

*Tuesday, 1 October 2019]*

No 72 – 2019] FIRST SESSION, SIXTH PARLIAMENT

**PARLIAMENT  
OF THE  
REPUBLIC OF SOUTH AFRICA**

**ANNOUNCEMENTS, TABLINGS AND COMMITTEE  
REPORTS**

TUESDAY, 1 OCTOBER 2019

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**National Assembly and National Council of Provinces**

**1. The Minister of Public Enterprises**

- (a) Report and Financial Statements of Denel SOC Limited for 2018-19, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2018-19.

**2. The Minister of Tourism**

- (a) Report and Financial Statements of Vote 33 – Department of Tourism for 2018-19, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 33 for 2018-19.

## **National Assembly**

### **1. The Speaker**

- (a) Letter from the Minister of Public Enterprises dated 27 September 2019, to the Speaker of the National Assembly explaining the reasons for the delay in the submission of the Annual Reports of the South African Airways SOC Limited and South African Express SOC Limited (SA Express), for the 2018/19 financial year.

#### **LATE TABLING OF SOUTH AFRICAN AIRWAYS SOC LIMITED AND SOUTH AFRICAN EXPRESS SOC LIMITED ANNUAL REPORTS AND AUDITED ANNUAL FINANCIAL STATEMENTS**

In terms of Section 65(1) (a) and (2) of the Public Finance Management Act No.1 of 1999 (PFMA), as amended, I am required to table the annual reports, annual financial statements and audit report of those public entities, for which I am responsible, in Parliament within six months after the end of the financial year to which those statements relate.

In order to ensure that, as the Executive Authority, I am able to comply with this obligation, section 65(1) (d) read with section 55(3) of the PFMA require the accounting authority (Boards) of the above mentioned entities to submit to me, their annual report, including audited financial statements and audit report, five months after the end of the financial year.

The Boards of South African Airways SOC Limited (SAA) and South African Express Airways SOC Limited (SA Express) have not been able to finalise and submit the annual reports to me within the PFMA prescribed timelines. Both airlines are experiencing serious financial challenges and are unable to meet going concerns.

SAA Board has informed me that the newly appointed Interim CEO and the Interim CFO need more time to submit the required information for audit, to the Auditor General SA for the 2018/19 financial year. SAA, simultaneously, submitted a request to the Companies Tribunal, requesting an extension to hold its Annual General Meeting (AGM), in terms of section 61(7)(b) of the Companies Act, No. 71 of 2008, due to its inability to finalise the annual financial statements on a going concern basis. The Companies Tribunal has granted SAA an extension to hold its AGM by no later than the end of March 2020.

SA Express Board, due to financial constraints has been unable to finalise the annual

financial statements for 2018/19 financial year. Government remains committed to find a sustainable solution to the challenges facing the airlines.

I therefore wish to inform the Honourable Speaker that, in light of the above-mentioned situations, I am not in a position to table the SAA and SA Express's annual reports, the audited financial statements and the audit reports, for the 2018/19 financial year, by 30 September 2019. The annual financial statements will be tabled as soon as the going concern challenges are resolved.

Regards,

(signed)

**P J GORDHAN, MP**

**MINISTER**

**DATE: 27 SEPTEMBER 2019**

- (b) Letter from the Minister of Public Enterprises dated 27 September 2019, to the Speaker of the National Assembly explaining the reasons for the delay in the submission of the Annual Report and audited annual financial statements of Alexkor SOC LTD, for the 2018/19 financial year.

#### **LATE TABLING OF ALEKOR SOC LTD ANNUAL REPORT AND AUDITED ANNUAL FINANCIAL STATEMENTS**

In terms of Section 65(1) (a) and (2) of the Public Finance Management Act No. 1 of 1999 (PFMA), as amended, I am required to table the annual reports, annual financial statements and audit report of those public entities, for which I am responsible, in Parliament within six months after the end of the financial year to which those statements relate.

In order to ensure that, as the Executive Authority, I am able to comply with this obligation, section 65(1) (d) read with section 55(3) of the PFMA require the accounting authority (Board) of the above mentioned entity to submit to me, their annual report, including audited financial statements and audit report, five months after the end of the financial year.

The Board of Alexkor has not been able to finalise and submit the annual reports to me within the PFMA prescribed timelines. Alexkor is experiencing serious financial challenges that have delayed the finalisation of the financial statements.

Due to financial constraints, the Alexkor Board has been unable to finalise the annual financial statement for 2018/19 financial year. Government remains committed to find a sustainable solution to the challenges facing Alexkor.

I therefore wish to inform the Honourable Speaker that, in light of the above-mentioned situation, I am not in a position to table the annual report, the audited financial statements and the audit report for Alexkor, for the 2018/19 financial year

by 30 September 2019. The above documents will be tabled as soon as they are finalised.

Regards,

**P J GORDHAN, MP**

**MINISTER**

**DATE: 27 SEPTEMBER 2019**

- (c) Letter from the Minister of Cooperative Governance and Traditional Affairs dated 24 September 2019, to the Speaker of the National Assembly explaining the reasons for the delay in the submission of the Annual Report of the Department of Cooperative Governance, for the 2018/19 financial year.

**LATE SUBMISSION OF THE 2018/19 ANNUAL REPORT OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE TO PARLIAMENT**

The letter dated 30 August 2019 received from Parliament on the tabling of Annual Reports for Departments, Public Entities and Institutions for 2019, bears reference.

I hereby wish to, regrettably, inform you that I will not be able to comply with Section 65(2)(a) of the Public Financial Management Act (PFMA), as amended.

The Department of Cooperative Governance was unable to submit the 2018/19 Annual Financial Statements by 31 May 2019 to the National Treasury and the Auditor-General of South Africa, as prescribed in terms of 40 (1) (b) of the PFMA.

The main reason being the unavoidable actions that still had to be performed related to the Community Work Programme (CWP) assets, before the final adjustment and submission of the 2018/19 Annual Financial Statements.

The delayed submission of the 2018/19 Annual Financial Statements by the Department consequently impacted on the timeframe for the finalisation of the 2018/19 Audit process by the Auditor-General South Africa, in terms of Section 40(2) of the PFMA.

The Department has submitted the final set of 2018/19 Annual Financial Statements to the National Treasury and the Auditor-General of South Africa by the end of June 2019.

The Auditor-General of South Africa informed the Department in a communication dated 04 September 2019 that their audit report will only be available at the end of September 2019.

**LATE SUBMISSION OF THE 2018/19 ANNUAL REPORT OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE**

Therefore, since the 2018/19 audit process will only be completed at the end of September 2019, it is envisaged that the Department of Cooperative Governance will be able to table the signed-off 2018/19 Annual Report by November 2019.

Hoping that my request will receive your favourable consideration.

Yours sincerely,  
(signed)

**DR NKOSAZANA DIAMINI ZUMA, MP**

**MINISTER**

**DATE: 24/09/2019**

- (d) Letter from the Minister of Energy dated 23 September 2018, to the Speaker of the National Assembly request for an extension to table the Annual Report of the NECSA Group for the 2018/19 financial year.

**REQUEST FOR EXTENSION TO TABLE NECSA GROUP ANNUAL REPORT FOR THE 2018/19 FINANCIAL YEAR BY 31 OCTOBER 2019.**

Section 55(1) (d) of the Public Finance Management Act of 1999 (Act no. 1 of 1999) requires that a public entity must submit within five months of the end of the financial year to relevant treasury and executive authority responsible for the entity an annual report on activities of that entity during that financial year.

Section 65(1) of the PFMA also requires that the executive authority responsible for a department or public entity table in the National Assembly the annual report and annual financial statements within one month of the accounting officer or accounting authority for a public entity receiving the audit report.

NECSA Group will not be in a position to submit and table to Parliament its 2018/19 financial year Annual report as required by Section 55(1) d and 65 (1) of the Public Finance Management Act of 1999 (Act no. 1 of 1999).

NECSA group annual report will not be submitted within the required time frame due to a decision which was taken to extend the audit process until 30 September 2019. NECSA Board had requested for an extension to submit its Group draft Annual Financial Statement (AFS) to Auditor-General (AG) by 31 July 2019.

The AFS forms part of the Annual Report. The Minister of Department of Minerals Resources and Energy (DMRE) granted approval on 30 July 2019.

NECSA submitted its draft AFS to AGSA on 31 July 2019. AGSA will provide its final opinion within two months of the afore-mentioned date of submission. The annual report will be tabled in Parliament on the 31 October 2019. This is because NECSA need one month to prepare its group Annual Report after the effect date AGSA has expressed its audit opinion. A letter from NECSA Board requesting the Minister of Mineral Resources and Energy to table its 2018/19 annual report by 31 October 2019 is hereto marked Annexure A.

In the event that you require any further information and /or clarification don't hesitate to contact the Departmental Administration secretary, Ms. Linda Ganca on [Linda.Ganca@dmr.gov.za](mailto:Linda.Ganca@dmr.gov.za) or 012 444 3000.

Yours sincerely,

(signed)

**MR. S. G. MANTASHE, MP**  
**MINISTER OF MINERAL RESOURCES AND ENERGY (MDRE)**  
**DATE: 27 SEPTEMBER 2019**

- (e) Letter from the Minister of Higher Education, Science and Technology dated 27 September 2019, to the Speaker of the National Assembly explaining the delay in the tabling of the Annual Report of the National Student Financial Aid Scheme (NSFAS) for 2018/19.

**WRITTEN EXPLANATION FOR THE LATE SUBMISSION AND  
TABLING OF THE FINANCIAL YEAR 2018/19 ANNUAL REPORT FOR  
THE NATIONAL STUDENT FINANCIAL AID SCHEME (NSFAS) IN  
ACCORDANCE WITH SECTION 65(2)(a) OF THE PUBLIC FINANCE  
MANAGEMENT ACT, NO 1 OF 1999, AS AMENDED:**

The above matter has reference.

I write to inform Parliament that in terms of section 65(1)(a) of the Public Finance Management Act (PFMA), 1999 (Act no 01 of 1999), I am unable to submit the Annual Report and Audited Financial Statements of the National Student Financial Aid Scheme (NSFAS) for tabling in Parliament.

The Auditor-General informed the NSFAS of a material issue which requires further analysis and evaluation. This has an impact on the valuation of the NSFAS student loan book since 2014

The Auditor-General advised that it will inform NSFAS by 4 October 2019 as to what the remaining timelines will be for the completion of the audit, which is a prerequisite for the completion of the Annual Report for 2018/19.

The Annual Report and Financial Statements and the Audit Report on the material issue will be tabled as soon as the Office of the Auditor-General has finalised its Audit Report, and has provided a signed report.

Yours sincerely,

(Signed)

**DR B E NZIMANDE, MP**  
**MINISTER OF HIGHER EDUCATION, SCIENCE AND TECHNOLOGY**

## National Council of Provinces

### 1. The Chairperson

- (a) Letter from the Minister of Public Enterprises dated 27 September 2019, to the Chairperson of the National Council of Provinces explaining the reasons for the delay in the submission of the Annual Reports of the South African Airways SOC Limited and South African Express SOC Limited (SA Express), for the 2018/19 financial year.

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Regards,

(signed)

**P J GORDHAN, MP**

**MINISTER**

**DATE: 27 SEPTEMBER 2019**

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Regards,

**P J GORDHAN, MP**

**MINISTER**

**DATE: 27 SEPTEMBER 2019**

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