative framework that will preserve the Co-operative as a distinct legal entity.</p> <p>To facilitate the provision of support programmes that target Co-operatives, specifically those that create employment or benefit disadvantaged groups.</p>

In addition to the aforementioned legislation and policy, the DSBD is further mandated by acts not administered by the DSBD, including among others:

Name of Act	Consideration
<b>Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. (PFMA)</b>	To regulate financial management in the national and provincial governments and to ensure that the government resources are managed efficiently, effectively, economically and ethically.
<b>Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), as amended.</b>	To ensure that government's preferential procurement procedures are aligned with the aims of the Broad-Based Black Economic Empowerment (B-BBEE) Act, 2003 and the associated Codes of Good Practice.  The revised regulations were promulgated in 2017 and are also focusing on the implementation of 30% of the public procurement.
<b>Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), as amended. (B-BBEE Act)</b>	Establishes a legislative framework for the promotion of black economic empowerment; and empowers the Minister to issue Codes of Good Practice and publish Transformation Charters, establish the Black Economic Empowerment Advisory Council; and to provide for matters connected therewith.
<b>Companies Act, 2008 (Act No. 71 of 2008), as amended.</b>	Regulates the incorporation, registration, organisation and management of companies, including the fiduciary and "due care" duties and responsibilities of "directors" of a company.
<b>National Credit Act, 2005 (Act No. 34 of 2005), as amended.</b>	Aims to facilitate access to credit for all, while introducing measures to prevent over-indebtedness or the extension of credit to the vulnerable.
<b>Consumer Protection Act, 2008 (Act No. 68 of 2008), as amended</b>	Aims to protect consumers against unfair business practices, giving them greater recourse against companies that supply them with goods and services.
<b>Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), as amended.</b>	Regulates the activities of all financial service providers who give advice or provide intermediary services to clients as regards certain financial products. The Act requires that such providers be licensed, and that professional conduct be controlled through a code of conduct and specific enforcement measures.
<b>Protection of Personal Information Act, 2013 (Act No. 4 of 2013), as amended.</b>	Promotes the protection of personal information by public and private bodies.

## 9. THE ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MINISTER

The two entities reporting to the Minister for Small Business Development are **sefa** and **seda**. The agencies report through governance arrangements that give them autonomy but also enable them to align their strategies with government policy and priorities.

Name of Entity	Legislative Mandate	Financial Relationship (R'000)	Nature of Operations
<b>Small Enterprise Finance Agency (sefa)</b>	<p><b>sefa</b> was established in terms of <b>Section 3 (d) of the Industrial Development Corporation Act, 1940 (Act No. 22 of 1940)</b> and mandated to provide access to finance to Survivalist, Micro, Small and Medium businesses throughout South Africa.</p> <p><b>sefa</b> supports the development of sustainable SMMEs through the provision of finance.</p>	1 483 879	<ul style="list-style-type: none"> <li>• Ensure <b>sefa</b> is a high impact, high performance DFI that is responsive to government's macroeconomic policies and specifically the DSBD MTSF plan.</li> <li>• Align <b>sefa</b>'s organisational structure, culture and innovative delivery model to be responsive to its mandate and strategy.</li> <li>• Develop the <b>sefa</b> brand value proposition for our target markets, improve distribution reach and establish winning collaborative models.</li> <li>• Improve <b>sefa</b>'s sustainability, operational effectiveness, efficiencies and service delivery by streamlining business processes and deploying technology solutions.</li> </ul>
<b>Small Enterprise Development Agency (Seda)</b>	<p>Seda was established by the <b>National Small Enterprise Act 1996</b>, as amended.</p> <p>Seda has the mandate to provide non-financial business development and support services for small enterprises, in partnership with other role players in the small business development environment.</p>	838 490	<ul style="list-style-type: none"> <li>• Improved service access for SMMEs.</li> <li>• Increased turnover for SMMEs.</li> <li>• Increased number of people employed by the small enterprises.</li> <li>• Improved operational excellence.</li> </ul>



**PART B:**  
PERFORMANCE  
INFORMATION

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

The AGSA 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 110 of the Report of the Auditor-General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1. Service Delivery Environment

SMMEs and Co-operatives remain the key drivers for increased job creation, recovery in economic growth and reduced poverty. The advent and the impact of COVID-19 pandemic challenged the Department to implement additional SMMEs and Co-operatives support programmes, accelerate the implementation of COVID-19 business relief interventions and work towards the achievement of the revised 2019-24 MTSF priorities.

Although the economy seemed to be recovering and normalising during the 2021/22 financial year, moving towards the pre-COVID-19 pandemic levels does not look like an obvious and straight-line course. The 2021/22 financial year was defined by the continued challenges of the COVID-19 pandemic as South Africa experienced the fourth and fifth waves that continued to disrupt social integration, economic recovery, business operations whilst forcing some SMMEs and Co-operatives to retreat to survival mode instead of expanding and growing. The South African government implemented and accelerated a vaccination roll-out drive to combat the severity of the pandemic and to ensure that normal life resumes as much as possible as social and economic restrictions that negatively impacted the economic activity were lifted.

During the period under review, the overall unemployment rate remained high with unemployment amongst the youth being at its highest record – exposing some of the negative impact of the COVID-19 pandemic that require that the Department's interventions are more effective and impactful to assist the overall economic and social recovery. The Department, together with its agencies, continued to support the youth start-up

businesses, boosting the economy's recovery efforts and fight against unemployment.

Additionally, in July 2021, South Africa experienced unrests, lootings and violence in KZN and parts of Gauteng province, which severely impacted businesses and continued to put a strain in the already tight national fiscal budget. Consequently, the Department developed and introduced the Business Recovery Programme (BRP). The Programme, whose applications closed at the end of September 2021, focused on uninsured small enterprises that were impacted negatively by the unrest, predominantly in KZN and Gauteng provinces. The BRP catered for small enterprises which required funding for working capital (including stock), equipment (including delivery vehicles) and furniture, as well as fittings. The BRP also considered small enterprises with existing funding from other lenders. Maximum funding that was accessible per small enterprise was set at R2 million.

The Department remained committed to its core mandate *“to lead and coordinate an integrated approach to the promotion and development of entrepreneurship, Small, Medium and Micro Enterprises (SMMEs) and Co-operatives, and to ensure an enabling legislative and policy environment to support their growth and sustainability”*. To raise awareness of products, interventions and programmes for SMMEs and Co-operatives offered by the SBD Portfolio, the Minister for Small Business Development, Ms Stella Ndabeni-Abrahams and Deputy Minister, Mr Sidumo Dlamini led the Department and its agencies on countrywide road shows under the theme of **“unlocking opportunities for SMMEs and Co-operatives for economic growth and job creation”** in various District Municipalities across the country, thereby supporting the government-wide DDM.

The purpose of the road shows was to showcase the work of the SBD Portfolio and other strategic government departments, such as Provincial Departments of Economic Development, involved in the development of SMMEs, to monitor the support and impact on SMMEs through the interventions by the government, to share challenges and listen to success stories of entrepreneurs in various districts across the country to improve government support and to better coordinate support for SMMEs through partnerships with the private sector and various Departments and agencies.

Some of the economic challenges that are worth noting and have impacted service delivery to SMMEs and Co-operatives are the constraints in local electricity supply, that resulted in several load-shedding stages being implemented in an attempt to restore the electricity supply capacity; higher fuel prices that negatively impact the input costs for all businesses, particularly

those SMMEs and Co-operatives that have insufficient resources and mechanisms to absorb the impact of these increased costs. Despite these setbacks, the Department and its agencies were resilient, steady and focused in the implementation of interventions and programmes to support SMMEs and Co-operatives amidst the changing service delivery environment.

## 2.2. Service Delivery Improvement Plan

In accordance with the Public Service Regulations, Chapter 1, Part III C, all departments are required to develop a Service Delivery Improvement Plan (SDIP) and to publish an annual statement of public service commitment which will set out the Department's service standards that citizens and customers can expect, and which will serve to explain how the Department will meet each of the standards. The DSBD developed a draft 2022/23 – 2023/24 SDIP and submitted to the DPSA in December 2021 for quality assessment and feedback. The Draft 2022/23 – 2023/24 SDIP was also submitted to the Minister on 30 March 2022 for consideration and approval to submit to DPSA. While awaiting the Minister's approval, on DPSA's counsel, the draft SDIP was provisionally submitted through a DG-to-DG submission.

However, the DPSA issued an SDIP Circular 14 of 2022, which was sent to all departments on 25 April 2022, outlining the SDIP Building Blocks that need to be strengthened by departments for the SDIP development process to be effective and further declaring a one-year extension for submission of the SDIPs. The Department is therefore in the process of strengthening the SDIP as per the DPSA SDIP Circular 14 of 2022. To date, the Department has provided responses towards the Complaints and Compliments tool to the DPSA in October 2021 and further developments will be reported as per the dates provided in the said Circular, which fall outside the reporting period that is under review.

## 2.3. Organisational environment

The period under review brought new leadership to the Department. This change resulted in the challenge to finalise the proposed structure, staff continuing to operate on interim placements and a moratorium on filling vacancies was instituted on 17 August 2021. To decrease the vacancy rate and consider concerns raised in respect of high workload, the Minister was first requested in September 2021 to lift the moratorium or consider filling vacant posts as and when notice of termination was received. By the end of the reporting period, approval to fill 17 posts was granted. The approvals were granted on different dates, from 20 October 2021 to 1 March 2022. At the end of the financial year under review, a total of 17 posts remained under moratorium.

The Department's inability to finalise the structure impacted operations due to critical positions, such as the Deputy Director-General (DDG) positions remaining vacant. These positions are responsible for strategic leadership and ensuring the Department delivers on its mandate and the recruitment and selection process for these positions were initiated at the start of the reporting period, which was under the leadership of the former Minister that was moved from the Department at the beginning of August 2021. The process unfortunately had to be stopped with the entry of the new Executive Authority (EA).

To ensure delivery of the mandate, the Department continued functioning with interim arrangements that provided for personnel appointed in two of the DDG positions, with the Enterprise Development and Development Finance branches clustered under one acting DDG. Termination of 10 permanent staff during the last two quarters of the reporting period hindered the Department's ability to decrease the vacancy rate and therefore resulted in further increased workload.

The Department continued with the work-from-home practice, initially implemented during the COVID-19 pandemic lockdown due to limited office space and concerns raised around occupational health and safety risks. This was to limit the spread of the virus and to ensure adherence to all directives issued. The Department had 29 confirmed COVID-19 cases, and all recovered fully. While the work-from-home practice was embraced due to flexibility, it also provided its drawbacks in respect of work-life-balance. Employees raised concerns around no boundaries in respect of working hours and those excessive hours were impacting on health and wellness issues. Despite this, the Department's low infection rate and the recovery of all the infected parties is an indication that the Department's decision to remain with a work-from-home practice was successful in limiting the spread of the virus.

## 2.4. Key policy developments and legislative changes

The NISED Masterplan was developed to ensure the delivery of integrated, targeted and effected support interventions aimed at promoting entrepreneurship as well as providing financial and non-financial support for qualifying small enterprises, using the life cycle approach. The Masterplan is structured as an outcome-based strategy to help coordinate the many actors invested in small enterprise support and development. At its core, the NISED Masterplan represents a national strategy to coordinate government's efforts in partnership with private sector actors by building a supportive ecosystem for SMMEs to thrive. In efforts to witness more small enterprises productively contributing to the GDP,



a significant increase in formal employment by SMMEs, intensifying formalisation and sustainability of SMMEs to support their transformation and raise the productivity and competitiveness, the Department will continue its work on the implementation of the NISED Masterplan.

The NISED Masterplan is a “blueprint” policy document for the Department that integrates and improves on policy documents that have been guiding the work of the Department in enterprise development. The Masterplan draws from the White Paper on the Development and Promotion of Small Businesses in South Africa. It further strengthens the work driven by the NISED Strategy, the National Integrated Cooperatives Development Strategy, and the National Informal Business Upliftment Strategy (NIBUS), amongst others. The Masterplan acts as a social compact that seeks to consolidate and coordinate the work of government and the private sector on enterprise development. This plan seeks to enhance and increase participation of SMMEs and Co-operatives in the Priority Sectors of the economy.

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

The Department made significant progress towards achieving its five-year targets in relation to the outcome indicators in order to realise its medium-term outcomes and long-term impact statement, and contributing towards the revised 2019-24 MTSF. The Department’s impact statement is to ensure the SMMEs and Co-operatives are sustainable and contributing meaningfully to the economy. In order to realise its Impact Statement, the Department has developed medium-term outcomes to be achieved during over the medium term. These include:

#### Outcome One: Improved, integrated and streamlined business processes and systems.

One of the key interventions for the current administration is to modernise business processes in the public sector. During the year under review, the Department continued to modernise its processes and systems by integrating key online trade exchange platforms to enable smmesa.gov.za subscribers to take advantage of the Department’s offerings that are advertised online. To improve its integration and streamline business processes and system, the Department has successfully implemented Phase Three: SMME database – Key Trade Exchange Platform integrated enhanced reporting.

#### Outcome Two: Increased participation of SMMEs and Co-operatives in domestic and international markets.

Through the **SMMEs-focused Localisation Policy Framework**, the DSBD and its agencies coordinate and direct the ‘buy local’ campaign together with large corporates and communities. To date, the Department has established working relationships with large retailers and wholesalers across the country to list and purchase the products manufactured by SMMEs. Since inception, more than 500 products produced by SMMEs and Co-operatives have been linked/listed/introduced to domestic markets through these relations and simultaneously, the Department is creating independent markets in townships and towns for SMMEs and Co-operatives to trade their products.

Another component of implementing the SMMEs-focused Localisation Policy Framework and Implementation Programme is the **SEMSP**. The purpose of the SEMSP is to:

- Provide financial and business development support to small enterprises in the manufacturing industry sub-sectors;
- Provide infrastructure to small enterprises in the manufacturing industry sub-sectors;
- Provide market access opportunities to small enterprises (public and private sectors);
- Facilitate aggregate input costs for raw materials;
- Prioritise manufacturing industry sub-sectors with good job creation potential, namely: furniture manufacturing, metal and steel manufacturing, chemical manufacturing, and agro processing; and
- Contribute to the resuscitation of township and rural economies.

As at 31 March 2021, approvals concluded amounted to R519.4 million to 55 SMMEs, facilitating 3 145 jobs. This is since the SEMSP started approving transactions on 18 September 2020. Over the same period, R389.8 million was disbursed to 53 SMMEs.

The Department also implemented the **SheTradesZA** programme, which is an online platform to support South African women entrepreneurs to increase their international competitiveness and connect to national, regional and global markets. The programme was first implemented during the 2020/21 financial year. To date, over 2 222 women-owned businesses have registered / participated on SheTradesZA platform. This is part of our responsibility to facilitate the creation of a network for women-owned enterprises. The platform targets supporting businesses in the agro-processing, manufacturing, renewable energy, clothing and textile, cosmetics, creative industries, pharmaceuticals, retail and wholesale, exporters and importers, and logistics and payment systems.

### Outcome Three: Increased Contribution of SMMEs and Co-operatives in Priority Sectors.

**The NISED Masterplan:** DSBD consulted on the initial draft of the NISED Masterplan with key internal stakeholders in the Department and external stakeholders such as the Public Investment Corporation (PIC) on the concept of the aforementioned in the months of October to November 2019. The DSBD established a NISED Masterplan Task Team on the 3 October 2019. The Task Team was able to convene a dialogue on 4 March 2020 with representatives from Seda, **sefa**, DSBD and the Ecosystem Development for Small Enterprise (EDSE) on key objective statements of the outcome-based pillars of the framework, problem identification and formulation of anecdotal solutions. Furthermore, the Task Team convened on 10 December 2020 and 3 March 2021. The DSBD presented the NISED Masterplan to Economic Sectors, Investment, Employment and Infrastructure Development (ESIEID) Cabinet Committee in September 2021. The NISED Masterplan was resubmitted to the ESIEID Cabinet Committee in March 2022 following addressing the rigorous inputs and recommendations that were made by the Committee in September 2021. The ESIEID Cabinet Committee of March 2022 subsequently approved for the NISED Masterplan to be presented to Cabinet.

During the period under review, the Department's Annual Performance Plan (APP) had a target that focused on the production of **Annual Report on the contribution to jobs by SMMEs and Co-operatives in economic sectors**. The target was achieved through the collation of inputs from DSBD Branches and its agencies, and other National Departments. However, this trend analysis report will henceforth be one of the variables tracked by the SMME Index, and thus going forward from the 2022/2023 financial year will not be a stand-alone APP target.

### Outcome Four: Scaled-Up and coordinated support for SMMEs, Co-operatives, Village and Township economies.

The Department, in its revised 2020-25 Strategic Plan, set itself a target to produce an **SMMEs Development Index (SDI) Survey Report** on an annual basis focusing on the performance of the Small Enterprise Index. The final SDI Survey Report was produced during the 2021/22 financial year, following amendments to the revised Strategic Plan. The report incorporates data collectors, data coding and data analysis processes. It also incorporates lessons learnt, emerging risks, conclusion and recommendations. In terms of data collectors, a total of 40 institutions from both the public and the private sector supported the administration of the digital self-administered questionnaire.

These institutions included individual private sector institutions, chambers and associations such as Business Unity South Africa

(BUSA), Small Business Institute (SBI), Proudly SA, National African Federated Chamber of Commerce (NAFCOC), Institute of Business Advisors in Southern Africa (IBASA), Provincial Departments of Economic Development etc. Upon finalisation of the data collection process, data coding and analysis commenced revealing that a total of 1 092 responses were received. An overview of SDI survey results was then advanced with an individual SDI score developed for each dimension and indicator which included but are not limited to demographics and profiles, a score for each of the nine provinces, various sectors, access to markets, macro-economic environment, access to finance, skills, labour etc. With respect to the outcome, which entails establishment of the SMMEs Index, the production of the survey report moved things closer to the attainment of the outcome.

The revised 2019-24 MTSF has set the DSBD a target to establish 100 incubators by 2024. To date, 110 Incubation Centres and Digital Hubs have been established, already exceeding the revised MTSF target. These are made up of Centres for Entrepreneurship and Rapid Incubators that are implemented in partnership with Technical Vocational Education and Training (TVET) colleges and universities, digital hubs, enterprise incubation programme incubators, township, and rural incubators.

### Outcome Five: Expanded access to financial and non-financial support and implemented responsive programmes to new and existing SMMEs and Co-operatives.

During the 2020/21 financial year, the Minister of Small Business Development approved the draft SMMEs and Co-operatives Funding Policy for public consultation. The overarching objective for the **SMMEs and Cooperatives Funding Policy** is to strengthen the provision of the comprehensive developmental support towards the SMME and Co-operative sector in South Africa. This is with the view to improve access to finance for SMMEs and Co-operatives, thereby improving their competitiveness to play a pivotal role in economic development, ability to create jobs and address issues of inequality and poverty.

The DSBD is currently undertaking a comprehensive consultative policymaking process to obtain inputs from broad stakeholder base which represents all role players within the SMME sector. This will then be followed by the process of presenting the SMMEs and Co-operatives Funding Policy to the ESIEID Cluster, Cabinet Committee, after which the Policy will be Gazetted for public comments. During the 2021/22 financial year, the DSBD embarked on the development of a Concept Note and Terms of Reference for the appointment of a policy expert that will assist with stakeholder consultation sessions and production of the revised SMMEs and Co-operative Funding Policy.

Despite the Funding Policy finalisation being behind the schedule, some of the Policy proposals are already being implemented by some of the DFIs. For instance, most of the lending activities are informed by the SMMEs' and Co-operatives' affordability based on the available monthly cash flows as opposed to the provision of collateral; and to introduce a seamless application process, the DFIs have introduced a common application template to standardise the application requirements for SMMEs and Co-operatives.

In response to the urgent need to roll out appropriate support to SMMEs in townships and rural areas, the DSBD introduced the **TREP**. This is a dedicated programme to provide financial and/or non-financial support to the township and rural enterprises with emphasis on enterprises owned and managed by the designated groups (Women, Youth and PWDs).

The support for the **Youth Start-up businesses** is one of the critical programmes that seek to close the gap that the youth experience in accessing support for their new enterprises. One of the challenges hindering young people in South Africa is high youth unemployment, coupled with growing poverty and inequality. As outlined in the revised 2019-24 MTSF, young people also have limited access to resources that can help them find a way out of poverty and enable them to become agents of change. Limited access to land, finance for business ventures, and support and mentoring remain obstacles to the potential demographic dividend presented by a large young population of working age. Other contributing factors include low levels of education and skills, lack of information, location and the cost of work seeking, lack of income and work experience, and limited social capital.

The SBD Portfolio supports youth start-up enterprises with financial and non-financial support to enhance their sustainability. During the year under review, the programme has supported 13 369 youth enterprises against the target of 5 000 youth enterprises for the financial year, which is a double achievement.

To facilitate the increase in number of competitive small businesses with a focus on township and rural economies, the Department is facilitating the increase in **number of competitive small businesses and Co-operatives** supported. Competitive SMMEs and Co-operatives are defined as SMMEs and Co-operatives supported financially and/or non-financially with the ability to create or sustain jobs. The Department reported a total of 104 088 competitive small businesses and Co-operatives supported, through the Seda and **sefa** non-financial and financial instruments, in the Mid-Term period under review.

## Outcome Six: Reduced regulatory burdens for Small Enterprises.

Public comments received on the **National Small Enterprise Amendment Bill** have been considered and incorporated into the Bill and the Business Case for the establishment of the Office of the Small Business Ombud has been revised. The full Socio-Economic Impact Assessment System (SEIAS) has been concluded and a certificate issued giving approval to the Department to submit the Bill and the SEIAS report to Cabinet for consideration to introduce to Parliament. The Department, during the 2022/23 financial year, will be working with the OCSLA and the Office of the State Attorney to review the Bill in order to ensure that it meets the requirements for OCSLA certification such that the Bill can proceed to Cabinet.

In an effort to reduce regulatory burdens for small enterprises, the DSBD's **RTRP** has been carefully thought through, given the strategic focus to address red-tape challenges in an accelerated and scaled-up manner. At a local level the focus is on Municipalities, as they are at the coalface of servicing communities and small businesses in particular and administer the laws of the land at Local government level with often-poor administrative systems, skills deficits, resource constraints, high levels of corruption, as well as inadequate performance management systems and consequence management.

This work has been elevated with the establishment of the Red-Tape Reduction Office in The Presidency, the role of which is to champion and coordinate efforts of red-tape reduction across government and is thus complimentary to the work of the DSBD's RTRP. The target for the 2021/22 financial year, which has been achieved, was to assist three District Municipalities with a Red-Tape Reduction Action Plan. The Red-Tape Reduction Action Plans are developed together with the District Municipalities and implemented by the individual district municipality with the assistance of the Department as part of reducing the regulatory burden for small businesses and Co-operatives.

## Outcome Seven: Improved governance and compliance.

The Department has made significant progress in terms of ensuring improved governance and compliance as follows: One of the major achievements in this area has been the fact that the Department was able to constitute the Audit and Risk Committee as an added layer of assurance. The Department received an unqualified audit outcome on both non-financial performance information and Annual Financial Statements for the 2020/21 financial year. The DSBD also continues to achieve on its target of representation of PWDs whilst also ensuring that the over or under expenditure is within the 5% variance as prescribed by the National Treasury. Except for the 2021/22 financial year, in which the Department managed to pay 99.8% of valid creditors within 25 days, 100% payments were made to eligible creditors, within 30 days, in the past years.

## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 4.1. PROGRAMME 1: ADMINISTRATION

#### 4.1.1. Purpose

To provide strategic leadership, management and support services to the Department.

#### 4.1.2. Sub-programmes and purpose

- Ministry: to provide for administrative and logistical support to the Minister and Deputy Minister;
- Departmental Management (Office of the DG): to provide strategic leadership, management and support services to the Director General and the Department;
- Corporate Management: to provide enterprise-wide support services comprising of human resources, legal services, learning and development and transformation policy and coordination; and
- Financial Management: To provide strategic leadership and advice on supply chain, financial and asset management related services to the Department.

#### 4.1.3. Institutional Outcomes

- Improved governance and compliance; and
- Improved integrated and streamlined business processes and systems.

#### 4.1.4. Programme One: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME ONE: ADMINISTRATION								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
<b>1. Improved Governance and Compliance.</b>	1.1 Unqualified audit outcome for the Department.	a) Unqualified audit outcome on non-financial performance information obtained.	<b>Target Not Achieved:</b> Unqualified audit outcome with material findings on performance information and compliance with legislation.	<b>Achieved:</b> Unqualified audit outcome for the Department for 2019/20 Financial Year obtained.	Unqualified audit outcome on non-financial performance information for 2020/21 financial year.	<b>Target Achieved:</b> Unqualified audit outcome on non-financial performance information for 2020/21 financial year.	N/A	N/A

## PROGRAMME ONE: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
		b) Unqualified audit outcome on Annual Financial Statements obtained.			Unqualified audit outcome on Annual Financial Statements for 2020/21 financial year.	<b>Target Achieved:</b> Unqualified audit outcome on Annual Financial Statements for 2020/21 financial year.	N/A	N/A
	1.2 Payment register.	% of valid creditors paid within 25 days.	<b>Target Achieved:</b> 100% payments to eligible creditors processed within 30 days.  (11 467 invoices worth R65 347 730.48 paid on 13 average days).	<b>Achieved:</b> 100% of valid creditors paid in under 30 days.	100% of valid creditors paid within 25 days.	<b>Target Not Achieved:</b> 99.8% of valid creditors were paid within 25 days.	0.2% of valid creditors were not paid within 25 days.	Reliance on an Excel spreadsheet, which requires constant monitoring and absence of a web-based invoice tracking system to enable proactive monitoring and escalation.
	1.3 Expenditure Report.	% variance on annual budget.	<b>Target Achieved:</b> 1.8% variance on annual budget.  Department spent R2.229 billion of R2.2269 billion with a variance of R39.8 million.	<b>Achieved:</b> 1.3% Variance on annual budget.	<5% variance on annual budget.	<b>Target Achieved:</b> 0.9% variance on annual budget.	N/A	N/A

PROGRAMME ONE: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	1.4 <10% vacancy rate.	Percentage vacancy rate in funded permanent posts.	<b>Target Not Achieved:</b> 12.4% (26/209)	<b>Target Achieved:</b> 9.7% vacancy rate in funded posts.	<10% vacancy rate in funded permanent posts.	<b>Target Not Achieved:</b> 16.2% vacancy rate in funded permanent posts.	Under achievement of 6.2% vacancy rate in funded posts.	At the end of the financial year under review, the Department had 34 vacancies. The moratorium that was introduced in August 2021 had a significant contribution toward this high vacancy rate. Following the request from the Department to the Minister to lift the moratorium so as to address the high vacancy rate 17 permanent posts were approved, between 25 October 2021 and 1 March 2022, for recruitment processes to commence. In addition to the impediments caused by the moratorium, the Department experienced 19 permanent staff terminations.

## PROGRAMME ONE: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	1.5 ≥ 50% female in SMS employed.	Percentage of female SMS Representation.	<b>Target Achieved:</b> 55.9% (19/34) female SMS	<b>Target Achieved:</b> 57.1% of female SMS representation.	≥ 50% of female SMS representation.	<b>Target Not Achieved:</b> 47.1% of female SMS representation.	Under achievement of 2.9% of female SMS representation.	Termination of 5 females in SMS and 2 males (4 within the Department and 3 within Ministry).  Appointment of 5 males and 1 female in SMS (1 within the Department and 5 within Ministry).
	1.6 ≥ 3.2% representation of PWDs.	Percentage representation of PWDs.	<b>Target Achieved:</b> 2.4% (5/208) people with disabilities.	<b>Target Achieved:</b> 3.3% representation of PWDs.	≥ 3.2% representation of PWDs.	<b>Target Achieved:</b> 3.8% representation of PWDs.	N/A	N/A
	1.7 DSBD and its Agencies' public engagement programmes implemented in District Municipalities.	Number of DSBD and its Agencies' public engagement programmes implemented in District Municipalities.	<b>Target Achieved:</b> 47 Facilitated interactions that deliver meaningful engagements with communities and the public.	N/A	24 DSBD and its Agencies' public engagement programmes implemented in District Municipalities.	<b>Target Achieved:</b> 82 DSBD and its Agencies' public engagement programmes implemented in District Municipalities.	Over achievement of 58 DSBD and its Agencies' public engagement programmes implemented in District Municipalities.	The Department gained new leadership (Minister and Deputy Minister) on 5 August 2021. The new leadership prioritised engagements with the stakeholders that the Department is entrusted to serve (SMMEs, Co-operatives and Informal Traders).

**PROGRAMME ONE: ADMINISTRATION**

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
								<p>As such the Minister and Deputy Minister embarked on a countrywide Roadshows, promoting the Small Business Development Portfolio's programmes through public engagements within District Municipalities, hence the variance of 58 DSBD and its Agencies' public engagement programmes implemented in District Municipalities.</p>



## PROGRAMME ONE: ADMINISTRATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
<b>2. Improved integrated and streamlined business processes and systems.</b>	2.1 Phase 3: SMME Database implemented.	SMME Database – Key Trade Exchange Platform integrated and enhanced reporting implemented.	<b>Target Achieved:</b> Phase 1 - Centralised Integrated. SMME/Co-operatives/ Entrepreneur/ Informal Business Database & Portal Designed and Implemented.	<b>Target achieved:</b> Phase 2: SMME Database – government Agencies integrated data implemented.	Phase 3: SMME Database – Key Trade Exchange Platform integrated and enhanced reporting implemented.	<b>Target achieved:</b> Phase 3: SMME Database – Key Trade Exchange Platform integrated and enhanced reporting implemented.	N/A	N/A

During the year under review, Programme One registered significant achievement on a number of targets. The Department achieved an unqualified audit opinion on the non-financial performance information and Annual Financial Statements for the 2020/21 financial year.

Public engagements, which were implemented in District Municipalities, formed core of the DSBD and its agencies' programmes as the Department far exceeded this target by 58 engagements. Through these engagements, the Department and agencies promoted the work of SBD Portfolio with the aim of providing financial and non-financial support to more SMMEs and Co-operatives.

The Department further developed a base control system to ensure singular applications and incorporate both international and local platforms. These achievements were registered as part of Phase three database – key trade exchange platform integrated and enhanced reporting implemented. Despite the challenges experienced by the Department in achieving at least 50% female SMS representation due to resignations of female SMS members and appointments of male SMS members, the Department managed to overachieve on the target of representation of PWDs. The Department is working towards a recruitment plan that will assist in going back to maintaining at least 50% female SMS representation.

#### 4.1.5. Linking performance with budgets

Sub Programme	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	25 584	25 464	120	21 640	21 612	28
Departmental Management (Office of the DG)	28 000	27 817	183	19 810	19 081	729
Corporate Services	29 117	27 799	1 318	37 835	37 667	168
Financial Management	18 301	18 114	187	19 189	18 840	349
<b>TOTAL</b>	<b>101 002</b>	<b>99 194</b>	<b>1 808</b>	<b>98 474</b>	<b>97 200</b>	<b>1 274</b>

Annual expenditure for Programme One: Administration amounted to R99.2 million (98.2%) against the final appropriation of R101 million, resulting in an under expenditure of R1.8 million (1.8%). Goods and Services contributed R1.6 million to the under expenditure due to low expenditure than projected for Operating leases (R471 thousand), Training underspent by R332 thousand as most trainings were attended virtually and others cancelled due to COVID-19, Consultants and Professional Services also contributed by R242 thousand.

The main cost drivers on expenditure for Programme One are Compensation of Employees at R64.9 million and Goods and Services at R31.5 million. The drivers on Goods and Services expenditure are operating leases for Office Accommodation (R11.9 million), Travel and Subsistence (R7.8 million), Audit Costs (R4.8 million), Communication (R1.3 million), Fleet Services (R1.1 million), Consultants (R580 thousand), Operating Payment (R546 thousand) and Legal Costs (R500 thousand).

#### 4.1.6. Strategy to overcome under performance

Area of Underperformance	Extent of Underperformance	Strategies to overcome the areas of underperformance
<b>100% of valid creditors paid within 25 days.</b>	<ul style="list-style-type: none"> <li>Under achievement of 0.2% of valid creditors paid within 25 days.</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of a web-based invoice tracking register and a constant monitoring of the current Excel register.</li> </ul>
<b>&lt;10% vacancy rate in funded posts.</b>	<ul style="list-style-type: none"> <li>Under achievement of 6.2% vacancy rate in funded posts.</li> </ul>	<ul style="list-style-type: none"> <li>Submit another request to the Executive Authority for full lifting of the moratorium, which will allow filling of vacancies.</li> <li>Prioritising submission of the structure for finalisation to enable filling of vacancies.</li> </ul>
<b>≥ 50% of female SMS representation.</b>	<ul style="list-style-type: none"> <li>Under achievement of 2.9% of female SMS representation.</li> </ul>	<ul style="list-style-type: none"> <li>Filling of 9 vacancies within SMS in line with Employment Equity priorities and Departmental recruitment project plan.</li> </ul>

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

Not applicable to the Administration Programme.

#### 4.1.8 Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable to the Administration Programme.

## 4.2. PROGRAMME 2: SECTOR AND MARKET DEVELOPMENT

### 4.2.1. Purpose

To facilitate and increase access to markets for SMMEs through business information, product development support and value chain integration.

### 4.2.2. Sub-programmes and purpose

- **Sector and Market Development Management:** Provide leadership to the branch and support entry and growth of SMMEs in prioritised and designated sectors of the economy.
- **Business Information and Knowledge Management:** Provide evidence-based (economic analysis, econometrics, research) business information to direct sector thought leadership.
- **Ease of Doing Business:** Reduce the administrative and regulatory burden of doing business for SMMEs; and
- **Access to Market Support:** Provide domestic and international market support services to SMMEs.

### 4.2.3. Institutional Outcomes

- Increased participation of SMMEs and Co-operatives in domestic and international markets.
- Increased Contribution of SMMEs and Co-operatives in Priority Sector.
- Scaled-Up and coordinated support for SMMEs, Co-operatives, Village and Township Economies.

### 4.2.4. Programme 2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME TWO: SECTOR MARKET AND DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
<b>1. Increased participation of SMMEs and Co-operatives in domestic and international markets.</b>	1.1. Products produced and services rendered by SMMEs and Co-operatives linked to market.	Number of products produced and services rendered by SMMEs and Co-operatives linked to market.	N/A	<b>Achieved:</b> 238 products produced by SMMEs and Co-operatives linked to market.	250 products produced and services rendered by SMMEs and Co-operatives linked to market.	<b>Target Achieved:</b> 288 products produced and services rendered by SMMEs and Co-operatives linked to market.	Over achievement of 38 products produced and services rendered by SMMEs and Co-operatives linked to market.	More products were introduced to market in order to provide the market with a wide variety of products to choose from when approving qualifying suppliers.

PROGRAMME TWO: SECTOR MARKET AND DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	1.2. Women-owned enterprises monitored to participate on SheTradesZA platform.	Number of women-owned enterprises monitored to participate on SheTradesZA platform.	N/A	<b>Not Achieved:</b> 1 015 women-owned businesses supported to register on international platform.	2 000 women-owned enterprises monitored to participate on SheTradesZA platform.	<b>Target Not Achieved:</b> 1 207 women-owned enterprises monitored to participate on SheTradesZA platform.	Under achievement of 793 women-owned enterprises monitored to participate on SheTradesZA platform.	Stakeholder engagements were conducted on the online platform. However, the number of actual women-owned businesses registered following these stakeholder engagements was significantly lower than the set target.
	1.3. SMMEs and Co-operatives exposed to international market opportunities.	Number of SMMEs and Co-operatives exposed to international market opportunities.	N/A	N/A	200 SMMEs and Co-operatives exposed to international market opportunities.	<b>Target Achieved:</b> 242 SMMEs and Co-operatives exposed to international market opportunities.	Over achievement of 42 SMMEs and Co-operatives exposed to international market opportunities.	The Department partnered with Los Angeles-South Africa e-commerce strategies webinar where a significant number of SMMEs and Co-operatives were exposed to international market opportunities.

## PROGRAMME TWO: SECTOR MARKET AND DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
<b>2. Increased Contribution of SMMEs and Co-operatives in Priority Sector.</b>	2.1. Increase in contribution to jobs by SMMEs and Co-operatives in economic sectors supported.	Annual Report on the contribution to jobs by SMMEs and Co-operatives in economic sectors produced.	N/A	<b>Achieved:</b> Annual Report on the contribution to jobs by SMMEs and Co-operatives in priority sectors approved by EXCO.	Annual Report on the contribution to jobs by SMMEs and Co-operatives in economic sectors approved by EXCO.	<b>Target Achieved:</b> Annual Report on the contribution to jobs by SMMEs and Co-operatives in economic sectors approved by EXCO.	N/A	N/A
<b>3. Scaled-Up and coordinated support for SMMEs, Co-operatives, Village and Township Economies.</b>	3.1. Approved SMMEs Development Index Survey report.	SMMEs Development Index Survey report produced.	<b>Target Achieved:</b> Measurement Framework for the SMMEs index dimensions and indicators approved by EXCO.	<b>Achieved:</b> Two (2) progress reports on the SMMEs Index Pilot Survey produced.	SMMEs Development Index Survey report approved by EXCO.	<b>Target Achieved:</b> SMMEs Development Index Survey report approved by EXCO.	N/A	N/A

## PROGRAMME TWO: SECTOR MARKET AND DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	3.2 Incubation Support Programme evaluation conducted.	Incubation Support Programme evaluation approved by EXCO.	<b>Target Achieved:</b> An approved Report on Six (6) digital hubs in townships and rural areas established. SBTI Botshabelo Digital Hub, Limpopo Digital Hub, 4th Industrial Revolution, KwaMashu Digital Hub, Alexandra Digital Hub and Mafikeng Digital Hub.	N/A	Incubation Support Programme (ISP) evaluation conducted and approved by EXCO.	<b>Target Not Achieved:</b> Incubation Support Programme (ISP) evaluation not conducted and approved by EXCO.	Incubation Support Programme (ISP) evaluation was not conducted.	During inception phase, it was realised that the evaluation needed specialised and technical skills that the team that was entrusted with this work did not possess. Efforts to appoint Government Technical Advisory Centre (GTAC), which is a multidisciplinary team of experts, through a single source request submitted to National Treasury were not successful as the request was declined.

The annual target of 250 products has been overachieved, with the Department introducing a total of 288 products to market for this financial year. Relationships have been established with key private sector partners and the Department continues to monitor the supply and demand side of products and services produced and rendered by SMMEs and Co-operatives.

The target of 200 businesses exposed to international markets in the financial year 2021/22 has been overachieved. An annual total of 242 businesses were exposed during the 2021/22 financial year. It should be noted that since the 2020 lockdown, exposing businesses to international market opportunities was an impossible target to meet. The SBD Portfolio commenced with participating in virtual sessions to facilitate exposure to businesses that may not have necessarily qualified due to not being export ready. This initiative, together with the few face-to-face exposure engagements, greatly assisted in achieving this significant milestone of 242.

In relation to the designated groups, the Programme was entrusted with ensuring that 2 000 women-owned enterprises are monitored to participate on SheTradesZA platform during the period under review. The target was unfortunately not met, underperforming by 793 despite the stakeholder engagements that were conducted on the online platform. However, the number of actual women-owned businesses registered following these stakeholder engagements was significantly lower than the set target.

#### 4.2.5. Linking performance with budgets

Sub Programme	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Sector and Market Development Management	1 581	808	773	-	-	-
Business Information and Knowledge Management	19 459	14 254	5 205	22 300	21 372	928
Ease of Doing Business	7 961	7 564	397	6 380	3 499	2 881
Access to Market Support	78 138	67 805	10 333	13 474	13 460	14
<b>TOTAL</b>	<b>107 139</b>	<b>90 431</b>	<b>16 708</b>	<b>42 154</b>	<b>38 331</b>	<b>3 823</b>

Annual expenditure for Programme Two: Sector Market Development amounted to R90.4 million (84.4%) against the final appropriation of R107.1 million, resulting in an under expenditure of R16.7 million (15.6%). Compensation of Employees underspent by R11.5 million due to vacancies and Transfers contributed R4 million to the underspending due to delays in the commencement of the Product Markets Programme, whilst machinery and other equipment contributed R1 million due to delays in the delivery of ordered computer equipment.

The main cost drivers on expenditure for Programme Two are Transfer payments at R30.2 million on the Product Market instrument; Compensation of Employees at R24.1 million and Goods and Services at R35.5 million. The drivers on Goods and Services expenditure are Inventory for Redistribution to IMEDP beneficiaries (R17.3 million), Computer Services (R6.9 million), Travel and Subsistence (R6.5 million), Contractors (R1.8 million), Operating Payment (R1.4 million) and Communication (R824 thousand).

#### 4.2.6. Strategy to overcome under performance

Area of Underperformance	Extent of Underperformance	Strategies to overcome the areas of underperformance
<b>2 000 women-owned enterprises monitored to participate on SheTradesZA platform.</b>	<ul style="list-style-type: none"> <li>1 207 women-owned enterprises monitored to participate on SheTradesZA platform. The deviation from planned target was 793 women-owned businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Embark on massive marketing drive to target beneficiaries. Partner with Provincial and Municipality stakeholders to drive the participation of women-owned enterprises on the platform. The SA SMME database will be targeted to raise number of women-owned enterprises participating on the platform.</li> </ul>
<b>Incubation Support Programme (ISP) evaluation conducted and approved by EXCO.</b>	<ul style="list-style-type: none"> <li>Incubation Support Programme (ISP) evaluation was not conducted and not approved by EXCO. Lack of capacity within the responsible business unit contributed to the target not being achieved.</li> </ul>	<ul style="list-style-type: none"> <li>The work will be outsourced to an external agency who will also transfer skills in the business unit.</li> </ul>

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

Not applicable to the Department.

#### 4.2.8. Reporting on the Institutional Response to the COVID-19 Pandemic

Not applicable to Sector and Market Development Programme.

### 4.3: PROGRAMME 3: DEVELOPMENT FINANCE

#### 4.3.1: Purpose

To expand access to finance for SMMEs and Co-operatives through innovative service offerings.

#### 4.3.2. Sub-programmes and purpose

- **Development Finance Management:** To provide leadership to the branch and support entry and growth of SMMEs in prioritised and designated sectors of the economy.
- **Business Viability:** To provide business assurance strategies for SMMEs.
- **Blended Finance:** To design blended financial support initiatives for SMMEs; and
- **Model Funding collaboration:** To create enabling financial support structures for SMMEs.

#### 4.3.3. Institutional Outcomes

Expanded access to financial and non-financial support and implemented responsive programmes to new and existing SMMEs and Co-operatives.

#### 4.3.4. Programme Three: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME THREE: DEVELOPMENT FINANCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
<b>1. Expanded access to financial and non-financial support and implemented responsive programmes to new and existing SMMEs and Co-operatives.</b>	1.1 SMMEs and Co-operatives Funding Policy approved.	Cabinet memo on the SMMEs and Co-operatives Funding Policy submitted to Minister for Cabinet approval.	N/A	<b>Achieved:</b> SMMEs and Co-operatives Funding Policy developed and approved by EXCO.	SMMEs and Co-operatives Funding Policy approved, implemented and reported on.	<b>Target not achieved:</b> SMMEs and Co-operatives Funding Policy not approved, implemented and reported on.	SMMEs and Co-operatives Funding Policy not approved, implemented and reported on.	The Department had to undertake further consultations before the Policy can be presented to Cabinet for approval to Gazette for public comments.



## PROGRAMME THREE: DEVELOPMENT FINANCE

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	1.2. Co-operatives supported financially.	Co-operatives supported to the value of the R'million.	<b>Target Not Achieved:</b> Co-operatives supported to the value of the R85.7 million.	<b>Not Achieved:</b> Co-operatives supported through non-financial and/or financial to the value of R31.1 million.	Co-operatives supported to the value of R88.6 million.	<b>Target not achieved:</b> Co-operatives supported to the value of R13.03 million.	Co-operatives not supported to the value of R75.57 million.	The Co-operatives that applied for funding did not meet the qualifying credit criteria.
	1.3. Township and Rural Enterprises supported financially.	Township and Rural Enterprises supported to the value of the R' million.	N/A	<b>Not Achieved:</b> 13 987 Township and Rural Enterprises supported financially and/or non-financially.	Township and Rural Enterprises supported to the value of R694 million.	<b>Target not achieved:</b> Township and Rural Enterprises supported to the value of R545 533 667.77.	Township and Rural Enterprises not supported to the value of R148 466 332.23.	The criteria requirements to qualify hampered the process - the term sheets have been amended to improve the process.
	1.4. SMMEs and Co-operatives in the Craft sector supported through Craft Customised Sector Programme.	Number of Crafters supported through the Craft Customised Sector Programme.	<b>Target Achieved:</b> 2 535 Crafters supported through the Craft Customised Sector Programme.	<b>Achieved:</b> 726 Crafters supported through the Craft Customised Sector Programme.	800 Crafters supported through the Craft Customised Sector Programme.	<b>Target achieved:</b> 953 Crafters supported through the Craft Customised Sector Programme.	Over achievement of 153 Crafters supported through the Craft Customised Sector Programme.	An additional 153 businesses were assisted through the programme to cover all valid applications received.

PROGRAMME THREE: DEVELOPMENT FINANCE

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	1.5. Start-up youth businesses supported financially and non-financially.	Number of start-up youth businesses supported financially and non-financially.	N/A	N/A	5 000 start-up youth businesses supported financially and non-financially.	<b>Target achieved:</b> 13 369 start-up youth businesses supported financially and non-financially.	8 369 more start-up youth businesses supported financially and non-financially.	The SBD Portfolio supported more youth start-ups as part of mainstreaming youth support across all portfolio interventions.
	1.6. Consolidated report on supported Competitive SMMEs and Co-operatives produced.	Consolidated report on the number of competitive SMMEs and Co-operatives supported approved by EXCO.	N/A	<b>Achieved:</b> Consolidated report on the 2 000 competitive SMMEs and Co-operatives supported approved by EXCO.	Consolidated report on the 25 000 competitive SMMEs and Co-operatives supported approved by EXCO.	<b>Target Achieved:</b> Consolidated report on the 70 384 competitive SMMEs and Co-operatives supported approved by EXCO.	Over achievement of 45 384.	The major contributor to the variance is the number of clients that were assisted through <b>sefa</b> and Seda support programmes due to increased demand to support SMMEs and Co-operatives that were adversely impacted by the July 2021 unrest in KwaZulu-Natal and Gauteng provinces.

The Department supported 953 Crafters through the Craft Customised Sector Programme against the planned target of 800. Further to this, significant overachievement was recorded on start-up youth businesses supported financially and non-financially and competitive SMMEs and Co-operatives supported targets that have been overachieved by more than double the target that was set for each.

There are inherent challenges in supporting the youth, women-owned, and businesses owned by PWDs such as lack of collateral. The support provided under Programme Three toward the start-up youth businesses is one of the initiatives that seeks to curb some of these challenges. The Department is further finalising an SMMEs and Co-operatives Funding Policy with specific focus on these impediments i.e. promotion of cashflow-based lending mechanisms as opposed to the collateral requirements.

#### 4.3.5. Linking performance with budgets

Sub Programme	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Development Finance Management	1 912	1 270	642	8 705	7 464	1 241
Model Funding collaboration.	7 057	6 976	81	2 650	2 643	7
Blended Finance	1 534 086	1 532 434	1 652	1 280 426	1 258 698	21 728
Business Viability	11 327	10 945	382	11 141	11 141	0
<b>TOTAL</b>	<b>1 554 382</b>	<b>1 551 625</b>	<b>2 757</b>	<b>1 302 922</b>	<b>1 279 947</b>	<b>22 975</b>

Annual expenditure for Programme Three: Development Finance amounted to R1.552 billion (99.8%) against the final appropriation of R1.554 billion, resulting in an under expenditure of R2.8 million (0.2%). Compensation of Employees contributed R2.2 million to the under expenditure due to vacancies.

The main cost drivers of expenditure in the Programme are Transfers and Subsidies at R1.528 billion, Compensation of Employees at R21.6 million, and Goods and Services at R1.7 million. The drivers of expenditure on Goods and Services are Travel and Subsistence (R998 thousand), Communication (R282 thousand) and Legal Costs (R206 thousand).

#### 4.3.6. Strategy to overcome under performance

Area of Underperformance	Extent of Underperformance	Strategies to overcome the areas of underperformance
<b>SMMEs and Co-operatives Funding Policy approved, implemented and reported on.</b>	<ul style="list-style-type: none"> <li>SMMEs and Co-operatives Funding Policy was not approved, implemented and reported on.</li> </ul>	<ul style="list-style-type: none"> <li>The Policy approval processes will be fast tracked, working with the Ministry, to ensure alignment on priorities and context as per the Policy objectives.</li> </ul>
<b>Co-operatives supported to the value of R88.6 million.</b>	<ul style="list-style-type: none"> <li>Co-operatives were not supported to the value of R75.57 million.</li> </ul>	<ul style="list-style-type: none"> <li>The blended finance system that is used to fund the Co-operatives makes it difficult for many Co-operatives to qualify and have access to the funds available to them. This is due to the fact that through blended finance, Co-operatives have to have a positive / healthy credit score, which is informed by factors that many rural and township Co-operatives do not possess. The SBD Portfolio is looking into how the blended finance system can be reviewed to accommodate the operational and financial situations of Co-operatives.</li> </ul>
<b>Township and Rural Enterprises supported to the value of R694 million.</b>	<ul style="list-style-type: none"> <li>Township and Rural Enterprises were not supported to the value of R545 533 667.77.</li> </ul>	<ul style="list-style-type: none"> <li>The TREP Term Sheet has been revised to include the participation of other sectors that were not part of the programme to increase the uptake.</li> </ul>

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

Not applicable to Development Finance Programme.

#### 4.3.8. Reporting on the Institutional Response to the COVID-19 Pandemic

The DSBD has implemented the Business Viability Programme (BVP) to assist SMMEs and Co-operatives experiencing business distress as part of the government's Economic Reconstruction and Recovery Programme. In the period under review, as part of BVP, a total of 14 SMMEs were approved for funding to the tune of R72 276 355. In the process 415 job opportunities were facilitated. In response to the unrests that took place in KZN and Gauteng Provinces in July 2021, the Department conceptualised and implemented a Business BRP to assist the affected uninsured small enterprises that were impacted negatively by the unrest. A total of 232 SMMEs were approved for funding to the tune of R235 188 335. This has resulted in the facilitation of 2 046 job opportunities. As part of the BRP, the Informal Traders Support Programme was designed and implemented focusing on SMMEs plying their trade in the informal sector. An amount of R13 752 000 was approved for disbursements to 5 135 informal traders.

A significant intervention that was introduced in response to the COVID-19 pandemic, following the declaration of the State of Disaster by the President, was the **TREP** together with the deployment of DSBD officials into all Provinces and District Municipalities as Provincial and District Champions. This activity spoke directly to enhancing DSBD's participation in the DDM process by adopting a Portfolio approach together with its agencies, Seda and the **sefa**, for support of enterprises affected by COVID-19 lockdown regulations.

Through this process, specific District and Local Municipalities collaborated with the DSBD and its agencies in identifying and supporting enterprises requiring support especially in those sectors and sub-sectors that were most affected. TREP schemes were designed to provide easy to access support through existing public and private institutions such as municipalities, government agencies and banks. In addition to this, engagements were held with various government departments on support of the DSBD's SMME Support Plan between National, Provincial and Districts as a way of including SMMEs and Co-operatives in mainstream economic activities going forward and beyond the pandemic.

Internally, the DSBD faced the risk of the impact of COVID-19 on the livelihood of staff and their families. Due to the lockdown and officials having to work from home, the Department had limited physical interaction with stakeholders internally and externally. This also made it difficult to achieve some of the targets initially as the constraints affected the rate at which applications for support could be processed with the required efficiency.

**Table: Progress on Institutional Response to the COVID-19 Pandemic**

Budget Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
<b>Development Finance</b>	Small Enterprise Manufacturing Support Programme.	National.	31	Small enterprises in the manufacturing industry sub-sectors.	R256 million.	R122.8 million.	Non-APP target.	Increased productive capacity, competitiveness, sustainability, and growth of small businesses, which has led to job creation.
<b>Development Finance</b>	Township and Rural Entrepreneurship Programme	All Provinces and all District Municipalities	7 038	Township and rural locations targeting mainly designated groups (women, youth and persons with disabilities).	R694 million.	R545 533 845.44.	Township and rural-based enterprises assisted with financial and/ or non-financial support.	Economic rescue, economic recovery and contribution to livelihood and job creation.

## 4.4. PROGRAMME 4: ENTERPRISE DEVELOPMENT

### 4.4.1. Purpose

To oversee the promotion of an ecosystem that enhances entrepreneurship and the establishment, growth and sustainability of small businesses and Co-operatives as well as coordinating business development support interventions across various spheres of government.

### 4.4.2. Sub-programmes and purpose

- **Enterprise Development Management:** To provide leadership to the branch, exercise oversight in the execution of programmes by the implementing agencies and coordinate the provision of an entrepreneurship development and support service infrastructure.
- **Enterprise and Supplier Development:** To drive the transformation of the economy through the formulation of policy instruments and advocacy work aimed at the inclusion of SMMEs in the mainstream economy; and
- **SMME Competitiveness:** To work with Municipalities through their integrated Development Plans to develop, enhance and implement enterprise development programmes toward improved Local Economic Development (LED).

### 4.4.3. Institutional Outcomes

Increased Contribution of SMMEs and Co-operatives in Priority Sector. Reduced regulatory burdens for Small Enterprises.

### 4.4.4. Programme Four: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

PROGRAMME FOUR: ENTERPRISE DEVELOPMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
<b>1. Increased Contribution of SMMEs and Co-operatives in Priority Sector.</b>	1.1 National Integrated Small Enterprise Development Masterplan submitted to Cabinet.	Cabinet memo on the National Integrated Small Enterprise Development Masterplan submitted to Minister for Cabinet approval.	<b>Target Not Achieved:</b> Small Enterprise Development Masterplan Framework document developed and not approved by EXCO.	<b>Achieved:</b> National Integrated Small Enterprise Development Masterplan approved by EXCO.	National Integrated Small Enterprise Development Masterplan submitted to Minister for Cabinet approval.	<b>Target achieved:</b> National Integrated Small Enterprise Development Masterplan submitted to Minister for Cabinet approval.	N/A	N/A

## PROGRAMME FOUR: ENTERPRISE DEVELOPMENT

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
<b>2. Reduced regulatory burdens for Small Enterprises.</b>	2.1. National Small Enterprise Amendment Bill submitted to Parliament.	Approved submission to Minister on the National Small Enterprise Amendment Bill.	<b>Target Achieved:</b> The Department submitted Cabinet memorandum to the Minister on the consolidated proposed amendment of the National Small Enterprise bill (content) document.	<b>Achieved:</b> Report on consolidated public comments received on the National Small Enterprise Amendment Bill approved by EXCO.	National Small Enterprises Amendment Bill taken through Parliamentary process.	<b>Target not achieved:</b> National Small Enterprise Amendment Bill not taken through Parliamentary process.	National Small Enterprise Amendment Bill not taken through Parliamentary process.	The Department is still ensuring compliance to Legislative processes. On advice from the The Office of the Chief State Law Advisor (OCSLA), the Department is currently reviewing the Act.
	2.2. Schedule to the National Small Enterprise Act (NSEA) amended.	Approved submission to Minister on the Schedule to the National Small Enterprise Act amended.	N/A	N/A	Revised Schedule to the National Small Enterprise Act amended and submitted to Minister for approval to gazette.	<b>Target not achieved:</b> Revised Schedule to the National Small Enterprise Act not amended and submitted to Minister for approval to Gazette.	Revised Schedule to the National Small Enterprise Act not amended and submitted to Minister for approval to gazette.	The OCSLA informed the Department about the anomalies that needs to be addressed before the schedule can be updated
	2.3. Red-Tape Reduction Action Plan developed and implemented.	Number of districts assisted through the Red-Tape Reduction Action Plan.	<b>Target Achieved:</b> Red-Tape Reduction Awareness Programme rolled out in 33 municipalities.	<b>Achieved:</b> Three (3) Districts in a province assisted with EODB Pilot Administrative Simplification Programme for SMMEs and Co-operatives – Baseline.	Three (3) districts assisted through the Red-Tape Reduction Action Plan.	<b>Target achieved:</b> Three (3) districts assisted through the Red-Tape Reduction Action Plan.	N/A	N/A

The Department is entrusted with the development of the National Integrated Small Enterprise Masterplan, which is a “blueprint” policy document for the Department to integrate and improve on SMMEs and Co-operatives policy document in South Africa. During the year under review, the Department submitted a NISED Masterplan to Minister for Cabinet approval. In an endeavour to assist Municipalities to cut down on Red-Tape, three districts were assisted through the Red-Tape Reduction Action Plan.

The two pieces of legislation whose targets have not been achieved entail policy proposals the translation of which will have positive impact on the support of women, youth and PWDs. Over the medium term the focus will be on monitoring of the implementation of the National Small Enterprise Act. Stakeholder engagements and the development of policy positions which will inform the amendment to the Act (establishment of a Small Enterprise Ombud Service, relooking the definition of SMME and the Institutional arrangements pertaining to the agencies reporting directly to the Department) is underway. These additional areas will inform the amendments of the Bill.

#### 4.4.5. Linking performance with budgets

Sub Programme	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development Management	6 378	5 783	595	2 175	2 011	164
Enterprise and Supplier Development	857 223	856 799	424	831 211	831 179	32
SMME Competitiveness	10 939	9 386	1 553	867	527	340
<b>TOTAL</b>	<b>874 540</b>	<b>871 968</b>	<b>2 572</b>	<b>834 253</b>	<b>833 717</b>	<b>536</b>

Annual expenditure for Programme Four: Enterprise Development amounted to R872 million (99.7%) against the final appropriation of R874.5 million, resulting in an under expenditure of R2.6 million (0.3%). Compensation of Employees contributed R2.5 million to the under expenditure due to vacancies.

The main cost drivers for expenditure in the Programme are Transfers and Subsidies at R838.6 million, Compensation of Employees at R27.9 million, as well as Goods and Services at R5.3 million. The drivers of expenditure in Goods and Services are Venues and Facilities (R2.2 million), Travel and Subsistence (R1.9 million), Communication (R355 thousand), Consultants (R288 thousand) and Contractors (R180 thousand).



#### 4.4.6. Strategy to overcome under performance

Departments should provide the strategies to address under performance.

Area of Underperformance	Extent of Underperformance	Strategies to overcome the areas of underperformance
<b>National Small Enterprise Amendment Bill taken through Parliamentary process.</b>	<ul style="list-style-type: none"> <li>National Small Enterprise Amendment Bill was not taken through Parliamentary process.</li> </ul>	<ul style="list-style-type: none"> <li>A direct engagement with the organisations that provide constitutional and Socio-economic Impact Analysis certification will be pursued to quicken the process.</li> </ul>
<b>Revised Schedule to the National Small Enterprise Act amended and submitted to Minister for approval to gazette.</b>	<ul style="list-style-type: none"> <li>Revised Schedule to the National Small Enterprise Act was not amended and submitted to Minister for approval to gazette.</li> </ul>	<ul style="list-style-type: none"> <li>The Office of the Chief State Law Advisor will be engaged and consulted on a continuous basis to ensure compliance with the legislative prescripts on the issue of amending the schedule and related legislative provisions that have indicated challenges i.e. Section 20 (2) of the National Small Business Act, 1996.</li> </ul>

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

Not applicable to Enterprise Development Programme.

#### 4.4.8. Reporting on the Institutional Response to the COVID-19 Pandemic

Not application to Enterprise Development Programme.

## 5. TRANSFER PAYMENTS

### 5.1. Transfer payments to public entities

The DSBD has established quarterly performance reporting procedures to track progress pertaining to expenditure on the funds allocated to Public Entities. This is augmented by Public Entities' performance reviews through the structures such as the Governance Forum, which is chaired by the DSBD Director-General.

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
<b>Seda</b>	<ul style="list-style-type: none"> <li>• Business registrations;</li> <li>• Business planning;</li> <li>• Business advice counselling and training;</li> <li>• Facilitation of access to finance;</li> <li>• Facilitation of access to markets;</li> <li>• Co-operative support;</li> <li>• Business Incubation; and</li> <li>• Targeted small enterprise training.</li> </ul>	666 091	666 091	37 228 SMMEs and Co-operatives were supported.
<b>Seda</b>	Technology Programme Access to technology.	156 525	156 525	9 990 SMMEs and Co-operatives were supported.
<b>Seda</b>	Capacity-building programme for Economic Development Provision of technical capacity and skills development.	15 874	15 874	7 486 SMMEs and Co-operatives were supported.
<b>sefa</b>	Township and Rural Entrepreneurship Fund And COVID-19 – emergency fund.	1 058 761	771 532	SMMEs financed: 1 254
<b>sefa</b>	Blended Finance	425 118	8 974	SMMEs financed: 14

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

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

Name of Transferee	Type of organisation	Purpose for which the funds were used	Did the department comply with s38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity R'000	Reasons for funds unspent by the entity
<b>Bokone Bophirima Craft and Design Institute (BBCDI).</b>	NPO.	Support Crafters.	Yes.	2 707	2 707	None.
<b>Cape Craft and Design Institute (CCDI).</b>	NPO.	Support Crafters.	Yes.	2 707	2 707	None.
<b>Eastern Cape Development Corporation (ECDC).</b>	Provincial Government Agency.	Support Crafters.	Yes.	1 450	1 450	None.

Name of Transferee	Type of organisation	Purpose for which the funds were used	Did the department comply with s38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity R'000	Reasons for funds unspent by the entity
<b>Northern Cape Economic Development Agency (NCEDA).</b>	Provincial Government Agency.	Support Crafters.	Yes.	3 171	3 171	None.
<b>Free State Development Corporation (FDC).</b>	Provincial Government Agency.	Support Crafters.	Yes.	300	300	FDC tax challenges since Q3 to date resulted in none Performance or DSBD not able to transfer funds. CSP has been non-compliant ending 31 March 2022. Part of the balance was reprioritised for South African Retail and Drug Association (SARDA) and a claim amount of R379 686 could not be paid due to the above.
<b>Limpopo Economic Development Agency (LEDA)</b>	Provincial Government Agency	Support Crafters	Yes	300	300	Internal LEDA management and organisational structural issues did not enable the organisation to claim in full their allocated budget. The remaining R700 000 was reprioritised for SARDA event in March 2022
<b>Gauteng Tourism Authority (GTA)</b>	Provincial Government Agency	Support Crafters	Yes	300	300	The organisation was restructured last year and resulting in having the agency not performing and their reimaging budget of R 700 000 being reprioritised for SARDA.

## 6. CONDITIONAL GRANTS

Not Applicable

## 7. DONOR FUNDS

The "Employment promotion through SMMEs Support programme" known as "EDSE" or Ecosystem Development for Small Enterprises (EDSE) Programme is a 5-year programme funded by the European Union through the Reconstruction and Development Programme (RDP) Fund under the National Treasury. A total of EUR 56 445 800 million has been allocated to the programme of which EUR 41 150 million is allocated to Budget Support (BS) and has been allocated to various projects aligned to the Key Result Areas (KRAs) of the programme aimed at addressing critical constraints holding back SMME.

For the 2021/22 financial year, DSBSD received funds amounting to R162 153 846 million as apportioned on the table below.

**The table below details the donor funds received during for the period 1 April 2021 to 31 March 2022**

Donor Fund Cris number ZA/DCI-AFS/039-297: Employment through SMME support programme for South Africa, also known as EDSE.

Name of donor	European Union
<b>Full amount of the funding</b>	<ul style="list-style-type: none"> <li>• Budget Support R697 969 083.81 (EUR 41 150 000)</li> <li>• Technical Assistance EUR 15 295 800</li> </ul>
<b>Period of the commitment</b>	24 July 2017 to 24 October 2022 – in process to be extended by 24 months, i.e. until 24 October 2024.
<b>Purpose of the funding</b>	To contribute towards inclusive and sustainable economic growth and employment creation through supporting SMMEs.
<b>Expected outputs</b>	<ol style="list-style-type: none"> <li>1. To improve the competitiveness of SMMEs and their ability to meet procurement requirements of large multinationals, local corporations, government, and state-owned enterprises (SOEs);</li> <li>2. To improve access to finance for SMMEs with limited access to finance; and</li> <li>3. To improve the regulatory and administrative environment of SMMEs.</li> </ol>
<b>Actual outputs achieved</b>	<p>KRA 1: Competitiveness of SMMEs, and their ability to meet procurement requirements of large multinational/local corporations, government and SOEs improved.</p> <ul style="list-style-type: none"> <li>• 4IR Incubators supported in KZN, Free State, Limpopo and Mpumalanga;</li> <li>• Enterprise Supplier Development and Growth Garage;</li> <li>• Information and Communication Technology (ICT) support for District Information Management Systems (DIMS);</li> <li>• Market access for digital entrepreneurs training;</li> <li>• BDS support, info and tools;</li> <li>• SheTradesZA hub support;</li> <li>• Township economic development work with City Support Programme (CSP);</li> <li>• Department of Agriculture, Land Reform and Rural Development Livestock Information System (DALRRD – LITS);</li> <li>• Department of Agriculture, Land Reform and Rural Development Customised Laboratory Information Management System (DALRRD – C-LIMS);</li> <li>• Department of Agriculture, Land Reform and Rural Development (DALRRD) Value-chain mapping; and</li> <li>• DALRRD Training and capacity building – South African Bureau of Standards (SABS).</li> </ul> <p>KRA 2: Access to finance for SMMEs with limited or no access to finance improved.</p> <ul style="list-style-type: none"> <li>• Enterprise Supplier Development Fund, Disbursements initiated;</li> <li>• Innovation Fund Contracting Initiated; and</li> <li>• Youth Challenger Fund Launched and assessment of applications initiated.</li> </ul> <p>KRA 3: Capacity of relevant government departments/agencies in enhancing regulatory and administrative environment for SMMEs strengthened.</p> <ul style="list-style-type: none"> <li>• Longitudinal Study and Red-Tape Reduction;</li> <li>• Policy and Legislation Support;</li> <li>• Masterplan;</li> <li>• Institutional Merger Support;</li> <li>• Webinars, policy dialogues, round tables, stakeholder consultations; and</li> <li>• Partnerships.</li> </ul>

Name of donor	European Union
<b>Amount received</b>	Total for Programme R162 153 846 <ul style="list-style-type: none"> <li>• DSBD R 7 279 500</li> <li>• Seda R 13 950 000</li> <li>• <b>sefa</b> R118 495 864</li> <li>• DALRRD R17 484 500</li> </ul>
<b>Amount spent by the Department</b>	DSBD: R1 974 239.10
<b>Reasons for the funds unspent</b>	Delays in procurement processes
<b>Monitoring mechanism by the donor</b>	Monitoring mechanism with log frame and intervention logic aligned to key deliverables, agreed indicators in place. Programme Monitoring and reporting Tools for Budget Support <ul style="list-style-type: none"> <li>• Weekly dashboards reports (including financials);</li> <li>• Monthly financial reports;</li> <li>• Quarterly reports against annual workplans; and</li> <li>• Agreed procedural report apart from normal audit reports by all Implementing Partners.</li> </ul> For Complementary of Technical Assistance <ul style="list-style-type: none"> <li>• Quarterly and 6 monthly reports.</li> </ul> Evaluations <ul style="list-style-type: none"> <li>• Mid Terms Review (External service provided contracted by EU) Completed February 2022;</li> <li>• Final Programme Evaluation (External service provided contracted by EU) October 2024; and</li> <li>• Project Specific Evaluations (Captured in the Annual Workplans).</li> </ul>

## 8. CAPITAL INVESTMENT

### 8.1. Capital investment, maintenance and asset management plan

#### Progress made on implementing the capital, investment and asset management plan

The asset holding has changed over the period under review: The DSBD closed the year with 1 254 assets worth R21.6 million, comprising of 803 capital assets worth R20.6 million and 451 minor assets worth R1.041 million. There are currently seven (7) assets worth R103 thousand under investigation.

The replacement of Ministerial vehicles is done in line with the guide for Executives and for computer-related assets replacement is done after three (3) or four (4) years or when the warranty period has lapsed or when the asset is damaged beyond repair, resources permitting. Furniture and office equipment is purchased in line with the submitted demand plan from Corporate Management.

#### Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)

The role of the Department is to conduct regular inspections and conditional and functional audits on all buildings, log calls for all defects, follow-up and report accordingly. Escalations are managed through DG-to-DG or Minister-to-Minister letters. The Department provides related facilities management services. During the financial year under review, the Department has been managing the following immovable assets through a third party:

- Block A – Inter-departmental Memorandum of Understanding (MoU) which includes rental and operational costs. All maintenance is managed by an external call centre;
- Block G – Private leasing through Department of Public Works and Infrastructure (DPWI), inclusive of rental fees, utilities and operational costs which are provided by the Landlord (Delta Property Fund);

- State Residence – Sandton – this residence is maintained by DPWI Prestige and costs are covered by DPWI;
- State Residence – Waterkloof – this residence is maintained by DPWI Prestige and costs are covered by DPWI.
- Parliament – Ministry – this Office is maintained by DPWI Prestige and costs are covered by DPWI;
- Parliament Towers – Office of the DG – this office is maintained by DPWI Prestige and costs are covered by DPWI;
- State Residence – Sea Point – this residence is maintained by DPWI Prestige and costs are covered by DPWI; and
- State Residence – Rondebosch x 2 – these residences are maintained by DPWI Prestige and costs are covered by DPWI.

### Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed

- Anticipated renovations for a State residence in Cape Town – the bid process is a DPWI deliverable;
- **the dtic** campus, Block G, first-floor planned relocation to the temporary office space in Pretoria. And the infrastructure project is expected to be completed during the 2022/23 financial year; and
- Acquisition of new Office space for the Department occupancy space. The project is expected to be completed during the 2023/24 financial year.

### Plans to close down or downgrade any current facilities

The DSBD currently occupies second and third floors of Block G, **the dtic** Campus. The Department needs to move to the first floor of Block G as a temporary office space and handover the current space (second and third floors). The project is expected to be completed by 31 May 2023.

### Progress made on the maintenance of infrastructure

Areas of delayed maintenance have been escalated to **the dtic** (Block A space), Block G (Delta – the landlord) and DPWI (Cape Town and Pretoria residences); and day-to-day maintenance is ongoing.

### Developments relating to the above that are expected to impact the Department's current expenditure.

The exclusion of the Tenant installation by the Landlords due to short-term leases will lead to additional expenditure for the Department as some areas will require customisation.

### Measures taken to ensure that the Department's asset register remained up to date during the period under review

Assets were recorded and barcoded on receipt and an inventory list issued to the official who signs and acknowledges receipt thereof.

Monthly asset reconciliations were compiled and approved and complemented by quarterly physical asset verifications that were performed, and unaccounted for asset were included in the losses and damages register and submitted to Security Management for investigations and Legal Services to determine liability.

For the period under review, the state of both major and minor assets (1 254) is as follows:

- Good: 1 199 (95.6%)
- Fair: 51 (4.1%) and
- Poor: 4 (0.3%).

### Major maintenance projects that have been undertaken during the period under review

None.

**Progress made in addressing the maintenance backlog during the period under review; for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not, why not, and what measures were taken to keep on track?**

Not applicable. The DSBD is subletting from **the dtic** and the building is maintained by the landlord.

	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Infrastructure projects	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	2 405	1 846	559	1 909	1 518	391
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
<b>TOTAL</b>	<b>2 405</b>	<b>1 846</b>	<b>559</b>	<b>1 909</b>	<b>1 518</b>	<b>391</b>



# PART C: GOVERNANCE



## 1. INTRODUCTION

The Department continued demonstrating its commitment towards the maintenance of the highest standards of governance in managing limited public finances and resources that the Department was entrusted with during the year under review. In demonstrating this commitment, the Department has put governance structures in place to ensure good governance and effective, efficient and economical use of State resources in the following areas: Risk Management, Anti-fraud and Corruption, Minimising Conflicts of Interest, Code of Conduct, Health, Safety and Environmental Issues, Portfolio Committee, Audit and Risk Committee (ARC), and B-BBEE Compliance Performance Information.

## 2. RISK MANAGEMENT

The Department has an approved Risk Management Policy and Strategy. The Risk and Ethics Management Charter; and Risk and Ethics Management Implementation Plan have been reviewed and approved. The Department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks through regular engagements with risk owners, as well as through quarterly reports and management structures such as the Management Committee (MANCO) and EXCO.

The Department has both the Risk and Ethics Management Committee (REMC) and the ARC established. The REMC continued to provide instructive advice on risk and ethics management-related matters. The ARC assesses the effectiveness of risk management processes and programmes throughout the organisation. The ARC also provides advice on risk and ethics management-related matters.

There are also human resources capacity challenges within the area of risk and ethics management within the Department. A Risk Officer was appointed on a contract basis, however, the contract expired a month before the end of the financial year under review.

## 3. FRAUD AND CORRUPTION

The Department has reviewed and approved the Fraud Prevention, Anti-Corruption and Whistle Blowing Implementation Plan. The Whistle Blowing Policy outlines all internal and external fraud and corruption reporting mechanisms. The Department promotes a zero tolerance to fraud and corruption and encourages citizens to report any fraudulent activities relating to the Department to the Public Service Commission through the National Anti-corruption Hotline (0800 701 701).

The Risk and Ethics Management conducts the awareness on the departmental website to assist the public on the process to follow when there are any fraudulent activities. The fraud risk assessment was conducted in 2021/22 financial year and fraud profile was developed and approved by the DG of the Department.

## 4. MINIMISING CONFLICT OF INTEREST

From an SCM perspective, conflict of interest is managed through cross-checking of Directors of companies on the Companies and Intellectual Property Commission (CIPC) and DPSSA's personnel verification portal and where conflicts are identified, the relevant companies are disqualified from the process.

The companies that are identified to have conflict of interest are advised to respond to the alleged conflict and to provide proof where the Director has obtained approval to do business with government as an example, failing which the company is disqualified.

## 5. CODE OF CONDUCT

The Code of Conduct for Public Servants, as prescribed in Chapter 2 of the Public Service Regulations of 2016, acts as a guideline to employees about the ethical expectations in their individual conduct and relationship with others. Adherence to the Code of Conduct was instilled through training, and all new officials were required to acknowledge receipt of a copy of the Code of Conduct to ensure compliance.

## 6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Department recognises that the health and well-being of employees directly impacts productivity and therefore, health, safety and environmental issues are managed through the Health and Safety Committee. All members of the Committee were appointed in terms of the Occupational Health and Safety Act, 1993 and were suitably trained.

The Committee continued to actively participate in implementing measures in the workplace to prevent the spread of COVID-19. These interventions included continued communication of relevant protocols to employees, provisioning of protective clothing and implementing mechanisms to monitor the impact on the health and safety of employees that will allow for early detection. The Accounting Officer also appointed a Deputy Compliance Officer to assist with implementation of COVID-19 regulations.

## 7. PORTFOLIO COMMITTEE

During the year under review, the Department, together with its entities, **sefa** and Seda, met with the Portfolio Committee on Small Business Development. The Portfolio Committee meetings were scheduled as follows:

DATE	AGENDA ITEMS
4 May 2021	Briefing by the Department of Public Service and Administration on the structure of the Department of Small Business Development.
5 May 2021	Briefing by the Department of Small Business Development (DSBD), Small Enterprise Finance Agency ( <b>sefa</b> ) and the Small Enterprise Development Agency (Seda) on their Strategic, 2021/22 Annual Performance and Budget Plans.
12 May 2021	Consideration and adoption 2021/22 Budget Vote Report. Consideration of Virtual Oversight Report.
25 May 2021	Budget Vote 36 Debate (Department of Small Business Development)
26 May 2021	Briefing on 2020/21 Quarter Four Performance Reports of the Department of Small Business Development and the Small Enterprise Development Agency (Seda)
2 June 2021	Briefing on 2020/21 Quarter Four Performance Report of the Small Enterprise Finance Agency ( <b>sefa</b> ).
18 August 2021	Consideration and adoption of 2021 Quarter Three Committee Programme. Consideration of the Draft Report of KZN & Gauteng Fact-Finding Oversight.
25 August 2021	Briefing by the Department Small Business Development on recent unrest in KZN and Gauteng which impacted grossly on small enterprises and informal traders and plans in place to assist affected SMMEs.
31 August 2021	Briefing by the Department of Small Business Development on interventions and support to distressed businesses affected by unrest in KwaZulu Natal and Gauteng.
01 September 2021	Briefing on the value and impact of the direct selling by the Direct Selling Association of South Africa. Briefing by the National Cooperatives Association of South Africa (NCASA) on the role of the association in resuscitating and formalisation of cooperatives movement.
13 October 2021	Consideration and adoption of 2021 Budgetary Review and Recommendation Report (BRRR).
10 November 2021	Briefing by Auditor-General of South Africa on the 2020/21 performance of the Department of Small Business Development (DSBD) and Small Enterprise Development Agency (Seda). Briefing by Sizwe Ntsaluba Gobodo Auditors on the 2020/21 performance of the Small Enterprise Finance Agency ( <b>sefa</b> ).
17 November 2021	Briefings on the 2020/21 Annual Performance of the Department of Small Business Development and agencies in preparation for Budget Review & Recommendations Report (BRRR).
24 November 2021	Consideration and adoption of the 2021 Budgetary Review and Recommendation Report (BRRR).
1 December 2021	Briefing by the Department of Small Business Development and its agencies on their 2021/22 Quarter One and Two Performance Reports.
08 December 2021	Briefing by the Department of Small Business Development on progress on the Implementation of Business Recovery Support Package and expenditure re. R2.3 billion allocated. Briefing by the Department of Small Business Development on progress as regards to merger of Seda, <b>sefa</b> and CBDA.
15 February 2022	Briefing on the 2020/21 annual report of the Department of Small Business Development.
2 March 2022	Briefing and deliberations on analysis of the State of the Nation Address (SONA) 2022 on issues for Small, Medium & Micro Enterprises (SMMEs) in the Department of Small Business Development.
23 March 2022	Briefing on 2021/22 Quarter Three Performance Reports by the Department of Small Business Development; Small Enterprise Finance Agency ( <b>sefa</b> ) and Small Enterprise Development Agency (Seda)

Matters raised by the Portfolio Committee on Small Business Development and how the Department responded to these matters:

NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
1.	<p>The COVID-19 pandemic is causing unimaginable damage to the small business sector. The Portfolio Committee is mindful of the difficult conditions within which the Department must discharge its responsibility. It is also cognisant of the interruptions that the pandemic has had on the targets and budgets of the Department and entities.</p>	<p>The DSBD has noted the Committee's observations in this regard and continues to strive for the development and sustainability of small businesses and Co-operatives. Through its programmes, the Department and agencies will continue to develop small businesses in the township and rural areas through financial and non-financial support. The Department has further initiated online platforms to assist in ensuring that the business development support is not interrupted.</p>
2.	<p>There is a noticeable pattern of underspending across all programmes of the Department and Seda. Both organisations attribute this low spending to high number of vacant posts especially in the senior management level. Despite budgetary constraints, the Department continues to underspend on important services and surrender funds to the National Revenue.</p>	<p>The Department has an approved start-up structure which had been implemented until 2017. In 2017, an interim structure had been enacted upon whilst a fit for purpose structure was being finalised and is still in progress. The process to obtain concurrence and budget for the new augmented structure is in its final stages; however, due to the cabinet reshuffle in 2021, a moratorium was put in place to afford the political principals an opportunity to align political direction and strategies.</p> <p>The DSBD has experienced increased vacancies over the recent period and the average time for recruitment is based on a 3-month project due to all processes required to recruit. Also of interest is the fact that the administration component (HR in particular and the moratorium included them as well) is under-resourced, further exacerbating this challenge. The moratorium on specific positions had been lifted, barring some that are still on the moratorium list (including the Deputy Directors-General positions), with the anticipation of a full lift. This said, it is imperative to understand the impact of recruitment and its timelines as appointment of new permanent officials may only occur by the beginning of the new financial year (2022/23).</p> <p>The original budget was adjusted by R107 million after the National Treasury approved the surplus around October 2020, the adjusted amount was mostly committed at year end. Main reasons for underspending are due to the COVID-19 effect on group training and travelling to clients. All international trade events and exhibitions were cancelled. Some were changed to virtual events, therefore, the budget that was allocated for them could not be spent. Seda has learnt a lot from the lockdown and is continuing to improve spending in the new year by using various ways of delivering programmes including online.</p>

NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
3.	Whereas Seda's total revenue budget for 2020/21 fiscal year was R883 million, the actual expenditure for the period 1 April 2020 to 31 March 2021 amounted to R773 million resulting in a pro-rata underspending of R218 million	The underspending of R218 million resulted from expenditure budget of R990 million against the actual expenditure of R773 million. The R218 million was committed at year end, Seda submitted the motivation to the National Treasury to retain these surplus funds and National Treasury approved the request. Seda is implementing plans for ensuring that the additional budget is spent by 31 March 2022.
4.	The Committee has also been advised that due to an imminent merger between <b>sefa</b> and Seda, as well as CBDA there is a moratorium on filling of vacant posts. The Portfolio Committee remains in the dark as regards the progress or current developments concerning the merger.	<p>A briefing on the merger was delivered to the Portfolio Committee by the Department on 8 December 2021.</p> <p>However, as a recap of what was presented to the Portfolio Committee, the position with regards to the merger of Public Entities is as follows:</p> <ul style="list-style-type: none"> <li>• A Gazette notice was published by the Department in the Government Gazette dated 12 November 2021 informing members of the public about the merger of the three institutions namely Seda, CBDA and <b>sefa</b>.</li> <li>• A number of governance structures (Joint Operations Forum, Technical Committee, Policy and Structural Reforms, Organisational Consolidation as well as Finance and Information Technology workstreams) were established to guide the process of amalgamating Seda, CBDA and <b>sefa</b>. The established governance structures consist of officials from the above-mentioned institutions, including the National Treasury.</li> </ul> <p>The Department is in the process of appointing the Project Management Office (PMO) to manage the day-to-day activities relating to the merger. The job descriptions for the officials of the PMO are being finalised by DSBD with inputs from the relevant role players.</p> <p>The Business Case, including the implementation plan, was presented to the Joint Operations Forum. The two documents are about to be finalised.</p>

NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
5.	<p>The Committee has observed a continuous pattern of deferring the tabling of draft bills to Parliament. In terms of the Department's 2019/20 APP, all legislative initiatives planned for completion were adjourned for tabling during the 2020/21 financial year and again during the 2021/22 financial year e.g. NSEA, revision of the Integrated on the Promotion of Entrepreneurship and Small Enterprises and review of the Integrated Strategy on the Development and Promotion of Co- operatives (2012 - 2022). The Committee is concerned with this perpetual postponement.</p>	<p>The Department has always provided reasons for deferring tabling of draft bills. The postponement is not by design or intentional, there are always circumstances forcing the Department to occasionally defer submitting bills to Parliament.</p> <p>The public comments on the National Small Enterprise Amendment Bill, 2020 has been incorporated in the Bill. A full Socio-Economic Impact Assessment System (SEIAS) was conducted and the Business Case for the establishment of the Office for the National Small Enterprise Ombud service amended to align with the revised proposed structure. Amendments to the full SEIAS report done to respond to comments raised by the Presidency and to ensure alignment with recommendations by DPSA and National Treasury. The NSEA Bill certificate on full SEIAS that gives permission to introduce to Parliament was issued on 24 January 2022. The Department is submitting to the Office of the Chief State Law Adviser (OCSLA) for their approval.</p>
6.	<p>Regarding the audit outcomes the Portfolio Committee is pleased with the overall performance of the portfolio but notes that there is still room for improvement. <b>sefa</b> achievement of consecutive clean audit outcomes since inception is applauded. Seda backsliding from clean to unqualified audit opinion with findings requires urgent attention while audit outcome of the Department is welcomed.</p>	<p>Seda suffered two Cyber-attacks in April 2021, the crucial month in which the Annual Financial Statements (AFS) are prepared. Due to the Cyber-attacks, the systems were down, and file servers were not fully accessible during the preparation of the AFS. Seda operated from Disaster Recovery site from 10 May 2021, the site was only in Gauteng Province. Operating from the Disaster Recovery site is not as effective as working from the office, the Accountants from the Provincial Offices were accommodated in the Gauteng province. The duration to prepare and review the AFS was reduced despite the overtime and efforts provided.</p> <p>The Internal Audit unit annual process to review the AFS prior to submission to the AGSA was limited to the 24 hours due to time constraints. Seda met the deadline to submit the draft AFS to AGSA on the 31 May 2021.</p> <p>After the auditors were provided with the Cyber-attack forensic report, they did not accept the financial data provided as they believed it could have been impacted and unreliable. As a result, and with the negotiations from management, the alternative procedures were introduced and performed, that included the reconciliation and matching of all payments for the year to the electronic bank statements as the auditors trusted bank data over Seda's. The outcome of the alternative procedures was found to be more sufficient for the auditors to consider the reliability of Seda data.</p> <p>The audit findings that caused the regression from clean audit are not material financial transactions, they relate to compliance and quality of the AFS. The main root cause being the Cyber-attacks and limited period that was available. The appointed service provider restored the systems and full operation was effective from 17 June 2021.</p>

NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
7.	<p>However, the audit opinion of the Department has remained unchanged for the past five financial years. The main obstacles preventing the Department from obtaining a clean audit outcome remains the quality of submitted annual performance reports.</p>	<p>The observation that the audit opinion of the Department has remained unchanged for the past five financial years is not correct with regard to performance information. The Department's audit opinions for the performance information over the past five years had been as follows:</p> <ul style="list-style-type: none"> <li>a. 2016/17 and 2017/18: two programmes were audited and both programmes received an unqualified opinion with material adjustments on each of the two financial years. The two programmes were:                             <ul style="list-style-type: none"> <li>i. Programme 2: SMMEs and Co-operatives Policy and Research; and</li> <li>ii. Programme 3: SMMEs and Co-operatives Design and Support.</li> </ul> </li> <li>b. 2018/19: three programmes were audited, and their results were as follows:                             <ul style="list-style-type: none"> <li>i. Programme 2: Sector Policy and Research, which got a qualified opinion;</li> <li>ii. Programme 3: Integrated Co-operatives Development that got an unqualified audit opinion; and</li> <li>iii. Programme 4: Enterprise Development and Entrepreneurship, which got an unqualified audit opinion.</li> </ul> </li> <li>c. 2019/20: one programme (Programme 4: Enterprise Development and Entrepreneurship), was audited which received a qualified audit opinion.</li> <li>d. 2020/21: one programme (Programme 3: Integrated Co-operatives Development) was audited. For the first time since the inception of the DSBD, performance information received unqualified audit opinion without findings or material adjustments. This outcome, according to AGSA, is a clean audit opinion for performance information for 2020/21. When AGSA presented their report to the Portfolio Committee on 10 November 2021, the Auditors stated the following:                             <p>“We commend the accounting officer and team of the Department for submitting the performance report without errors and material adjustments, there were no material findings reported in the audit report relating to the usefulness and reliability of the reported performance information.”</p> </li> </ul>

NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
8.	The Committee is concerned that audit areas flagged for improvement during the past financial years keep resurfacing e.g. material non-compliance with the various incentive guidelines has been reported, the systems to collect and report on achievements related to these incentives were not adequate to ensure credible information, adjustments were required during audit process on four incentive related achievements, there was no evidence that the Department performed post approval site visits for the paid applicants for both BBSDP and CIS.	The Department requested Seda to assist with post disbursement site visits to supported clients. Seda was able to perform the site visits and submitted a report to the Department. However, it is important to note there are CIS projects that were in our provisions and were paid in the current financial year (2021/22).  Year-to-date, 17 confirmed site visits completed. Post investment site visits are underway and will be concluded by end of 2021/22 financial year.
9.	The Portfolio Committee has noted AG forewarnings that Management (accounting officers/ authorities and senior management) do not respond timeously and with the required urgency in addressing risks and improving internal controls.	Consequence management in the form of disciplinary action against officials who contravene the required timelines are to be put in place to ensure adequate controls.
10.	The AG further notes that slow response by management in addressing compliance-related matters pertaining to: Inadequate implementation and monitoring of action plans by these role players to address key audit matters have been identified as a root cause for the repeat findings. This is particularly relevant to the compliance monitoring environment of the Department.	The programmes (CIS and BBSDP) under review are presented with a number of challenges especially pertaining to the fact that outstanding commitments still await compliance documents. The programmes have been closed off and post site visits are underway to verify beneficiaries that have already been assisted. Implementation and action plans have been put in place and is anticipated that all incentive programmes should be closed off by the end of Q4.
11.	The Department acts swiftly in dealing with and implementing AG recommendations. There should be necessary urgency by management in responding to the AG's requests relating to addressing risks identified and improving internal controls that will improve the audit outcomes of both the Department and entities.	Action plans to address AG audit findings have been developed by the Department and its entities and are being implemented. Progress on implementation is monitored on a quarterly basis.

NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
12.	<p>There should be regular and timely reviews of performance information by senior management to ensure that valid, accurate and complete reporting is done to minimise reporting errors.</p>	<p>The Department has an approved Framework on Strategic Planning and Performance Reporting and the Standard Operating Procedures (SOP), aligned to the Revised Framework for Strategic Plans and Annual Performance Plans and the Framework for Managing Performance Information. These are implemented through the Strategic Planning and Reporting Cycle Implementation Plan in order to ensure that the processes for planning and reporting are integrated within the Department. Through implementing the Implementation Plan and constant engagements with the branch heads and process owners, awareness is created on the importance of reporting validated, accurate and complete performance information.</p> <p>In addition to the above, the Department conducts mid-year and end year reviews of its performance information and supporting evidence, against the Annual Performance Plan (APP) and the Technical Indicators. This process assists in providing clear communication of the necessary actions that need to be taken in ensuring that the implementation of the APP is on track. This is also covered in the reviews of performance information that Internal Audit conducts as per the audit plan.</p> <p>Significant effort is being directed towards ensuring that, at branch level, regular and timely reviews of performance information are discussed with the aim to reduce reporting errors. The latter is providing some level of assurance and with the intention that this will be a permanent feature at branch meetings.</p>



NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
13.	<p>The Department should take appropriate steps to ensure that identified deficiencies in internal controls are addressed by management to mitigate against recurrence of the findings with regard to the usefulness and reliability of the reported performance information. Management should also develop an action plan to respond to address the findings raised by the AG.</p>	<p>The Department has already successfully addressed the first part of this observation, which cautions the DSBD against repeat findings with regard to the usefulness and reliability of the reported performance information. The audited 2020/21 performance information report was declared useful and reliable by AGSA. The 2020/21 performance information report did not only manage not to have repeat findings, but it had no findings at all (it was without findings), hence it resulted into clean audit opinion (unqualified opinion without findings).</p> <p>The Enterprise Development Branch has put in place controls to ensure that deficiencies in internal controls are addressed by management to mitigate against recurrence of the findings regarding the usefulness and reliability of the reported performance information. This process will improve overtime.</p> <p>Action plans to address AG audit findings have been developed and are being implemented. Progress on implementation is monitored on a quarterly basis.</p>
14.	<p>Non-compliance with key legislation which remains a challenge especially in Supply Chain Management (SCM), which has led to irregular expenditure and fruitless and wasteful expenditure being incurred is addressed.</p>	<p>DSBD has largely remained compliant with SCM processes that are guided by the existing SCM Policy that is anchored on a myriad of instruction notes from National Treasury.</p> <p>At times irregular expenditure results out of differing interpretation between implementing officials, AGSA and Office of the Chief Procurement Officers. None of the investigations have identified loss of State resources as services were duly rendered and deserving of payment. To date, all of DSBD's irregular expenditure has been investigated, officials sanctioned in line with the Public Service Regulations.</p> <p>Fruitless and wasteful expenditure: where such cases are identified, investigations are undertaken, and the relevant sanctions implemented – such as full recovery of the loss from responsible officials.</p> <p>Consequence management to guard against non-compliance is being implemented.</p>

NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
15.	<p>Effective monitoring and oversight by the Accounting Officer, Internal Audit and Audit Committee is adhered to. These are critical in ensuring that the audit outcomes in the performance information environment of the Department is maintained in future years.</p>	<p>The Department has an approved Framework on Strategic Planning and Performance Reporting and the Standard Operating Procedures (SOPs), aligned to the Revised Framework for Strategic Plans and Annual Performance Plans and the Framework for Managing Performance Information, that are implemented through the Strategic Planning and Reporting Cycle Implementation Plan to ensure that the processes for planning and reporting are integrated within the Department. Through implementing the Implementation Plan and constant engagements with the Branch Heads and process owners, awareness is created on the importance of reporting validated, accurate and complete performance information.</p> <p>In addition to the above, the DSBD conducts mid-year and end year reviews of its performance information and supporting evidence, against the APP and the Technical Indicators. This process assists in providing clear communication of the necessary actions that need to be taken in ensuring that the implementation of the APP is on track.</p> <p>Internal Audit conducts reviews of performance information as provided for in the audit plan. The Audit and Risk Committee exercises oversight on a quarterly basis.</p>
16.	<p>The vacant posts are filled. The Committee is mindful that filling of vacant posts is reliant on a successful finalisation of the merger of DSBD entities and CBDA. However, this process should not be achieved at the expense of service delivery. Strategic posts have remained vacant for too long and this is affecting the performance of the Department and entities. The process must be fast-tracked and finalised before the end of 31 March 2022.</p>	<p>The finalisation of the merger of the Department's agencies does not impact the filling of strategic posts within the Department as they are independent activities and not mutually or directly dependent but may contribute. The Department's structure is in the stage of obtaining support from National Treasury in terms of budget and affordability and then concurrence from DPSA for implementation. The project plan is pegged at obtaining the go ahead before 31 March 2022.</p>
17.	<p>The Accounting Officer, EXCO, Management or responsible officials do adhere to their obligation of ensuring that site visits are conducted to all beneficiaries of the Department and Seda programmes in order verify if goods and services are/were actually delivered/received through pre-and post-site visits. Owing to Seda's geographic footprint the agency could be utilised for this purpose. While Parliamentary Constituency Offices (PCOs) should also be explored to grow DSBD countrywide footprint.</p>	<p>The Department will build internal capacity to conduct monitoring and evaluation functions to ensure that we are able to track the delivery and impact of the SBD Portfolio's work throughout the country. Seda will continue to perform pre- and post-investment site visits on its supported beneficiaries and sporadically when so requested by the department.</p>

NO	MATTERS RAISED BY THE PORTFOLIO COMMITTEE	DEPARTMENT'S RESPONSE
18.	<p>The Department looks at efficient spending of its baseline funds and promptly identify idling reserves in order to avoid future and undesirable virements and suspensions. Poor spending on programmes as well as goods and services which are usually a manifestation of vacant posts, are typically the basic triggers and motivation behind such virements.</p>	<p>Financial Management does monthly spending reviews and requisite reporting highlighting areas of underperformance and recommends reprioritisation of funds to SMMEs benefiting programmes with National Treasury's support.</p> <p>Underperformance is mainly in Cost of Employment (COE) – due to the structure not being finalised and incentives programmes.</p> <p>Management has instituted various structures to primarily attend to poor programme spending and address emerging risk which are often encountered during the implementation process. This structure consists of senior managers who periodically sit to review programme performance and audit-related issues amongst others.</p> <p>This is done in full consultation and involvement of all the key programmes of the department. There are no idling reserves to talk about in the Department. Virements are rarely done. Where they are done, they are done on a serious case/basis.</p>
19.	<p>All outstanding bills e.g. review of the National Small Enterprise Act (1996) are accelerated and tabled to Parliament in line with the strategic plan and successive annual performance plans of the Department before 31 March 2022.</p>	<p>The National Small Enterprise Bill is dependent on the opinion awaited from Treasury on whether the Department requires a completely new legislation or to just amend the existing Act. This will then determine whether the Department tables the Bill or waits to include in the merger.</p> <p>The Department is currently engaged in stakeholder consultations on the Businesses Act (1991) targeting various critical stakeholders especially Municipalities, hence the amendment Act is not being submitted to Parliament during the current financial year. The Department intends to table amendments to the Businesses Act during the 2023/24 financial year.</p>
20.	<p>The DSBD position with respect to the review of the Co-operatives Act (as amended), Business Act (1991), soon to be transferred Co-operative Banks Act (2007) is clarified to the Portfolio Committee as these have implications on the programme and budget of the Committee. So are reviews of the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (ISPESE) and review of the Integrated Strategy on the Development and Promotion of Co-operatives (2012 - 2022).</p>	<p>The reviews of the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (ISPESE) and Co-operatives Development Strategy have been overtaken by the development of the National Integrated Small Enterprise Development Masterplan, which incorporates all the pillars of the Strategies.</p> <p>The Department is currently engaged in stakeholder consultations on the Businesses Act (1991) targeting various critical stakeholders especially Municipalities, hence the amendment Act is not being submitted to Parliament during the current financial year. The Department intends to table amendments to the Businesses Act during the 2023/24 financial year.</p>

## 8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

Not applicable.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Not applicable.

## 10. INTERNAL CONTROL UNIT

The DSBD does not have an Internal Control unit.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Unit is in place and reports administratively to the Director-General and functionally to the Audit and Risk Committee (ARC). The objective of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. A risk-based audit plan was approved by the ARC for implementation in the 2021/22 financial year. The Unit provided assurance on key processes including Governance, Performance Information, Human Resources, Assets and Expenditure Management, Domestic Market Support, and POPIA Readiness Assessment. The audits also covered follow up on the implementation of previous recommendations and action plans.

The ARC is in place, operates in terms of an approved ARC Charter and in accordance with the requirements of the PFMA and Treasury Regulations. The objective of the ARC is to provide oversight over the processes of governance, internal control and risk management in the Department. The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal/ External member	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
<b>Ms Zelda Tshabalala</b>	B. Com, PGD, MBA	External		20 November 2020	N/A	6/6
<b>Dr Prittish Dala</b>	PHD (IT), M.IT, CDPSE, CEH, CGEIT, CHFI, CISA, CISM, CISSP, COBIT, CRISC, LA27001	External		22 March 2021	N/A	6/6
<b>Ms Rudzani Rasikhinya</b>	B. Com, Hons B. Com, HD, CA(SA)	External		22 March 2021	N/A	5/6
<b>Mr Lindokuhle Mkhumane</b>	B. Com, PGD, MBL	Internal	DG	October 2018	N/A	6/6

## 12. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

### Audit Committee Responsibility

The Audit Committee reports that it complied with its responsibilities arising from Section 38 (1) (a) (ii) of the PFMA and Treasury Regulation 3.1. 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 responsibilities as contained therein.

### Composition of the Audit and Risk Committee, Meetings and Attendance

The Audit and Risk Committee consists of three independent non-executive members who collectively have sufficient qualifications and experience to fulfil their duties. Six meetings were held to consider the Audit Assurance, Financial Information, Information Communication Technology, Human Resources, Risk Management, Compliance, Governance and Performance Management for the DSBD. The independent non-executive members attended all six meetings of the ARC for the 2021/22 financial year.

The management team, representatives from the internal auditors and external auditors attended Audit and Risk Committee meetings. The Committee also met with internal auditors, without management being present. The internal and external auditors have unrestricted access to the Audit and Risk Committee.

### The Effectiveness of Internal Control

In the period under review the following activities were undertaken by the Audit and Risk Committee towards the achievement of its mandate:

- Approved the Internal Audit Charter and the risk-based audit plan for 2021/22.
- Reviewed Internal Audit quarterly progress reports against the 2021/22 Audit Plan.
- Approved the Audit Strategy and engagement letter for 2021/22.
- Reviewed the quarterly financial and performance information of the Department.

- Reviewed quarterly reports on the implementation of risk and ethics management.
- Reviewed the effectiveness of financial controls and received assurance from management, internal and external audit.
- Reviewed significant issues raised by both the internal and external audit processes.
- Approved the draft annual financial statements and the annual performance report for 2021/22 before submission to the Auditor-General.
- Reviewed the audit report and the management report from the Auditor-General as well as the audit adjustments made.

The ARC considered reports presented by management and reports from internal and external audit and concluded that the system of internal control is generally sound with slight areas of improvement.

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

The Department has submitted monthly and quarterly reports to National Treasury as required by the PFMA. Monitoring and reviews of financial, information communication technology, human resources, risk management, compliance, governance, and performance information were done periodically in the year under review. The Audit and Risk Committee is satisfied with the reports submitted by management in this regard.

### Evaluation of Financial Statements

The Audit and Risk Committee has reviewed the unaudited annual financial statements, and through Internal Audit conducted a technical quality review of the financial statements prior to submission to the AGSA for audit. The Audit and Risk Committee has reviewed and discussed the adjustments to the audited annual financial statements with Management and AGSA. The Audit and Risk Committee commends management on the actions taken to improve financial reporting and compliance which has resulted in the Department getting an unqualified audit opinion with no material findings also known as the "Clean Audit".

### Performance Management

The Audit and Risk Committee reviewed the Department's performance through the quarterly reports submitted by management and audited by Internal Audit. The Audit and Risk Committee acknowledged the achievement of 60% of targets for 2021/22. The Audit and Risk Committee commends management on the actions taken to maintain the unqualified

audit opinion with no material findings also known as the “Clean Audit” on performance information for the second consecutive financial year.

### Risk Management

The Audit and Risk Committee is responsible for overseeing the implementation of systems of managing risks within the Department, as required by the PFMA. The Risk and Ethics Management Committee is a key assurance provider to the Audit Committee over the management of risk in the Department. Through the Risk Management Committee, the Committee considered the Department’s processes and systems of risk management.

The Audit and Risk Committee is satisfied with the level of effectiveness of the Department’s risk management processes.

### Internal Audit

The Audit and Risk Committee evaluated the performance of Internal Audit and noted the ongoing efforts to improve the function’s ability to discharge its responsibilities. The Audit and Risk Committee is satisfied that Internal Audit implemented the approved annual Internal Audit Plan accordingly without unjustified restrictions or limitations on the work of the Internal Audit.

The Audit and Risk Committee will ensure that in the new financial year, the effectiveness of Internal Audit is improved through:

- Reviewing of the Internal Audit budget, resource plan and activities to ensure that the Internal Audit is adequately capacitated.
- Ensuring that Internal Audit complies with the Institute of Internal Auditors (IIA) international standards for the professional practice by ensuring that an External Quality Assurance Review (QAR) is undertaken. The QAR was not conducted in the 2021/22 financial year.

### External audit

The Audit and Risk Committee reviewed the Auditor-General’s proposed audit scope and approach.

In the new financial year, the Audit and Risk Committee will continue to ensure that:

- There is coordination of audit effort between external and Internal Audit
- It meets separately with AGSA to discuss any matters that the Audit and Risk Committee or auditors believe should be discussed privately.
- Corrective actions to the reports or findings of the AGSA are reviewed and significant progress is being made on the implementation corrective actions,
- The Committee concurs with and accepts the conclusions and the audit opinion of the AGSA on the annual financial statements, and performance information and recommends that the annual financial statements and performance information be read together with the report of the AGSA.

### Appreciation

The Audit and Risk Committee would like to express its appreciation to the Department’s Executive Authority, Accounting Officer, Management, Internal Audit, the AGSA and all other role players for the robust and constructive engagements held during the period under review.



**Ms Zelda Tshabalala**

**Chairperson of the Audit and Risk Committee**

Department of Small Business Development

31 August 2022

### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The Department complied with section 13G (1) of the B-BBEE Act (53 of 2003) as amended by Act 46 of 2013. The table below provides further details on the Code of Good Practice (B-BBEE Certificate Levels 1 – 8):

Has the Department / Public Entity 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	The Office of the Chief Procurement Office advised that the PFMA Regulations do not include Enterprise and Supplier Development or any other elements of the B-BBEE to be promoted as stand-alone items in the public procurement process. Organs of State are required to follow prescribed processes in their procurement processes. However, the transfer and amendment of the Business Act will open space for the Department to set such criteria and authorisations.
Developing and implementing a preferential procurement policy?	No	The current Public Procurement regime as regulated by the Treasury Regulations do not allow individual Departments to develop and implement a Preferential Procurement Policy. As indicated in the response above, the PFMA regulations does not allow for this.
Determining qualification criteria for the sale of state-owned enterprises?	No	This is centrally regulated by the National Treasury.
Developing criteria for entering into partnerships with the private sector?	No	These have to be in line with the PFMA regulations that are determined by National Treasury.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Under the current Public Procurement Regime, the Department is compelled to follow the Treasury Regulations, as published and these do not create any room for the creation of such incentive schemes or grants.



# **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

### 2.1 The status of human resources in the Department

Challenges within the Human Resources Management environment continued during the reporting period with the most significant being the high vacancy rate. The Department was optimistic at the start of the reporting period with a vacancy rate of 9.7% and indications that the structure would be finalised. However, another change in Executive Leadership and a moratorium in filling of vacancies resulted in further delays. This combined with the steady increase in turnover, reaching 27.9%, resulted in the Department closing the reporting period with a vacancy rate of 16.2%. Of concern is the vacancy rate of 22% within senior management positions as well as the turnover rate of 20% in respect of senior managers.

Similar to previous financial years, the inability to finalise the structure also impacted the Department's ability to spend in respect of the Cost of Employment (CoE) budget and the Department had to return R16.3 million to National Treasury at the end of the 2021/22 financial year. While filling of strategic and critical positions such as the Deputy Director-General posts were advertised, these processes were also halted at entry of the new Executive Authority (EA) to align the structure with the vision of the new EA. The Department is hopeful to continue these processes during 2022/23 financial year.

A further concern for the Department is the significant decline in female representation within the senior management service from 57.1% at the start of the reporting period to 47.1% at the end of the reporting period. This mainly due to the termination of five (5) women within senior management positions.

The Department is doing well in moving towards the target of 7% representation of persons with disability and increased representativity during the period under review to 3.8%.

High levels of workload remained and is a recurring complaint during information sessions hosted by the service provider for psychosocial services. The Department's inability to decrease the vacancy rate and finalise the structure are main contributors to the high workload levels.

### 2.2 Human resource priorities for the year under review and the impact of these

Finalising the organisational structure, decreasing the vacancy rate and reskilling and/or upskilling of staff in alignment with the proposed structure were priorities for the year under review. The Department's inability to address these priorities contributed to:

1. Increased levels of workload due to the increasing vacancy rate;
2. Increased levels of stress that impacted employee wellness; and
3. An increase in staff turnover.

These trends are supported by 38% of senior managers taking sick leave and the same salary band registering a 20% turnover over the reporting period. Within the highly skilled supervision salary band, 51% of employees took sick leave and this salary band registered a turnover of 9.2%. Finalisation of the structure and decreasing the vacancy rate remains a priority and the Department is hopeful that under the leadership of the new EA these priorities will be expedited and finalised during 2022/23 financial year.

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

The Department is in the final year of implementation of the medium-term Human Resource Plan and Employment Equity Plan and will start with development of the new medium-term plans to coincide with approval of the reviewed structure. Placement of staff on the approved structure and supporting reskilling and/or upskilling programmes will be prioritised in line with the Workplace Skills Plan (WSP). For the year under review, the Department could not finalise the WSP and continued implementation in line with the approved Training Plan. In addition, the Bursary Policy was reviewed to align with the mandate of the Department and to ensure priority qualifications receive preference.

### 2.4 Employee performance management

The Department improved performance management practices during the reporting period with no non-compliance registered for senior management in respect of submission of performance agreements. The Department also reviewed three performance management policies during the reporting period to ensure alignment with the DPSA prescripts of which one was approved and two were submitted to the Minister for Small Business Development for consideration.

## 2.5 Employee wellness programmes

The Department recognises that the health and well-being of employees directly impacts on productivity, hence there is a wellness programme in place. Internal Employee Health and Wellness (EHW) services are available, supported by an external service provider responsible for independent counselling and advisory services to employees and their immediate family members. These services include face-to-face and telephonic counselling. In addition, the Department prioritised online workshops to enhance inter-personal relationships and support employees with stress management. Continuous distribution of information in respect of COVID-19 management remained a priority during the period under review and employees were encouraged to get vaccinated.

## 2.6 Highlight achievements and challenges faced by the Department, as well as future human resource plans / goals

At the end of the 2021/22 financial year, the Department increased representation of PWDs to 3.8% against an annual target of 3.2%; and the Department is steadily moving towards achieving 7% representation by the end of the medium term.

The Department anticipates that the organisational structure will be finalised during the new financial year (2022/23), staff placed on the approved structure and recruitment processes initiated in respect of critical and strategic vacancies. Should the Department be successful in finalising the structure and filling of critical vacancies, it is anticipated that this will provide a relief in respect of workload levels which will improve employee wellness.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel-related expenditure

The following tables provide a summary of 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; and
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure <sup>1</sup> (R'000)	Professional and special services expenditure <sup>2</sup> (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	99 194	64 771	495	580	65.3%	736
Sector and Market Development	90 431	24 140	0	102	26.7%	928
Development Finance	1 551 625	21 616	0	0	1.4%	865
Enterprise Development	871 968	27 898	0	288	3.2%	620
<b>TOTAL</b>	<b>2 613 218</b>	<b>138 425</b>	<b>495</b>	<b>970</b>	<b>5.3%</b>	<b>752</b>

<sup>1</sup> Training and Development is centralized within Programme 1 and the information reported includes expenditure in terms of bursaries to employees.

<sup>2</sup> All business and advisory services expenditure are reported under this category.

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	0	0.0%	0	0
Skilled (levels 3-5)	4 378	3.2%	18	243
Highly skilled production (levels 6-8)	30 466	22.0%	65	469
Highly skilled supervision (levels 9-12)	53 953	39.0%	65	830
Senior and Top management (levels 13-16)	49 628	35.9%	36 <sup>3</sup>	1 378
<b>TOTAL</b>	<b>138 425</b>	<b>100%</b>	<b>184</b>	<b>752</b>

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

Programme	Salaries <sup>4</sup>		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	42 766	66.0%	85	0.1%	841	1.3%	1 490	2.3%
Sector and Market Development	15 959	66.1%	0	0.0%	139	0.6%	511	0.2%
Development Finance	14 959	69.2%	0	0.0%	421	1.9%	1 012	4.7%
Enterprise Development	19 611	70.3%	0	0.0%	286	1.0%	634	2.3%
<b>TOTAL</b>	<b>93 295</b>	<b>67.4%</b>	<b>85</b>	<b>0.06%</b>	<b>1 687</b>	<b>1.2%</b>	<b>3 647</b>	<b>2.6%</b>

<sup>3</sup> Includes the Political Office Bearers to account for expenditure.<sup>4</sup> Only basic salary is reflected under this category.

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (levels 1-2)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Skilled (levels 3-5)	2 948	67.3%	4	0.09%	147	3.4%	319	7.3%
Highly skilled production (levels 6-8)	21 399	70.2%	73 <sup>5</sup>	0.2%	1 027	3.4%	1 957	6.4%
Highly skilled supervision (levels 9-12)	37 698	69.9%	8	0.01%	336	0.6%	887	1.6%
Senior management (levels 13-16)	31 250	62.9%	0	0.0%	177	0.4%	484	1.0%
<b>TOTAL</b>	<b>93 295</b>	<b>67.4%</b>	<b>85</b>	<b>0.06%</b>	<b>1 687</b>	<b>1.2%</b>	<b>3 647</b>	<b>2.6%</b>

### 3.2 Employment and Vacancies<sup>6</sup>

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; and
- Critical occupations.

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

**Table 3.2.1 Employment and vacancies by Programme as on 31 March 2022**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	103	88	14.6%	6
Sector and Market Development	31	24	22.6%	0
Development Finance	63	52	17.5%	0
Enterprise Development	13	12	7.7%	0
<b>TOTAL</b>	<b>210</b>	<b>176</b>	<b>16.2%</b>	<b>6</b>

<sup>5</sup> Overtime includes payment to personal protectors for the Political Office Bearers.

<sup>6</sup> Information reflected in this section excludes the Political Office Bearers.

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0	0	0.0%	0
Skilled (3-5)	19	18	5.3%	0
Highly skilled production (6-8)	75	63	16.0%	2
Highly skilled supervision (9-12)	75	63	16.0%	2
Senior management (13-16)	41	32	22.0%	2
<b>TOTAL</b>	<b>210</b>	<b>176</b>	<b>16.2%</b>	<b>6</b>

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related	27	22	18.5%	0
Communication and Information Related	2	2	0.0%	1
Economists	1	0	100%	0
Finance and Economics Related	2	2	0.0%	0
Financial and Related Professionals	4	4	0.0%	0
Financial Clerks and Credit Controllers	4	3	25.0%	0
Food Services Aids and Waiters	2	2	0.0%	0
Head of Department	1	1	0.0%	0
Household And Laundry Workers	4	4	0.0%	0
Human Resources & Organisational Development & Related Professionals	5	5	0.0%	0
Human Resources Clerks	1	1	0.0%	0
Human Resources Related	11	9	18.2%	0
Language Practitioners Interpreters & Other Communication	0	0	0.0%	2
Legal Related	3	3	0.0%	0
Light Vehicle Drivers	2	1	50.0%	0
Logistical Support Personnel	5	4	20.0%	0
Messengers Porters and Deliverers	1	1	0.0%	0
Risk Management and Security Services	4	2	50.0%	0
Secretaries & Other Keyboard Operating Clerks	21	19	9.5%	1
Senior Managers	40	31	22.5%	2
Trade/Industry Advisers & Other Related Professionals	70	60	14.3%	0
<b>TOTAL</b>	<b>210</b>	<b>176</b>	<b>16.2%</b>	<b>6</b>

### 3.3 Filling of SMS Posts

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

**Table 3.3.1 SMS post information as on 31 March 2022**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General	1	1	100%	0	0.0%
Salary Level 16	1	1	100%	0	0.0%
Salary Level 15	3	0	0.0%	3	100%
Salary Level 14	9	7	77.8%	2	22.2%
Salary Level 13	27	23	85.2%	4	14.8%
<b>TOTAL</b>	<b>41</b>	<b>32</b>	<b>78.0%</b>	<b>9</b>	<b>22.0%</b>

**Table 3.3.2 SMS post information as on 30 September 2021**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General	1	1	100%	0	0.0%
Salary Level 16	0	0	0.0%	0	0.0%
Salary Level 15	3	0	0.0%	3	100%
Salary Level 14	9	7	77.8%	2	22.2%
Salary Level 13	26	23	88.5%	3	11.5%
<b>TOTAL</b>	<b>39</b>	<b>31</b>	<b>79.5%</b>	<b>8</b>	<b>20.5%</b>

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General	0	0	0
Salary Level 16	1	1	0
Salary Level 15	0	0	0
Salary Level 14	2	1	0
Salary Level 13	3	1	0
<b>TOTAL</b>	<b>6</b>	<b>3</b>	<b>0</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 2021 and 31 March 2022**

Reasons for vacancies not advertised within six months
3 x Deputy Director-General posts (L15) – Delayed due to review of the organisational structure.
1 x Chief Director post (L14) – Delayed due to review of the organisational structure.
1 x Director post (L13) – Delayed due to review of the organisational structure.

Reasons for vacancies not filled within twelve months
3 x Deputy Director-General posts (L15) – Delayed due to review of the organisational structure. The process was started (posts advertised) but stopped with the entry of the new EA and subsequent moratorium in August 2021.
1 x Chief Director post (L14) – Delayed due to review of the organisational structure.
1 x Director post (L13) – Delayed due to review of the organisational structure. The process was initiated (advertised, shortlisted and interviews), however stopped in May 2021 due to the review of the structure.

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022**

Reasons for vacancies not advertised within six months
Due to the review of the structure senior management posts were not advertised and / or stopped to ensure alignment between the skills acquired during the recruitment process and candidates sourced for posts provided for on the new (proposed) structure.

Reasons for vacancies not filled within six months
Due to the review of the structure senior management posts were not advertised and / or stopped to ensure alignment between the skills acquired during the recruitment process and candidates sourced for posts provided for on the new (proposed) structure.

### 3.4 Job Evaluation

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

**Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0.0%	0	0.0%	0	0.0%
Skilled (Levels 3-5)	19	0	0.0%	0	0.0%	0	0.0%
Highly skilled production (Levels 6-8)	75	3	4.0%	1	1.3%	0	0.0%
Highly skilled supervision (Levels 9-12)	75	0	0.0%	0	0.0%	0	0.0%
Senior Management Service Band A	27	0	0.0%	0	0.0%	0	0.0%
Senior Management Service Band B	9	0	0.0%	0	0.0%	0	0.0%
Senior Management Service Band C	3	0	0.0%	0	0.0%	0	0.0%
Senior Management Service Band D	2	0	0.0%	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>210</b>	<b>3</b>	<b>1.4%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

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

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0



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

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Trade/Industry Advisers	6	11	12	Posts graded in <b>the dtic</b> via Equate initially. Grading in DSBD via Evaluate indicated a Level 11.
Administrative related	1	11	12	Employee already on Level 12, however, grading confirmed on Level 11 by the MPSA.
Secretaries & Other Keyboard Operating Clerks	1	7	10	Employee already on L10. Previously employed in Ministry.
Secretaries & Other Keyboard Operating Clerks	2	7	8	Employees already on L8 before transfer to DSBD in 2015.
Administrative related	2	6	7	Employees already on L7 before transfer to DSBD in 2015.
Administrative related	1	5	6	Employee already on L6 before transfer to DSBD in 2015.
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>13</b>
<b>Percentage of total employed</b>				<b>7.1%</b>

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

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022**

Gender	African	Indian	Coloured	White	Total
Female	6	0	1	1	8
Male	5	0	0	0	5
<b>TOTAL</b>	<b>11</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>13</b>
Employees with a disability	1	0	0	0	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.

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0.0%
Skilled (Levels 3-5)	18	0	1	5.6%
Highly skilled production (Levels 6-8)	69	4	8	11.6%
Highly skilled supervision (Levels 9-12)	65	3	6	9.2%
Senior Management Service Bands A	25	0	2	8.0%
Senior Management Service Bands B	8	0	1	12.5%
Senior Management Service Bands C	1	0	1	100%
Senior Management Service Bands D	0	0	0	0.0%
Contracts	29	20	41	141.4%
<b>TOTAL</b>	<b>215</b>	<b>27</b>	<b>60</b>	<b>27.9%</b>

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

Critical occupation	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	23	5	16	69.6%
Communication and Information Related	3	0	0	0.0%
Economists	2	0	1	50.0%
Finance and Economics Related	2	0	0	0.0%
Financial and Related Professionals	4	1	1	25.0%
Financial Clerks and Credit Controllers	3	0	0	0.0%
Food Services Aids and Waiters	2	0	0	0.0%
Head of Department	0	1	0	0.0%
Household and Laundry Workers	4	4	4	100%
Human Resources & Organisational Development & Related Professionals	5	0	0	0.0%
Human Resources Clerks	1	0	0	0.0%
Human Resources Related	9	1	1	11.1%
Language Practitioners Interpreters & Other Communication	0	2	0	0.0%

Critical occupation	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Legal Related	2	1	0	0.0%
Library Mail and Related Clerks	1	0	1	100%
Light Vehicle Drivers	2	0	1	50.0%
Logistical Support Personnel	5	0	1	20.0%
Messengers Porters and Deliverers	1	0	0	0.0%
Other Information Technology Personnel	2	0	2	100%
Risk Management and Security Services	7	0	3	42.9%
Secretaries and Other Keyboard Operating Clerks	19	6	4	21.1%
Security Officers	3	0	3	100%
Senior Managers	35	5	7	20.0%
Trade/Industry Advisers and Other Related Professionals	80	1	15	18.8%
<b>TOTAL</b>	<b>215</b>	<b>27</b>	<b>60</b>	<b>27.9%</b>

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

**Table 3.5.3 Reasons why staff left the Department for the period 1 April 2021 and 31 March 2022**

Termination Type	Number	% of Total Resignations
Death	0	0.0%
Resignation	10	16.7%
Expiry of contract	39	21.4%
Dismissal – operational changes	1	1.7%
Dismissal – misconduct	5	8.3%
Dismissal – inefficiency	0	0.0%
Discharged due to ill-health	0	0.0%
Retirement	1	1.7%
Transfer to other Public Service Departments	4	6.7%
Other	0	0.0%
<b>TOTAL</b>	<b>60</b>	<b>100%</b>
Total number of employees who left as a % of total employment	33%	

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

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	23	1	4.3%	27	117.4%
Communication and Information Related	3	0	0.0%	2	66.7%
Economists	2	0	0.0%	0	100%
Finance and Economics Related	2	0	0.0%	2	100%
Financial and Related Professionals	4	0	0.0%	2	50.0%
Financial Clerks and Credit Controllers	3	0	0.0%	3	100%
Food Services Aids and Waiters	2	0	0.0%	2	100%
Head of Department	0	0	0.0%	0	0.0%
Household and Laundry Workers	4	0	0.0%	4	100%
Human Resources & Organisational Development & Related Professionals	5	0	0.0%	5	100%
Human Resources Clerks	1	0	0.0%	1	100%
Human Resources Related	9	0	0.0%	10	111.1%
Language Practitioners Interpreters & Other Communication	0	0	0.0%	0	0.0%
Legal Related	2	0	0.0%	3	150%
Library Mail and Related Clerks	1	0	0.0%	0	0.0%
Light Vehicle Drivers	2	0	0.0%	1	50.0%
Logistical Support Personnel	5	0	0.0%	4	80.0%
Messengers Porters and Deliverers	1	0	0.0%	1	100%
Other Information Technology Personnel	2	0	0.0%	0	0.0%
Risk Management and Security Services	7	0	0.0%	4	57.1%
Secretaries & Other Keyboard Operating Clerks	19	0	0.0%	19	100%
Security Officers	3	0	0.0%	0	0.0%
Senior Managers	35	0	0.0%	31	88.6%
Trade/Industry Advisers & Other Related Professionals	80	2	2.5%	60	75.0%
<b>TOTAL</b>	<b>215</b>	<b>3</b>	<b>1.4%</b>	<b>181</b>	<b>84.2%</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022**

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	0	0	0.0%	0	0.0%
Skilled (Levels 3-5)	21	0	0.0%	17	81.0%
Highly skilled production (Levels 6-8)	92	0	0.0%	65	70.7%
Highly skilled supervision (Levels 9-12)	67	3	4.5%	66	98.5%
Senior Management (Level 13-16)	35	0	0.0%	33	94.3%
<b>TOTAL</b>	<b>215</b>	<b>3</b>	<b>1.4%</b>	<b>181</b>	<b>84.2%</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 on 31 March 2022**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	15	2	1	0	13	1	1	1	34
Professionals	34	2	1	0	43	1	0	1	82
Technicians and associate professionals	11	0	1	0	17	0	0	0	29
Clerks	6	0	0	0	18	1	0	2	27
Service and sales workers	0	0	0	0	2	0	0	0	2
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Labourers and Related Workers	2	0	0	0	5	0	0	0	7
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>69</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>98</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>182</b>
Employees with disabilities	3	0	0	0	4	0	0	0	7

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	13	2	1	0	13	1	1	1	32
Professionally qualified and experienced specialists and mid-management	27	2	1	0	32	1	0	1	64
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	21	0	0	0	43	1	0	2	67
Semi-skilled and discretionary decision making	6	0	1	0	10	0	0	0	17
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>69</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>98</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>182</b>

**Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	3	0	0	0	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management	3	0	0	0	5	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	0	0	0	3	0	0	0	7
Semi-skilled and discretionary decision making	2	0	0	0	4	0	0	0	6
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>
Employees with disabilities	0	0	0	0	1	0	0	0	1

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	2	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	4	0	0	1	6
Professionally qualified and experienced specialists and mid-management	6	1	1	0	4	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	8	1	0	0	1	0	0	0	10
Semi-skilled and discretionary decision making	2	0	0	0	7	0	0	0	9
Unskilled and defined decision making <sup>7</sup>	10	0	0	0	12	0	0	0	22
<b>TOTAL</b>	<b>28</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>60</b>
Employees with Disabilities	0	0	0	0	1	0	0	0	1

<sup>7</sup> Interns reported under unskilled category.

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional counselling	0	0	0	0	2	0	0	0	2
Written warning	1	0	0	0	4	0	0	0	5
Final written warning	0	0	0	0	0	1	0	0	1
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>8</b>

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	1	0	0	7	1	0	1	15
Professionals	5	1	0	0	9	1	0	1	17
Technicians and associate professionals	7	0	0	0	25	0	0	1	33
Clerks	1	0	0	0	0	1	0	0	2
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>18</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>67</b>
Employees with disabilities	1	0	0	0	2	0	0	0	3

### 3.7 Signing of Performance Agreements by SMS Members

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



**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General	1	1	1	100%
Salary Level 16	0	0	0	N/A
Salary Level 15	3	0	0	N/A
Salary Level 14	9	7	7	100%
Salary Level 13	29	25	25	100%
<b>TOTAL</b>	<b>42</b>	<b>33</b>	<b>33</b>	<b>100%</b>

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

Reasons
N/A

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

Reasons
N/A

### 3.8 Performance Rewards

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

**Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	11	167	6.6%	463	42 085
Male	4	69	5.8%	166	41 530
Female	7	98	7.1%	297	42 402
Asian	0	4	0.0%	0	0
Male	0	3	0.0%	0	0
Female	0	1	0.0%	0	0
Coloured	1	7	14.3%	32	31 643
Male	0	4	0.0%	0	0
Female	1	3	33.3%	32	31 643
White	1	4	25.0%	52	52 243
Male	0	0	0.0%	0	0
Female	1	4	25.0%	52	52 243
<b>TOTAL</b>	<b>13</b>	<b>182</b>	<b>7.1%</b>	<b>547</b>	<b>42 063</b>

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	1	17	5.9%	25	24 682	0.02%
Highly skilled production (level 6-8)	7	67	10.4%	238	33 946	0.17%
Highly skilled supervision (level 9-12)	5	64	7.8%	285	56 904	0.21%
<b>TOTAL</b>	<b>13</b>	<b>148</b>	<b>8.8%</b>	<b>547</b>	<b>42 063</b>	<b>0.40%</b>

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative Related	1	22	4.5%	67	66 983
Communication and Information Related	0	3	0.0%	0	0
Economists	0	0	0.0%	0	0
Finance and Economics Related	2	2	100%	105	52 480
Financial and Related Professionals	3	4	75%	138	46 081
Financial Clerks and Credit Controllers	2	3	66.7%	44	22 156
Food Services Aids and Waiters	0	2	0.0%	0	0
Head of Department	0	1	0	0	0
Household and Laundry Workers	0	4	0	0	0
Human Resources & Organisational Development & Related Professionals	0	5	0.0%	0	0
Human Resources Clerks	0	1	0.0%	0	0
Human Resources Related	0	9	0.0%	0	0
Language Practitioners Interpreters & Other Communication	0	2	0.0%	0	0
Legal Related	1	3	33.3%	45	44 592
Light Vehicle Drivers	0	1	0.0%	0	0
Logistical Support Personnel	1	4	25%	30	30 262

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Messengers Porters and Deliverers	0	1	0.0%	0	0
Risk Management and Security Services	0	2	0.0%	0	0
Secretaries & Other Keyboard Operating Clerks	2	20	10%	84	41 943
Senior Managers	0	33	0.0%	0	0
Trade/Industry Advisers & Other Related Professionals	1	60	1.7%	34	33 585
<b>TOTAL</b>	<b>13</b>	<b>182</b>	<b>7.1%</b>	<b>547</b>	<b>42 063</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	0	0.0%	0	0	0.0%
Band B	0	0	0.0%	0	0	0.0%
Band C	0	0	0.0%	0	0	0.0%
Band D	0	0	0.0%	0	0	0.0%
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>

### 3.9 Foreign Workers

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

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled (Level 1-2)	0	0.0%	0	0.0%	0	0.0%
Skilled (Level 3-5)	0	0.0%	0	0.0%	0	0.0%
Highly skilled production (Level 6-8)	0	0.0%	0	0.0%	0	0.0%
Highly skilled supervision (Level 9-12)	0	0.0%	0	0.0%	0	0.0%
Contract (Level 9-12)	0	0.0%	0	0.0%	0	0.0%
Contract (Level 13-16)	0	0.0%	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022**

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0	0.0%	0	0.0%	0	0.0%

### 3.10 Leave utilisation

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

**Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0.0%	0	0.0%	0	0
Skilled (levels 3-5)	21	65.0%	5	6.3%	4	20
Highly skilled production (levels 6-8)	172	87.2%	25	31.3%	7	259
Highly skilled supervision (levels 9 -12)	272	90.8%	33	41.3%	8	821
Top and Senior management (levels 13-16)	118	93.2%	13	16.3%	9	537
Contract Other <sup>8</sup>	33	87.9%	4	5.0%	8	18
<b>TOTAL</b>	<b>616</b>	<b>89.1%</b>	<b>80</b>	<b>100%</b>	<b>8</b>	<b>1 655</b>

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0.0%	0	0.0%	0	0
Skilled (Levels 3-5)	0	0.0%	0	0.0%	0	0
Highly skilled production (Levels 6-8)	14	100%	1	25.0%	14	20
Highly skilled supervision (Levels 9-12)	59	100%	2	50.0%	30	167
Senior management (Levels 13-16)	5	100%	1	25.0%	5	21
<b>TOTAL</b>	<b>78</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>20</b>	<b>208</b>

<sup>8</sup> Contract Other refers to Interns

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

**Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	256	19	13
Highly skilled production (Levels 6-8)	1 308	67	20
Highly skilled supervision (Levels 9-12)	1 378	70	20
Senior management (Levels 13-16)	820	37	22
Contract Other	131	16	8
<b>TOTAL</b>	<b>3 893</b>	<b>209</b>	<b>19</b>

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

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	34
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	53
Senior management (Levels 13-16)	0	0	0	15
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>

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

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

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle	365	8	46
Capped leave payouts on termination of service for 2021/22 <sup>9</sup>	0	1	0
Current leave payout on termination of service for 2021/22	1 267	53	24
<b>TOTAL</b>	<b>1 632</b>	<b>62</b>	<b>26</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
None	None

**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.	√		Ms Janette Van Dyk Acting Director: Human Resources Management
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.	√		1. The Sub-directorate: Employee Health and Wellness (EHW) is dedicated to the health and wellness of employees. 2. The unit consists of two (2) employees and is supported by an EHW Service Provider (ICAS) from February 2022, rendering Psycho-Social Counselling 3. The estimated budget for the EHW programme during 2021/22 financial year was R80 713.47.
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.	√		1. A Health Programme has been implemented, focusing on the implementation of the National Health Calendar. 2. Additional awareness/intervention programmes are implemented based on identified themes from services requested by employees, as well as themes based on the psycho-social (counselling) programme. 3. General Health Screening, including HIV/AIDS (HCT) programme has been put on hold due to the limitations brought about by the COVID-19 pandemic. 4. DSBD employees are currently working mainly from home and health screening services will resume once OHS issues as raised by the Department of Employment and Labour has been addressed.

<sup>9</sup> Leave payout less than R500.00

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		The Department has an active Health & Wellness Committee, consisting of 21 members categorised as follows: <p><b>First Aiders</b></p> <ul style="list-style-type: none"> <li>• Sophy Nkoana</li> <li>• Emerencia Fenyane</li> <li>• Portia Malatji</li> <li>• Goitsemodimo Kuduntwane</li> <li>• Nonhlanhla Buthelezi (Ministry)</li> </ul> <p><b>Fire Fighters/Fire Marshalls</b></p> <ul style="list-style-type: none"> <li>• Jane Kekana</li> <li>• Clement Moaga</li> <li>• James Tooka</li> <li>• Balindile Manzini</li> <li>• Nathaniel Koko (Ministry)</li> <li>• Sinamile Cele (Ministry)</li> </ul> <p><b>Evacuation Officers</b></p> <ul style="list-style-type: none"> <li>• Shirley Maabela (EHW Programme Manager)</li> <li>• Nompumelelo Radebe (Facilities and Auxiliary Services Manager)</li> <li>• Rejoyce Maudu (OHS /Wellness Practitioner)</li> <li>• James Tooka (Facilities Management)</li> </ul> <p><b>Health and Safety Representatives</b></p> <ul style="list-style-type: none"> <li>• Ziphora Malebye</li> <li>• Tsietsi Thinane</li> <li>• Gugu Sithole</li> </ul> <p><b>Wellness Buddies/Peer Educators</b></p> <ul style="list-style-type: none"> <li>• Thandeka Nxumalo</li> <li>• Tshepo Mathibela</li> <li>• Tsietsi Thinane</li> <li>• Mandla Sithole (Ministry)</li> </ul> <p><b>Labour Representative</b></p> <ul style="list-style-type: none"> <li>• Petrus Mathonsi</li> </ul>
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 Department has an approved HIV/AIDS and TB Management Policy in place to ensure employment policies/practices do not unfairly discriminate against employees based on their HIV status.
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.	√		Acts of discrimination are mitigated through conducting quarterly awareness and dialogue/ information sessions on the effects of stigmatisation and discrimination. People Living With HIV/AIDS (PLHIV) are also invited to share practical effects and how they are overcome. Furthermore, PLHIV are made aware of their rights through available policies (advocacy and awareness). Employees are often encouraged not to label, stigmatise or discriminate against PLHIV.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		Yes, however the quarterly workplace HVI/AIDS (HCT) Screening programme has been put on hold due to the COVID-19 Pandemic. Health screening services will resume once the pandemic lockdown period has been lifted.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		Yes, the Department developed and administered an evaluation template/form following presentations/ workshops to determine the impact of its health promotion programme. Also, a workplace Climate Survey Questionnaire has been developed. Roll-out of the Survey is planned for 2022/2023 financial year.

## 3.12 Labour Relations

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

<b>Total number of Collective agreements</b>	None
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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 2021 and 31 March 2022**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	20%
Verbal warning	0	0%
Written warning	5	50%
Final written warning	1	10%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn/pending	2	20%
<b>TOTAL</b>	<b>10</b>	<b>100%</b>

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

Type of misconduct	Number	% of total
Insubordination/refusal to follow instruction	3	30%
Unauthorised leave	1	10%
Noncompliance (leave policy)	3	30%
Noncompliance (Performance Management policy)	1	10%
Dereliction of duty	1	10%
Bringing department into disrepute	1	10%
<b>TOTAL</b>	<b>10</b>	<b>100%</b>

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

Grievances	Number	% of Total
Number of grievances resolved	4	80%
Number of grievances not resolved	1	20%
<b>Total number of grievances lodged</b>	<b>5</b>	<b>100%</b>



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

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	1	12.5%
<b>Total number of disputes lodged</b>	<b>8<sup>10</sup></b>	<b>100%</b>

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

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 2021 and 31 March 2022**

Number of people suspended	5
Number of people whose suspension exceeded 30 days	5
Average number of days suspended	550 days
Cost of suspension(R'000)	R596 902.56

### 3.13 Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	0	13	1	14
	Male	19	0	9	2	11
Professionals	Female	34	0	23	4	27
	Male	30	0	11	1	12
Technicians and associate professionals	Female	51	0	1	0	1
	Male	20	0	1	1	2
Clerks	Female	0	0	4	2	6
	Male	1	0	3	0	3
Service and sales workers	Female	0	0	1	0	1
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

<sup>10</sup> Seven (7) disputes lodged are pending.

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	5	0	0	0	0
	Male	7	0	0	0	0
<b>Sub Total</b>	<b>Female</b>	<b>107</b>	<b>0</b>	<b>42</b>	<b>7</b>	<b>49</b>
	<b>Male</b>	<b>77</b>	<b>0</b>	<b>24</b>	<b>4</b>	<b>28</b>
<b>TOTAL</b>		<b>184</b>	<b>0</b>	<b>66</b>	<b>11</b>	<b>77</b>

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

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	0	8	1	9
	Male	19	0	4	2	6
Professionals	Female	34	0	9	1	10
	Male	30	0	7	1	8
Technicians and associate professionals	Female	51	0	22	5	27
	Male	20	0	6	1	7
Clerks	Female	0	0	0	0	0
	Male	1	0	1	0	1
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	5	0	0	0	0
	Male	7	0	0	0	0
<b>Sub Total</b>	<b>Female</b>	<b>107</b>	<b>0</b>	<b>39</b>	<b>7</b>	<b>46</b>
	<b>Male</b>	<b>77</b>	<b>0</b>	<b>18</b>	<b>4</b>	<b>22</b>
<b>TOTAL</b>		<b>184</b>	<b>0</b>	<b>57</b>	<b>11</b>	<b>68</b>

### 3.14 Injury on duty

The following table provide basic information on injury on duty.

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

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0.0%
Temporary Total Disablement	0	0.0%
Permanent Disablement	0	0.0%
Fatal	0	0.0%
<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>

### 3.15 Utilisation of Consultants

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

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

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Provision of legal services - State Attorney	3	30	R706 052,50
Recruitment Competency assessment	1	1	R20 217,00
Provision of Ill-health assessment	1	30	R32 451,84
Recruitment Competency assessment	1	30	R8 441,00
Recruitment Competency assessment	1	30	R25 323,00
Verification of qualifications	1	30	R14 236,00
Recruitment Competency Assessment	1	1	R8 441,00
Verification of qualifications	1	1	R5 413,78
Advisory services (review and amend IBDS policy)	1	30	R287 500,00
Provision of Employee Health and Wellness services to the Department	1	30	R59 507,08
Recruitment Response Handling HR	1	30	R54 976,13
Recruitment Response Handling HR	1	30	R11 878,44
Handling of the Departmental B-BBEE Verification Services	1	30	R32 775,00
Audit and Risk Committee	3		R344 015,60
Competency assessment test	1	30	R25 920,00
Verification of qualifications	1	30	R4 815,90
Translation and Transcript -China import-export expo	1	30	R101 639,99

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
16	19	423	1 743 604,26

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Provision of legal services -State Attorney	Government Entity	None	3
Recruitment Competency assessment	Level 1	100% Black Female	1
Provision of ill-health assessment	Level 2	Black Ownership 38.89% Black Female 13.75%”	1
Recruitment Competency assessment	Level 1	31.11% Black people and 31.11% Black Women	1
Recruitment Competency assessment	Level 1	37.86% Black people and 13.49% Black Women	1
Verification of qualifications	Government Entity	None	2
Recruitment Competency Assessment	Level 1	49% White female and 25.50% Black Female	1
Verification of qualifications	Level 1	100% Black Male	1
Advisory services (review and amend IBDS policy)	Level 1	100% Black Male	1
Provision of Employee Health and Wellness services to the Department	Level 1	25.71% Black Ownership	
Recruitment Response Handling HR	Level 1	100% Black Female	1
Recruitment Response Handling HR	Level 1	100% Black Female	1
Handling of the Departmental B-BBEE Verification Services	NONE	None	None
Audit and Risk Committee	N/A	N/A	3
Competency assessment test	Level 2	100% Black Male	1
Verification of Qualification	Government Entity	None	1
Translation and Transcript (pay for China import-export expo)	None	None	1

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

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
Advisory Longitudinal Study on SMMEs and Co-operatives in SA for a period from 2021 to 2024	1	120	732 299
Project Management - Agriculture for Development of Livestock Identification and Traceability System for South Africa (LITS SA)	2	30	1 158 069
Project Manager: Project Management Office European Union-Funded	1	174	1 057 326
AUDIT FEES: Performance of audit procedures on European Union-funded project	AGSA team	17.5	202 190

Total number of projects	Total individual consultants	Total duration (Work days)	Total contract value in Rand
4	8	324	3 149 884

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Advisory Longitudinal Study on SMMEs and Co-operatives in SA for a period from 2021 to 2024	51% Black people	26% Black women	5
Project Management - Agriculture for Development of Livestock Identification and Traceability System for South Africa (LITS SA)	CSIR	N/A	N/A
Project Manager: Project Management Office European Union-Funded	N/A	N/A	N/A
Audit Fees: Performance audit	AGSA	N/A	N/A

### 3.16 Severance Packages

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

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



# **PART E:** FINANCIAL INFORMATION

Department of Small Business Development – Vote 36

# REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2022

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 36: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Department of Small Business Development set out on pages 114 to 161, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Small Business Development as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by the National Treasury (NT) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for opinion

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

#### Other matter

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

#### Unaudited supplementary schedules

7. The supplementary information set out on pages 162 to 172 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

#### Responsibilities of the Accounting Officer for the financial statements

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

#### Auditor-general's responsibilities for the audit of the financial statements

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

Department of Small Business Development – Vote 36

**REPORT OF THE AUDITOR-GENERAL**

for the year ended 31 March 2022

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 3 – Development Finance	47 – 50

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 3 – Development Finance

### Other matters

17. I draw attention to the matters below:

#### Achievement of planned targets

18. Refer to the annual performance report on pages 35 to 56 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

20. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### Other information

21. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting officer's report. The other information does



Department of Small Business Development – Vote 36  
**REPORT OF THE AUDITOR-GENERAL**  
 for the year ended 31 March 2022

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.

22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If other information is not corrected, I may have to retract this auditor's report and re-issue an amended

report as appropriate. However, if it is corrected, this will not be necessary.

### Internal control deficiencies

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

Auditor-General

Pretoria  
 31 July 2022



AUDITOR-GENERAL  
 SOUTH AFRICA

*Auditing to build public confidence*

Department of Small Business Development – Vote 36

# ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

for the year ended 31 March 2022

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

## Financial statements

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

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

uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Department of Small Business Development to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

## Communication with those charged with governance

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

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

Department of Small Business Development – Vote 36  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2022

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## Table of Contents

Appropriation Statement	115
Notes to the Appropriation Statement	121
Statement of Financial Performance	123
Statement of Financial Position	124
Statement of Changes in Net Assets	125
Cash Flow Statement	126
Notes to the Annual Financial Statements (including Accounting policies)	127
Annexures	162

# APPROPRIATION STATEMENT

for the year ended 31 March 2022

Appropriation per programme									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	103 300		(2 298)	101 002	99 194	1 808	98.2%	98 474	97 200
2. Sector and Market Development	138 746		(31 607)	107 139	90 431	16 708	84.4%	42 154	38 331
3. Development Finance	1 520 109		34 273	1 554 382	1 551 625	2 757	99.8%	1 302 922	1 279 947
4. Enterprise Development	874 908		(368)	874 540	871 968	2 572	99.7%	834 253	833 717
<b>TOTAL</b>	<b>2 637 063</b>		<b>-</b>	<b>2 637 063</b>	<b>2 613 218</b>	<b>23 845</b>	<b>99.1%</b>	<b>2 277 803</b>	<b>2 249 195</b>
<b>TOTAL (brought forward)</b>									
<b>Reconciliation with statement of financial performance</b>									
<b>ADD</b>									
Departmental receipts				144				300	
Aid assistance				161 920				319 315	
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>2 799 127</b>				<b>2 597 418</b>	
<b>ADD</b>									
Aid assistance					139 790				319 152
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>2 753 008</b>				<b>2 568 347</b>

## APPROPRIATION STATEMENT

for the year ended 31 March 2022

## Appropriation per economic classification

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>223 364</b>	<b>16 186</b>	<b>(9 000)</b>	<b>230 550</b>	<b>212 377</b>	<b>18 173</b>	<b>92.1%</b>	<b>199 476</b>	<b>183 656</b>
Compensation of employees	155 197	(435)	-	154 762	138 425	16 337	89.4%	150 513	134 955
Goods and services	68 163	16 621	(9 000)	75 784	73 949	1 835	97.6%	48 963	48 702
Interest and rent on land	4	-	-	4	3	1	85.9%	-	-
<b>Transfers and subsidies</b>	<b>2 409 217</b>	<b>(16 186)</b>	<b>9 000</b>	<b>2 402 031</b>	<b>2 397 586</b>	<b>4 445</b>	<b>99.8%</b>	<b>2 074 103</b>	<b>2 061 631</b>
Provinces and municipalities									
Departmental agencies and accounts	838 490	3 472	-	841 962	841 961	1	100.0%	834 381	834 381
Public corporations and private enterprises	1 570 280	(25 886)	9 000	1 553 394	1 549 014	4 380	99.7%	1 237 909	1 225 455
Non-profit institutions	-	5 414	-	5 414	5 414	-	100.0%	1 238	1 238
Households	447	814	-	1 261	1 197	64	94.9%	575	558
<b>Payments for capital assets</b>	<b>4 476</b>	<b>-</b>	<b>-</b>	<b>4 476</b>	<b>3 250</b>	<b>1 226</b>	<b>72.6%</b>	<b>4 224</b>	<b>3 907</b>
Buildings and other fixed structures									
Machinery and equipment	4 121	-	340	4 461	3 238	1 223	72.6%	4 224	3 907
Intangible assets	355	-	(340)	15	12	3	78.5%	-	-
<b>Payments for financial assets</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>84.5%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>2 637 063</b>	<b>-</b>	<b>-</b>	<b>2 637 063</b>	<b>2 613 218</b>	<b>23 845</b>	<b>99.1%</b>	<b>2 277 803</b>	<b>2 249 195</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2022

## Programme 1: Administration

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Sub programme</b>									
1. Ministry	25 942	(410)	52	25 584	25 464	120	99.5%	21 640	21 612
2. Departmental Management	32 317	(2 214)	(2 103)	28 000	27 817	183	99.3%	19 810	19 081
3. Corporate Services	26 590	3 502	(975)	29 117	27 799	1 318	95.5%	37 835	37 667
4. Financial Management	18 451	(878)	728	18 301	18 114	187	99.0%	19 189	18 840
<b>Total for sub programmes</b>	<b>103 300</b>	<b>-</b>	<b>(2 298)</b>	<b>101 002</b>	<b>99 194</b>	<b>1 808</b>	<b>98.2%</b>	<b>98 474</b>	<b>97 200</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>102 261</b>	<b>(591)</b>	<b>(3 717)</b>	<b>97 953</b>	<b>96 290</b>	<b>1 663</b>	<b>98.3%</b>	<b>96 890</b>	<b>95 687</b>
Compensation of employees	65 099	(309)	80	64 870	64 771	99	99.8%	60 026	58 935
Goods and services	37 158	(282)	(3 797)	33 079	31 516	1 563	95.3%	36 864	36 752
Interest and rent on land	4	-	-	4	3	1	85.9%	-	-
<b>Transfers and subsidies</b>	<b>100</b>	<b>591</b>	<b>-</b>	<b>691</b>	<b>641</b>	<b>50</b>	<b>92.7%</b>	<b>322</b>	<b>319</b>
Households	100	591	-	691	641	50	92.7%	322	319
<b>Payments for capital assets</b>	<b>933</b>	<b>-</b>	<b>1 419</b>	<b>2 352</b>	<b>2 259</b>	<b>93</b>	<b>96.0%</b>	<b>1 262</b>	<b>1 194</b>
Machinery and equipment	918	-	1 419	2 337	2 247	90	96.1%	1 262	1 194
Intangible assets	15	-	-	15	12	3	78.5%	-	-
<b>Payments for financial assets</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>84.5%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>103 300</b>	<b>-</b>	<b>(2 298)</b>	<b>101 002</b>	<b>99 194</b>	<b>1 808</b>	<b>98.2%</b>	<b>98 474</b>	<b>97 200</b>

## APPROPRIATION STATEMENT

for the year ended 31 March 2022

## Programme 2: Sector and Market Development

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Sub programme</b>									
1. Sector and Market Development Management	2 180	(519)	(80)	1 581	808	773	51.1%	-	-
2. Business Intelligence and Knowledge Management	26 379	(4 583)	(2 337)	19 459	14 254	5 205	73.3%	22 300	21 372
3. Ease of Doing Business	8 084	897	(1 020)	7 961	7 564	397	95.0%	6 380	3 499
4. Access to Market Support	102 103	4 205	(28 170)	78 138	67 805	10 333	86.8%	13 474	13 460
<b>Total for sub programmes</b>	<b>138 746</b>	<b>-</b>	<b>(31 607)</b>	<b>107 139</b>	<b>90 431</b>	<b>16 708</b>	<b>84.4%</b>	<b>42 154</b>	<b>38 331</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>54 670</b>	<b>16 847</b>	<b>(229)</b>	<b>71 288</b>	<b>59 641</b>	<b>11 647</b>	<b>83.7%</b>	<b>39 839</b>	<b>36 262</b>
Compensation of employees	35 813	(90)	(80)	35 643	24 140	11 503	67.7%	30 561	27 051
Goods and services	18 857	16 937	(149)	35 645	35 501	144	99.6%	9 278	9 211
<b>Transfers and subsidies</b>	<b>81 092</b>	<b>(16 847)</b>	<b>(30 000)</b>	<b>34 245</b>	<b>30 237</b>	<b>4 008</b>	<b>88.3%</b>	<b>158</b>	<b>157</b>
Public corporations and private enterprises	81 065	(17 000)	(30 000)	34 065	30 065	4 000	88.3%	-	-
Households	27	153	-	180	172	8	95.6%	158	157
<b>Payments for capital assets</b>	<b>2 984</b>	<b>-</b>	<b>(1 378)</b>	<b>1 606</b>	<b>553</b>	<b>1 053</b>	<b>34.4%</b>	<b>2 157</b>	<b>1 912</b>
Machinery and equipment	2 644	-	(1 038)	1 606	553	1 053	34.4%	2 157	1 912
Intangible assets	340	-	(340)	-	-	-	-	-	-
<b>TOTAL</b>	<b>138 746</b>	<b>-</b>	<b>(38 836)</b>	<b>99 910</b>	<b>90 431</b>	<b>9 479</b>	<b>90.5%</b>	<b>42 154</b>	<b>38 331</b>

# APPROPRIATION STATEMENT

for the year ended 31 March 2022

## Programme 3: Development Finance

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Development Finance Management	2 800	(657)	(231)	1 912	1 270	642	66.4%	8 705	7 464
2. Model Funding Collaboration	5 038	3 148	(1 129)	7 057	6 976	81	98.9%	2 650	2 643
3. Blended Finance	1 496 889	1 242	35 955	1 534 086	1 532 434	1 652	99.9%	1 280 426	1 258 698
4. Business Viability	15 382	(3 733)	(322)	11 327	10 945	382	96.6%	11 141	11 141
<b>Total for sub programmes</b>	<b>1 520 109</b>	<b>-</b>	<b>34 273</b>	<b>1 554 382</b>	<b>1 551 625</b>	<b>2 757</b>	<b>99.8%</b>	<b>1 302 922</b>	<b>1 279 947</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>30 172</b>	<b>-</b>	<b>(4 603)</b>	<b>25 569</b>	<b>23 275</b>	<b>2 294</b>	<b>91.0%</b>	<b>53 144</b>	<b>42 627</b>
Compensation of employees	23 809	-	-	23 809	21 616	2 193	90.8%	51 037	40 563
Goods and services	6 363	-	(4 603)	1 760	1 659	101	94.3%	2 107	2 065
<b>Transfers and subsidies</b>	<b>1 489 535</b>	<b>-</b>	<b>39 000</b>	<b>1 528 535</b>	<b>1 528 149</b>	<b>386</b>	<b>100.0%</b>	<b>1 249 094</b>	<b>1 236 639</b>
Departmental agencies and accounts	-	3 472	-	3 472	3 471	1	100.0%	9 903	9 903
Public corporations and private enterprises	1 489 215	(8 886)	39 000	1 519 329	1 518 949	380	100.0%	1 237 909	1 225 455
Households	320	-	-	320	315	5	98.5%	44	43
<b>Payments for capital assets</b>	<b>402</b>	<b>-</b>	<b>(124)</b>	<b>278</b>	<b>200</b>	<b>78</b>	<b>72.1%</b>	<b>684</b>	<b>681</b>
Machinery and equipment	402	-	(124)	278	200	78	72.1%	684	681
<b>TOTAL</b>	<b>1 520 109</b>	<b>-</b>	<b>34 273</b>	<b>1 554 382</b>	<b>1 551 625</b>	<b>2 757</b>	<b>99.8%</b>	<b>1 302 922</b>	<b>1 279 947</b>



## APPROPRIATION STATEMENT

for the year ended 31 March 2022

## Programme 4: Enterprise Development

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Enterprise Development Management	6 399	36	(57)	6 378	5 783	595	90.7%	2 175	2 011
2. Enterprise and Supplier Development	854 841	2 680	(298)	857 223	856 799	424	100.0%	831 211	831 179
3. SMME Competitiveness	13 668	(2 716)	(13)	10 939	9 386	1 553	85.8%	867	527
<b>Total for sub programmes</b>	<b>874 908</b>	<b>-</b>	<b>(368)</b>	<b>874 540</b>	<b>871 968</b>	<b>2 572</b>	<b>99.7%</b>	<b>834 253</b>	<b>833 717</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>36 261</b>	<b>(70)</b>	<b>(451)</b>	<b>35 740</b>	<b>33 171</b>	<b>2 569</b>	<b>92.8%</b>	<b>9 603</b>	<b>9 081</b>
Compensation of employees	30 476	(36)	-	30 440	27 898	2 542	91.6%	8 889	8 406
Goods and services	5 785	(34)	(451)	5 300	5 273	27	99.5%	714	675
<b>Transfers and subsidies</b>	<b>838 490</b>	<b>70</b>	<b>-</b>	<b>838 560</b>	<b>838 559</b>	<b>1</b>	<b>100.0%</b>	<b>824 529</b>	<b>824 517</b>
Departmental agencies and accounts	838 490	-	-	838 490	838 490	-	100.0%	824 478	824 478
Households	-	70	-	70	69	1	98.9%	51	39
<b>Payments for capital assets</b>	<b>157</b>	<b>-</b>	<b>83</b>	<b>240</b>	<b>238</b>	<b>2</b>	<b>99.0%</b>	<b>121</b>	<b>120</b>
Machinery and equipment	157	-	83	240	238	2	99.0%	121	120
<b>TOTAL</b>	<b>874 908</b>	<b>-</b>	<b>(368)</b>	<b>874 540</b>	<b>871 968</b>	<b>2 572</b>	<b>99.7%</b>	<b>834 253</b>	<b>833 717</b>

Department of Small Business Development – Vote 36

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2022

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

Detail of these transactions can be viewed in the note on Transfers and subsidies disclosure notes and Annexure 1 (A-E) to the Annual Financial Statements.

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

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

## 3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in 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	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	101 002	99 194	1 808	1.8%
Sector and Market Development	107 139	90 431	16 708	15.6%
Development Finance	1 554 382	1 551 625	2 757	0.2%
Enterprise Development	874 540	871 968	2 572	0.3%

**Programme Two: Sector Market Development:** Compensation of employees underspent by R11.5 million due to vacancies, Transfers contributed R4 million to the underspending due to delays in the commencement of the Product Markets programme, whilst machinery and equipment underspent by R1 million due to supply chain challenges in the delivery of computer equipment.

Department of Small Business Development – Vote 36

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2022

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current payments</b>				
Compensation of employees	154 762	138 425	16 337	10.6%
Goods and services	75 784	73 949	1 835	2.4%
Interest and rent on land	4	3	1	14.1%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	841 962	841 961	1	0.0%
Public corporations and private enterprises	1 553 394	1 549 014	4 380	0.3%
Non-profit institutions	5 414	5 414	0	0.0%
Households	1 261	1 197	64	5.1%
<b>Payments for capital assets</b>				
Machinery and equipment	4 461	3 238	1 223	27.4%
Land and subsoil assets				
Intangible assets	15	12	3	21.5%
<b>Payments for financial assets</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>15.5%</b>

**Compensation of Employees** – Expenditure amounted to R138.4 million (89.4%) against the final appropriation of R154.7 million resulting in an under expenditure of R16.3 million (10.6%) mainly due to the vacancy rate of 16.2%.

**Capital asset** – Expenditure amounted to R3.3 million (72.6%) against the final appropriation of R4.5 million which constitutes an under spending of R1.2 million (27.4%) mainly due delays in the delivery of the ordered computer equipment.

Department of Small Business Development – Vote 36

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	2 637 063	2 277 803
Departmental revenue	2	144	300
Aid assistance		161 920	319 315
<b>TOTAL REVENUE</b>		<b>2 799 127</b>	<b>2 597 418</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	138 425	134 955
Goods and services	5	73 949	48 702
Interest and rent on land	6	3	-
Aid assistance	3	4 867	731
<b>Total current expenditure</b>		<b>217 244</b>	<b>184 388</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	2 397 586	2 061 631
Aid assistance	3	132 446	318 421
<b>Total transfers and subsidies</b>		<b>2 530 032</b>	<b>2 380 052</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	3 238	3 907
Intangible assets	9	2 489	-
<b>Total expenditure for capital assets</b>		<b>5 727</b>	<b>3 907</b>
<b>Payments for financial assets</b>	7	<b>5</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>		<b>2 753 008</b>	<b>2 568 347</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>46 119</b>	<b>29 071</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		23 845	28 608
Annual appropriation		23 845	28 608
Statutory appropriation		-	-
Conditional grants		-	-
Departmental revenue and NRF Receipts	14	144	300
Aid assistance	3	22 130	163
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>46 119</b>	<b>29 071</b>

Department of Small Business Development – Vote 36  
**STATEMENT OF FINANCIAL POSITION**  
 for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>35 986</b>	<b>19 248</b>
Cash and cash equivalents	10	23 152	19 094
Prepayments and advances	11	12 751	48
Receivables	12	83	106
<b>Non-current assets</b>		<b>2 296</b>	<b>2 210</b>
Receivables	12	2 296	2 210
<b>TOTAL ASSETS</b>		<b>38 282</b>	<b>21 458</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>36 212</b>	<b>19 472</b>
Voted funds to be surrendered to the Revenue Fund	13	13 845	18 608
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	28	3
Payables	15	144	560
Aid assistance repayable	3	22 195	234
Aid assistance unutilised	3	-	67
<b>TOTAL LIABILITIES</b>		<b>36 212</b>	<b>19 472</b>
<b>NET ASSETS</b>		<b>2 070</b>	<b>1 986</b>
<b>Represented by:</b>			
Recoverable revenue		2 070	1 986
<b>TOTAL</b>		<b>2 070</b>	<b>1 986</b>

Department of Small Business Development – Vote 36

## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
<b>Capitalisation Reserves</b>			
<b>Recoverable revenue</b>			
Opening balance		1 986	1 882
Transfers:		84	104
Debts raised		84	104
Closing balance		2 070	1 986
<b>TOTAL</b>		<b>2 070</b>	<b>1 986</b>

Department of Small Business Development – Vote 36

**CASH FLOW STATEMENT**

for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		2 789 127	2 587 297
Annual appropriated funds received	1.1	2 627 063	2 267 803
Departmental revenue received	2	141	176
Interest received	2.2	3	3
Aid assistance received	3	161 920	319 315
Net (increase)/decrease in working capital		(13 096)	8 420
Surrendered to Revenue Fund		(18 727)	(27 856)
Surrendered to RDP Fund/Donor		(236)	(3 969)
Current payments		(217 241)	(184 388)
Interest paid	6	(3)	-
Payments for financial assets		(5)	-
Transfers and subsidies paid		(2 530 032)	(2 380 052)
<b>Net cash flow available from operating activities</b>	16	<b>9 787</b>	<b>(548)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(5 727)	(3 907)
Proceeds from sale of capital assets	2.3	-	121
(Increase)/decrease in non-current receivables	12	(86)	(119)
<b>Net cash flows from investing activities</b>		<b>(5 813)</b>	<b>(3 905)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		84	104
<b>Net cash flows from financing activities</b>		<b>84</b>	<b>104</b>
Net increase/(decrease) in cash and cash equivalents		4 058	(4 349)
Cash and cash equivalents at beginning of period		19 094	23 443
<b>Cash and cash equivalents at end of period</b>	17	<b>23 152</b>	<b>19 094</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 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 No. 1 of 1999 (as amended by Act No. 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

### 1. Basis of preparation

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

### 2. Going concern

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

### 3. Presentation currency

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

### 4. Rounding

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

### 5. Foreign currency translation

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

### 6. Comparative information

#### 6.1. Prior period comparative information

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

#### 6.2. Current year comparison with budget

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

### 7. Revenue

#### 7.1. Appropriated funds

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

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

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 7.2. Departmental revenue

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

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

## 8. Expenditure

### 8.1. Compensation of employees

#### 8.1.1. Salaries and wages

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

#### 8.1.2. Social contributions

Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

### 8.2. Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

### 8.3. Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

## 8.4. Leases

### 8.4.1. Operating leases

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

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

### 8.4.2. Finance leases

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

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

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

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

## 9. Aid Assistance

### 9.1. Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

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.

Department of Small Business Development – Vote 36

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 9.2. Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

## 10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

## 11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

## 12. Financial assets

### 12.1. Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

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

## 12.2. Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

## 13. Payables

Payables recognised in the statement of financial position are recognised at cost.

## 14. Capital Assets

### 14.1. Movable capital assets

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

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

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

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

### 14.2. Intangible assets

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

Department of Small Business Development – Vote 36

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

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.

## 15. Provisions and Contingents

### 15.1. Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

### 15.2. Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it

is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

### 15.3. Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

### 15.4. Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

## 16. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

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.

## 17. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Department of Small Business Development – Vote 36

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written off.

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.

## 18. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

## 19. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written off.

## 20. Related party transactions

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

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

## 21. Public Private Partnerships

Public Private Partnerships (PPPs) are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the Department are recorded in the notes to the financial statements.

## 22. Employee benefits

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

Department of Small Business Development – Vote 36

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 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:

	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	101 002	99 002	2 000	98 474	97 767	707
Sector and Market Development	107 139	99 008	8 131	42 154	40 154	2 000
Development Finance	1 554 382	1 555 513	(1 131)	1 302 922	1 295 629	7 293
Enterprise Development	874 540	873 540	1 000	834 253	834 253	-
<b>TOTAL</b>	<b>2 637 063</b>	<b>2 627 063</b>	<b>10 000</b>	<b>2 277 803</b>	<b>2 267 803</b>	<b>10 000</b>

Final appropriation is R2.637 billion and the actual funds drawdown is R2.627 billion. The R10 million was not drawn as the Department's spending on compensation of employees was already low, with the vacancy rate at 16.2%.

## 2. Departmental revenue

	Note	2021/22	2020/21
		R'000	R'000
Sales of goods and services other than capital assets	2.1	56	58
Interest, dividends and rent on land	2.2	3	3
Sales of capital assets	2.3	-	121
Transactions in financial assets and liabilities	2.4	85	118
<b>Total revenue collected</b>		<b>144</b>	<b>300</b>
<b>Departmental revenue collected</b>		<b>144</b>	<b>300</b>

The revenue collected is employee parking rent collected (R20 thousand); commission received on third party deductions such as insurance/premiums from employees' salaries (R36 thousand); interest received from the commercial bank (R3 thousand); and departmental debts recovered (R85 thousand).

Department of Small Business Development – Vote 36

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

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

	Note	2021/22	2020/21
	2	R'000	R'000
Sales of goods and services produced by the department		56	58
Sales by market establishment		20	22
Other sales		36	36
<b>TOTAL</b>		<b>56</b>	<b>58</b>

The revenue collected is employees' parking rent collected (R20 thousand) and commission received on third party deductions such as insurance/premiums from employee' salaries (R36 thousand).

## 2.2 Interest, dividends and rent on land

	Note	2021/22	2020/21
	2	R'000	R'000
Interest		3	3
<b>TOTAL</b>		<b>3</b>	<b>3</b>

Interest received from the commercial bank.

## 2.3 Sale of capital assets

	Note	2021/22	2020/21
	2	R'000	R'000
<b>Tangible assets</b>		<b>-</b>	<b>121</b>
Machinery and equipment	28	-	121
<b>TOTAL</b>		<b>-</b>	<b>121</b>

## 2.4 Transactions in financial assets and liabilities

	Note	2021/22	2020/21
	2	R'000	R'000
Receivables		84	-
Other Receipts including Recoverable Revenue		1	118
<b>TOTAL</b>		<b>85</b>	<b>118</b>

Money recovered from departmental debts.

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 2.5 Donations received in-kind (not included in the main note or sub note)

	Note	2021/22	2020/21
		R'000	R'000
List in-kind transfers received			
Mobicel 7 Tablet		-	1
T-Shirts (18)		-	2
Whiskey and Fruitcake		-	1
Gift pack from Proudly SÁ		-	1
Portable Speaker		1	-
Four-Wheel Hard-Shell Business carry bag		3	-
<b>TOTAL</b>		<b>4</b>	<b>5</b>

Gifts received and declared by officials

## 3. Aid assistance

	Note	2021/22	2020/21
		R'000	R'000
Opening Balance		301	4 107
Prior period error		-	-
As restated		301	4 107
Transferred from statement of financial performance		22 130	163
Paid during the year		(236)	(3 969)
<b>CLOSING BALANCE</b>		<b>22 195</b>	<b>301</b>

Donor funds (European Union) to be surrendered on the Ecosystem Development for Small Enterprise (EDSE) project.

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 3.1 Analysis of balance by source

	Note	2021/22	2020/21
		R'000	R'000
Aid assistance from RDP		22 195	234
Aid assistance from other sources		-	67
<b>CLOSING BALANCE</b>	3	<b>22 195</b>	<b>301</b>

Donor funds (European Union) to be surrendered on the Ecosystem Development for Small Enterprise (EDSE) project

## 3.2 Analysis of balance

	Note	2021/22	2020/21
		R'000	R'000
Aid assistance receivable		-	-
Aid assistance prepayments (not expensed)		-	-
Aid assistance unutilised		-	67
Aid assistance repayable		22 195	234
<b>CLOSING BALANCE</b>	3	<b>22 195</b>	<b>301</b>

## 3.3 Aid assistance expenditure per economic classification

	Note	2021/22	2020/21
		R'000	R'000
Current		4 867	731
Capital	9	2 477	-
Transfers and subsidies		132 446	318 421
<b>TOTAL AID ASSISTANCE EXPENDITURE</b>		<b>139 790</b>	<b>319 152</b>



Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 4. Compensation of employees

## 4.1 Salaries and Wages

	Note	2021/22	2020/21
		R'000	R'000
Basic salary		93 295	94 058
Performance award		547	1 111
Service-based		87	1 275
Compensative/circumstantial		1 047	80
Periodic payments		830	-
Other non-pensionable allowances		27 064	23 106
<b>TOTAL</b>		<b>122 870</b>	<b>119 630</b>

Performance award and Service-based decreased as less officials qualified. Periodic payments are for the advisors to the Minister.

## 4.2 Social contributions

	Note	2021/22	2020/21
		R'000	R'000
<b>Employer contributions</b>			
Pension		11 887	11 891
Medical		3 647	3 413
Bargaining council		21	21
<b>TOTAL</b>		<b>15 555</b>	<b>15 325</b>
<b>TOTAL COMPENSATION OF EMPLOYEES</b>		<b>138 425</b>	<b>134 955</b>
Average number of employees		192	212

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 5. Goods and services

	Note	2021/22	2020/21
		R'000	R'000
Administrative fees		413	267
Advertising		509	211
Minor assets	5.1	27	181
Bursaries (employees)		282	590
Catering		139	219
Communication		2 777	3 076
Computer services	5.2	7 166	6 292
Consultants: Business and advisory services		970	346
Legal services		706	294
Contractors		2 187	148
Agency and support / outsourced services		30	-
Entertainment		1	-
Audit cost – external	5.3	4 830	3 358
Fleet services		1 364	748
Inventory	5.4	17 311	-
Consumables	5.5	1 075	657
Operating leases		11 932	22 885
Property payments	5.6	522	551
Travel and subsistence	5.7	17 221	8 142
Venues and facilities		3 577	77
Training and development		213	225
Other operating expenditure	5.8	697	435
<b>TOTAL</b>		<b>73 949</b>	<b>48 702</b>

**Key cost drivers**

- Inventory: Expenditure for equipment procured for redistribution to beneficiaries under IMEDP.
- Travel and subsistence: The expenditure is due to the nature of the business that the Department provides which requires officials to travel consistently.
- Operating lease: The operating lease expenditure is largely made of payments made towards DPW and **the dtic** for office space rental.
- Computer services: Payments to SITA for the desktop support services provided to DSBD.
- Audit costs: The expenditure is for the regulatory and forensic audit work carried out by AGSA.
- Venues and facilities: SA Trade Hub exhibition - China 2019 and Craft exhibition at the Intra Africa Trade Fair 2021.
- Communication: Data and calls expenditure cost as most officials are working from home and travelling.
- Contractors: DSBD appointed contractors to assist with audio visual for the Buy Local Summit and Expo and other events.

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 5.1 Minor assets

	Note	2021/22	2020/21
	5	R'000	R'000
<b>Tangible assets</b>		<b>27</b>	<b>181</b>
Machinery and equipment		27	181
<b>TOTAL</b>		<b>27</b>	<b>181</b>

## 5.2 Computer services

	Note	2021/22	2020/21
	5	R'000	R'000
SITA computer services		5 763	4 743
External computer service providers		1 403	1 549
<b>TOTAL</b>		<b>7 166</b>	<b>6 292</b>

Desktop support services - SITA and Microsoft annual license fee

## 5.3 Audit cost – External

	Note	2021/22	2020/21
	5	R'000	R'000
Regularity audits		3 094	3 358
Investigations		1 736	-
<b>TOTAL</b>		<b>4 830</b>	<b>3 358</b>

Regulatory and forensic audit by AGSA

## 5.4 Inventory

	Note	2021/22	2020/21
	5	R'000	R'000
Materials and supplies		17 311	-
<b>TOTAL</b>		<b>17 311</b>	<b>-</b>

Inventory procured for redistribution under IMEDP.

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 5.5 Consumables

	Note	2021/22	2020/21
	5	R'000	R'000
Consumable supplies		558	499
Uniform and clothing		-	31
Household supplies		73	97
Building material and supplies		16	93
Communication accessories		1	-
IT consumables		7	25
Other consumables		461	253
Stationery, printing and office supplies		517	158
<b>TOTAL</b>		<b>1 075</b>	<b>657</b>

Other consumables consist of gifts bought for employees hospitalised and PPE for COVID-19.

## 5.6 Property payments

	Note	2021/22	2020/21
	5	R'000	R'000
Other		522	551
<b>TOTAL</b>		<b>522</b>	<b>551</b>

Other property payments consist of payment for cleaning and disinfecting office building.

## 5.7 Travel and subsistence

	Note	2021/22	2020/21
	5	R'000	R'000
Local		13 030	7 666
Foreign		4 191	476
<b>TOTAL</b>		<b>17 221</b>	<b>8 142</b>

Official trips by DSBD officials.

Department of Small Business Development – Vote 36

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

**5.8 Other operating expenditure**

	Note	2021/22	2020/21
		R'000	R'000
	5		
Professional bodies' membership and subscription fees		14	9
Resettlement costs		11	-
Other		672	426
<b>TOTAL</b>		<b>697</b>	<b>435</b>

Other operating expenditure item includes storage, roadworthy test, and printing and publication services.

**6. Interest and rent on land**

	Note	2021/22	2020/21
		R'000	R'000
Interest paid		3	-
<b>TOTAL</b>		<b>3</b>	<b>-</b>

Interest charged by GPAA for late payment.

**7. Payments for financial assets**

	Note	2021/22	2020/21
		R'000	R'000
Debts written off	7.1	5	-
<b>TOTAL</b>		<b>5</b>	<b>-</b>

Bursary debt of a former employee approved for write-off by DG.

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 7.1 Debts written off

	Note	2021/22	2020/21
		R'000	R'000
<b>Nature of debts written off</b>			
Other debt written off			
Bursary Debt		5	-
<b>TOTAL</b>		<b>5</b>	<b>-</b>
<b>TOTAL DEBT WRITTEN OFF</b>		<b>5</b>	<b>-</b>

## 8. Transfers and subsidies

	Note	2021/22	2020/21
		R'000	R'000
Departmental agencies and accounts	Annexure 1A	841 961	834 381
Public corporations and private enterprises	Annexure 1B	1 549 014	1 225 455
Non-profit institutions	Annexure 1C	5 414	1 238
Households	Annexure 1D	1 197	557
<b>TOTAL</b>		<b>2 397 586</b>	<b>2 061 631</b>

Transfers to Seda, **sefa** and DSBD internally administered interventions i.e. CDSP and BBSDP; and leave discounting for ex-employees.

## 9. Expenditure for capital assets

	Note	2021/22	2020/21
		R'000	R'000
<b>Tangible assets</b>		<b>3 238</b>	<b>3 907</b>
Machinery and equipment	28	3 238	3 907
<b>Intangible assets</b>		<b>2 489</b>	<b>-</b>
Software	29	2 489	-
<b>TOTAL</b>		<b>5 727</b>	<b>3 907</b>

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 9.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>3 238</b>	-	<b>3 238</b>
Machinery and equipment	3 238	-	3 238
<b>Intangible assets</b>	<b>12</b>	<b>2 477</b>	<b>2 489</b>
Software	12	2 477	2 489
<b>TOTAL</b>	<b>3 250</b>	<b>2 477</b>	<b>5 727</b>

Software procured by DALRRD through EDSE funds (R2.5 million)

## 9.2 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>3 907</b>	-	<b>3 907</b>
Machinery and equipment	3 907	-	3 907
<b>TOTAL</b>	<b>3 907</b>	-	<b>3 907</b>

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

	Note	2021/22	2020/21
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment		1 393	2 547
<b>TOTAL</b>		<b>1 393</b>	<b>2 547</b>

## 10. Cash and cash equivalents

	Note	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General Account		23 086	18 734
Disbursements		-	294
Cash on hand		66	66
<b>TOTAL</b>		<b>23 152</b>	<b>19 094</b>

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 11. Prepayments and advances

	Note	2021/22	2020/21
		R'000	R'000
Travel and subsistence		5	-
Prepayments (Not expensed)	11.2	47	48
Advances paid (Not expensed)	11.1	12 699	-
<b>TOTAL</b>		<b>12 751</b>	<b>48</b>

Advances to DALRRD for the EDSE project; DIRCO for facilitation of official foreign trips; Multichoice TV subscription and an advance for official travel.

## 11.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2022
	11	R'000	R'000	R'000	R'000	R'000
<b>Advances paid (not expensed)</b>						
National departments		-	-	-	12 699	12 699
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>12 699</b>	<b>12 699</b>

Advances to DALRRD (R12.2 million) for the EDSE project and to DIRCO R500 thousand) to facilitate foreign official trips.

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
	11	R'000	R'000	R'000	R'000	R'000
<b>Advances paid (not expensed)</b>						
National departments		259	(259)	-	-	-
Public entities		7 843	(7 843)	-	-	-
<b>TOTAL</b>		<b>8 102</b>	<b>(8 102)</b>	<b>-</b>	<b>-</b>	<b>-</b>



Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 11.2 Prepayments (Not expensed)

	Note	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2022
	11	R'000	R'000	R'000	R'000	R'000
Goods and services		48	(63)	-	62	47
<b>TOTAL</b>		<b>48</b>	<b>(63)</b>	<b>-</b>	<b>62</b>	<b>47</b>

Advance to Multichoice for DSTV subscription which is being expensed monthly.

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
	11	R'000	R'000	R'000	R'000	R'000
<b>Prepayments not expensed</b>						
Goods and services		26	(33)	-	55	48
<b>TOTAL</b>		<b>26</b>	<b>(33)</b>	<b>-</b>	<b>55</b>	<b>48</b>

## 12. Receivables

	Note	2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	4	2	6	84	-	84
Recoverable expenditure	12.2	4	-	4	16	-	16
Staff debt	12.3	3	93	96	5	98	103
Fruitless and wasteful expenditure	12.5	-	-	-	1	-	1
Other receivables	12.4	72	2 201	2 273	-	2 112	2 112
<b>TOTAL</b>		<b>83</b>	<b>2 296</b>	<b>2 379</b>	<b>106</b>	<b>2 210</b>	<b>2 316</b>

Department of Small Business Development – Vote 36

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

**12.1 Claims recoverable**

	Note	2021/22	2020/21
	12	R'000	R'000
National departments		2	78
Provincial departments		4	6
<b>TOTAL</b>		<b>6</b>	<b>84</b>

Claims for officials transferred to SAPS (R2k) and GP: Social Development (R4K)

**12.2 Recoverable expenditure (disallowance accounts)**

	Note	2021/22	2020/21
	12	R'000	R'000
(Group major categories, but list material items)			
Sal: Tax Debt		-	10
Sal: Reversal Account		4	6
<b>TOTAL</b>		<b>4</b>	<b>16</b>

**12.3 Staff debt**

	Note	2021/22	2020/21
	12	R'000	R'000
Salary overpayment		71	69
Tax debt		22	21
Cell phone debt		-	8
Bursary debt		-	5
Unauthorised travel debt		3	-
<b>TOTAL</b>		<b>96</b>	<b>103</b>

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 12.4 Other receivables

	Note	2021/22	2020/21
	12	R'000	R'000
(Group major categories, but list material items)			
Grants incentives overpayments or non-performance		2 201	2 112
Bursary overpayment		72	-
<b>TOTAL</b>		<b>2 273</b>	<b>2 112</b>

Balance owing from overpayments to service providers related to the CIS and BBSDP; Legal Services is facilitating to have the debts transferred back to **the dtic** or be written off

## 12.5 Fruitless and wasteful expenditure

	Note	2021/22	2020/21
	12	R'000	R'000
Opening balance		1	
Less amounts recovered		(1)	
Transfers from note 32 Fruitless and Wasteful Expenditure		-	1
<b>TOTAL</b>		<b>-</b>	<b>1</b>

## 12.6 Impairment of receivables

	Note	2021/22	2020/21
		R'000	R'000
Estimate of impairment of receivables		2 201	2 112
<b>TOTAL</b>		<b>2 201</b>	<b>2 112</b>

Balance owing from overpayments to service providers related to the CIS and BBSDP; Legal Services is facilitating to have the debts transferred back to **the dtic** or be written off

Department of Small Business Development – Vote 36

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

**13. Voted funds to be surrendered to the Revenue Fund**

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		18 608	27 556
Prior period error			
As restated		18 608	27 556
Transfer from statement of financial performance (as restated)		23 845	28 608
Voted funds not requested/not received	1.1	(10 000)	(10 000)
Paid during the year		(18 608)	(27 556)
<b>CLOSING BALANCE</b>		<b>13 845</b>	<b>18 608</b>

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

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		3	3
Prior period error			-
As restated		3	3
Transfer from Statement of Financial Performance (as restated)		144	300
Paid during the year		(119)	(300)
<b>CLOSING BALANCE</b>		<b>28</b>	<b>3</b>

**15. Payables – current**

	Note	2021/22	2020/21
		R'000	R'000
Clearing accounts	15.1	144	560
<b>TOTAL</b>		<b>144</b>	<b>560</b>

Sal: Income Tax and Sal: GEHS Refund.

Department of Small Business Development – Vote 36

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2022

**15.1 Clearing accounts**

	Note	2021/22	2020/21
	15	R'000	R'000
Description			
Sal: Pension Fund		-	22
Sal: Income Tax		26	538
Sal: GEHS Refund		118	-
<b>TOTAL</b>		<b>144</b>	<b>560</b>

**16. Net cash flow available from operating activities**

	Note	2021/22	2020/21
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		46 119	29 071
Add back non-cash/cash movements not deemed operating activities		(36 332)	(29 619)
(Increase)/decrease in receivables		23	(74)
(Increase)/decrease in prepayments and advances		(12 703)	8 087
Increase/(decrease) in payables – current		(416)	407
Proceeds from sale of capital assets		-	(121)
Expenditure on capital assets		5 727	3 907
Surrenders to Revenue Fund		(18 727)	(27 856)
Surrenders to RDP Fund/Donor		(236)	(3 969)
Voted funds not requested/not received		(10 000)	(10 000)
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES</b>		<b>9 787</b>	<b>(548)</b>

**17. Reconciliation of cash and cash equivalents for cash flow purposes**

	Note	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General account		23 086	18 734
Disbursements		-	294
Cash on hand		66	66
<b>TOTAL</b>		<b>23 152</b>	<b>19 094</b>

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 18. Contingent liabilities and contingent assets

## 18.1 Contingent liabilities

	Note	2021/22	2020/21
		R'000	R'000
<b>Liable to</b>	<b>Nature</b>		
Claims against the department	Annex 2	590	-
<b>TOTAL</b>		<b>590</b>	<b>-</b>

Claim against the Department for unfair labour practice.

## 18.2 Contingent assets

	Note	2021/22	2020/21
		R'000	R'000
<b>Nature of contingent asset</b>			
BBSDP Incentives		245	245
CIS Incentives		201	201
<b>TOTAL</b>		<b>446</b>	<b>446</b>

**BBSDP:**

Litigation matters inherited from **the dtic** (2016) where recovery processes were instituted against companies for fraudulent claims and benefits.

Fraudulent claims worth R315 thousand reported during the 2017/18 financial year the State Attorney is assisting the Department with the recovery process.

**CIS:**

The supplier was approved by the CIS adjudication Committee for the value of R201 thousand but failed to deliver the equipment. Legal Unit is handling the recovery process.

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 19. Capital commitments

	Note	2021/22	2020/21
		R'000	R'000
Machinery and equipment		1 118	6
<b>TOTAL</b>		<b>1 118</b>	<b>6</b>

Desktops and laptops

## 20. Accruals and payables not recognised

## 20.1 Accruals

	2021/22			2020/21
	R'000	R'000	R'000	R'000
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	2 378	709	3 086	1 876
Capital assets	12	-	12	25
<b>TOTAL</b>	<b>2 389</b>	<b>709</b>	<b>3 098</b>	<b>1 901</b>

	Note	2021/22	2020/21
		R'000	R'000
<b>Listed by programme level</b>			
Administration		2 210	1 544
Sector and Market Development		404	55
Development Finance		204	131
Enterprise Development		281	171
<b>TOTAL</b>		<b>3 098</b>	<b>1 901</b>

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 21. Employee benefits

	Note	2021/22	2020/21
		R'000	R'000
Leave entitlement		7 759	9 103
Service bonus		3 131	3 199
Performance awards		-	753
Capped leave		769	752
Other		11	-
<b>TOTAL</b>		<b>11 671</b>	<b>13 807</b>

Contracts, interns, and ex-employees were paid out leave discounting and previous leave cycle wasn't extended.

## 22. Lease commitments

## 22.1 Operating leases

2021/22	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	-	-	9 500	-	9 500
Later than 1 year and not later than 5 years	-	-	1 653	-	1 653
Later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>11 153</b>	<b>-</b>	<b>11 153</b>

2020/21	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	-	-	4 292	-	4 292
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>4 292</b>	<b>-</b>	<b>4 292</b>

DPWI lease contract for block G, and **the dtic** lease contract for block A expire on 31 May 2023.



Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 22.2 Finance leases \*\*

2021/22	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	-	-	-	845	845
Later than 1 year and not later than 5 years	-	-	-	542	542
Later than 5 years	-	-	-	-	-
<b>TOTAL LEASE COMMITMENTS</b>	-	-	-	<b>1 387</b>	<b>1 387</b>

2020/21	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	-	-	-	1 119	1 119
Later than 1 year and not later than 5 years	-	-	-	23	23
Later than 5 years	-	-	-	-	-
<b>TOTAL LEASE COMMITMENTS</b>	-	-	-	<b>1 142</b>	<b>1 142</b>

Vodacom for cell phone and data contract as well as the photocopier machine contract with Minolta.

## 23. Irregular expenditure

## 23.1 Reconciliation of irregular expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		1 570	217
Prior period error			-
As restated		1 570	217
Add: Irregular expenditure – relating to prior year		-	117
Add: Irregular expenditure – relating to current year		-	1 347
Less: Prior year amounts condoned	23.2	(1 464)	(111)
Less: Amounts written off	23.3	(106)	-
<b>CLOSING BALANCE</b>		<b>-</b>	<b>1 570</b>

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
<b>Analysis of closing balance</b>			
Current year		-	1 464
Prior years		-	106
<b>TOTAL</b>		-	<b>1 570</b>

## 23.2 Details of irregular expenditure condoned

		2021/22
		R'000
<b>Incident</b>	<b>Condoned by (relevant authority)</b>	
2020/2021: Appointing a service provider whose rate was above the prescribed rate for conference venues without prior approval from National Treasury	National Treasury	4
2020/2021: Appointment of gFleet without NT's approval for deviation	National Treasury	1 460
<b>TOTAL</b>		<b>1 464</b>

## 23.3 Details of irregular expenditures written off (irrecoverable)

	2021/22
	R'000
<b>Incident</b>	
2019/2020: Legal services costs incurred through the State Attorney without following the normal procurement processes	106
<b>TOTAL</b>	<b>106</b>

## 23.4 Details of irregular expenditures under assessment (not included in the main note)

	2021/22
	R'000
<b>Incident</b>	
Service rendered on Product Market on contract that was incorrectly awarded	336
<b>TOTAL</b>	<b>336</b>

Department of Small Business Development – Vote 36

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 24. Fruitless and wasteful expenditure

### 24.1 Reconciliation of fruitless and wasteful expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		14	14
Prior period error			-
As restated		14	14
Fruitless and wasteful expenditure – relating to current year	24.2	6	1
Less: Amounts recoverable		-	(1)
Less: Amounts written off	24.4	(17)	-
<b>CLOSING BALANCE</b>		<b>3</b>	<b>14</b>

### 24.2 Details of current and prior year fruitless and wasteful expenditure - added current year

		2021/22
		R'000
Incident	Disciplinary steps taken/criminal proceedings	
Employee missed a flight and forfeited the ticket	Money to be recovered from the employee	3
Interest charged and paid to GEPP for late payment	Money written off	3
<b>TOTAL</b>		<b>6</b>

### 24.3 Details of fruitless and wasteful expenditure recoverable

		2021/22
		R'000
Incident		
Employee missed a flight and forfeited the ticket. The accounting officer approved write-off, debt not yet taken on.		3
<b>TOTAL</b>		<b>3</b>

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 24.4 Details of fruitless and wasteful expenditure written off

	2021/22
	R'000
<b>Incident</b>	
Interest charged and paid to GEPP for late payment.	3
Telkom line that was not closed on time when the former DG retired.	14
<b>TOTAL</b>	<b>17</b>

## 25. Related party transactions

DSBD has oversight responsibility over the following public and trading entities:

- Small Enterprise Development Agency (Seda)
- Small Enterprise Finance Agency (**sefa**)
- Transfers to **sefa** are still done by the Department of Trade Industry and Competition (**the dtic**)

Transfers to **sefa** are still done by the Department of Trade Industry and Competition (**the dtic**). **sefa** provides financial support to SMEs in the form of loans. All transactions were at arm's length.

## 26. Key management personnel

	<i>No. of Individuals</i>	2021/22	2020/21
		R'000	R'000
Political office bearers (provide detail below)	4	4 378	4 379
Officials:			-
Levels 15 to 16	4	5 767	3 018
Level 14 (incl.CFO if at lower level)	10	9 423	8 715
<b>TOTAL</b>		<b>19 567</b>	<b>16 112</b>

Appointment of Minister's advisors contributed to the increase in levels 15 and 16

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 27. Provisions

	Note	2021/22	2020/21
		R'000	R'000
Cooperative Incentives Scheme		-	10 281
Black Business Supplier Development Programme (BBSDP)		-	11 913
SEIF (Product markets)		55 923	-
<b>TOTAL</b>		<b>55 923</b>	<b>22 194</b>

CIS and BBSDP have been discontinued. (Shared Economic Infrastructure Fund) Product Markets to be processed once the set milestones are met.

## 27.1 Reconciliation of movement in provisions – 2021/22

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	10 281	13 975	-	24 256
Opening balance as originally stated		11 913		
Prior period error		2 062		
Increase in provision	340	-	85 988	86 328
Settlement of provision	(13 020)	(20 000)	(30 065)	(63 085)
Unused amount reversed	(1 994)	(10 645)	-	(12 639)
Reimbursement expected from third party		-	-	-
Change in provision due to change in estimation of inputs	4 393	16 670	-	21 063
<b>CLOSING BALANCE</b>	<b>-</b>	<b>-</b>	<b>55 923</b>	<b>55 923</b>

CIS and BBSDP have been discontinued. (Shared Economic Infrastructure Fund) Product Markets to be processed once the set milestones are met.

BBSDP opening balance adjusted up by R2.062 million from R11.913 to R13.975 million due to projects incorrectly cancelled on the 2020/21 BBSDP annual reconciliation.

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 27.2 Reconciliation of movement in provisions – 2020/21

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	43 743	80 871	-	124 614
Increase in provision	-	-	-	-
Settlement of provision	(30 610)	(27 572)	-	(58 183)
Unused amount reversed	(7 082)	(9 492)	-	(66 574)
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	4 230	18 107	-	22 337
<b>CLOSING BALANCE</b>	<b>10 281</b>	<b>11 913</b>	<b>-</b>	<b>22 194</b>

## 28. Movable Tangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>16 494</b>	<b>-</b>	<b>5 397</b>	<b>4 191</b>	<b>17 700</b>
Transport assets	2 361	-	2 663	726	4 298
Computer equipment	7 290	-	357	1 503	6 144
Furniture and office equipment	3 265	-	-	56	3 209
Other machinery and equipment	3 578	-	2 377	1 906	4 049
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>16 494</b>	<b>-</b>	<b>5 397</b>	<b>4 191</b>	<b>17 700</b>

## Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	6	100

Assets reported as lost or stolen, awaiting the appointment of a Security Manager.

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 28.1 Movement for 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>17 474</b>	-	<b>1 948</b>	<b>(2 928)</b>	<b>16 494</b>
Transport assets	3 217	-	-	(856)	2 361
Computer equipment	6 641	-	1 195	(546)	7 290
Furniture and office equipment	3 921	-	656	(1 312)	3 265
Other machinery and equipment	3 694	-	98	(215)	3 578
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>17 474</b>	-	<b>1 948</b>	<b>(2 928)</b>	<b>16 494</b>

## 28.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	1 363	-	1 363
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	21	-	21
Disposals	-	-	-	(340)	-	340
<b>TOTAL MINOR ASSETS</b>	-	-	-	<b>1 044</b>	-	<b>1 044</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	452	-	-
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	-	-	<b>452</b>	-	-

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 28.3 Minor Assets under investigation

	Number	Value
		R'000
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	1	3

Assets reported as lost or stolen, awaiting the appointment of a Security Manager.

## 28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	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	-	-	-	1 181	-	1 181
Prior period error	-	-	-	-	-	-
Additions	-	-	-	216	-	216
Disposals	-	-	-	(34)	-	34
<b>TOTAL MINOR ASSETS</b>	-	-	-	<b>1 363</b>	-	<b>1 363</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	488	-	488
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	-	-	<b>488</b>	-	<b>488</b>



Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## 28.5 Movable assets written off

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	196	-	196
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	196	-	196

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	314	-	314
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	314	-	314

## 29. Intangible Capital Assets

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

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Software	2 952	2 489	(2 477)	2 964
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	2 952	2 489	(2 477)	2 964

## 29.1 Movement for 2020/21

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	2 952	-	-	-	2 952
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	2 952	-	-	-	2 952

Department of Small Business Development – Vote 36

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

**30. Prior period errors****30.1 Liabilities: (Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)**

	Note	2020/21		
		Amount before error correction	Prior period error	Restated amount
	37	R'000	R'000	R'000
Provisions (BBSDP)		11 913	2 062	13 975
<b>TOTAL</b>		<b>11 913</b>	<b>2 062</b>	<b>13 975</b>

BBSDP opening balance adjusted up by R2.062 million from R11.913 to R13.975 million due to projects incorrectly cancelled on the 2020/21 BBSDP annual reconciliation.

**31. COVID-19 Response Expenditure**

	Note	2021/22	2020/21
	Annexure 5	R'000	R'000
Compensation of employees		114	347
Goods and services		149	928
Transfers and subsidies		-	1 165 641
<b>TOTAL</b>		<b>263</b>	<b>1 166 916</b>

Salaries for temporary employees responsible of checking officials' temperature and manage the COVID-19 register, cleaning and decontaminating office buildings.

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 1A

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
DEPARTMENTAL AGENCY/ ACCOUNT	R'000	R'000	R'000	R'000	R'000	%	R'000
Seda Technology Programme	156 525	-	-	156 525	156 525	100%	158 408
Small Enterprise Development Agency	666 091	-	-	666 091	666 091	100%	650 005
Seda Capacity Building	15 874	-	-	15 874	15 874	100%	16 065
Dept Agency: COVID-19 Relief	-	-	-	-	-		9 903
Gauteng Province Tourism Authority	-	-	300	300	300	100%	-
Northern Cape Economic Development Agency	-	-	3 172	3 172	3 171	100%	-
<b>TOTAL</b>	<b>838 490</b>	<b>-</b>	<b>3 472</b>	<b>841 962</b>	<b>841 961</b>		<b>834 381</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 1B

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

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public Corporations</b>									
Transfers	1 435 899	-	50 030	1 485 929	1 485 929	100.0%	-	1 485 929	1 165 500
Industrial Development Corporation- <b>sefa</b>	1 435 899	-	47 980	1 483 879	1 483 879	100.0%	-	1 483 879	1 165 500
Limpopo Economic Development Agency	-	-	300	300	300	100.0%	-	300	-
Eastern Cape Development Corporation	-	-	1 450	1 450	1 450	100.0%	-	1 450	-
Free State Development Corporation	-	-	300	300	300	100.0%	-	300	-
<b>SUB TOTAL: PUBLIC CORPORATIONS</b>	<b>1 435 899</b>	<b>-</b>	<b>50 030</b>	<b>1 485 929</b>	<b>1 485 929</b>	<b>100.0%</b>	<b>-</b>	<b>1 485 929</b>	<b>1 165 500</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Private Enterprises</b>									
Transfers	134 381	-	(66 916)	67 465	63 085	93.5%	-	63 085	72 409
Black Business Supplier Development Programme (BBSDP)	20 000	-	-	20 000	20 000	100.0%	-	20 000	29 697
Cooperatives Development Support Programme (CDSP)	22 000	-	(8 980)	13 020	13 020	100.0%	-	13 020	41 454
National Informal Business Upliftment Scheme (NIBUS)	-	-	-	-	-	-	-	-	1 258
Product Markets	81 065	-	(47 000)	34 065	30 065	88.3%	-	30 065	-
Craft Customised Sector	11 316	-	(10 936)	380	-	-	-	-	-
Sub total: Private Enterprises	134 381	-	(66 916)	67 465	63 085	93.5%	-	63 085	72 409
<b>TOTAL</b>	<b>1 570 280</b>	<b>-</b>	<b>(16 886)</b>	<b>1 553 394</b>	<b>1 549 014</b>	<b>99.7%</b>	<b>-</b>	<b>1 549 014</b>	<b>1 237 909</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 1C

### STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
<b>NON-PROFIT INSTITUTIONS</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>
<b>Transfers</b>							
Cape Craft and Design Institute	-	-	2 707	2 707	2 707	100%	1 238
Bokone Craft Design Institute	-	-	2 707	2 707	2 707	100%	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>5 414</b>	<b>5 414</b>	<b>5 414</b>		<b>1 238</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 1D

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Households (HH)	447	-	814	1 261	1 197	95%	572
<b>TOTAL</b>	<b>447</b>	<b>-</b>	<b>814</b>	<b>1 261</b>	<b>1 197</b>	<b>95%</b>	<b>572</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 1E

### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
<b>Received in kind</b>			
Hub Incubator Nelspruit	Mobicel 7 Tablet	-	1
National Council of and for Persons with Disabilities	T-Shirts (18)	-	2
Ambassador of the USA	Whiskey and Fruitcake	-	1
Proudly South African	Gift pack from Proudly SÁ	-	1
Entrepreneurship Development in Higher Education	Portable Speaker	1	-
Implementing Agency (Seda)	Four-Wheel Hard-Shell Business carry bag	3	-
<b>TOTAL</b>		<b>4</b>	<b>5</b>



## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 1F

## STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	Opening Balance	Revenue	Expenditure	Paid Back on/by 31 March 2022	Closing Balance
		R'000	R'000	R'000	R'000	R'000
<b>Received in cash</b>						
European Union	The employment promotion through SMME's support programme	234	161 920	139 725	234	22 195
Local Government Sector Education and Training Authority (LGSETA)	Internship programme	67	-	65	2	-
<b>SUBTOTAL</b>		<b>301</b>	<b>161 920</b>	<b>139 790</b>	<b>236</b>	<b>22 195</b>
<b>TOTAL</b>		<b>301</b>	<b>161 920</b>	<b>139 790</b>	<b>236</b>	<b>22 195</b>

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 1G

### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2021/22	2020/21
	R'000	R'000
<b>Made in kind</b>		
Top Media & Communications (Pty) Ltd	24	-
<b>TOTAL</b>	<b>24</b>	<b>-</b>

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 2 A

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
NATURE OF LIABILITY	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Unfair labour practice	-	590	-	-	590
<b>SUB TOTAL</b>	-	590	-	-	590
<b>TOTAL</b>	-	590	-	-	590

	Opening balance 1 April 2021	Details of liability and recoverability	Movement during the year	Closing balance 31 March 2022
NATURE OF LIABILITIES RECOVERABLE	R'000		R'000	R'000
Not applicable	-	-	-	-
<b>TOTAL</b>	-	-	-	-

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 3A

### INTER-ENTITY ADVANCES PAID (note 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
<b>National Departments</b>						
Department of International Relations and Cooperation	-	-	500	-	500	-
Department of Agriculture, Land Reform and Rural Development	-	-	12 199	-	12 199	-
<b>SUBTOTAL</b>	-	-	<b>12 699</b>	-	<b>12 699</b>	-
<b>TOTAL</b>	-	-	<b>12 699</b>	-	<b>12 699</b>	-

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

## ANNEXURE 4

## COVID-19 RESPONSE EXPENDITURE

Per quarter and in total

	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
EXPENDITURE PER ECONOMIC CLASSIFICATION	R'000	R'000	R'000	R'000	R'000	R'000
<b>Compensation of employees</b>	114	-	-	-	114	347
<b>Goods and services</b>	-	68	41	40	149	928
List all applicable SCOA level 4 items						
Advertising	-	-	-	-	-	33
Cons supplies	-	-	-	-	-	340
Cons: Stationery, printing and office supplies	-	-	-	-	-	3
Property payments	-	68	41	40	149	551
Travel and subsistence	-	-	-	-	-	1
<b>Transfers and subsidies</b>	-	-	-	-	-	1 165 641
List all applicable SCOA level 4 items						
Transfers and subsidies: Public corporations and private companies	-	-	-	-	-	1 154 500
Transfers and subsidies: Departmental Agencies	-	-	-	-	-	9 903
NPI: COVID-19 relief	-	-	-	-	-	1 238
<b>TOTAL COVID-19 RESPONSE EXPENDITURE</b>	<b>114</b>	<b>68</b>	<b>41</b>	<b>40</b>	<b>263</b>	<b>1 166 916</b>

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**RP303/2022**

**ISBN: 978-0-621-50673-0**

