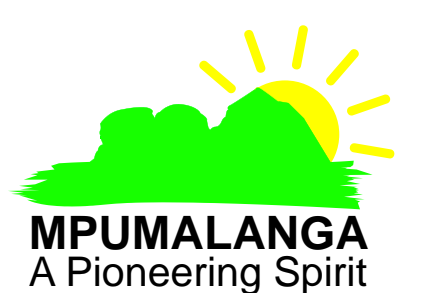


ANNUAL REPORT 2012/2013



finance

Department:
Finance
MPUMALANGA PROVINCIAL GOVERNMENT





Submission of Annual Report 2012/13

I have the honour of
submitting the Annual
Report of the Department of
Finance for the period 01
April 2012 to
31 March 2013.

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.



Annual Report 2012/13

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PART 1

General Information

1. GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
CoGTA	Department of Cooperative Governance and Traditional Affairs
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EPRE	Estimates of Provincial Revenue and Expenditure
ERM	Enterprise Risk Management
EXCO	Executive Committee
FMCMM	Financial Management Capability Maturity Model
HOD	Head of the Department
HR	Human Resource
HRD	Human Resource Development
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IIA	Institute of Internal Auditors
IMU	Integrity Management Unit
IT	Information Technology
IYM	In-Year-Monitoring
LGMTEC	Local Government Medium Term Expenditure Committee
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MPAT	Management Performance Assessment Tool
MPG	Mpumalanga Provincial Government
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MUNIMEC	Municipal meeting with MEC
N/A	Not applicable
NDP	National Development Plan
NMIR	National Minimum Information Requirements
PGDS	Provincial Growth and Development Strategy
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PPP	Public Private Partnership
PSC	Public Service Commission
PSCM	Provincial Supply Chain Management
PSCBC	Public Service Collective Bargaining Council
SCM	Supply Chain Management
SCOPA	Select Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SER	Socio-Economic Review
SERO	Socio-Economic Review and Outlook
SITA	State Information Technology Agency
SLA	Service Level Agreement
SONA	State of the Nation Address
SMS	Senior Management Services
SOPA	State of the Province Address
SSP	Strategic Support Plan
TR	Treasury Regulations

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



3. STRATEGIC OVERVIEW

3.1 Vision

A dynamic Department leading in service excellence

3.2 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

3.3 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

3.4 Strategic outcome orientated goals

Strategic Goal 1	Administrative Support Services
Goal Statement:	Provide prompt, continuous, effective and efficient administrative support to all line functions in the Department.
Strategic Goal 2	Maintain fiscal discipline in the province
Goal Statement:	Provide quality advice and support on Provincial and Municipal Fiscal policy, Budget and expenditure management and economic impact of provincial public policy and expenditure and Infrastructure Coordination.
Strategic Goal 3	Asset and Liabilities support
Goal Statement:	Monitor and support the implementation of Transversal Systems, Information Technology Services, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to Departments, Public Entities and Municipalities, to reach full PFMA compliance in the next five years.
Strategic Goal 4	Efficient and effective financial and corporate governance.
Goal Statement:	Ensure efficient and effective financial and corporate governance in the Province in line with legislation by 2014.

4 LEGISLATIVE AND OTHER MANDATES

The Department derives its mandate from the following legislation:

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.

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.

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)

The Act gives 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.

Government Immovable Asset Management Act, 2007 (Act 19 of 2009) (GIAMA)

This Act provides 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.

LEGISLATIVE AND OTHER MANDATES CONTINUED....**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.

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.

List of legislation tabled in the Mpumalanga Provincial Legislature during the 2012/13 financial year:**Mpumalanga Appropriation Act, 2012 (Act No 1 of 2012)**

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in the 2012/13 financial year; and to provide for subordinate matters incidental thereto

Mpumalanga Adjustment Appropriation Act, (Act No 2 of 2012)

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 2013 (2012/13).

Mpumalanga Finance Act, (Act No 3 of 2012)

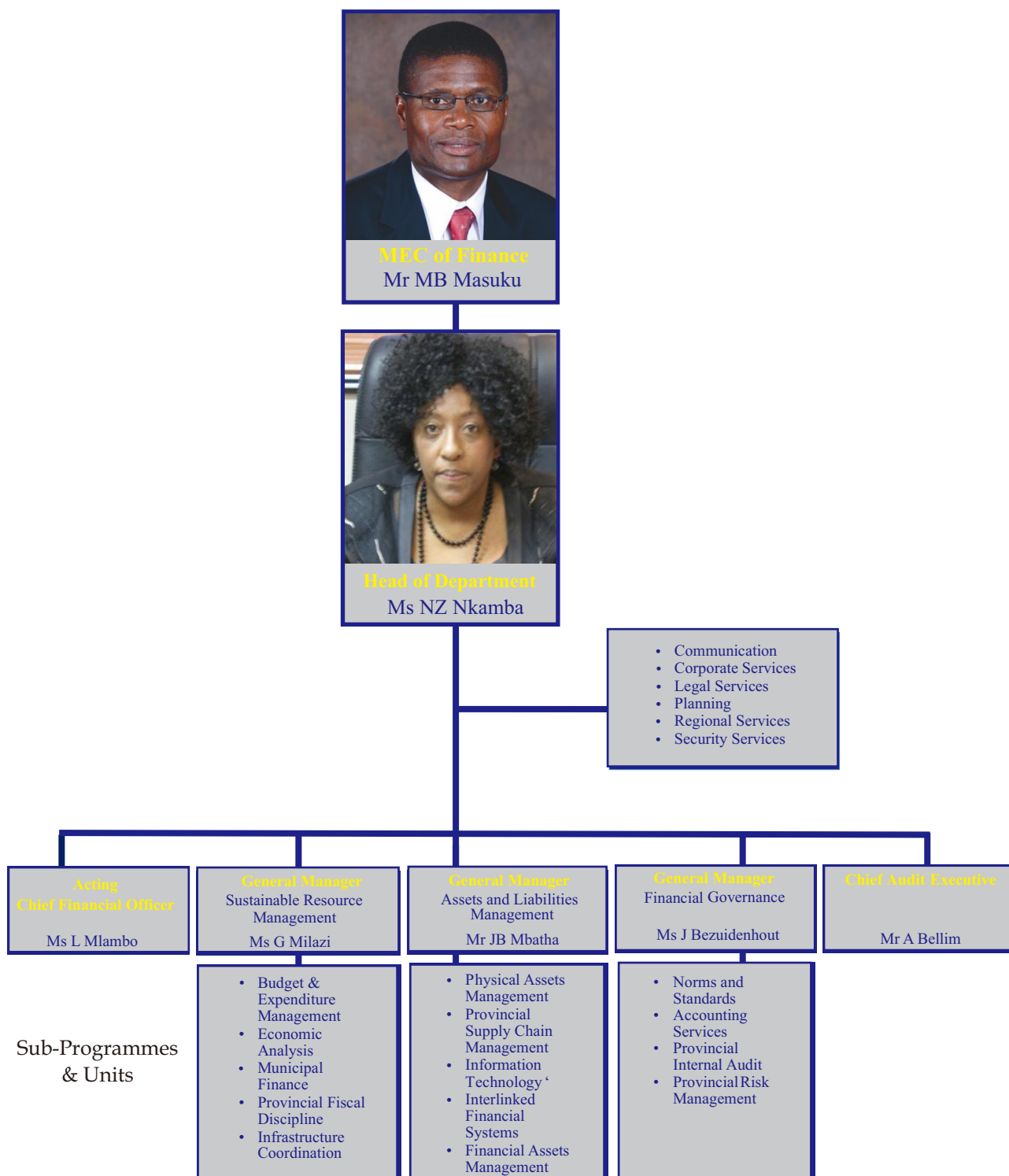
The Act seeks to approve unauthorised expenditure and to provide for matters connected therewith.

Mpumalanga Gambling Levies Amendment Regulations, 2012

The Regulations seek to amend the regulation of casino gambling as contained in the Mpumalanga Gambling Levies Regulations, 2010 and to regulate the payment of gambling levies by totalisator operators and bookmakers within the Province.

5. ORGANISATIONAL STRUCTURE

Organisational Structure of the Department as at 31 March 2013



6. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC for Finance in the Province.

7. FOREWORD BY THE MEC



**Mr Madala Masuku, MPL
MEC for Finance**

I am pleased to present the annual report of the Department of Finance for 2012/13 financial year.

The report gives an overview of the work of the Department, achievements and challenges that were encountered in our quest to sustain fiscal discipline; maintain acceptable levels of financial and non-financial assets and liabilities and position the Provincial Government within an appropriate financial governance landscape.

The report underscores the importance of continued support to Provincial public institutions until the key priority programmes reach the community-accepted continuum of a better service.

During the financial year under review, the Department's focus was on:

- sustaining clean audit outcomes at the department's level;
- improving the institutional capacity and supporting Departments, Public Entities and Municipalities on the legislation and system requirements to enable credible financial administration and accounting to the relevant bodies and public;
- strengthening institutional support through allocation of resources to the most pressing aspects of the Provincial government programme of action, while maintaining above level funding of the five government priorities, and
- piloting policies that need to assist to unlock the challenges at all levels of strategic support to the departments; public entities and municipalities.

We have put in place measures to deliver programmes that support the strategic priorities of the Provincial Government.

We have a lot to be proud of, not least of them, the continued sterling performance in the audit outcomes of the Department and the Provincial Revenue Fund

This, we believe, puts us in a good stead to make the next phase of the transition to a better and prosperous society even more realisable.

Despite the constrained economic environment and consequent fiscal cliff, the financial year presented surmountable challenges in the financial accounting areas as detailed in the Audit reports of the Provincial Departments, Municipalities and Public Entities.

Notwithstanding such and through the support of the Executive Council, we implemented a programme to support Municipalities on transversal financial management programmes. The officials were taken back to the basics of financial management through targeted programmes aimed to instil legislative discipline. We initiated a process to improve the level of strategic support, as a lead Department, in budget management, assets management, supply chain management, information technology and all aspects of soundly governed financial administration. The Provincial Government has experienced tremendous improvement in this regard, with slight challenges in asset management and IT performance areas, more work will have to be done in these areas going forward. While we have seen slight improvement in Municipal Financial management, the progress has not reached satisfactory levels as per our expectation, tremendous support must be provided in order to improve the situation.

The medium to long-term goals of the Department is to strive for excellence in all areas of operations. This includes continued preparation of service delivery-inclined Provincial budget; enhanced Provincial supply chain management systems to support effective and economic utilisation of Provincial resources as well as outcome-oriented support services to enable clean financial governance across the Provincial and Local government in the Province.

We have a lot to be proud of. The continued good performance in the financial and non-financial audit of the Department of Finance and the Provincial Revenue Fund demonstrate that the finances administered on behalf of the People of Mpumalanga, are in good hands.

**MR MB MASUKU, MPL
MEC FOR FINANCE**

8. OVERVIEW OF THE ACCOUNTING OFFICER



Ms NZ Nkamba
Head of Department

The 2012 budget gave us an opportunity to deliver on our key goals to move from vision to action, being guided by the objectives of providing seamless strategic support on resource allocation, provincial supply chain, assets and liabilities; maintaining fiscal discipline and ensuring effective and efficient financial and corporate governance in the Mpumalanga Province.

The period under review was characterised by successes in various areas of performance, amongst which include the following:

- The representation of People with Disability in the Department which is at 2.5 per cent whilst the representation of Women at Senior Management level is at 45 per cent.
- The Department achieved 96 per cent [19 of 20 posts] of its target on appointment of officials to critical vacant and funded posts during the year. The remaining post will be filled in April 2013.
- 100 per cent of valid invoices were paid within 30 days of receipt.
- 2012 Adjustment Budget and Provincial Budget for 2013/14 were successfully tabled to the Provincial Legislature.
- The Financial Management Capability Maturity Model (FMCMM) model was rolled out to all Departments and Public Entities.

The four programmes of the Department account for 95.5 per cent of the total adjusted budget of R255,865 million for the period ending 31

March 2013.

The Department has identified the possibility of emerging risks in some of the processes and consequently strengthened the internal controls to mitigate those. These mitigating strategies include the procurement and related processes as well as the planning and project management processes.

The Department provided banking services for the Province. In this regard the Department has identified a need to strengthen on control systems aimed at reducing incidents of fraud.

The Department plays a critical role in all established governance structures such as the Provincial Management Committee, Select Committee on Public Accounts, Budget and Finance Committee, Budget Council, Audit Committees, Provincial Audit Committee Forum and MuniMEC.

These structures continue to assist in ensuring coherence and uniformity in application and interpretation of Treasury policies, procedures and practices.

Of significance and with the guidance of the Select Committee on Public Accounts, the Finance Act was successfully passed and aimed at clearing all outstanding unauthorised expenditure that were condoned with funding stemming from the 2003/04 financial year to 2009/10 financial year respectively.

In the year under review, the Department facilitated capacity development for officials from all Departments and Public Entities on various legislative requirements, processes and procedures of budgeting and accounting as part of the efforts to improve capacity in the Province to plan and deliver successful programmes and projects.

The Department has packaged its support services in the Province based "Going back to basics project".

The Department facilitated and concluded the Infrastructure Delivery Management system (IDMS), which is an Intergovernmental Model that describes the processes that inform the delivery of Infrastructure in the Public Service.

The Department has identified a need to strengthen on control systems aimed at reducing and preventing incidents of fraud. To this end the Department successfully concluded an agreement with the National Treasury to participate in the safety web contract. Processes for implementing and

rolling out the system are at advance stages.

The Provincial Government has intensified its effort to assist the Municipalities in various areas of need. The Department continues to implement various intervention plans to assist Municipalities to deal with issues raised in the last audit outcomes and to improve MFMA compliance in general.

I would like to thank the former Acting Head of Department, Mr Junior Mbatha for steering the ship for a significant period of the financial year under review.

We will always do our best to improve on performance to realise the objectives set for this administration.



MSNZ NKAMBA
ACCOUNTING OFFICER
31 MAY 2013



PART 2



Performance Information

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the Department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the Department for the financial year ended 31 March 2013.



MS NZ NKAMBA
ACCOUNTING OFFICER
31 MAY 2013

2. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 75 of the Report of the Auditor General, published as Part 5: Financial Information.

3. OVERVIEW OF DEPARTMENTAL PERFORMANCE

3.1. Service Delivery Environment

The Departmental skills development programmes were implemented 100 per cent in various occupational categories with additional training on Supply Chain Management for bid committees. The Communication strategy was successfully delivered, amplified by the publishing of the new Departmental website whilst the Information Technology Unit provided continuous support to improve the intranet -port.

There was a considerable progress on the implementation of recommendations informed by the security risk assessment, which improved security access in cashier offices in the Regions.

During the year the Department had a major challenge with the delay in filling the vacant funded posts which had a negative impact on the compensation of employee budget. This challenge was mainly caused by the delay in processing of security clearance reports for recommended candidates from State Security Agency.

A recruitment plan has been developed with a commitment that recruitment processes for 2013/14 will be concluded by 31st July 2013 and furthermore the Department will establish a relationship with the State Security Agency to improve the turnaround time to finalize security clearance reports.

The Economic Analysis Unit continued in 2012/13 to provide quality, accurate and credible socio-economic reports to Departments and Municipalities to inform the Provincial and municipal planning and budget processes. The Unit is the central point of credible socio-economic data/information in the Province.

The socio-economic research and reports of Economic Analysis Unit provided a situational analysis to inform the Comprehensive Rural Development Programme (CRDP), Provincial Human Development Resource Strategy (HRDS) and Mpumalanga Economic Growth and Development Path (MEGDP). The Unit also played a leading role on municipal level to provide Municipalities with credible socio-economic data/information for planning and budget purposes. The late finalization of budget numbers, late submissions of IYM's and QPR's had an impact on the Departments performance

Workshops were held regularly and hands-on support provided to Departments in terms of the budget process. MTEC engagements were held in an attempt to improve optimal allocation of resources for effective service delivery.

The Mpumalanga Provincial Asset Management Policy Framework was completed and will be implemented in the 2013/14 financial year to guide Provincial Government in terms of Asset Management.

In order to assist Provincial Government Departments to improve government processes and compliance standardised policies, procedure and business processes were developed and posted on the Intranet.

A successful combined Internal Audit Forum was held, which was attended by Audit Committee Chairpersons and Internal Auditors from Departments, Municipalities and Public Entities in the Province. The Department provided hands on support to Municipalities to enable the completion of the Internal Audit Operational Plans. Audit Committee Chairpersons of Departments and Public Entities convene on a quarterly basis where they are given up-to-date, relevant information on areas of concern.

A Guideline on Effective Report Writing was developed by the Internal Audit Unit to ensure that Internal Auditors are adding value to the Province.

All Provincial Departments have appointed Chief Risk Officers, with two Departments at a senior management level. Fourteen Municipalities have established Risk Management function of which ten have appointed Chief Risk Officers.

The development and implementation of the Guideline on Fraud Risk Management was part of the initiatives to combat fraud and corruption. Twelve Municipalities were assisted with Strategic Risk Assessment processes by the Risk Management Unit in the Department in order to compile risk management plans to inform the Internal Audit plans.

Stakeholders were trained on the Basic Principles of Risk management, accounting, financial reporting and internal auditing.

Challenges encountered by the Department when providing services to clients were non-implementation of recommendations and guidelines as well as insufficient retention strategies. Steps taken in dealing with such problems were the involvement at both PMC and MuniMEC meetings and the regular follow-up on outstanding reports.

Due to the unit's limited capacity, pending the review of the organisational structure, the decision was taken to focus on the stakeholders that both request assistance and provide their co-operation.

Furthermore it was decided to engage Municipalities to have proper retention policies and strategies and to engage higher learning institutions to offer training on GRAP standards.

3.2. Service Delivery Improvement Plan

Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
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	Provincial Departments, Provincial Legislature, Cabinet, National Treasury and Public Entities	N/A	<ul style="list-style-type: none"> 300 copies of Estimates of Provincial Revenue and Expenditure (Main appropriation) printed and distributed 300 copies of Adjusted Estimates Place Expenditure Estimates on Provincial Treasury website Place Mpumalanga Provincial Expenditure Estimates on National Treasury website 	<ul style="list-style-type: none"> 300 copies of Estimates of Provincial Revenue and Expenditure (Main appropriation) printed and distributed 300 copies of Adjusted Estimates distributed Placed Expenditure Estimates on Provincial Treasury website Placed Mpumalanga Provincial Expenditure Estimates on National Treasury website

Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Consult with a wide range of stakeholders through conducting annual budget workshop, one on one meetings and MTEC hearings	Provincial Departments, Provincial Legislature, Cabinet, National Treasury and Public Entities	N/A	Consulted with stakeholders through MTEC hearings, annual budget workshop and one on one meetings

Service delivery access strategy

Access Strategy	Actual achievements
Budget Statements distributed and report to client Departments Media advisories and statements	Hard copies of Budget Statements were distributed Quarterly reports were distributed to client Departments Information was made available on the website Media advisories and statements were issued and placed on the website

Service information tool

Types of information tool	Actual achievements
Budget Statements posted on the website IYM Reports submitted to National Treasury	Budget Statements posted on the website 12 IYM Reports submitted to National Treasury

Complaints mechanism

Complaints Mechanism	Actual achievements
Complaints are addressed through telephone, fax and electronic mail	No complaints were received

3.3. Organisational environment

The Department has an approved organogram with 433 posts. The organisational structure has been revised to give effect to the expanded mandate of the Department. The approval process is dependant on the finalisation of the organisational design review by National Treasury and DPSA.

3.4. Key policy developments and legislative changes

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

4. STRATEGIC OUTCOME ORIENTED GOALS

Strategic Goals	Progress towards achievement of goals
Administrative Support Services	Prompt, continuous, effective and efficient administrative support is provided to all line functions in the Department.
Maintain fiscal discipline in the Province	Quality advice and support on Provincial and Municipal Fiscal policy, Budget and expenditure management and economic impact of Provincial public policy and expenditure and Infrastructure Coordination is provided.
Assets and Liabilities support	Monitored and supported the implementation of Transversal Systems, Information Technology Services, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to Departments, Public Entities and Municipalities, to reach full PFMA compliance.
Efficient and effective financial corporate governance	Provided support to ensure efficient and effective financial and corporate governance in the Province in line with legislation.

5. PERFORMANCE INFORMATION BY PROGRAMME

5.1. Programme 1: Administration

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.

The sub-programmes of Administration are:

- Office of the MEC
- Office of the HOD
- Corporate Services
- Communication
- Security Management
- Legal Services
- Research, Policy and Planning
- Financial Management
- Internal Audit

Strategic Objectives of Programme 1: Administration
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 administrative support to all Programmes within the Department
Coordinate and implement Departmental programmes and activities in the Regions
Provide efficient and effective corporate services support to enable the Department to achieve its objectives
Provide effective Communication services to the Department and stakeholders
Provide Security Management services to the Department

Strategic Objectives of Programme 1: Administration

Provide continuous and prompt Legal support services to the Department

Coordinate, plan, 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

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme Name: Administration					
Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Set policy and political directives in order to achieve Provincial objectives	Priorities and strategic directives provided	Provide priorities and strategic directives	Priorities and strategic directives provided	N/A	N/A
Translate policies and priorities into strategies for effective service delivery	Priorities and strategic directives implemented	Implement priorities and strategic directives	Priorities and strategic directives implemented	N/A	N/A
Provide effective and efficient corporate services support to enable the Department to achieve its objectives	Human resource and employment equity plans reviewed and implemented	Review and implement human resource and employment equity plans	Human resource and employment equity plans reviewed and implemented	N/A	N/A
	HRD Plan Reviewed and implemented	Review and implement HRD Plan	HRD Plan Reviewed and implemented	N/A	N/A
	Employee health , wellness and gender transformation programmes reviewed and implemented	Review and implement employee health , wellness and gender transformation programmes	Employee health , wellness and gender transformation programmes reviewed and implemented	N/A	N/A
Provide effective Communication services to the Department and stakeholders	Communication strategy reviewed and implemented	Review and implement communication strategy	Communication strategy reviewed and implemented	N/A	N/A
Provide Security Management services to the Department	Security management services provided	Provide security management services	Security management services provided	N/A	N/A
Provide continuous and prompt Legal support services to the Department	Legal compliance by the Department	Legal compliance by the Department	Legal compliance by the Department	N/A	N/A
Plan, coordinate, support and report on Departmental activities to achieve Departmental objectives	APP compilation coordinated	Coordinate the compilation of the APP	APP compilation coordinated	N/A	N/A
Provide sound Financial and Supply Chain Management services to the Department	Sound financial and supply chain management services provided	Provide Sound financial and supply chain management services	Sound financial and supply chain management services provided	N/A	N/A
Provide efficient and effective internal audit services in the Department	Internal Audit plan implemented	Implement the approved Internal Audit plan	Internal Audit plan implemented	N/A	N/A

Performance indicators

Sub-programme: Office of the MEC					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of MUNIMEC meetings held	Not achieved	Hold 2 MUNIMEC meetings	2 MUNIMEC meetings held	N/A	N/A
Number of Departmental EXCO meetings held	3 Departmental EXCO Meetings held	Hold 4 Departmental EXCO meetings	4 Departmental EXCO meetings held	N/A	N/A
Number of budget Speeches held	N/A	Hold 3 Budget Speeches	3 Budget Speeches held	N/A	N/A
Number of reports tabled	N/A	6 reports tabled	6 reports tabled (4 Quarterly MFMA consolidated reports and 1 Annual report and 1 consolidated AFS tabled)	N/A	N/A

Sub-programme: Office of the HOD					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of performance reports submitted	4 performance reports submitted	Submit 4 performance reports	4 performance reports submitted	N/A	N/A
Number of annual reports submitted	1 Annual report submitted	Submit 1 Annual report	1 Annual report submitted	N/A	N/A
Number of Annual Performance plans submitted	1 Annual Performance plan submitted	Submit 1 Annual Performance plan	1 Annual Performance plan submitted	N/A	N/A

Sub-programme: Corporate Services: Human Resource Administration					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Percentage of funded posts filled	N/A	80% of funded posts filled	96% of funded posts filled (19 new appointments)	16% more posts filled	Internal recruitment processes were streamlined

Sub-programme: Corporate Services: Human Resource Development					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of training programmes implemented	5 training programmes facilitated	Implement 6 training programmes	7 training programmes implemented	1 additional training facilitated	1 additional training session on SCM processes for Bid committees

Sub-programme: Corporate Services: Transversal Services

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of reports on implementation of employee health and wellness strategic framework	4 Analysis reports on Employee Health and Wellness programme compiled	4 reports	4 quarterly reports submitted	N/A	N/A
Number of reports on implementation of gender transformation strategic framework	4 Analysis reports on transformation programme related to gender, disability, youth and children compiled	4 reports	4 quarterly reports submitted	N/A	N/A

Sub-programme: Communication

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of reports on implementation of communication strategy	N/A	4 reports	4 quarterly reports compiled on implementation of strategy	N/A	N/A

Sub-programme: Security Services

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of reports on implementation of the security management framework	N/A	4 reports	4 reports compiled on implementation of security management framework	N/A	N/A

Sub-programme: Legal Services

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of reports on legal compliance by the Department	N/A	12 reports on legal compliance by the Department	12 reports on legal compliance by the Department submitted	N/A	N/A

Sub-programme: Research, Policy and Planning					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of strategic planning sessions coordinated	2 strategic planning sessions coordinated	Coordinate 2 strategic planning sessions	2 Strategic planning sessions coordinated	N/A	N/A
Number of quarterly review sessions coordinated	4 quarterly review sessions coordinated	Coordinate 4 review sessions	4 Quarterly review sessions coordinated	N/A	N/A

Sub-programme: Office of the Chief Financial Officer					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of financial reports submitted in compliance with relevant legislation	12 in-Year-Monitoring reports submitted in compliance with relevant legislation	12 In-Year-Monitoring reports	12 IYM reports submitted	N/A	N/A
	1 set of Annual Financial Statements in compliance with relevant legislation submitted	1 set of Annual Financial Statements	1 set of Annual Financial Statements submitted	N/A	N/A
Number of budget documents submitted in compliance with prescripts	4 budget documents in compliance with prescripts submitted	4 budget documents	4 budget documents submitted	N/A	N/A
% suppliers paid within 30 days of receipt of invoices	100% of suppliers paid within 30 days of receipt	100% of suppliers paid within 30 days	100% suppliers paid within 30 days of receipt of invoices	N/A	N/A
Number of risk registers compiled and approved	1 Departmental risk register compiled and approved	1 risk register	1 Risk Register compiled and approved	N/A	N/A

Sub-programme: Internal Audit					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of quarterly progress reports submitted	4 Quarterly progress reports submitted to Audit Committee	Submit 4 quarterly progress reports	4 Quarterly progress reports submitted	N/A	N/A
Number of Audit Committee meetings held	4 Audit Committee meetings held	Hold 4 Audit Committee meetings	4 Audit Committee meetings held	N/A	N/A

Reasons for all deviations

a) Corporate Services: Human Resource Development

In order to improve compliance on SCM issues all Bid committee members in the Department were trained

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to planned targets during the year.

*Linking performance with budgets**Sub-programme expenditure*

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R000	R000	R000	R000	R000	R000
Member of Executive Council	5 332	5 193	139	4 880	4 876	4
Management Services	30 207	28 130	2 077	28 733	28 564	169
Financial Management	36 284	34 193	2 091	32 615	32 564	51
Internal Audit	3 818	3 679	139	3 461	3 450	11
Total	75 641	71 195	4 446	69 689	69 454	235

5.2. Programme 2: Sustainable Resource Management

The programme promotes optimal and effective Provincial resource allocation and utilization, efficient Provincial budget management, accurate financial reporting on Provincial revenue generation and maximization. It is tasked to provide quality and accurate socio-economic research reports to inform the Provincial budget and planning processes, and promote efficient planning. Another area of performance is the implementation and management of infrastructure by Provincial Departments and Municipalities, and lastly, the provision of technical support to delegated Municipalities on the implementation of the MFMA.

The sub-programmes of Sustainable Resource Management are:

- Programme support
- Provincial Administration Fiscal Discipline
- Municipal Finance
- Budget and Expenditure Management
- Infrastructure Co-ordination
- Economic Analysis

Strategic objectives of Programme 2
Manage and support planning and implementation of programme objectives
Support Provincial Votes in revenue management
Monitor implementation of MFMA
Promote effective and optimal financial resource allocation and expenditure management for Provincial government
Promote Provincial Efficiency in Financial Planning and Implementation of Infrastructure
Socio-economic research to inform Provincial budget and planning processes

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme Name: Sustainable Resource Management					
Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Manage and support planning and implementation of programme objectives	12 monthly performance reports on the programme 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	N/A
Support Provincial Votes in revenue management	12 Votes supported and monitored in terms of revenue management	Provide support and monitor 12 Votes in terms of revenue management	12 Votes supported and monitored in terms of revenue management	N/A	N/A
Monitor implementation of MFMA	20 Municipalities supported and monitored on the implementation of the MFMA	Provide support and monitor 20 Municipalities on the implementation of the MFMA	20 Municipalities supported and monitored on the implementation of the MFMA	N/A	N/A
Promote effective and optimal financial resource allocation and expenditure management for Provincial government	13 Votes supported and monitored through budget and strategic plan guides and updating Votes about reforms	Provide support and monitor 13 Votes through budget and strategic plan guides and updating Votes about reforms	13 Votes supported and monitored through budget and strategic plan guides and updated Votes about reforms	N/A	N/A
Promote Provincial Efficiency in Financial Planning and Implementation of Infrastructure	7 infrastructure Departments monitored and supported	Provide support and monitor 7 infrastructure Departments	7 infrastructure Departments supported and monitored	N/A	N/A
Socio-economic research to inform Provincial budget and planning process	Quality and accurate quarterly, bi-annual and annual economic research reports compiled	Compile quality and accurate quarterly, bi-annually and annual economic research reports	Quality and accurate quarterly, bi-annual and annual economic research reports compiled	N/A	N/A

Performance indicators

Programme / Sub-programme: Programme Support					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of monthly performance reports analysed and submitted	12 monthly performance reports analysed and submitted	Analyse and submit 12 monthly performance reports	12 Monthly performance reports analysed and submitted	N/A	N/A

Programme / Sub-programme: Provincial Administration Fiscal Discipline					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of training workshops conducted on cash office management, revenue reforms and methods	12 workshops on cash management, revenue reforms and methods conducted	Conduct 4 workshops on cash office management, revenue reforms and methods	4 workshop on cash office management, revenue reforms and methods conducted	N/A	N/A
Number of Votes own revenue budgets analysed and feedback provided	12 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	N/A
Number of Provincial tariff registers developed, maintained and updated	1 Provincial tariff register developed and maintained	Review, update and maintain 1 Provincial tariff register	1 Provincial tariff register reviewed, updated and maintained	N/A	N/A
Number of consolidated revenue reports compiled	12 consolidated revenue reports compiled	Compile 12 consolidated revenue reports	12 consolidated revenue reports compiled	N/A	N/A
Number of Provincial revenue fund reports compiled	12 Provincial Revenue Fund reports compiled	Compile 12 Provincial Revenue Fund reports	12 Provincial Revenue Fund reports compiled	N/A	N/A
Number of Financial Statements on Provincial Revenue Fund prepared and submitted to the Auditor-General	1 set 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	N/A

Sub-programme: Municipal Finance					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of quarterly performance reports compiled, tabled and published in terms of Legislation	4 quarterly performance reports compiled, tabled and published	Compile, table and publish 4 quarterly performance reports in terms of Legislation	4 quarterly performance reports in terms of Legislation compiled, tabled and published	N/A	N/A
Percentage of draft budgets analysed and feedback provided	100% draft budgets Analysed received and provided feedback	Analyse 100% of draft budgets and provide feedback	100% draft budgets analysed and feedback provided	N/A	N/A

Sub-programme: Municipal Finance					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of LGMTEC engagements conducted / co-ordinated	Conducted 2 LGMTEC engagements	Co-ordinate 2 LGMTEC engagements	2 LGMTEC engagements co-ordinated	N/A	N/A
Number of workshops / training sessions conducted	4 workshops / training sessions conducted	Conduct 3 workshops / training sessions	4 workshops / training sessions conducted	1 additional workshop / training session was conducted	The additional workshop was as a result of the introduction of new reporting reforms Standard Chart of Accounts (SCOA)
Number of consolidated reports on government owed revenue compiled	4 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	N/A

Sub-programme: Budget and Expenditure Management					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of budget process schedules issued	1 budget process schedule issued	Issue 1 budget process schedule	1 Budget process schedule issued	N/A	N/A
Number of Estimates of Provincial Revenue Expenditure documents compiled	2 Estimates of Provincial Revenue Expenditure documents compiled	Compile 2 Estimates of Provincial Revenue Expenditure documents	2 Estimates of Provincial Revenue Expenditure documents compiled	N/A	N/A
Number of budget circulars issued	2 budget circulars issued	Issue 2 budget circulars	2 budget circulars issued	N/A	N/A
Number of consolidated In-Year-Monitoring reports compiled and submitted	12 In-year-Monitoring reports compiled, consolidated and submitted	Compile and submit 13 consolidated In-Year-Monitoring reports	13 consolidated In-year-Monitoring reports compiled and submitted	N/A	N/A
Number of consolidated non-financial reports compiled and submitted	4 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	N/A
Number of MTEC Hearings conducted	13 MTEC engagements conducted	Conduct 1 MTEC hearing with 13 Votes	1 MTEC hearing conducted with 13 Votes	N/A	N/A

Sub-programme: Infrastructure Co-ordination					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of Infrastructure Reporting Model analysis reports issued and feedback provided	7 Infrastructure delivery improvement Programmes monitored	Issue 84 Infrastructure Reporting Model analysis reports and provide feedback	72 Infrastructure Reporting Model analysis reports issued and feedback provided	12 Infrastructure Reporting Model analysis reports were not received	The Public Works Sector of the Department of Public Works Roads and Transport did not submit the required reports

Sub-programme: Infrastructure Co-ordination					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of workshops and training sessions conducted	7 workshops and training sessions conducted	Conduct 4 workshops / training sessions	7 workshops/ training sessions conducted	3 additional training sessions / workshops conducted	Introduction of Infrastructure Delivery Management System (IDMS) required more workshops to be held.
Number of User Asset Management Plan (Infrastructure plans) reviewed, feedback provided and submitted	14 User Asset Management plans reviewed and feedback provided	Review and submit 14 User Asset Management plans (Infrastructure plans) and provide feedback	14 User Asset Management Plan reviewed and feedback provided	N/A	N/A

Sub-programme: Economic Analysis					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of Provincial Economic Review and Outlook (PERO) reports compiled and published	1 Provincial Economic Review and Outlook report 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	N/A
Number of updated Socio-Economic Review and Outlook (SERO) reports completed and communicated	4 Socio-Economic Review and Outlook (SERO) reports completed and communicated	Complete and communicate 2 updated Socio - Economic Review and Outlook (SERO) reports	2 Socio-Economic Review and Outlook (SERO) reports completed and communicated	N/A	N/A
Number of updated Provincial Bulletin reports completed	16 Provincial Bulletin reports completed	Complete 16 updated Provincial Bulletin reports	16 Provincial Bulletin reports completed	N/A	N/A
Number of Socio-Economic Outlook reports for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	1 Socio-Economic Outlook reports for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	Compile and table 1 Socio-Economic Outlook reports for Estimates of Provincial Revenue and Expenditure (EPRE) document	1 Socio-Economic Outlook reports for Estimates of Provincial Revenue and Expenditure (EPRE) document compiled and tabled	N/A	N/A
Number of economic research project reports completed (in line with Government priorities/ outcomes)	4 economic research project reports completed	Complete 4 economic research project reports (in line with Government priorities/ outcomes)	4 economic research project reports completed	N/A	N/A
Number of Socio-Economic Review (SER) reports of Districts compiled	3 Socio-Economic Review and Profiles (SER) reports of Districts and its Local Municipalities compiled	Compile 3 Socio - Economic Review (SER) reports of Districts	3 Socio-Economic Review and Profiles (SER) reports of Districts compiled	N/A	N/A

Sub-programme: Economic Analysis					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of up-dated Socio-Economic Profiles of Municipalities completed	84 Socio - Economic Profiles completed	Complete 42 Socio - Economic Profiles of Municipalities	42 Socio-Economic Profiles completed	N/A	N/A

Reasons for all deviations

a) Municipal Finance

During the financial year there were introduction of new reforms with regards to Standard Chart of Accounts (SCOA), which required additional workshops.

b) Infrastructure Co-ordination

The Public Works Sector of the Department of Public Works, Roads and Transport did not submit the required reports.

Due to the introduction of the Infrastructure Delivery Management System (IDMS) three additional workshops/ training sessions were conducted

Strategy to overcome areas of under performance

The matter has been followed up with the relevant Department to identify solutions to address challenges being experienced.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 448	2 143	305	1 386	1 385	1
Economic Analysis	3 398	3 339	59	3 246	3 245	1
Municipal Fiscal Discipline	5 074	4 945	129	5 329	5 327	2
Provincial Admin Fiscal Discipline	4 901	4 359	542	3 825	3 818	7
Budget and Expenditure Management	7 515	7 489	26	7 154	7 123	31
Municipal Finance	12 277	10 637	1 640	10 424	10 305	119
Infrastructure Co-ordination	3 017	2 653	364	2 340	2 337	3
Total	38 630	35 565	3 065	33 704	33 540	164

5.3. Programme 3: Assets and Liabilities Management

The Assets and Liabilities programme is responsible for monitoring and providing support on Transversal Systems, Information Technology service, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to Departments, municipalities and Public Entities.

The sub-programmes of Assets and Liabilities Management are:

- Programme Support
- Financial Asset Management
- Physical Asset Management
- Provincial Supply Chain Management
- Public Sector Liabilities
- Interlinked Financial Systems
- Information Technology

Strategic objective Programme 3
Manage and support planning and implementation of programme objectives
Management of provincial financial assets
Monitor and support provincial physical assets
Provide guidance on implementation of Supply Chain Management framework
Public Private Partnership coordination
Facilitate the management of public sector liabilities
Utilisation of transversal systems
Information Communication Technology (ICT) services to Votes

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme: Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Manage and support planning and implementation of programme objectives	12 monthly performance reports on the programme 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	N/A
Management of provincial financial assets	Monitored and supported 12 Votes in terms of provincial financial assets	Monitor and support 12 Votes in terms of provincial financial assets	12 Votes in terms of provincial financial assets monitored and supported	N/A	N/A
Monitor and support provincial physical assets	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of asset management	Monitor and support 12 Votes, 20 delegated Municipalities and 4 Public Entities in terms of asset management	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of asset management	N/A	N/A
Provide guidance on implementation of Supply Chain Management framework	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of supply chain management	Monitor and support 12 Votes, 20 Municipalities and 4 Public Entities in terms of supply chain management	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of supply chain management	N/A	N/A

Programme: Assets and Liabilities Management					
Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Public Private Partnership coordination	Support provided on PPP projects	Provide support on PPP projects	Support on PPP projects provided	N/A	N/A
Facilitate the management of public sector liabilities	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of public sector liabilities	Monitor and support 12 Votes, 20 Municipalities and 4 Public Entities in terms of public sector liabilities	12 Votes, 20 delegated Municipalities and 4 Public Entities monitored and supported in terms of public sector liabilities	N/A	N/A
Utilisation of transversal systems	Operational efficiency improved in 12 Votes	Improve operational efficiency of 12 Votes	Operational efficiency of 12 Votes improved	N/A	N/A
Information Communication Technology (ICT) services to Votes	ICT services provided to improve operational efficiency in 12 Votes	Provide ICT services to improve operational efficiency in 12 Votes	ICT services provided to improve operational efficiency in 12 Votes	N/A	N/A

Sub-programme: Programme Support					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of monthly performance reports submitted	12 monthly performance reports on the Programme analysed and submitted	Analyse and submit 12 monthly performance reports	12 monthly performance reports on the Programme analysed and submitted	N/A	N/A

Sub-programme: Financial Asset Management					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Percentage of transfers in line with approved appropriation	N/A	100% cash transfers in line with approved budgets	100% cash transferred in line with approved appropriation	N/A	N/A
Number of Votes provided with banking services responsive to their needs	12 Votes were provide with effective banking services	12 Votes provided with banking services responsive to their needs	12 Votes provided with banking services responsive to their needs	N/A	N/A
Number of reports issued in terms of debt and cash management	N/A	Issue 8 quarterly reports on 12 Votes	8 quarterly reports on 12 Votes issued	N/A	N/A

Sub-programme: Physical Asset Management					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of reports compiled 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 is asset management norms and standards	Compile and issue 12 reports	12 reports compiled and issued	N/A	N/A
Number of reports compiled on audit outcomes implementation plan	N/A	Compile and issue 12 reports	12 reports compiled and issued	N/A	N/A
Number of workshops held to capacitate asset officials	4 asset management workshops were conducted	Conduct 6 workshops	6 Workshops conducted	N/A	N/A
Number of Asset management frameworks approved	N/A	1 Asset management framework approved	1 Asset management framework approved.	N/A	N/A

Sub-programme: Provincial Supply Chain Management					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of reports compiled and issued to Votes, Municipalities and Public Entities on SCM frameworks	12 Votes, 4 Public Entities and 20 Municipalities	4 reports compiled and issued	4 reports compiled and issued	N/A	N/A
Number of reports issued in terms of utilising the electronic procurement system	Electronic system operational at 2 Votes	4 reports issued on utilising of the electronic procurement system	4 report issued on the utilising of electronic procurement system	N/A	N/A
Number of SCM road shows conducted	1 SCM road show conducted	Conduct 2 SCM road shows	2 SCM road shows conducted	N/A	N/A
Number of workshops on SCM practices conducted	11 Training sessions conducted on SCM practices	8 workshops on SCM practices	8 workshops on SCM practices conducted	N/A	N/A
Number of SCM/ Asset management practitioners enrolled in an university course	25 SCM / Asset management practitioners enrolled with the university of Pretoria	25 SCM / Asset management practitioners	25 SCM / Asset management practitioners enrolled	N/A	N/A
Number of reports compiled on PPP implementation	3 reports compiled on PPP implementation	4 reports	4 reports on PPP implementation compiled	N/A	N/A
Number of PPP awareness sessions conducted	Conducted 2 PPP awareness sessions	2 PPP awareness sessions	2 PPP awareness sessions conducted	N/A	N/A

Sub-programme: Public Sector Liabilities

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of reports on compliance to liability management guidelines	N/A	24 reports on Votes, 20 reports on Municipalities and 4 reports on Public Entities	24 reports on Votes, 20 reports on Municipalities and 4 reports on Public Entities compiled	N/A	N/A
Number of liability registers developed and maintained	3 liability registers developed, maintained and updated	Maintain 3 liability registers for Votes, Public Entities and Municipalities	3 liability registers for Votes, Public Entities and Municipalities maintained	N/A	N/A
Number of workshops conducted	2 training sessions/ workshops conducted	2 workshops	2 workshops conducted	N/A	N/A

Sub-programme: Interlinked Financial Systems

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of reports of Votes provided with business support on transversal systems	Provide 12 Votes with business support on transversal systems	4 reports compiled and issued	4 reports compiled and issued	N/A	N/A
Number of reports issued to monitor compliance to the National Minimum Information Requirements (NMIR)	Issued 12 reports to monitor compliance to the National Minimum Information Requirements (NMIR)	12 reports compiled and issued	12 reports compiled and issued	N/A	N/A
Number of fraud prevention systems rolled out to Votes and maintained	Not achieved	Roll out 1 fraud prevention system to Votes	Not achieved	Plan not rolled out to Votes	It took more time than anticipated to sign the SLA with the service provider due to delays in securing an agreement to participate in the National Treasury agreement. More delays were due to the Standard Bank system for Automated Verification Service test failures
Number of training sessions on Transversal systems	Officials Trained: BAS: 696 LOGIS: 797 PERSAL: 462	65 training sessions	94 training sessions	29 additional training sessions were conducted	Additional training was conducted due to staff rotation in Departments, SCOA changes and <i>ad hoc</i> requests from regions.

Sub-programme: Information Technology					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Percentage Up-time of ICT Network infrastructure	Sites maintained average up-time in excess of 98%	Maintain 98% Up-time of ICT Network infrastructure	97,4% Up-time of ICT Network maintained	0.6% under achievement	Sites were switched-off during weekend and overnight to reduce usage of electricity and cable theft
Percentage of calls responded to in 12 hours	96% of logged calls were responded to within 24 hours	Respond to 100% of ICT End-Users within 12 hours	99% of calls logged responded to within 12 hours	1% under achievement	Officials not available at their workstations
Number of reports issued on the implementation of the IT Governance Framework	1 IT Governance Framework developed	4 quarterly reports issued on implementation of IT Governance Framework	4 Quarterly reports on implementation of IT Governance Framework issued	N/A	N/A

Reasons for all deviations

a) Interlinked Financial Systems

Additional training was conducted due to staff rotation in Departments, SCOA changes and ad hoc requests from regions.

b) Information Technology

Sites were switched-off during weekend and overnight to reduce usage of electricity and cable theft

Officials were not available at their workstations

Strategy to overcome areas of under performance

There is no material under performance.

Changes to planned targets

There were no changes to planned targets during the year.

Linking performance with budgets

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Programme Support	1 967	1 818	149	1 633	1 627	6
Provincial Supply Chain Management	14 767	14 036	731	13 148	13 139	9
Financial Asset Management	1 899	1 841	58	1 746	1 743	3
Public Sector Liability	2 662	2 520	142	2 303	2 301	2
Physical Assets Management	4 442	4 265	177	4 289	4 285	4
Interlinked Financial Systems	9 611	9 598	13	8 011	7 995	16
Information Technology	75 197	73 539	1 658	65 049	63 539	1 510
Total	110 545	107 617	2 928	96 179	94 629	1 550

5.4. Programme 4: Financial Governance

This Programme facilitates, monitors, supports and provides professional advice to ensure good governance in the Province.

The sub-programmes of Financial Governance are:

- Programme Support
- Accounting Services
- Norms and Standard
- Risk Management
- Provincial Internal Audit

Strategic objectives of Programme 4
Manage and support planning and implementation of programme objectives
Provide support and monitor public sector institutions in terms of accounting standards
Promote accountability in public sector institutions through substantive reflection of financial activities
Improve the systems of internal controls in public sector institutions
Facilitate the effective implementation of risk management processes
Improve the effectiveness of Internal Audit processes

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

Programme: Financial Governance					
Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Manage and support planning and implementation of programme objectives	12 monthly performance reports on the Programme analysed and submitted	Analyse and submit 12 monthly performance reports on the programme	Analysed and submitted 12 monthly performance reports on the Programme	N/A	N/A
Provide support and monitor public sector institutions in terms of accounting standards	Supported 12 Votes, 20 Municipalities and 4 Public Entities to comply with disclosure requirements	Support, train, analyse and review 12 Votes, 20 Municipalities and 4 Public Entities in terms of accounting standards, financial statements and legislations	Supported, trained, analysed and reviewed 12 Votes, 20 Municipalities and 4 Public Entities in terms of accounting standards, financial statements and legislations	N/A	N/A
Promote accountability in public sector institutions through substantive reflection of financial activities	Compiled 2 sets and tabled 1 set of consolidated financial statements	Compile 1 set of consolidated financial statements	1 set of consolidated financial statements compiled	N/A	N/A

Programme: Financial Governance					
Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Improve the systems of internal controls in public sector institutions	Monitored 12 Votes, 17 Municipalities and 2 Public Entities on High Risk areas in terms of the FMCMM	Identify, analyse and monitor high risk areas in 12 Votes, 12 Municipalities and 4 Public Entities	Identified, analysed and monitored High risk areas in 10 Votes, 16 Municipalities and 3 Public Entities	2 Votes, 4 Municipalities and 1 public entity	2 Votes, 4 Municipalities and 1 public entity received clean audit reports
	3 frameworks for Votes, to address issues raised by Auditor-general developed and issued	Develop and issue 3 frameworks, strategies and consolidate and monitor 100% of action plans received	Developed and issued 3 frameworks, strategies and consolidated and monitored 100% of action plans received	N/A	N/A
Facilitate the effective implementation of risk management processes	Guidance and support provided to 12 Votes, 20 Municipalities and 4 Public Entities on enterprise risk management processes	Provide guidance and support to 12 Votes, 20 Municipalities and 4 Public Entities on enterprise risk management processes	Guidance and support provided to 12 Votes, 20 Municipalities and 4 Public Entities on enterprise risk management processes	N/A	N/A
Improve the effectiveness of Internal Audit processes	Guidance and support provided to 12 Votes, 20 Municipalities and 4 Public Entities on internal audit processes	Provide guidance and support to 12 Votes, 20 Municipalities and 4 Public Entities on internal audit processes	Guidance and support provided to 12 Votes, 20 Municipalities and 4 Public Entities on internal audit processes	N/A	N/A

Reasons for all deviations

During the financial year 2 Votes, 4 Municipalities and 1 public entity received clean audit reports.

Performance Indicators

Sub-programme: Programme Support					
Performance indicators	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of monthly performance reports analysed and submitted	12 monthly performance reports on the Programme analysed and submitted	Analyse and submit 12 monthly performance reports on the Programme	Analysed and submitted 12 monthly performance reports on the Programme	N/A	N/A

Sub-programme: Accounting Standards					
Performance indicators	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of Votes, Municipalities and Public Entities supported with regards to preparation of financial statements	Supported 12 Votes, 20 Municipalities and 4 Public Entities to comply with disclosure requirements	Support 12 Votes, 20 Municipalities and 4 Public Entities with regards to preparation of Annual Financial Statements (AFS)	12 Votes, 20 Municipalities and 4 Public Entities supported with regards to preparation of Annual Financial Statements (AFS)	N/A	N/A
Number of training sessions conducted on accounting standards, other legislations and Financial Statements	Officials trained on accounting standards, other legislations and Financial Statements as follows: Departments: 171 Municipalities: 108 Public Entities: 5	Conduct training sessions: 1 in Departments, 1 in Municipalities and 1 in Public Entities on accounting standards, other legislation and Annual Financial Statements	Training sessions were conducted on accounting standards, other legislation and Annual Financial Statements: 1 in Departments, 1 in Municipalities 1 in Public Entities	N/A	N/A
Number of Departments trial balances analysed and committed	48 trial balances monitored in Departments	Analyse and comment on 12 Votes trial balances	12 Votes' Trial Balances analysed and commented on	N/A	N/A
Number of guidelines/ procedures developed and issued on process of splitting and merging of Departments	N/A	Develop and issue accounting guidelines/ procedures on process of splitting and merging of Departments	1 guidelines/ procedures on process of splitting and merging of Departments developed and issued	N/A	N/A
Number of consolidated annual financial statements compiled	Compiled 2 sets and tabled 1 set of consolidated financial statements	Compile 1 set of consolidated financial statements	1 set of consolidated financial statements compiled	N/A	N/A
Percentage of remedial actions pertaining accounting issues monitored in Votes, Municipalities and Public Entities on issues raised by AG	Monitored 9 Votes, 15 Municipalities and 2 Public Entities on remedial action taken on audit outcomes	Monitor 100% of remedial actions pertaining accounting issues in Votes, Municipalities and Public Entities on issues raised by AG	100% of remedial actions pertaining accounting issues in Votes, Public Entities and Municipalities monitored on issues raised by AG	N/A	N/A

Sub-programme: Norms and Standards					
Performance indicators	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of Votes, Public Entities and Municipalities assessed and monitored on High Risk Areas	Monitored 12 Votes, 17 Municipalities and 2 Public Entities on High Risk areas in terms of the FCMCM	Assess and monitor the implementation of Action Plans to address High Risk areas in 12 Votes, 12 Municipalities and 4 Public Entities	Assessed and monitored the implementation of action plans to address High risk areas in 10 Votes, 16 Municipalities and 3 Public Entities	2 Votes, 4 Municipalities and 1 public entity	2 Votes, 4 Municipalities and 1 public entity received clean audit reports
Number of strategic frameworks developed and issued to address issues raised by the Auditor-General	3 frameworks for Votes, address issues raised by Auditor-general developed and issued	Develop and issue 3 strategic frameworks for Votes, Public Entities and Municipalities	Developed and issued 3 strategic frameworks to address issues raised by the Auditor-General	N/A	N/A
% remedial actions pertaining norms and standards issues monitored in Votes, Municipalities and Public Entities on issues raised by AG	Monitored 9 Votes, 15 Municipalities and 2 Public Entities on remedial actions taken on audit outcomes	Monitor 100% remedial actions pertaining norms and standards in Votes, Municipalities and Public Entities on issues raised by AG	Monitored 100% remedial actions pertaining norms and standards in Votes, Municipalities and Public Entities on issues raised by AG	N/A	N/A

Sub-programme: Risk Management					
Performance indicators	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Number of Guidelines on Enterprise Risk Management developed, reviewed and issued	1 Guideline on Risk Assessment reviewed, updated and issued	Develop 1 guideline on fraud risk management	1 Guideline on Fraud Risk management developed	N/A	N/A
Number of training sessions/ workshops facilitated on Enterprise Risk Management	2 training sessions/ workshops on Enterprise Risk management facilitated	Facilitate 2 training sessions/ workshops on Enterprise Risk Management	4 Training sessions on Enterprise Risk Management facilitated	2 additional training sessions were facilitated	More training sessions were held as a result of requests received from Municipalities.
Number of risk management awareness and assessment session conducted	3 Departments were assessed on effective implementation of risk management	Asses 4 Departments on effective implementation of enterprise risk management	4 Departments assessed on the effective implementation of enterprise risk Management	N/A	N/A
	9 awareness / assessment sessions conducted in Municipalities	Conduct 6 Risk awareness / assessment sessions in Municipalities	12 Risk awareness / assessment sessions in Municipalities conducted.	6 additional session were conducted	Due to additional requests received from Municipalities
	Conduct 2 risk awareness/ assessment sessions in Public Entities	Assess 2 Public Entities on effective implementation of enterprise risk management	2 Public Entities assessed on the effective implementation of enterprise risk management	N/A	N/A

Sub-programme: Provincial Internal Audit					
Performance indicators	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Percentage of Internal Audit plans assessed	Assessed 100% of Internal Audit plans submitted by Votes, Municipalities and Public Entities	Assess 100% of Internal audit plans submitted by Votes, Municipalities and Public Entities and provide feedback	Assessed 100% of Internal audit plans submitted by Votes, Municipalities and Public Entities and provided feedback	N/A	N/A
Percentage of internal audit quarterly reports evaluated	Evaluated 100% of Internal Audit plans submitted by Votes, Municipalities and Public Entities	Evaluate 100% Internal audit quarterly reports received from Votes, Municipalities and Public Entities and provide feedback	Evaluated 100% Internal Audit Quarterly reports submitted by Votes, Municipalities and Public Entities and feedback provided	N/A	N/A
Number of Audit Committees evaluated in terms of their effectiveness	Evaluated committees in terms of their functions: Votes: 8 Municipalities: 10 Public Entities: 2	Evaluate Audit Committees in terms of their effectiveness: Votes: 8 Municipalities: 8 Public Entities: 2	Evaluated Audit Committees in terms of their effectiveness for Votes: 8, Municipalities:10 and Public Entities: 2	2 additional audit committees evaluated	Additional challenges were experienced by certain Municipalities that needed to be addressed during Audit Committee meetings
Number of Audit committee forums coordinated	4 audit committee forums coordinated	Coordinate 4 Audit committee Forums	4 Audit Committee Forums coordinated	N/A	N/A
Number of strategies to improve internal audit processes in the Province developed	1 Generic Charter for Audit Committees and 1 Internal audit manual developed and issued	Develop and issue 1 Guideline on effective report writing	1 Guideline on effective report writing developed and issued	N/A	N/A
Number of training sessions/ workshops conducted	1 training session / workshop conducted	Conduct 1 training session/ workshop	1 Training session/ workshop conducted	N/A	N/A

Reasons for all deviations

a) Norms and Standards

The reason for the deviation under the assessment and monitoring the implementation of action plans to address high risk areas in Departments (Votes), Municipalities and Public Entities is due to the fact that 2 Departments, 4 Municipalities and 1 public entity received clean audit reports.

b) Risk Management

Municipalities submitted requests for more training sessions with regards to Enterprise Risk Management during the year due to challenges they experience with capacity in terms of risk matters. The same applies to the risk assessment and awareness sessions that were conducted in Municipalities.

c) Provincial Internal Audit

More Municipalities requested the Department to attend audit committee meetings than anticipated due to challenges being experienced with capacity in terms of internal audit matters.

Strategy to overcome areas of under performance

There were no areas of under-performance.

Changes to planned targets

There were no changes to planned targets during the year.

*Linking performance with budgets**Sub-programme expenditure*

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	5 225	4 993	232	6 042	5 817	225
Accounting Services	4 090	3 659	431	3 926	3 838	88
Norms and Standard	18 223	18 211	12	15 565	12 599	2 966
Risk Management	1 435	1 290	145	1 504	1 481	23
Provincial Internal Audit	2 076	1 981	95	1 967	1 912	55
Total	31 049	30 134	915	29 004	25 647	3 357

6. SUMMARY OF FINANCIAL INFORMATION

6.1. Departmental receipts

Departmental receipts	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over) /Under Collection
	R000	R000	R000	R000	R000	R000
Tax Receipts						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
Sale of goods and services other than capital assets	2 303	3 332	(1 029)	2 303	2 931	(628)
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	54 693	52 531	2 162	52 794	44 446	8 348
Sale of capital assets	115	195	(80)	-	748	748
Financial transactions in assets and liabilities	58	95	(37)	90	78	12
Total	57 169	56 153	1 016	55 187	48 203	8 480

The Department projected to collect R57 169 million of own revenue but only collected R56 153 million. The under collection is mainly on interest as a result of improved spending during the year by Provincial Departments which was not anticipated. The Department has reviewed projections on interest in the coming year to avoid the under collection.

6.2. Programme Expenditure

Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	75 641	71 195	4 446	69 689	69 454	235
Sustainable Resource Management	38 630	35 565	3 065	33 704	33 540	164
Assets and Liability Management	110 545	107 617	2 928	96 179	94 629	1 550
Financial Governance	31 049	30 134	915	29 004	25 647	3 357
Total	255 865	244 511	11 354	228 576	223 270	5 306

The Department has spent R244 511 million of the allocated budget of R255 865 million or 95.5%. Management uses the In Year Monitoring (IYM) tool to monitor expenditure patterns and actual spending against plans and took corrective actions where necessary. The under spending is mainly on compensation of employees as a result of late appointment of funded vacant positions as well as resignations and deaths.

6.3. Transfer payments

The table below reflects the transfer payments made for the period 1 April 2012 to 31 March 2013

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for R000	Amount transferred R000
Mbombela Municipality	Licence Fee	8	1
SABC	Licence Fee	3	2
Household:	Leave gratuity	137	137
House Hold	Donations	42	42

6.4. Donor Funds

Name of Donor	Standard Bank : R50 000 Mofoko Security Services: R50 000 MESO ICT : R 2 000
Full amount of the funding	R 102 000.00
Period of the commitment	2012/2013
Purpose of the funding	Mandela Day social responsibility
Expected outputs	None
Actual outputs achieved	None
Amount received in current period	R 102 000.00
Amount spent by the Department	R 77 155.00
Reasons for the funds unspent	Cost lower than anticipated, funds will be rolled over to 2013/2014 Mandela day.
Monitoring mechanism by the donor	None

6.5. Capital investment, maintenance and asset management plan

Infrastructure projects	2012/2013			2011/2012		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	7 187	5 980	1 207	5 248	3 576	1 672
Existing infrastructure assets						
- Upgrades and additions						
- Rehabilitation, renovations and refurbishments						
- Maintenance and repairs						
Infrastructure transfer						
- Current						
- Capital						
Total	7 187	5 980	1 207	5 248	3 576	1 672

The Department does not have infrastructure projects; expenditure incurred is on office equipment, office furniture and computer software. All Departmental assets were recorded in the asset register and monthly reconciliations were performed. An asset replacement and standardization plan was implemented. The under spending is mainly on GG Vehicle which were not delivered according to plan the unspent amount will be rolled over to the new financial year.



PART 3



Governance

1. INTRODUCTION

The Department has implemented governance structures like the Audit Committee and Risk Management Committee to ensure that risks are managed, internal controls are adequate and effective and governance principles are implemented. Assessments done by the Internal Audit unit show compliance on the implementation for most of the King III principles, areas of improvement were noted by management. The management performance assessment tool (MPAT) evaluation by the monitoring and performance unit in the Presidency also provided positive results for the Department on the key performance areas of strategic planning, governance and accountability, human resource management and financial management. An MPAT remedial action plan was developed and approved to address issues raised during the evaluation.

2. RISK MANAGEMENT

The Department has approved the risk management policy, risk management committee charter; and risk management strategy.

Risk assessments are conducted annually for all the programmes in the Department to identify risks that may impact on the achievement of their objectives. The current controls are identified and rated for all risks identified, where the residual risk is at an unacceptable level action plans are identified with action owners for implementation. All programme managers sign off on the risk assessment, strategies and action plans to accept accountability on the management of risks. Risk awareness workshops are held to inform all staff about the importance and value of risk management. Risk champions are appointed in all programmes to ensure the implementation of risk action plans and consolidate reports on risk management.

Progress made on addressing risks identified are evaluated on a quarterly basis using the evaluations template with control ratings to measure the rating on risk identified and progress thereof. The Chief Risk Officer provides progress reports on risk management to the Risk Committee, Management Committee meeting and Audit Committee.

3. FRAUD AND CORRUPTION

In an effort to combat fraud and corruption, the Department has approved Whistle Blowing and Fraud Prevention Policies as well as a Fraud Prevention Plan. The latter Policies are fully implemented.

The Department conducts on-going awareness campaigns to staff in order to raise awareness of the Policies and Plans and also to raise consciousness on their responsibility to report fraud and corruption. The processes to be followed when reporting cases of fraud and corruption are clearly explained during these awareness campaigns.

Apart from the internal Whistle Blowing Policy, cases of fraud and corruption are also reported via the National Toll Free Hotline number 0800 701 701 managed by the Public Service Commission (PSC). The Department investigated 100% of all cases reported through the hotline and brought to its attention. Investigations envisaged in the latter are conducted by utilising the services of the Internal Audit Unit who possess great levels of independence. In order to maintain the independence and the integrity of the investigation Reports and outcomes, such Reports on the outcomes are forwarded to the PSC via the Integrity Management Unit (IMU) in the Office of the Premier. The Report of the IMU is a standing item of the Departmental Audit Committee and an IMU representative/ briefs the Audit Committee on progress with regard cases reported to the PSC.

Cases identified through internal processes and procedures are also investigated by the Internal Audit Unit and reports in this regard are presented to the Accounting Officer for implementation of recommendations as informed by the outcome of such Reports. The Legal Services Unit advises the Accounting Officer on the requirements and/or a need to lay criminal cases based on the merits of each case reported within the ambit of applicable legislation. As informed by the merits, other actions involve the engagement of the State Attorneys.

4. MINIMISING CONFLICT OF INTEREST

In an effort to minimise any potential areas of conflict of interest, all officials were reminded to seek for permission to perform remunerative work outside their employment by Government as required by legislation. Where potential conflict of interest was identified, applications were not approved. Approvals strictly restricted officials from doing business with Government as well.

All SMS members declared their financial interests and including officials who were granted permission to perform remunerative work. Declaration of financial interests forms were accordingly scrutinised in line with MPAT requirements and there was no conflict of interest identified for the period under review.

5. CODE OF CONDUCT

The Department ensured distribution of the Code of Conduct to all newly appointed employees; awareness workshops were conducted throughout the year to all officials to encourage compliance to the Code of Conduct. A circular was issued by the Head of Department to all staff on adherence to the Code of Conduct.

During the period under review there has not been a case on the breach of code of conduct.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

In compliance with the Occupational Health and Safety Act, 1993 (Act No 85 of 1993), the Department appointed the Health and Safety representatives and they were trained accordingly. Occupational Health and Safety committee was established to assist in monitoring compliance. Awareness workshops on OHS were conducted to all officials. On-going inspections were conducted to identify occupational hazards and recommend remedial actions.

7. INTERNAL AUDIT UNIT

The Department has a fully staffed internal audit unit. The internal audit unit prepares and implement an internal audit plan approved by the Audit Committee on an annual basis. The internal audit plan is based on the risk areas identified during the annual risk assessment; this plan focuses the effort of the internal audit unit.

The Audit Committee provides functional oversight to the internal audit unit and reviews progress of internal audit in implementing the approved audit plan on a quarterly basis.

During the execution of audits the internal audit identifies weaknesses in internal control, risk management or governance, recommendations for improvement would be made and action plans would be developed by the responsible managers.

Follow-up audits are conducted to report to the Accounting Officer and Audit Committee on the implementation of internal audit recommendations and management action plans.

8. AUDIT COMMITTEE REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2013

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 year four (4) meetings were held.

Name of Member**Number of Meetings Attended**

Mr. KJ Chisale (Chairperson)	4
Mr. NA Dzuguda	4
Ms. N Jaxa	3
Mr. K Buthelezi	3

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 for the period under review adopted a 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.

The Effectiveness of Internal Control

We are confident that 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 provided the Audit Committee and management with assurance whether internal controls are adequate and effective. This was achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the control processes.

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

- Performance information and financial statement reviews;
- Regional offices reviews;
- Control environment;
- Provincial supply chain management;
- Information technology and interlinked financial systems;
- Financial and supply chain management;
- Vehicle fleet and asset management

The following were areas of concern:

- Non and late submission of performance management and development system documentation;
- Late submission of procurement plans by Departments to the Provincial Treasury;
- Review and update of restricted companies on the website;
- Review of system controller functions by management;
- Poor planning, late procurement and impact on supply chain, financial management and asset management processes;
- Movement of assets without following proper procedures and updating of the asset register;
- Inadequate maintenance and control of government vehicles;

From the various reports of the Internal Auditors, it was noted that some matters were reported indicating deficiencies to the system of internal control. In order to address deficiencies noted management is required to compile comprehensive action plans. The Plan is continuously implemented to ensure that these issues are corrected in the forthcoming financial year. The Audit Committee will effectively monitor progress made in this regard.

In-Year Management and Monthly and Quarterly Reports

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Department as required by the PFMA.

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 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.
- Reviewed the internal audit report on the midterm interim financial statement and is satisfied that management has addressed issues raised.

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's Report

We have reviewed the Department's implementation plan for audit issues raised in the prior-year audit report and we are satisfied that the matters have been adequately resolved.

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

Appreciation

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



KINGSLEY JULIANO CHISALE
CHAIRPERSON OF THE AUDIT COMMITTEE
31 JULY 2013



PART 4



Human Resource Management

1. LEGISLATION THAT GOVERN HR MANAGEMENT

The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

2. INTRODUCTION

- Overview of HR matters at the Department
- Set HR priorities for the year under review and the impact of these priorities
- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce
- Employee performance management framework
- Employee wellness programmes
- Policy development
- Highlight achievements
- Challenges faced by the Department
- Future HR plans / goals

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme

Programme	Total Expenditure R'000	Personnel Expenditure R'000	Training Expenditure R'000	Professional and Special Services Expenditure R'000	Personnel Expenditure as a % of total expenditure R'000	Average personnel cost per employee R'000
Administration	71 307	41 357	872	282	58	263
Sustainable Resource Management	35 573	28 211	160	278	79,3	504
Assets & Liabilities Management	107 473	41 356	1 205	136	38,5	390
Financial Governance	30 152	15 534	171	3 118	51,5	471
TOTAL	244 505	126 458	2 408	3 814	51,7	359

Table 3.1.2 Personnel costs by salary band

Salary band	Personnel Expenditure (R000)	% of total personnel cost	No. of employees	Average Compensation cost per Employee (R)	Average personnel cost per employee (R000)
Lower skilled (Levels 1-2)	2 049	1,6	19	107 842	126 458
Skilled (Levels 3-5)	4 593	3,6	33	139 182	126 458
Highly skilled production (Levels 6-8)	26 841	21,2	104	258 087	126 458
Highly skilled supervision (Levels 9-12)	67 849	53,7	145	467 924	126 458
Senior management (Levels 13-16)	19 375	15,3	23	842 391	126 458
Contract (Levels 1-2)	1 065	0,8	19	56 053	126 458
Contract (Levels 9-12)	653	0,5	1	653 000	126 458
Abnormal Appointment	4 033	3,2	8	504 125	126 458
TOTAL	126 458	100	352	359 256	126 458

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R000)	Salaries as a % of personnel costs	Amount (R000)	Overtime as a % of personnel costs	Amount (R000)	HOA as a % of personnel costs	Amount (R000)	Medical aid as a % of personnel costs
Administration	30 647	68,9	0	0	1 245	2,8	2 128	4,8
Sustainable Resource Management	18 713	59,9	75	0,2	460	1,5	688	2,2
Assets and Liabilities Management	31 020	69,5	0	0	873	2	1 668	3,7
Financial Governance	11 782	68,7	0	0	322	1,9	485	2,8
TOTAL	92 162	67	75	0,1	2 900	2,1	4 969	3,6

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band

Programme Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R000)	Salaries as a % of personnel costs	Amount (R000)	Overtime as a % of personnel costs	Amount (R000)	HOA as a % of personnel costs	Amount (R000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	1 224	59,6	0	0	178	8,7	298	14,5
Skilled (Levels 3-5)	2 956	62,9	0	0	341	7,3	449	9,5
Highly skilled production (Levels 6-8)	18 623	66,8	0	0	1 118	4	1 807	6,5
Highly skilled supervision (Levels 9-12)	51 694	68,7	75	0,1	1 004	1,3	2 130	2,8
Senior management (Levels 13-16)	15 955	74,8	0	0	259	1,2	285	1,3
Contract (Levels 1-2)	1 064	99,7	0	0	0	0	0	0
Contract (Levels 9-12)	646	95	0	0	0	0	0	0
Abnormal Appointment	0	0	0	0	0	0	0	0
TOTAL	92 162	67	75	0,1	2 900	2,1	4 969	3,6

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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

Table 3.2.1 Employment and vacancies by programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration: Permanent	160	157	1,9	19
Sustainable Resource Management: Permanent	51	48	5,9	8
Assets and Liabilities Management: Permanent	106	106	0	0
Financial Governance: Permanent	35	33	5,7	0
TOTAL	352	344	2,3	27

Table 3.2.2 Employment and vacancies by salary band

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2): Permanent	23	23	0	0
Skilled (Levels 3-5): Permanent	33	33	0	0
Highly skilled production (Levels 6-8): Permanent	103	102	1	0
Highly skilled supervision (Levels 9-12): Permanent	149	143	4	8
Senior management (Levels 13-16): Permanent	24	23	4,2	0
Contract (Levels 1-2): Permanent	19	19	0	19
Contract (Levels 9-12): Permanent	1	1	0	0
TOTAL	352	344	2,3	27

Table 3.2.3 Employment and vacancies by critical occupations

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	58	57	1,7	0
Cleaners in offices workshops hospitals etc., Permanent	14	14	0	0
Communication and information related, Permanent	3	3	0	0
Computer system designers and analysts., Permanent	1	1	0	0
Engineering sciences related, Permanent	1	1	0	0
Engineers and related professionals, Permanent	1	1	0	0
Finance and economics related, Permanent	24	24	0	0
Financial and related professionals, Permanent	46	45	2,2	8
Financial clerks and credit controllers, Permanent	2	2	0	0
Head of Department/chief executive officer, Permanent	1	1	0	0
Human resources clerks, Permanent	1	1	0	0
Human resources related, Permanent	28	28	0	19
Information technology related, Permanent	19	19	0	0
Legal related, Permanent	1	0	100	0
Library mail and related clerks, Permanent	1	1	0	0
Light vehicle drivers, Permanent	1	1	0	0
Logistical support personnel, Permanent	25	25	0	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	87	83	4,6	0
Secretaries & other keyboard operating clerks, Permanent	16	16	0	0
Security officers, Permanent	1	0	100	0
Senior managers, Permanent	7	7	0	0
TOTAL	352	344	2,3	27

3.3. Job Evaluation

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

Table 3.3.1 Job Evaluation by Salary band

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	23	0	0	0	0	0	0
Contract (Levels 1-2)	19	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	33	0	0	18	0	0	0
Highly skilled production (Levels 6-8)	103	0	0	4	0	0	0
Highly skilled supervision (Levels 9-12)	149	0	0	0	0	0	0
Senior Management Service Band A	16	0	0	0	0	0	0
Senior Management Service Band B	6	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	352	0	0	22	0	0	0

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

Table 3.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiary	African	Asian	Coloured	White	Total
Female	14	0	0	1	15
Male	7	0	0	0	7
Total	21	0	0	1	22

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

Table 3.3.3 Employees with salary levels higher than those determined by job evaluation by occupation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	N/A	N/A	N/A
Total	0			
Percentage of Total Employment	0			

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

Table 3.3.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiary	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

Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2012/13	0
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3.4. Employment Changes

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

Table 3.4.1 Annual turnover rate by salary band

Salary Band	Number of employees at beginning of period-April 2012	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2): Permanent	16	3	0	0
Skilled (Levels 3-5): Permanent	31	1	1	3,2
Highly skilled production (Levels 6-8): Permanent	107	1	4	3,7
Highly skilled supervision (Levels 9-12): Permanent	142	1	5	3,5
Senior Management Service Band A: Permanent	17	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	7	21	12	171,4
Contract (Levels 9-12): Permanent	1	0	0	0
TOTAL	326	27	22	6,7

Table 3.4.2 Annual turnover rates by critical occupation

Critical Occupation	Number of employees at beginning of period-April 2012	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related: Permanent	57	0	2	3,5
Cleaners in offices: Permanent	11	3	1	9,1
Communication and information related: Permanent	4	0	1	25
Computer system designers and analysts.: Permanent	1	0	0	0
Engineering sciences related: Permanent	1	0	0	0
Engineers and related professionals: Permanent	0	1	0	0
Finance and economics related: Permanent	23	0	0	0
Financial and related professionals: Permanent	44	1	1	2,3
Financial clerks and credit controllers: Permanent	2	0	0	0
Human resources clerks: Permanent	1	0	0	0
Human resources related: Permanent	16	21	12	75
Information technology related: Permanent	20	0	2	10
Legal related: Permanent	1	0	1	100
Library mail and related clerks: Permanent	1	0	0	0
Light vehicle drivers: Permanent	1	0	0	0
Logistical support personnel: Permanent	23	0	0	0
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	10	0	0	0
Other occupations: Permanent	88	0	2	2,3
Secretaries & other operating clerks: Permanent	11	1	0	0
Senior managers: Permanent	7	0	0	0
TOTAL	326	27	22	6,7

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

Table 3.4.3 Reasons why staff left the Department

Termination Type	Number	% of Total Resignations
Death: Permanent	1	4,5
Resignation: Permanent	8	36,4
Expiry of contract: Permanent	11	50
Dismissal-misconduct: Permanent	1	4,5
Retirement: Permanent	1	4,5
TOTAL	22	100
Resignations as % of Employment		6,7

Table 3.4.4 Promotions by critical occupation

Occupation	Employees 1 April 2012	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	57	2	3,5	49	86
Cleaners in offices	11	0	0	2	18.2
Communication and information related	4	0	0	3	75
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	22	95.7
Financial and related professionals	44	1	2,3	41	93.2

Occupation	Employees 1 April 2012	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Financial clerks and credit controllers	2	0	0	2	100
Head of Department	0	1	0	0	0
Human resources clerks	1	0	0	1	100
Human resources related	16	0	0	8	50
Information technology related	20	2	10	17	85
Legal related	1	0	0	0	0
Library mail and related clerks	1	0	0	0	0
Light vehicle drivers	1	0	0	0	0
Logistical support personnel	23	2	8,7	20	87
Messengers porters and deliverers	3	0	0	2	66.7
Other administrative policy officers	1	0	0	1	100
Other information technology personnel	10	0	0	7	70
Other occupations	88	2	2,3	78	88.6
Secretaries & other operating clerks	11	1	9,1	10	90.9
Senior managers	7	0	0	7	100
TOTAL	326	11	3,4	272	83.4

Table 3.4.5 Promotions by salary band

Salary Band	Employees 1 April 2012	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2): Permanent	16	0	0	7	43,8
Skilled (Levels 3-5): Permanent	31	1	3,2	25	80,6
Highly skilled production (Levels 6-8): Permanent	107	0	0	94	87,9
Highly skilled supervision (Levels 9-12): Permanent	142	9	6,3	126	88,7
Senior management (Levels 13-16): Permanent	22	1	4,5	20	90,9
Contract (Levels 1-2): Permanent	7	0	0	0	0
Contract (Levels 9-12): Permanent	1	0	0	0	0
TOTAL	326	11	3,4	272	83,4

3.5. Employment Equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2013

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers: Permanent	4	0	1	0	4	0	0	0	9
Professionals: Permanent	62	2	0	9	54	0	0	5	132
Technicians and associate professionals: Permanent	32	0	1	0	47	0	1	0	81

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Clerks: Permanent	4	0	0	0	14	0	0	0	18
Plant and machine operators and assemblers: Permanent	1	0	0	0	0	0	0	0	1
Elementary occupations: Permanent	41	1	0	1	54	0	0	2	99
Other: Permanent	1	0	0	0	3	0	0	0	4
TOTAL	145	3	2	10	176	0	1	7	344
Employees with disabilities	4	0	1	1	2	0	0	0	8

Table 3.5.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2013

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management: Permanent	1	0	0	0	1	0	0	0	2
Senior Management: Permanent	10	0	1	1	6	0	0	3	21
Professionally qualified and experienced specialists and mid-management: Permanent	72	2	1	8	58	0	0	2	143
Skilled technical and academically qualified workers, junior management, supervisors: Permanent	38	1	0	0	60	0	1	2	102
Semi-skilled and discretionary decision making: Permanent	14	0	0	0	19	0	0	0	33
Unskilled and defined decision making: Permanent	2	0	0	0	21	0	0	0	23
Contract (Professionally qualified): Permanent	0	0	0	1	0	0	0	0	1
Contract (Unskilled): Permanent	8	0	0	0	11	0	0	0	19
TOTAL	145	3	2	10	176	0	1	7	344

Table 3.5.3 Recruitment

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	0	0	0	0	1

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making, Permanent	1	0	0	0	2	0	0	0	3
Contract (Unskilled), Permanent	10	0	0	0	11	0	0	0	21
TOTAL	13	0	0	0	14	0	0	0	27

Table 3.5.3 Recruitment

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	0	0	0	0	1
Unskilled and defined decision making, Permanent	1	0	0	0	2	0	0	0	3
Contract (Unskilled), Permanent	10	0	0	0	11	0	0	0	21
TOTAL	13	0	0	0	14	0	0	0	27

Table 3.5.4 Promotions

Occupational Band	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	5	0	0	3	20
Professionally qualified and experienced specialists and mid-management, Permanent	71	1	0	5	57	0	0	1	135
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	37	1	0	0	55	0	1	0	94
Semi-skilled and discretionary decision making, Permanent	11	0	0	0	15	0	0	0	26
Unskilled and defined decision making, Permanent	0	0	0	0	7	0	0	0	7
TOTAL	129	2	1	6	140	0	1	4	283
Employees with disabilities	4	0	1	1	2	0	0	0	8

Table 3.5.5 Terminations

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management: Permanent	4	0	0	0	0	1	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors: Permanent	4	0	0	0	0	0	0	0	4
Semi-skilled and discretionary decision making: Permanent	0	0	0	0	1	0	0	0	1
Contract (Unskilled): Permanent	5	0	0	0	7	0	0	0	12
TOTAL	13	0	0	0	8	1	0	0	22
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.5.6 Disciplinary Action

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	1	0	0	0	1	0	0	0	2

Table 3.5.7 Skills development

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	9	0	1	1	6	0	0	3	20
Professionals	10	0	0	0	6	0	0	1	17
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks	22	1	0	0	20	0	0	0	43
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	1	0	0	0	19	0	0	0	20
TOTAL	42	1	1	1	51	0	0	4	100
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.6. 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), salary bands and critical occupations.

Table 3.6.1 Performance Rewards by race, gender and disability

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee R
African, Female	123	174	70,7	952	7 741
African, Male	99	141	70,2	769	7 771
Asian, Female	1	1	100	7	7 149
Asian, Male	1	1	100	23	23 141
Coloured, Female	1	0	0	7	7 149
Coloured, Male	2	3	66,7	14	7 149
Total Blacks, Female	125	175	71,4	966	7 732
Total Blacks, Male	102	145	70,3	807	7 910
White, Female	4	7	57,1	38	9 470
White, Male	9	9	100	82	9 100
Employees with a disability	7	8	87,5	66	9 483
Total	247	344	71,8	1 959	7 933

Table 3.6.2 Performance Rewards by salary band for personnel below Senior Management Service

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R000)	Average cost per employee R
Lower skilled (Levels 1-2)	13	19	68,4	93	7 154
Skilled (Levels 3-5)	22	33	66,7	157	7 136
Highly skilled production (Levels 6-8)	81	104	77,9	579	7 148
Highly skilled supervision (Levels 9-12)	118	145	81,4	1 123	9 517
Contract (Levels 1-2)	0	19	0	0	0
Contract (Levels 9-12)	1	1	100	7	7 000
Abnormal Appointment	0	8	0	0	0
Total	235	329	71,4	1 959	7 933

Table 3.6.3 Performance Rewards by critical occupation

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee R
Administrative related	43	55	78,2	326	7 581
Cleaners in offices workshops hospitals etc.	10	14	71,4	71	7 100
Communication and information related	3	3	100	21	7 000
Computer system designers and analysts.	1	1	100	7	7 000
Engineering sciences related	0	1	0	0	0
Engineers and related professionals	0	1	0	0	0
Finance and economics related	15	24	62,5	125	8 333
Financial and related professionals	37	45	82,2	288	7 784
Financial clerks and credit controllers	0	2	0	0	0
Head of Department/chief executive officer	1	1	100	15	15 000
Human resources clerks	1	1	100	7	7 000
Human resources related	9	28	32,1	97	10 778
Information technology related	19	19	100	153	8 053
Library mail and related clerks	1	1	100	7	7 000
Light vehicle drivers	1	1	100	7	7 000
Logistical support personnel	16	25	64	114	7 125
Messengers porters and deliverers	3	3	100	24	8 000
Other administrative policy and related officers	1	1	100	23	23 003
Other information technology personnel.	9	10	90	64	7 111
Other occupations	63	83	75,9	464	7 365
Rank: Unknown	0	4	0	0	0
Secretaries & other operating clerks	9	14	64,3	64	7 111
Senior managers	5	7	71,4	82	16 400
Total	247	344	71,8	1 959	7 933

Table 3.6.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee R	Total cost as a % of the total personnel expenditure
Band A	9	16	56,3	208	23 111	1,4
Band B	2	5	40	42	21 000	0,8
Band C	1	1	100	15	15 000	16
Band D	0	1	0	0	0	0
Total	12	23	52,2	265	22 083	1,3

3.7. Foreign Workers

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

Table 3.7.1 Foreign workers by salary band

Salary Band	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.7.2 Foreign workers by major occupation

Major Occupation	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	0	0	0	0	0

3.8. Leave Utilisation

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

Table 3.8.1 Sick leave

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	59	84,7	10	4,9	6	16
Skilled (Levels 3-5)	97	84,5	17	8,4	6	33
Highly skilled production (Levels 6-8)	442	88,2	68	33,5	7	292
Highly skilled supervision (Levels 9-12)	479	81,2	93	45,8	5	691
Senior management (Levels 13-16)	52	78,8	14	6,9	4	155
Contract (Levels 9-12)	3	0	1	0,5	3	7
Total	1 132	84,1	203	100	6	1 194

Table 3.8.2 Disability leave (temporary and permanent)

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	7	100	1	33,3	7	4
Highly skilled supervision (Levels 9-12)	70	100	1	33,3	70	163
Senior management (Levels 13-16)	19	100	1	33,3	19	57
Total	96	100	3	100	32	224

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

Table 3.8.3 Annual Leave

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	355	20	18
Skilled (Levels 3-5)	709	22	32
Highly skilled production (Levels 6-8)	2 246	21	105
Highly skilled supervision (Levels 9-12)	3 251	22	147
Senior management (Levels 13-16)	477	21	23
Contract (Levels 9-12)	18	18	1
Total	7 056	22	326

Table 3.8.4 Capped leave

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March
Skilled (Levels 3-5)	3	2	101	2
Highly skilled production (Levels 6-8)	14	5	71	3
Highly skilled supervision (Levels 9-12)	1	1	62	1
Senior management (Levels 13-16)	3	2	32	2
Total	21	3	66	8

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

Table 3.8.5 Leave payouts

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2012/13	59	1	59
Current leave payout on termination of service for 2012/13	78	6	13
Total	137	7	20

3.9. HIV/AIDS & Health Promotion Programmes

Table 3.9.1 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 3.9.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
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		iNkosi Dr Musa Khumalo
Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Three Employees, Budget R 130 000
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		Health and Wellness programmes
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		Ms EY Mnisi, Mr AM Mahlangu, Ms VB Mokoena, Ms YN Kleinbooi, Ms AS Mthombeni, Ms SB Nkosi, Mr J Mashabane, Mr JK Sithole (NEHAWU) and Mr MK Sibanyoni (PSA).
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.		No	
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 workshops, one on one consultation and meetings of support groups.
Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Considerable number of officials participated in VCT programmes for various chronic illnesses. Customised workshops were conducted to promote healthy lifestyle.
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 on implemented health programmes are compiled.

3.10. Labour Relations

Table 3.10.1 Collective agreements

Subject Matter	Date
N/A	

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

Table 3.10.2 Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of total
Final written warning	1	100
Dismissal	1	100
Total	2	100

Table 3.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on annexure A)	Number	% of total
Absenteeism	1	50
Financial Misconduct	1	50
Total	2	100

Table 3.10.4 Grievances lodged

	Number	% of Total
Number of grievances resolved	1	100
Number of grievances not resolved	0	0
Total number of grievances lodged	1	100

Table 3.10.5 Disputes lodged

	Number	% of Total
Number of disputes upheld	N/A	N/A
Number of disputes dismissed	N/A	N/A
Total number of disputes lodged	N/A	N/A

Table 3.10.6 Strike actions

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

Table 3.10.7 Precautionary suspensions

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	49
Cost of suspensions R	23 489

3.11. Skills development

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

Table 3.11.1 Training needs identified

Occupational Category	Gender	Number of employees as at 1 April 2012	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	6	10	16
	Male	12	0	8	10	18
Professionals	Female	62	0	7	0	7
	Male	87	0	10	0	10
Technicians and associate professionals	Female	16	0	0	2	2
	Male	16	0	0	6	6
Clerks	Female	63	0	8	12	20
	Male	33	0	12	11	23
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	22	0	0	19	19
	Male	4	0	0	1	1
Sub Total	Female	173	0	21	43	64
	Male	152	0	30	28	58
Total		325	0	51	71	122

Table 3.11.2 Training provided for the period

Occupational Category	Gender	Number of employees as at 1 April 2012	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	2	0	2
	Male	12	0	5	0	5
Professionals	Female	62	0	5	0	5
	Male	87	0	7	0	7
Technicians and associate professionals	Female	16	0	0	0	0
	Male	16	0	0	0	0
Clerks	Female	63	0	13	17	30
	Male	33	0	6	10	16
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	22	0	0	13	13
	Male	4	0	0	1	1
Sub Total	Female	173	0	20	30	50
	Male	152	0	18	11	29
Total		325	0	38	41	79

3.12. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.12.1 Injury on duty

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

3.13. Utilisation of Consultants

Table 3.13.1 Report on consultant appointments using appropriated funds

Project Title	Total Number of consultants that worked on 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 3.13.2 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 3.13.3 Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on project	Duration Work days	Donor and Contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.13.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

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



PART 5



Financial Information

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1. REPORT OF THE ACCOUNTING OFFICER

CONFIRMATION OF ACCURACY AND FAIR PRESENTATION OF THE FINANCIAL ANNUAL REPORT

I hereby acknowledge that the annual report of the Department of Finance has been submitted to the Auditor-General for auditing in terms section 40(1)(c) of the PFMA

I acknowledge my responsibility for the accuracy of the records and the fair presentation of the annual report and confirm, to the best of my knowledge and belief, the following:

Annual Financial statements

- The annual financial statements have been prepared in accordance with Departmental Financial Reporting Framework / modified cash basis of accounting as prescribed in the National Treasury Framework and relevant guidelines issued by the National Treasury.
- All amounts appearing on the annual report and information in the annual report are consistent with the financial statements submitted to the Auditor-General for audit purposes.

Performance Information

- The performance information fairly reflects the operations, the actual outputs against planned targets for performance indicators as per the strategic and annual performance plan of the Department for the financial year ended 31 March 2013.
- Has been reported on in accordance with the requirements of the guidelines on the annual report as issued by National Treasury.
- A system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of performance information.

Human Resource Management

- The human resource information contained in the respective tables in Part 4 of the annual report, fairly reflects the information of the Department for the financial year ended 31 March 2013.
- The human resource information is in accordance with the guidelines on the annual report as issued by National Treasury.

General

The annual report is complete and accurate and is free from any omissions.

Yours faithfully



MS NZ NKAMBA
HEAD OF DEPARTMENT
31 MAY 2013

REPORT OF 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 94.1 percent or R71,195 million of the allocated budget of R75,641 million.

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

The Programme has played a key role in the allocation of the limited resources to the competing policy priorities of the Province. This Programme has spent 92.0 percent or R35,565 million of the allocated budget of R38,630 million.

Programme 3: ASSETS AND LIABILITIES MANAGEMENT

The Programme provided for procurement policy articulation and facilitated effective management of physical and financial assets as well as supply chain management and provision of Information Technology systems to the Province. This Programme has spent 97.3 percent or R107,617 million of the allocated budget of R110,545 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 97.0 percent or R30,134 million of the allocated budget of R31,049 million.

1.2 Reasons for under/overspending

The Department has spent 95.5 percent or R 244,511 million of its allocated budget of R255,865 million for the 2012/2013 financial year. The R 11 354 million or 4.5 percent under spending of the approved budget is mainly on compensation of employees as a result of late filling of the 20 funded vacant positions budgeted at the beginning of the year as well as resignations and deaths. On Goods and Services, the under-spending is as a result of contractual obligations where services were rendered during the month of March 2013 and these are accounted for as accruals in the Annual Financial Statements.

On Compensation of Employees, the overall spending is 97.3 per cent or R126,458 million of the budget of R131,659 million at the end of the year. The under spending is as a result of late filling of 20 funded vacant positions budgeted at the beginning of the financial year as well as resignations and death. Out of the 20 vacant funded posts, as at 31 March 2013, 19 were filled and 1 will be filled during April 2013.

On Goods and Services, the overall spending is 95.8 percent or R111,810 million of a budget of R116,723 million at the end of the financial year. The under spending is as a result of outstanding contractual obligations (SITA, Vodacom, Department of Public Works, Roads and Transport) for the month of March 2013.

On Transfers and Subsidies, the overall spending is 88.6 percent or R0,259 million of a budget of R0,292 million at the end of the financial year. The under spending is mainly licence fees on three GG Vehicles that were outstanding at the end of the financial year.

On Payment for Capital Assets, the overall spending is 83.2 per cent or R 5,980 million of a budget of R7,181 million. The under spending is as a result of non-delivery of GG Vehicles and office furniture by suppliers.

1.3 Virement

There were no virements done during the financial year under review.

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.

2.2 Tariff policy

The Department has reviewed its tariff structure pertaining to the sale of Tender bulletins for the 2012/2013 financial year.

2.3 Free Services

The Department renders Information Technology and transversal system support to all Provincial Departments. The total cost 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 2.3 per cent and occupancy rate of 97.7 per cent as at 31 March 2013.

4. Utilisation of donor funds

The Department received donor funds amounting to R102 000 and R77 000 of this amount has been utilised for the Mandela day legacy project.

5. Trading entities and public entities

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

6. Organisations to whom transfer payments have been made

Transfer payments were made as reflected in Annexure 1B, 1C and IH.

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 sections 32(2) and 40(b) of the Public Finance Management Act, 1999 (No 1 of 1999) as amended.

8.2 Risk Management Approach

Risk assessment workshops were held during February and March 2012 to identify the risk focus areas in the Department for 2012/2013 financial year. Risk Management strategies were identified to

mitigate the risks. A Risk Management Committee has been established in 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 fully operational Internal Audit Unit. The Internal Audit Unit prepares and implements an Internal Audit plan approved by the Audit Committee on an annual basis. The Internal Audit plan is based on the risk areas identified during the annual risk assessment; this plan focuses the effort of the Internal Audit unit. The Audit Committee provides functional oversight to the Internal Audit unit and reviews progress of Internal Audit in implementing the approved audit plan on a quarterly basis.

During the execution of audits, the Internal Audit Unit identifies weaknesses in internal control, risk management and governance. Recommendations for improvement were made and action plans were developed by responsible managers. Follow-up audits were conducted and reported to the Accounting Officer and Audit Committee on the implementation of internal audit recommendations and management action plans.

8.4 Labour Relations

The Labour Relations unit continued in its quest to assist managers and employees in dealing with labour related matters. Furthermore consultations were conducted with Organised Labour in dealing with labour matters in the work place to maintain 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 processes of the Department have also disclosed their financial interest.

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 on the accounting system. The movement of movable assets was continuously monitored and updated. Reconciliations between BAS and LOGIS were done on a monthly basis. Asset verification was conducted on 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

There are no events after the reporting date.

14. Information on predetermined objectives**14.1 Financial Information**

The Department utilised the In-Year Monitoring report as a tool to determine, verify and monitor the utilisation of its financial resources. This was done on monthly basis throughout the financial year.

14.2 Service Delivery Information

The performance of the Department was assessed against the Annual Performance Plan. All units in the Department compiled monthly and quarterly progress reports which provided information pertaining to achievements, challenges and remedial actions taken.

15. SCOPA resolutions

There were no outstanding SCOPA resolutions reported.

16. Prior modifications to audit reports

There were no prior modifications to the audit reports.

17. Exemptions and deviations received from the National Treasury

There were no exemptions and deviations received from the National Treasury.

18. Interim Financial Statements


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

19. Other

The Irregular Expenditure was due to deficiencies in Supply Chain Management and investigation processes are underway.

20. Approval

The Annual Financial Statements set out on pages 77 to 114 have been approved by the Accounting Officer.



MS NZ NKAMBA
ACCOUNTING OFFICER
DEPARTMENT OF FINANCE
31 MAY 2013

2. ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Office is responsible for the preparation of the Department's Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

In my opinion, the financial statements fairly reflect the operations of the Department for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements of the Department.

The Department of Finance's Annual Financial Statements for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 77.

The Annual Financial Statements of the Department set out on page 77 to page 114 have been approved.



MSNZ NKAMBA
ACCOUNTING OFFICER
DEPARTMENT OF FINANCE
31 MAY 2013

3. REPORT OF THE AUDITOR-GENERAL TO 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 77 to 114, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, 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 and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DORA), 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 2001) (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 2013 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 and DORA.

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 of annual performance report as set out on pages 20 to 41 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 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 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, performance report and compliance with laws and regulations. I did not identify any deficiencies in internal control which we considered sufficiently significant for inclusion in this report.

OTHER REPORTS

PERFORMANCE AUDITS

Performance on the readiness of government to report on its performance

16. A performance audit was conducted on the readiness of government to report on its performance. The focus of the audit was 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 management report on the audit was issued during the year.

Auditor - General

Nelspruit
31 July 2013



Auditing to build public confidence

4. ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Appropriation per programme									
APPROPRIATION STATEMENT	2012/13							2011/12	
	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 payments	72,337	(14)	-	72,323	68,770	3,553	95.1%	65,361	65,292
Transfers and subsidies	138	12	-	150	142	8	94.7%	1,670	1,548
Payment for capital assets	1,412	-	-	1,412	552	860	39.1%	1,069	1,025
Payment for financial assets	-	2	-	2	2	-	100.0%	-	-
	73,887	-	-	73,887	69,466	4,421		68,100	67,865
2. SUSTAINABLE RESOURCE MANAGEMENT									
Current payments	38,370	-	-	38,370	35,457	2,913	92.4%	33,504	33,458
Transfers and subsidies	10	-	-	10	10	-	100.0%	-	-
Payment for capital assets	250	-	-	250	98	152	39.2%	200	82
Payment for financial assets	-	-	-	-	-	-	-	-	-
	38,630	-	-	38,630	35,565	3,065		33,704	33,540
3. ASSETS AND LIABILITIES MANAGEMENT									
Current payments	106,338	(186)	-	106,152	103,356	2,796	97.4%	92,043	92,003
Transfers and subsidies	-	16	-	16	16	-	100.0%	157	157
Payment for capital assets	4,207	168	-	4,375	4,243	132	97.0%	3,979	2,469
Payment for financial assets	-	2	-	2	2	-	100.0%	-	-
	110,545	-	-	110,545	107,617	2,928		96,179	94,629
4. FINANCIAL GOVERNANCE									
Current payments	29,899	(14)	-	29,885	29,033	852	97.1%	29,004	25,647
Transfers and subsidies	-	14	-	14	14	-	100.0%	-	-
Payment for capital assets	1,150	-	-	1,150	1,087	63	94.5%	-	-
	31,049	-	-	31,049	30,134	915		29,004	25,647
Subtotal	254,111	-	-	254,111	242,782	11,329	95.5%	226,987	221,681
Statutory Appropriation									
Current payments	1,566	86	-	1,652	1,652	-	100.0%	1,566	1,566
TOTAL	255,677	86	-	255,763	244,434	11,329	95.6%	228,553	223,247
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				56,153				48,203	
Aid assistance				102				23	
Actual amounts per statement of financial performance (total revenue)				312,018				276,779	
ADD									
Aid assistance					77				23
Actual amounts per statement of financial performance (total expenditure)					244,511				223,270

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Appropriation per economic classification									
2012/13								2011/12	
	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	131,701	(42)	-	131,659	126,458	5,201	96.0%	117,025	116,932
Goods and services	116,895	(172)	-	116,723	111,810	4,913	95.8%	102,887	99,468
Transfers and subsidies									
Provinces and municipalities	11	(3)	-	8	1	7	12.5%	10	10
Departmental agencies and accounts	-	3	-	3	2	1	66.7%	-	-
Households	137	42	-	179	179	-	100.0%	1,817	1,695
Payments for capital assets									
Machinery and equipment	7,019	(1,396)	-	5,623	4,427	1,196	78.7%	5,248	3,576
Software and other intangible assets	-	1,564	-	1,564	1,553	11	99.3%	-	-
Payments for financial assets	-	4	-	4	4	-	100.0%	-	-
Total	255,763	-	-	255,763	244,434	11,329	95.6%	226,987	221,681

Statutory Appropriation									
2012/13								2011/12	
Direct changes against the Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Member of Executive Council	1,652	-	-	1,652	1,652	-	100.0%	1,566	1,566
Total	1,652	-	-	1,652	1,652	-	100.0%	1,566	1,566

APPROPRIATION STATEMENT

for the year ended 31 March 2013

2012/13								2011/12	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
ADMINISTRATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 MEMBER OF THE EXECUTIVE COUNCIL									
Current payments	3,504	176	-	3,680	3,541	139	96.2%	3,314	3,310
1.2 MANAGEMENT SERVICES									
Current payments	30,154	(189)	-	29,965	27,913	2,052	93.2%	27,420	27,367
Transfers and subsidies	127	12	-	139	139	-	100.0%	1,290	1,174
Payment for financial assets	-	1	-	1	1	-	100.0%	-	-
1.3 FINANCIAL MANAGEMENT									
Current payments	34,861	(1)	-	34,860	33,637	1,223	96.5%	31,166	31,165
Transfers and subsidies	11	-	-	11	3	8	27.3%	380	374
Payment for capital assets	1,412	-	-	1,412	552	860	39.1%	1,069	1,025
Payment for financial assets	-	1	-	1	1	-	100.0%	-	-
1.4 INTERNAL AUDIT									
Current payments	3,818	-	-	3,818	3,679	139	96.4%	3,461	3,450
Total	73,887	-	-	73,887	69,466	4,421	94.0%	68,100	67,865

2012/13								2011/12	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
ADMINISTRATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	41,065	(12)	-	41,053	39,705	1,348	96.7%	36,144	36,134
Goods and services	31,272	(2)	-	31,270	29,065	2,205	92.9%	29,217	29,158
Transfers and subsidies to:									
Provinces and municipalities	11	(3)	-	8	1	7	12.5%	10	10
Departmental agencies and accounts	-	3	-	3	2	1	66.7%	-	-
Households	127	12	-	139	139	-	100.0%	1,660	1,538
Payment for capital assets									
Machinery and equipment	1412	-	-	1,412	552	860	39.1%	1,069	1,025
Payments for financial assets									
	-	2	-	2	2	-	100.0%	-	-
Total	73,887	-	-	73,887	69,466	4,421	94.0%	68,100	67,865

APPROPRIATION STATEMENT

for the year ended 31 March 2013

2012/13								2011/12	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
SUSTAINABLE RESOURCE MANAGEMENT	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 PROGRAMME SUPPORT									
Current payments	2,448	-	-	2,448	2,143	305	87.5%	1,386	1,385
2.2 ECONOMIC ANALYSIS									
Current payments	3,388	-	-	3,388	3,329	59	98.3%	3,246	3,245
Transfers and subsidies	10	-	-	10	10	-	100.0%	-	-
2.3 MUNICIPAL FISCAL DISCIPLINE									
Current payments	5,074	-	-	5,074	4,945	129	97.5%	5,329	5,327
2.4 PROVINCIAL ADMIN FISCAL DISCIPLINE									
Current payments	4,901	-	-	4,901	4,359	542	88.9%	3,825	3,818
2.5 BUDGET AND EXPENDITURE MANAGEMENT									
Current payments	7,515	-	-	7,515	7,489	26	99.7%	7,154	7,123
2.6 MUNICIPAL FINANCE									
Current payments	12,027	-	-	12,027	10,539	1,488	87.6%	10,224	10,223
Transfers and subsidies									
Payment for capital assets	250	-	-	250	98	152	39.2%	200	82
2.7 INFRASTRUCTURE CO-ORDINATION									
Current payments	3,017	-	-	3,017	2,653	364	87.9%	2,340	2,337
Total	38,630	-	-	38,630	35,565	3,065	92.1%	33,704	33,540

2012/13								2011/12	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
SUSTAINABLE RESOURCES MANAGEMENT	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	30,315	-	-	30,315	28,211	2,104	93.1%	26,927	26,921
Goods and services	8,055	-	-	8,055	7,246	809	90.0%	6,577	6,537
Transfers and subsidies to:									
Households	10	-	-	10	10	-	100.0%	-	-
Payment for capital assets									
Machinery and equipment	250	-	-	250	98	152	39.2%	200	82
Total	38,630	-	-	38,630	35,565	3,065	92.1%	33,704	33,540

APPROPRIATION STATEMENT

for the year ended 31 March 2013

2012/13								2011/12	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
ASSETS AND LIABILITIES MANAGEMENT	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 PROGRAMME SUPPORT									
Current payment	1,918	49	-	1,967	1,818	149	92.4%	1,633	1,627
3.2 PROVINCIAL SUPPLY CHAIN MANAGEMENT									
Current payment	14,816	(49)	-	14,767	14,036	731	95.0%	12,991	12,982
Transfers and subsidies	-	-	-	-	-	-	-	157	157
3.3 FINANCIAL ASSET MANAGEMENT									
Current payment	1,899	-	-	1,899	1,841	58	96.9%	1,746	1,743
3.4 PUBLIC SECTOR LIABILITIES									
Current payment	2,762	(100)	-	2,662	2,520	142	94.7%	2,303	2,301
3.5 PHYSICAL ASSETS MANAGEMENT									
Current payment	4,442	-	-	4,442	4,265	177	96.0%	4,289	4,285
3.6 INTERLINKED FINANCIAL SYSTEM									
Current payment	9,511	100	-	9,611	9,598	13	99.9%	8,011	7,995
3.7 INFORMATION TECHNOLOGY									
Current payment	70,990	(186)	-	70,804	69,278	1,526	97.8%	61,070	61,070
Transfers and subsidies	-	16	-	16	16	-	100.0%	-	-
Payment for capital assets	4,207	168	-	4,375	4,243	132	97.0%	3,979	2,469
Payment for financial assets	-	2	-	2	2	-	100.0%	-	-
Total	110,545	-	-	110,545	107,617	2,928	97.4%	96,179	94,629

2012/13								2011/12	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
ASSETS AND LIABILITIES MANAGEMENT	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	42,422	(16)	-	42,406	41,356	1,050	97.5%	38,798	38,779
Goods and services	63,916	(170)	-	63,746	62,000	1,746	97.3%	53,245	53,224
Transfers and subsidies to:									
Households	-	16	-	16	16	-	100.0%	157	157
Payment for capital assets									
Machinery and equipment	4,207	(1,396)	-	2,811	2,690	121	95.7%	3,979	2,469
Software and other intangible assets	-	1,564	-	1,564	1,553	11	99.3%	-	-
Payments for financial assets									
	-	2	-	2	2	-	100.0%	-	-
Total	110,545	-	-	110,545	107,617	2,928	97.4%	96,179	94,629

APPROPRIATION STATEMENT

for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
FINANCIAL GOVERNANCE	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 PROGRAMME SUPPORT									
Current payment	4,086	(11)	-	4,075	3,906	169	95.9%	6,042	5,817
Payment for capital assets	1,150	-	-	1,150	1,087	63	94.5%	-	-
4.2 ACCOUNTING SERVICES									
Current payment	4,353	(263)	-	4,090	3,659	431	89.5%	3,926	3,838
4.3 NORMS AND STANDARDS									
Current payment	17,528	695	-	18,223	18,211	12	99.9%	15,565	12,599
4.4 RISK MANAGEMENT									
Current payment	1,817	(396)	-	1,421	1,276	145	88.9%	1,504	1,481
Transfers and subsidies	-	14	-	14	14	-	100%	-	-
4.5 PROVINCIAL INTERNAL AUDIT									
Current payment	2,115	(39)	-	2,076	1,981	95	95.4%	1,967	1,912
Total	31,049	-	-	31,049	30,134	915	97.1%	29,004	25,647

Economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
FINANCIAL GOVERNANCE	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	16,247	(14)	-	16,233	15,534	699	95.7%	15,156	15,098
Goods and services	13,652	-	-	13,652	13,499	153	98.9%	13,848	10,549
Transfers and subsidies to:									
Households	-	14	-	14	14	-	100.0%	-	-
Payment for capital assets									
Machinery and equipment	1,150	-	-	1,150	1,087	63	94.5%	-	-
Total	31,049	-	-	31,049	30,134	915	97.1%	29,004	25,647

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2013

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, note number 8 and Annexure 1 (A-H) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1	Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	Administration	73,887	69,466	4,421	6.0%
	Sustainable Resource Management	38,630	35,565	3,065	7.9%
	Assets & Liabilities Management	110,545	107,617	2,928	2.6%
	Financial Governance	31,049	30,134	915	2.9%

Reasons for Variances:

The under spending is mainly on compensation of employees as a result of late appointment of 20 funded vacant positions budgeted at the beginning of the financial year as well as resignations and death. On goods and services the under spending is mainly outstanding contractual obligations (SITA, Vodacom, Department of Public Works, Roads and Transport). Under spending on payment of capital assets is due to non-delivery of GG Vehicles and office furniture by suppliers.

4.2	Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
	Current payments				
	Compensation of employees	131,659	126,458	5,201	4.0%
	Goods and services	116,723	111,810	4,913	4.2%
	Transfers and subsidies				
	Provinces and municipalities	8	1	7	87.5%
	Departmental agencies and accounts	3	2	1	33.3%
	Households	179	179	0	0.0%
	Payments for capital assets				
	Machinery and equipment	5,623	4,427	1,196	21.3 %
	Software and other intangible assets	1,564	1,553	11	0.7%
	Payments for Financial assets	4	4	-	0%

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2013

Reasons for Variances:

On **Compensation of Employees** the overall spending is 96 percent or R126, 458 million of the budget of R131, 659 million at the end of the year. The under spending is as a result of late filling of 20 funded vacant positions budgeted at the beginning of the financial year as well as resignations and death. Out of the 20 vacant funded posts, as at 31 March 2013, 19 were filled and 1 will be filled during April 2013.

On **Goods and Services** the overall spending is 96 percent or R111, 810 million of a budget of R116, 723 at the end of the financial year. The under spending is as a result of outstanding contractual obligations (SITA, Vodacom, Department of Public Works, Roads and Transport) for the month of March 2013.

On **Transfers and Subsidies** the overall spending is 97 percent or R0, 259 million of a budget of R0, 292 million at the end of the financial year. The under spending is mainly licence fees on three GG Vehicles that were outstanding at the end of the financial year.

On **Payment for Capital Assets** the overall spending is 83 percent or R 5,980 million of a budget of R7, 181 million. The under spending is as a result of non-delivery of GG Vehicles and office furniture by suppliers.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2013

PERFORMANCE

	<i>Note</i>	201 2/13	201 1/12
REVENUE		R'000	R'000
Annual appropriation	<u>1</u>	254,111	226,987
Statutory appropriation	<u>2</u>	1,652	1,566
Departmental revenue	<u>3</u>	56,153	48,203
Aid assistance	<u>4</u>	102	23
TOTAL REVENUE		312,018	276,779
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>5</u>	126,458	118,498
Goods and services	<u>6</u>	111,8 10	99,468
Aid assistance	<u>4</u>	-	23
Total current expenditure		238, 268	217,989
Transfers and subsidies			
Transfers and subsidies	<u>8</u>	182	1,705
Aid assistance	<u>4</u>	77	-
Total transfers and subsidies		259	1,705
Expenditure for capital assets			
Tangible capital assets	<u>9</u>	4,427	3,576
Software and other intangible assets	<u>9</u>	1,553	-
Total expenditure for capital assets		5,980	3,576
Payments for financial assets	<u>7</u>	4	-
TOTAL EXPENDITURE		244,511	223,270
SURPLUS/(DEFICIT) FOR THE YEAR		67,507	53,509
Reconciliation of Net Surplus for the year			
Voted funds		11,329	5,306
Annual appropriation	<u>12</u>	11,329	5,306
Departmental revenue and NRF Receipts	<u>13</u>	56,153	48,203
Aid assistance	<u>4</u>	25	-
SURPLUS FOR THE YEAR		67,507	53,509

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2013

POSITION	<i>Note</i>	2012/13	2011/12
		R'000	R'000
ASSETS			
Current assets		12,294	5,829
Cash and cash equivalents	<u>10</u>	12,283	5,817
Receivables	<u>11</u>	11	12
Non-current assets		-	-
TOTAL ASSETS		12,294	5,829
LIABILITIES			
Current liabilities		12,285	5,829
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	11,329	5,306
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	931	523
Aid assistance unutilised	<u>4</u>	25	-
Non-current liabilities		-	-
TOTAL LIABILITIES		12,285	5,829
NET ASSETS		9	-
	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Represented by:			
Recoverable revenue		9	-
TOTAL		9	-

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2013

NET ASSETS

	2012/13 R'000	2011/12 R'000
Recoverable revenue		
Opening balance	-	1
Transfers:	9	(1)
Irrecoverable amounts written off	-	-
Debts revised	9	78
Debts recovered (included in departmental receipts)		(79)
Debts raised	-	-
Closing balance	9	-
TOTAL	9	-

CASH FLOW STATEMENT

for the year ended 31 March 2013

CASH FLOW

	<i>Note</i>	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		311,823	276,031
Annual appropriated funds received	<u>1.1</u>	254,111	226,987
Statutory appropriated funds received	<u>2</u>	1,652	1,566
Departmental revenue received	<u>3</u>	55,958	47,455
Aid assistance received	<u>4</u>	102	23
Net decrease in working capital		1	(355)
Surrendered to Revenue Fund		(61,051)	(59,740)
Surrendered to RDP Fund/Donor		-	(23)
Current payments		(238,268)	(217,989)
Payments for financial assets		(4)	-
Transfers and subsidies paid		(259)	(1,705)
Net cash flow available from operating activities	<u>14</u>	12,242	(3,781)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>9</u>	(5,980)	(3,576)
Proceeds from sale of capital assets	<u>3.3</u>	195	748
Net cash flows from investing activities		(5,785)	(2,828)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		9	(1)
Net cash flows from financing activities		9	(1)
Net increase/(decrease) in cash and cash equivalents		6,466	(6,610)
Cash and cash equivalents at beginning of period		5,817	12,427
Cash and cash equivalents at end of period	<u>10</u>	12,283	5,817

ACCOUNTING POLICY

for the year ended 31 March 2013

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2012.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

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 comprise 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

ACCOUNTING POLICY

for the year ended 31 March 2013

financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payables 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 National/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

ACCOUNTING POLICY

for the year ended 31 March 2013

statement of financial performance when final authorisation for payments 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

ACCOUNTING POLICY

for the year ended 31 March 2013

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 under spending 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.

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 stipulated in the Act.

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.

ACCOUNTING POLICY

for the year ended 31 March 2013

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 Loans

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

ACCOUNTING POLICY

for the year ended 31 March 2013

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.

ACCOUNTING POLICY

for the year ended 31 March 2013

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 a capital expense in the statement of financial performance and are not apportioned between the capital and the interest portions. The total finance lease payment 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.

ACCOUNTING POLICY

for the year ended 31 March 2013

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. These receivables are written off when identified as irrecoverable and are disclosed separately.

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 2013

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	2012/13 Actual Funds Received	Funds not requested/ not received	2011/12 Appropriation received
	R'000	R'000	R'000	R'000
Administration	73,887	73,887	-	68,100
Sustainable Resource Management	38,630	38,630	-	33,704
Assets and Liabilities Management	110,545	110,545	-	96,179
Financial Governance	31,049	31,049	-	29,004
Total	254,111	254,111	-	226,987

2. Statutory Appropriation

	2012/13 R'000	2011/12 R'000
Member of Executive Council	1,652	1,566
Total	1,652	1,566
Actual Statutory Appropriation received	1,652	1,566

3. Departmental revenue

	Note	2012/13 R'000	2011/12 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	3,332	2,931
Interest, dividends and rent on land	3.2	52,531	44,446
Sales of capital assets	3.3	195	748
Transactions in financial assets and liabilities	3.4	95	78
Total revenue collected		56,153	48,203
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		56,153	48,203

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

3.1 Sales of goods and services other than capital assets

	Note	2012/13	2011/12
	3	R'000	R'000
Sales of goods and services produced by the department		3,332	2,931
Sales by market establishment		-	-
Administrative fees		-	-
Other sales		3,332	2,931
Sales of scrap, waste and other used current goods		-	-
Total		3,332	2,931

3.2 Interest, dividends and rent on land

	Note	2012/13	2011/12
	3	R'000	R'000
Interest		52,531	44,446
Dividends		-	-
Rent on land		-	-
Total		52,531	44,446

3.3 Sale of capital assets

	Note	2012/13	2011/12
	3	R'000	R'000
Tangible assets		195	748
Machinery and equipment		195	748
Software and other intangible assets		-	-
Computer software		-	-
Total		195	748

3.4 Transactions in financial assets and liabilities

	Note	2012/13	2011/12
	3	R'000	R'000
Loans and advances		-	-
Receivables		95	78
Other Receipts including Recoverable Revenue		-	-
Total		95	78

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

4. Aid assistance**4.1 Aid assistance received in cash from other sources**

	2012/13 R'000	2011/12 R'000
Local		
Opening Balance	-	23
Revenue	102	23
Expenditure	(77)	(23)
Transfers	(77)	(23)
Surrendered to the donor	-	(23)
Closing Balance	25	-

4.2 Total assistance

	2012/13 R'000	2011/12 R'000
Opening Balance	-	23
Revenue	102	23
Expenditure	(77)	(23)
Transfers	(77)	(23)
Surrendered / Transferred to retained funds	-	-
Closing Balance	25	-

4.3 Analysis of Balances

	2012/13 R'000	2011/12 R'000
Aid Assistance Unutilised		-
Other Sources	25	-
Closing Balance	25	-

5. Compensation of employees**5.1 Salaries and Wages**

	Note	2012/13 R'000	2011/12 R'000
Basic salary	5	84,469	79,088
Performance award		1,959	1,730
Service Based		50	164
Compensative/circumstantial		11,063	10,091
Periodic payments		-	-
Other non-pensionable allowances		13,226	12,285
Total		110,767	103,358

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

5.2 Social contributions

	<i>Note</i> 5	2012/13 R'000	2011/12 R'000
Employer contributions			
Pension		10,657	10,290
Medical		5,017	4,833
Bargaining council		17	17
Total		15,691	15,140
 Total compensation of employees		 126,458	 118,498
 Average number of employees		 344	 332

6. Goods and services

	<i>Note</i> 6	2012/13 R'000	2011/12 R'000
Administrative fees		796	462
Advertising		1,064	601
Assets less than R5,000	6.1	787	776
Bursaries (employees)		2	390
Catering		1,148	985
Communication		4,232	3,726
Computer services	6.2	55,002	46,873
Consultants, contractors and agency/outsourced services	6.3	4,247	4,828
Audit cost- external	6.4	5,898	9,913
Fleet services		1,505	1,439
Inventory	6.5	3,799	2,911
Operating leases		6,095	5,519
Property payments	6.6	3,362	3,422
Rental and hiring		10	-
Transport provided as part of the departmental activities		136	91
Travel and subsistence	6.7	16,719	14,164
Venues and facilities		3,614	1,118
Training and staff development		2,408	1,430
Other operating expenditure	6.8	986	820
Total		111,810	99,468

6.1 Assets less than R5, 000

	<i>Note</i> 6	2012/13 R'000	2011/12 R'000
Tangible assets		787	776
Machinery and equipment		787	776
Total		787	776

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

6.2 Computer services

	<i>Note</i>	2012/13	2011/12
	6	R'000	R'000
SITA computer services		55,002	45,219
External computer service providers		-	1,654
Total		55,002	46,873

6.3 Consultants, contractors and agency/outsourced services

	<i>Note</i>	2012/13	2011/12
	6	R'000	R'000
Business and advisory services		3,815	4,389
Legal costs		20	139
Contractors		412	300
Total		4,247	4,828

6.4 Audit cost – External

	<i>Note</i>	2012/13	2011/12
	6	R'000	R'000
Regularity audits		4,685	7,167
Performance audits		1,213	2,746
Total		5,898	9,913

6.5 Inventory

	<i>Note</i>	2012/13	2011/12
	6	R'000	R'000
Food and food supplies		148	72
Other consumables		610	597
Materials and supplies		63	1
Stationery and printing		2,978	2,241
Total		3,799	2,911

6.6 Property payments

	<i>Note</i>	2012/13	2011/12
	6	R'000	R'000
Municipal services		3,222	1,584
Property maintenance and repairs		140	-
Other		-	1,838
Total		3,362	3,422

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

6.7 Travel and subsistence

	<i>Note</i>	2012/13	2011/12
	6	R'000	R'000
Local		16,713	14,164
Foreign		6	-
Total		16,719	14,164

6.8 Other operating expenditure

	<i>Note</i>	2012/13	2011/12
	6	R'000	R'000
Professional bodies, membership and subscription fees		27	24
Resettlement costs		20	41
Other		939	755
Total		986	820

7. Payments for financial assets

	<i>Note</i>	2012/13	2011/12
	7	R'000	R'000
Debts written off	7.1	4	-
Total		4	-

7.1 Debts written off

	<i>Note</i>	2012/13	2011/12
	7	R'000	R'000
Medical Aid		3	-
Tax Debt (Ex-employee)		1	-
Total debt written off		4	-

8. Transfers and subsidies

		2012/13	2011/12
		R'000	R'000
Provinces and municipalities	<i>Note Annex 1B</i>	1	10
Departmental agencies and accounts	<i>Annex 1C</i>	2	-
Households	<i>Annex 1H</i>	137	1,695
Gifts, donations and sponsorships made	<i>Annex 1K</i>	42	-
Total		182	1,705

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

9. Expenditure for capital assets

	Note 9	2012/13 R'000	2011/12 R'000
Tangible assets		4,427	3,576
Machinery and equipment		4,427	3,576
Software and other intangible assets		1,553	-
Computer software		1,553	-
Total		5,980	3,576

9.1 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	4,427	-	4,427
Machinery and equipment	4,427	-	4,427
Software and other intangible assets	1,553	-	1,553
Computer software	1,553	-	1,553
Total	5,980	-	5,980

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	3,576	-	3,576
Machinery and equipment	3,576	-	3,576
Total	3,576	-	3,576

10. Cash and cash equivalents

	Note 10	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account		15,494	5,817
Disbursements		(3,211)	-
Cash on hand		-	-
Total		12,283	5,817

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

11. Receivables

		2012/13				2011/12
		R'000	R'000	R'000	R'000	R'000
		Less	One to	Older		
		than one	three	than		
		year	years	three		
	Note			years	Total	Total
Staff debt	11.1	6	-	-	6	7
Other debtors	11.2	4	1	-	5	5
Total		10	1	-	11	12

11.1 Staff debt

	Note	2012/13	2011/12
		R'000	R'000
Cell Phone	11	-	1
Overpayment		6	3
Tax Debt		-	3
Total		6	7

11.2 Other debtors

	Note	2012/13	2011/12
		R'000	R'000
Ex- Employee- Tax Debts	11	1	3
Medical Aid- Overpayment		4	2
Total		5	5

12. Voted funds to be surrendered to the Revenue Fund

	Note	2012/13	2011/12
		R'000	R'000
Opening balance	12	5,306	11,964
Transfer from statement of financial performance		11,3 29	5,306
Paid during the year		(5,306)	(11,964)
Closing balance		11,3 29	5,306

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

	Note	2012/13	2011/12
		R'000	R'000
Opening balance	13	523	96
Transfer from Statement of Financial Performance		56,1 53	48,203
Own revenue included in appropriation		-	-
Paid during the year		(55,74 5)	(47,776)
Closing balance		931	523

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

14. Net cash flow available from operating activities

	<i>Note</i>	2012/13	2011/12
	<i>14</i>	R'000	R'000
Net surplusas per Statement of Financial Performance		67,507	53,509
Add back non cash/cash movements not deemed operating activities		(55,265)	(57,290)
Decrease in receivables – current		1	28
Increase/(decrease) in payables – current		-	(383)
Proceeds from sale of capital assets		(195)	(748)
Expenditure on capital assets		5,980	3,576
Surrenders to Revenue Fund		(61,051)	(59,740)
Surrenders to RDP Fund/Donor		-	(23)
Net cash flow generated by operating activities		12,242	(3,781)

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

	<i>Note</i>	2012/13	2011/12
	<i>15</i>	R'000	R'000
Consolidated Paymaster General account		15,494	5,817
Disbursements		(3,211)	-
Total		12,283	5,817

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

		Note	2012/13 R'000	2011/12 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	257	343
Other departments (interdepartmental unconfirmed balances)		Annex 5	74	4
Total			331	347

16.2 Nature of Contingent Assets

	2012/13	2011/12
Performance Bonus paid to unqualifying official	23	-

17. Commitments

	Note	2012/13 R'000	2011/12 R'000
Current expenditure	17		
Approved and contracted		1,080	970
		1,080	970
Capital expenditure			
Approved and contracted		566	344
		566	344
Total Commitments		1,646	1,314

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

18. Accruals

	Note 18	2012/13 R'000	2011/12 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	4,325	156	4,481
Total	4,325	156	4,481
	Note 18	2012/13 R'000	2011/12 R'000
Listed by programme level			
Administration		1,088	1,586
Sustainable Resource Management		6	30
Assets and Liabilities Management		3,330	1,338
Financial Governance		57	402
Total		4,481	3,356
	Note	2012/13	2011/12
Confirmed balances with other departments	Annex 5	253	486
Total		253	486

19. Employee benefits

	Note 19	2012/13 R'000	2011/12 R'000
Leave entitlement		5,828	4,764
Service bonus (Thirteenth cheque)		3,606	3,370
Performance awards		2,166	1,771
Capped leave commitments		7,220	6,767
Total		18,820	16,672

20. Lease commitments

20.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	3,426	1,196	4,622
Later than 1 year and not later than 5 years	-	-	9,067	799	9,866
Later than five years	-	-	-	-	-
Total lease commitments	-	-	12,493	1,995	14,488

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2011/12					
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 five years	-	-	-	-	-
Total lease commitments	-	-	12,310	3,133	15,443

20.2 Finance leases expenditure **

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	-	-

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2011/12					
Not later than 1 year	-	-	-	19	19
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	19	19
LESS: finance costs	-	-	-	-	-
Total present value of lease liabilities	-	-	-	19	19

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	Note 21	2012/13 R'000	2011/12 R'000
Opening balance		651	-
Add: Irregular expenditure-relating to prior year		-	196
Add: Irregular expenditure -relating to current year		234	455
Irregular expenditure awaiting condonation		885	651

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

21.1 Details of Irregular expenditure: current year

Incident	Disciplinary steps taken	2012/2013 R'000
Incomplete Supply Chain Management Bid processes	Still under investigation	234

The Department is investigating possible instances of irregular expenditure which has been included in the amount disclosed above. The full extent of irregularity would only be known at the conclusion of these investigations. The amount disclosed above may change based on the outcome of these investigations.

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 building four lower and upper grounds in the Government Boulevard 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, Sport and Recreation, Human Settlements, Agriculture, Rural Development and Land Administration, Economic Development, Environment and Tourism, Education, Community Safety, Security and Liaison and Public Works, Roads and Transport, Health and Social Development.

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

During the year the Department received security services from the Department of Community Safety, Security and Liaison.

23. Key Management Personnel

	No. of Individuals	2012/13 R'000	2011/12 R'000
Political office bearers (provide detail below)	1	1,652	1,566
Officials:			
Level 15 to 16	1	1,077	-
Level 14 (incl. CFO if at a lower level)	3	2,666	3,653
Family members of key management personnel		-	-
Total		5,395	5,219

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

24. Movable Tangible Capital Assets**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2013**

	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	26,897	-	4,438	3,230	28,105
Transport assets	5,140	-	-	1,201	3,939
Computer equipment	18,047	-	3,398	1,995	19,450
Furniture and office equipment	2,348	-	650	34	2,964
Other machinery and equipment	1,362	-	390	-	1,752
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	26,897	-	4,438	3,230	28,105

24.1 Additions**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2013**

	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	4,427	11	-	-	4,438
Computer equipment	3,387	11	-	-	3,398
Furniture and office equipment	650	-	-	-	650
Other machinery and equipment	390	-	-	-	390
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4,427	11	-	-	4,438

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

24.2 Disposals

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	1,149	2,081	3,230	195
Transport assets	1,055	146	1,201	188
Computer equipment	60	1,935	1,995	3
Furniture and office equipment	34	-	34	4
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1,149	2,081	3,230	195

24.3 Movement for 2011/12

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	25,915	3,576	2,594	26,897
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 MOVABLE TANGIBLE ASSETS	25,915	3,576	2,594	26,897

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

24.4 Minor assets**MOVEMENT IN MINOR ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2013**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	12	6	7,361	-	7,379
Current Year Adjustments to Prior Year balances	-	-	-	-	-	-
Additions	-	-	-	784	-	784
Disposals	-	-	-	183	-	183
TOTAL MINOR ASSETS	-	12	6	7,962	-	7,980

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No of R1 Minor Assets	-	-	-	-	-	-
No of Minor Assets at cost	-	7	8	5,287	-	5,302
TOTAL NUMBER OF MINOR ASSETS	-	7	8	5,287	-	5,302

**MOVEMENT IN MINOR ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2013**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	12	6	6,765	-	6,783
Additions	-	-	-	776	-	776
Disposals	-	-	-	180	-	180
TOTAL MINOR ASSETS	-	12	6	7,361	-	7,379

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No of R1 Minor Assets	-	-	-	-	-	-
No of Minor Assets at Cost	-	7	8	4,979	-	4,994
TOTAL NUMBER OF MINOR ASSETS	-	7	8	4,979	-	4,994

25. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance R'000	Current Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	5,327		1,553	-	6,880
TOTAL INTANGIBLE CAPITAL ASSETS	5,327		1,553	-	6,880

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

25.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	1,553	-	-	-	1,553
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	1,553	-	-	-	1,553

25.2 Movement for 2011/12

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	5,327	-	-	5,327
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	5,327	-	-	5,327

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 1B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2011/12
	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	11	-	(3)	8	1	13%	-	-	-	10
	11	-	(3)	8	1	13%	-	-	-	10

ANNEXURE 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation	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
SABC	-	-	3	3	2	67%	-
	-	-	3	3	2	67	-

ANNEXURE 1H

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	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
Transfers							
Households	96	-	41	137	137	100%	527
Bursaries to non-employees	-	-	-	-	-	-	1,168
Total	96	-	41	137	137	100 %	1,695

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 1I**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Received in cash			
FNB	Mandela Day	-	23
Standard Bank	Mandela Day	50	-
Mafoko Security Services	Mandela Day	50	-
Meso ICT	Mandela Day	2	-
TOTAL		102	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)	2012/13	2011/12
	R'000	R'000
Paid in Cash		
Freedom Day Legacy Project	7	-
June Celebration Legacy Project	20	-
National Heritage Day Legacy Project	8	-
Women's Day Legacy Project	7	-
Subtotal	42	-
Made in kind		
COSAS	-	17
School Career Day - Laptops Donated	71	130
Freedom Day Legacy Project	-	14
Subtotal	71	161
TOTAL	113	161

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2013

ANNEXURE 3A

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

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	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
	Housing								
	Nedbank	60	98	-	86	-	12	-	-
	Standard Bank	83	16	-	-	-	16	-	-
	People's Bank	458	84	-	-	-	84	-	-
	Old Mutual	266	53	-	-	-	53	-	-
	First National Bank	160	32	-	-	-	32	-	-
	Mpumalanga Housing Finance Corporation	300	60	-	-	-	60	-	-
	TOTAL	1,327	343	-	86	-	257	-	-

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
MP:Department of Public Works, Roads and Transport	249	398	40	-	289	398
MP:Department of Agriculture Rural Development and Land Administration	4	4	-	-	4	4
PALAMA	-	84	6	-	6	84
Government Printing	-	-	23	4	23	4
MP:Department of Education	-	-	2	-	2	-
MP: Community Safety, Security Liaison	-	-	3	-	3	-
Subtotal	253	486	74	4	327	490

ANNEXURE 6

INVENTORY

Inventory	Note	Quantity	2012/13	Quantity	2011/12
			R'000		R'000
Opening balance		35,711	882	33,605	1,075
Add/ (Less): Adjustments to prior year balance		(13)	(14)	2,775	-
Add: Additions/ Purchases Cash		85,488	3,799	124,091	2,911
Add: Additions Non-cash		-	-	1,978	-
(Less): Disposals		(138)	(41)	-	-
(Less): Issues		(97,086)	(3,707)	(126,530)	(3,734)
Add/ (Less): Adjustments		(209)	(213)	(208)	630
Closing balance		23,753	706	35,711	882

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