



Submission of Annual Report 2011/12

I have the honour of submitting the Annual Report of the Department of Finance for the period 01 April 2011 to 31 March 2012.

This Annual Report has been prepared in accordance with the requirements of section 40(1)(d) of the Public Finance Management Act 1999 (Act 1 of 1999) as amended by Act 29 of 1999.

Mr J B Mbatha
Acting Accounting Officer
31/07/2012



TABLE OF CONTENT

1. GENERAL INFORMATION

Vision, Mission and Values	6
Organisational Structure of the Department as at 31 March 2012	7
Legislative Mandate	8
Entities Reporting to the Executing Authority	10
MEC's Statement	11
Accounting Officer's Overview	12

2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1. Overall Performance	15
2.1.1 Voted Funds	15
2.1.2 Aim of vote	15
2.1.3 Strategic Outcome Oriented Goals	15
2.1.4 Overview of the service delivery environment for 2011/12	16
2.1.5 Overview of the organisational environment for 2011/12	16
2.1.6 Key policy developments and legislative changes	17
2.1.7 Departmental revenue, expenditure, and other specific topics	17
2.1.8 Departmental expenditure	17
2.1.9 Transfer payments	18
2.1.10 Conditional grants and earmarked funds	18
2.1.11 Capital investment, maintenance and asset management plan	18
2.2. Programme Performance	19
Programme 1: Administration	19
Programme 2: Sustainable Resource Management	28
Programme 3: Assets and Liabilities Management	33
Programme 4: Financial Governance	37



3. ANNUAL FINANCIAL STATEMENTS

Report of the Audit Committee	45
Report by the Accounting Officer	47
Report of the Auditor General	51
Appropriation Statement	53
Notes to the Appropriation Statement	61
Statement of Financial Performance	62
Statement of Financial Position	63
Statement of Changes In Net Assets	64
Cash Flow Statements	65
Accounting Policies	66
Notes of the Annual Financial Statements	74
Disclosure Notes to the Annual Financial Statements	83
Annexures to the Annual Financial Statements	91

4. HUMAN RESOURCE MANAGEMENT

Human Resource Management	98
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5. OTHER INFORMATION

Acronyms	117
List of contact details	118



The next pages will outline the vision and related legislative mandates and organisational structure of the Department. The Executing Authority and Accounting Officer also provide a performance overview for the financial year ended 31 March 2012.



GENERAL INFORMATION

PART 1



VISION

A dynamic Department leading in service excellence



MISSION

The equitable allocation and optimal utilization of provincial resources to ensure a quality and better life for all through:

- quality financial advice and support to departments, public entities and municipalities
- efficient financial management and fiscal discipline
- effective monitoring of resource utilization

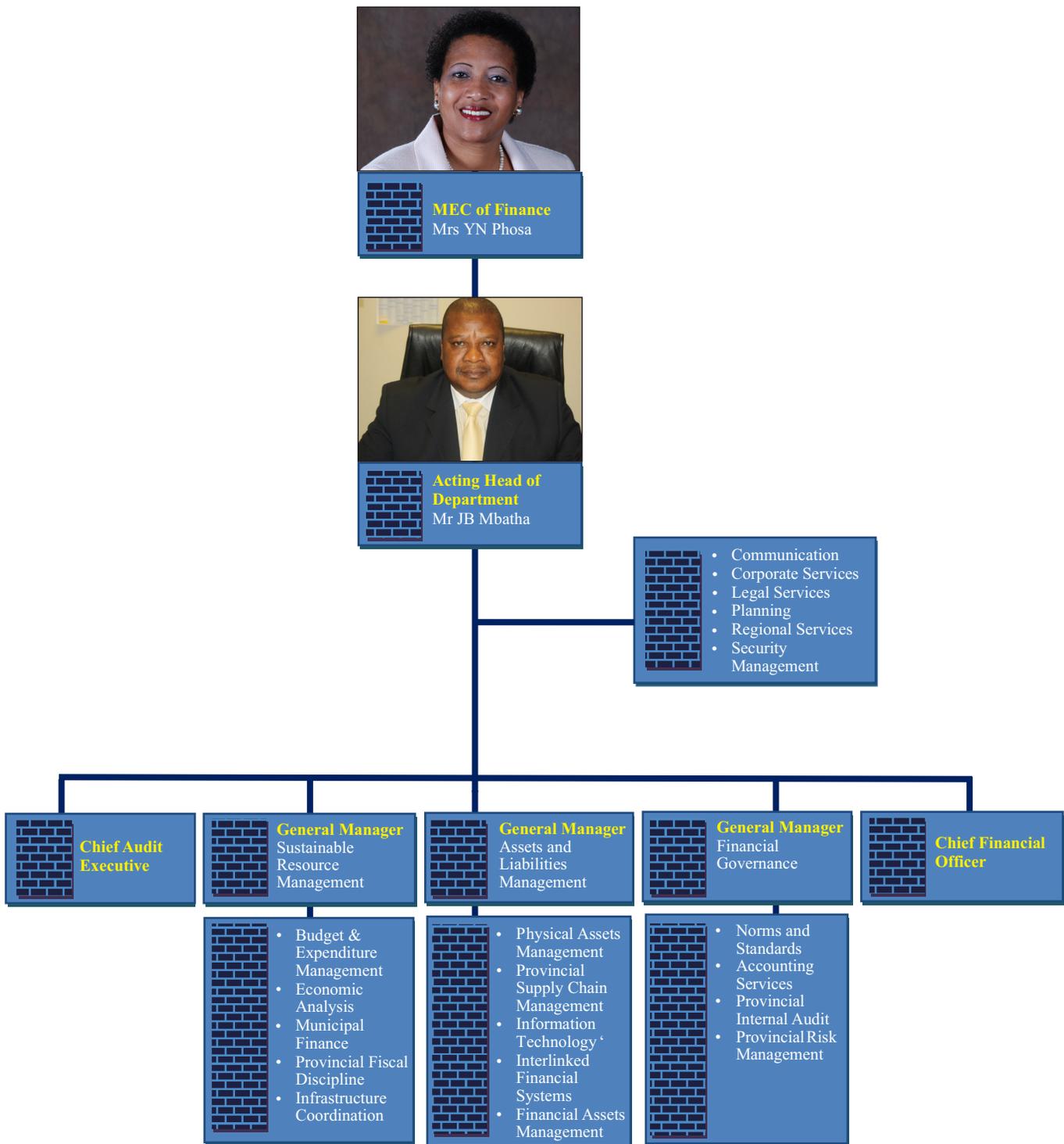
VALUES

We commit ourselves to the following core values:

• ***Batho Pele and Ubuntu principles***

- **Dedication:** To perform our tasks in a dedicated manner to ensure accelerated and quality service delivery
- **Excellence:** To perform our responsibilities with professional excellence
- **Integrity:** To conduct business in a consistent, objective, honest, fair, just and trustworthy manner
- **Accountability:** To be accountable in the performance of our duties





Organisational Structure of the Department as at 31 March 2012



Legislative Mandate

The Department derives its mandate from the following legislations:

- **The Constitution of the Republic of South Africa, 1996 (the Constitution)**

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, promoted and fulfilled by the State. To enable the State to fulfil the rights of individuals, resources, especially financial resources must be made available for job creation and empowerment of historically disadvantaged groups.

- **Public Finance Management Act, 1999 (Act 1 No. of 1999) (PFMA)**

This Act regulates financial management in the National and Provincial sphere of government to ensure that all revenue, expenditure, assets and liabilities of those spheres are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith.

- **Division of Revenue Act (DORA)**

The Act is passed annually to provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for that particular financial year and also provide for the reporting requirements for allocations pursuant to such division. The Act it further permits the withholding and the delaying of payments in certain circumstances; and also provides for liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and provides for matters connected therewith.

- **Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)**

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.

- **Labour Relations Act, 1995 (Act No. 66 of 1995)**

The purpose of this Act is to change the law governing labour relations and, for that purpose also to give effect to section 27 of the Constitution; to regulate the organizational rights of trade unions; to promote and facilitate collective bargaining at the workplace and at sectoral level; to regulate the right to strike and the recourse to lock-out in conformity with the Constitution; to promote employee participation in decision-making through the establishment of workplace forums; to provide simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration (for which purpose the Commission for Conciliation, Mediation and Arbitration is established), and through independent alternative dispute resolution services accredited for that purpose; to establish the Labour Court and Labour Appeal Court as superior courts, with exclusive jurisdiction to decide matters arising from the Act; to provide for a simplified procedure for the registration of trade unions and employers' organizations, and to provide for their regulation to ensure democratic practices and proper financial control; to give effect to the public international law obligations of the Republic relating to labour relations; to amend and repeal certain laws relating to labour relations; and to provide for incidental matters.

- **Employment Equity Act, 1998 (Act No. 55 of 1998)**

The Act makes provision for employment equity and also provide for matters incidental thereto.

- **Public Service Act, 1994 (Act No. 103 of 1994) as amended**

The Act makes provision for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

- **Preferential Procurement Policy Framework Act, 2000, (Act No.5 of 2000)**

To give effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith.



- **Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)**

The Act establishes a legislative framework for the promotion of black economic empowerment; and further empowers the Minister to issue codes of good practice and to publish transformation charters; and also establishes the Black Economic Empowerment Advisory Council; and provides for matters connected therewith.

- **Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA)**

The Act gives effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.

- **Promotion of Administration of Justice Act, 2000 (Act No. 3 of 2000) (PAJA)**

The Act gives effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution; and to provide for matters incidental thereto.

- **Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)**

The Act gives effect to section 9 read with item 23(1) of Schedule 6 to the Constitution, so as to prevent and prohibit unfair discrimination and harassment; to promote equality and eliminate unfair discrimination; to prevent and prohibit hate speech; and to provide for matters connected therewith.

- **Protected Disclosures Act, 2000 (Act No. 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 the 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

- **Mpumalanga Finance Matters Act, 2006 (Act No.1 of 2006)**

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

- **Mpumalanga Gambling Levies Act, 2007 (Act No B5-2007)**

The Act and its Regulations provides for the payment of gambling levies by casino licenses holders.

- **Control of Access to Public Premises and Vehicle Act, 1985 (Act No. 53 of 1985)**

The Act provides safeguarding of certain public premises and vehicle and for the protection of the people therein or thereon, and for matters connected therewith.

- **Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)**

The Act provide health and safety of person at work and for the health and safety of person in connection with the use of plant and machinery, the protection of person other than person at work against hazard to work and safety arising out of or in connection with the activities of person at work, to establish an advisory council for occupational health and safety and to provide matters connected with.

- **National Archives of South Africa Act, 1996 (Act No. 43 of 1996)**

The Act provides for National archives and record service, the proper management and care of the records of governmental bodies, and preservation and use of the national archival heritage, to provide matters connected with.

- **Government Immovable Asset Management Act, 2007 (Act No.19 of 2009) (GIAMA)**

This Act provide for a uniform framework for the management of an immovable asset that is held or used by a national or provincial department; to ensure the coordination of the use of an immovable asset with the service delivery objectives of a national or provincial department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department; and to provide for matters incidental thereto.



- **Treasury Regulations**

The Treasury Regulations were issued by the National Treasury in terms of Section 76 of the Public Finance Management Act, No. 1 of 1999.

The Treasury Regulations apply –

- to all departments, but only to the extent as indicated in regulations 1 to 24 and 26;
- to all constitutional institutions, but only to the extent as indicated in regulations 1 to 22;
- to all public entities listed in Schedule 2, but only to the extent as indicated in paragraph 6.1.2 and regulations 24, 25, 27 to 29 and 31 to 33;
- to all public entities listed in Schedules 3A and 3C, but only to the extent as indicated in paragraph 6.1.2, and regulations 16, 16A, 24 to 28 and 30 to 33;
- to all public entities listed in Schedules 3B and 3D, but only to the extent as indicated in paragraph 6.1.2 and regulations 16, 24, 25, 27 to 29 and 31 to 33; and
- to the South African Revenue Service as a Schedule 3A public entity but only to the extent as indicated in paragraphs 6.1.2, regulations 16, 16A, 24 to 28 and 30 to 33.

- **Public Service Regulations**

The Public Service Regulations were issued by the Department of Public Service and Administration in terms of Section 41 of the Public Service Act, No. 103 of 1994.

The Regulations apply-

- to all persons employed, and to institutions governed, in terms of the Act; and
- subject to the provisions of the Act, to persons employed in the Services, the Agency or state educational institutions, only so far as they are not contrary to the laws governing their employment.

- **List of legislation tabled in the Provincial Legislature during the 2011/12 financial year:**

- **Mpumalanga Adjustment Appropriation Act, 2011**

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 2012 (2011/12).

- **Mpumalanga Appropriation Act, 2011**

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in the 2011/12 financial year; and to provide for subordinate matters incidental thereto.

- **Entities Reporting to the Executing Authority**

There are no entities that report to the Executing Authority.



MEC's Statement



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“This project of redirecting of expenditure will continue as we seek to ensure total responsibility and accountability for all resources at the level of service provision.”

”

I am privileged to present yet another annual performance statement that confirms the resilience and capacity of our administration to deliver improved performance outcomes in the Province.

The Department of Finance continued on the chosen path, characterised by acceptance of Executive Council leadership and compliance with prescribed policies and regulations, as we implement our programme of action for 2011/12.

We ensured that the province and the department maintain an acceptable level of budget management as part of the programme to improve delivery of services. We ensured that the Provincial Government realises a measurable progress in complying with the collective decision to reduce expenditure on support programmes in our administration. This project of redirecting of expenditure will continue as we seek to ensure total responsibility and accountability for all resources at the level of service provision.

We managed to stabilise cash flow through implementing moderate cost curtailment measures, providing resources in accordance to expressed service delivery demands and redirecting the budgets to respond to the immediate and urgent needs of the society.

We will continue to emphasise the message of economic and effective use of resources and reprioritization of budgets to support service delivery and economic growth in the province.

The Department coordinated more workshops to improve awareness and compliance with the regulations on enhancing supply chain management which came into effect in December 2011.

The Department will be required to scale up educational and information campaigns so as to ensure that public procurement processes are inclusive and not hampered by inadequate understanding of and submissions of required information at the bidding stages.

We also have formalised numerous governance systems and structures to give the provincial government an edge in information technology, financial management and accounting services.

We will continue to give attention to programme interventions to assist the provincial departments, public entities and municipalities to address issues that are common in the auditing of our public institutions in the Province.

I would like to pass my gratitude to TEAM Finance for continuing to live up to the vision of the department.

MRS YN PHOSA
MEC of FINANCE



Accounting Officer's Overview



The cross cutting mandate of the department require us to reflect on the work that was done to support departments, public entities and municipalities (as reflected in the foreword of the MEC) and how our performance relates with the afore mentioned outcomes.

In introducing this annual performance report, we are cognisant of this and other policy imperatives which define the character of a successful and efficiency-driven Provincial Treasury.

We accept that our foremost task is to provide financial administrative leadership, characterised by clear cut and decisive advice and support to the Provincial Departments, Public Entities and all delegated Municipalities on implementation on numerous reforms and Treasury regulations.

The extent to which we allocated limited resources to this important mandate is reflective of the determination to ensure continuity in implementing our support programmes as informed by the outcome- based performance model.

The four programmes of the department collectively account for 97% expenditure of the total budget for the year ended 31 March 2012. The variance is accounted for later in this report.

While we sought to stabilise our human capital, there was little area to manoeuvre resulting in insignificant number of replacements on and/filling of the vacancies. These however did not deter the showing of determined efforts by the staff to ensure continued delivery in accordance with the mandated responsibilities.

“

“this important mandate is reflective of the determination to ensure continuity in implementing our support programmes as informed by the outcome - based performance model.”

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The Provincial Administration was characterised by hard decisions to reduce departments' budgets to fund additional provincial priorities. The implementation of the Comprehensive Rural Development Programme required adequate funding and the programme itself has made good progress and made the right impact in municipalities where it was rolled – out.

Stringent financial control and management was employed through continued cost curtailment measures, which did away with expenditure on frills and non – core activities.

It is encouraging to note that the Province as a whole has showed great improvement on capital expenditure and spending on conditional grants. We hope that departments will maintain and improve further on Audit Outcomes, and that more departments get Clean Audit Outcomes in line with Operation Clean Audit 2014.

Mr JB Mbatha
Acting Head of Department



Read about the programme objectives that inform the annual targets and accomplishments for the financial year ended 31 March 2012 in the next pages.



INFORMATION ON
PREDETERMINED
OBJECTIVES

PART 2



2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1 Overall Performance

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
R 216,573	R 228,576	R 223,270	R 5,306
Responsible MEC	Mrs. Y.N Phosa		
Administering Department	Department of Finance		
Accounting Officer	Mr. J.B Mbatha		

2.1.2 Aim of Vote

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

2.1.3 Strategic Outcome Oriented Goals

2.1.3.1 Key strategic goals

The Department of Finance set itself the following key strategic goals, which were published in its Five Year Strategic Plan 2010/2011 -2014/15.

Programme 1: Administration

- Administrative Support Services.

Programme 3: Assets and Liabilities Management

- Assets and Liabilities support.

Programme 2: Sustainable Resource Management

- Maintain fiscal discipline in the province.

Programme 4: Financial Governance

- Efficient and effective financial and corporate governance.

2.1.3.2 Programmes

On a programme level, the following areas of achievements can be highlighted:

Programme 1: Administration

The programme has mainly achieved its target for 2011/12 evidenced by units that achieved 100% on their Annual Performance Plan targets namely; Communication, Office of the Chief Financial Officer, Legal Services, Regional Services, Internal Audit and Policy and Planning Units. The strategic communication framework was developed and approved to guide marketing, branding and events management for the period 2010 – 14. Targeted communication plans for tabling of the budget policy statements were successfully implemented and public presence of the department improved through exhibition, branding and information sharing using Cabinet outreach, participation in summits and other public platforms, including other Departmental events.

For the first time in the history of the Department, zero litigation was recorded against the Department therefore R0 contingency liability for litigation. The Department led by example in terms of adhering to 100% payment of service providers within 30 days of receipt of invoices including its biggest service provider SITA. The programme managed to achieve 50% of the planned target on training for 2011/12. More effort will be put in the next financial year to improve implementation of training and internship programmes through the Skills Development Committee.



Programme 2: Sustainable Resource Management

Municipal Budgets

Local Government Medium Term Committee Hearing (LGMTEC) engagements were held with municipalities to assess them on their Mid-term performance. The primary role was to evaluate the past performance against the current first six months performance in relation to the financial and non-financial performance of the municipalities.

Capacity building

The Municipal Finance Unit with the assistance of the Municipal Specialists (whom are deployed in all three Districts that is Nkangala, Gert Sibande and Ehlanzeni districts) assisted the municipalities in building capacity in ensuring that transfer of skills and the enhancing the skills within the Budget and Treasury Offices of the Municipalities. These municipal specialists are mainly focusing on the good financial management of the municipalities. This work is ongoing.

Workshops conducted

The Municipal Finance Unit has conducted workshops to train the municipal Councillors on understanding the municipal budgets and budget reporting in all three Districts to enhance Councillor oversight responsibilities. This was in collaboration with SALGA and National Treasury. A workshop was further conducted for the Chief Financial Officers and support financial staff on new budget format and reporting regulations. A workshop was conducted on MPAC to train on financial reforms and the importance of discharging their oversight role towards the financial performance of the municipalities.

Infrastructure Co-ordination

The Province spent most of its allocation for infrastructure, even the rollovers were adequately absorbed. There has been a concerted effort from various levels of leadership to ensure that infrastructure delivery and related expenditure, is up scaled. The Budget and Finance Committee undertook working visits to various sites in the province, to ensure that infrastructure that is being delivered is as per the needs and expectations within the province.

Programme 3: Assets and Liabilities Management

The programme has during the period under review implemented significant measures which contributed in improving processes and operations. These measures include the introduction and implementation of rotation and vetting of officials working in supply Chain Management Units, training on computer and systems operations as well as on asset management. The enrolment of 25 supply Chain Management practitioners from departments, public entities and municipalities for a one year certificate course remains a major accomplishment. Furthermore, there was tremendous reduction of accruals due to consistent interventions in departments. The finalisation of the banking services tender and the smooth takeover by Standard Bank is also indeed a notable achievement.

Programme 4: Financial Governance

The programme has trained 284 officials on Accounting standards, annual financial statements and legislation in Departments, Municipalities and Public entities. Facilitated the completion of the FMCMM by Departments and Public entities and assisted with the completion of action plans in order to improve maturity levels and assisted nine Municipalities with risk assessments. Developed and issued a generic Charter for Audit Committees and developed and issued an Internal Audit Manual and provided training to internal auditors in terms of the content.

2.1.4 Overview of the service delivery environment for 2011/12

The Department is responsible for provincial resource allocation, monitoring and providing advisory services to all provincial departments, municipalities and public entities. The department renders Treasury support functions to all provincial departments and carries all the information technology cost 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.

Although the department is not directly involved in service delivery, it was able to support and monitor other departments to enable them to deliver on their mandates. The challenge has always been the late submission of necessary documentation and inaccurate information received.

2.1.5 Overview of the organisational environment for 2011/12

The department implemented the approved organisational structure which was approved in the financial year 2008/2009. The Department continued to experience challenges in the filling of all vacancies and a vacancy rate of 26% was experienced at year-end. The challenges were attributable to the provincial moratorium that was placed on the filling of vacant positions, resignations and staff transfers.



2.1.6 Key policy developments and legislative changes

There were no new policy developments and legislative changes that affected the department.

2.1.7 Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

The department had projected to collect R 55,187 million of own revenue and was only able to collect a total of R48,203 million at 87% of the projected target.

	2008/09 Actual R'000	2009/10 Actual R'000	2010/11 Actual R'000	2011/12 Target R'000	2011/12 Actual R'000	% deviation from target
Non -tax revenue						
Sales of goods and services other than capital receipts	1,749	2,691	2,562	2,303	2,931	(1%)
Interest Received	64,024	49,942	48,876	52,794	44, 44 6	16%
Sale of Capital Assets	57	5	156	-	748	0%
Financial transactions (Recovery of loans and advances)	154	50	91	90	78	14%
TOTAL REVENUE	65,984	52,668	51,685	55,187	48,203	13%

2.1.8 Departmental expenditure

The Department managed to spend R 223,270 million of the allocated budget of R228,576 million or 97.7%. The Management utilise the in-year-monitoring (IYM) tool to monitor expenditure patterns and actual spending against plans and took corrective action where necessary. The under-spending was mainly due to earmarked funding of R7.5 million to appoint consultants, the tender amount was however only R 2,9 million.

Programmes	Voted for 2011 / 2012 R'000	Roll-overs and adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	Variance R'000
Programme 1	68,636	70,689	(1,000)	69,689	69,454	235
Programme 2	33,964	33,564	140	33,704	33,540	164
Programme 3	85,854	93,854	2,325	96,179	94,629	1,550
Programme 4	28,119	30,469	(1,465)	29,004	25,647	3,357
Total	216,573	228,576	-	228,576	223,270	5,306



2.1.9 Transfer payments

The transfer payments made reflect payments to Provinces and Municipalities in respect of motor vehicle licences, benefits to officials who are deceased and it also reflects transfers in respect of bursary holders of the department. Bursaries were awarded to qualifying candidates, these bursary holders are monitored by the departments human resources development unit on an on-going basis throughout the academic year.

NAME OF INSTITUTION	AMOUNT VOTED R'000	AMOUNT TRANSFERRED R'000	ESTIMATED EXPENDITURE R'000
Provinces and Municipalities	10	10	10
Estate Benefits	527	527	527
Households : Bursaries (non -employees)	1,290	1,168	1,168
TOTAL	1,827	1,705	1,705

2.1.10 Conditional grants and earmarked funds

There were no conditional grants or earmarked funds allocated during the year under review.

2.1.11 Capital investment, maintenance and asset management plan

Asset Management

All Departmental assets were recorded in the Asset Register. The asset register was continuously updated during the course of the financial year as informed by the movements of assets. Monthly reconciliations were conducted for all assets purchased. A disposal committee was established to dispose of unwanted and obsolete assets. All losses or theft of assets were managed in accordance with the policy on the loss of state resources. An asset replacement and standardisation plan was developed and has been implemented accordingly. All assets that were utilised in the department are in a good or fair condition. Details of additions and disposals of assets have been accordingly recorded and included in the disclosure notes to the annual financial statements.

2.2 Programme Performance

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

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

Programme 1: Administration

Purpose:

This programme is responsible for the political, financial and administrative management of the Department. The programme provides effective and efficient administrative support to all line functions in the Department.

Strategic Objectives:

- Set policy and political directives in order to achieve provincial objectives;
- Translate policies and priorities into strategies for effective service delivery;
- Manage and support the planning and implementation of objectives in the Administration programme;
- Provide efficient and effective corporate services support to enable the department to achieve its objectives;
- Coordinate and implement departmental programmes and activities in the Regions;
- Provide effective communication services to the department and stakeholders;
- Provide Security management services to the Department;
- Provide continuous and prompt legal services support to the Department;
- Plan, co-ordinate, support and report on departmental activities to achieve departmental objectives;
- Provide sound Financial and Supply Chain Management services to the Department;
- Provide efficient and effective internal audit services in the Department; and
- Provide efficient and effective internal audit services in the Department.



**Performance indicators and targets:
Programme 1: Administration**

Office of the MEC				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Set policy and political directives in order to achieve provincial objectives	Number of MUNIMEC meetings held	Hold 4 MUNIMEC meetings	Not achieved	Meetings were arranged and had to be cancelled due to competing schedules of Provincial forums
	Number of Departmental EXCO meetings held	Hold 4 Departmental EXCO meetings	3 Departmental EXCO meetings held	Competing schedules of Departmental events

Office of the HOD				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Translate policies and priorities into strategies for effective service delivery	Number of performance reports submitted	Submit 4 performance reports	4 Performance reports submitted	N/A
	Number of annual reports submitted	Submit 1 annual report	1 Annual report submitted	N/A
	Number of Annual Performance plans submitted	Submit 1 Annual Performance Plan	1 Annual Performance plan submitted	N/A
	Number of operational plans submitted	Submit 1 operational plan	1 Operational plan submitted	N/A

Chief Operations Officer				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Manage and support the planning and implementation of objectives in the Administration programme	Number of reports submitted	Submit 12 Reports	12 reports submitted	N/A



Corporate Services : Human Resource Administration

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide efficient and effective corporate services support to enable the department to achieve its objectives	Number of Employment Equity Plans developed	Implement and review 1 Employment Equity plan	1 Employment Equity Plan implemented and reviewed	N/A
	Number of Human Resource Plans developed	Implement and review 1 Human Resource plan	1 Human Resource plan implemented and reviewed	N/A
	% of performance agreements and quarterly reviews analysed, consolidated and feedback provided	Analyse, consolidate and provide feedback on 100% performance agreements and quarterly reviews received	73% of performance assessments submitted and reviewed	Non submission and non-adherence to time frames

Corporate Services : Human Resource Development

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide efficient and effective corporate services support to enable the department to achieve its objectives	Number of interns enrolled, mentored and coached	Enrol, mentor and coach 20 interns	13 interns enrolled, mentored and coached	7 candidates declined the internship offers
	Number of training programmes facilitated	Facilitate 10 training programmes	5 Training programmes facilitated	Service providers not responding in accordance with tender requirements leading to delayed implementation of programmes
	Number of external bursaries awarded	Award 20 external bursaries	20 External bursaries awarded	N/A
	% of existing external bursaries monitored	Monitor 100% existing external bursaries	100% external bursaries monitored	N/A
	Number of internal bursaries awarded	Award 40 internal bursaries	34 Internal bursaries awarded	Only 34 candidates applied and all applications for bursaries were approved
	% of existing internal bursaries monitored	Monitor 100% existing internal bursaries	100% existing internal bursaries monitored	N/A



Corporate Services : Labour Relations				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide efficient and effective corporate services support to enable the department to achieve its objectives	% of misconduct cases processed in line with prescripts	Process 100% misconduct cases in line with prescripts	100% of misconduct cases processed in line with prescripts	N/A
	% of lodged disputes processed in line with prescripts	Process 100% lodged disputes processed in line with prescripts	100% of lodged disputes processed in line with prescripts	N/A
	% of grievances resolved within 30 days	Resolve 100% grievances within 30 days	100% of grievances resolved within 30 days	N/A

Corporate Services : Auxiliary Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide efficient and effective corporate services support to enable the department to achieve its objectives	Number of file plans developed, implemented and monitored	Implement and monitor 1 file plan	1 File plan implemented and monitored	N/A
	% management of records in terms of the requirements of the National Archives	100% management of records in terms of the requirements of the National Archives	100% management of records in terms of the requirements of the National Archives	N/A

Corporate Services : Transversal Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide efficient and effective corporate services support to enable the department to achieve its objectives	Number of analysis reports on Employee Health and Wellness compiled	Compile 4 analysis reports on Employee Health and Wellness programme	4 Analysis reports Employee Health and Wellness programme compiled	N/A
	Number of awareness workshops on Employee Health and Wellness Programmes conducted	Conduct 12 workshops on Employee Health and Wellness Programmes	12 Workshops on Employee Health & Wellness programme conducted	N/A
	Number of analysis reports on transformation programmes related to gender, disability, youth and children compiled	Compile 4 analysis reports on transformation programmes related to gender, disability, youth and children	4 Analysis reports on transformation programme related to gender, disability, youth and children compiled	N/A



Corporate Services : Transversal Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide efficient and effective corporate services support to enable the department to achieve its objectives	Number of events held on transversal programmes	Hold 7 events on transversal programmes	7 events on transversal programme held	N/A

Regional Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Coordinate and implement departmental programmes and activities in the Regions	% revenue collected and banked	100% revenue collected and banked	100% revenue collected and banked	N/A
	% Provision of SCM advisory services to prospective bidders	100% Provision of SCM advisory services to prospective bidders	100% provision of SCM advisory services to prospective bidders	N/A
	Number of SCM awareness workshops conducted	Conduct 44 SCM awareness workshops	45 SCM awareness workshops conducted	N/A
	% Availability of tender bulletins and documents	100% Availability of tender bulletins and documents	100% availability of tender bulletins and documents	N/A
	% Monitoring of identified high risk areas in Departments and Municipalities in the regions	100% Monitoring of identified high risk areas in Departments and Municipalities in the regions	100% monitoring of identified high risk areas in Departments and Municipalities in the regions	N/A
	% Provision of IT end-user support within 24 hours turnaround time	100% Provision of IT end-user support within 24 hours turnaround time	99% provision of IT end-user support provided within 24 hours turnaround time	N/A

Communication				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide effective communication services to the department and stakeholders	Number of Speeches written for the MEC	Write 3 budget speeches for the MEC	3 Budget speeches written	N/A
	% of Speeches written as required	100% speeches written as required	100% speeches written	N/A
	% of Media statements released	Release 100% Media statements	100% media statements released	N/A
	% of media interviews arranged as required	Arrange 100% media interviews	100% media interviews arranged	N/A
	Number of staff bulletins issued	Issue 6 staff bulletins	6 staff bulletins issued	N/A



Communication				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide effective communication services to the department and stakeholders	Number of times the departmental website and intranet are updated	Update the departmental website and intranet 24 times	Website and internet updated 66 times	Website and internet were updated more times due to new information becoming available and on demand
	% government and departmental outreach programmes attended and supported	Attend and support 100% departmental outreach programmes	100% departmental outreach programmes attended and supported	N/A

Security Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide Security management services to the Department	Number of Security Audit reviews conducted	Conduct 1 security audit review	1 Security audit review conducted	N/A
	Number of security plans developed, implemented and monitored	Monitor implementation of 1 Security plan	1 Security plan implementation monitored	N/A
	Number of Contingency plan developed, implemented and monitored	Monitor implementation of 1 Contingency plan	Implementation of 1 contingency plan monitored	N/A
	Number of security threat and risk assessments conducted	Conduct 1 security threat and risk assessment	1 Security threat and risk assessment conducted	N/A
	Number of security awareness campaigns conducted	Conduct 8 security awareness campaigns	8 Security awareness campaigns conducted	N/A
	% of security clearance application submitted to NIA	100% security clearance applications submitted to NIA	100% security clearance applications submitted to NIA	N/A
	% Personnel Suitability Checks conducted	Conduct 100% Personnel Suitability checks	100% Personnel Suitability checks conducted	N/A
	% security related investigations conducted	Conduct 100% Security related investigations	100% security related investigations conducted	N/A

Legal Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide continuous and prompt legal support services to the Department	Turnaround time to respond to requests for a legal opinion	Maintain 7 days turnaround time to respond to requests for a legal opinion	Maintained 7 day turnaround time for responding to request for legal opinion	N/A



Legal Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide continuous and prompt legal support services to the Department	Turnaround time to draft or scrutinize contracts	7 days turnaround time to draft or scrutinize contracts	Drafted and scrutinised contracts within 7 days	N/A
	% litigious cases instituted and defended	Institute and defend 100% litigious cases	100% of litigious cases instituted and defended	N/A
	100% legislation facilitated and passed	Facilitate and pass 100% of legislation	100% legislation facilitated and passed	N/A

Research, Policy and Planning				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Co-ordinate, plan, support and report on departmental activities to achieve departmental objectives	Number of monthly performance reports consolidated and submitted	Consolidate and submit 12 monthly performance reports	12 monthly performance reports consolidated and submitted	N/A
	Number of quarterly performance reports consolidated and submitted	Consolidate and submit 4 quarterly performance reports	4 quarterly performance reports consolidated and submitted	N/A
	Number of Annual Performance Reports consolidated and submitted	Consolidate and submit 1 Annual Performance report	1 Annual Performance report consolidated and submitted	N/A
	Number of strategic planning sessions coordinated	Coordinate 2 strategic planning sessions	2 strategic planning sessions coordinated	N/A
	Number of quarterly review sessions coordinated	Coordinate 4 quarterly review sessions	4 Quarterly review sessions coordinated	N/A

Financial Management (Office of the CFO)				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide sound Financial and Supply Chain Management services to the Department	Number of financial reports submitted in compliance with relevant legislation	Submit 12 In-Year -Monitoring reports in compliance with relevant legislation	12 In-Year -Monitoring reports submitted in compliance with relevant legislation	N/A



Financial Management (Office of the CFO)				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide sound Financial and Supply Chain Management services to the Department		Submit 12 revenue trend reports in compliance with relevant legislation	12 revenue trend reports submitted in compliance with legislation	N/A
		Submit 1 Set of Annual Financial Statements in compliance with relevant legislation	1 set of Annual Financial Statements in compliance with relevant legislation submitted	N/A
	Number of budget documents submitted in compliance with prescripts	Submit 4 budget documents in compliance with prescripts	4 budget documents compliance with prescripts submitted	N/A
	Number of Departmental Budget Committee meetings held	Hold 4 Departmental Budget Committee meetings	4 Departmental Budget Committee meetings held	N/A
	% Revenue collected	Collect 100% revenue	100% revenue collected	N/A
	% suppliers paid within 30 days of receipt of invoices	Paid 100% suppliers within 30 days of receipt of invoices	100% suppliers paid within 30 days of receipt of invoices	N/A
	Number of Departmental risk registers compiled and approved	Compile and approve 1 Departmental Risk register	1 Departmental risk register compiled and approved	N/A
	Number of Risk Committee meetings held	Hold 4 Risk Committee meetings	4 Risk Committee meetings held	N/A
	Number of asset verification and stock take exercises performed	Perform 4 asset verifications	4 Assets verifications performed	N/A
		Perform 4 stocktaking exercises	4 stock taking exercises performed	N/A
	Number of inspections performed on subsidized and GG vehicles	Perform 4 inspections on subsidized and GG vehicles	4 inspections on subsidized and GG vehicles performed	N/A



Internal Audit				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide efficient and effective internal audit services in the Department	Number of internal audit plans developed, approved, implemented and monitored	Develop, approved implement and monitor 2 internal audit plans	2 internal audit plans developed, approved, implemented and monitored	N/A
	% of internal audit projects executed as per operational plan	Execute 100 % internal audit projects as per operational plan	100% internal audit projects as per operational plan executed	N/A
	% follow up audits conducted as per operational plan	Conduct 100% follow up audits as per operational plan	Conducted 100% follow up audits as per operational plan	N/A
	Number of quarterly progress reports submitted to the Audit Committee	Submit 4 quarterly progress reports to the Audit Committee	4 Quarterly progress reports submitted to the Audit Committee	N/A
	Number of Audit Committee meetings held	Hold 4 Audit Committee meetings	4 Audit Committee meetings held	N/A



Programme 2: Sustainable Resource Management

The programme exists to provide professional advice and support to the Members of the Executive Council on Provincial and Municipal Fiscal policy issues, Budget and expenditure management, Economic Analysis, Infrastructure Coordination whilst the MFMA unit provides advice on the Municipal Finance Management Act.

Measurable objective:

- Manage and support the planning and implementation of programme objectives;
- Support Votes to maximise and expand own revenue base in the province;
- Provide support and monitor Votes in terms of budget and expenditure;
- Render provincial infrastructure co-ordination services;
- Support municipalities to maximise and expand own revenue base in the province;
- Provide support and monitor municipalities on the implementation of the MFMA;
- Socio-economic research to inform the provincial budget and planning process.



Performance indicators and targets:

Programme 2: Sustainable Resource Management

Programme Support				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Manage and support the planning and implementation of programme objectives	Number of monthly performance reports analysed and submitted	Analyse and submit 12 monthly performance reports on the programme	12 monthly performance reports analysed and submitted	N/A

Provincial Administration Fiscal Discipline				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Support provincial departments to maximise and expand sustainable revenue generation and collection in the province	Number of training workshops conducted on cash office management, revenue reforms and methods	Conduct 12 workshops on cash office management, revenue reforms and methods	12 workshops cash management, revenue reforms and methods conducted	N/A
	Number of votes own revenue budgets analysed and feedback provided	Analyse 12 votes own revenue budgets and provide feedback	12 Votes own revenue budgets analysed and feedback provided	N/A
	Number of revenue forums conducted	Conduct 12 Revenue Forums	12 Revenue Forums conducted	N/A
	Number of reports issued on monitoring of cash offices	Issue 84 reports on monitoring of cash offices	84 reports issued on monitoring of cash offices	N/A
	Number of provincial tariff registers developed, maintained and updated	Develop and maintain 1 provincial tariff register	1 Provincial tariff register developed and maintained	N/A
	Number of monthly revenue reports analysed and feedback provided	Analyse 144 monthly Revenue reports and provide feedback	144 monthly Revenue reports analysed and feedback provided	N/A
	Number of consolidated revenue reports compiled	Compile 12 consolidated revenue reports	12 revenue consolidated reports compiled	N/A
	Number of Provincial revenue fund reports compiled	Compile 12 Provincial Revenue Fund reports	12 Provincial Revenue Fund reports compiled	N/A
	Number of Financial Statements on Provincial Revenue Fund prepared and submitted to the Auditor-General	Prepare 1 set of Financial Statements on Provincial Revenue Fund and submit to the Auditor-General	1 set of Financial Statements on Provincial Revenue Fund prepared and submitted to the Auditor General	N/A



Municipal Finance				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide support and monitor municipalities on the implementation of the MFMA	Number of monthly budget reports analysed and feedback provided	Analyse 36 monthly budget reports and provide feedback	36 monthly budget reports analysed and feedback provided	N/A
	Number of consolidated monthly budget reports compiled and submitted	Compile and submit 12 consolidated monthly budget reports	12 consolidated monthly budget reports compiled and submitted	N/A
	Number of quarterly performance reports compiled, tabled and published in terms of legislation	Compile, table and publish 4 quarterly performance reports in terms of legislation	4 quarterly performance reports compiled, tabled and published	N/A
	% of quarterly returns analysed in terms of compliance and quality and feedback provided	Analyse 100% of quarterly returns in terms of compliance and quality and provide feedback	Analysed 100% of all quarterly returns received	N/A
	% of draft budgets analysed and feedback provided	Analyse 100% draft budgets received and provide feedback	Analysed 100% draft budgets received and feedback provided	N/A
	Number of MTEC engagements conducted	Conduct 2 MTEC engagements	Conducted 2 MTEC engagements	N/A
	Number of workshops/training sessions conducted	Conduct 3 workshops/training sessions	4 workshops/training sessions conducted	Demand for more training sessions
	Number of provincial CFO and Revenue forums conducted	Conduct 4 provincial CFO and Revenue forums	4 Provincial CFO and Revenue forums conducted	N/A
	Number of consolidated reports on government-owed revenue compiled	Compile 4 consolidated reports on government-owed revenue	4 consolidated reports on government-owed revenue compiled	N/A
	Number of research reports on revenue diagnostic studies issued	Issue 3 research reports on revenue diagnostic studies (1 per district)	3 research reports on revenue diagnostic studies (1 per District) issued	N/A



Budget and Expenditure Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Promote effective and optimal financial resource allocation for provincial government, as well as to ensure efficient budget and expenditure management and accurate financial reporting for provincial government	Number of budget process schedules issued	Issue 1 budget process schedule	1 budget process schedule issued	N/A
	Number of Estimate of Provincial Expenditure documents compiled	Compile 2 Estimates of Provincial Revenue Expenditure documents	2 Estimates of Provincial Revenue Expenditure document compiled	N/A
	Number of budget circulars issued	Issue 2 budget circulars	2 budget circulars issued	N/A
	Number of consolidated In - Year -Monitoring reports compiled and submitted	Compile and submit 12 consolidated In -Year -Monitoring reports	12 In-Year-Monitoring reports compiled, consolidated and submitted	N/A
	Number of consolidated non-financial reports compiled and submitted	Compile and submit 4 consolidated non - financial reports	4 consolidated non-financial reports compiled and submitted	N/A
	Number of MTEC engagements held	Hold 13 MTEC engagements	13 MTEC engagements held	N/A

Infrastructure Co-ordination				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Promote Provincial Efficiency, in Financial Planning and Implementation of infrastructure	Number of Infrastructure Reporting Model analysis reports issued and feedback provided	Issue 84 Infrastructure Reporting Model analysis reports and provide feedback	71 Infrastructure Reporting Model analysis reports issued and feedback provided	The Department of Public Works Road and Transport did not submit for the year. The focus on the department has been biased towards the Roads sector and as such has been reporting only on Roads sector
	Number of site visits of infrastructure projects conducted and feedback provided	Perform site visits of 180 infrastructure projects and provide feedback	176 infrastructure project site visits conducted and feedback provided	Staff shortage in the unit negatively impacted on the performance



Infrastructure Co-ordination				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Promote Provincial Efficiency, in Financial Planning and Implementation of infrastructure	Number of Infrastructure Delivery Improvement Programme Departments monitored	Monitor 7 infrastructure Delivery Improvement Programme Departments	7 Infrastructure delivery Improvement Programme monitored	N/A
	Number of IDIP effectiveness reports completed and submit to National Treasury	Complete and submit 8 IDIP effectiveness reports	6 IDIP effectiveness reports completed and submitted to National Treasury	The trends of the effectiveness reports have been revealing challenges around planning for future projects, cash flow projections and therefore instead of completing the effectiveness reports, workgroup sessions with the departments were convened to address the challenges that the effectiveness reports were revealing.
	Number of workshops and training sessions conducted	Conduct 4 workshops/ training sessions	7 Workshops training sessions conducted	More sessions were held to address the outcomes shown in the previous effectiveness reports.
	Number of User Asset Management plan (Infrastructure plans) reviewed, feedback provided and submitted	Review and submit 14 User Asset Management plans (Infrastructure plans) and provide feedback	14 User Asset Management plans reviewed and feedback provided	N/A

Economic Analysis				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Socio-economic research to inform the provincial budget and planning process	Number of Provincial Economic Review and Outlook (PERO) reports compiled and published	Compile and publish 1 Provincial Economic Review and Outlook (PERO) report	1 Provincial Economic Review and Outlook report compiled and published	N/A
	Number of updated Socio-Economic Review and Outlook (SERO)	Complete and communicate 4 updated Socio-Economic Review	4 Socio-Economic Review completed and communicated	N/A



Economic Analysis				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Socio-economic research to inform the provincial budget and planning process	reports completed and co mmunicated	and outlook (SERO) reports		
	Number of updated Provincial Labour Bulletin reports completed	Complete 4 updated Provincial Labour Bulletin reports	4 Provincial Labour Bulletin rep completed	N/A
	Number of updated Provincial Inflation Bulletin reports completed	Complete 12 updated Provincial Inflation Bulletin reports	12 Provincial Inflation Bulletin reports completed	N/A
	Number of Socio - Economic Outlook reports for Estimates of Provincia l Revenue and Expenditure (EPRE) document compiled and tabled	Compile and table 1 Socio- Economic Outlook report for Estimates of Provincial Revenue and Expenditure (EPRE) document	1 Socio- Economic Outlook report for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	N/A
	Number of Economic Outlooks for Provincia l Budget Speeches compiled	Compile 3 Economic Outlook reports for Provincial Budget Speeches	3 Economic Outlook reports for Provincial Budget Speeches compiled	N/A
	Number of economic research project reports completed	Complete 4 economic research project reports	4 economic research project reports completed	N/A
	Number of So cio-Economic Reviews and Profiles (SERP) of Districts and its Local Municipalities compiled and issued	Compile and issue 3 Socio-Economic Review and Profiles (SERP) reports of Districts and its Local Municipalities	3 Socio - Economic Review and Profiles (SERP) reports of Districts and its Local Municipalities compiled	N/A
	Number of upda ted Socio -Economic Profiles of Municipalities completed	Complete 84 updated Socio - Economic Profiles of Municipalities	84 Socio - Economic Profiles completed	N/A
	Number of economic workshops conducted	Conduct 4 economic workshops	4 economic workshops conducted	N/A



Programme 3: Assets and Liabilities Management

The programme is responsible for the monitoring and support of Transversal Systems, Information Technology Services, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to departments, municipalities and public entities.

Measurable objective

- Manage and support the planning and implementation of programme objectives;
- Management of provincial financial assets;
- Management of provincial physical assets;
- Implementation of Supply Chain Management framework;
- Facilitate effective management of public sector liabilities;
- Utilisation of transversal systems;
- Information Communication Technology (ICT) services to departments; and
- Public accessibility to government information;

Performance indicators and targets:

Programme 3: Assets and Liabilities Management

Programme Support				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Manage and support the planning and implementation of programme objectives	Number of monthly performance reports analysed and submitted	Analyse and submit 12 monthly performance reports on the programme	12 monthly performance reports on the Programme analysed and submitted	N/A

Financial Assets Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Management of provincial financial assets	Number of votes with cash available on time	12 Votes with cash available on time	12 Votes had cash available on time	N/A
	Number of votes provided with effective banking services	Provide 12 Votes with effective banking services	12 Report votes were provided with effective banking services	N/A

Physical Assets Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Management of provincial physical assets	Number of reports analysed and feedback provided to votes, public entities and municipalities on the compliance of asset management norms and standards	Analyse reports received and provide feedback to 12 votes, 4 public entities and 4 municipalities on the compliance of asset management norms and standards	Reports were analysed and feedback provided to 12 votes, 4 public entities and 4 municipalities on the compliance of asset management norms and standards	N/A
	Number of Votes, municipalities and entities monitored on remedial action plan	Monitor 12 Votes, 4 municipalities and 4 public entities on audit outcomes	12 Votes, 4 public entities and 5 municipalities were monitored	N/A



Physical Assets Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Management of provincial physical assets		implementation plan		
	Number of capacity building programmes conducted	Conduct 10 Asset management forum meetings	10 Asset Management Forum meetings conducted	N/A
		Conduct 4 Asset Management workshops	4 Asset Management workshops were conducted	N/A
		Conduct 4 Inventory management workshops	3 Inventory management workshops were conducted	Workshop had to be cancelled due to overlapping priorities

Provincial Supply Chain Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Compliance to Supply Chain Management framework	Number of votes, municipalities and public entities monitored and supported on SCM frameworks	Monitor and support 12 Votes, 6 municipalities and 4 public entities on SCM frameworks	12 Votes, 4 public entities and 20 municipalities monitored and supported	There was a demand from municipalities for more support
	Number of votes utilising the electronic procurement system	2 Votes utilise the electronic procurement system	Electronic system operational at 2 Votes	N/A
	Number of SCM/ Asset management practitioners enrolled with the University of Pretoria	Enrol 25 SCM/ Asset management practitioners with the University of Pretoria	25 SCM/ Asset management practitioners enrolled with the University of Pretoria	N/A
	Number of Provincial SCM policies developed and issued	Develop and issue 1 Provincial SCM policy	1 Provincial SCM policy developed	Consultation process took longer than anticipated and National Treasury issued new regulations
	Number of SCM road shows conducted	Conduct 1 SCM road show	1 SCM road show conducted	N/A



Provincial Supply Chain Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Compliance to Supply Chain Management framework	Number of training sessions/ workshops on SCM practices conducted	Conduct 2 training sessions/ workshops on SCM practices	11 Training sessions conducted on SCM practices	Introduction of new Preferential Procurement Regulations necessitated for the increased number of training sessions
Public Private Partnership coordination	Number of reports on PPPFA implementation compiled	Compile 4 reports on PPPFA implementation	3 reports compiled on PPPFA implementation	4th Quarter report was not compiled due to introduction of new Preferential Procurement Regulations
	Number of PPP awareness sessions conducted	Conduct 2 PPP awareness sessions	Conducted 2 PPP awareness sessions	N/A

Public Sector Liabilities				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Facilitate the management of public sector liabilities	Number of votes, public entities and municipalities monitored and supported on compliance to liability management guidelines	Monitor and support 12 Votes on compliance to liability management guidelines	12 votes monitored and supported on compliance to liability management guidelines	N/A
	Number of liability registers developed and maintained	Develop, update and maintain 3 liability registers	3 liability registers developed, maintained and updated	N/A
	Number of training sessions/ workshops conducted	Conduct 2 training sessions/ workshops	2 training sessions workshops conducted	N/A
	Number of performance reports compiled and submitted	Compile and submit 12 performance reports	12 performance reports compiled and submitted	N/A



Interlinked Financial Systems				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Utilisation of transversal systems	Number of Votes provided with business support on transversal systems	Provide 12 Votes with business support on transversal systems	Provided 12 Votes with business support on transversal systems	N/A
	Number of reports issued to monitor compliance to the National Minimum Information Requirements (NMIR)	Issue 12 reports to monitor compliance to the National Minimum Information Requirements (NMIR)	Issued 12 reports to monitor compliance to the National Minimum Information Requirements (NMIR)	N/A
	Number of fraud prevention systems rolled out to votes and maintained	Roll out 1 fraud prevention system to votes	Not achieved	Consultation process and signing of SLA took longer than anticipated
	Number of primary and secondary users trained on transversal systems	Train officials on: BAS : 300 LOGIS: 400 PERSAL : 300	Officials trained on: BAS: 696 Logis: 797 Persal : 462	Training increased due to users' requests

Information Technology				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Information Communication Technology (ICT) services to departments	% of Up -time of ICT Network infrastructure	Maintain 98% Up-time of ICT Network infrastructure	Sites Maintained average up-time in excess of 98%	N/A
	Turn around time to Respond to ICT End -users	Respond to ICT End -users within 24 hours	96% of logged calls were responded to within 24 hours	N/A
	Number of Internet kiosks maintained	Maintain 8 Internet Kiosks with 5 computers each	8 Internet Kiosks maintained	1 Kiosk could only accommodate 3 computers due to limited space
	Number of IT governance frameworks developed, implemented and maintained	Develop 1 IT governance framework	1 IT governance framework developed	N/A



Programme 4: Financial Governance

This Programme serves to facilitate, monitor, support and provide professional advice to ensure good governance in the Province.

Measurable objectives

- Manage and support the planning and implementation of programme objectives;
- Provide support and monitor public sector institutions in terms of accounting standards and legislations;
- Promote accountability in public sector institutions through substantive reflection of financial activities;
- Identify, analyse and monitor high risk areas in public sector institutions;
- Develop and issue frameworks and strategies to address issues raised by the Auditor-General;
- Provide guidance and support to public sector institutions on Risk Management processes; and
- Provide guidance and support to public sector institutions on Internal Audit processes.

Performance indicators and targets:

Programme Support				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Manage and support the planning and implementation of programme objectives	Number of monthly performance reports analysed and submitted	Analyse and submit 12 monthly performance reports on the programme	12 monthly performance reports on the Programme analysed and submitted	N/A

Accounting Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
To provide support and monitor public sector institutions in terms of accounting standards and legislation	Number of officials trained on accounting standards, other legislations and Annual Financial Statements	Train 150 officials in departments, 60 officials in municipalities and 4 officials in public entities on accounting standards, other legislations and Annual Financial Statements	Officials trained on Accounting standard, AFS and legislation as follows: Departments : 171 Municipalities: 108 Public entities: 5	Trained more officials due to the need from regional offices and the new GRAP standards that were introduced for municipalities.
	Number of trial balances monitored in departments	Monitor 48 trial balances in departments	48 Trial balances monitored in departments	N/A
	Number of guidelines/ procedures developed and issued for Treasury functions to monitor trial balance	Develop and issue 1 guideline/ procedure for Treasury functions (monitor trial balance)	1 Guideline / Procedure for Treasury Function to monitor trial balances developed and issued	N/A



Accounting Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
	Number of municipalities assisted and monitored on implementation of accounting standards (GRAP)	Assist and monitor 20 municipalities on implementation of accounting standards (GRAP)	21 Municipalities assisted on implementation of accounting standards (GRAP)	N/A
To promote accountability through substantive reflection of financial activities	Number of votes, municipalities and public entities supported to comply with disclosure requirements	Support 12 Votes, 18 municipalities and 4 public entities to comply with disclosure requirements	Supported 12 Votes, 20 municipalities and 4 public entities to comply with disclosure requirements	N/A
	Number of templates to prepare Interim Financial Statements (IFS) developed, reviewed, updated and issued to municipalities	Review, update and issue 1 template for IFS to municipalities	1 template for preparation of IFS reviewed, updated and issued to Municipalities	N/A
	Number of systems/ guidelines to compile interim financial statements developed, reviewed, updated and issued to municipalities	Review, update and issue 1 system/ guideline to compile interim financial statements to municipalities	1 system/ guideline to compile Interim Financial Statements reviewed and issued to Municipalities	N/A
	Number of sets of consolidated annual financial statements compiled and tabled in Legislature	Compile 2 sets and table 1 set of consolidated financial statements	Compiled 2 sets and tabled 1 set of consolidated financial statements	N/A
	Number of Votes, municipalities and entities monitored on remedial action taken on issues raised by AG	Monitor 12 Votes, 20 municipalities and 4 public entities on remedial actions taken on issues raised by AG	There were no issues related to Accounting Services that were identified	The Audit reports did not reflect any issue relating to accounting services for action plans



Norms and Standards				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Identify, analyse and monitor high risk areas in public sector institutions	Number of Votes, Public Entities and Municipalities assessed and monitored on High Risk Areas in terms of the Financial Management Capability Maturity Model (FMCMM)	Monitor and assess 12 Votes, 20 Municipalities and 4 public Entities on High Risk areas in terms of the FMCMM results	Monitored 12 Votes, 17 Municipalities and 2 public entities on High Risk Areas in terms of the FMCMM	Action plans were not completed by MEGA and MGB. Mkhondo, Govan Mbeki, and Dipaliseng Municipalities were not monitored. The first two have not responded on the questionnaire submitted, and Govan Mbeki refused to co-operate
	Number of best Practice Notes issued on occurring high risks	Issue 2 Practice Notes on occurring high risks	Issued 2 Practice Notes on occurring high risks	N/A
	Number of Generic Good Practice Guidelines for filing and storage of documents compiled, reviewed, updated and issued	Review, update and issue 2 Generic Good Practice Guidelines for Filing and Storage of documents	Reviewed 2 Generic Good Practice Guidelines for Filing and Storage of documents	N/A
Developed and issued a frameworks and strategies to address issues raised by the Auditor-General	Number of frameworks developed and issued to address issues raised by the Auditor - General	Develop and issue 3 frameworks to address issues raised by the Auditor-General	3 frameworks for Votes, address issues raised by the Auditor-General developed and issued	N/A
	Number of strategies developed and implemented to address issues raised by the Auditor-General	Develop and implement 3 strategies to address issues raised by the Auditor-General	Developed and issued 3 strategies to address issues raised by the Auditor-General	N/A



Norms and Standards				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Developed and issued frameworks and strategies to address issues raised by the Auditor-General	Number of Votes, municipalities and entities monitored on remedial actions taken on audit outcomes	Monitor 12 Votes, 20 Municipalities and 4 public entities on remedial actions taken on audit outcomes	Monitored 9 Votes, 15 municipalities and 2 public entities on remedial actions taken on audit outcomes	2 Votes received clean audit reports and one Department did not respond to requests to submit an action plan. 1 Public Entity received a clean audit report and one did not submit the required information. 3 Municipalities received clean audit reports and two did not co-operate to enable monitoring.

Risk Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide guidance and support to public sector institutions on Risk Management processes	Number of Enterprise Risk Management (ERM) frameworks developed, reviewed and issued	Review, update and issue 1 Enterprise Risk Management (ERM) framework	1 Enterprise Risk Management (ERM) framework reviewed, updated and issued	N/A
	Number of Guidelines on Risk Assessment developed, reviewed and issued	Review, update and issue 1 Guideline on Risk Assessment	1 Guideline on Risk Assessment reviewed, updated and issued	N/A
	Number of training sessions/ workshops facilitated on Enterprise Risk Management	Facilitate 1 training session/ workshop on Enterprise Risk Management	2 Training sessions/ workshops on Enterprise Risk Management facilitated	The training sessions for Departments and Municipalities were split to cater for specific training needs
	Number of Risk Management Awareness and assessment sessions conducted	Assess 3 Departments on effective implementation of risk management	3 Departments were assessed on effective implementation of risk management	N/A
		Conduct 6 Risk awareness/ assessment sessions in municipalities	9 Awareness / assessment sessions conducted in Municipalities	Municipalities experienced challenges regarding risk capacity and more municipalities required assistance during the period



Risk Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide guidance and support to public sector institutions on Risk Management processes	Number of Risk Management Awareness and assessment sessions conducted	Conduct 2 Risk awareness/ assessment sessions in public entities	2 Awareness / assessment sessions conducted in public entities	N/A
	Number of Risk Management Forum meetings co-ordinated	Co-ordinate 4 Risk Management forum meetings	4 Risk Management Forum meetings co-ordinated	N/A

Provincial Internal Audit				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide guidance and support to public sector institutions on Internal Audit processes	% of internal audit plans assessed	Assess 100% of Internal audit plans submitted by Votes, Municipalities and public entities	Assessed 100% of Internal Audit plans submitted by Votes, Municipalities and public entities	N/A
	% of internal audit quarterly reports evaluated	Evaluate 100% Internal Audit quarterly reports submitted by Votes, Municipalities and public entities	Evaluated 100% Internal Audit reports submitted by Votes, Municipalities and public entities	N/A
	100% of Internal Audit reports evaluated	Evaluate 100% of Internal Audit reports received from Votes, Municipalities and public entities	Evaluated 100% of Internal Audit reports received from Votes, municipalities and public entities	N/A
	Number of Audit Committees evaluated in terms of functions	Evaluate Audit Committees in terms of their functions: Votes: 7 Municipalities: 8 Public Entities: 2	Evaluated Audit Committees in terms of their functions: Votes: 8 Municipalities: 10 Public Entities: 2	N/A
	Number of internal Audit Forums co -ordinated	Coordinate Internal Audit Forums: Votes: 4 Municipalities: 4	Coordinated Internal Audit forums: Votes: 4 Municipalities: 4	N/A



Provincial Internal Audit				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
	Number of Audit committee forums co-ordinated	Co-ordinate 4 Audit Committee Forum	4 Audit Committee Forums co-ordinated	N/A
	Number of Strategies to standardised Internal Audit processes in the Province developed	Develop and issue 1 Generic Charter for Audit Committees	1 Generic Charter for Audit Committees developed and issued	N/A
		Develop and issue 1 Internal Audit Manual	1 Internal Audit Manual developed and issued	N/A
		Conduct 1 training session/ workshop	1 Training session/ workshop conducted	N/A



This section of the report includes the statements of the Audit Committee, Auditor General and also information on accounting policies, appropriation statements, financial position etc. The information is presented with due consideration of the requirements of the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999).



ANNUAL FINANCIAL
STATEMENTS

PART 3



AUDIT COMMITTEE REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and should meet quarterly as per its approved terms of reference. During the current year four meetings were held.

Name of Member	Number of Meetings Attended
Mr. K Chisale (Chairperson)	4
Mr. ADzuguda	3
Ms. N Jaxa	3
Mr. K Buthelezi	2

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities as prescribed by section 38(1) (a) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and Treasury Regulation (TR) 3.1. The Audit Committee has adopted formal terms of reference by way of the Audit Committee Charter, has regulated its affairs in compliance with the charter and has discharged all of its responsibilities as contained therein.

Effectiveness of Internal Control

The system of internal control applied by the department over financial risk and risk management is effective, efficient and transparent.

In line with the PFMA and King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are adequate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the control processes. From the various reports of the Internal Auditors and the management report of the Auditor-General, it was noted that some matters were reported indicating deficiencies to the system of internal control. Management is required to compile a comprehensive action plan to ensure that these issues are not reported in forthcoming financial years, of which the Audit Committee will effectively monitor progress made in this regard.

The Quality of In-Year Management and Quarterly Reports Submitted in Terms of the PFMA and the Division of Revenue Act, 2011 (Act No. 6 of 2011)

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 report and management's response thereto;
- Reviewed that there are no changes to the accounting policies and practices;
- Reviewed the department's compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives to be included in the annual report, and
- Reviewed the internal audit report on the midterm interim financial statement and is confident that management has addressed issues raised.

The Audit Committee concurs and accepts the Auditor-General's conclusion on the annual financial statements.

Independence of the Audit Committee

The Audit Committee is independent of management in the execution of its duties.

Internal audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department in its audits.

Auditor-General South Africa

We have met with the Auditor-General South Africa to ensure that there are no unresolved issues.

Appreciation

The Audit Committee appreciates the assistance and cooperation of management in assisting the Audit Committee to discharge its responsibility.

.....
Chairperson of the Audit Committee

Date: 31/07/2012



REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND 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, 1999 No.1 of 1999 as amended by Act 29 of 1999.

1.1 Spending trends

Programme 1: ADMINISTRATION

This programme performed well in the area of co-ordination and support to management in respect of activities within the entire organisation. This programme has spent **99.7 percent or R67, 865 million** of the approved budget of **R 68,100 million**.

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

The programme has played a key role in the allocation of the limited financial resources to the competing policy priorities of the province. This programme has spent **99.5 percent or R 33,540 million** of the approved budget of **R 33,704 million**

Programme 3: ASSETS AND LIABILITIES MANAGEMENT

The programme provided for procurement policy articulation and facilitated effective and efficient management of physical and financial assets as well as supply chain management. This programme has spent **98.4 percent or R94, 629 million** of the approved budget of **R96, 179 million**

Programme 4: FINANCIAL GOVERNANCE

This programme provides for the promotion of accountability through substantive reflection of financial and governance management activities throughout the year for all provincial departments, public entities as well as municipalities including compliance with financial norms and standards. This programme has spent **88.4 percent or R25, 647 million** of the approved budget of **R 29,004 million**

1.2 Reasons for under/over spending

The Department of Finance spent **97 percent** of its allocated budget for the 2011/2012 financial year ending 31 March 2012. In other words the Department spent **R 223,270 million** against its approved annual budget of **R228,576 million**. The **2.3 percent** under spending **R5,306 million** of the approved budget is attributed mainly by ear-marked funding of R7, 5 million to appoint consultants, the tender amount was however only R2, 9 million and late delivery of capital assets by service providers.

On **Compensation of employees** the overall spending is **99.9 percent or R 116, 932 million** out of a budget of **R 117,025 million** at year end **31 March 2012**.

On **Goods and Services** the department spent **96.7 percent or R99, 468 million** of the approved budget of **R 102,887 million**. The under-spending is mainly on goods and services due to ear-marked funding of R7,5 million to appoint consultants, the tender amount was however only R2,9 million.

On **Transfer and Subsidies** the department spent **93.3 percent or R1, 705 million** of the approved budget of **R 1,827 million**. The under spending is a mainly because of bursaries that were not paid as anticipated.

On **Payment for Capital assets** the department spent **68.1 percent or R3, 576 million** of the approved budget of **R 5,248 million**. Under spending is due to late delivery of goods by service providers due to challenges experienced by them as goods are delivered from overseas.



1.3 Virement:

Programme 1

The programme decreased by **R1 million** on compensation of employees after the adjustment budget to defray excess expenditure which relates to capital remuneration on subsidised vehicles which was not adequately budgeted for.

Programme 2

The programme increased by **R140 thousand** on compensation of employees after the adjustment budget to defray excess expenditure which relates to annual increment which was not adequately budgeted for.

Programme 3

The programme increased by **R1 million** on compensation of employees after the adjustment budget to defray excess expenditure which relates to capital remuneration on subsidised vehicles which was not adequately budgeted for. An amount of **R1, 325 million** has been transferred from programme 4 to defray excess expenditure under goods and services as a result of contracted services on transversal systems.

Programme 4

The programme decreased by **R140 thousand** on goods and services after the adjustment budget to defray excess expenditure which relates to annual increment which was not adequately budgeted for. This programme further reduced by **R1, 325 million** and transferred it to programme 3 to defray excess expenditure under goods and services as a result of contracted services on transversal systems.

The Accounting Officer and Provincial Treasury approved the virement as mentioned in section 43(1) of the Public Finance Management Act, No 1 of 1999 as amended by Act 29 of 1999.

2. Service rendered by the department

The Department is responsible for provincial resource allocation, monitoring of expenditure against budget, providing advisory services to all provincial departments, municipalities and public entities as well as monitoring compliance to applicable prescripts.

2.1 Tariff policy

The department has reviewed its tariff structure pertaining to the sale of Tender bulletins for the 2011/2012 financial year.

2.2 Free Services

The department renders information technology and transversal system support to all provincial Departments. The total costs involved relates to SITA, in respect of the transversal systems, namely BAS, LOGIS, Vulindlela and PERSAL.

3. Capacity Constraints

The department had a vacancy rate of 26 percent and occupancy rate of 74 percent as at 31 March 2012.

4. Utilisation of donor funds

The department has utilised the unspent R23 000 from the previous financial year received from First National Bank for the Mandela Day initiative.

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

Transfer payment were made as reflected in Annexure 1B and 1H

7. Public private partnerships (PPP)

The department continued to provide advice, support and awareness on PPP to municipalities and departments. This support was provided in liaison with National Treasury's PPP unit.



8. Corporate governance arrangements

8.1 Management Reporting

The reporting requirement practised by management in the department is in accordance with section 32.2 and 40(b) of the Public Finance Management Act, 1999 (No 1 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

Risk assessment workshops were held during February 2011 to identify the risk focus area in the department for 2011/2012. Risk Management strategies were identified to mitigate the risks identified. These strategies were monitored by the Risk officer. A Risk Management Committee has been established for the Department and reports to the Accounting Officer. Risk management is a standing item of the Audit Committee and Management meetings.

8.3 Internal Audit and Audit Committees

The Department has a staffed Internal Audit Unit. The results of the risk assessment, mentioned above, were utilised to develop a three-year 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 met regularly and provided oversight over the internal audit unit as well as evaluating management reports of the department.

8.4 Labour Relations

The Labour Relations section continued in its quest to assist managers, employees and consulted with organised labour in dealing with labour matters in the workplace and maintaining sound labour relations.

8.5 Other Governance Issues

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

9. Discontinued activities/activities to be discontinued

No activities have been discontinued or are going to be discontinued.

10. New/proposed activities

No new or proposed activities were undertaken during the year.

11. Asset management

All assets of the Department have been captured into the accounting records. The movement of movable assets is continuously being monitored and updated. Reconciliations on BAS and LOGIS are done on a monthly basis. Asset verification is conducted on a quarterly basis. All assets have been captured in the asset register and compliance with the minimum requirements has been achieved.

12. Inventories

Inventories are as reflected in Annexure 6.

13. Events after the reporting date

Legal processes to recover the irregular expenditure as noted in the financial statements are in progress.

14. Information on predetermined objectives

14.1 Financial Information

The Department utilises 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 throughout the financial year.



14.2 Service Delivery Information

The performance of the Department is assessed from its Annual Performance Plan. All sections in the Department compile monthly and quarterly progress reports which provide information pertaining to achievements and challenges.

15. SCOPA resolutions

There were no outstanding SCOPA resolutions as at 31 March 2012.

16. Prior modifications to audit reports

None.

17. Interim Financial Statements

There were three (3) sets of Interim Financial Statements prepared during the financial year.

18. Other

18.1 Irregular Expenditure

The irregular expenditure was due to fraudulent claims that were detected during the year. Internal disciplinary actions and legal proceedings are underway to recover the monies.

19. Approval

The Annual Financial Statements set out on pages 53 to 95 have been approved by the Accounting Officer.

.....
MR JB MBATHA
ACTING ACCOUNTING OFFICER
DEPARTMENT OF FINANCE

DATE: 31 MAY 2012



REPORT BY THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON VOTE NO.3: DEPARTMENT OF FINANCE REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Finance set out on pages 53 to 95, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Finance as at 31 March 2012 and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA.

Additional matter

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

Financial reporting framework

8. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 15 to 42 of the annual report.



11. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury's *Framework for managing programme performance information*.
12. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
13. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

14. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

15. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. I did not identify any deficiencies in internal control that I considered sufficiently significant for inclusion in this report.

OTHER REPORTS

INVESTIGATIONS

Investigations in progress

16. An investigation is being conducted to probe the financial misconduct of officials who committed fraudulent activities regarding travel and subsistence amounting to R651 248,00. The investigation was still ongoing at the reporting date.

PERFORMANCE AUDITS

17. During the year under review, a performance audit was conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance as well as the systems and processes that they have put in place. The audit is currently in the reporting phase and the findings will be reported on in a separate report.

Auditor - General

Nelspruit
31 July 2012



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence



APPROPRIATION STATEMENT

for the year ended 31 March 2012

Appropriation per programme									
APPROPRIATION STATEMENT	2011/12							2010/11	
	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	66,384	(23)	(1,000)	65,361	65,292	69	99.9%	81,823	75,772
Transfers and subsidies	1,670	-	-	1,670	1,548	122	92.7%	4,550	4,466
Payment for capital assets	1,069	-	-	1,069	1,025	44	95.9%	3,564	3,564
	69,123	(23)	(1,000)	68,100	67,865	235	99.7%	89,937	83,802
2. SUSTAINABLE RESOURCES MANAGEMENT									
Current payment	33,364	-	140	33,504	33,458	46	99.9%	33,674	30,469
Transfers and subsidies	-	-	-	-	-	-	-	1,805	1,719
Payment for capital assets	200	-	-	200	82	118	41.0%	550	499
	33,564	-	140	33,704	33,540	164	99.5%	36,029	32,687
3. ASSETS AND LIABILITIES									
Current payment	89,718	-	2,325	92,043	92,003	40	100.0%	80,989	79,818
Transfers and subsidies	157	-	-	157	157	-	100.0%	-	-
Payment for capital assets	3,979	-	-	3,979	2,469	1,510	62.1%	5,431	5,222
	93,854	-	2,325	96,179	94,629	1,550	99.8%	86,420	85,040
4. FINANCIAL GOVERNANCE									
Current payment	30,469	-	(1,465)	29,004	25,647	3,357	88.4%	15,998	15,158
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	888	621
	30,469	-	(1,465)	29,004	25,647	3,357	88.4%	16,886	15,779
Subtotal	227,010	(23)	-	226,987	221,681	5,306	97.7%	229,272	217,308
Statutory Appropriation									
Current payment	1,566	-	-	1,566	1,566	-	100.0%	1,492	1,492
TOTAL	228,576	(23)	-	228,553	223,247	5,306	97.7%	230,764	218,800
ADD									
Departmental receipts				48,203				51,685	
Aid assistance				23				50	
Actual amounts per statement of financial performance (total revenue)				276,779				282,499	
ADD									
Aid assistance					23				27
Actual amounts per statement of financial performance (total expenditure)					223,270				218,827



APPROPRIATION STATEMENT for the year ended 31 March 2012

Appropriation per economic classification									
	2011/12							2010/11	
	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	116,648	237	140	117,025	116,932	93	99.9%	110,227	106,281
Goods and services	103,287	(260)	(140)	102,887	99,468	3,419	96.7%	102,347	94,936
Transfers and subsidies									
Provinces and municipalities		10	-	10	10	-	100.0%	-	-
Households	1,827	(10)	-	1,817	1,695	122	93.3%	6,275	6,105
Gifts and donations	-	-	-	-	-	-	-	80	80
Payments for capital assets									
Machinery and equipment	5,248	-	-	5,248	3,576	1,672	68.1%	9,904	9,377
Software and other intangible assets	-	-	-	-	-	-	-	529	529
Total	227,010	(23)	-	226,987	221,681	5,306	97.7%	229,362	217,308

Statutory Appropriation									
Direct changes against the National/Provincial Revenue Fund	2011/12							2010/11	
	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 committee	1,566	-	-	1,566	1,566	-	100.0%	1,492	1,492
Total	1,566	-	-	1,566	1,566	-	100.0%	1,492	1,492



APPROPRIATION STATEMENT for the year ended 31 March 2012

Detail per sub-programme	2011/12							2010/11	
	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	3,274	51	(11)	3,314	3,310	4	99.9%	3,299	2,883
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.2 MANAGEMENT SERVICES									
Current payment	29,176	(767)	(989)	27,420	27,367	53	99.8%	41,761	39,827
Transfers and subsidies	1,300	(10)	-	1,290	1,174	116	91.0%	4,550	4,466
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.3 FINANCIAL MANAGEMENT									
Current payment	30,473	693	-	31,166	31,165	1	100.0%	33,507	29,855
Transfers and subsidies	370	10	-	380	374	6	98.4%	-	-
Payment for capital assets	1,069	-	-	1,069	1,025	44	95.9%	3,564	3,564
1.4 INTERNAL AUDIT									
Current payment	3,461	-	-	3,461	3,450	11	99.7%	3,256	3,207
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	69,123	(23)	(1,000)	68,100	67,865	235	99.7%	89,937	83,802

Economic classification	2011/12							2010/11	
	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	37,144	-	(1,000)	36,144	36,134	10	100.0%	47,798	46,336
Goods and services	29,240	(23)	-	29,217	29,158	59	99.8%	34,025	29,436
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	10	-	10	10	-	100.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Households	1,670	(10)	-	1,660	1,538	122	92.7%	4,470	4,386
Gifts and donations	-	-	-	-	-	-	-	80	80
Payment for capital assets									
Machinery and equipment	1,069	-	-	1,069	1,025	44	95.9%	3,564	3,564
Heritage assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	69,123	(23)	(1,000)	68,100	67,865	235	99.7%	89,937	83,802



APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per sub-programme	2011/12							2010/11	
	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	1,533	(147)	-	1,386	1,385	1	99.9%	1,473	1,412
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	17	17
2.2 ECONOMIC ANALYSIS									
Current payment	3,534	(288)	-	3,246	3,245	1	100.0%	3,738	3,540
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	267	267
2.3 MUNICIPAL FISCAL DISCIPLINE									
Current payment	5,359	(30)	-	5,329	5,327	2	100.0%	5,868	5,414
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	56	5
2.4 PROVINCIAL ADMIN FISCAL DISCIPLINE									
Current payment	3,835	(10)	-	3,825	3,818	7	99.8%	3,970	3,161
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.5 BUDGET AND EXPENDITURE MANAGEMENT									
Current payment	7,684	(530)	-	7,154	7,123	31	99.6%	7,927	7,531
Transfers and subsidies	-	-	-	-	-	-	-	1,705	1,619
Payment for capital assets	-	-	-	-	-	-	-	166	166
2.6 MUNICIPAL FINANCE									
Current payment	9,031	1,053	140	10,224	10,223	1	100.0%	6,273	6,245
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	200	-	-	200	82	118	41.0%	-	-
2.7 INFRASTRUCTURE CO - ORDINATION									
Current payment	2,388	(48)	-	2,340	2,337	3	99.9%	4,425	3,166
Transfers and subsidies	-	-	-	-	-	-	-	100	100
Payment for capital assets	-	-	-	-	-	-	-	44	44
Total	33,564	-	140	33,704	33,540	164	99.5%	36,029	32,687



APPROPRIATION STATEMENT for the year ended 31 March 2012

Economic classification	2011/12						2010/11		
	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	26,787	-	140	26,927	26,921	6	100.0%	26,012	23,751
Goods and services	6,577	-	-	6,577	6,537	40	99.4%	7,662	6,718
Transfers and subsidies to:									
Households	-	-	-	-	-	-	-	1,805	1,719
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Machinery and equipment	200	-	-	200	82	118	41.0%	300	249
Software and other intangible assets	-	-	-	-	-	-	-	250	250
Total	33,564	-	140	33,704	33,540	164	99.5%	36,029	32,687



APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per sub-programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	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	1,714	(81)	-	1,633	1,627	6	99.6%	1,486	1,446
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	95	-
3.2 PROVINCIAL SUPPLY CHAIN MANAGEMENT									
Current payment	12,706	(35)	320	12,991	12,982	9	99.9%	8,213	7,722
Transfers and subsidies	157	-	-	157	157	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.3 FINANCIAL ASSETS MANAGEMENT									
Current payment	1,446	(20)	320	1,746	1,743	3	99.8%	1,564	1,527
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.4 PUBLIC SECTOR LIABILITIES									
Current payment	2,593	(290)	-	2,303	2,301	2	99.9%	2,145	2,091
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.5 PHYSICAL ASSETS MANAGEMENT									
Current payment	4,154	135	-	4,289	4,285	4	99.9%	3,566	3,548
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.6 INTERLINKED FINANCIAL SYSTEM									
Current payment	7,460	291	260	8,011	7,995	16	99.8%	7,716	7,597
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.7 INFORMATION TECHNOLOGY									
Current payment	59,645	-	1,425	61,070	61,070	-	100.0%	56,299	55,887
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	3,979	-	-	3,979	2,469	1,510	62.1%	5,336	5,222
Total	93,854	-	2,325	96,179	94,629	1,550	98.4%	86,420	85,040



APPROPRIATION STATEMENT for the year ended 31 March 2012

Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	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	37,798	-	1,000	38,798	38,779	19	100.0%	24,965	24,887
Goods and services	51,920	-	1,325	53,245	53,224	21	100.0%	56,024	54,931
Transfers and subsidies to:									
Households	157	-	-	157	157	-	100.0%	-	-
Payment for capital assets									
Machinery and equipment	3,979	-	-	3,979	2,469	1,510	62.1%	5,152	4,943
Software and other intangible assets	-	-	-	-	-	-	-	279	279
Total	93,854	-	2,325	96,179	94,629	1,550	98.4%	86,420	85,040

Detail per sub-programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	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	6,182	-	(140)	6,042	5,817	225	96.3%	2,192	1,808
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
4.2 ACCOUNTING SERVICES									
Current payment	3,926	-	-	3,926	3,838	88	97.8%	4,550	4,516
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	888	621
4.3 NORMS AND STANDARDS									
Current payment	16,890	-	(1,325)	15,565	12,599	2,966	80.9%	6,236	6,080
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
4.4 RISKMANAGEMENT									
Current payment	1,504	-	-	1,504	1,481	23	98.5%	1,185	1,070
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
4.5 PROVINCIALINTERNAL AUDIT									
Current payment	1,967	-	-	1,967	1,912	55	97.2%	1,835	1,684
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	30,469	-	(1,465)	29,004	25,647	3,357	88.4%	16,886	15,779



APPROPRIATION STATEMENT for the year ended 31 March 2012

Economic classification	2011/12							2010/11	
	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	14,919	237	-	15,156	15,098	58	99.6%	11,362	11,307
Goods and services	15,550	(237)	(1,465)	13,848	10,549	3,299	76.2%	4,636	3,851
Interest and rent on land									
Transfers and subsidies to:									
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Machinery and equipment	-	-	-	-	-	-	-	888	621
Software and other intangible assets									
Total	30,469	-	(1,465)	29,004	25,647	3,357	88.4%	16,886	15,779



NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2012

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

Details of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1B, 1H, 1J and 1K to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

There were no payments for financial assets.

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	68,100	67,865	235	0.3%
Sustainable Resource Management	33,704	33,540	164	0.5%
Assets and Liabilities	96,179	94,629	1,550	1.6%
Financial Governance	29,004	25,647	3,357	11.6%

Reason of under spending Financial Governance

The underspending is mainly on goods and services due to earmarked funding of R7,5 million to appoint consultants, the tender amount was however only R2,9 million.

4.2 Per Economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Current payments				
Compensation of employees	117,025	116,932	93	0.01%
Goods and services	102,887	99,468	3,419	3.3%
Transfers and subsidies				
Provinces and municipalities	10	10	0	0%
Households	1,817	1,695	122	6.7%
Gifts and donations	23	23	0	0%
Payments for capital assets				
Machinery and equipment	5,248	3,576	1,672	31.9%

Reasons of under spending

Goods and Services

The under spending is mainly on goods and services due to ear - marked funding of R7,5 million to appoint consultants the tender amount was however only R2,9 million.

Machinery and Equipment

The under spending is mainly on capital payments due to late delivery of computer equipment by service providers.



STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2012

PERFORMANCE	<i>Note</i>	2011/12	2010/11
		R'000	R'000
REVENUE			
Annual appropriation	<u>1</u>	226,987	229,272
Statutory appropriation	<u>2</u>	1,566	1,492
Departmental revenue	<u>3</u>	48,203	51,685
Aid assistance	<u>4</u>	23	50
TOTAL REVENUE		276,779	282,499
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>5</u>	118,498	107,773
Goods and services	<u>6</u>	99,468	94,936
Aid assistance	<u>4</u>	23	27
Total current expenditure		217,989	202,736
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	1,705	6,185
Total transfers and subsidies			
Expenditure for capital assets			
Tangible capital assets	<u>8</u>	3,576	9,377
Software and other intangible assets	<u>8</u>	-	529
Total expenditure for capital assets		3,576	9,906
TOTAL EXPENDITURE		223,270	218,827
SURPLUS/(DEFICIT) FOR THE YEAR		53,509	63,672
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		5,306	11,964
Annual appropriation		5,306	11,964
Departmental revenue and NRF Receipts	<u>12</u>	48,203	51,685
Aid assistance	<u>4</u>	-	23
SURPLUS/(DEFICIT) FOR THE YEAR		53,509	63,672



STATEMENT OF FINANCIAL POSITION

as at 31 March 2012

POSITION	<i>Note</i>	2011/12	2010/11
		R'000	R'000
ASSETS			
Current assets		5,829	12,467
Cash and cash equivalents	<u>9</u>	5,817	12,427
Receivables	<u>10</u>	12	40
TOTAL ASSETS		5,829	12,467
LIABILITIES			
Current liabilities		5,829	12,466
Voted funds to be surrendered to the Revenue Fund	<u>11</u>	5,306	11,964
Departmental revenue and NRF Receiptstobe surrendered to the Revenue Fund	<u>12</u>	523	96
Payables	<u>13</u>	-	383
Aid assistance unutilised	<u>4</u>	-	23
TOTAL LIABILITIES		5,829	12,466
NET ASSETS		-	1
	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Represented by:			
Recoverable revenue		-	1
TOTAL		-	1



STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2012

NET ASSETS	<i>Note</i>	2011/12	2010/11
		R'000	R'000
		<u> </u>	<u> </u>
Recoverable revenue			
Opening balance		1	1
Transfers:			
Irrecoverable amounts written off	3	(1)	-
Debts revised		78	91
Debts recovered (included in departmental receipts)		(79)	(91)
Debts raised			
Closing balance		<u>-</u>	<u>1</u>
TOTAL		<u><u>-</u></u>	<u><u>1</u></u>



CASH FLOW STATEMENT

for the year ended 31 March 2012

CASH FLOW	<i>Note</i>	2011/12	2010/11
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		276,031	282,343
Annual appropriated funds received	<u>1.1</u>	226,987	229,272
Statutory appropriated funds received	<u>2</u>	1,566	1,492
Departmental revenue received	<u>3</u>	47,455	51,529
Aid assistance received	<u>4</u>	23	50
Net (increase)/decrease in working capital		(355)	(2,842)
Surrendered to Revenue Fund		(59,740)	(68,499)
Surrendered to RDP Fund/Donor		(23)	-
Current payments		(217,989)	(202,736)
Transfers and subsidies paid		(1,705)	(6,185)
Net cash flow available from operating activities	<u>14</u>	(3,781)	2,081
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(3,576)	(9,906)
Proceeds from sale of capital assets	<u>3.3</u>	748	156
Net cash flows from investing activities		(2,828)	(9,750)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(1)	-
Net cash flows from financing activities		(1)	-
Net increase/(decrease) in cash and cash equivalents		(6,610)	(7,669)
Cash and cash equivalents at beginning of period		12,427	20,096
Cash and cash equivalents at end of period	<u>9</u>	5,817	12,427



ACCOUNTING POLICIES for the year ended 31 March 2012

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 No. 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, (Act No. 1 of 2011).

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 funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective. Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position. Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.



2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise. Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position. No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise. Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aid assistance is recognised as revenue when received. All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements. The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position. Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

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 expenditure in the statement of financial performance when final authorisation for payments are effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.



3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment 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 Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for 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/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5,000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for 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 Payments for financial assets

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 an estimate is included in the disclosure notes to the financial statements amounts. All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

When confirmed 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 derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.



3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

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.

4. Assets

4.1 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

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 the disclosure notes.

4.6 Loan

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.



4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register 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 movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

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 immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

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

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*



Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the department.

Maintenance is expensed as current “goods and services” in the statement of financial performance.

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

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.

5.5 Accruals

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.

5.6 Employee benefits

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 or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.



Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 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 recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

7.2 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. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

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



10. Public private partnerships

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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation R'000	2011/12 Actual Funds Received R'000	Funds not requested/ not received R'000	2010/11 Appropriation received R'000
Administration	68,100	68,100	-	89,937
Sustainable Resource Management	33,704	33,704	-	36,029
Assets and Liabilities	96,179	96,179	-	86,420
Financial Governance	29,004	29,004	-	16,886
Total	226,987	226,987	-	229,272

2. Statutory Appropriation

	2011/12 R'000	2010/11 R'000
Member of executive committee	1,566	1,492
Total	1,566	1,492
Actual Statutory Appropriation received	1,566	1,492

3. Departmental revenue

	Note	2011/12 R'000	2010/11 R'000
Sales of goods and services other than capital assets	3.1	2,931	2,562
Interest, dividends and rent on land	3.2	44,446	48,876
Sales of capital assets	3.3	748	156
Transactions in financial assets and liabilities	3.4	78	91
Total revenue collected		48,203	51,685
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		48,203	51,685



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

3.1 Sales of goods and services other than capital assets

	<i>Note</i> 3	2011/12 R'000	2010/11 R'000
Sales of goods and services produced by the department		2,931	2,560
Other sales		2,931	2,560
Sales of scrap, waste and other used current goods		-	2
Total		2,931	2,562

3.2 Interest, dividends and rent on land

	<i>Note</i> 3	2011/12 R'000	2010/11 R'000
Interest		44,446	48,876
Total		44,446	48,876

3.3 Sale of capital assets

	<i>Note</i> 3	2011/12 R'000	2010/11 R'000
Tangible assets			
Machinery and equipment		748	156
Total		748	156

3.4 Transactions in financial assets and liabilities

	<i>Note</i> 3	2011/12 R'000	2010/11 R'000
Receivables		78	91
Total		78	91

4. Aid assistance

4.1 Aid assistance received in cash from other sources

	2011/12 R'000	2010/11 R'000
Local		
Opening Balance	23	-
Revenue	23	50
Expenditure	(23)	(27)
Current	(23)	(27)
Surrendered to the donor	(23)	-
Closing Balance	-	23



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

4.2 Total assistance	2011/12	2010/11
	R'000	R'000
Opening Balance	23	-
Revenue	23	50
Expenditure	(23)	(27)
Current	(23)	(27)
Surrendered / Transferred to retained funds	(23)	-
Closing Balance	-	23

4.3 Analysis of balance		2011/12	2010/11
		R'000	R'000
Aid assistance unutilised	<i>Note</i> 4	-	23
Other sources		-	23
Closing balance		-	23

5. Compensation of employees

5.1 Salaries and Wages

	<i>Note</i> 5	2011/12	2010/11
		R'000	R'000
Basic salary		79,088	72,351
Performance award		1,730	2,619
Service Based		164	361
Compensative/circumstantial		10,091	7,198
Other non-pensionable allowances		12,285	11,318
Total		103,358	93,847

5.2 Social contributions

	<i>Note</i> 5	2011/12	2010/11
		R'000	R'000
Employer contributions			
Pension		10,290	9,499
Medical		4,833	4,409
Bargaining council		17	18
Total		15,140	13,926

Total compensation of employees	118,498	107,773
Average number of employees	332	329



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

6. Goods and services	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Administrative fees		462	601
Advertising		601	1,199
Assets less than R5,000	6.1	776	1,582
Bursaries (employees)		390	126
Catering		985	1,610
Communication		3,726	3,307
Computer services	6.2	46,873	47,129
Consultants, contractors and agency/outsourced services	6.3	4,828	4,040
Audit cost – external	6.4	9,913	7,630
Fleet services		1,439	1,243
Inventory	6.5	2,911	3,145
Operating leases		5,519	3,895
Property payments	6.6	3,422	1,124
Transport provided as part of the departmental activities		91	276
Travel and subsistence	6.7	14,164	12,801
Venues and facilities		1,118	1,161
Training and staff development		1,430	2,066
Other operating expenditure	6.8	820	2,001
Total		99,468	94,936
6.1 Assets less than R5, 000			
	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Tangible assets	6	776	1,579
Machinery and equipment		776	1,579
Intangible assets		-	3
Total		776	1,582



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

6.2 Computer services		2011/12	2010/11
	6	R'000	R'000
SITA computer services		45,219	44,701
External computer service providers		1,654	2,428
Total		46,873	47,129
6.3 Consultants, contractors and agency/outsourced services		2011/12	2010/11
	Note 6	R'000	R'000
Business and advisory services		4,389	3,362
Legal costs		139	135
Contractors		300	543
Total		4,828	4,040
6.4 Audit cost – External		2011/12	2010/11
	Note 6	R'000	R'000
Regularity audits		7,167	6,493
Performance audits		2,746	1,137
Total		9,913	7,630
6.5 Inventory		2011/12	2010/11
	Note 6	R'000	R'000
Food and food supplies		72	52
Other consumable materials		597	615
Materials and supplies		1	-
Stationery and printing		2,241	2,478
Total		2,911	3,145
6.6 Property payments		2011/12	2010/11
	Note 6	R'000	R'000
Municipal services		1,584	1,124
Other		1,838	-
Total		3,422	1,124
6.7 Travel and subsistence		2011/12	2010/11
	Note 6	R'000	R'000
Employee costs		14,164	12,801
Domestic travel costs		14,164	12,801
Total		14,164	12,801



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

6.8 Other operating expenditure

	Note	2011/12	2010/11
	6	R'000	R'000
Learnerships			
Professional bodies, membership and subscription fees		24	41
Resettlement costs		41	248
Other		755	1,712
Total		820	2,001

7. Transfers and subsidies

	Note	2011/12	2010/11
		R'000	R'000
Provinces and municipalities	<i>Annex 1B</i>	10	-
Households	<i>Annex 1H</i>	1,695	6,105
Gifts, donations and sponsorships made	<i>Annex 1K</i>	-	80
Total		1,705	6,185

8. Expenditure for capital assets

	Note	2011/12	2010/11
		R'000	R'000
Tangible assets		3,576	9,377
Machinery and equipment	24	3,576	9,377
Software and other intangible assets			
Computer software	24	-	529
Total		3,576	9,906

8.1 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets			
Machinery and equipment	3,576	-	3,576
Software and other intangible assets			
Computer software	-	-	-
Total	3,576	-	3,576



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

8.2 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	9,377	-	9,377
Software and other intangible assets			
Computer software	529	-	529
Total	9,906	-	9,906

9. Cash and cash equivalents

	Note 9	2011/12 R'000	2010/11 R'000
Consolidated Paymaster General Account		5,817	12,285
Disbursements		-	142
Total		5,817	12,427

10. Receivables

		R'000	R'000	R'000	2011/12 R'000	2010/11 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Staff debt	Note 10.1	7	-	-	7	37
Other debtors	10.2	3	2	-	5	3
Total		10	2	-	12	40

10.1 Staff debt

	Note 10	2011/12 R'000	2010/11 R'000
CellPhone		1	19
3G Card		-	16
Overpayment		3	2
Tax Debt		3	-
Total		7	37

10.2 Other debtors

	Note 10	2011/12 R'000	2010/11 R'000
Medical Aid: Overpayment		2	2
Ex—employees: Tax debt		3	1
Total		5	3



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

11. Voted funds to be surrendered to the Revenue Fund

	Note 11	2011/12 R'000	2010/11 R'000
Opening balance		11,964	16,733
Transfer from statement of financial performance		5,306	11,964
Paid during the year		(11,964)	(16,733)
Closing balance		5,306	11,964

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

	Note 12	2011/12 R'000	2010/11 R'000
Opening balance		96	177
Transfer from Statement of Financial Performance		48,203	51,685
Paid during the year		(47,776)	(51,766)
Closing balance		523	96

13. Payables – current

	Note	2011/12 Total	2010/11 Total
Clearing accounts	13.1	-	383
Total		-	383

13.1 Clearing accounts

	Note 13	2011/12 R'000	2010/11 R'000
Infrastructure		-	383
Total		-	383

14. Net cash flow available from operating activities

	Note 14	2011/12 R'000	2010/11 R'000
Net surplus/(deficit) as per Statement of Financial Performance		53,509	63,672
Add back non cash/cash movements not deemed operating activities		(57,290)	(61,591)
(Increase)/decrease in receivables – current		28	(9)
Increase/(decrease) in payables – current		(383)	(2,833)
Proceeds from sale of capital assets		(748)	(156)
Expenditure on capital assets		3,576	9,906
Surrenders to Revenue Fund		(59,740)	(68,499)
Surrenders to RDP Fund/Donor		(23)	
Net cash flow generated by operating activities		(3,781)	2,081



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

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

	<i>Note</i>	2011/12	2010/11
		R'000	R'000
Consolidated Paymaster General account	9	5,817	12,285
Disbursements		-	142
Total		5,817	12,427



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

	Note	2011/12 R'000	2010/11 R'000
Liable to Nature			
Housing loan guarantees Employees	Annex 3A	343	367
Claims against the department	Annex 3B	-	50
Other departments (interdepartmental unconfirmed balances)	Annex 5	4	394
Total		347	811

17. Commitments

	Note	2011/12 R'000	2010/11 R'000
Current expenditure			
Approved and contracted	17	970	91
Capital expenditure			
Approved and contracted		344	-
Total Commitments		1,314	91

18. Accruals

	2011/12 R'000			2010/11 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	1,562	1,794	3,356	1,737
Interest and rent on land				
Capital assets	-	-	-	104
Total	1,562	1,794	3,356	1,841

	Note	2011/12 R'000	2010/11 R'000
Administration		1,586	1,359
Sustainable Resource Management		30	177
Assets and Liabilities		1,338	201
Financial Governance		402	104
Total		3,356	1,841

	Note	2011/12 R'000	2010/11 R'000
Confirmed balances with other departments	Annex 5	486	-
Confirmed balances with other government entities	Annex 5	-	-
Total		486	-



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

19. Employee benefits

	<i>Note 19</i>	2011/12 R'000	2010/11 R'000
Leave entitlement		4,764	4,741
Service bonus (Thirteenth cheque)		3,370	3,213
Performance awards		1,771	2,585
Capped leave commitments		6,767	6,867
Total		16,672	17,406

20. Lease commitments

20.1 Operating leases expenditure

2011/12	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	3,260	1,610	4,870
Later than 1 year and not later than 5 years	-	-	9,050	1,523	10,573
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	12,310	3,133	15,443

2010/11	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	2,436	975	3,411
Later than 1 year and not later than 5 years	-	-	11,235	595	11,830
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	13,671	1,570	15,241

20.2 Finance leases expenditure

2011/12	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	19	19
Total lease commitments	-	-	-	19	19

2010/11	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	33	33
Later than 1 year and not later than 5 years	-	-	-	19	19
Total lease commitments	-	-	-	52	52



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	<i>Note</i> 21	2011/12 R'000	2010/11 R'000
Opening balance		-	87
Add: Irregular expenditure – relating to prior year		196	-
Add: Irregular expenditure – relating to current year		455	-
Less: Amounts condoned		-	(87)
Irregular expenditure awaiting condonation		651	-
Analysis of awaiting condonation per age classification			
Current year		-	-
Prior years		-	-
Total		-	-

21.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2011/12 R'000
Fraudulent Travel Claims	Internal disciplinary actions and legal proceedings are underway	455
Total		455

22. Related party transactions

During the year, the department received services from the Department of Public Works, Roads and Transport that are related to the department. The Department of Finance occupies government building 4 lower and upper grounds in the Province provided by the Department of Public Works, Roads and Transport free of charge.

During the year the department provided IT service(IT Support, network and Governance) to the following departments: Office of the Premier, Co-operative Governance and Traditional Affairs, Culture, Sports and Recreation, Human Settlement, Agriculture, rural development and Land Administration, Economic Development, Environment and Tourism, Education, Safety, Security and Liaison and Public Works, Roads and Transport.

The Department of Finance provided IT services to all the departments free of charge.

23. Key management personnel

	No. of Individuals	2011/12 R'000	2010/11 R'000
Political office bearers (provide detail below)	1	1,566	1,492
Officials:			
Level 15 to 16	-	-	1,025
Level 14 (incl. CFO if at a lower level)	4	3,653	4,201
Total		5,219	6,718



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	25,915	-	3,576	2,594	27,043
Transport assets	6,675	-	336	1,871	5,140
Computer equipment	15,879	-	2,806	638	18,047
Furniture and office equipment	2,038	-	338	28	2,348
Other machinery and equipment	1,323	-	96	57	1,362
TOTAL	25,915	-	3,576	2,594	26,897

24.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3,576	-	-	-	3,576
Transport assets	336	-	-	-	336
Computer equipment	2,806	-	-	-	2,806
Furniture and office equipment	338	-	-	-	338
Other machinery and equipment	96	-	-	-	96
TOTAL ADDITIONS	3,576	-	-	-	3,576



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

24.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,261	333	2,594	748
Transport assets	1,871	-	1,871	739
Computer equipment	334	304	638	9
Furniture and office equipment	28	-	28	-
Other machinery and equipment	28	29	57	-
TOTAL DISPOSAL	2,261	333	2,594	748

24.3 Movement for 2010/11

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	16,382	10,107	574	25,915
Transport assets	4,852	2,330	507	6,675
Computer equipment	9,854	6,092	67	15,879
Furniture and office equipment	1,262	776	-	2,038
Other machinery and equipment	414	909	-	1,323
TOTAL	16,382	10,107	574	25,915



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

24.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	12	6	6,765	-	6,783
Current Year	-	-	-	-	-	-
Adjustments to Prior Year balances	-	-	-	-	-	-
Additions	-	-	-	776	-	776
Disposals	-	-	-	180	-	(180)
TOTAL	-	12	6	7,361	-	7,379
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	7	8	4,979	-	4,994
TOTAL	-	7	8	4,979	-	4,994

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2011

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	9	6	5,149	-	5,164
Current Year	-	-	-	37	-	37
Adjustments to Prior Year balances	-	-	-	-	-	-
Additions	-	3	-	1,579	-	1,582
Disposals	-	-	-	-	-	-
TOTAL	-	12	6	6,765	-	6,783
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	7	8	4,527	-	4,542
TOTAL	-	7	8	4,527	-	4,542



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012.

25. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	5,327	-	-	-	5,327
TOTAL	5,327	-	-	-	5,327

25.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-	-
TOTAL ADDITIONS	-	-	-	-	-

25.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-
TOTAL DISPOSALS	-	-	-	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

25.3 Movement for 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	4,798	529	-	5,327
TOTAL INTANGIBLE CAPITAL ASSETS	4,798	529	-	5,327



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2010/11
	Amount	Roll Overs	Adjust-ments	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
Mbombela Municipality	-	-	10	10	10	100%	-	-	-	-
TOTAL	-	-	10	10	10	100%	-	-	-	-

ANNEXURE 1H

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2010/1
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Subsidies							
Households	527	-	-	527	527	100%	2,878
Bursaries for non employees	1,290	-	-	1,290	1,168	91%	3,227
Total	1,817	-	-	1,817	1,695	94%	6,105



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

ANNEXURE 1J STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPEN			CLOS
		ING			ING
		BALA	REVE	EXPE	BALA
		NCE	NUE	NDI-	NCE
		R'000	R'000	TURE	R'000
				R'000	
Received in cash					
First National Bank	Mandela Week	23	-	23	-
TOTAL		23	-	23	-

ANNEXURE 1K STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2011/12	2010/11
	R'000	R'000
Made in kind		
Women's Day legacy Project	-	48
Heritage Day legacy Project	-	32
COSAS	17	-
School Career Day	130	-
Freedom Day legacy Project	14	-
TOTAL	161	80



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL

Guarantor institution	Guarantee in respect of housing	Original guaranteed capital amount	Opening balance 1 April 2011	Guarantees draw downs during the year	Guarantees repayments/ cancelled / reduced/ released during the year	Revaluations	Closing balance 31 March 2012	Guaranteed interest for year ended 31 March 2012	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ned bank		611	122	-	24	-	98	-	-
Standard bank		83	16	-	-	-	16	-	-
People's bank		458	84	-	-	-	84	-	-
Old Mutual		266	53	-	-	-	53	-	-
FNB		160	32	-	-	-	32	-	-
MHFC		300	60	-	-	-	60	-	-
TOTAL		1,878	367	-	24	-	343	-	-

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2011 R'000	R'000	R'000	R'000	31 March 2012 R'000
Claims against the department					
Marie Broodryk	50	-	50	-	-
TOTAL	50	-	50	-	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 4 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
MP: Department of Health	-	11	-	-	-	11
National Agriculture	-	22	-	-	-	22
MP: Legislature	-	56	-	-	-	56
TOTAL	-	89	-	-	-	89

ANNEXURE 5 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
MP: Department of Public Works, Roads and Transport	398	-	-	394	398	394
MP: Department of Agriculture, Rural Development and Land Administration	4	-	-	-	4	-
Palama	84	-	-	-	84	-
Government Printing	-	-	4	-	4	-
Total	486	-	4	394	490	394



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

ANNEXURE 6 INVENTORY

Inventory	Note	Quantity	2011/12	Quantity	2010/11
			R'000		R'000
Opening balance		33,605	1,075	29,847	430
Add/(Less): Adjustments to prior year balance		2,775	-	-	-
Add: Additions/Purchases - Cash		124,091	2,911	115,593	16,720
Add: Additions - Non-cash		1,978	-	4,139	-
(Less): Disposals		-	-	(2,694)	(719)
(Less): Issues		(126,530)	(3,734)	(94,326)	(16,122)
Add/(Less): Adjustments		(208)	630	(18,954)	766
Closing balance		35,711	882	33,605	1,075



In this section, the report outline statistics on Human Resource utilisation during the year ended 31 March 2012. This information is critical for oversight function of the legislature and it empowers the people to understand the working of the government, expenditure on personnel and movements during the period under review.



HUMAN RESOURCE
MANAGEMENT

PART 4



4. HUMAN RESOURCE MANAGEMENT

Service Delivery

Table 1.1–Main services provided 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 achievements
N/A	N/A

Table 1.4–Service information tool

Types of information tool	Actual achievements
N/A	N/A

Table 1.5–Complaints mechanism

Complaints Mechanism	Actual achievements
N/A	N/A

Expenditure

The Department budgets in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 2.1–Personnel costs by programme, 2011/12

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Pr1 Administration	69 454	37 700	350	0	54.3	265
Pr2 Sustainable resource management	33 540	26 921	156	0	80.3	369
Pr3 Assets and liabilities management	94 629	38 779	131	0	41	419
Pr4 Financial governance	25 647	15 098	793	0	58.9	549
TOTAL	223 270	118 498	1 430	0	53.1	356



TABLE 2.2 – Personnel costs by salary bands, 2011/12

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1 -2)	1 833	1.4	114 563
Skilled (Levels 3 -5)	4 136	3.2	129 250
Highly skilled production (Levels 6 -8)	25 207	19.2	235 579
Highly skilled supervision (Levels 9 -12)	64 413	49.1	453 613
Senior management (Levels 13 -16)	18 252	13.9	829 636
Contract (Levels 1 -2)	411	0.3	34 250
Contract (Levels 9 -12)	629	0.5	629 000
Contract (Levels 13 -16)	117	0.1	0
Abnormal Appointment	3 500	2.7	184 211
TOTAL	118 498	90.3	337 601

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2011/12

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Pr1 administration	27 844	67.2	197	0.5	1 132	2.7	2 075	5
Pr2 sustainable resource management	18 144	58.8	65	0.2	446	1.4	680	2.2
Pr3 assets and liabilities management	29 123	69.1	40	0.1	773	1.8	1 565	3.7
Pr4 financial governance	11 447	68.3	1	0	310	1.8	513	3.1
TOTAL	86 558	66	303	0.2	2 661	2	4 833	3.7

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2011/12

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1 -2)	1 128	61.4	0	0	162	8.8	274	14.9
Skilled (Levels 3 -5)	2 638	62.9	49	1.2	307	7.3	465	11.1
Highly skilled production (Levels 6-8)	17 617	66.3	126	0.5	1 003	3.8	1 729	6.5
Highly skilled supervision (Levels 9 -12)	48 984	67.4	128	0.2	974	1.3	2 090	2.9
Senior management (Levels 13-16)	15 088	72.8	0	0	213	1	275	1.3
Contract (Levels 1 -2)	411	100	0	0	0	0	0	0
Contract (Levels 9-12)	603	94.8	0	0	1	0.2	0	0
Contract (Levels 13 -16)	89	71.2	0	0	1	0.8	0	0
Abnormal Appointment	0	0	0	0	0	0	0	0
TOTAL	86 558	66	303	0.2	2 661	2	4 833	3.7



Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2012

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Pr1 Administration, Permanent	195	142	27.2	12
Pr2 Sustainable resource management, Permanent	65	49	24.6	0
Pr3 Assets and liabilities management, Permanent	131	105	19.8	0
Pr4 Financial governance, Permanent	42	36	14.3	0
TOTAL	433	332	23.3	12

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2012

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	18	16	11.1	0
Skilled (Levels 3 -5), Permanent	45	32	28.9	0
Highly skilled production (Levels 6 -8), Permanent	147	107	27.2	0
Highly skilled supervision (Levels 9-12), Permanent	186	142	23.7	0
Senior management (Levels 13 -16), Permanent	24	22	8.3	0
Contract (Levels 1 -2), Permanent	12	12	0	12
Contract (Levels 9 -12), Permanent	1	1	0	0
TOTAL	433	332	23.3	12



TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2012

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	68	58	14.7	0
Cleaners in offices workshops hospitals etc., Permanent	12	12	0	0
Communication and information related, Permanent	4	4	0	0
Computer system designers and analysts., Permanent	1	1	0	0
Engineering sciences related, Permanent	2	1	50	0
Finance and economics related, Permanent	29	23	20.7	0
Financial and related professionals, Permanent	52	44	15.4	0
Financial clerks and credit controllers, Permanent	2	2	0	0
Head of department/chief executive officer, Permanent	1	0	100	0
Human resources clerks, Permanent	1	1	0	0
Human resources related, Permanent	25	21	16	12
Information technology related, Permanent	27	20	25.9	0
Legal related, Permanent	2	1	50	0
Library mail and related clerks, Permanent	1	1	0	0
Light vehicle drivers, Permanent	1	1	0	0
Logistical support personnel, Permanent	44	23	47.7	0
Messengers porters and deliverers, Permanent	3	3	0	0
Other administrative policy and related officers, Permanent	1	1	0	0
Other information technology personnel., Permanent	10	10	0	0
Other occupations, Permanent	123	87	29.3	0
Secretaries & other keyboard operating clerks, Permanent	15	11	26.7	0
Senior managers, Permanent	9	7	22.2	0
TOTAL	433	332	23.3	12

The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns over the year under review, refer to section 5 of this report.

Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.



TABLE 4.1 – Job Evaluation, 1 April 2011 to 31 March 2012

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 1 -2)	12	0	0	0	0	0	0
Contract (Levels 9 -12)	1	0	0	0	0	0	0
Skilled (Levels 3 -5)	45	0	0	0	0	0	0
Highly skilled production (Levels 6 - 8)	147	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	186	0	0	0	0	0	0
Senior Management Service Band A	18	0	0	0	0	0	0
Senior Management Service Band B	4	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
TOTAL	433	0	0	0	0	0	0

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

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2011 to 31 March 2012

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

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

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2011/ 12	None
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Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (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

Employment changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2)



TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2011 to 31 March 2012

Salary Band	Number of employees per band as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1 -2), Permanent	17	0	1	5.9
Skilled (Levels 3 -5), Permanent	32	0	0	0
Highly skilled production (Levels 6 -8), Permanent	110	0	2	1.8
Highly skilled supervision (Levels 9 -12), Permanent	145	1	3	2.1
Senior Management Service Band A, Permanent	18	0	0	0
Senior Management Service Band B, Permanent	4	0	0	0
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1 -2), Permanent	0	14	3	0
Contract (Levels 9 -12), Permanent	1	0	0	0
Contract (Band C), Permanent	1	0	1	100
TOTAL	329	15	10	3

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2011 to 31 March 2012

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	59	0	1	1.7
Cleaners in offices workshops hospitals etc., Permanent	12	0	0	0
Communication and information related, Permanent	4	0	0	0
Computer system designers and analysts., Permanent	1	0	0	0
Engineering sciences related, Permanent	1	0	0	0
Finance and economics related, Permanent	23	0	0	0
Financial and related professionals, Permanent	47	0	1	2.1
Financial clerks and credit controllers, Permanent	3	0	1	33.3
Head of department/chief executive officer, Permanent	1	0	1	100
Human resources clerks, Permanent	1	0	0	0
Human resources related, Permanent	9	14	3	33.3
Information technology related, Permanent	20	0	0	0
Legal related, Permanent	0	1	0	0
Library mail and related clerks, Permanent	1	0	0	0
Light vehicle drivers, Permanent	1	0	0	0
Logistical support personnel, Permanent	25	0	1	4
Messengers porters and deliverers, Permanent	3	0	0	0
Other administrative policy and related officers, Permanent	1	0	0	0
Other information technology personnel., Permanent	11	0	1	9.1
Other occupations, Permanent	88	0	1	1.1
Secretaries & other keyboard operating clerks, Permanent	11	0	0	0
Senior managers, Permanent	7	0	0	0
TOTAL	329	15	10	3



Table 5.3 identifies the major reasons why staff left the department.

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death, Permanent	3	30
Resignation, Permanent	5	50
Expiry of contract, Permanent	2	20
TOTAL	10	100

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2011	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related	59	0	0	44	74.6
Cleaners in offices workshops hospitals etc.	12	0	0	4	33.3
Communication and information related	4	0	0	2	50
Computer system designers and analysts.	1	0	0	1	100
Engineering sciences related	1	0	0	1	100
Finance and economics related	23	0	0	20	87
Financial and related professionals	47	0	0	35	74.5
Financial clerks and credit controllers	3	0	0	1	33.3
Head of department/chief executive officer	1	0	0	0	0
Human resources clerks	1	0	0	1	100
Human resources related	9	0	0	12	133.3
Information technology related	20	0	0	16	80
Library mail and related clerks	1	0	0	1	100
Light vehicle drivers	1	0	0	0	0
Logistical support personnel	25	0	0	14	56
Messengers porters and deliverers	3	0	0	2	66.7
Other administrative policy and related officers	1	0	0	1	100
Other information technology personnel.	11	0	0	9	81.8
Other occupations	88	2	2.3	67	76.1
Secretaries & other keyboard operating clerks	11	0	0	8	72.7
Senior managers	7	0	0	5	71.4
TOTAL	329	2	0.6	244	74.2



Table 5.5 – Promotions by salary band

Salary Band	Employees as at 1 April 2011	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 -2), Permanent	17	0	0	7	41.2
Skilled (Levels 3 -5), Permanent	32	0	0	25	78.1
Highly skilled production (Levels 6 -8), Permanent	110	0	0	84	76.4
Highly skilled supervision (Levels 9 - 12), Permanent	145	2	1.4	111	76.6
Senior management (Levels 13 -16), Permanent	23	0	0	13	56.5
Contract (Levels 1 -2), Permanent	0	0	0	4	0
Contract (Levels 9 -12), Permanent	1	0	0	0	0
Contract (Levels 13 -16), Permanent	1	0	0	0	0
TOTAL	329	2	0.6	244	74.2

Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2012

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	3	0	1	0	4	0	0	0	8
Professionals, Permanent	61	2	0	9	47	0	0	5	124
Technicians and associate professionals, Permanent	34	0	1	0	45	1	1	0	82
Clerks, Permanent	3	0	0	0	12	0	0	0	15
Plant and machine operators and assemblers, Permanent	1	0	0	0	0	0	0	0	1
Elementary occupations, Permanent	43	1	0	1	55	0	0	2	102
TOTAL	145	3	2	10	163	1	1	7	332
Employees with disabilities	3	0	0	1	1	0	0	0	5

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	0	1	0	0	0	1
Senior Management, Permanent	10	0	1	1	6	0	0	3	21
Professionally qualified and experienced specialists and mid - management, Permanent	75	2	1	8	53	1	0	2	142
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	42	1	0	0	61	0	1	2	107
Semi -skilled and discretionary decision making, Permanent	13	0	0	0	19	0	0	0	32
Unskilled and defined decision making, Permanent	0	0	0	0	16	0	0	0	16
Contract (Professionally qualified), Permanent	0	0	0	1	0	0	0	0	1
Contract (Unskilled), Permanent	5	0	0	0	7	0	0	0	12
TOTAL	145	3	2	10	163	1	1	7	332



6.3 – Recruitment for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid - management, Permanent	1	0	0	0	0	0	0	0	1
Contract (Un skilled), Permanent	5	0	0	0	9	0	0	0	14
TOTAL	6	0	0	0	9	0	0	0	15

Employees with disabilities	0								
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6.4 – Promotions for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	6	0	1	1	4	0	0	1	13
Professionally qualified and experienced specialists and mid - management, Permanent	59	2	0	6	45	1	0	0	113
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	35	1	0	0	47	0	1	0	84
Semi -skilled and discretionary decision making, Permanent	8	0	0	0	17	0	0	0	25
Unskilled and defined decision making, Permanent	0	0	0	0	7	0	0	0	7
Contract (Unskilled), Permanent	3	0	0	0	1	0	0	0	4
TOTAL	111	3	1	7	121	1	1	1	246

Employees with disabilities	3	0	0	1	1	0	0	0	5
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6.5 – Terminations for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid - management, Permanent	3	0	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making, Permanent	0	0	0	0	1	0	0	0	1
Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Unskilled), Permanent	1	0	0	0	2	0	0	0	3
TOTAL	6	0	0	0	4	0	0	0	10

Employees with disabilities	1	0	1						
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6.6 – Disciplinary action for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	0								



6.7 – Skills development for the period 1 April 2011 to 31 March 2012

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	2	0	1	0	1	0	0	0	4
Professionals	9	0	0	0	2	0	0	0	11
Technicians and Associate Professionals	7	1	0	0	11	0	0	0	19
Clerks	9	0	0	0	5	0	0	0	14
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	5	0	0	0	36	0	0	0	41
TOTAL	32	1	1	0	55	0	0	0	89
Employees with disabilities	0	0	0	0	0	0	0	0	0

Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (table 7.2) and critical occupations (Table 7.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African, Female	126	161	77.8	709	5 628
African, Male	104	143	72.7	802	7 707
Asian, Female	1	1	100	4	4 078
Asian, Male	2	2	100	31	15 712
Coloured, Female	1	1	100	7	7 080
Coloured, Male	3	3	100	47	15 672
Total Blacks, Female	128	164	78	720	5 627
Total Blacks, Male	109	148	73.6	880	8 073
White, Female	3	7	42.9	27	8 919
White, Male	9	9	100	103	11 492
Employees with a disability	5	5	100	41	8 149
	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
TOTAL	254	333	76.3	1 771	6 973

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1 -2)	14	16	87.5	26	1 857	0.02%
Skilled (Levels 3 -5)	34	32	106.3	62	1 824	0.05%
Highly skilled production (Levels 6 - 8)	91	107	85	358	3 934	0.30%
Highly skilled supervision (Levels 9 - 12)	114	143	79.7	1 157	10 149	0.98%
Contract (Levels 1 -2)	0	12	0	0	0	0.00%
Contract (Levels 9 -12)	1	1	100	18	18 000	0.02%
Abnormal Appointment	0	18	0	0	0	0.00%
TOTAL	254	329	77.2	1 621	6 382	1.37%



TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee R
Administrative related	51	58	87.9	360	7 059
Cleaners in offices workshops hospitals etc.	10	12	83.3	20	2 000
Communication and information related	2	4	50	11	5 500
Computer system designers and analysts.	1	1	100	7	7 000
Engineering sciences related	0	1	0	0	0
Finance and economics related	19	23	82.6	122	6 421
Financial and related professionals	35	44	79.5	345	9 857
Financial clerks and credit controllers	2	2	100	18	9 000
Human resources clerks	0	1	0	0	0
Human resources related	7	21	33.3	70	10 000
Information technology related	18	20	90	136	7 556
Legal related	0	1	0	0	0
Library mail and related clerks	1	1	100	3	3 000
Light vehicle drivers	1	1	100	2	2 000
Logistical support personnel	18	23	78.3	79	4 389
Messengers porters and deliverers	3	3	100	7	2 333
Other administrative policy and related officers	1	1	100	14	14 000
Other information technology personnel.	9	10	90	67	7 444
Other occupations	62	88	70.5	433	6 984
Secretaries & other keyboard operating clerks	9	11	81.8	27	3 000
Senior managers	5	7	71.4	51	10 200
TOTAL	254	333	76.3	1 772	6 976

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

Salary Band	Beneficiary Profile			Total Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	9	17	52.9	134	14 889	0.11%
Band B	1	4	25	16	16 000	0.01%
Band D	0	1	0	0	0	0.00%
TOTAL	10	22	45.5	150	15 000	0.13%



Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 – Foreign Workers, 1 April 2011 to 31 March 2012, by salary band

Salary Band	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Total	0	0	0	0	0	0

TABLE 8.2 – Foreign Worker, 1 April 2011 to 31 March 2012, by major occupation

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Total	0	0	0	0	0	0

Leave Utilisation for the Period 1 January 2011 to 31 December 2011

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2011 to 31 December 2011

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 -2)	46	82.6	8	4	6	11
Skilled (Levels 3 -5)	166	91	24	12.1	7	50
Highly skilled production (Levels 6 - 8)	474	88.2	73	36.9	6	274
Highly skilled supervision (Levels 9 - 12)	462	83.3	78	39.4	6	670
Senior management (Levels 13 -16)	70	87.1	13	6.6	5	201
Contract (Levels 9 -12)	1	0	1	0.5	1	2
Contract (Levels 13 -16)	4	100	1	0.5	4	15
TOTAL	1 223	86.4	198	100	6	1 223

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2011 to 31 December 2011

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 -2)	31	100	1	12.5	31	8
Skilled (Levels 3 -5)	39	100	1	12.5	39	10
Highly skilled production (Levels 6 -8)	139	100	4	50	35	84
Highly skilled supervision (Levels 9 - 12)	37	100	2	25	19	38
TOTAL	246	100	8	100	31	140



Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1 -2)	319	19
Skilled (Levels 3 -5)	646	20
Highly skilled production (Levels 6 -8)	2 330	21
Highly skilled supervision (Levels 9 -12)	3 053	21
Senior management (Levels 13 -16)	472	21
Contract (Levels 9 -12)	22	22
TOTAL	6 842	21

TABLE 9.4 – Capped leave, 1 January 2010 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010
Lower skilled (Levels 1 -2)	2	2	56
Highly skilled production (Levels 6 -8)	4	4	71
Highly skilled supervision (Levels 9 -12)	6	6	61
Senior management (Levels 13 -16)	7	4	34
TOTAL	19	4	62

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

TABLE 9.5 – Leave payouts for the period 1 April 2011 to 31 March 2012

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Capped leave payouts on termination of service for 2011/12	164	12	13 667
Current leave payout on termination of service for 2011/12	27	1	27 000
TOTAL	191	13	14 692



HIV and AIDS & Health Promotion Programmes

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

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

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.	Yes		Chief MM Khumalo, Senior Manager: Corporate Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing 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.	Yes		Three Employees, Budget R343 000
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.	Yes		Reviewal of support group, Conduct one on one session, consultation, analysis pattern report, Request data absence of employees, Preparation wellness committee.
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.	Yes		Mr K Sithole (NEHAWU) Mr K Sibanyoni (PSA) Ms E Mnisi (Health and Wellness) Mr A Mahlangu Ms V Mokoena Ms Y Kleinbooy Ms A Mthoma
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.	Yes		HIV&AIDS and TB Management policy, Health &Productivity management policy, Wellness management policy ,SHEQ Management 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.	Yes		Awareness sessions, workshops and meetings of support groups
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Positive response from officials in terms of testing for sugar diabetic, high blood pressure, cholesterol
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Progress reports are compiled and available for campaigns held

Labour Relations

The following collective agreements were entered into with trade unions within the department.

TABLE 11.1 – Collective agreements, 1 April 2011 to 31 March 2012

Subject Matter	Date
N/A	N/A

Total collective agreements

None



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

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number	% of total
Written warning	3	100
TOTAL	3	100

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Financial Misconduct	0	0
Theft	0	0
TOTAL	0	0

TABLE 11.4 – Grievances lodged for the period 1 April 2011 to 31 March 2012

	Number	% of Total
Number of grievances resolved	1	50%
Number of grievances not resolved	1	50%
Total number of grievances lodged	2	100%

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2011 to 31 March 2012

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	0

TABLE 11.6 – Strike actions for the period 1 April 2011 to 31 March 2012

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 for the period 1 April 2011 to 31 March 2012

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



Skills Development

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

12.1 – Training needs identified 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	1	0	1
	Male	13	0	3	0	3
Professionals	Female	52	0	18	0	18
	Male	84	0	21	0	21
Technicians and associate professionals	Female	72	0	97	0	97
	Male	49	0	52	0	52
Clerks	Female	19	0	27	0	27
	Male	13	0	10	0	10
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	17	0	18	0	18
	Male	0	0	0	0	0
Sub Total	Female	170	0	161	0	161
	Male	159	0	86	0	86
Total		329	0	247	0	247

12.2 – Training provided 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	1	0	1
	Male	13	0	2	1	3
Professionals	Female	52	0	4	0	4
	Male	84	0	7	1	8
Technicians and associate professionals	Female	72	1	17	3	21
	Male	49	1	12	2	15
Clerks	Female	19	2	22	0	24
	Male	13	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	3	0	3
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	17	6	23	0	29
	Male	0	0	5	0	5
Sub Total	Female	170	0	67	3	70
	Male	159	0	29	4	33
Total		329	0	96	7	103



Injury on Duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2011 to 31 March 2012

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

Utilisation of Consultants

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
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



OTHER
INFORMATION

PART 5



Acronyms

AFS	Annual Financial Statement
AGSA	Auditor General of South Africa
BAS	Basic Financial System
CoSO	Committee on Sponsorship Organisation
DORA	Division of Revenue Act
EEP	Employment Equity Plan
FMCMM	Financial Management Capability Maturity Model
EPE	Estimates Provincial Expenditure
FS	Financial Statements
HDI	Historic Disadvantaged Individuals
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDP	Integrated Development Plan
IFS	Interim Financial Statement
IT	Information Technology
ITB	Information Technology Bureau
IYM	In Year Monitoring
LOGIS	Logistical Information System
MEGA	Mpumalanga Economic Growth Agency
MFMA	Municipal Financial Management Act
MGB	Mpumalanga Gambling Board
MOU	Memorandum of Understanding
MPAT	Module of the Management Performance Assessment Tool
MTEC	Medium Term Expenditure Committee
MTPA	Mpumalanga Tourism and Park Agency
MTTR	Mean time to resolve
MUNIMEC	Municipalities and Member of Executive Council meeting
NIA	National Intelligence Agency
OAG	Office of the Auditor General
OTP	Office of the Premier
PERO	Provincial Economic Review Outlook
PERSAL	Personnel and Salary Administration
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
PPP	Public Private Partnership
SAIGA	South African Institute of Government Auditors
SCM	Supply Chain Management
SALGA	South African Local Government Association
SERO	Socio Economic Review Outlook
SERP	Socio Economic Review and Profiles
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprises



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Annual Reports:

2005/2006

2006/2007

2007/2008

2008/2009

2009/2010

2010/2011

Budget made Easy: 2005-2011
Budget Speeches and Statements