

“Always Stretching Our Arm, to Accelerate Service Delivery”

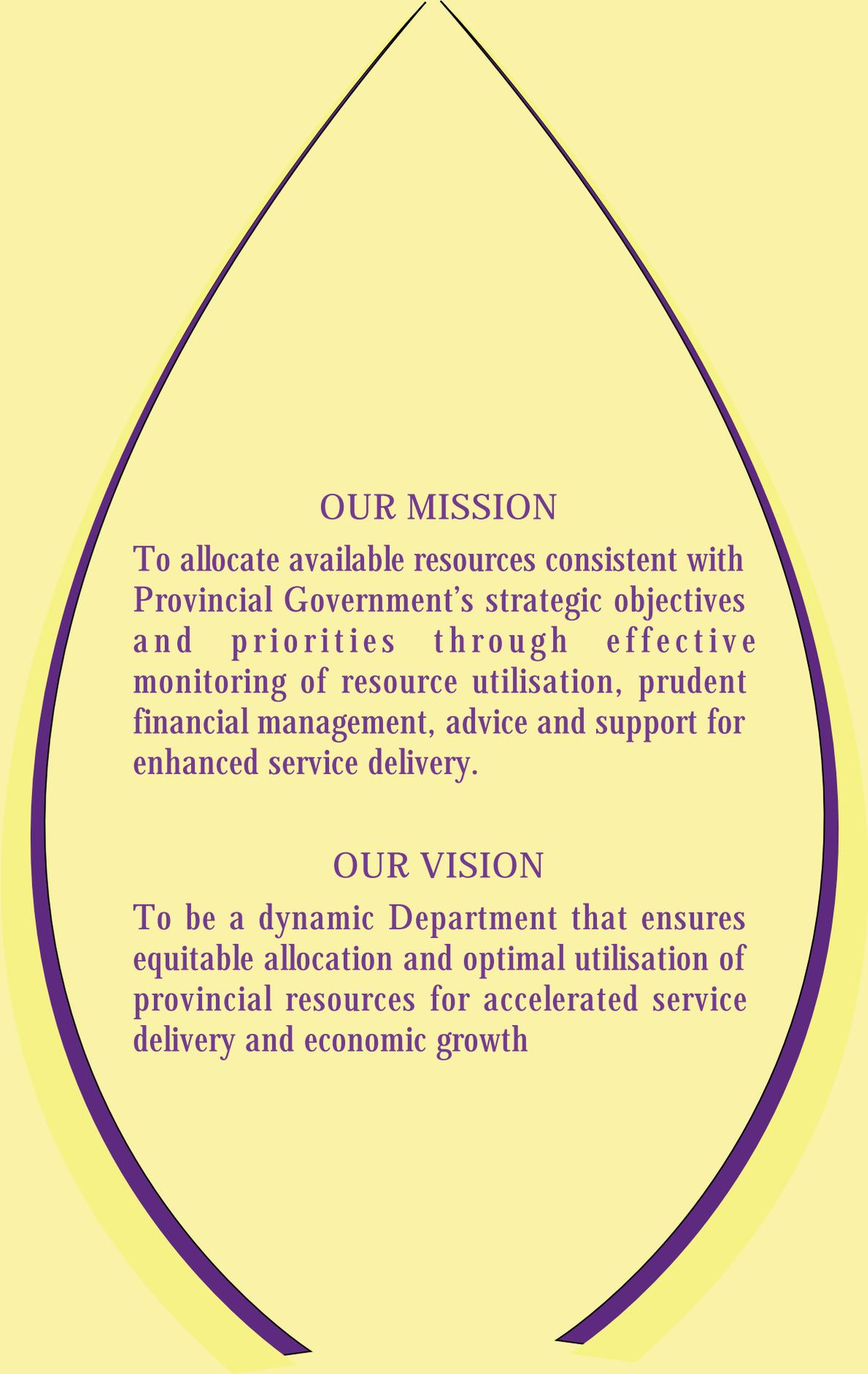


finance

DEPARTMENT: FINANCE
MPUMALANGA
PROVINCIAL GOVERNMENT

ANNUAL REPORT

2006 - 2007



OUR MISSION

To allocate available resources consistent with Provincial Government's strategic objectives and priorities through effective monitoring of resource utilisation, prudent financial management, advice and support for enhanced service delivery.

OUR VISION

To be a dynamic Department that ensures equitable allocation and optimal utilisation of provincial resources for accelerated service delivery and economic growth

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**ANNUAL REPORT:
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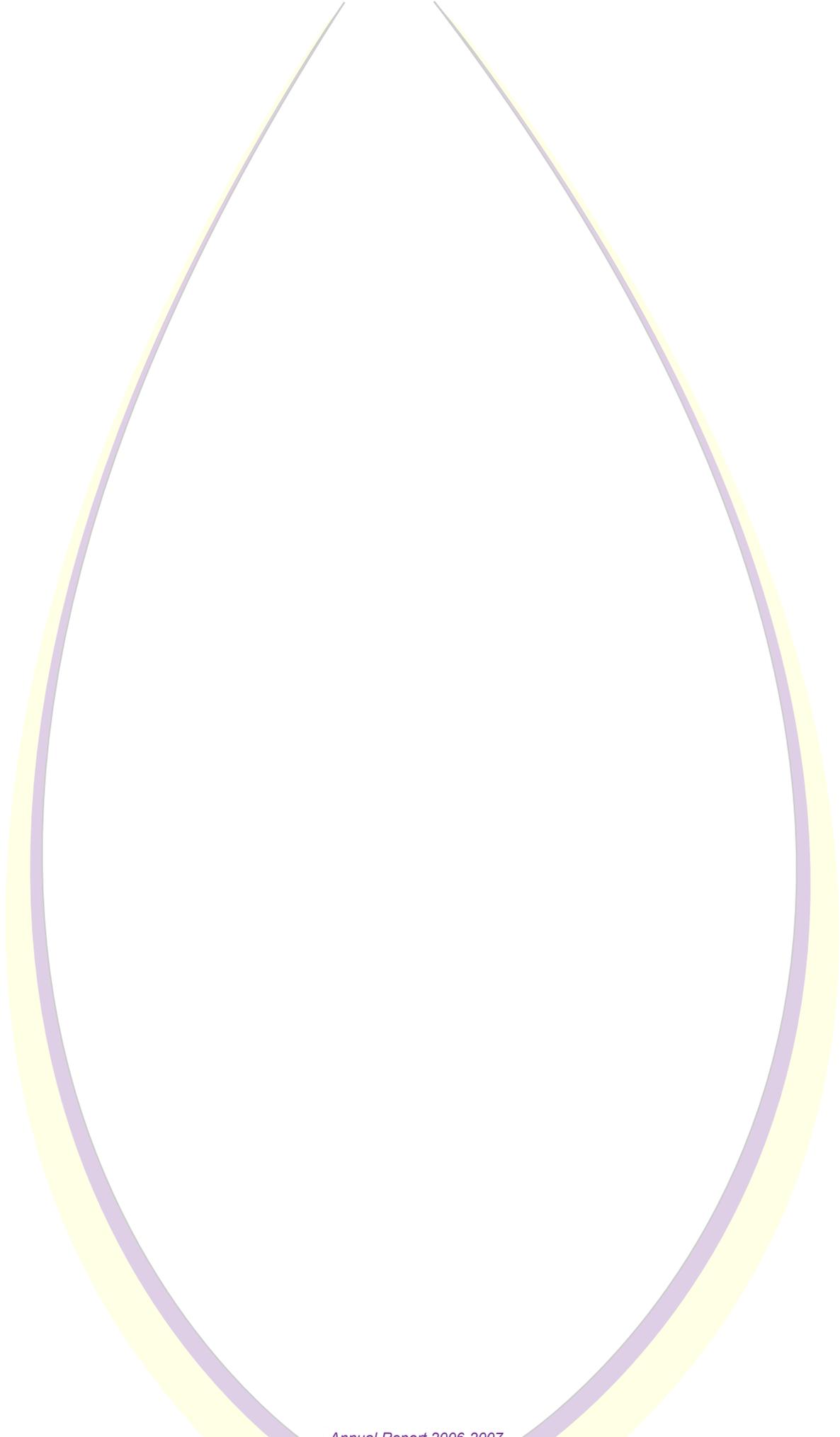
PART 1:

**GENERAL
INFORMATION**



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PART 1: GENERAL INFORMATION

1.1 Submission of the Annual Report to the Executing Authority

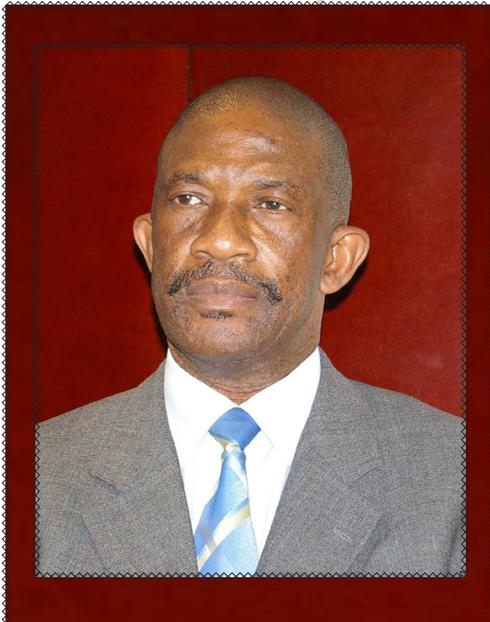
I, Rabeng Sophney Tshukudu, the Accounting Officer of the Department of Finance have the honour of submitting the 2006/2007 Annual Report on the work of the Department of Finance in terms of the Public Finance Management Act, 1999, to the Executing Authority, Mrs E.M Coleman.

Accounting Officer

Date: 28 September 2007



1.2 INTRODUCTION BY THE HEAD OF DEPARTMENT



MR R.S. TSHUKUDU
HEAD OF DEPARTMENT

During the financial year under review, we continued to ensure compliance by Departments in relation to all governing Acts, regulations and prescripts. We also attended to the emphasis of matter as raised by the Auditor General in the audit report of the 2005/2006 financial year. The matter was that "an updated asset register could not be obtained." I'm pleased to announce that the Department now has an updated asset register.

We were able to reduce our vacancy rate from 25, 8% (as was reported in the 2005/2006 Annual Report) to 14%. As reported previously, the challenge in filling positions especially from the middle management level, was because we had to conduct competency assessments. However we have overcome the problem by planning the interviews in such a way that we conduct the assessments a day after holding the interviews. This type of planning has now reduced our turn-around time in terms of appointments. We believe the vacancy rate of 14% could have been even lower had it not been because of a large number of staff resignations or transfers on promotion to other Departments.

We also undertook a strategic planning review session, and identified the need to restructure our organisation for improved service delivery. The proposed new structure has been developed and awaiting approval and will be implemented in the 2007/2008 financial year.

By the end of March 2007, we had spent 98, 6% of our allocated budget of R133, 741 million. The unspent 1, 4% is due to the positions that have not been filled.

Following the introduction of the Public Private Partnership (PPP) Unit in the previous financial year, the department was able to develop the Provincial framework and policy for PPPs and had it approved by the Executive Council. This will guide the Provincial Government Departments on the process to be followed to identify and register PPP projects that will benefit the province.

The Department has continued to assist municipalities delegated to it by the Minister of Finance. Some municipalities have been able to update their books of account and submit them for audit. This was made possible by the additional capacity the Department deployed to those municipalities identified as in need.

1.3 Information on the Ministry

- Prepare and manage the Provincial budget;
- Enforce uniform treasury norms and standards (as prescribed by the National Treasury and the Public Finance Management Act (PFMA) Act 1 of 1999 (as amended by Act 29 of 1999);
- Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of Provincial Departments and Provincial Entities; and
- Ensure that provincial fiscal policies do not materially and unreasonably prejudice national economic policies.

Institutions reporting to the Executive Authority:

None

Bills submitted to the Legislature during the Financial Year (2006-2007):

- Mpumalanga Appropriation Bill, 2006
- Mpumalanga Adjustment Appropriation Bill, 2006
- Mpumalanga Appropriation Bill, 2006



Ministerial visits abroad

Place	Date	Purpose
Province of Alberta, Canada	24 – 28 July 2006	Fact-finding mission by Committees of the Executive Council to look at ways to green the Province
Singapore	15 – 21 September 2006	Attending meetings of the IMF and the World Bank at the invitation of the Minister of Finance
Maputo, Mozambique	09 – 10 March 2007	Representing the Premier during the commemoration of the murder of 16 South Africans who were killed in Maputo in 1981.

1.4 Mission Statement

The Mission Statement of the Department is: “To allocate available resources consistent with Provincial Government’s strategic objectives and priorities through effective monitoring of resource utilisation, prudent financial management, advice and support for enhanced service delivery”.

The Vision of the Department is: “To be a dynamic Department that ensures equitable allocation and optimal utilisation of provincial resources for accelerated service delivery and economic growth”.

Our Values

- **Dedication:** We commit to perform our tasks in a dedicated manner to ensure speech delivery of services;
- **Transparency:** We commit to render our services in a transparent manner and to ensure that we consult with all stakeholders;
- **Excellence:** We commit to execute our mandate in an excellent manner and with minimal mistakes;
- **Integrity:** We commit to apply rules and procedures of the Department and general conduct of all officials in a consistent, fair and just manner;
- **Honesty:** We commit all staff and management to conduct themselves with honesty and trustworthiness;
- **Fairness:** We commit to conduct business in a fair manner;
- **Commitment:** We commit to perform in terms of our Departmental service standards and guiding legislation.

1.5 LEGISLATIVE MANDATE

The Department derives its mandate from the following legislations:

- **The Constitution of the Republic of South Africa Act, 1996**

The Constitution provides a framework for the improvement of the quality of life of all citizens. It does so by enshrining the rights of all people which have to be respected, protected and promoted and fulfilled by the State. To enable the State to fulfill the rights of individuals, resources, especially financial resources, must be made available.

- **Public Finance Management Act, 1999 (Act 1 of 1999)**

This Act prescribes measures to ensure transparency and expenditure control in the National and Provincial spheres of Government and it sets operational procedures for borrowing, guarantees, procurement and oversight over the Provincial Revenue Fund.

- **Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)**

This Act sets out the responsibilities of the Provincial Treasury with regard to local Government finances and fiscal powers as delegated to it by National Treasury.

- **Annual Division of Revenue Act**

This Act provide for the equitable division of revenue anticipated to be raised nationally among the National, Provincial and Local spheres of Government every financial year, and it further sets out the responsibilities of the Provincial sphere of Government pursuant to such division.

- **Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)**

This Act sets out the process for the sharing of revenue raised nationally among National, Provincial and Local spheres of Government, as well as the allocation of money to the Provincial Government.

- **Mpumalanga Appropriation Act, 2006**

This Act sets out the process for the sharing of revenue raised nationally among National, Provincial and Local spheres of Government, as well as the allocation of money to the Provincial Government.

- **Mpumalanga Adjustment Appropriation Act, 2006**

The Act provides for the appropriation of additional money for the requirements of the Mpumalanga Province in respect of the financial year ending 31 March 2007 (2006/2007).



- **Mpumalanga Finance Matters Act, 2006**

This Act provides for the procedure to amend a Money Bill, funds to be utilised in emergency situations to be a direct charge against the Provincial Revenue Fund; to provide for provincial expenditure before the annual provincial budget has been passed; and to provide for the repeal of the Mpumalanga Exchequer Act, 1994.

- **Mpumalanga Appropriation Act, 2007**

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in the 2007/2008 financial year; and to provide for subordinate matters incidental thereto.

- **State Information Technology Agency Act, 1998 (Act 8 of 1998)**

This Act has established an institution that is responsible for the State's information technology system.

- **Protected Disclosures Act, 2000 (Act 26 of 2000)**

This Act assists to deter and detect wrongdoing in the workplace by providing an early warning mechanism to prevent impropriety and corruption in the public sector. It makes provisions for procedures in terms of which employees in the public sector who disclose information of unlawful or corrupt conduct by their employers or fellow employees are protected from occupational detriment.

- **Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004)**

This Act provides for an overall anti-corruption strategy and makes provisions for the strengthening of measures to prevent and combat corruption and corrupt activities.

- **Mpumalanga Gambling Act, 1995 (Act 5 of 1995)**

This Act provides, amongst others, for the control of gaming activities within the Province in so far as the granting of licences and payment of levies is concerned.

- **Occupational Health and Safety Act, 1993 (Act 85 of 1993)**

This Act provides health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work, against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

- **Control of Access to Public and Vehicles Act, 1985 (Act 53 of 1985)**

This Act provides for an overall anti-corruption strategy and makes provisions for the strengthening of measures to prevent and combat corruption and corrupt activities.

- **Electronic Communications Security (Pty) Ltd Act, 2002 (Act 68 of 2002)**

This Act provides for the establishment of a company that will provide electronic communications security products and services to organs of the state; and to provide for matters connected therewith.

- **National Archives of South Africa Act, 1996 (Act 43 of 1996)**

This Act provides for the establishment of the National Archives and Record Service; the proper management and care of the records of governmental bodies; and the preservation and use of a national archival heritage; and to provide for matters connected therewith.

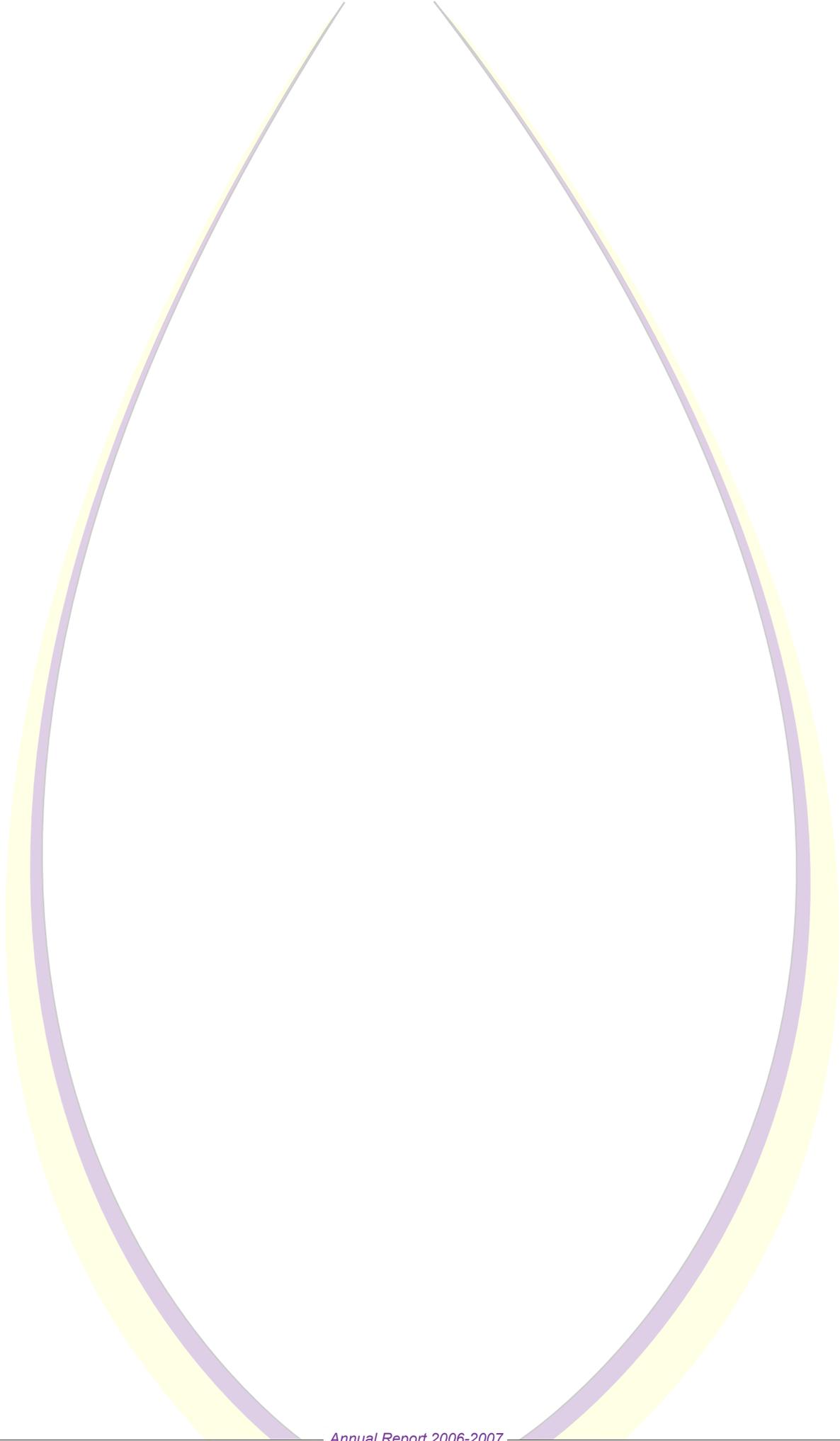
- **Minimum Information Security Standards**

This policy document provides guidelines to implement information security in the Republic.



PART 2:

**PROGRAMME
PERFORMANCE**





PART 2: PROGRAMME PERFORMANCE

2.1 VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Under Expenditure
VOTE 3	R133 741 000	R133 741 000	R131 861 000	R1 880 000
Responsible MEC	Mrs. EM Coleman			
Administering Dept	Department of Finance			
Accounting Officer	Mr. RS Tshukudu			

2.2 AIM OF VOTE

The aim of the vote is informed by the mandate, vision and mission and strategic goals of the Department:

Mandate:

Our mandate is to prepare and manage the Provincial budget, and enforce uniform treasury norms and standards as prescribed by the National Treasury and the Public Finance Management Act (PFMA) Act 1 of 1999 (as amended by Act 29 of 1999).

Vision:

A Strategic Arm of Government that Strives for Sound and Prudent Financial Management, to Accelerate Service Delivery for the People of Mpumalanga

Mission:

To Promote Sound and Prudent Financial Management through Skilled, Dedicated, Transparent, Accountable and Professional Workforce

Strategic Goals:

- Maintain fiscal discipline
- Allocation of resources in line with Government priorities
- Contributing to the economy through efficient and effective service delivery
- Maintain leadership and good governance

- To optimise and expand departments and municipalities own revenue.
- To provide for the effective implementation of accounting practices in line with GRAP and applicable laws.
- To provide optimal utilization of provincial resources consistent with the Province's strategic objectives and priorities.
- To provide effective and efficient utilisation of assets and management of liabilities
- To provide procurement strategies that will contribute to economic development.
- To provide implementation of norms and standards for enhanced accountability within provincial departments and municipalities.

2.3 KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

Key measurable objectives:

- To provide political leadership on allocation and utilisation of Provincial resources
- To provide equitable allocation of provincial resources that finances the Province's key deliverables.

PROGRAMMES

1. Programme 1

The programme is responsible for financial and administrative management support in the department.

2. Programme 2

The programme serves to provide professional advice and support to the Member of the Executive Council on fiscal policy, public finance development and management of annual budget processes.

3. Programme 3

The programme provides policy direction, facilitating the effective and efficient management of physical and financial assets, Public Private Partnerships (PPP) and liabilities.



4. Programme 4

This Programme serves to facilitate, monitor, support and provide professional advice to ensure financial compliance and to enable enhanced service delivery in the Province. It furthermore promotes accountability through substantive reflection of financial and non-financial activities.

Achievements

The department was able to reduce its vacancy level to 14% and spent 98,6% of its allocated budget for the financial year ended 31 March 2007. The department undertook a strategic planning review session, which identified the need to restructure the organogram; this is currently under review and awaiting approval.

2.4 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2005/6

The department is responsible for provincial resource allocation, monitoring and providing advisory services to all provincial departments. The department renders Treasury support functions to all provincial departments and carries all the information technology costs relating to SITA, BAS, LOGIS and PERSAL. Support is provided to municipalities to ensure sound and sustainable management of the fiscal and financial affairs of municipalities.

An amount of R6,030 million was allocated to Administration programme through virement in the adjustment budget to cater for the additional costs realised

2.5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2006/7

The department has been able to fill the critical vacant posts to a large extent after the transfer or resignation of senior and middle managers from the department. The delay / long lead time to fill vacancies on the senior and middle management level is due to the provincial requirement that all incumbents for these posts should complete competency assessments prior to been appointed.

2.6 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2006/7 FINANCIAL YEAR

The department developed and approved the Provincial framework and policy for Public Private Partnerships (PPP's), this will guide the Provincial Government departments on the process to be followed to identify and register PPP project that will benefit the province.

2.7 DEPARTMENTAL REVENUE, EXPENDITURE, AND OTHER SPECIFIC TOPICS

1.1.1 Collection of departmental revenue

The department had projected to collect R26,075 million of own targeted revenue and was able to collect a total of R63,894 million, exceeding the target by R37,819 million. The target was exceeded due to the interest realisation on the investment of unspent funds.

The table below provides a breakdown of the sources of revenue:

	2003/04 Actual R'000	2004/05 Actual R'000	2005/06 Actual R'000	2006/07 Target R'000	2006/07 Actual R'000	% Deviation from target
Non-tax revenue						
Sales of Goods and Services other than capital receipts	83,755	72,004	65,090	26,075	63,894	145%
TOTAL DEPARTMENTAL RECEIPTS	83,755	72,004	65,090	26,075	63,894	145%

2.7.2 Departmental expenditure

Programmes	Voted for 2006/07 R'000	Roll-overs and adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	Variance R'000
Programme 1	36,338	-	6,030	42,368	42,258	110
Programme 2	29,690	-	(1,930)	27,760	26,521	1,239
Programme 3	53,008	-	(1,700)	51,308	51,252	56
Programme 4	14,705	-	(2,400)	12,305	11,830	475
Total	133,741	-	0	133,741	131,861	1,880

2.7.3 Transfer payments

The department transferred an amount of R460,000 to district municipalities for RSC levies against the department.

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000
Ehlanzeni Regional Services	456	-
Nkangala Regional Services	1	-
Gert Sibande Regional Services	1	-
Public Corporation	2	-

2.7.4 Capital investment, maintenance and asset management plan

Asset Management

All Departmental assets are recorded in the Asset Register that is updated regularly.

Details of additions to assets can be found in the disclosure notes to the annual financial statements. A disposal committee has been established for the department to enable the disposal of unused and obsolete assets, however no assets were disposed off during the year under review. All assets utilised in the department are in a good or fair condition.

- To provide an internal enabling function and support service with regard to legal services, human resource, communication, transversal issues and policy planning for the department.
- To provide financial and administrative support in the department. To ensure effective, efficient and economic utilisation of resources
- To evaluate the effectiveness and efficiency of risk management, control and governance processes.
- To implement effective and efficient risk management and fraud prevention strategies

Service delivery objectives and indicators:

- Provision of Political direction.
- Effective and efficient management of the Department.
- Provision of human resource, legal, communication, transversal issues and policy planning services.
- Provision of effective and efficient financial services and timeous and accurate financial information.
- Sound financial governance.
- Provision of effective and efficient audit services in compliance with IIA Standards and legislation. Effective risk management.

Service delivery achievements:

- Political direction was provided.
- The Department was effectively and efficiently managed.
- Human resources, legal, communication and policy planning services to internal clients were provided.
- An unqualified audit report was received for 2005/2006.
- An effective internal audit service was rendered to the department.
- Risks identified were effectively managed.

2.8 PROGRAMME PERFORMANCE

2.8.1 Summary of Programmes

The activities of the Department of Finance are organised in the following four programmes:

- **Programme 1: Administration**
- **Programme 2: Sustainable Resource Management**
- **Programme 3: Assets and Liabilities Management**
- **Programme 4: Financial Governance**

2.8.1.1 PROGRAMME 1: ADMINISTRATION

Purpose:

This programme is responsible for financial and administrative management support in the department.

Measurable objectives:

- To provide political direction on policy formulation by the Department.
- To provide the overall management and administration of the Department.
- To ensure compliance to regulations and policies



Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
1. Office of the MEC	Priorities and political directives in order to meet the objectives of the Department	Implemented priorities	Provide political direction	Political direction provided
2. Management Services (Office of the Head of Department)	Efficient administrative and Management Support Services	Effective and efficient management services	Overall effective and efficient management of the Department	The Department was effectively and efficiently managed
3. Corporate Services	Effective and efficient legal services, human resource, communication and policy planning in the Department	Provision of human resource, legal, communication and policy planning in the Department	Filling of 336 posts	286 posts were filled
			Development of 6 HR policies	6 HR policies developed, implemented and reviewed
			Employ 15 learners to the learnership programme	15 learners were employed, mentored and trained
			Employ 15 interns to the internship programme	15 interns were employed, coached and trained
			Implement PMDS for salary level 1-12	270 PMDS assessments implemented for all staff on salary level 1-12
			Employment equity plan implemented, monitored and reviewed	Employment Equity plan developed and awaiting approval
			Develop, implement and monitor human resource plan	Plan not done as the format from DPSA was not finalised
			Implement and monitor bursary scheme	Bursary scheme implemented, 16 external and 5 internal bursaries awarded and monitored
			Develop and implement workplace skills plan (WSP)	Draft filling system developed and sent to National Archivist for approval
			Co-ordinate strategic and operational plan annually	Co-ordinated strategic and operational planning sessions



Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
			Establish and maintain good relations with the media through dissemination of information	Drafted and released media statements and organised press briefings. Implemented publicity campaign for 2007 provincial budget. Organised an exhibition during the budget speech. Updated departmental website.
			Dissemination of information by providing publication service	Compiled and distributed the staff bulletin "SISONKE". Designed and arranged for the printing of 2007 budget statement books, budget made easy booklets. Maintained a positive image of the department
			Drafting legal opinions as and when requested and provide legal services	1 of 4 litigation cases finalised. 5 legal opinions provided Scrutinised service level agreements with service providers. Scrutinised master rental agreement. Presented Mpumalanga Gaming levies Bill to the Executive for approval.
4. Financial Management (Office of the CFO)	Financial and administrative support services to the Department and Accounting Officer	Timeous submission of accurate financial reports and statements	Submission of: <ul style="list-style-type: none"> • 12 IYM reports • 12 Expenditure reports • 1 Financial Statement and annual report prepared 	12 IYM reports submitted 12 expenditure reports submitted 1 Financial statement and annual report prepared and submitted timeously
		Collection of revenue	Collect revenue of R26,075 million	Collected R63,892 million
		Implement budget	Implement approved budget	Submitted and implemented approved budget



Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
5. Internal Audit	Improve risk management, internal controls and governance	Provision of effective and efficient internal audit services in compliance with IIA Standards and legislation	Prepare risk management strategy document	Risk management strategy prepared and implemented
			Prepare three year rolling and annual internal audit plan	Three year rolling and annual internal audit plan prepared and implemented updated.
			Internal Audit reports as per the annual internal audit plan	Issued 9 internal audit reports as per audit plan
			Quarterly meetings and special meetings of the audit committee to comply with the PFMA	Three audit committee meetings were held during the year.

2.8.2 PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Purpose:

The programme provides professional advice and support to the Member of the Executive Council on Provincial economic analysis, fiscal policy, public finance development and management of annual budget processes.

Measurable objectives:

- To oversee the overall performance of the programme in order to ensure that all planned objectives are achieved.
- To provide sector based socio economic, macro economic and labour market analysis research and planning per annum.
- To provide Fiscal Policy advice, determine the Medium Term Fiscal Framework, optimise and expand provincial own revenue sources base and develop the Provincial Borrowing Framework.
- To oversee provincial allocation processes aligned with provincial policies/growth and development strategy and provide Strategic Financial Administration.

- To provide departmental and municipal policy advice, ensure budget implementation and enhance service delivery.
- To render provincial infrastructure co-ordination services to improve the development of infrastructure in the Province.

Service delivery objectives and indicators:

- Effective implementation of programme planned activities.
- Number of research reports initiated.
- Average 5% increase of provincial own revenue per annum.
- Alignment of budget to national and provincial priorities.
- Spending of departments and municipalities are aligned to budget.
- Number of infrastructure departments that implemented IDIP and number of departments monitored in terms of Infrastructure Development Improvement Programme (IDIP).
- Number of quality reports received from infrastructure departments within a specified time.



Service delivery achievements:

- Planned programme activities were effectively implemented.
- Economic and social research for the province was conducted.
- Own revenue collected exceeded projected amount.
- Budgets were aligned to national and provincial priorities.
- Spending of departments and municipalities were monitored and aligned to their budgets.
- All infrastructure departments implemented IDIP and reports were received.

PROGRAMME 2:

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
1. Programme support	Efficiently managing the cost of programme to achieve planned objectives	Effective implementation of programme planned activities	Managing efficient running of the programme	Implemented the provincial fiscal policy and managed the budget process
2. Economic Analysis	Provision of sector based socio-economic, macro economic and labour market analysis	Number of research reports planned	Prepare and publish Provincial Socio-Economic Outlook document	Provincial Socio-Economic Outlook document prepared and published Budget Statement one prepared and published
3. Fiscal Policy	Increased own revenue collection by other Departments and Municipalities	2%-6,6% increase of provincial own revenue per annum	Increase own revenue collection by Departments	Own revenue collections by Departments exceeded the projected amount of R322million. The collection is R381 544 million (18,5% above target)
	To provide for the optimisation of the provincial resource envelope for the effective allocation of resources in line with government priorities over the MTEF	Well managed Provincial Revenue Fund Daily availability of funds for spending by departments	Adequate Funds available in the Provincial Revenue Fund to fund budgeted priorities Funds were available on a daily basis for spending in the Provincial Revenue Fund	Reconciliations were performed on a daily basis Funds accruing to the province were received and banked in the Provincial Revenue Funds
4. Budget Management	Credible annual and MTEF budget	Tabling of the Annual and MTEF Provincial Budget before the Legislature	Provincial Annual and MTEF Budget	Provincial Annual and MTEF Budget was tabled before the Provincial Legislature



Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
	Tabling of adjustment Budget before the Legislature	Tabling of the Annual and MTEF Provincial Budget before the Legislature	Provincial Adjustment Budget	Provincial Adjustment Budget was tabled before the Provincial Legislature
		16 Municipalities Integrated Development Plans (IDP'S) analysed and aligned to Provincial Growth and Development Strategy	Budget Hearings were held that inform efficient allocations of resources to provincial departments	2006/07 Budget Statements were tabled before the Provincial Legislature
		12 provincial departments Strategic and Performance Plans analysed and aligned to Provincial Growth and Development Strategy	12 provincial departments Strategic and Performance Plans analysed and aligned to Provincial Growth and Development Strategy	12 provincial departments Strategic and Performance Plans were analysed and aligned to Provincial Growth and Development Strategy
5. Public Finance	Complete and accurate financial and non-financial reports that render policy advice to provincial Departments	Expenditure analysis reports from 13 votes and prepare a consolidated report for the province.	14 monthly expenditure analysis report	All Monthly expenditure analysis report for 2006/07 has been done. 2006/07 pre-audit report is complete.
		Consolidated IYM and submit to national treasury	Consolidated IYM	Consolidated IYM submitted to National Treasury.
	Render provincial infrastructure coordination service to improve the delivery of infrastructure in the province	Review, feedback and provide advice on infrastructure delivery	Quarterly reports prepared and submitted to various stakeholders	Infrastructure Delivery Improvement Programme introduced in the province to seven infrastructure delivery departments
	Improve implementation of MFMA across the province	Credible and accurate municipal budgets that renders effective and efficient service delivery	Alignment of Budget and Integrated Development Plan	Analysed monthly budget statements and municipal annual budgets



2.8.3 PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT

Purpose:

The objective of this programme is to provide policy direction, facilitating the effective and efficient management of physical and financial assets, Public Private Partnerships (PPP) and Information Technology (IT).

Measurable objectives:

- To provide management support and effective policy direction.
- To provide strategic support and training to provincial departments and municipalities in order to maximise private sector participation in rendering public service.
- To ensure effective and efficient implementation and monitoring on supply chain management framework in the province.
- To facilitate the effective and efficient management of physical and financial assets
- To provide, implement and maintain IT network infrastructure and IT support services on a continuous basis.
- To ensure improved service delivery through the use of ICTs and 70% of Government services is available online.
- To provide support in order to build capacity in Departments on transversal systems.
- To provide effective management of PERSAL data integrity restoration by ensuring adherence to rules and regulations, proper control measures and management information systems
- To ensure the optimal utilisation of PERSAL functionalities by all departments through effective and efficient marketing, support, control and management information.

Service delivery objectives and indicators:

- Effective implementation of programme planned activities
- Three PPPs projects identified and implemented.
- Monitor that 30% participation is granted to previously disadvantaged individuals (women, youth, disabled) on Government procurement.
- Monitor that 50% of Government procurement expenditure is granted to BEE companies.
- Monitor that procurement expenditure is also granted to local contractors
- To provide support and training for the effective, efficient and economic management of assets

- Provide training and professional support services to implement and maintain systems and ensure availability of systems at all times.
- Accessible government service and information
- Provide support and facilitate the training of officials on transversal systems.
- Timeous monthly/yearly closure of systems.
- Implementation of new databases/sites as required.
- To ensure Compliance with rules and regulations.
- To provide for Information systems and controls to be in place.

Service delivery achievements:

- Planned programme activities were effectively implemented.
- Training on asset management and SCM processes provided.
- Professional support provided to maintain and ensure availability and access of systems at all times.
- Support and training on transversal systems provided.
- Systems were closed timeously to facilitate accountability.



PROGRAMME 3:

Sub-pro-grammes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
1. Programme Support	Provision of the cost related to efficient running of the programme	Improved assets and liabilities management	Facilitate the effective and efficient management of physical and financial assets, PPP and Information Technology services to provincial departments and municipalities	Effective and efficient management of physical and financial assets; PPP and Information Technology services to provincial departments and municipalities were managed
2. Asset Management	Strategic support and training to departments and municipalities to promote good governance and ethics as well as promote private sector participation in delivering public service	Provision of strategic support and training to ensure compliance to prescripts contributing in improved service delivery	Training of 600 SCM practitioners, bid committees, PPP practitioners to support in the implementation of SCM and PPP policies	540 SCM practitioners, bid committees and PPP practitioners trained
	Preparation of 48 000 bulletins for the public.	Improved access to bulletins on a continuous basis	Preparation of 48 000 bulletins for the public	48 000 bulletins were printed and circulated to subscribers
3. Supporting and Interlinked Financial Systems	Maintain an uptime of greater than 80% on the provincial network infrastructure	Percentage network uptime	Maintain an uptime of greater than 80% on the provincial network infrastructure	<p>We have managed to maintained an average uptime excess of 80% of the IT network infrastructure</p> <p>All transversal systems were available 7 seven days a week</p> <p>The internet and E-mails were available 7 days a week and 24 hours a day</p> <p>All User requests registered at IT Support Desk were done within agreed level of service (48 hours)</p>



2.8.4 PROGRAMME 4: FINANCIAL GOVERNANCE

Purpose:

This programme aims to promote accountability through substantive reflection of financial activities of the province as well as compliance with norms and standards.

Measurable objectives:

- Provide guide and ensure effective functioning of the component.
- Effective implementation of accounting practices in line with Generally Recognised Accounting, monitor the implementation of and adherence to legislative prescripts.
- Effective monitoring and assessment of the implementation of norms and standards in terms of relevant legislation.
- Implementation of effective and efficient risk management and fraud prevention strategies.
- Implementation of effective and efficient internal audit strategies in departments and municipalities.

Service delivery objectives and indicators:

- Provisioning of effective and efficient management and support of the programme.

- Reports in line with approved formats and guide lines
- Provision of support and monitoring of departments' and municipalities' financial performance.
- Compliance with norms and standards by provincial departments and municipalities.
- Effective and efficient risk management frameworks established in departments and municipalities.
- Provide support for the creation of efficient and effective internal audit and audit committee procedures and frameworks in departments and municipalities.

Service delivery achievements:

- The programme was effectively and efficiently managed.
- Annual reports tabled in the Legislature were in line with formats and guidelines.
- Departments and municipalities' financial performance were supported and monitored.
- Compliance to norms and standards were monitored in departments and municipalities.
- Risk management support provided to departments and municipalities.

PROGRAMME 4

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
1. Programme Support	Efficient and effective running of the programme through capacitated	Capacity built in a number of officials trained in risk and financial management	Train 7 officials in risk & financial management to build required capacity.	Trained 7 officials in risk and financial management to build required capacity.
2. Accounting Services	Effective implementation of accounting practices according to the Generally Recognised Accounting Practice and PFMA	Consolidation of financial statements submitted as prescribed by section 19 of the PFMA	Consolidate financial statements and table to Legislature as prescribed by section 19 of the PFMA	Consolidated financial statements and tabled to Legislature as prescribed by section 19 of the PFMA
	Department preparation of financial statements in line with prescripts	Number of officials trained in financial statements preparation	50 officials from departments and 60 from municipalities trained in financial statements preparation.	50 officials from departments and 60 from municipalities trained in financial statements preparation.



Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
3. Norms and Standards	Effectively monitor and assess the implementation of norms and standards according to the prescribed legislation	Compliance with norms and standards by all Departments and Municipalities	Monitor 17 municipalities based on the 12 urgent implementation areas.	Monitored 17 municipalities based on the 12 urgent implementation areas.
			Monitor compliance with revenue norms and standards on 6 departments	Monitored compliance with revenue norms and standards on 6 departments
			Inspect 6 departments with infrastructure projects	Inspected 6 departments with infrastructure projects
4. Provincial Risk Management	Effective implementation of risk management and fraud prevention strategy	Risk management framework established in Departments and Municipalities	Assist 4 departments with the facilitation of their risk assessments	Assisted 4 departments with the facilitation of their risk assessments
	Uniformity in risk assessment	Risk assessment methodology document	Develop the risk assessment methodology	Developed the risk assessment methodology
	Monitor risk management as per MFMA implementation plan	Number of municipalities visited	Visit 6 municipalities to monitor progress made in implementing risk management as per MFMA implementation plan	Visited 6 municipalities to monitor progress made in implementing risk management as per MFMA implementation plan
5. Provincial Internal Audit	Effective implementation of internal audit strategies in all Departments and Municipalities	Provision of effective support on internal audit and frameworks in all Departments and Municipalities	Number of Departments and Municipalities supported	None, due to none appointment of personnel

2.9 Complementary documents:

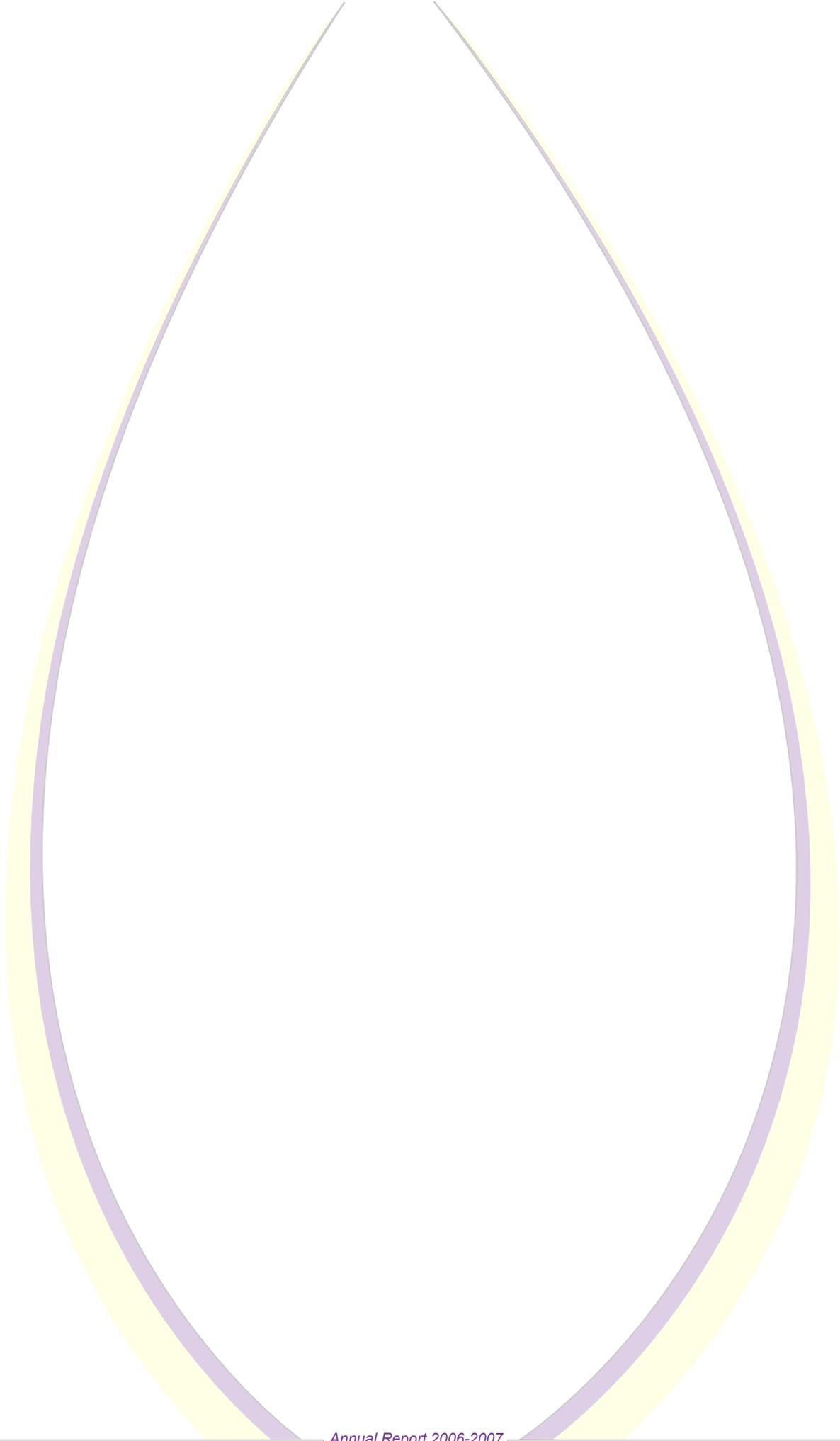
Available on website:

- Annual Reports:
 - 2004/2005
 - 2005/2006
- Strategic Plan
- Budget made Easy: 2005-2007
- Budget Speeches and Statements



PART 3:

**REPORT OF THE
AUDIT COMMITTEE**





PART 3: REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2007.

Audit Committee Members and Attendance:

The Audit Committee consists of the three members and their meeting attendance details during the 2006/7 financial year were as follows:

Name of Member	Number of Meetings Attended
1. Ms. M Mosweu (Chairperson)	3
2. Mr. K Chisale	3
3. Mr. EJ De Jager	3

Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from section 38(1)(a) of the Public Finance Management Act (PFMA) and Treasury Regulation (TR) 3.1.13. The Committee has adopted a formal terms of reference by way of the Audit Committee Charter to guide its operations and discharge its responsibilities.

Effectiveness of Internal Control

The Internal Audit Directorate is independent of management and reports directly to the Audit Committee. The department conducted the risk assessment exercise where risks were identified, impact of risk was assessed and the system through which management is managing these risks has also been assessed. On the basis of such risk assessment, a three-year rolling plan and annual operational plans were prepared by Internal Audit and approved by the Audit Committee.

The Audit Committee is of the opinion that the control environment improved from the previous financial year, however there is still room for improvement. Management had implemented corrective action where possible to ensure that the controls are in place and operating as intended. However there are few areas that the Department needs to focus on in order to reduce risks and achieve a better level of compliance with Departmental policies and procedures. Where internal controls did not operate effectively, there were no material findings and departments' assets have been safeguarded, proper accounting records maintained and resources utilized efficiently in all significant respects.

The Quality of In-Year Management and Quarterly Reports Submitted in Terms of the PFMA and the Division Of Revenue Act.

The Audit Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

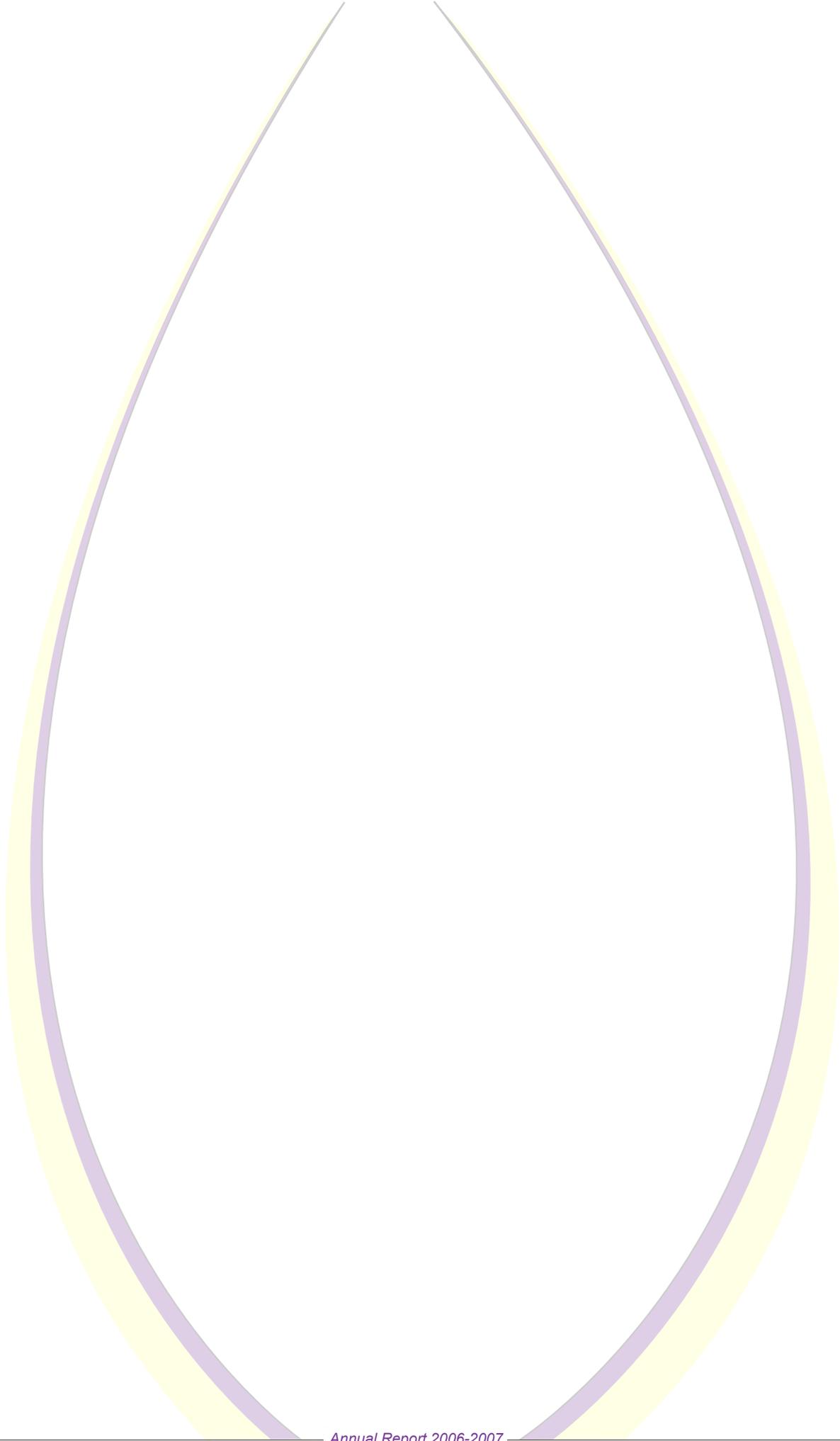
Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and management's response thereto;
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Chairperson of the Audit Committee





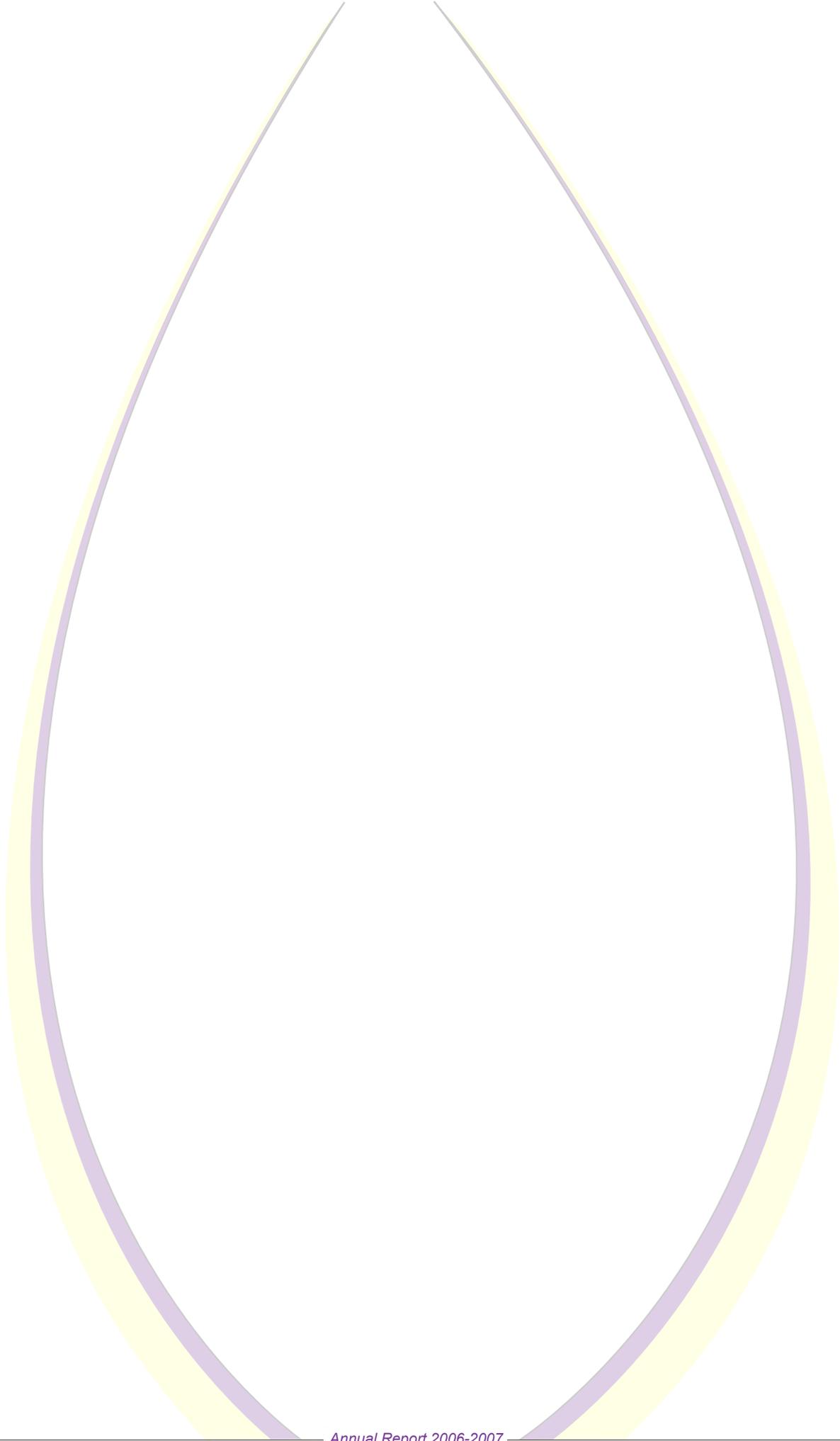
PART 4:

**ANNUAL
FINANCIAL
STATEMENTS**



finance

DEPARTMENT: FINANCE
MPUMALANGA PROVINCIAL GOVERNMENT





**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

Report by the Accounting Officer to the Executing Authority and the Mpumalanga Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

These financial statements are presented in terms of section 40 (1) (c) of the Public Finance Management Act No.1 of 1999 as amended by Act 29 of 1999,

1.1. Spending Trends

Programme 1: ADMINISTRATION

This programme performed extremely well in the area of coordination and management of activities within the entire organization. Although there is still room for improvement in the area of overall corporate governance and risk management. The administration programme managed to spend R41, 3 million out of the allocated R41, 6 million, hence the saving of 0.07 percent

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

The sustainable resource management programme has played a key role in the allocation of the limited financial resources to the competing policy priorities of the province. This programme also contributed meaningfully to the achievability exercises conducted by the provincial executive council throughout the fiscal year ending 31 March 2007. This programme managed to spend 96 percent or R26, 5 million out of a budget of R27, 8 million compared to R19 million over the same period last year.

Programme 3: ASSETS & LIABILITIES MANAGEMENT

Assets and liabilities management programme spent 100 percent or R51, 3 million of the approved budget R51, 3 million this year, compared to R48 million in the 2005/06 financial year. This programme provided policy direction and facilitated effective and efficient management of physical and financial assets, supply chain management and information technology. Assets and liabilities management programme also played a pivotal role in the implementation of the de-establishment of the cross boundary municipalities between Mpumalanga/Limpopo & Gauteng provinces.

Programme 4: FINANCIAL GOVERNANCE

This programmes continued with the sterling work of promoting accountability through substantive reflection of financial management activities throughout the year for all provincial departments as well as compliance with financial norms and standards. The programmes' allocated budget was R12,3 million, of which 96 percent or R11.8 million was actually spent for the year, compared to R5,6 million spent in the previous financial year.

1.2 Reasons For Under/Overspending

The Department of Finance managed to spend 98.6 or 99 Percent of its budget for the 2006/2007 financial year ending 31 March 2007. In other words the Department spent R131, 9 million against its approved annual budget (R133, 7 million). The 1.4 or 1 percent under-spending (R1, 8 Million) of the approved budget can be attributed mainly to vacant funded posts not filled. The introduction of Competency Assessment for Senior and middle Management positions also contributed to a protracted lead time when filling vacant posts.

Nonetheless, we have made significant strides in filling quite a number of vacant posts as planned in the 2006/07 financial year. This is so because we had a vacancy ratio of only 14 percent during the period under review compared to 26 percent for the previous year. The actual under-expenditure for compensation of employee is 10 percent resulting in a saving of R6, 3 million out of a budget of R62, 3 million.

Furthermore, we have managed to spend 105 percent or R72,8 million on goods and services out of a budget of R69,3 million at year-end (31 March 2007), compared to 115 percent over the same period in 2005/06. The over-expenditure of 5 percent can be attributed to the budget overrun on the cost of network management which could not be contained within targets owing to excessive usage by clients departments. The Department spent 131 percent of the Capex budget of R2, 0 million thus over-spending by R0.608 million or 31 percent. We believe that this expenditure under capital expenditure (Capex) was within reason and necessary incurred to improve service delivery in the Department.

On own revenue we exceeded our collection target of R26 Million by R38 Million resulting in collection of R64 Million



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

2. Service rendered by the Department

The Department is responsible for the provincial resource allocation, monitoring and providing advisory services to all Provincial Department.

2.1 Tariff policy

The Department has reviewed its tariff structure on the sale of Tender bulletins for the 2006/07 financial year. The tariff policy of the Department will be revisited again in the following Financial Year.

2.2 Free Service

The Department renders Treasury support functions to all provincial Departments, public entities as well as municipalities. The total costs involved relating to SITA, in respect of the transversal systems; BAS, LOGIS and PERSAL.

2.3 Inventories

The Department uses the weighted average costing method. The value of the inventory as at 31 March 2007 was R155 271.92 comprising of the following:

- Domestic Consumables R 2050.79
- Food and Food Supplies R3509.10
- Other Consumables R6398.38
- Stationery and Printing R143 313.65

3. Capacity constraints

The organizational structure of the Department impinges on effective service delivery hence it will be reviewed in line with the changing demands for our services in the province. The difficulty in the filling of vacant posts is as result of the stringent requirements for positions in the finance discipline and the requirement for the Competency Assessment for positions of Deputy Director and above. However, most SMS positions, except for one Chief Director and two Director Positions have been filled as at 31 March 2007.

4. Utilisation of donor funds

The Department received sponsorship from the financial institution the details of which is contained in annexure 1M. Furthermore the funds were utilized in accordance with the purpose intended that is (16 days against women and children abuse).

5. Trading entities and public entities

There are no trading and public entities reporting to the Department.

6. Organisations to whom transfer payments have been made

The Department has made transfer payments to the following municipalities

- Ehlanzeni District Municipality
- Nkangala District Municipality
- Gert Sibande District Municipality

7. Public private partnerships (PPP)

The Department has established the PPP Directorate. This has developed a Provincial PPP Policy. The draft policy has been discussed with all relevant stakeholders, and is awaiting finalization and adoption by the Executive Council.

8. Corporate governance arrangements

8.1 Management Reporting

The reporting requirement practiced by management in the Department is in accordance with section 32 (2) and 40(b) of the Public Finance Management Act No1 of 1999, as amended, which require the accounting officer to comply with the reporting requirements of the Division of revenue Act (DORA)

8.2 Risk Management Approach

A risk assessment workshop was held on 08 June 2006 to identify the risk focus area in the department. All levels of management were involved. A Risk Management Plan and Fraud Prevention Plan were submitted to the Head of Department and Member of Executive Committee for approval.



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

8.3 Internal Audit and Audit Committees

The Department has an Internal Audit component. The results of the risk assessment were utilised to develop and approve a three year and annual audit plan by the Audit Committee. The annual audit plan guides the internal audit component on the audits to be conducted to evaluate the adequacy and effectiveness of the internal controls, risk management and governance processes. The Audit Committee meets regularly (at least quarterly) and provides an oversight of internal audit effort as well as evaluating reports of the department.

8.4 Labour Relations

The labour relations section continued in its quest to assist managers in resolving or dealing with conflicts in the work place and maintaining sound labour relations.

8.5 Other Governance Issues

The Department has complied with the requirement that Senior Management Members should disclose their financial interest, in order to eliminate conflict of interest. In addition officials that are involved in the supply chain management of the Department are also encouraged to disclose their financial interest.

9. Discontinued activities/ activities to be discontinued

No activities have been or are going to be discontinued.

10. New/ proposed activities

No new or proposed activities were undertaken during the year

11. Asset management

The asset of the Department has been captured and the movement of furniture is continuously being monitored and updated. The asset management unit has been established and new staff has been appointed. The asset management team has also been established.

12. Event after the reporting date

No event occurred after the reporting date that has an effect on the financial statements under review.

13. Performance information

13.1 Financial Information

The Department utilizes the In-Year Monitoring as a tool to determine, verify and monitor the utilization of its financial resources. This is done on a monthly basis through out the financial year.

13.2 Service Delivery Information

The performance of the Department is assessed from its Operational Plan. All sections in the Department compile monthly progress reports, which provide information such as achievements and challenges.



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

14. SCOPA Resolution

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Capital Tangible Assets	Fixed assets	The asset register of the department has been updated and is available
Spending of allocated budget 2005/06	Under-spending by 6,1%	Spending of appropriated budget improved in 2006/07 as 99% of the budget was spent as at 31 March 2007
Provincial treasury to play a more prominent role in monitoring spending by departments	Monitor that departments operate and spend in accordance with approved plans submitted to treasury.	Provincial treasury continued to play a pivotal role in reviewing and monitoring financial performance of departments against their predetermined plans.
Appointment of skilled persons in all existing vacancies	Strengthen capacity	Management have made significant strides in filling critical vacancies. Hence the vacancy rate was tremendously reduced from 26% to 14 at the end of the financial year
Department to continue to play a leading role to other departments in dealing with Infrastructure Plans	Infrastructure Plans	The department assisted infrastructure departments by establishing Technical Assistance Team Support (TATS) to augment the national treasury technical effort.
Department should comply with the prescripts of the Employment Equity Act on new appointments.	Employment Equity Act	Management of the department have made significant progress in addressing the provisions of the employment equity act on new appointments. The department will continue to pay attention to this matter in 2007/08 and beyond.

15. Other

None.

Approval

The Annual Financial Statements set out on pages 35 to 65 have been approved by the Accounting Officer.



R. TSHUKUDU
Head of Department

31 May 2007



REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 3: DEPARTMENT OF FINANCE FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Finance which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets/equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 65

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with sections 4, 15 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

BASIS OF ACCOUNTING

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in note 1.1 to the financial statements.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Finance as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the PFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Delay in finalisation of audit

10. Due to the national public sector strike action during June 2007, the finalisation of the audit of the 2006-07 financial year was delayed.

REPORTING RESPONSIBILITIES

Reporting on performance information

11. I have audited the performance information as set out on pages 11 to 22.



Responsibilities of the accounting officer

12. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.*
14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
15. I believe that the evidence I have obtained is sufficient and appropriate to report that there have been no significant findings identified as a result of my audit.

6. APPRECIATION

The assistance rendered by the staff of the Department of Finance during the audit is sincerely appreciated.

BMM Madliwa for Auditor-General

Nelspruit

31 August 2007



AUDITOR - GENERAL



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ACCOUNTING POLICIES
for the year ended 31 March 2007**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated and adjusted appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments

budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. These approved rollover funds form part of retained funds in the annual financial statements. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ACCOUNTING POLICIES
for the year ended 31 March 2007**

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

2.4 CARA Fund assistance

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance.

Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance .

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ACCOUNTING POLICIES
for the year ended 31 March 2007**

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under *goods and services*.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Transfers and subsidies

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Expenditure for capital assets

Transfers and subsidies are recognised as an expense when the payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

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

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.



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ACCOUNTING POLICIES
for the year ended 31 March 2007**

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in disclosure note 36

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in disclosure note 36.

4.6 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.7 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 37 and 38 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ACCOUNTING POLICIES
for the year ended 31 March 2007**

- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 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.

7. Related party transactions

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property;
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
APPROPRIATION STATEMENT
for the year ended 31 March 2007**

Appropriation per programme									
	2006/07							2005/06	
	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
1. Administration									
Current payment	35,347	39	5,797	41,183	40,539	644	98.4%	26,769	26,216
Transfers and subsidies	27	-	-	27	16	11	59.3%	25	47
Payment for capital assets	206	-	233	439	814	(375)	185.4%	6,526	6,076
2. Sustainable Resource Management									
Current payment	29,662	(528)	(1,930)	27,204	26,115	1,089	96.0%	21,121	19,539
Transfers and subsidies	28	-	-	28	7	21	25.0%	27	24
Payment for capital assets	-	528	-	528	399	129	75.6%	-	-
3. Assets and Liabilities									
Current payment	52,556	(100)	(1,700)	50,756	50,247	509	99.6%	48,313	47,935
Transfers and subsidies	24	-	-	24	11	13	45.8%	22	30
Payment for capital assets	428	100	-	528	994	(466)	183.3%	404	-
4. Financial Governance									
Current payment	14,689	(481)	(2,400)	11,808	11,027	781	93.4%	9,029	5,505
Transfers and subsidies	16	-	-	16	426	(410)	2662.5%	16	14
Payment for capital assets	-	481	-	481	377	104	78.4%	-	-
Subtotal	132,983	39	-	133,022	130,972	2,050	98.5%	112,252	105,386
Statutory Appropriation									
Current payment	680	39	-	719	889	(170)	123.6%	643	643
TOTAL	133,663	78	-	133,741	131,861	1,880	98.6%	112,895	106,029
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				63,894				65,090	
Actual amounts per Statements of Financial Performance (Total revenue)				197,635				177,985	
Actual amounts per Statements of Financial Performance (Total expenditure)					131,861				106,029

**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
APPROPRIATION STATEMENTS
for the year ended 31 March 2007**

Appropriation per economic classification									
	2006/07							2005/06	
	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
Current payments									
Compensation of employees	69,329	(6,391)	(1,320)	61,618	55,116	6,502	89.4%	51,718	37,706
Goods and services	62,925	5,321	1,087	69,333	72,812	(3,479)	105.0%	53,514	61,489
Transfers and subsidies									
Provinces and municipalities	95	-	-	95	458	(363)	482.1%	90	115
Public corporations and private enterprises	-	-	-	-	2	(2)	0.0%	-	-
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	2,500	1,446
Machinery and equipment	634	1,109	233	1,976	2,271	(295)	114.9%	4,430	4,630
Software and other intangible assets	-	-	-	-	313	(313)	0.0%	-	-
Total	132,983	39	-	133,022	130,972	2,050	98.5%	112,252	105,386

Statutory Appropriation									
	2006/07							2005/06	
Details of direct changes against the Provincial Revenue Fund	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
Member of Executive council	680	39	-	719	889	(170)	123.6%	643	643
Total	680	39	-	719	889	(170)	123.6%	643	643

Statutory Appropriation Per Economic Classification									
	2006/07							2005/06	
	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
Compensation of employees	680	39	-	719	889	(170)	123.6%	643	643
Total	680	39	-	719	889	(170)	123.6%	643	643



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DETAIL PER PROGRAMME 1- ADMINISTRATION
for the year ended 31 March 2007**

PROGRAMME 1: ADMINISTRATION									
Programme per subprogramme	2006/07							2005/06	
	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
1.1 Member of the Executive Council									
Current payment	2,633	39	-	2,672	2,415	257	90.4%	2,584	1,447
Transfers and subsidies	3	-	-	3	2	1	66.7%	5	5
1.2 Management Services									
Current payment	2,183	-	600	2,783	2,688	95	96.6%	2,080	1,254
Transfers and subsidies	4	-	-	4	1	3	25.0%	3	4
1.3 Corporate Services									
Current payment	11,049	-	4,650	15,699	14,653	1,046	93.3%	9,525	10,503
Transfers and subsidies	11	-	-	11	8	3	72.7%	8	26
Payment for capital assets	-	-	-	-	37	(37)	0.0%	-	-
1.4 Financial Management									
Current payment	17,398	-	547	17,945	18,872	(927)	105.2%	10,670	12,106
Transfers and subsidies	7	-	-	7	4	3	57.1%	6	10
Payment for capital assets	206	-	233	439	777	(338)	177.0%	6,526	6,076
1.5 Internal Audit									
Current payment	2,084	-	-	2,084	1,911	173	91.7%	1,910	906
Transfers and subsidies	2	-	-	2	1	1	50.0%	3	2
TOTAL	35,580	39	6,030	41,649	41,369	280	99.3%	33,320	32,339

Economic Classification	2006/07							2005/06	
	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
Current payment									
Compensation of employees	22,375	39	1,180	23,594	21,186	2,408	89.8%	19,397	15,551
Goods and services	12,972	-	4,617	17,589	19,353	(1,764)	110.0%	7,372	10,665
Transfers and subsidies to:									
Provinces and Municipalities	27	-	-	27	14	13	51.9%	25	-
Public corporations and private enterprises	-	-	-	-	2	(2)	0.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	2,500	1,446
Machinery and equipment	206	-	233	439	814	(375)	185.4%	4,026	4,630
Total	35,580	39	6,030	41,649	41,369	280	99.3%	33,320	32,339



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DETAIL PER PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT
for the year ended 31 March 2007**

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Programme per subprogramme	2006/07							2005/06	
	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
2.1 Programme Support									
Current payment	7,541	(717)	1,500	8,324	11,155	(2,831)	134.0%	8,838	9,348
Transfers and subsidies	2	-	-	2	-	2	0.0%	11	2
Payment for capital assets	-	250	-	250	165	85	66.0%	-	-
2.2 Economic Analysis									
Current payment	2,946	467	(430)	2,533	2,026	507	80.0%	1,413	1,513
Transfers and subsidies	2	-	-	2	1	1	50.0%	4	2
2.3 Fiscal Policy									
Current payment	2,410	-	-	2,410	2,097	313	87.0%	1,104	2,038
Transfers and subsidies	4	-	-	4	1	3	25.0%	3	4
2.4 Budget Management									
Current payment	3,744	-	-	3,744	3,205	539	85.6%	2,296	2,463
Transfers and subsidies	3	-	-	3	1	2	33.3%	4	3
2.5 Public Finance									
Current payment	13,471	(278)	(3,000)	10,193	7,632	2,561	74.9%	7,470	4,177
Transfers and subsidies	17	-	-	17	4	13	25.3%	5	13
Payment for capital assets	-	278	-	278	234	44	84.2%	-	-
TOTAL	29,690	-	(1,930)	27,760	26,521	1,239	95.5%	21,148	19,563



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Economic Classification	2006/07							2005/06	
	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
Current payment									
Compensation of employees	16,352	(1,610)	-	14,742	12,008	2,734	81.5%	9,327	7,534
Goods and services	13,310	1,082	(1,930)	12,462	14,107	(1,645)	113.2%	11,794	12,005
Transfers and subsidies to:									
Provinces and municipalities	28	-	-	28	7	21	25.0%	27	24
Payment for capital assets									
Machinery and equipment	-	528	-	528	399	129	75.6%	-	-
Total	29,690	-	(1,930)	27,760	26,521	1,239	95.5%	21,148	19,563

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT									
Programme per sub-programme	2006/07							2005/06	
	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
3.1 Programme Support									
Current payment	1,258	(100)	-	1,158	844	314	72.9%	1,195	559
Transfers and subsidies	2	-	-	2	1	1	50.0%	5	-
Payment for capital assets	-	100	-	100	81	19	81.0%	-	-
3.2 Asset Management									
Current payment	11,459	-	-	11,459	10,284	1,175	89.7%	12,692	5,246
Transfers and subsidies	9	-	-	9	3	6	33.3%	8	8
3.3 Liabilities Management									
Current payment	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
3.4 Supporting & Interlinked Financial Systems									
Current payment	39,839	-	(1,700)	38,139	39,119	(980)	103.4%	34,426	42,130
Transfers and subsidies	13	-	-	13	7	6	53.8%	9	22
Payment for capital assets	428	-	-	428	913	(485)	213.3%	404	-
TOTAL	53,008	-	(1,700)	51,308	51,252	56	99.9%	48,739	47,965



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Economic Classification	2006/07							2005/06	
	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
Current payment									
Compensation of employees	21,050	(4,820)	(1,100)	15,130	15,716	(586)	103.9%	17,753	10,615
Goods and services	31,506	4,720	(600)	35,626	34,531	1,095	96.9%	30,560	37,320
Transfers and subsidies to:									
Provinces and municipalities	24	-	-	24	11	13	45.8%	22	30
Payment for capital assets									
Machinery and equipment	428	100	-	528	681	(153)	129.0%	404	-
Software and other intangible assets	-	-	-	-	313	(313)	0.0%	-	-
Total	53,008	-	(1,700)	51,308	51,252	56	99.9%	48,739	47,965

PROGRAMME 4: FINANCIAL GOVERNANCE									
Programme per subprogramme	2006/07							2005/06	
	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
4.1 Programme Support									
Current payment	2,635	(269)	(600)	1,766	3,934	(2,168)	222.8%	1,509	1,234
Transfers and subsidies	2	-	-	2	-	2	0.0%	2	2
4.2 Accounting Services									
Current payment	4,052	(727)	-	3,325	2,103	1,222	63.2%	3,259	1,616
Transfers and subsidies	3	-	-	3	423	(420)	14100.0%	3	3
Payment for capital assets	-	451	-	451	377	74	83.6%	-	-
4.3 Norms and Standard									
Current payment	5,847	(30)	(800)	5,017	4,640	377	92.5%	3,537	2,635
Transfers and subsidies	9	-	-	9	3	6	33.3%	10	9
Payment for capital assets	-	30	-	30	-	30	0.0%	-	-
4.4 Risk Management									
Current payment	760	635	-	1,395	350	1,045	25.1%	724	20
Transfers and subsidies	1	-	-	1	-	1	0.0%	1	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
4.5 Provincial Internal Audit									
Current payment	1,395	(90)	(1000)	305	-	305	0.0%	-	-
Transfers and subsidies	1	-	-	1	-	1	0.0%	-	-
TOTAL	14,705	-	(2,400)	12,305	11,830	475	96.1%	9,045	5,519



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DETAIL PER PROGRAMME
for the year ended 31 March 2007**

Economic Classification	2006/07							2005/06	
	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
Current payment									
Compensation of employees	9,552	-	(1,400)	8,152	6,206	1,946	76.1%	5,241	4,006
Goods and services	5,137	(481)	(1,000)	3,656	4,821	(1,165)	131.9%	3,788	1,499
Transfers and subsidies to:									
Provinces and municipalities	16	-	-	16	426	(410)	2662.5%	16	14
Payment for capital assets									
Machinery and equipment	-	481	-	481	377	104	78.4%	-	-
Total	14,705	-	(2,400)	12,305	11,830	475	96.1%	9,045	5,519

**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2007**

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

Details of these transactions can be viewed in Note 9 and Annexure 1F and I 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 financial transactions in assets and liabilities

None.

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

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Administration	42,368	42,258	110	0%
Sustainable Resource Management.	27,760	26,521	1,239	4%
Assets and Liabilities Management	51,308	51,252	56	0%
Financial Governance	12,305	11,830	475	4%

Programme 1: N/A

Programme 2: Underspending is attributed to funded posts not filled due to internal organisational restructuring

Programme 3: N/A

Programme 4: The underspending in compensation of employees is attributed to funded posts not filled due to scarcity of skills and difficulty in recruitment

4.2 Per Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Compensation of employees	62,337	56,005	6,332	10%
Goods and services	69,333	72,812	(3,479)	(5)%
Transfers and subsidies:	95	460	(365)	(384)%
Capital Assets	1,976	2,584	(608)	(31)%

Compensation of employees: *under spending is attributed to funded posts not filled due to scarcity of skills, internal organisational restructuring and difficulty in recruitment.*

Goods and services: *overspending is attributed to high cost for SITA expenditure caused by expansion and utilisation of systems by departments.*

Transfers and Subsidies: *overspending is due to previous year expenditure in respect of RSCL to Ehlanzeni.*

Payments for capital assets: *overspending is attributable to under budgeting.*



MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	133,022	112,252
Statutory appropriation	2	719	643
Departmental revenue	3	63,894	65,090
Local and foreign aid assistance	4	109	-
TOTAL REVENUE		197,744	177,985
EXPENDITURE			
Current expenditure			
Compensation of employees	5	56,005	38,349
Goods and services	6	72,812	61,489
Local and foreign aid assistance	4	109	-
Total current expenditure		128,926	99,838
Transfers and subsidies	7	460	115
Expenditure for capital assets			
Buildings and other fixed structures	8	-	1,446
Machinery and equipment	8	2,271	4,630
Software and other intangible assets	8	313	-
Total expenditure for capital assets		2,584	6,076
TOTAL EXPENDITURE		131,861	106,029
SURPLUS/(DEFICIT) FOR THE YEAR		65,774	71,956
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	11	1,880	6,866
Departmental Revenue	12	63,894	65,090
SURPLUS/(DEFICIT) FOR THE YEAR		65,774	71,956



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
STATEMENT OF FINANCIAL POSITION
at 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		5,247	6,881
Cash and cash equivalents	9	5,106	6,811
Receivables	10	141	70
TOTAL ASSETS		5,247	6,881
LIABILITIES			
Current liabilities		5,160	6,881
Voted funds to be surrendered to the Revenue Fund	11	1,880	6,866
Departmental revenue to be surrendered to the Revenue Fund	12	114	15
Payables	13	3,166	-
TOTAL LIABILITIES		5,160	6,881
NET ASSETS		87	-
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		87	-
Retained funds (Legislatures/Parliament/CARA Fund assistance)		-	-
Revaluation reserves (Housing dept's)		-	-
TOTAL		87	-



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:		-	-
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
Recoverable revenue			
Opening balance		-	-
Transfers		87	-
Debts recovered (included in departmental revenue)		-	-
Debts raised		87	-
Closing balance		87	-
TOTAL		87	-



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
CASH FLOW STATEMENT
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		197,744	177,973
Annual appropriated funds received	1.1	133,022	112,252
Statutory appropriated funds received		719	643
Departmental revenue received		63,894	65,078
Local and foreign aid assistance received	4	109	-
Net (increase)/decrease in working capital		3,095	54,366
Surrendered to Revenue Fund		(70,661)	(153,008)
Current payments		(128,817)	(99,838)
Transfers and subsidies paid		(460)	(115)
Net cash flow available from operating activities	14	792	(20,622)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(2,584)	(6,076)
Proceeds from sale of capital assets	3	-	12
Net cash flows from investing activities		(2,584)	(6,064)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		87	-
Net cash flows from financing activities		87	-
Net increase/(decrease) in cash and cash equivalents		(1,705)	(26,686)
Cash and cash equivalents at the beginning of the year		6,811	33,497
Cash and cash equivalents at end of period	9	5,106	6,811



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2005/06
	R'000	R'000	R'000	R'000
Administration	41,649	41,649	-	33,320
Sustainable Resource Management	27,760	27,760	-	21,148
Assets and Liabilities Management	51,308	51,308	-	48,739
Financial Governance	12,305	12,305	-	9,045
Total	133,022	133,022	-	112,252

2. Statutory Appropriation

	2006/07	2005/06
Member of executive committee	719	643
Total	719	643
Actual statutory Appropriation received	719	643

3. Departmental revenue to be surrendered to revenue fund

Description	Notes	2006/07	2005/06
Sales of goods and services other than capital assets	3.1	1,202	1,737
Interest, dividends and rent on land	3.2	62,375	63,341
Sales of capital assets	3.3	-	12
Financial transactions in assets and liabilities	3.4	317	-
Total revenue collected		63,894	65,090
Less: Departmental Revenue Budgeted		-	-
Departmental revenue collected		63,894	65,090



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

3.1 Sales of goods and services other than capital assets

	2006/07	2005/06
Sales of goods and services produced by the department	1,202	1,737
Other sales	1,202	1,737
Sales of scrap, waste and other used current goods		
Total	1,202	1,737

3.2 Interest, dividends and rent on land and buildings

	2006/07	2005/06
Interest	62,375	63,341
Total	62,375	63,341

3.3 Sale of capital assets

	2006/07	2005/06
Other capital assets	-	12
Total	-	12

3.4 Financial transactions in assets and liabilities

Nature of recovery

	2006/07	2005/06
Stale cheques written back	1	-
Other Receipts including Recoverable Revenue	316	-
Total	317	-

4. Local and Foreign assistance

4.1 Assistance received in cash: Other

Local	2006/07	2005/06
Opening balance	-	-
Revenue	109	-
Expenditure	109	-
Current	109	-
Capital	-	-
Closing Balance	-	-



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

5. Compensation of employees

5.1 Salaries and Wages

	2006/07	2005/06
Basic salary	38,106	25,540
Performance award	924	1,448
Service Based	234	60
Compensative/circumstantial	1,466	1,009
Other non-pensionable allowances	8,149	5,261
Total	48,879	33,318

5.2 Social contributions

	2006/07	2005/06
	R'000	R'000
5.2.1 Employer contributions		
Pension	4,844	3,320
Medical	2,274	1,706
Bargaining council	8	5
Total	7,126	5,031
Total compensation of employees	56,005	38,349
Average number of employees	286	244



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

6. Goods and services

	Note	2006/07 R'000	2005/06 R'000
Advertising		3,756	1,692
Bank charges and card fees		26	22
Bursaries (employees)		344	116
Communication		1,840	1,327
Computer services		27,649	33,483
Consultants, contractors and special services		11,596	4,823
Courier and delivery services		69	-
Drivers' licences and permits		-	7
Entertainment		1,621	-
External audit fees	6.1	5,704	3,371
Equipment less than R5000		997	1,015
Government motor transport		1,140	724
Inventory	6.2	2,869	4,136
Learnerships		117	23
Legal fees		105	301
Maintenance, repairs and running cost		492	317
Municipal Services		615	-
Operating leases		1,527	1,856
Printing and publications		11	245
Professional bodies and membership fees		511	8
Resettlement cost		331	170
Subscriptions		12	17
System access fees		126	201
Owned leasehold property expenditure		1,033	825
Travel and subsistence	6.3	7,364	4,938
Venues and facilities		932	874
Protective, special clothing & uniforms		68	6
Training & staff development		1,957	550
Town & regional planning		-	442
Total		72,812	61,489



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

		2006/07 R'000	2005/06 R'000
6.1 External audit fees			
Regulatory audits		679	842
Performance audits		2,570	1,630
Other audits		2,455	899
Total		5,704	3,371
		2006/07 R'000	2005/06 R'000
6.2 Inventory			
Domestic consumables		160	106
Agricultural		-	413
Learning and teaching support material		23	637
Food and Food supplies		103	690
Other consumables		33	-
Parts and other maintenance material		175	384
Stationery and printing		2,375	1,906
		2,869	4,136
6.3 Travel and subsistence			
Local		7,364	4,398
Total travel and subsistence		7,364	4,398
7. Transfers and subsidies			
		2006/07 R'000	2005/06 R'000
Provinces and municipalities	<i>Notes Annex 1F</i>	458	115
Public corporations and private enterprises	<i>Annex 11</i>	2	-
Total		460	115
		2006/07 R'000	2005/06 R'000
8. Expenditure for capital assets			
Buildings and other fixed structures	22	-	1,446
Machinery and equipment	22	2,271	4,630
Software and other intangible assets	23	313	-
Total		2,584	6,076



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

9. Cash and cash equivalents					2006/07	2005/06
					R'000	R'000
Consolidated Paymaster General Account					5,106	6,811
					5,106	6,811
10. Receivables					2006/07	2005/06
					R'000	R'000
	<i>Notes</i>	Less than one year	One to three years	Older than three years	Total	Total
Staff debt	10.1	38	-	-	38	10
Other Debtors	10.2	99	4	-	103	60
		137	4	-	141	70
					2006/07	2005/06
					R'000	R'000
10.1 Staff Debtors						
Cell-phone debts					6	6
Overpayments					32	4
Total					38	10
10.2 Other debtors					2006/07	2005/06
					R'000	R'000
Tax RSA					4	42
Ex-employees tax debts					6	5
Ex-employees overpayment					93	13
Total					103	60
11. Voted funds to be surrendered to the Revenue Fund					2006/07	2005/06
					R'000	R'000
Opening balance					6,866	86,622
Transfer from Statement of Financial Performance					1,880	6,866
Paid during the year					(6,866)	(86,622)
Closing balance					1,880	6,866
12. Departmental revenue to be surrendered to the Revenue Fund					2006/07	2005/06
					R'000	R'000
Opening balance					15	1,311
Transfer from Statement of Financial Performance					63,894	65,090
Departmental revenue budgeted					-	-
Paid during the year					(63,795)	(66,386)
Closing balance					114	15



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

13. Payables -current

Description

				2006/07 R'000	2005/06 R'000
	Notes	30 Days	30+ Days	2006/07 Total	2005/06 Total
Clearing accounts	13.1	-	3,166	3,166	-
Total		-	3,166	3,166	-

13.1 Clearing Accounts

Infrastructure funds
Total

	2006/07 R'000	2005/06 R'000
Infrastructure funds	3,166	-
Total	3,166	-

14. Net cash flow available from operating activities

	2006/07 R'000	2005/06 R'000
Net surplus/(deficit) as per Statement of Financial Performance	65,774	71,956
Add back non cash/cash movements not deemed operating activities	(64,982)	(92,578)
(Increase)/decrease in receivables – current	(71)	54,366
Increase/(decrease) in payables – current	3,166	-
Proceeds from sale of capital assets	-	(12)
Expenditure on capital assets	2,584	6,076
Surrenders to Revenue Fund	(70,661)	(153,008)
Net cash flow generated by operating activities	792	(20,622)

15. Reconciliation of cash and cash equivalents for cash flow Purposes

	2006/07 R'000	2005/06 R'000
Consolidated Paymaster General account	5,106	6,811
	5,106	6,811



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements

		Note	2006/07 R'000	2005/06 R'000
16. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	719	819
Claims against the department		Annex 3B	2,180	-
Other Departments Unconfirmed balances		Annex 5	28	-
Total			2,927	819
17. Commitments			2006/07 R'000	2005/06 R'000
Current Expenditure				
Approved and contracted			129	769
Total Commitments			129	769
18. Accruals			2006/07 R'000	2005/06 R'000
Listed by economic classification			Total	Total
	30 Days	30+ Days		
Compensation of employees	-	-	-	-
Goods and services	2,766	1,868	4,634	2,499
Machinery and equipment	-	-	-	98
Total	2,766	1,868	4,634	2,597
Listed by programme level				
Programme 1: Administration			912	1,103
Programme 2: Sustainable Resource Management			26	211
Programme 3: Asset and Liabilities			3,635	1,165
Programme 4: Financial Governance			61	118
			4,634	2,597
19. Employee benefits			2006/07 R'000	2005/06 R'000
Leave entitlement			1,789	1,196
Thirteenth cheque			1,830	1,360
Performance awards			998	1,024
Capped leave commitments			5,242	4,593
Total			9,859	8,173



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

20. Lease Commitments

20.1 Operating leases

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	2006/07 Total R'000
Not later than 1 year	-	-	1,411	1,411
Later than 1 year and not later than 5 Years	-	-	1,274	1,274
Total present value of lease liabilities	-	-	2,685	2,685

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	2005/06 Total R'000
Not later than 1 year	-	-	1,061	1,061
Later than 1 year and not later than 5 Years	-	-	1,578	1,578
Total present value of lease liabilities	-	-	2,639	2,639

20. Key Management Personnel

	No. of individuals	2005/06 R'000	2005/06 R'000
Political Office bearer (MEC)	1	719	643
Level 15-16 (Deputy Director General)	1	717	677
Level 14 including CFO (Chief Directors)	4	2,281	1,590
Total		3,717	2,910



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

21. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	1,446	(1,446)	-	-	-
Other fixed structures	1,446	(1,446)	-	-	-
MACHINERY AND EQUIPMENT	6,675	133	2,585	-	9,393
Transport assets	3,591	322	98	-	4011
Computer equipment	2,560	33	2,161	-	4754
Furniture and office equipment	523	(221)	306	-	608
Other machinery and equipment	1	(1)	20	-	20
TOTAL CAPITAL ASSETS	8,121	(1,313)	2,585	-	9,393

21.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-cash	(Capital work in progress current)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT	2,271	314	-	-	2,585
Transport assets	98	-	-	-	98
Computer equipment	1,922	239	-	-	2,161
Furniture and office equipment	251	55	-	-	306
Other machinery and equipment	-	20	-	-	20
TOTAL CAPITAL ASSETS	2,271	314	-	-	2,585



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

22.2 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	-	1,446	-	1,446
Other fixed structures	-	1,446	-	1,446
MACHINERY AND EQUIPMENT	2,045	4,630	-	6,675
Transport assets	-	3,591	-	3,591
Computer equipment	2,044	516	-	2,560
Furniture and office equipment	-	523	-	523
Other machinery and equipment	1	-	-	1
TOTAL TANGIBLE ASSETS	2,045	6,076	-	8,121

23. ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	-	4,511	313	-	4,824
TOTAL CAPITAL ASSETS	-	4,511	313	-	4,824

23.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-cash	(Develop-ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	313	-	-	-	313
TOTAL CAPITAL ASSETS	313	-	-	-	313

**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 1F
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Amount	Roll-Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Ehlanzeni Region	90	-	-	90	456	506.7%	-	-	-	90
Nkangala Region	2	-	-	2	1	50.0%	-	-	-	2
Gert Sibande Region	3	-	-	3	1	33.3%	-	-	-	3
	95	-	-	95	458	482%	-	-	-	95

**ANNEXURE 1I
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE		Total Available
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Public Corporations							
Transfers	-	-	-	-	2	-	-
Total	-	-	-	-	2	-	-



**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIP RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
Received in cash			
The Standard Bank of South Africa	Sponsorship	109	-
Total		109	-

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2006	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31 March 2007	Guaranteed interest for year ended 31 March 2007	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	
	Housing								
Peoples Bank	7	99	126	-	27	-	99	-	-
ABSA	4	129	103	26	-	-	129	-	-
First Rand Bank	3	60	28	32	-	-	60	-	-
Old Mutual	5	148	218	-	70	-	148	-	-
Standard Bank	3	32	93	16	77	-	32	-	-
Nedbank	5	144	144	-	-	-	144	-	-
Mpumalanga Housing Finance	2	107	107	-	-	-	107	-	-
	Total	719	819	74	174	-	719	-	-



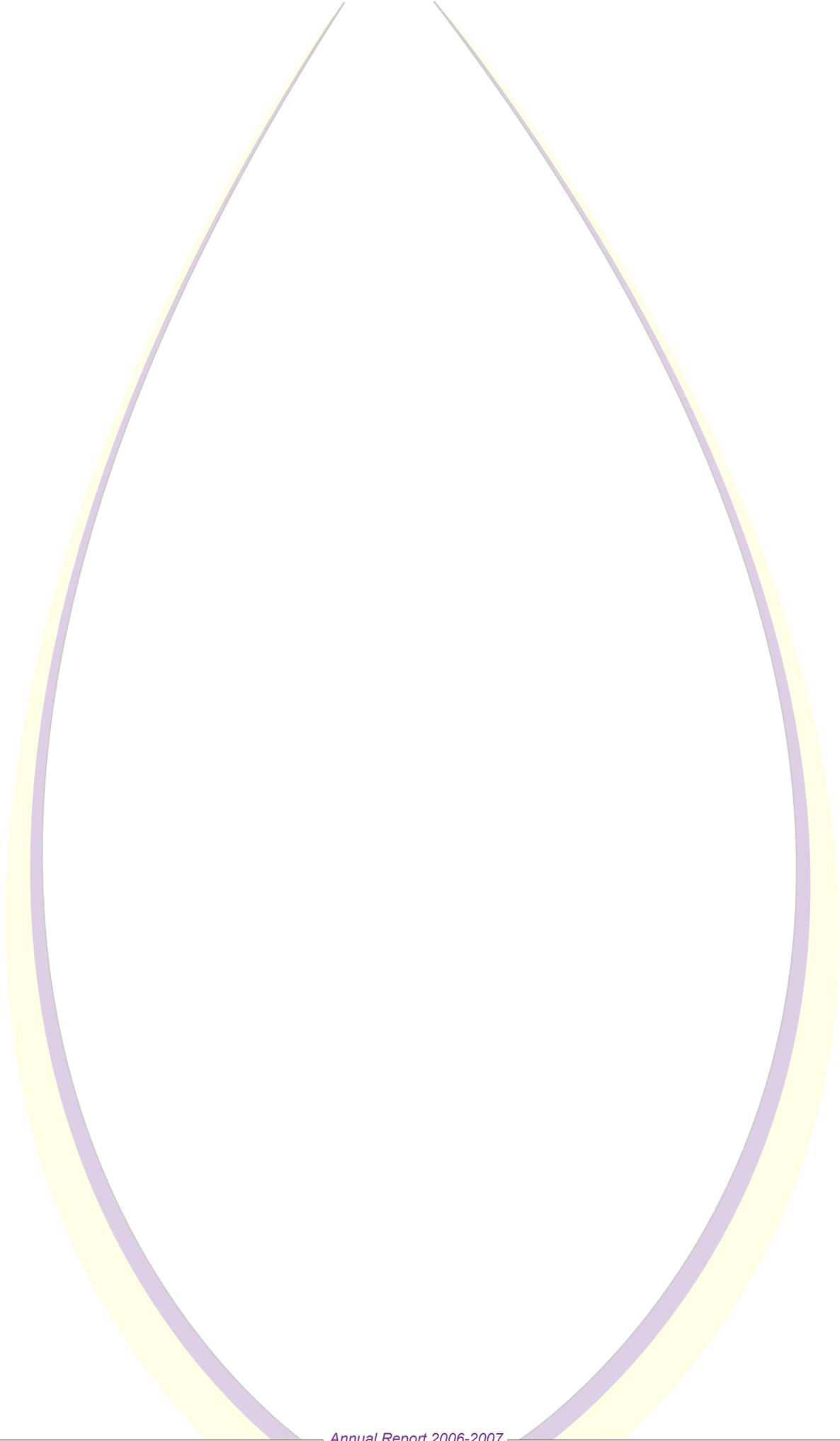
**MPUMALANGA – DEPARTMENT OF FINANCE: VOTE 3
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007**

	Opening balance 01/04/2006	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31/03/2007
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
King Civil Engineering	-	2,130	-	-	2,130
Marie Broodryk	-	50	-	-	50
Total	-	2,180	-	-	2,180

**ANNEXURE 7
INTER-GOVERNMENTAL PAYABLES-CURRENT**

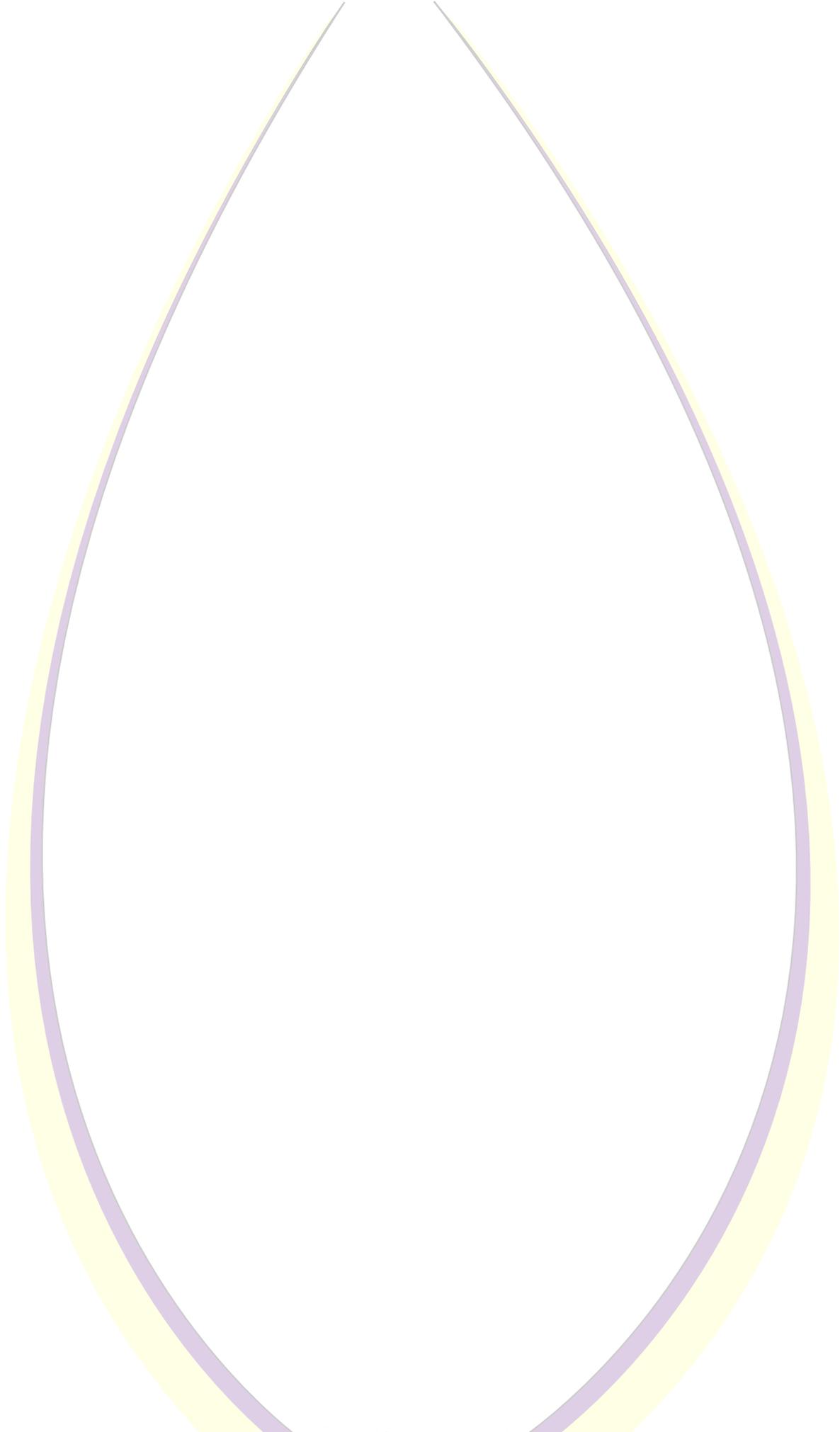
GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Current						
Department of Public Works	-	28	28	-	28	28
TOTAL	-	28	28	-	28	28





PART 5:

**HUMAN
RESOURCE
MANAGEMENT**





PART 5: HUMAN RESOURCE MANAGEMENT

1.1 Service Delivery

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
N/A	N/A	N/A	N/A	N/A

TABLE 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual Achievements
N/A	N/A	N/A	N/A

TABLE 1.3 – Service delivery Access Strategy

Access Strategy	Actual Achievement
N/A	N/A

TABLE 1.4 – Service Information Tool

Types of Information Tools	Actual Achievement
N/A	N/A

TABLE 1.5 – Complaints Mechanism

Complaints Mechanism	Actual Achievement
N/A	N/A



5.2 Expenditure

TABLE 2.1 – Personnel costs by programme, 2006/07

Programme	Total Voted Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees cost per employee (R'000)	Employment
Pr1: Administration	42,368	22,085	90,5434	0	50.7	159	139
Pr2: Sustainable Resource Mngt	27,760	12,008	625,274	0	49.4	316	38
Pr3: Asset and Liabilities mngt	57,308	15,707	261,095	0	28.7	199	79
Pr4: Financial Governance	12,305	6,207	165,252	0	65.8	207	30
Z=TOTAL as on Financial Systems (BAS)	133,741	56,006	1,957,055	0	42.5	196	286

TABLE 2.2 – Personnel costs by salary bands

Salary bands	Compensation of Employees cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods & Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	1,077	1.8	63,353	58,828	17
Skilled (Levels 3-5)	2,509	4.3	67,811	58,828	37
Highly skilled production (Levels 6-8)	13,470	22.9	143,298	58,828	94
Highly skilled supervision (Levels 9-12)	30,437	51.7	255,773	58,828	119
Senior management (Levels 13-16)	9,923	16.9	583,706	58,828	17
Contract (Level 1-2)	13	0	0	58,828	0
Contract (Level 9-12)	416	0.7	416,000	58,828	1
Contract (Level 13-16)	526	0.9	526,000	58,828	1
Abnormal Appointment	457	0.8	0	58,828	0
TOTAL	58,828	100	2,055,941	58,828	286



TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Aid by programme, 2006/07

Programme	Salaries (R'000)	Salaries as a % of Personnel Cost	Overtime (R'000)	Overtime as a % of Personnel Cost	HOA (R'000)	HOA as a % of Personnel Cost	Medical Ass. (R'000)	Medical Assistance as a % of Personnel cost	Total Personnel Cost per Programme (R'000)
Pr1: administration	14,767	64.4	210	0.9	241	1.1	1,048	4.6	22,937
Pr2: Sustainable resource management	7,545	61.9	109	0.9	167	1.4	317	2.6	12,190
Pr3: asset and liabilities management	11,144	65.3	18	0.1	165	1	697	4.1	17,078
Pr4: financial governance	4,224	64.3	18	0.3	69	1	216	3.3	6,572
TOTAL	37,680	0.64	355	2.2	642	4.5	2,278	14.6	58,828

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2005/06

Salary Bands	Salaries (R'000)	Salaries as a % of personnel cost	Overtime (R'000)	Overtime as a % of personnel cost	HOA (R'000)	HOA as a % of personnel cost	Medical Ass. (R'000)	Medical Assistance as a % of personnel cost	Total Personnel Cost Per Salary Band
Lower skilled (Levels 1-2)	730	67.7	0	0	33	1.3	101	2.9	1,079
Skilled (Levels 3-5)	1,824	72.3	7	1	52	1.2	211	2.2	2,524
Highly skilled production (Levels 6-8)	9,047	71.5	134	0.2	174	0.4	742	2.9	12,651
Highly skilled supervision (Levels 9-12)	20,221	64.3	214	1	344	1.2	963	2.1	31,455
Senior management (Levels 13-16)	5,273	54.7	0	0	39	0.4	243	1.5	9,637
Contract (Level 1-2)	13	100	0	0	0	0	0	0	13
Contract (Level 9-12)	275	66.1	0	0	0	0	0	0	416
Contract (Level 13-16)	297	50.2	0	0	0	0	18	3	592
Abnormal Appointment	0	0	0	0	0	0	0	0	461
TOTAL	37,680	0.64	355	2.2	642	4.5	2,278	14.6	58,828



TABLE 3.1 – Employment and vacancies by Programme at end of period

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Pr1: administration	154	139	9.7	0
Pr2: Sustainable resource mgt.	55	38	30.9	0
Pr3: asset and liabilities mngt	85	79	7.1	0
Pr4: financial governance	42	30	28.6	0
TOTAL	336	286	14.9	0

TABLE 3.2 – Employment and Vacancies by Salary Band at end of period

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), Permanent	17	17	0	0
Skilled (Levels 3-5), Permanent	46	36	21.7	0
Highly skilled production (Levels 6-8), Permanent	120	93	22.5	0
Highly skilled supervision (Levels 9-12), Permanent	132	121	8.3	0
Senior management (Levels 13-16), Permanent	19	17	10.5	0
Contract (Level 9-12), Permanent	1	1	0	0
Contract (Level 13-16), Permanent	1	1	0	0
TOTAL	336	286	14.9	0

TABLE 3.3 – Employment and vacancies by critical occupation at end of period

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	73	58	20.5	0
Cleaners in offices workshops hospitals etc., Permanent	9	9	0	0
Communication and information related, Permanent	4	4	0	0
Engineering sciences related, Permanent	2	0	100	0
Engineers and related professionals, Permanent	1	1	0	0
Finance and economics related, Permanent	27	25	7.4	0
Financial and related professionals, Permanent	48	38	20.8	0
Financial clerks and credit controllers, Permanent	1	0	100	0
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources & organisat developm & relate prof, Per	7	7	0	0
Human resources related, Permanent	8	7	12.5	0
Information technology related, Permanent	14	12	14.3	0
Legal related, Permanent	4	3	25	0
Light vehicle drivers, Permanent	1	1	0	0
Logistical support personnel, Permanent	31	25	19.4	0
Messengers porters and deliverers, Permanent	2	2	0	0
Other administrat & related clerks and organisers, Per	6	3	50	0
Other occupations, Permanent	63	61	3.2	0



TABLE 3.3 (continue)– Employment and vacancies by critical occupation at end of period

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Risk management and security services, Permanent	1	1	0	0
Secretaries & other keyboard operating clerks, Permanent	13	11	15.4	0
Senior managers, Permanent	20	17	15	0
TOTAL	336	286	14.9	0

TABLE 4.1 – Job Evaluation, 1 April 2006 to 31 March 2007

Salary band	Number of posts	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)	18	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	46	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	124	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	128	9	7	0	0	0	0
Senior Management Service Band A	15	0	0	0	0	0	0
Senior Management Service Band B	2	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
TOTAL	336	9	2.7	0	0	0	0

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with Disability	0	0	0	0	0

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	No of Employees in the Dept.
Highly Skilled	0	0	9 to 12	0	286
Senior Management	0	0	13 to 16	0	286
Total	0	0	0	0	286
% of Total Employment	0	0	0	0	0



TABLE 4.3 – Profile of employees whose salary level exceed the grade determined by job evaluation (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2006 to 31 March 2007

Salary Band	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	12	1	1	8.3
Skilled (Levels 3-5), Permanent	27	18	0	0
Highly skilled production (Levels 6-8), Permanent	91	27	4	4.4
Highly skilled supervision (Levels 9-12), Permanent	92	10	1	1.1
Senior Management Service Band A, Permanent	14	3	2	14.3
Senior Management Service Band B, Permanent	2	0	0	0
Senior Management Service Band C, Permanent	1	0	0	0
Contract (Level 1-2), Permanent	0	1	1	0
Contract (Level 9-12), Permanent	1	0	0	0
Contract (Band A), Permanent	1	0	0	0
TOTAL	241	60	9	3.7



TABLE 5.2 – Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	51	7	0	0
Cleaners in offices workshops hospitals etc., Permanent	9	0	0	0
Client inform clerks(switchboard/recept. inform clerks), Per.	0	0	0	0
Communication and information related, Permanent	4	0	0	0
Computer system designers and analysts, Permanent	0	0	0	0
Engineering sciences related, Permanent	1	0	0	0
Finance and economics related, Permanent	21	4	0	0
Financial and related professionals, Permanent	34	5	1	2.9
Financial clerks and credit controllers, Permanent	0	0	0	0
General legal administration & related Professionals, perm	0	0	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisat developm & relate prof, Per	6	1	0	0
Human resources clerks, Permanent	0	0	0	0
Human resources related, Permanent	6	1	0	0
Information technology related, Permanent	12	0	0	0
Legal related, permanent	1	2	0	0
Library mail and related clerks, Permanent	0	0	0	0
Light vehicle drivers, Permanent	1	0	0	0
Logistical support personnel, Permanent	13	12	0	0
Material-recording and transport clerks, Permanent	0	0	0	0
Messengers porters and deliverers, Permanent	2	0	0	0
Other administrat & rel. clerks and organisers, Permanent	3	0	0	0
Other administrative policy & related officers, Permanent	0	0	0	0
Other information technology personnel, Permanent	11	2	3	27.3
Other occupations, Permanent	38	22	3	7.9
Printing and related machine operators, Permanent	0	0	0	0
Risk management and security services, Permanent	0	1	0	0
Secretaries & other keyboard operating clerks, Permanent	10	1	0	0
Senior managers, Permanent	17	2	2	11.8
TOTAL	241	60	9	3.7



Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of Total Resignations	% of Total Employment	Total	Total Employment
Death, Permanent	6	66.7	2.1	9	286
Resignation, Permanent	1	11.1	0.3	9	286
Expiry of contract, Permanent	2	22.2	0.7	9	286
Total	9	100	3.1	9	286

Resignations as % of Employment	Number	% of total
		3.3

Table 5.4 – Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2006)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch Progressions as a % of Employment
Administrative related	51	13	25.5	18	35.3
Cleaners in offices workshops hospitals etc.	9	0	0	14	155.6
Client inform clerks (switch receipt inform clerks)	0	0	0	1	0
Communication and information related	4	0	0	0	0
Computer system designers and analysts.	0	0	0	2	0
Engineers & related Professionals, Permanent	1	0	0	1	100
Finance and economics related	21	1	4.8	5	23.8
Financial and related professionals	34	8	23.5	5	14.7
Financial clerks and credit controllers	0	1	0	4	0
General legal administration & rel. professionals	0	0	0	0	0
Head of department/chief executive officer	1	0	0	0	0
Human resources & organisat developm & rel prof, Per	6	0	0	1	16.7
Human resources clerks	0	0	0	1	0
Human resources related	6	1	16.7	0	0
Information technology related	12	2	16.7	4	33.3
Legal related, permanent	1	0	0	2	200
Library mail and related clerks	0	0	0	1	0
Light vehicle drivers	1	4	400	7	700
Logistical support personnel	13	0	0	1	7.7
Material-recording and transport clerks	0	0	0	2	0
Messengers porters and deliverers	2	0	0	5	250
Other administrat & related clerks and organisers	3	0	0	1	33.3
Other administrative policy & rel officers, Permanent	0	0	0	17	0
Other information technology personnel.	11	6	54.5	5	45.5
Other occupations	38	0	0	0	0
Printing and related machine operators	0	0	0	0	0
Risk management and security services, Permanent	0	0	0	0	0
Secretaries & other keyboard operating clerks, Perm.	10	1	10	6	60
Senior managers, Permanent	17	2	11.8	0	0
Total	241	39	16.2	103	42.7



Table 5.5 – Promotions by Salary Band

Salary Band	Employees 1 April 2006	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another notch within a Salary Level	Notch Progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	12	0	0	16	133.3
Skilled (Levels 3-5), Permanent	27	1	3.7	14	51.9
Highly skilled production (Levels 6-8), Permanent	91	17	18.7	38	41.8
Highly skilled supervision (Levels 9-12), Permanent	92	18	19.6	34	37
Senior management (Levels 13-16), Permanent	17	3	17.6	1	5.9
Contract (Levels 9-12), Permanent	1	0	0	0	0
Contract (Levels 13-16), Permanent	1	0	0	0	0
TOTAL	241	39	16.2	103	42.7

Table 6.1 – Total number of employees (including employees with disabilities) per occupational category (SASCO)

Occupational Categories	Male African	Male Coloured	Male Indian	Male, Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female, Total Blacks	Female White	Total
Legislators, senior officials and managers, Permanent	10	0	1	4	0	5	0	0	7	1	17
Professionals, Permanent	75	1	1	81	13	78	1	1	78	3	173
Clerks, Permanent	8	0	0	8	0	22	0	0	22	1	31
Plant and machine operators and assemblers, Permanent	3	0	0	3	0	0	0	0	0	0	3
Elementary occupations	26	0	0	26	0	35	0	0	35	1	62
Total	122	1	2	122	13	140	1	1	142	6	286

	Male African	Male Coloured	Male Indian	Male, Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female, Total Blacks	Female White	Total
Employees with disabilities	2	0	0	2	1	0	0	0	0	0	3



Table 6.2 – Total number of employees (including employees with disabilities) per occupational bands

Occupational Bands	Male African	Male Coloured	Male Indian	Male, Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female, Total Blacks	Female White	Total
Top Management	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	9	0	1	9	0	5	0	0	5	1	16
Professionally qualified and experienced specialists and mid-management, Permanent	61	1	1	61	10	41	1	0	41	2	117
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	30	0	0	30	2	60	0	1	60	3	96
Semi-skilled and discretionary decision making, Permanent	19	0	0	19	0	18	0	0	18	0	37
Unskilled and defined decision making, Permanent	1	0	0	1	0	16	0	0	16	0	17
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	0	0	1
TOTAL	122	1	2	122	13	140	1	1	140	6	286

Table 6.3 - Recruitment

Occupational Bands	Male African	Male Coloured	Male Indian	Male, Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female, Total Blacks	Female White	Total
Senior Management, Permanent	2	0	0	0	0	1	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management	4	0	0	6	0	6	0	0	6	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	8	0	12	0	0	9	2	22
Semi-skilled and discretionary decision making	9	0	0	9	0	15	0	0	5	0	24
Contract (Unskilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	23	0	0	23	0	35	0	0	22	2	60
No data	0	0	0	0	0	0	0	0	0	0	0



Table 6.4 Promotions

Occupational Bands	Male African	Male Coloured	Male Indian	Male, Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female, Total Blacks	Female White	Total
Senior Management, Permanent	2	0	0	2	0	2	0	0	2	0	4
Professionally qualified and experienced specialists and mid-management	5	0	1	12	2	3	0	0	18	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	15	2	5	0	10	25	2	13
Semi-skilled and discretionary decision making	2	0	0	6	0	4	0	0	9	0	6
Unskilled and defined decision making	1	0	0	1	0	3	0	0	15	0	4
TOTAL	13	0	1	36	4	17	0	1	69	3	39

Employees with disabilities	2	0	0	2	1	0	0	0	0	0	3
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Table 6.5 – Terminations

Occupational Bands	Male African	Male Coloured	Male Indian	Male, Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female, Total Blacks	Female White	Total
Senior Management, Permanent	0	0	0	0	0	2	0	0	2	0	2
Professionally qualified and experienced specialists and mid-management	1	0	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	3	0	1	0	0	1	1	5
Contract(Unskilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	4	0	0	4	0	4	0	0	4	0	9

Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0
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Table 6.6 – Disciplinary Action

Disciplinary action	Male African	Male Coloured	Male Indian	Male, Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female, Total Blacks	Female White	Total
Disciplinary action	7	0	0	7	1	1	0	0	1	0	9
TOTAL	7	0	0	7	1	1	0	0	1	0	9



Table 6.7 – Skills Development

Occupational Categories	Male African	Male Coloured	Male Indian	Male, Total Blacks	Male White	Female African	Female Coloured	Female Indian	Female, Total Blacks	Female White	Total
Legislators, Senior Officials and Managers	10	0	1	4	0	5	0	0	7	1	17
Professionals	75	1	1	81	13	78	1	1	78	3	173
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	22	0	0
Clerks	8	0	0	8	0	22	0	0	0	1	31
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	3	0	0	3	0	0	0	0	0	0	3
Elementary Occupations	26	0	0	26	0	35	0	0	35	1	62
Total	122	1	2	122	13	140	1	1	142	6	286
Employees with disabilities	2	0	0	0	0	0	0	0	0	0	2

TABLE 7.1 – Performance Rewards by Race, Gender, and Disability

	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average cost per Beneficiaries
African, Female	63	140	45.0%	446	70,079
African, Male	39	122	32.0%	334	8,564
Asian, Female	1	1	100.0%	5	5,000
Asian, Male	1	2	50.0%	25	25,000
Coloured, Female	1	1	100.0%	9	9,000
Coloured, Male	0	1	0.0%	0	0
Total Blacks, Female	65	140	46.4%	460	7,077
Total Blacks, Male	40	122	32.8%	359	8,975
White, Female	5	6	83.3%	45	9,000
White, Male	11	12	91.7%	135	12,364
Employee with a disability	2	3	66.7%	6	3,000
TOTAL	122	286	42.7%	1,006	8,246



TABLE 7.2 – Performance Rewards by Salary Bands for Personnel below Senior Management Service

Salary Bands	Number of Beneficiaries	Total Employment	% of Total Employment	Total Cost (R'000)	Average cost per Beneficiaries
Lower skilled (Levels 1-2)	16	17	94.1	54	3,375
Skilled (Levels 3-5)	12	37	32.4	53	4,417
Highly skilled production (Levels 6-8)	44	96	45.8	279	6,341
Highly skilled supervision (Levels 9-12)	49	118	45.8	596	12,163
Contract (Level 9-12)	1	1	41.5	24	24,000
Abnormal Appointment	0	0	100	0	0
TOTAL	122	269	45.4	1,006	8,246

TABLE 7.3 – Performance Rewards by Critical Occupations

Critical Occupations	Number of Beneficiaries	Total Employment	% of Total Employment	Total Cost (R'000)	Average cost per Beneficiaries
Administrative related	24	46	52.2	283	11,792
Cleaners in offices workshops hospitals etc.	14	14	100	48	3,429
Client inform clerks(switchb receipt inform clerks)	1	1	100	6	6,000
Communication and information related	1	4	25	41	41,000
Computer system designers and analysts.	2	2	100	15	7,500
Engineering sciences related	1	2	50	23	23,000
Finance and economics related	5	24	20.8	38	7,600
Financial and related professionals	9	30	30	60	6,667
Financial clerks and credit controllers	2	6	33.3	7	3,500
Head of department/chief executive officer	0	16	0	0	0
Human resources & organis developm & relate prof	2	7	28.6	9	4,500
Human resources clerks	1	1	100	11	11,000
Human resources related	0	6	0	0	0
Information technology related	7	9	77.8	104	14,857
Legal related	1	3	33.3	11	11,000
Library mail and related clerks	2	2	100	9	4,500
Light vehicle drivers	1	2	50	2	2,000
Logistical support personnel	7	19	36.8	38	5,429
Messengers porters and deliverers	2	2	100	8	4,000
Other administration & related clerks and organisers	6	7	85.7	32	5,333
Other administrative policy and related officers	1	2	50	14	14,000
Other information technology personnel.	20	17	117.6	171	8,550
Other occupations	8	33	24.2	54	6,750
Printing and related machine operators	0	1	0	0	0
Secretaries & other keyboard operating clerks	5	14	35.7	22	4,400
Senior managers	0	16	0	0	0
TOTAL	122	286	42.7	1,006	8,246



TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	% of Total Employment	Cost (R'000)	Average cost per Beneficiaries	% of SMS Bill	Personnel Cost SMS (R'000)
Band A	0	14	0	0	0	0	0
Band B	0	2	0	0	0	0	0
Band C	0	1	0	0	0	0	0
TOTAL	0	17	0	0	0	0	0

TABLE 8.1 – Foreign Workers

Salary Band	Employment at Beginning of Period	% of total	Employment at End of Period	% of total	Change in Employment	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
TOTAL	0	0	0	0	0	0	0	0

TABLE 8.2 – Foreign Workers

Salary Band	Employment at Beginning of Period	% of total	Employment at End of Period	% of total	Change in Employment	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
TOTAL	0	0	0	0	0	0	0	0

TABLE 9.1 – Sick leave

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of total employees using Sick Leave	Average days per Employee	Estimated Cost (R'000)	Total Number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	26	100	6	3.8	4	4	159	26
Skilled (Levels 3-5)	47	91.5	13	8.2	4	10	159	43
Highly skilled production (Levels 6-8)	318	89.3	56	35.2	6	128	159	284
Highly skilled supervision (Levels 9-12)	370	85.4	74	46.5	5	284	159	316
Senior management (Levels 13-16)	27	70.4	8	5	3	49	159	19
Contract (level 9-12)	7	100	1	0.6	7	10	159	7
Contract (level 13-16)	3	100	1	0.6	3	6	159	3
TOTAL	798	87.5	159	100	5	491	159	698



TABLE 9.2 – Disability Leave (Temporary and Permanent)

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of total employees using Sick Leave	Average days per Employee	Estimated Cost (R'000)	Total Number of Employees using Sick Leave	Total number of days with medical certification
Highly skilled production (Levels 6-8)	5	60	1	50	5	3	3	2
Highly skilled supervision (Levels 9-12)	11	100	1	50	11	12	11	2
TOTAL	16	87.5	2	100	8	15	14	2

TABLE 9.3 – Annual Leave

Salary Bands	Total Days Taken	Average per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	361	21	17
Skilled (Levels 3-5)	483	16	31
Highly skilled production (Levels 6-8)	1574	16	97
Highly skilled supervision (Levels 9-12)	1919	16	122
Senior management (Levels 13-16)	259	15	17
Contract (level 9-12)	22	22	1
TOTAL	4618	16	285

TABLE 9.4 – Capped Leave

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006	Number of Employees who took Capped Leave	Total number of capped leave available at 31 December 2006	Total number of Employees using Disability leave
Highly skilled production (Levels 6-8)	67	17	68	4	3066	45
Highly skilled supervision (Levels 9-12)	12	2	60	5	3780	63
Senior management (Levels 13-16)	16	8	41	2	324	8
TOTAL	95	9	62	11	7170	116

TABLE 9.5 – Leave payouts for the period 1 April 2006 to 31 March 2007

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R)
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	36	7	5143
Capped leave payouts on termination of service for 2006/07	83	16	5188
Current leave payout on termination of service for 2006/07	7	4	1750
TOTAL	126	27	4667



TABLE 10.1 – 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
N/A	N/A
N/A	N/A

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Director: Corporate Services
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.	X		Two Employees
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Health and Wellness programme
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.	X		Committee existed
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.	X		Recruitment policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Handout condoms/ and awareness campaigns
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Eleven
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	



TABLE 11.1– Collective Agreements

Subject Matter	Date
N/A	N/A
N/A	N/A

TABLE 11.2 – Misconduct and Disciplinary Hearings Finalised

Outcomes of disciplinary hearings	Number	% of total	Total
Total	9	100	9

TABLE 11.3 – Types of Misconduct Addressed at Disciplinary Hearings

Type of misconduct	Number	% of total	Total
Absenteeism	1	100	1
Absenteeism & Insurbornation	1	100	1
Poor performance	1	100	1
Misrepresentation	1	100	1
Prejudice the Administration	1	100	1
Fraud	2	100	2
Insurbornation	1	100	1
Unacceptable conduct	1	100	1
Total	9	100	9

TABLE 11.4 – Grievances Lodged

Number of grievances addressed	Number	% of Total
Total	0	0

TABLE 11.5 – Disputes Lodged

Number of disputes addressed	Number	% of Total
Upheld	0	0
Dismissed	1	100
Total	1	

TABLE 11.6 – Strike Actions

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



TABLE 11.7 – Precautionary Suspensions

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

Table 12.1 – Training Needs Identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	7	7	0
	Male	10	0	10	10	0
Professionals	Female	79	0	50	79	129
	Male	94	0	60	94	154
Technicians and associate professionals	Female	0	8	0	0	8
	Male	0	7	0	0	7
Clerks (3-5)	Female	22	7	22	22	51
	Male	9	8	9	9	26
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	3	0	3	3	6
Elementary occupations	Female	27	0	0	27	27
	Male	35	0	0	35	35
Gender Sub Total	Female	135	0	0	130	130
	Male	151	0	0	151	151
TOTAL		286	30	161	286	477

Table 12.2 – Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	7	7	0
	Male	10	0	10	10	0
Professionals	Female	79	0	30	79	109
	Male	94	0	20	94	114
Technicians and associate professionals	Female	0	8	0	0	8
	Male	0	5	0	0	5
Clerks	Female	22	7	0	22	29
	Male	9	4	0	9	13
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	3	0	0	3	3
Elementary occupations	Female	27	0	12	27	39
	Male	35	0	0	35	35
Gender Sub Total	Female	135	0	0	135	135
	Male	151	0	0	151	151
TOTAL		286	24	168	286	478

TABLE 13.1 – Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	50
Temporary Total Disablement	1	50
Permanent Disablement	0	0
Fatal	0	0
Total	2	100

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
N/A	N/A	N/A	N/A
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
N/A	N/A	N/A	N/A
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
N/A	N/A	N/A	N/A

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