



FREE  
STATE  
PROVINCE

# 2006-2007 ANNUAL REPORT



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## **ANNUAL REPORT 2006/2007**

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*MEC for Finance Mr. Phi Makgoe*

**FOREWORD BY  
MR. PHI MAKGOE  
MEC FOR FINANCE: FREE  
STATE PROVINCE**

It is my privilege to submit the Annual Report of the Free State Provincial Treasury for the period of 1 April 2006 – 31 March 2007. In the previous year's report I indicated the Provincial Treasury's intention to seriously address the incidence of under – expenditure or provincial infrastructure as well as to engage in processes and initiatives aimed at ensuring that provincial resource planning processes and actual service delivery programmes, take place in a manner that allows for more effective synergy, alignment and co – ordination with provincial Public Entities and District and Local Municipalities. Scanning through the achievements of this Department as captured in this Report for the period under review will, indeed, confirm that this Province exceeded its infrastructure targets set for the reporting period and supported Municipalities and Public Entities through various training initiatives that went well beyond Treasury oversight and support functions flowing from the Public Finance Management Act (PFMA), the Municipal Finance Management Act (MFMA), Treasury Regulations and various other legislative mandates.

This report is tabled at a time when processes are afoot to review provincial and Local government, and information contained herein comes at an opportune time to remind observers and serious researchers alike that progress will only manifest if the developmental vision of Government serves as the need to align resource planning and service delivery imperatives between all providers of public goods and services, as necessary pre – conditions towards the realization of improving the quality and sustainability of livelihoods of the poor.



*HOD Department of Treasury Mr. DR Barlow*

## **INTRODUCTION BY THE HEAD OF THE DEPARTMENT**

During the period covered by this report, the Free State Provincial Treasury had Cut out to ensure continued progress in service delivery. The result was that much effort went into support programmes and initiatives aimed at building effective resource planning and improved financial management capacity not only in the Treasury itself and provincial Departments, but also at Local Government and provincial Public Entity level in order to meaningfully address constraints to more effective and efficient service delivery plans of provincial Departments, Municipalities and Public Entities.

The rest of this report will, indeed, confirm that meaningful strides were made in the 2006/07 financial year to improve financial management, enhance infrastructure delivery and faster practices to ensure that ongoing fiscal and budgetary reform in the analysis, promotes sustainable growth and development in the Province.

# **PART I**

## **PROGRAMME PERFORMANCE**

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

## **INFORMATION ON THE MINISTRY**

### **BILLS SUBMITTED TO THE LEGISLATURE DURING THE FINANCIAL YEAR**

Appropriation bill

### **MINISTERIAL VISITS ABROAD**

<b>PLACE</b>	<b>DATE</b>	<b>PURPOSE</b>
Malaysia, Singapore, Thailand	28th May 2006 – 10th June 2006	Attend AUS-HS/HIS India International Executive Short Course (R7 276.25)
Sri Lanka, Singapore	14th September 2006 – 21st September 2006	Attend the Commonwealth Finance Ministers meeting and the annual meetings (World Bank and International Monetary fund). (R5 980.58)

### **MISSION STATEMENT**

Render timeous and responsive service delivery to clients through:

- enforcing the implementation of the Public Finance Management Act;
- preparation of sound and sustainable provincial budgets;
- promotion and monitoring of the sustainability of local government budgets;
- sound management of departmental and provincial government's financial assets and liabilities;
- promotion of sound supply chain management practices;
- optimization of provincially collected revenue;
- enhancement of sound cash management, accounting practices, policies and systems;
- promotion and implementation of restructuring and transformation process;
- sound management of departmental resources.

### **LEGISLATIVE MANDATES**

- Constitution Act No. 200 of 1993;
- Public Finance Management Act No. 1 of 1999 (as amended);
- Treasury Regulations, May 2005;
- Employment Equity Act of 1998;
- Public Service Act 1994;
- Public Service Regulations, 2001;
- Public Service Coordinating Bargaining Council Collective Agreements;
- SITA Act 1999;
- SITA Regulations 1999;
- Archives Act of 1962;
- Protection of Information Act, Act 84 of 1982;
- Access to Information Act of 1998 (as amended);
- Minimum Information Security Standards (Miss);
- Division of Revenue Act;
- Municipal Finance Management Act number 56 of 2003;
- Municipal Supply Chain Regulations 2005;
- Municipal Investment Regulations 2005;
- Municipal PPP Regulations 2005;
- Performance Procurement Policy Act 5 of 2000;
- SCM Regulations 2004.

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

## **PROGRAMME PERFORMANCE**

### **VOTED FUNDS**

<b>Appropriation</b>	<b>Main Appropriation R'000</b>	<b>Adjustment Appropriation R'000</b>	<b>Actual Amount Spent R'000</b>	<b>Under Expenditure R'000</b>
Administration	40,212	41,612	34,959	6,653
Sustainable Resource Management	11,636	11,636	8,703	2,933
Asset and Liability Management	52,711	50,509	41,941	8,568
Financial Governance	15,120	15,922	14,680	2,142

### **VISION**

A leading change agent for improved economic growth and social equity through prudent financial management.

### **PROGRAMMES**

The activities of the Free State Provincial Treasury are organized in the following programmes:

- Administration
- Sustainable Resource Management
- Asset and Liability Management
- Financial Governance

### **KEY MEASURABLE OBJECTIVES**

#### **ADMINISTRATION**

- To provide administrative support to the member of the executive council;
- Ensure good strategic support to management team;
- Promotion of sound human resource practices;
- Development and implement approved special programme policies;
- Render effective human resource training and development;
- Promotion of effective and efficient communications with internal and external clients;
- Render effective and efficient IT support services;
- Render effective organizational efficiency services;
- Render effective security services;
- Ensure sound supply chain management;
- Promote sound financial and budget control within the department;
- Support the department through sound financial administration;
- Provide high quality and professional internal audit services;
- Provide professional advisory and consulting services;
- Facilitate risk management process within the department.

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

## **SUSTAINABLE RESOURCE MANAGEMENT**

- Assess and analyse economic variables for the province;
- Determining the potential sources and constraints for enhanced growth and development as framed in the PGDS;
- Assess the impact of various policy objectives on selected social and economic variables;
- To strengthen and provide technical and strategic support for institutional capacity of provincial governments;
- Set credible revenue budgets;
- Oversee compliance with revenue policies, financial directives, PFMA and treasury regulations;
- Oversee the implementation of policies for effective control of revenue;
- Alignment of budgets to FSPGD's, strategic and annual performance plans;
- Set credible expenditure and revenue budgets;
- Monitor compliance with the public finance management act, regulations and guidelines;
- To strengthen and provide technical and strategic support for institutional capacity of provincial government;
- Provide policy advice and ensure budget implementation in provincial departments;
- Effective monitoring and implementation of budgets for provincial departments and public entities.

## **ASSET AND LIABILITY MANAGEMENT**

- Develop, promote and monitor the implementation of policies for effective management of assets;
- Provide strategic leadership, support and monitoring of Supply Chain Management;
- To strengthen and provide technical and strategic support for institutional capacity of provincial government;
- To provide for the implementation, management and support of existing financial management systems and the transition of Integrated Financial Management Systems (IFMS) enhancing compliance with PFMA and other relevant legislations.
- Monitor the compliance with the PFMA, accounting policies, regulations and guidelines.

## **FINANCIAL GOVERNANCE**

- Development and implementation of accounting policies and practices to ensure compliance with GRAP standards;
- To strengthen and provide strategic support to provincial departments and public entities with regard to Accounting Policies, practices and Annual Financial Statements;
- Consolidate Annual Financial Statements for the provincial departments and public entities;
- To monitor compliance with regard to Accounting Standards, Policies and relevant sections of PFMA.
- To promote compliance with Provincial Norms and Standards;
- To promote effective implementation of legislation;
- To monitor compliance with PFMA and Treasury Regulations;
- To monitor, evaluate and report on compliance of the Municipal Finance Management Act;
- Facilitation of residual risk assessments and the availability of a risk profile per department;
- The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks;
- Assessment of Internal Audit Units
- Capacity building Internal Audit.

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

## **ACHIEVEMENTS**

During the 2006/07 financial year, this Department continued to execute its broad functions and responsibilities flowing from various legislative and other mandates, and succeeded in achieving most of its delivery objectives as captured in its Performance Plan, whilst exceeding delivery targets in respect of others.

At the start of the financial year, the Department indicated its intention to more closely focus on:

- Engineering an approach to provincial resource planning and allocation that would see a deliberate movement away from a budget process largely informed by historical departmental baselines, in favour of an approach that seeks to utilize priorities from the Free State Growth and Development Strategy (FSGDS) as the mandating framework informing resource allocations to departments in line with the particular objectives of Provincial Clusters.
- Initiatives to strengthen and provide strategic support to provincial departments and public entities with regard to Accounting Policies, Practices and Annual Financial Statements in line with Generally Recognized Accounting Practice (GRAP) standards.

Good progress was made in this regard, and particular efforts included:

- **THE PUBLICATION OF A MORE COMPREHENSIVE SOCIO-ECONOMIC REVIEW AND OUT-LOOK FOR THE PROVINCE, AS PART OF THE 2007/08 PROVINCIAL BUDGET STATEMENT**

The significance of this development is that it provided an analytical framework to better inform provincial fiscal policy development, as well as the drawing of the MTEF (Medium Term Expenditure Framework) budget for 2007/08-2010/11. In addition, it allowed for a much more informed alignment of budget proposals with the prevailing provincial growth and development strategy.

- **THE FACILITATION OF THE ROLL-OUT OF THE PROVINCIAL INFRASTRUCTURE DEVELOPMENT IMPROVEMENT PROGRAMME (IDIP)**

The main purpose of the published Provincial Infrastructure Plan commonly referred to in this Province as the 'Infrastructure Blue Book', is to consolidate infrastructure plans from various provincial departments, as well as to ensure effective alignment with spatial development objectives and related national and provincial priorities.

Given the importance of the aforementioned, the significance and overriding importance of infrastructure delivery in stimulating economic growth, necessitated that much effort be directed towards supporting and facilitating the roll-out of the IDP in earmarked provincial departments, to better co-ordinate and enhance the effectiveness, efficiency and efficacy of infrastructure planning, design, delivery and monitoring procedures and processes in the province through, inter alia:

- assessing the appropriateness of programme design;
- assessing progress in actual implementation at activity and output level;
- identifying current and future constraints to programme implementation; and
- making appropriate recommendations to address concerns in respect of current design, prioritisation, resource allocation and implementation processes and methodologies.

As a result of the impact of these and various other interventions and special efforts, the Free State Provincial Government was able to exceed its infrastructure delivery targets for the year under review.

- **A SHARPER FOCUS ON THE EFFECTIVENESS AND EFFICIENCY OF PROVINCIAL EXPENDITURE PROGRAMMES**

Key to the aforementioned exercise, and in addition to tracking expenditure on government programmes, was the need to ensure more effective and more comprehensive provincial reporting in respect of non-financial performance information. This became necessary to facilitate a broader, more objective assessment of the appropriateness and effectiveness of provincial public expenditure programmes in meeting the actual service delivery imperatives of the provincial growth and development strategy.

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**• STRENGTHENING CO-OPERATION BETWEEN THE PROVINCIAL TREASURY AND MUNICIPALITIES**

Much effort went into initiatives and processes to enhance communication and deepen and strengthen co-operation between the Provincial Treasury and Local and District Municipalities, with a view to creating a culture of excellence and efficiency that would enable this Department and Municipalities to jointly address observed capacity challenges, enhance compliance with the Municipal Finance Management Act (MFMA) and promote good governance and sound financial management practices in general.

Through the initiation of the 'Operation TLALEHO' programme of action, a 100% submission of monthly budget outcome reports from all the 21 delegated Municipalities were achieved. Municipalities were further assisted to build required capacity through the conduct of training sessions aimed at addressing identified shortcomings and challenges. Furthermore, some Municipalities received Capacity Building Grants from the Provincial Treasury to address matters such as the:

- the appointment of competent officials in the finance sections of Municipalities;
- establishment of websites;
- improvement of billing systems;
- finalisation of Annual Financial Statements;
- effective implementation of supply chain management practices and procedures;
- implementation of a system of electronic fund transfers;
- enhancement of revenue collection;
- development of skills in auditing and finance;
- general capacitation of staff currently employed in the finance sections of Municipalities.

Treasury also facilitated the establishment of a Municipal Chief Financial Officers' Forum as an inter-governmental forum where key officials from National, Provincial and Local Government meet to share ideas, initiatives, methodologies and best-practice with regard to issues and matters as varied as, inter alia:

- Models, systems and methodologies to measure performance;
- Strategies to enhance infrastructure delivery;
- Effective management of conditional grants in relation to expenditure and adherence to set conditions;
- Latest developments and norms and standards informing the drawing of Annual Financial Statements;
- Latest developments and best-practices with regard to financial systems, including billing systems
- Effective internal audit and risk management;
- Best practice to guide the implementation of an effective supply chain management regime in Municipalities;
- The development of Intergrated Development Plans (IDP's) in line with the latest budget reforms;
- Necessary procedures and support structures to facilitate the timeous and effective implementation of resolutions of the Provincial Public Accounts Committee (PROPAC) of the Free State Provincial Legislature;
- Effective and appropriate performance management systems;
- Possible strategies and initiatives to meaningfully increase the efficacy of own revenue collection.

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**PERFORMANCE PROGRAMME  
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• **ATTAINMENT OF KEY PERFORMANCE INDICATORS FOR FINANCIAL MANAGEMENT**

Focused attention on financial management throughout the period under review, ensured that the Department could exceed the norm (of 81%) set for the Province for 2006/07, by achieving an average performance for the year of 94%.

These, and other, achievements will not dampen the efforts of the Department in the ensuing year as tough challenges remain that are likely to impact on future plans and resource allocations over the 2007/08-2009/10 Medium Term Expenditure Framework (MTEF) period and beyond, such as:

- The need to ensure that evidence-based planning and decision making remains all-important ingredients in enhancing transparency, fostering good governance and improving financial management;
- The search to find systems and methodologies that can compliment the tracking of non-financial performance in service to the key objectives flowing from the provincial growth and development strategy.
- Effectively managing challenges associated with the ongoing migration towards full accrual accounting.
- The necessity for ongoing improvements to the measurability of spending programmes to support even more informed allocative decisions between provincial departments as well as between departmental programmes to, ultimately, ensure a better assessment of actual outputs and outcomes resulting from provincial expenditure programmes.
- Challenges associated with effective costing of service norms and standards and the design of analytical instruments and methodologies to assess the qualitative impact of provincial expenditure on key economic variables.

• **OTHER DEPARTMENTAL ACHIEVEMENTS**

In addition to the aforementioned, the Department had several other achievements of which those, of possible interest to the general public, can be listed as follows in respect of different departmental programmes.

**PROGRAMME I: ADMINISTRATION**

- The office of the Auditor General finalized the audit for 2005/06 within the prescribed time and the department received an unqualified report.
- During the 2006/07 financial year the department achieved an average of 92.94% for the payment of creditors via the Logis system. BAS payments were done within 5 working days after receipt.
- All registered losses were finalized before the closing of the 2006/2007 financial year.
- The provincial Treasury was the only department that for 2 months a 100% adherence to the Key Performance Indicators set for the province was achieved. The department had an average of 94% in respect of the Key Performance Indicators for the 2006/07 financial year. The target set for the province was 78% and in the Annual Performance Plan of the department the target was set at 85%.
- The department maintained a credible bank account during the financial year.
- The department successfully closed on a monthly basis in respect of the BAS system before the due date throughout the year, which meant that the department was not once forced closed by National Treasury.
- Negotiations between the department and Local Government and Housing were finalized in respect of an outstanding debt and the amount of R441 000 was recovered before the end of the 2006/07 financial year closing.
- The tax reconciliation was finalized and submitted without any discrepancies or queries.
- New Supply Chain Management posts resulting from the new structure were filled.
- The Department Managed to recruit an African woman at Senior Management Level.
- An internship programme was implemented in the Department.
- 179 officials were trained on disciplinary procedures, grievance procedures and abscondment.
- The Department awarded bursaries to 39 full time students and 37 officials at a cost of R950,000.00.
- Adoption of the Ikaheng crèche for the disabled with the participation of the Manyatseng community.

**PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT**

- MEC for Finance tabled the Adjustment Appropriation Bill together with the adjustment book on the 20<sup>th</sup> November 2006 before the Provincial Legislature.
- A credible balanced budget covering the 2007 MTEF together with the Appropriation Bill was tabled by the MEC for Finance on the 28<sup>th</sup> February 2007, one week after the National Budget day.
- Guidance and assistance provided to departments with regard to preparation of Annual Performance Plans.
- Took part in the National Treasury workgroup on the determination of the Provincial Equitable Share.

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

### **PROGRAMME 3: ASSET AND LIABILITY MANAGEMENT**

- Preparatory work completed to support the institution of a single supplier database for whole province in the ensuing financial year.

### **PROGRAMME 4: FINANCIAL GOVERNANCE**

- Bilaterals on Financial Management was held for the first time with all departments and official Public Entities.
- The unqualified audit opinions for departments increased from 6 in 2004/05 to 8 in 2005/06 while the unqualified audit opinions for Public Entities decreased from 10 in 2004/05 to 8 in 2005/06.
- Accounting Services within the Provincial Treasury implemented a mechanism to monitor and report on the status and recovery of debt in the Province not available on BAS.
- Outstanding commitments as at 1 April 2006 were reduced by R198,5 million as a result of the intervention and monitoring performed by this office on the outstanding commitments on Logis.
- The Free State Province provided National Treasury with the most inputs and concerns, of all Provinces and National Departments, on the templates and guide for the preparation of Annual Financial Statements.
- Two asset workshops were held by Accounting Services to ensure that the issues which were raised as concerns with regard to assets on the preparation of annual financial statements were investigated and where possible addressed timeously.
- Assets captured at R 1,00 values were reduced from 6196 to 3777.
- Issued three compliance reports to the Executive Council regarding compliance with the act.
- Implement the newly approved PROPAC procedure. Preliminary assessments done within 5 five working days.
- The first bilateral with public entities were held during January 2007.
- The contingent liability of Housing guarantees was reduced as follows during 2006/7:
  - (a) R 4,7 Million at ABSA
  - (b) R 2,2 Million at Standard Bank
  - (c) R716,754 at FDC
  - (d) R 11,8 Million FNB
  - (e) R 128, 247 at Old Mutual Finance
  - (f) R 140, 008 at Green Start
- Unauthorized expenditure of R29 719 035.00 was enacted on 25 August 2006
- Finance Bill was submitted to EXCO during February 2007 regarding R389,6 million unauthorized expenditure
- 8 guidelines regarding norms and standards were issued
- Treasury Regulations chapter 5 was amended during March 2007
- Schedule 3c of the PFMA was rectified
- A normative measure questionnaire for Public Entities was developed and implemented.

### **OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT**

Though there were no changes in the department's legislative and regulatory environment that impacted significantly on its service delivery environment, changes in the service delivery environment were largely driven by operational needs to achieve set targets and service identified areas of focus. Some of the more important ones are listed below as it relates to particular departmental programmes.

### **PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT**

Public Sector procurement continue to play an important facilitative role in crating opportunities for the attainment of preferential procurement objectives and targets of Government in general and the promotion SMME development in particular.

To heighten the importance of the above, the year under review saw the Free State Provincial Treasury assuming leadership in the above regard through being instrumental in facilitating a provincial decision to establish a Centralized Suppliers' Management System for the Province. This became necessary to enhance effectiveness and transparency in respect of provincial procurement processes.

The development of this system, which is expected to have a huge beneficial impact on the service delivery environment of all provincial departments, started in earnesty in the latter part of the year under review, and the system is expected to be fully operational by the end of the third quarter of the 2007/08 financial year.

Given the importance of immovable and moveable assets as an indispensable part of infrastructure and service delivery in all provincial departments and public entities, effort was also devoted towards promoting effective and efficient asset utilization. Due to these and other efforts, eleven provincial departments were able to reconcile their asset register on the Logistical Information System (LOGIS) with expenditure on the Basic Accounting System (BAS), for the 2005/2006 financial year, which enhanced the usefulness of financial information on assets.

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

## **PROGRAMME 4: FINANCIAL GOVERNANCE**

This programme monitor adherence to predetermined Key performance Indicators which include issues raised in previous audit reports and financial prescripts relating from the PFMA and Treasury Regulations as well as National and Provincial Prescripts. Monitoring reports were issued on a monthly basis to the CFO's of all Departments. Departments and Trading Entities achieved an average of 85,9% adherence to the prescribed Key performance Indicators at the end of February 2007 (April 2006 – February 2007) Work also started with regard to the monitoring of the Financial Management by Public Entities with monitoring letters in respect of the evaluation of bank reconciliations issued on a monthly basis.

A similar monitoring and oversight role exists with regard to the management of Municipal Finances and the implementation of the Municipal Finance Management Act and related issues. Compliance monitoring were done through submission of reports on an annual, quarterly and monthly basis. However, the turnover rate of Senior Managers at Municipalities had a negative impact on service delivery as well as capacity building initiatives.

In order to improve capacity and to support municipalities with the implementation of the Municipal Financial Management Act (MFMA) Provincial Treasury identified the following capacity constrains and priority needs at selected municipalities:

- Establishment of websites in terms of Section 75 of the MFMA for four municipalities that need urgent assistance.
- GRAP/GMAP implementation.
- Compilation and submission of Annual Financial Statements.
- Improvements of billing systems.
- Other financial related issues.
- Appointment of suitable competent officials in finance departments.
- Implementation of SCM procedures.
- Implementation of electronic fund transfers (EFT payments)
- Enhancement of revenue collection.
- Skills development audit in finance department.
- Capacity building for current staff in finance department.

## **OVERVIEW OF THE ORGANIZATIONAL ENVIRONMENT FOR 2006/07**

During the year under review, the Department did experience organisational challenges in some programmes, that somewhat impacted on its ability to deliver on its performance Plan.

Challenges related mostly to high vacancy rates due to staff turnover and the inability to attract suitably qualified and experienced staff. In order to reach acceptable staffing levels in the ensuing financial year in respect of all departmental programmes, and particularly in respect of areas of operation related to Economic Analysis, Internal Audit, MFMA monitoring, Fiscal Policy and Public Finance, measures were introduced in the year under review to expedite recruitment, selection and appointment processes and procedures.

The aforementioned situation, impacted somewhat on all programmes, but possibly had the biggest impact on the operations of the Departmental Internal Audit Unit, due to the resignation of a number of staff members of this Unit, including the Chief Internal Audit Executive, during the latter part of the period under review. It is envisaged that this Unit will be back to full capacity after the end of the first quarter of the 2007/08 financial year, and this will necessitate a review of the rolling 3-year Internal Audit Plan during the first half of the 2007/08 financial year. The filling of key positions early in the 2007/08 financial year in respect of all other programmes will, similarly, ensure that the achievements obtained in the period under review is not compromised due to staff vacancies.

## **STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2006/07 FINANCIAL YEAR**

No specific legislative changes or new policy developments occurred during the period under review, except the following matters which largely relate to operational requirements to enhance efficiency and effectiveness of departmental operations.

### **Economic Analysis**

Apart from the focus on ASGISA and JIPSA, no new policy developments or legislative changes took place over the reporting period within Provincial Treasury.

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

### **Budget Management**

No specific new policy developments or legislative changes took place over the reporting period within Provincial Treasury. The only changes relate to further improvements to the formats of documents used. Treasury Regulations has also been amended to make provision for the submission of Annual Performance Plans to the Legislature.

### **Supporting and Interlinked Financial Systems**

To enhance operational efficiency it was decided to abolish ten posts, four at Basic Accounting Systems Sub-Directorate, three at Logistics Sub-Directorate and three at Information Systems Sub-Directorate. The Management Information Systems (MIS) Sub-Directorate has been abolished and the functions were transferred to the Information Systems Sub-Directorate.

### **MFMA oversight and monitoring**

During the latter period of the year under review, the Department had to gear up for the devolution of MFMA oversight functions from the National Treasury in respect of a further 3 Municipalities, namely Matjhabeng Local Municipality, Maluti-a-Phofung Local Municipality and Thabo Mofutsanyana District Municipality, with effect from 1 July 2007.

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**PERFORMANCE PROGRAMME  
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**DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS**

	<b>2003/04 Actual R'000</b>	<b>2004/05 Actual R'000</b>	<b>2005/06 Actual R'000</b>	<b>2006/07 Target R'000</b>	<b>2006/07 Actual R'000</b>	<b>% Deviation from target</b>
Non-tax revenue	61,140	71,259	53,462	55,564	73,813	25%

**DEPARTMENTAL EXPENDITURE**

<b>Programmes</b>	<b>Voted for 2006/07 R'000</b>	<b>Roll-overs and adjust- ments R'000</b>	<b>Virement</b>	<b>Total Voted R'000</b>	<b>Actual expenditure R'000</b>	<b>Variance</b>
Programme 1	40,212	1,400	-	41,612	34,959	16%
Programme 2	11,636	-	-	11,636	8,703	25%
Programme 3	52,711	(2,202)	-	50,509	41,941	17%
Programme 4	15,120	802	-	15,922	14,680	13%

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**PROGRAMME PERFORMANCE IN DETAIL**

**Programme I: Administration**

**Purpose:** This programme will provide leadership, strategic management in accordance with legislation, regulation and policies as well as to ensure there is appropriate support service to all other programmes.

**Sub-programme I.1: Office of the MEC**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Smooth and effective functioning of the MEC office.	90% compliance	85%
	5 working days	100%
Strengthen linkage with Treasury, and Provincial Legislature.	90% compliance	100%
Ensure good public profile for the MEC.	80% compliance	100%
Fulfilment of MEC legislative and political functions.	85% compliance	100%
	75% compliance with legislation	100%

**Sub-Programme I.3: Corporate Services**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Promotion of sound human resources practices	<p>I Plan reviewed and updated</p> <p>Appointments and promotions approved within three months after request.</p> <p>Transfers approved within two months after request.</p>	<p>100% achieved I Plan reviewed &amp; updated</p> <p>Appointments for the quarter: Disabled = 0 Black females = 17 Black males = 22</p> <p>Transfers approved within two months after request</p>
Render Legal advisory service and labour relations	Grievances: 30 working days Misconduct hearing: 10 working days after notice has been served	Training for SMS postponed

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**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Develop & implement special programmes policies	Developed and implemented special programmes policies	<p>The following activities took place:</p> <ul style="list-style-type: none"> <li>- Stress Management workshop.</li> <li>- Heritage Day, Womens' Day Celebration,</li> <li>- World Aids Day Community Outreach projects.</li> <li>- Visit to the Tshepong Victim Centre. Adoption of Ikaheng Centre of the Disabled.</li> <li>- STI's workshop</li> </ul> <p>Dissemination of information on Human Rights Day</p>
Render effective Human Resource training & development	<p>Review Policy</p> <p>I Workplace Skills Plan</p> <p>Review I Induction Manual</p> <p>Intern policy implemented</p>	<p>Amendments to policy were proposed and circulated for inputs to different stakeholders – 50% responses were received, the policy will be amended and re-circulated and then approved</p> <p>100% achieved, WSP developed and submitted to PSETA by the 30th of June 2006. 233 officials were trained for 2006/07 financial year.</p> <p>Induction manual compiled and 100% implemented.</p> <p>90 % of new officials were inducted, through 3 induction sessions</p> <p>5 ICT learners completed learnership programme in December 2006.</p>
Promotion of effective and efficient communication with internal & external clients	<p>Communication policy reviewed</p> <p>4 Internal newsletters</p> <p>2 External newsletters</p> <p>2 Media briefings annually</p>	<p>Amendments to policy were proposed and circulated for inputs to different stakeholders – 50% responses were received, the policy will be amended and re-circulated and then approved</p> <p>3 Internal newsletters</p> <p>1 External newsletter published</p> <p>100% (3 Media briefings for the year)</p>
Render effective and efficient IT support services	<p>IT policy reviewed</p> <p>Request attended within 24 hours</p> <p>I Automated PDMS System</p>	<p>Plan to be circulated to Top Management for inputs and approval by the CEO</p> <p>26% 1 148 Logged calls 302 Logged calls resolved</p> <p>The system is on hold because there should be single system for the entire province. A task team has been established to look into this matter</p>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Render effective organizational efficiency services	<p>I Approved Organisational Structure</p> <p>Performance plans for all filled posts 100% implemented</p>	<p>I approved organizational structure</p> <p>69% Officials trained (Assistant Managers and Managers)</p> <p>Departmental organizational structure completed</p> <p>79% assessed performance plans have been submitted for salary level 1-12</p> <p>80% outstanding of performance plans for 01 October 2006 – 31 March 2007</p> <p>24 posts have been evaluated and finalized.</p> <p>Conducted Service standards for Financial Governance Chief Directorate</p>
Render effective security services	<p>Conduct security awareness campaign</p> <p>4 Inspection reports</p>	<p>0%</p> <p>0%</p>

**Sub-Programme 1.4: Financial Management**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Effective and efficient Supply Chain Management.	50 % compliance	<p>The requesting of quotations was centralised with effect from 1st June 2006.</p> <p>The SCM policy was approved.</p> <p>The advertisement was placed for suppliers to register in the Departmental Suppliers Database.</p> <p>All vacant posts were advertised.</p> <p>The department finalized the process of bar coding of all assets.</p> <p>92.55% of all creditors are being paid within 30 days.</p> <p>The vacant posts of Assistant managers were filled during February 2007.</p>
Strategic planning process.	<p>Tabled Strategic plan and Annual Performance Plan March 2007</p> <p>80% Effective application of resources in reaching strategic goals</p> <p>Finalization of Annual report by 31st August 2006</p>	<p>100%</p> <p>100%</p> <p>100%</p>
To comply with Financial Management key performance indicators (KPI'S)	85%	100%

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**Sub-programme 1.5: Internal Audit**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
To provide effective and professional Internal Audit Services.	100% Execution of the Operational Plan and three (3) year Strategic Rolling Plan	0% (87% Resignation of all managers within the Internal audit impacted on facilitation and supervision of execution of audit activities)
	100% Provide advisory and consulting services through reports to Audit Committee, Management, and AG & Other State Holders.	0% (100 % Resignation of all managers within the Internal audit impacted on facilitation and supervision of execution of audit activities)
Facilitation of risk management process	100% Risk assessment report	100%
Assist with compilation and implementation of Integrity Promotion Strategy( incorporating Fraud Prevention Plan	100% Monitoring of fraud hotline	0% (The function was transferred to Security services due to lack of capacity emanating from resignation of managers)
	100% Implementation of detective reviews (Including completion of ad hoc or investigative assignments).	0% (No fraud investigation requests were received from management and our reviews did not identify any indications that fraud could have occurred.)

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT**

Purpose: Provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and the management of the annual budget process.

**Sub-Programme 2.2: Economic Analysis**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Describe the economy of the province.	Socio-economic outlook publication  Inputs on socio-economic outlook that will inform the budget allocation	The current socio-economic out look was successfully revised.
Develop and maintain a provincial economic model	Social Accounting Matrix (SAM) table and I analysis report	50%
Construct and maintain a socio-economic and demographics' database for province and per district	Developed and functional provincial socio-economic and demographics' database	0%
Collection and analysis of social and economic statistics at provincial and municipal levels	Qualitative research report for 9 sectors	0%
Asses and analyse economic variables for the province.	Annual performance economic review (PER) publication	100%

**Sub-Programme 2.3: Fiscal Policy**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Develop borrowing framework	Draft framework completed	The development of the framework was put on hold finalization in the 2007/08 financial year
Capacity building in departments	I workshop & quarterly meetings and training during 60 inspections  35 quarterly meetings	58% (Target could not be reached due to 43% vacancy rate.)  58% (Meetings postponed due to restructuring of unit after appointment of new Senior Manager.)

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Provincial own revenue sources optimized and expanded.	Develop a revenue base per dept. and review annually.	55% (Data from 5 departments have been received and analyzed. The 4 Remaining departments still need to submit information.)
	Develop a framework of research into new revenue sources	Framework to be finalized in 2007/2008 financial year.  Report to be finalized in 2007/2008 financial year
	Research report on options for provincial tax	0% (Workshop was postponed to the 2007/08 Financial year after the appointment of the new Senior Manager for Fiscal Policy.)
		22 Quarterly meetings (52,4%)
Compliance with Norms and Standards	60 Inspections (11 departments)	58%
	60 Reports	58%
	4 Reports per department per year on EXCO matters	25 %
Effective management of revenue collection	22 policies	90% (The tariff policy submitted by departments of Local and Housing was sent back for corrections.)
	16 tariff submission	49% (No inputs received from Department of Public Works, Roads and Transport for the Year. Department of Health info submitted up to end of February 2007)

**Sub-Programme 2.4: Budget Management**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Prepare developmental budgets	Table appropriation and provincial budget one week after National Budget	100%
	Accurate budget Statement tabled with the bill	100%
	Analysis report on the alignment of strategic plan 30 days after receipt of the strategic plan	100%
Prepare credible adjustments budget	Tabled adjustment budget and adjustment app bill	100%
	Tabled adjustment budget book	100%

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**Sub-Programme 2.5: Public Finance**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Monitoring of expenditure trends against budget figures	12 analyzed reports per department	100%
	4 Quarterly review on expenditure trends	100%
	4 Quarterly analyzed report on public entities	100%
	4 Quarterly published information in line with national Directives in respect of Section 32	0%
	4 Quarterly reporting and publications on Infrastructure spending	100%
Maintain the Provincial budget database (Financial and Non-financial Information)	Developed Monthly updated provincial database	100%
	Developed Quarterly updated provincial database on non-financial information	10%
Involvement in capacity building	4 Quarterly forums in line with National Treasury forums	75%

**PROGRAMME 3: ASSET AND LIABILITY MANAGEMENT**

**Purpose:** To provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems.

**Sub-Programme 3.2: Asset Management**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Facilitate roll-out of Infrastructure Development Improvement Programme and monitor its implementation in the departments.	12 Steering Committee Meetings	Eleven (11) Provincial Programme Management Committee (PPMC) and one (1) Provincial Programme Steering Committee meetings were held.
Consolidate Provincial Infrastructure Plan in line with DORA, FSDP, and Provincial strategies.	1 Infrastructure Plan	100%
Assist in capacity building of officials responsible for infrastructure service delivery in the province.	4 Training Sessions	100%
Develop capacity to deal with Public Private Partnership projects.	1st set of PPP delegations	None

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Promote and facilitate capacity building of officials responsible for asset management in provincial departments.	17 Asset and SCM Forums, Workshops and Training sessions	100% Asset Management Forums
Promote effective and efficient utilization of movable and immovable asset in the province.	120 Evaluation Reports	100% and plus
Promote and monitor the implementation of asset management reform project.	12 Progress and monitoring Reports to Provincial Steering Committee	100%
Promote effective cash flow management within provincial departments.	Within 10% variance between funds requested and actual funds withdrawn/used. Timely transfer of Requested funds	±7,5%
Maximize return on surplus funds.	R38m Collection of budgeted interest income by 31st March 2007. Target increase to R56m	Exceed target with 33%.
Maintain accurate financial accounting records for the Provincial Revenue Fund	Accuracy of reconciliation statements and timely submission of AFS 31/05/06	100%
Promote and facilitate capacity building of officials responsible for supply management in provincial departments.	6 SCM Forums, Workshops and 3 SCM Training sessions	50% achieved for the SCM Forum 100% and plus training sessions achieved
Promote and monitor the implementation of SCM framework.	24 Monitoring and evaluation Reports	100% and plus
Develop and implement provincial supplier management system.	1 Functional supplier management System developed and thereafter continuously maintained	None

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**Sub-Programme 3.4: Supporting and Interlinked Financial System**

Measurable Objective	Service delivery objective and indicator	Service delivery achievement
<p>Manage and maintain the Transversal Systems.</p>	<p>Availability and stability of the Transversal system as requested and solved within 24 working hours</p> <p>Provide technical and functional support to Provincial Departments as requested and solved within 7 working days</p> <p>On request from Departments within 10 working days.</p> <p>Codify on request within 48 Hours</p>	<p>98% available</p> <p><b>PERSAL:</b> Calls received and finalised: 959</p> <p>SCC's received : 368 Finalised : 332 Outstanding : 14</p> <p><b>LOGIS:</b> 3255 Calls received 3125 Calls resolved</p> <p>428 Site visits</p> <p><b>BAS:</b> A total of 867 calls related to BAS were logged at the System Controllers 441 calls were referred to National Treasury and 61 is still outstanding</p> <p><b>Information Systems:</b> 419 BAS users created, 354 BAS users deleted, 387 passwords resets, and 76 printers were captured on the BAS Terminal Servers</p> <p>88 <b>PERSAL</b> users registered and emulation software installed</p> <p><b>LOGIS:</b> 6641 Suppliers registered and banking details captured.</p> <p><b>BAS:</b> 7049 Entities were created 6643 Entities without banking detail were created</p> <p><b>LOGIS:</b> 6508 Items codified</p>
<p>Building capacity in respect of Transversal Systems.</p>	<p>Number of officials trained: PERSAL target 300 LOGIS target 500 BAS target 300</p>	<p>579 PERSAL Users 450 LOGIS users trained 604 BAS users trained</p>

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VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**PROGRAMME 4: FINANCIAL GOVERNANCE**

**Purpose:** Promote accountability through substantive reflection of financial activities of the province as well as the compliance with financial norms and standards.

**Sub-Programme 4.2: Accounting Services**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Accounting policy, guidelines and practices implemented in line with National Framework	<p>Reports in line with formats and guidelines of GRAP</p> <p>Inputs in respect of evaluation results of draft Accounting policies/standard according to set timeframes</p>	<p>5 PAG circulars and 2 practice notes were compiled according to guidelines.</p> <p>Evaluated 10 exposure drafts and implemented 3 Standards from Accounting Standards Board</p>
Promote accurate compilation of Annual Financial statements	<p>100% correctness according to guide</p> <p>Evaluated Audit Reports and take corrective steps</p>	<p>100% evaluation for compliance with guide</p> <p>Templates for 2006/07 AFS were evaluated and inputs provided to National Treasury before 30 September 2006 and 30 December 2006 as per N/T timeframes</p> <p>Analysed 2005/06 Audit outcomes in respect of Legislature, 11 Departments and 16 Entities to determine areas that need attention and prepared evaluation report on audit outcomes and submitted it to MEC and PROPAC.</p>
To facilitate the timely submission of Annual Financial Statements to Auditor General and National Treasury	<p>100% Compliance with all statutory due dates</p> <p>Unaudited AFS 31 May</p> <p>Audited AFS 31 July</p> <p>Submit Annual Reporting</p> <p>Table Annual Report 30 September</p>	<p>Circular for preparation of annual financial statements was issued on 11 April 2006</p> <p>All Departments and Public Entities except for the PMU fund at Agriculture submitted Unaudited Annual Financial Statements by 31 May 2006 (PMU submitted late)</p> <p>Legislature, 11 Departments and 16 Entities submitted audited AFS before 31 August 2006 while the PMU fund at Agriculture did not meet the due date.</p> <p>By end of September all departments and entities had submitted Annual Reports to the Provincial Treasury, except BCV, Youth Commission, Mmabana, Sport Science Institute and PMU Fund.</p> <p>All departments and official public Entities tabled Annual report on 20 September 2006.</p>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
To prepare and submit annual consolidated financial statements	Percentage compliance with approved National Guidelines and timeframes (Unaudited AFS 30 June & 31 Aug) Audited AFS 30 September  Submit Annual Reporting  Table Annual Report	Consolidated Annual Financial statements were prepared during October 2006. Finalized consolidated Annual Financial Statements as per agreement with Auditor General's office and within National Treasury time frames  Consolidated Annual report was submitted to Office of MEC on 30 October 2006  Consolidated Annual Report was tabled on 1 November 2006
Capacity Building	300 officials trained	Total officials trained = 222
To monitor the Financial Management of Departments	81% adherence to pre-determined KPI's	Average for April 2006– February 2007= 85.9%

**Sub-Programme 4.3: Norms and Standards: PFMA**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
To promote compliance with PFMA in the Province	Guidelines must be 100% in line with prescripts  Annual updated of delegations by April  4 Compliance reports Exco  200 Officials trained with regard to PFMA	8 PFMA Circulars issued  Delegations in place  3  104 officials trained
To promote effective implementation of PROPAC resolutions and assist during PROPAC hearings	5 working days (Preliminary assessments)  Assist PROPAC at all sittings  1 Quarterly progress report	All Preliminary assessments were done within 5 days  Assistance rendered at all sittings  Not applicable

**Sub-Programme 4.4: Norms and Standards: MFMA**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Monitor budget preparation process for the local government sphere.	Budget Timelines  Approval of 21 municipal budgets before 30/06/2006	All delegated municipalities budgets were approved by 30/06/2006
Promote credible municipal budgets.	21 Evaluation Reports	1 Consolidated report and 21 letters regarding feedback on draft budgets were finalized

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

<b>Measurable Objective</b>	<b>Service delivery objective and indicator</b>	<b>Service delivery achievement</b>
Monitor, consolidate and analyze IYM of municipalities.	Analyze reports by 22nd working day of each month , 21 Reports	171 Reports
Promote, monitor and evaluate effective implementation of municipal Legislative Resolutions.	4 Status Reports Submit evaluation reports 8 working days before PROPAC	2 Reports submitted for Propac sittings Reports submitted 10 days before sitting.
Facilitate publication of Section 71 financial reports	4 Publications Analyse, consolidate reports according to prescribed timeframes 25 April 25 July 25 Oct 25 Jan	2 Publications
Monitor compliance of MFMA of Legislative Resolutions	4 Compliance Reports	4 reports
Co-ordinate training and build capacity at municipalities.	300 Officials trained	362 Officials trained
Review the annual financial statements and audit report for compliance and appropriateness.	21 Status Reports	None

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VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**SERVICE DELIVERY ACHIEVEMENTS**

**Programme I: Administration**

**Sub-programme I.1: Office of the MEC**

Output	Output Performance Measure /Service delivery Indicator	Actual Performance against target	
		Target	Actual
Smooth and effective functioning of the MEC office.	Percentage satisfaction by the MEC.	90% compliance	85%
	Day's turnaround time on documents submitted to the MEC.	5 working days	100%
Strengthen linkage with Treasury, and Provincial Legislature.	Establish a sound relationship and communication link.	90% compliance	100%
Ensure good public profile for the MEC.	Improve public image.	80% compliance	100%
Fulfilment of MEC legislative and political functions.	Good integration with departmental function.	85% compliance	100%
	Provincial state of affairs in good shape	75% compliance with legislation	100%

**Sub-Programme I.3: Corporate Services**

Output	Output Performance Measure /Service delivery Indicator	Actual Performance against target	
		Target	Actual
Promotion of sound human resources practices	Developed employment equity plan to increase the number of designated employees	1 Plan reviewed and updated	100% achieved 1 Plan reviewed & updated
	Appointment, promotion and transfers of employees according to legislation	Appointments and promotions approved within three months after request.  Transfers approved within two months after request.	Appointments for the quarter: Disabled = 0 Black females = 17 Black males = 22  Transfers approved within two months after request
Render Legal advisory service and labour relations	Handling of grievances and disciplinary cases in line with applicable legislation	Grievances: 30 working days Misconduct hearing: 10 working days after notice has been served	Training for SMS postponed

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VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

Output	Output Performance Measure /Service delivery Indicator	Actual Performance against target	
		Target	Actual
Develop & implement special programmes policies	Developed and implemented special programmes policies	Developed and implemented special programmes policies	<p>The following activities took place:</p> <ul style="list-style-type: none"> <li>- Stress Management workshop.</li> <li>Heritage Day, Womens' Day Celebration,</li> <li>- World Aids Day Community Outreach projects.</li> <li>-Visit to the Tshepong Victim Centre. Adoption of Ikaheng Centre of the Disabled.</li> <li>- STI's workshop Dissemination of information on Human Rights Day</li> </ul>
Render effective Human Resource training & development	Developed & implemented HRD Policy	Review Policy	Amendments to policy were proposed and circulated for inputs to different stakeholders – 50% responses were received, the policy will be amended and re-circulated and then approved
	Developed & implemented an annual Workplace Skills Plan	1 Workplace Skills Plan	233 officials were trained for 2006/07 financial year. 100% achieved, WSP developed and submitted to PSETA by the 30th of June 2006.
	Developed & implemented induction manual	Review Induction Manual	90 % of new officials were inducted, through 3 induction sessions

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

Output	Output Performance Measure /Service delivery Indicator	Actual Performance against target	
		Target	Actual
	Developed & implemented internship and learnership policies	Implemented policy	100% achieved – 10 interns and 5 learners 10 interns were initially employed 03 interns got permanent employment 07 Interns successfully completed the 12 months programme  5 ICT learners completed learner-ship programme in December 2006.
Promotion of effective and efficient communication with internal & external clients	Communication policy developed & implemented Number of newsletters published  Number of media briefings conducted.	4 Internal newsletters  2 External newsletters  2 Media briefings annually	3 Internal newsletters  1 external newsletter published  100% 3 media briefings for the year
Render effective and efficient IT support services	Number of IT policies and plans developed and implemented  Respond to logged calls within 24 hours  Number of websites and systems developed	Reviewed policies  Request attended within 24 hours  1 Automated PDMS System	Plan to be circulated to Top Management for inputs and approval by the CEO  26% 1 148 Logged calls 302 Logged calls resolved  The system is on hold because there should be single system for the entire province. A task team has been established to look into this matter

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

Output	Output Performance Measure /Service delivery Indicator	Actual Performance against target	
		Target	Actual
Render effective organizational efficiency services	<p>Developed organizational structure</p> <p>Implemented Performance Management System</p>	<p>1 Approved Organizational Structure</p> <p>Performance plans for all filled posts. 100% implemented</p>	<p>1 approved organizational structure</p> <p>69% Officials trained (Assistant Managers and Managers)</p> <p>Departmental organizational structure completed</p> <p>79% assessed performance plans have been submitted for salary level 1-12</p> <p>80% outstanding of performance plans for 01 October 2006 – 31 March 2007</p> <p>24 posts have been evaluated and finalized.</p> <p>Conducted Service standards for Financial Governance Chief Directorate</p>
Render effective security services	<p>Informed employees on security</p> <p>Conduct research, inspections pertaining to all aspects of security.</p>	<p>Conduct security awareness campaign</p> <p>4 Inspection reports.</p>	<p>0%</p> <p>0%</p>

FREE STATE: PROVINCIAL TREASURY  
VOTE 4

PERFORMANCE PROGRAMME  
for the year ended 31 March 2007

Financial Management

Output	Output Performance Measure /Service delivery Indicator	Actual Performance against target	
		Target	Actual
Effective and efficient Supply Chain Management.	Comply and Implement legislation, policies and procedures	50 % compliance	<p>The requesting of quotations was centralised with effect from 1st June 2006.</p> <p>The SCM policy was approved.</p> <p>The advertisement was placed for suppliers to register in the Departmental Suppliers Database.</p> <p>All vacant posts were advertised.</p> <p>The department finalized the process of bar coding of all assets.</p> <p>92.55% of all creditors are being paid within 30 days.</p> <p>The vacant posts of Assistant managers were filled during February 2007.</p>
Strategic planning process	Facilitate Strategic planning and Annual Performance Plan process.	Tabled Strategic plan and Annual Performance Plan March 2007	100%
	Effective application of resources in realising strategic goals.	80%	100%
	Accurate annual report	31st August 2006	100%
To comply with Financial Management key performance indicators (KPI'S)	Percentage adherence to predetermined key performance indicators (KPI'S)	85%	100%

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**Sub-programme 1.5: Internal Audit**

Output	Output Performance Measure/ Service delivery Indicator	Actual Performance against target	
		Target	Actual
To provide effective and professional Internal Audit Services.	Execution of the Operational Plan and three (3) year Strategic Rolling Plan	100%	0% (87% Resignation of all managers within the Internal audit impacted on facilitation and supervision of execution of audit activities)
	Provide advisory and consulting services through reports to Audit Committee, Management, AG & Other State Holders.	100%	0% (100% Resignation of all managers within the Internal audit impacted on facilitation and supervision of execution of audit activities)
Facilitation of risk management process	Risk assessment report	100%	100%
Assist with compilation and implementation of Integrity Promotion Strategy incorporating Fraud Prevention Plan	Monitoring of fraud hotline	100%	0% (The function was transferred to Security services due to lack of capacity emanating from resignation of managers)
	Implementation of detective reviews (Including completion of ad hoc or investigative assignments).	100%	0% (No fraud investigation requests were received from management and our reviews did not identify any indications that fraud could have occurred.)

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT**

**Sub-Programme 2.2: Economic Analysis**

Output	Output Performance Measure/ Service delivery indicator	Actual Performance against target	
		Target	Actual
Describe the economy of the province.	Socio-economic outlook publication  Inputs on socio-economic outlook that will inform the budget allocation	N/A	The current socio-economic outlook was successfully revised.
Develop and maintain a provincial economic model	Social Accounting Matrix (SAM) table and 1 analysis report	N/A	50%
Construct and maintain a socio-economic and demographics' database for province and per district	Developed and functional provincial socio-economic and demographics' database	N/A	0%
Collection and analysis of social and economic statistics at provincial and municipal levels	Qualitative research report for 9 sectors	N/A	0%
Asses and analyse economic variables for the province.	Annual performance economic review (PER) publication	N/A	100%

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**Sub-Programme 2.3: Fiscal Policy**

Output	Output Performance Measure/ Service delivery indicator	Actual Performance against target	
		Target	Actual
Develop borrowing framework	Appropriate framework develop and adjusted annually	Draft framework completed	N/A
Capacity building in departments	Involvement in capacity building	1 workshop & quarterly meetings and training during 60 inspections	58%
		35 quarterly meetings	58%
Provincial own revenue sources optimized and expanded.	Develop a revenue base per dept.	Annually reviewed	55%
	Develop a framework of research into new revenue sources	N/A	N/A
	Options for provincial taxation investigated	Research report	22 Quarterly meetings (52,4%)
Compliance with Norms and Standards	Number of inspections conducted	60 Inspections (11 departments)	58%
	Reports issued on findings	60 Reports	58%
	Quarterly (Monthly) revenue reports	12 reports	
	Quarterly EXCO Report	4 reports per department per year	25 %
Effective management of revenue collection	Reviewed revenue policies in line with fiscal framework.	22 policies	90%
		16 tariff submission	49%

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**Sub-Programme 2.4: Budget Management**

Output	Output Performance Measure/ Service delivery target	Actual Performance against target	
		Target	Actual
Prepare developmental budgets	Tabled appropriation and provincial budget in line with National and Provincial Priorities	Table one week after National Budget	100%
	Accurate and credible budget statement	Accurate budget Statement tabled with the bill	100%
	Analysis report on the alignment of strategic plan	30 days after receipt of the strategic plan	100%
Prepare credible adjustments budget	Tabled adjustment budget and adjustment appropriation bill in line with National and Provincial Priorities	Tabled adjustment budget and adjustment app bill	100%
	Accurate and credible adjustment budget book	Tabled adjustment budget book	100%

**Sub-Programme 2.5: Public Finance**

Output	Output Performance Measure/ Service delivery indicator	Actual Performance against target	
		Target	Actual
Monitoring of expenditure trends against budget figures	Monthly analyzed report per department	12 reports per department	100%
	Quarterly review on expenditure trends	4 Reviews	100%
	Quarterly reporting on Infrastructure spending	4 reports	100%
	Quarterly analyzed report on public entities	4 Reports	0%
	Quarterly published information in line with national Directives in respect of Section 32.	4 Publications	100%
Maintain the Provincial budget database (Financial and Non-financial Information)	Monthly updated provincial database	Developed database	100%
	Quarterly updated provincial database on non-financial information	Developed database	10%
Involvement in capacity building	Quarterly forums in line with National Treasury forums	4 Forums	75%

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**PROGRAMME 3: ASSET AND LIABILITY MANAGEMENT  
Sub-Programme 3.2: Asset Management**

Output	Output Performance Measure/ Service delivery indicator	Actual Performance against target	
		Target	Actual
Facilitate roll-out of Infrastructure Development Improvement Programme and monitor its implementation in the departments.	Steering Committee meetings	12 Meetings	Eleven (11) Provincial Programme Management Committee (PPMC) and one (1) Provincial Programme Steering Committee meetings were held.
Consolidate Provincial Infrastructure Plan in line with DORA, FSDP, and Provincial strategies.	Infrastructure plan	1 Plan	100%.
Assist in capacity building of officials responsible for infrastructure service delivery in the province.	Training sessions	4 Sessions	100%
Develop capacity to deal with Public Private Partnership projects.	Public Private Partnership delegations	1st set of PPP delegations	None
Promote and facilitate capacity building of officials responsible for asset management in provincial departments.	Asset and SCM forum meetings, workshops and training sessions.	17 Forums, Workshops and Training sessions	100% Asset Management Forums
Promote effective and efficient utilization of movable and immovable asset in the province.	Evaluation reports.	120 Reports	100% and plus
Promote and monitor the implementation of asset management reform project.	Progress and monitoring reports to Provincial Steering Committee	12 Reports	100%

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

Output	Output Performance Measure/ Service delivery indicator	Actual Performance against target	
		Target	Actual
Maximize return on surplus funds.	Collection of budgeted interest income.	R38 million by 31st March 2007. Target increase to R56m	Exceed target with 33%.
Maintain accurate financial accounting records for the Provincial Revenue Fund	Compiled PRF annual financial statements and monthly cash flow reports.	Accuracy of reconciliation statements and timely submission of AFS 31/05/06	100%
Promote and facilitate capacity building of officials responsible for supply management in provincial departments.	SCM forum meetings, workshops and training sessions.	6 SCM Forums, Workshops and  3 SCM Training sessions	50% achieved for the SCM Forum  100% and plus training sessions achieved
Promote and monitor the implementation of SCM framework.	Monitoring and evaluation reports	24 Reports	100% and plus
Develop and implement provincial supplier management system.	Functional supplier management system.	1 System developed and thereafter continuously maintained	None

FREE STATE: PROVINCIAL TREASURY  
VOTE 4

PERFORMANCE PROGRAMME  
for the year ended 31 March 2007

**SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS**

Output	Output Performance Measure/Service delivery indicator	Actual Performance against target	
		Target	Actual
Manage and maintain the Transversal Systems.	Availability and stability of the Transversal systems	As requested and solved within 24 working hours	98% available
	Provide technical and functional support to Provincial Departments	As requested and solved within 7 working days	<p><b>PERSAL:</b> Calls received and finalised: 959</p> <p>SCC's received : 368 Finalised : 332 Outstanding : 14</p> <p><b>LOGIS:</b> 3255 Calls received 3125 Calls resolved</p> <p>428 Site visits</p> <p><b>BAS:</b> A total of 867 calls related to BAS were logged at the System Controllers 441 calls were referred to National Treasury and 61 is still outstanding</p> <p><b>Information Systems:</b> 419 BAS users created, 354 BAS users deleted, 387 passwords resets, and 76 printers were captured on the BAS Terminal Servers</p>
	Ensure a maintained Supplier Register and item master for Provincial Departments	On request from Departments within 10 working days.	<p>88 <b>PERSAL</b> users registered and emulation software installed</p> <p><b>LOGIS:</b> 6641 Suppliers registered and banking details captured.</p> <p><b>BAS:</b> 7049 Entities were created 6643 Entities without banking detail were created</p>
		Codify on request within 48 Hours	<b>LOGIS:</b> 6508 Items codified
Building capacity in respect of Transversal Systems.	Number of officials trained	PERSAL target 300 LOGIS target 500 BAS target 300	579 PERSAL Users 450 LOGIS users 604 BAS users

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VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**PROGRAMME 4: FINANCIAL GOVERNANCE**

**Sub-Programme 4.2: Accounting Services**

Output	Output Performance Measure/ Service delivery target	Actual performance against target	
		Target	Actual
Accounting policy, guidelines and practices implemented in line with National Framework	Reports in line with formats and guidelines of GRAP	As per GRAP standards	5 PAG circulars and 2 practice notes were compiled according to guidelines.
	Inputs in respect of evaluation results of draft Accounting policies/standard according to set timeframes	As per Accounting Standards Board's Approvals	Evaluated 10 exposure drafts and implemented 3 Standards from Accounting Standards Board
Promote accurate compilation of Annual Financial statements	Percentage correctness according to guide	100%	100% evaluation for compliance with guide  Templates for 2006/07 AFS were evaluated and inputs provided to National Treasury before 30 September 2006 and 30 December 2006 as per N/T timeframes
	Evaluated Audit Reports	Analyse Audit Reports and take corrective steps	Analysed 2005/06 Audit outcomes in respect of Legislature, 11 Departments and 16 Entities to determine areas that need attention and prepared evaluation report on audit outcomes and submitted it to MEC and PROPAC.

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

Output	Output Performance Measure/Service delivery target	Actual performance against target	
		Target	Actual
To facilitate the timely submission of Annual Financial Statements to Auditor General and National Treasury	Compliance with all statutory due dates	100% compliance 30 June	Circular for preparation of annual financial statements was issued on 11 April 2006
	Unaudited AFS 31 May	Annual report 30 September	All Departments and Public Entities except for the PMU fund at Agriculture submitted Unaudited Annual Financial Statements by 31 May 2006 (PMU submitted late)
	Audited AFS 31 July		Legislature, 11 Departments and 16 Entities submitted audited AFS before 31 August 2006 while the PMU fund at Agriculture did not meet the due date.
	Submit Annual Reporting		By end of September all departments and entities had submitted Annual Reports to the Provincial Treasury, except BCV, Youth Commission, Mmabana, Sport Science Institute and PMU Fund.
	Table Annual Report 30 September		All departments and official public Entities tabled Annual report on 20 September 2006.
To prepare and submit annual consolidated financial statements	Percentage compliance with approved National Guidelines and time-frames Unaudited AFS 30 June & 31 Aug Audited AFS 30 September	Finalised consolidated Annual Financial Statements by 31 October	Consolidated Annual Financial statements were prepared during October 2006.
	Submit Annual Reporting		Finalized consolidated Annual Financial Statements as per agreement with Auditor General's office and within National Treasury time frames
	Table Annual Report		Consolidated Annual report was submitted to Office of MEC on 30 October 2006  Consolidated Annual Report was tabled on 1 November 2006
Capacity Building	Number of officials trained	300 Officials	Total officials trained = 222
To monitor the Financial Management of Departments	Percentage adherence to pre-determined KPI's	81% Adherence to Key Performance Indicators	Average for April 2006– February 2007 = 85.9%

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

**Sub-Programme 4.3: Norms and Standards: PFMA**

Output	Output Performance Measure/Service delivery target	Actual Performance against target	
		Target	Actual
To promote compliance with PFMA in the Province	Guidelines and norms and standards issued to departments	Guidelines must be 100% in line with prescripts	8 PFMA Circulars issued
	Annual updated of delegations	April	Delegations in place
	Compliance reports EXCO	4	3
	Number of officials trained with regard to PFMA	200 Officials	104 officials trained
To promote effective implementation of PRO-PAC resolutions and assist during PROPAC hearings	Preliminary assessments	5 working days	All Preliminary assessments were done within 5 days
	Assist PROPAC	At all sittings	Assistance rendered at all sittings
	Quarterly progress report	1 report	Not applicable

**Norms and Standards: MFMA**

Output	Output Performance Measure/Service delivery indicator	Actual performance against target	
		Target	Actual
Monitor budget preparation process for the local government sphere.	Compliance with set due dates.	Budget Timelines Approval of 21 municipal budgets before 30/06/2006	All delegated municipalities budgets were approved by 30/06/2006
Promote credible municipal budgets.	Evaluation reports.	21 Reports	1 Consolidated report and 21 letters regarding feedback on draft budgets were finalized

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**PERFORMANCE PROGRAMME  
for the year ended 31 March 2007**

Output	Output Performance Measure/ Service delivery indicator	Actual performance against target	
		Target	Actual
Monitor, consolidate and analyze IYM of municipalities.	Analyze reports according to prescribed timeframes.	By 22nd working day of each month , 21 Reports	171 Reports
Promote, monitor and evaluate effective implementation of municipal Legislative Resolutions.	Status Report	4 Reports	2 Reports submitted for Propac sittings
	Evaluation Report	8 working days before PROPAC	Reports submitted 10 days before sitting.
Facilitate publication of Section 71 financial reports	Analyse, consolidate reports according to prescribed timeframes.	4 Publications 25 April 25 July 25 Oct 25 Jan	2 Publications
Monitor compliance of MFMA of Legislative Resolutions	Submission of compliance returns.	4 Compliance Reports	4 reports
Co-ordinate training and build capacity at municipalities.	Number of officials trained.	300 Officials trained	362 Officials trained
Review the annual financial statements and audit report for compliance and appropriateness.	Status Reports	21 Reports	None



# **PART 2**

## **ANNUAL FINANCIAL STATEMENTS**

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**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2007**

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa. (Where the information required hereunder is included in another part of the financial statements, reference should be made between this report and that section of the financial statements.)

**I. General review of the state of financial affairs**

No major projects were undertaken during the year under review, and the Department focused on consolidating gains from the past and internalising various accounting and budget reforms. A sharper focus was put on the assessment of social and economic data, to better inform fiscal policy development so as to take it out of the realm of conventional revenue management towards a broader initiative that would better inform the 2007/08- 2009/10 MTEF provincial budget. This set the backdrop for a more effective assessment of the potential and constraints for enhanced growth and development in the ensuing financial year and the rest of the 2007/08- 2009/10 MTEF period. Work also continued to foster more collaborative ways of working with Local Authorities in monitoring and supporting the role of the MFMS in municipalities.

The department's main budget was R119 679 million.

BUDGET ALLOCATION	MAIN BUDGET R'000	ADJUSTMENT BUDGET R'000	TOTAL BUDGET R'000
Equitable share	119 679	-	119 679

**Under spending**

The main reason for under spending in this department is the vacancies of posts. Within the 2006/07 financial year the department employed 40 new officials but in the same timeframe 40 officials left the department, which have the effect that the department did not employ any new officials from the last financial year. The posts of Senior Manager: Internal Audit was vacant and only two of the posts within this unit were filled during the 2006/07 financial year. The Economic Analysis unit also only appointed the Senior Manager: Economic Analysis late in 2006/07 and the unit are still not fully functional. Within the Public Finance unit there is also a large quantity of vacancies. **The department is currently in the process of filling the posts as mentioned above.** A further reason for under spending was the fact that invoices had to be returned to SITA due to mistakes which had the effect that not all SITA invoices was processed and paid during the 2006/07 financial year. Due to the large amounts charged for these services this had a huge impact on the goods and services within programme 3.

**Spending trends**

Month	Compensation of employees R'000	Goods and Services R'000	Transfers and Subsidies R'000	Payment of capital assets R'000	Authorized Losses R'000
04/06	4,385	1,647	19	21	-
05/06	4,325	3,765	42	112	-
06/06	4,261	2,361	68	96	1
07/06	4,589	3,520	9	114	4
08/06	4,549	3,027	(33)	100	-
09/06	4,499	3,597	-	64	-
10/06	5,478	1,628	-	92	8
11/06	4,574	4,158	-	126	-
12/06	4,659	4,062	8	116	2,841
01/07	4,509	1,238	86	81	2
02/07	4,552	2,768	578	94	-
03/07	4,943	7,787	2,800	808	1,169
<b>TOTAL</b>	<b>55,323</b>	<b>39,558</b>	<b>3,577</b>	<b>1,824</b>	<b>4,025</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2007**

## **2. Service rendered by the department**

2.1 The department does not render direct services to the general public, but service provincial line departments and municipalities by rendering the following services:

- Planning and preparation of the Provincial budget;
- Provincial expenditure and revenue management;
- Cash flow management and investment of short-term surplus funds;
- Oversight over provincial asset management and procurement practices;
- Management and maintenance of Transversal Financial Systems;
- Logistics and Information Technology;
- Management of Transversal Functions on behalf of the Province;
- Training related to Transversal Systems;
- Oversight over Local Government and Provincial Public Entities;
- Oversight over the PFMA implementation in the Province;
- Oversight over the MFMA implementation in the Province;
- Monitoring of the implementation of resolutions of the Provincial Public Accounts Committee (PROPAC).

## **2.2 Tariff policy**

The department only renders services to other departments and therefore no tariffs are charged.

## **2.3 Free Services**

Not applicable.

## **2.4 Inventories**

The department did not operate a warehouse, due to the fact that goods are procured on a needs basis.

## **3. Capacity constraints**

The high turnover of staff and difficulty in attracting suitable candidates to fill vacancies, continued to be one of the most constraining factors facing the department. Measures have been instituted to expedite recruitment, selection and appointment processes and procedures and it is envisaged that this, together with contract appointments in respect of scarce skills and selective outsourcing of research-related functions would enable the Department to reach acceptable staffing levels in the ensuing financial year in respect of areas of operation related to Economic Analysis, Fiscal Policy, Internal Audit and MFMA Monitoring.

The impact of the prevalence of the aforementioned situation during the year under review significantly compromised the operations and effectiveness of the Departmental Internal Audit Unit and the resultant effectiveness of the Internal Audit Committee during the latter part of the year under review.

## **4. Utilisation of donor funds**

The department did not utilise donor funds.

## **5. Trading entities and public entities**

The department does not have any trading and public entities.

## **6. Organisations to whom transfer payments have been made**

- Xhariep District Municipality: R 50 000:
  - Establishment of website
- Letsemeng Local Municipality: R100 000:
  - Establishment of website
- Kopanong Local Municipality: R200 000
  - GRAP/GAMAP implementation

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2007**

- Mohokare Local Municipality: R100 000
  - Establishment of website
- Masilonyana Local Municipality: R200 000
  - Annual Financial Statement
- Masilonyana Local Municipality: R800 000
  - Appointment of suitable competent officials in finance department
  - Implementation of SCM procedures
  - Implementation of electronic fund transfers (EFT)
  - Enhance revenue collection
  - Skills development audit in finance department
  - Capacity building for current staff in finance department
  - Implementation of PROPAC resolutions, MFMA & GRAP/GAMAP
- Nketoana Local Municipality: R100 000
  - Establishment of website
- Mafube Local Municipality: R 100 000
  - Improvement of billing system
- Naledi Local Municipality: R 800 000
  - Appointment of suitable competent officials in finance department
  - Implementation of SCM procedures
  - Implementation of electronic fund transfers (EFT)
  - Enhance revenue collection
  - Skills development audit in finance department
  - Capacity building for current staff in finance department
  - Implementation of PROPAC resolutions, MFMA & GRAP/GAMAP

The allocations were published in the Provincial Gazette and the conditions are as follows:

- Submission of an activity plan with detailed budgets and time frames on the implementation of prioritized measurable outputs
- Submission of monthly expenditure reports
- Submission of a council resolution confirming council's commitment to achieve the measurable outputs in the action plan
- Funds not spent as per condition of allocation by 31 December 2007 must be paid back to Provincial Treasury
- This allocation must be reflected in the adjustment budget as well as monthly In Year Monitoring report

The municipalities are monitored by submitting the following:

- Submission of quarterly reports on the progress made with the implementation of the plan according to the outputs identified
- Submission of monthly expenditure reports by municipalities
- Disclose allocation for audit purposes

## **7. Public private partnerships (PPP)**

The department does not have any public private partnerships.

## **8. Corporate governance arrangements**

Arrangements in place during the period under review were in line with the prescripts of sections 38 and 40 of the PFMA and other best practice guidelines, and the guiding framework in this regard included departmental policies on whistle blowing, risk management, integrity promotion strategy (including an Anti-corruption Strategy and Fraud prevention Plan), code of conduct and supply chain management. Preparatory work was also conducted to inform the introduction of more effective and more encompassing information security regulations in the department in the ensuing financial year, to enhance amongst others the setting of adequate minimum security standards, classification of information, promotion of access to information without compromising security policy, security screening and security training and awareness. The department also has an operational occupational health and safety committee and awareness campaigns were conducted from time to time.

## **9. Discontinued activities/activities to be discontinued**

Not applicable.

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4  
REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2007**

**10. New/proposed activities**

Not applicable.

**11. Asset management**

Approval was granted to accept the NID Asset Register as the correct Asset Register for the department for the 2006/2007 financial year. The NID Asset Register complies with all minimum requirements. Reconciliation between the Logis and NID Asset Register will be finalized in the 2007/2008 financial year to ensure that the Logis Asset Register is updated with all information contained in the NID Asset Register. A complete stock count was done by NID and the information on Logis will be corrected where necessary.

The vacancy for an Assistant Manager for the Asset Management unit was filled during March 2007.

Redundant furniture in the department was disposed off during the 06/07 financial year by means of transfer to various schools in the Free State. Redundant computer equipment will be disposed off during the 07/08 financial year as well as any redundant furniture that may be identified. The Disposal Board was appointed for the 2007/2008 financial year. The barcode system was fully implemented in the department. The action of reconciliation between NID and Logis information is in process.

**12. Events after the reporting date**

Not applicable.

**13. Performance information**

The department utilised a system of quarterly assessments reports to gauge the attainment of cumulative quarterly reports, set to give effect to the attainment of the department's overall goals and objectives.

The methodology in drawing such reports encompassed assessment of the performance of the department's budget programmes, and includes the following namely;

- Situational analysis at the start of each quarter
- Overview of the prevailing service delivery environment
- Overview of the organisational environment
- Identification of challenges and proposed strategies and initiatives to address same
- Identification of issues requiring ongoing attention
- Cumulative progress in achieving set targets

In addition such reports also focused on human resources management insofar as it relates to specific challenges identified and strategies and initiatives to address same, progress in filling critical posts and progress relating to disciplinary cases.

In addition such reports also assessed financial performance, with regard to matters such as:

- Financial management practices and systems
- Fraud, theft and corruption cases; and
- The status and effectiveness of inter-departmental linkages, as well as collaborative work with local government.

Such reports were tabled at the finance (oversight) committee of the Provincial Legislature but during the period under review such information was not verified by an independent party. The department envisages strengthening its focus in this area of operation by assessing the possibility of the introduction of a system of performance budgeting over the next MTEF period (i.e. 2007/08- 2009/10). The department also intends to solicit the assistance of the Premier's Office in the ensuing financial year to introduce diagnostic surveys to gauge departmental performance in various areas of performance.

FREE STATE: PROVINCIAL TREASURY  
VOTE 4

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2007

**14. SCOPA resolutions**

Include a table in the management report on the SCOPA resolutions. The table should conform to the following format:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Resolution 21 of 2003	Upgrading of posts	109 Cases were taken on as debt. Deductions were implemented with effect from April 2007.
Resolution 14 of 2004	Payment of R553 410 to wrong supplier	The amount of R441 410.00 was refunded to the department by the wrongly paid supplier. During April 2007 the amount of R 112 000 was received from the Department of Local Government and Housing from payments due to the supplier involved.
Resolution 65 of 2005	Fixed Assets	Approval was granted by the Accounting officer to conduct a stock count during the 2006/2007 financial year. The department has also implemented a bar coding system. Approval was also granted to combine the stocktaking of 2005/2006 with the stock count of 2006/2007.

**15. Other**

Any other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

**Approval**

The Annual Financial Statements set out on pages 9 to 111 have been approved by the Accounting Officer.



.....  
**DR BARLOW**  
**CHIEF EXECUTIVE OFFICER: FREE STATE PROVINCIAL TREASURY**  
**31 May 2007**

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**REPORT OF THE AUDIT COMMITTEE  
for the year ended 31 March 2007**

**AUDIT COMMITTEE RESPONSIBILITY**

The Audit Committee hereby reports in terms of sections 3.1.9 and 3.1.13 of Treasury regulations issued in terms of the Public Finance Management Act, 1 of 1999, that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and has regulated its affairs in compliance with the approved audit committee charter.

**AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE OF MEETINGS**

The Audit Committee consists of five (5) members and meets three (3) times per annum in terms of its approved terms of reference. However the term of office of the members expired on the 31 July 2006 and appointment of new members was only finalized in June 2007. During the year for which this report refers, two (2) meetings were held and attendance of members is indicated hereunder:

<b>Member</b>	<b>Number of meetings attended</b>
Mr J.H Blair (Chairperson)	2
Mr P Simpson	2
Ms M Mosweu	2
Adv NM van Heerden	2
Mr. I Mamojee	1

**RISK MANAGEMENT**

Free State Provincial Treasury has developed and approved a risk management strategy which includes the establishment of the Risk Management Committee for managing and monitoring of risks on an ongoing basis. Report on the continued monitoring of risk by the Risk Management Committee is presented to the Audit Committee as part of the CEO's report.

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**REPORT OF THE AUDIT COMMITTEE  
for the year ended 31 March 2007**

## **EFFECTIVENESS OF INTERNAL CONTROLS**

Based on the reports presented to the Audit Committee by the Internal Audit Directorate, the Audit Committee has noted that although adequate controls have been established in most areas within the department, control environment within the areas listed hereunder needs improvement to provide reasonable assurance that the major inherent risks are appropriately managed and that applicable legislation is adhered to.

- Transport management
- Supply chain management
- Inventory management

## **EFFECTIVENESS OF THE INTERNAL AUDIT FUNCTION**

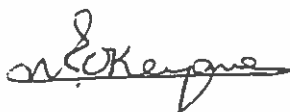
The Internal Audit Directorate is independent of management and reports directly to the Audit Committee. The three year rolling plan and the Annual audit plan for 2006/2007 were prepared by the Internal Audit Directorate and approved by the Audit Committee. However, the Committee does not consider that the Internal Audit function to have been effectively operational throughout the financial year 2006/07.

## **ANNUAL FINANCIAL STATEMENTS**

The Audit Committee did not review the Annual Financial Statements of the Free State Treasury for the year ended 31 March 2007 prior to submission to Auditor General. This is due to the fact that the term of office of new Audit Committee commenced after submission of Financial Statements to Auditor General.

The Audit Committee discussed, with the Auditor General, the External Audit Plan compiled by the Auditor General for the audit of the department for the financial year ended 31 March 2007 and recommended that weekly Audit Steering Committee meetings should be held in order to expedite the process of resolving audit queries.

Neither the management letter nor the report of the Auditor General on the audit of the Financial Statements of Free State Provincial Treasury for the year ended 31 March 2007 have been presented to the Audit Committee.



Dr M.E Mokeyane  
Chairperson of the Audit Committee

24 August 2007

# **REPORT OF THE AUDITOR-GENERAL**

TO THE  
FREE STATE LEGISLATURE  
ON THE FINANCIAL  
STATEMENTS OF VOTE 4  
FREE STATE PROVINCIAL  
TREASURY FOR THE  
YEAR ENDED  
31 MARCH 2007

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FREE STATE: PROVINCIAL TREASURY  
VOTE 4

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007

**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE  
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 4  
FREE STATE PROVINCIAL TREASURY FOR THE YEAR ENDED 31 MARCH 2007**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Free State Provincial Treasury which comprise the statement of financial position as at 31 March 2007, appropriation statements, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 57 to 101.

**Responsibility of the accounting officer for the financial statements**

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

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Basis of accounting**

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

**Basis for qualified opinion**

9. Tangible assets: Contrary to paragraph 5.10.3.12 of the National Treasury's guide on the preparation of annual reports for the year ended 31 March 2007, supporting documentation could not be obtained to confirm the LOGIS opening balance of assets amounting to R10 427 000 and the following current year adjustments (to prior year balances) as disclosed in note 27:

**FREE STATE: PROVINCIAL TREASURY  
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**REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007**

- Computer equipment: R1 257 000;
- Furniture and office equipment: R782 000;
- Other machinery and equipment: R191 000.

Consequently, I was unable to carry out all the auditing procedures I consider necessary for the audit of tangible assets.

### **Qualified opinion**

10. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Free State Provincial Treasury as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the PFMA.

### **OTHER MATTERS**

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

11. Internal control
- (a) Assets: It was found that management control measures were inadequate to ensure control over assets, the correctness and completeness of the asset register and the valuation of assets.
- (b) Supply chain management (SCM): In the absence of a segregation of duties between various processes in the SCM system, this system could not be verified as being fair, equitable, transparent, competitive and cost-effective as prescribed by section 38(1)(a)(iii) of the PFMA. Although the accounting officer indicated in his reply that various improvements were implemented towards the end of the financial year, the effectiveness thereof can only be tested during the next audit.
12. Delay in finalisation of audit

Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of affected departments. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006/07 financial year.

### **OTHER REPORTING RESPONSIBILITIES**

#### **Reporting on performance information**

13. I have audited the performance information as set out on pages 5 to 42.

#### **Responsibilities of the accounting officer**

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

#### **Responsibility of the Auditor-General**

15. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.
16. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
17. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

## Audit findings

### 18. Non-compliance with regulatory requirements

With reference to section 40(3)(a) of the PFMA, our audit revealed the following:

- (a) Asset management: Although the effective implementation of the infrastructure plan and the monitoring thereof was included in the Provincial Treasury's budget, it was not included in the five-year strategic plan and the annual performance plan, and it was also not evaluated.
- (b) Sub-programme no. 2.2: The following measurable objectives were not always consistently applied:
  - *Develop and maintain a provincial economic model.*
  - *Construct and maintain a socio-economic and demographics database for the province and per district.*
  - *Assess and analyse key economic variables for the Free State province.*
- (c) The actual performance of the reported performance information of the sub-programme: *supporting and interlinked financial systems*, was not always measured in terms of the targets listed.

## APPRECIATION

19. The assistance rendered by the staff of the Free State Provincial Treasury during the audit is sincerely appreciated.



**B van Niekerk for Auditor-General**

**Bloemfontein**

**29 August 2007**



**A U D I T O R - G E N E R A L**

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**ACCOUNTING POLICIES  
for the year ended 31 March 2007**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

## **I. Presentation of the Financial Statements**

### **I.1 Basis of preparation**

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items.

### **I.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.

### **I.3 Rounding**

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

### **I.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.

### **I.5 Comparative figures - Appropriation Statement**

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

## **2. Revenue**

### **2.1 Appropriated funds**

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

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

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

### **2.2 Departmental revenue**

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

#### **2.2.1 Tax revenue**

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

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

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for the year ended 31 March 2007**

### **2.2.2 Sales of goods and services other than capital assets**

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

### **2.2.3 Fines, penalties & forfeits**

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

### **2.2.4 Interest, dividends and rent on land**

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

### **2.2.5 Sale of capital assets**

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

### **2.2.6 Financial transactions in assets and liabilities**

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

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

### **2.2.7 Gifts, donations and sponsorships (transfers received)**

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

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

## **3. Expenditure**

### **3.1 Compensation of employees**

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

All other payments are classified as current expense.

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

#### **3.1.1 Short term employee benefits**

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

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

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**ACCOUNTING POLICIES  
for the year ended 31 March 2007**

### **3.1.2 Long-term employee benefits**

#### **3.1.2.1 Termination benefits**

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

#### **3.1.2.2 Post employment retirement benefits**

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

### **3.2 Goods and services**

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the 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 services were used for a capital project or an asset of R 5 000 or more is purchased. All assets costing less than R 5 000 will also be reflected under goods and services.

### **3.3 Financial transactions in assets and liabilities**

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

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

### **3.4 Unauthorised expenditure**

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

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

### **3.5 Fruitless and wasteful expenditure**

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

### **3.6 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.

### **3.7 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).

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**ACCOUNTING POLICIES  
for the year ended 31 March 2007**

### **3.8 Expenditure for capital assets**

Payments made for capital assets 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).

## **4. Assets**

### **4.1 Cash and cash equivalents**

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

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

### **4.2 Prepayments and advances**

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

### **4.3 Receivables**

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

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

### **4.4 Inventory**

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

### **4.5 Capital assets**

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

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

Disclosure Notes 27 and 28 reflect the total movement in the asset register for the current financial year.

## **5. Liabilities**

### **5.1 Payables**

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

### **5.2 Lease commitments**

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

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

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**ACCOUNTING POLICIES  
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### **5.3 Accruals**

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

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

### **5.4 Contingent liabilities**

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

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

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - The amount of the obligation cannot be measured with sufficient reliability.
- Contingent liabilities are included in the disclosure notes.

### **5.5 Commitments**

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

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

## **6. Net Assets**

### **6.1 Capitalisation reserve**

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

### **6.2 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

### **6.3 Related Party Transactions**

None was identified.

## **7. Key management personnel**

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

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

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2007**

Appropriation per programme									
	Adjusted Appropriation	2006/07						2005/06	
		Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	40,526	(2,073)	-	38,453	32,828	5,625	85.4%	38,838	32,364
Transfers and subsidies	768	818	-	1,586	1,095	491	69.0%	1,399	1,317
Payment for capital assets	318	1,255	-	1,573	1,036	537	65.9%	886	666
<b>2. Sustainable Resource Management</b>									
Current payment	11,336	(221)	-	11,115	8,333	2,782	75.0%	13,460	11,012
Transfers and subsidies	10	2	-	12	10	2	83.3%	39	29
Payment for capital assets	290	219	-	509	360	149	70.7%	358	285
<b>3. Asset and Liability Management</b>									
Current payment	50,219	(221)	-	49,998	41,700	8,298	83.4%	49,394	42,761
Transfers and subsidies	16	-	-	16	14	2	87.5%	93	65
Payment for capital assets	274	221	-	495	227	268	45.9%	1039	969
<b>4. Financial Governance</b>									
Current payment	15,726	(2,606)	-	13,120	12,021	1,099	91.6%	8,396	7,712
Transfers and subsidies	3	2,456	-	2,459	2,458	1	100.0%	32	22
Payment for capital assets	193	150	-	343	201	142	58.6%	114	92
<b>5. Theft and Losses</b>									
Current payment	-	-	-	-	4,025	(4,025)	0.0%	-	766
<b>TOTAL</b>	<b>119,679</b>	<b>-</b>	<b>-</b>	<b>119,679</b>	<b>104,308</b>	<b>15,371</b>	<b>87.2%</b>	<b>114,048</b>	<b>98,060</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				69,258				48,952	
<b>Actual amounts per Statements of Financial Performance (Total revenue)</b>				<b>188,937</b>				<b>163,000</b>	
<b>Actual amounts per Statements of Financial Performance (Total expenditure)</b>					<b>104,308</b>				<b>98,060</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2007**

Appropriation per economic classification									
	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	70,936	(6,128)	-	64,808	55,323	9,485	85.4%	58,041	52,972
Goods and services	46,871	1,007	-	47,878	39,559	8,319	82.6%	52,047	40,877
Financial transactions in assets and liabilities	-	-	-	-	4,025	(4,025)	0%	-	766
<b>Transfers and subsidies</b>									
Provinces and municipalities	65	2,486	-	2,551	2,494	57	97.8%	308	181
Departmental agencies and accounts	-	20	-	20	20	-	100.0%	257	257
Non-profit institutions	-	25	-	25	30	(5)	120.0%	5	5
Households	732	745	-	1,477	1,033	444	69.9%	993	990
<b>Payments for capital assets</b>									
Machinery and equipment	1,070	1,828	-	2,898	1,806	1,092	62.3%	2,357	1,987
Software and other intangible assets	5	17	-	22	18	4	81.8%	40	25
<b>Total</b>	<b>119,679</b>	<b>-</b>	<b>-</b>	<b>119,679</b>	<b>104,308</b>	<b>15,371</b>	<b>87.2%</b>	<b>114,048</b>	<b>98,060</b>

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**DETAIL PER PROGRAMME I - ADMINISTRATION  
for the year ended 31 March 2007**

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Office of the MEC</b>									
Current payment	3,402	528	-	3,930	3,871	59	98.5%	5,714	4,528
Transfers and subsidies	3	16	-	19	11	8	57.9%	9	8
Payment for capital assets	10	18	-	28	-	28	0.0%	237	231
<b>1.2 Management Services</b>									
Current payment	3,217	(333)	-	2,884	2,607	277	90.4%	3,084	2,570
Transfers and subsidies	6	(4)	-	2	2	-	100.0%	265	212
Payment for capital assets	70	55	-	125	122	3	97.6%	192	119
<b>1.3 Corporate Services</b>									
Current payment	13,941	(619)	-	13,322	11,686	1,636	87.7%	12,299	9,847
Transfers and subsidies	738	725	-	1,463	992	471	67.8%	1,023	1,004
Payment for capital assets	169	691	-	860	501	359	58.3%	228	104
<b>1.4 Financial Management</b>									
Current payment	16,554	(1,329)	-	15,225	13,001	2,224	85.4%	13,801	13,224
Transfers and subsidies	19	81	-	100	89	11	89.0%	93	88
Payment for capital assets	69	491	-	560	413	147	73.8%	94	78
<b>1.5 Internal audit</b>									
Current payment	3,412	(320)	-	3,092	1,663	1,429	53.8%	3,940	2,195
Transfers and subsidies	2	-	-	2	1	1	50.0%	9	5
Payment for capital assets	-	-	-	-	-	-	0.0%	135	134
<b>TOTAL</b>	<b>41,612</b>	<b>-</b>	<b>-</b>	<b>41,612</b>	<b>34,959</b>	<b>6,653</b>	<b>84.0%</b>	<b>41,123</b>	<b>34,347</b>

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	28,362	(4,059)	-	24,303	21,695	2,608	89.3%	24,055	20,909
Goods and services	121,64	1,986	-	14,150	11,133	3,017	78.7%	14,783	11,455
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	36	28	-	64	12	52	18.8%	144	65
Departmental agencies and accounts	-	20	-	20	20	-	100.0%	257	257
Non-profit institutions	-	25	-	25	30	(5)	120.0%	5	5
Households	732	745	-	1,477	1,033	444	68.0%	993	990
<b>Payment for capital assets</b>									
Machinery and equipment	-	1,236	-	1,554	1,018	536	65.5%	886	666
Software and other intangible assets	318	19	-	19	18	1	94.7%	-	-
<b>Total</b>	<b>41,612</b>	<b>-</b>	<b>-</b>	<b>41,612</b>	<b>34,959</b>	<b>6,653</b>	<b>84.0%</b>	<b>41,123</b>	<b>34,347</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**DETAIL PER PROGRAMME 2 - SUSTAINABLE RESOURCE MANAGEMENT  
for the year ended 31 March 2007**

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Programme Support</b>									
Current payment	1,095	(3)	-	1,092	988	104	90.5%	1,232	1,038
Transfers and subsidies	4	2	-	6	6	-	100.0%	3	2
Payment for capital assets	75	-	-	75	73	2	97.3%	32	31
<b>2.2 Economic Analysis</b>									
Current payment	1,280	(20)	-	1,260	458	802	36.3%	374	162
Transfers and subsidies	1	-	-	1	-	1	0.0%	1	1
Payment for capital assets	152	20	-	172	89	83	51.7%	-	-
<b>2.3 Fiscal Policy</b>									
Current payment	3,159	(94)	-	3,065	2,428	637	79.2%	3,365	2,768
Transfers and subsidies	2	-	-	2	2	-	100.0%	13	8
Payment for capital assets	-	84	-	84	47	37	56.0%	26	16
<b>2.4 Budget Management</b>									
Current payment	3,912	(90)	-	3,822	2,837	985	74.2%	3,848	3,604
Transfers and subsidies	2	-	-	2	1	1	50.0%	10	9
Payment for capital assets	-	90	-	90	77	13	85.6%	114	114
<b>2.5 Public Finance</b>									
Current payment	1,890	(14)	-	1,876	1,622	254	86.5%	4,641	3,440
Transfers and subsidies	1	-	-	1	1	-	100.0%	12	9
Payment for capital assets	63	25	-	88	74	14	84.1%	186	124
<b>TOTAL</b>	<b>11,636</b>	<b>-</b>	<b>-</b>	<b>11,636</b>	<b>8,703</b>	<b>2,933</b>	<b>74.8%</b>	<b>13,857</b>	<b>11,326</b>

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	8,535	(786)	-	7,749	6,196	1,553	80.0%	7,961	8,337
Goods and services	2,801	565	-	3,366	2,137	1,229	63.5%	5,499	2,675
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	10	2	-	12	10	2	83.3%	39	29
<b>Payment for capital assets</b>									
Machinery and equipment	290	219	-	509	360	149	70.7%	358	285
<b>Total</b>	<b>11,636</b>	<b>-</b>	<b>-</b>	<b>11,636</b>	<b>8,703</b>	<b>2,933</b>	<b>74.8%</b>	<b>13,857</b>	<b>11,326</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**DETAIL PER PROGRAMME 3 - ASSET AND LIABILITY MANAGEMENT  
for the year ended 31 March 2007**

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Programme Support</b>									
Current payment	962	3	-	965	871	94	90.3%	1,169	894
Transfers and subsidies	1	-	-	1	1	-	100.0%	7	2
Payment for capital assets	5	8	-	13	7	6	53.8%	8	
<b>3.2 Asset Management</b>									
Current payment	10,472	(130)	-	10,342	7,208	3,134	69.7%	11,111	7,020
Transfers and subsidies	6	-	-	6	5	1	83.3%	28	23
Payment for capital assets	77	124	-	201	74	127	36.8%	321	273
<b>3.3 Liability Management</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>3.4 Supporting and Inter linked financial systems</b>									
Current payment	38,785	(94)	-	38,691	33,621	5,070	86.9%	37,114	34,847
Transfers and subsidies	9	-	-	9	8	1	88.9%	58	40
Payment for capital assets	192	89	-	281	146	135	52.0%	710	696
<b>TOTAL</b>	<b>50,509</b>	<b>-</b>	<b>-</b>	<b>50,509</b>	<b>41,941</b>	<b>8,568</b>	<b>83.0%</b>	<b>50,526</b>	<b>43,795</b>

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	22,201	(6)	-	22,195	17,528	4,667	79.0%	18,947	17,091
Goods and services	28,018	(215)	-	27,803	24,172	3,631	86.9%	30,447	25,670
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	16	-	-	16	14	2	87.5%	93	65
<b>Payment for capital assets</b>									
Machinery and equipment	269	223	-	492	227	265	46.1%	999	944
Software and other intangible assets	5	(2)	-	3	-	3	-	40	25
<b>Total</b>	<b>50,509</b>	<b>-</b>	<b>-</b>	<b>50,509</b>	<b>41,941</b>	<b>8,568</b>	<b>83.0%</b>	<b>50,526</b>	<b>43,795</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**DETAIL PER PROGRAMME 4 - FINANCIAL GOVERNANCE  
for the year ended 31 March 2007**

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Programme Support</b>									
Current payment	1,435	(119)	-	1,316	1,290	26	98.0%	1,293	1,224
Transfers and subsidies	1	-	-	1	1	-	100.0%	3	3
Payment for capital assets	7	26	-	33	32	1	97.0%	36	32
<b>4.2 Accounting Services</b>									
Current payment	4,895	(20)	-	4,875	4,368	507	89.6%	4,612	4,282
Transfers and subsidies	-	4	-	4	3	1	75.0%	16	13
Payment for capital assets	156	36	-	192	127	65	66.1%	78	60
<b>4.3 Norms and Standards - PFMA</b>									
Current payment	2,980	(224)	-	2,756	2,219	537	80.5%	2,491	2,206
Transfers and subsidies	2	-	-	2	2	-	100.0%	13	6
Payment for capital assets	-	38	-	38	8	30	21.1%	-	-
<b>4.4 Norms and Standards - MFMA</b>									
Current payment	6,416	(2,243)	-	4,173	4,144	29	99.3%	-	-
Transfers and subsidies	-	2,452	-	2,452	2,452	-	100.0%	-	-
Payment for capital assets	30	50	-	80	34	46	42.5%	-	-
<b>4.5 Risk Management and Internal Audit</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>15,922</b>	<b>-</b>	<b>-</b>	<b>15,922</b>	<b>14,680</b>	<b>1,242</b>	<b>92.2%</b>	<b>8,542</b>	<b>7,826</b>

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	11,838	(1,277)	-	10,561	9,904	657	93.8%	7,078	6,635
Goods and services	3,888	(1,329)	-	2,559	2,117	442	82.7%	1,318	1,077
Transfers and subsidies to: Provinces and municipalities	3	2,456	-	2,459	2,458	1	100.0%	32	22
Payment for capital assets									
Machinery and equipment	193	150	-	343	201	142	58.6%	114	92
<b>Total</b>	<b>15,922</b>	<b>-</b>	<b>-</b>	<b>15,922</b>	<b>14,680</b>	<b>1,242</b>	<b>92.2%</b>	<b>8,542</b>	<b>7,826</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**DETAIL PER PROGRAMME 5 - THEFT AND LOSSES  
for the year ended 31 March 2007**

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Theft and Losses Current payment	-	-	-	-	4,025	(4,025)	-	-	766
<b>TOTAL</b>	-	-	-	-	4,025	(4,025)	-	-	766

Economic Classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment Financial transactions in assets and liabilities	-	-	-	-	4,025	(4,025)	-	-	766
<b>Total</b>	-	-	-	-	4,025	(4,025)	-	-	766

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VOTE 4**

**NOTES TO THE APPROPRIATION  
for the year ended 31 March 2007**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure "I" (A-F) to the Annual Financial Statements.

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

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

**3. Detail on financial transactions in assets and liabilities**

Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and liabilities) 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	41,612	34,959	6,653	16%
Sustainable Resource Management	11,636	8,703	2,933	25%
Asset and Liability Management	50,509	41,941	8,568	17%
Financial Governance	15,922	14,680	1,242	8%

**Administration:** Vacancies of posts within the programme, A new structure for Supply Chain Management Unit was approved with funding during the financial year, however posts could not all be filled by year end and the Internal Audit Unit operated with a vacancy rate of 58%, the Head of Internal Audit resigned with effect from 1 October 2006. The post for the Office Manager in the office of the Chief Executive Officer was vacant for 10 months.

**Sustainable Resource Management:** Economic Analysis and Fiscal Policy units operated with vacancy rates of 75% and 55% respectively. The department struggled to fill the posts of Senior Managers and were advertised three times before they could be filled.

**Asset and Liability Management:** Vacancies of posts and the abolishment of ten posts as well as SITA payments which were received late from the supplier.

**Financial Governance:** The vacancy of the post of Senior Manager within the Norms and Standards and PFMA unit impacted on the spending of the programme.

FREE STATE: PROVINCIAL TREASURY  
VOTE 4

NOTES TO THE APPROPRIATION  
for the year ended 31 March 2007

<b>Per Economic classification</b>	<b>2006/07</b>	<b>2005/06</b>
	<b>R'000</b>	<b>R'000</b>
<b>Current payment:</b>		
Compensation of employees	9,485	5,069
Goods and services	8,319	11,170
Financial transactions in assets and liabilities	(4,025)	(766)
<b>Transfers and subsidies:</b>		
Provinces and municipalities	57	127
Non-profit institutions	(5)	-
Households	444	3
<b>Payments for capital assets:</b>		
Machinery and equipment	1,092	370
Software and other intangible assets	4	15

**FREE STATE: PROVINCIAL TREASURY**  
**VOTE 4**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
<b>REVENUE</b>			
Annual appropriation	1	119,679	114,048
Departmental revenue	2	69,258	48,952
<b>TOTAL REVENUE</b>		<b>188,937</b>	<b>163,000</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	55,323	52,972
Goods and services	4	39,559	40,877
Financial transactions in assets and liabilities	5	4,025	766
<b>Total current expenditure</b>		<b>98,907</b>	<b>94,615</b>
<b>Transfers and subsidies</b>	<b>6</b>	<b>3,577</b>	<b>1,433</b>
<b>Expenditure for capital assets</b>			
Machinery and equipment	7	1,806	1,987
Software and other intangible assets	7	18	25
<b>Total expenditure for capital assets</b>		<b>1,824</b>	<b>2,012</b>
<b>TOTAL EXPENDITURE</b>		<b>104,308</b>	<b>98,060</b>
<b>SURPLUS/(DEFICIT)</b>		<b>84,629</b>	<b>64,940</b>
Add back unauthorised expenditure	8	-	3,164
Add back fruitless and wasteful expenditure	9	1	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>84,630</b>	<b>68,104</b>
<b>Reconciliation of Surplus/(Deficit) for the year</b>			
Voted Funds	13	15,372	19,152
Departmental Revenue	14	69,258	48,952
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>84,630</b>	<b>68,104</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
<b>ASSETS</b>			
<b>Current assets</b>		17,883	19,890
Unauthorised expenditure	8	3,164	3,164
Fruitless and wasteful expenditure	9	1	-
Cash and cash equivalents	10	11,193	11,631
Prepayments and advances	11	34	38
Receivables	12	3,491	5,057
<b>TOTAL ASSETS</b>		<b>17,883</b>	<b>19,890</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		16,453	19,833
Voted funds to be surrendered to the Revenue Fund	13	15,372	19,151
Departmental revenue to be surrendered to the Revenue Fund	14	1,069	678
Payables	15	12	4
<b>TOTAL LIABILITIES</b>		<b>16,453</b>	<b>19,833</b>
<b>NET ASSETS</b>		<b>1,430</b>	<b>57</b>
<b>Represented by:</b>			
Recoverable revenue		1,430	57
<b>TOTAL</b>		<b>1,430</b>	<b>57</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
<b>Recoverable revenue</b>			
Opening balance		57	46
Transfers		1,373	11
Debts revised	12.2	(168)	(60)
Debts recovered (included in departmental revenue)		(85)	(65)
Debts raised		1,626	136
Closing balance		<u>1,430</u>	<u>57</u>
<b>TOTAL</b>		<u><u>1,430</u></u>	<u><u>57</u></u>

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VOTE 4**

**CASH FLOW STATEMENT  
for the year ended 31 March 2007**

	<b>Note</b>	<b>2006/07</b>	<b>2005/06</b>
		<b>R'000</b>	<b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		193,487	167,504
Annual appropriated funds received	1.1	119,679	114,047
Departmental revenue received		73,808	53,457
Net (increase)/decrease in working capital		1,577	(41)
Surrendered to Revenue Fund		(92,573)	(55,338)
Current payments		(98,906)	(94,615)
Transfers and subsidies paid		(3,577)	(1,433)
<b>Net cash flow available from operating activities</b>	<b>16</b>	<b>8</b>	<b>16,077</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets		(1,824)	(2,012)
Proceeds from sale of capital assets	2	5	5
<b>Net cash flows from investing activities</b>		<b>(1,819)</b>	<b>(2,007)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		1,373	11
<b>Net cash flows from financing activities</b>		<b>1,373</b>	<b>11</b>
Net increase/(decrease) in cash and cash equivalents		(438)	14,081
Cash and cash equivalents at the beginning of the period		11,631	(2,450)
<b>Cash and cash equivalents at end of period</b>	<b>10</b>	<b>11,193</b>	<b>11,631</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**I. Annual Appropriation**

**I.1 Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act for (Voted funds) Provincial Departments.

	Final Appropriation	Actual Funds Received	Funds not requested / not received	Appropriation Received 2005/06
	R'000	R'000	R'000	R'000
Administration	41,612	41,612	-	41,122
Sustainable Resource Management	11,636	11,636	-	13,857
Asset and Liability Management	50,509	50,509	-	50,526
Financial Governance	15,922	15,922	-	8,542
<b>Total</b>	<b>119,679</b>	<b>119,679</b>	<b>-</b>	<b>114,047</b>

**2. Departmental revenue to be surrendered to revenue fund**

	Note	2006/07	2005/06
		R'000	R'000
Sales of goods and services other than capital assets	2.1	54	55
Interest, dividends and rent on land	2.2	73,727	52,679
Sales of capital assets	2.3	5	5
Financial transactions in assets and liabilities	2.4	27	723
<b>Total revenue collected</b>		<b>73,813</b>	<b>53,462</b>
Less: Departmental Revenue Budgeted	16 *	4,555	4,510
<b>Departmental revenue collected</b>		<b>69,258</b>	<b>48,952</b>

Comparative figures have been changed to concur with accounting policies.

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

Sales of goods and services produced by the department	54	55
Other sales	54	55
<b>Total</b>	<b>54</b>	<b>55</b>

**2.2 Interest, dividends and rent on land and buildings**

Interest	73,727	52,679
<b>Total</b>	<b>73,727</b>	<b>52,679</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**2.3 Sale of capital assets**

	2006/07	2005/06
	R'000	R'000
Other capital assets	5	5
<b>Total</b>	<b>5</b>	<b>5</b>

**2.4 Financial transactions in assets and liabilities  
Nature of recovery**

Receivables	27	723
<b>Total</b>	<b>27</b>	<b>723</b>

**3. Compensation of employees**

**3.1 Salaries and Wages**

Basic salary	39,183	37,455
Performance award	973	1,600
Service Based	330	74
Compensative/circumstantial	812	481
Other non-pensionable allowances	6,710	6,339
<b>Total</b>	<b>48,008</b>	<b>45,949</b>

**3.2 Social contributions**

**3.2.1 Employer contributions**

Pension	5,075	4,838
Medical	2,232	2,177
Bargaining council	8	8
<b>Total</b>	<b>7,315</b>	<b>7,023</b>

**Total compensation of employees**

<b>55,323</b>	<b>52,972</b>
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Average number of employees

269	269
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**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**4. Goods and services**

	Note	2006/07 R'000	2005/06 R'000
Advertising		1,330	945
Attendance fees (including registration fees)		1,092	913
Bank charges and card fees		70	119
Bursaries (employees)		134	268
Communication		1,263	1,129
Computer services		21,861	22,864
Consultants, contractors and special services		685	320
Courier and delivery services		24	22
Entertainment		59	316
External audit fees	4.1	2,018	2,428
Equipment less than R5000		726	1,812
Inventory	4.2	3,404	3,600
Legal fees		6	4
Maintenance, repairs and running costs		574	1,465
Operating leases		1,579	1,198
Plant flowers and other decorations		12	41
Printing and publications		448	910
Resettlement costs		77	165
Subscriptions		15	10
Travel and subsistence	4.3	3,193	2,234
Venues and facilities		248	91
Protective, special clothing & uniforms		14	4
Training & staff development		727	19
<b>Total</b>		<b>39,559</b>	<b>40,877</b>

**4.1 External audit fees**

Regulatory audits	1,963	2,428
Other audits	55	-
<b>Total</b>	<b>2,018</b>	<b>2,428</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

## 4.2 Inventory

	2006/07	2005/06
	R'000	R'000
Domestic consumables	5	4
Learning and teaching support material	29	337
Food and Food supplies	1,113	769
Fuel, oil and gas	14	124
Other consumables	1	4
Parts and other maintenance material	68	30
Stationery and printing	2,174	2,332
<b>Total</b>	<b>3,404</b>	<b>3,600</b>

## 4.3 Travel and subsistence

Local	2,939	2,053
Foreign	254	181
<b>Total</b>	<b>3,193</b>	<b>2,234</b>

## 5. Financial transactions in assets and liabilities

Other material losses written off	5.1	4,017	764
Debts written off	5.2	8	2
<b>Total</b>		<b>4,025</b>	<b>766</b>

### 5.1 Other material losses written off

Theft of computer and other items	20	20
Theft of cellular phone	4	5
Theft of colour convertor and software	-	15
Losses of interest investment	-	675
Irrecoverable Claim from SAPS	2,840	-
Vehicle accident	4	-
Irrecoverable debt from SARS and the Pension fund	1,149	-
Petty cash theft	-	1
Interest paid on all pay account	-	48
<b>Total</b>	<b>4,017</b>	<b>764</b>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**5.2 Debts written off**

	2006/07	2005/06
	R'000	R'000
<b>Nature of debts written off</b>		
Employee debt	8	2
<b>Total</b>	<u>8</u>	<u>2</u>

**6. Transfers and subsidies**

	Note		
Provinces and municipalities	Annex 1A,	2,494	181
Departmental agencies and accounts	Annex 1B	20	257
Non-profit institutions	Annex 1C	30	5
Households	Annex 1D	1,033	990
<b>Total</b>		<u>3,577</u>	<u>1,433</u>

**7. Expenditure for capital assets**

Machinery and equipment	27	1,806	1,987
Software and other intangible assets		18	25
Computer software	28	<u>18</u>	<u>25</u>
<b>Total</b>		<u>1,824</u>	<u>2,012</u>

**8. Unauthorised expenditure**

**8.1 Reconciliation of unauthorised expenditure**

Opening balance	3,164	-
Unauthorised expenditure – current year	-	3,164
Unauthorised expenditure awaiting authorisation	<u>3,164</u>	<u>3,164</u>

**FREE STATE: PROVINCIAL TREASURY  
VOTE 4**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**8.2 Analysis of Current Unauthorised expenditure**

		2006/07	2005/06
		R'000	R'000
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		
The function in respect of MFMA was reflected at Programme 4: Financial Governance while the budget was at Programme 2: Sustainable Resource Management.	None	-	3,164
<b>Total</b>		<u>-</u>	<u>3,164</u>

**9. Fruitless and wasteful expenditure**

**9.1 Reconciliation of fruitless and wasteful expenditure**

Opening balance		-	-
Fruitless and wasteful expenditure – current year		1	-
Current		1	-
Fruitless and wasteful expenditure awaiting condonement		1	-

**9.2 Analysis of Current Fruitless and wasteful expenditure**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		
Interest charged on the Revenue Fund during October 2006	Investigation still in process	1	-
<b>Total</b>		<u>1</u>	<u>-</u>

**10. Cash and cash equivalents**

Consolidated Paymaster General Account	11,193	11,631
<b>Total</b>	<u>11,193</u>	<u>11,631</u>

**11. Prepayments and advances**

Travel and subsistence	34	38
<b>Total</b>	<u>34</u>	<u>38</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**12. Receivables**

					2006/07	2005/06
	Note	Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	12.1	1,873	-	-	1,873	751
Intergovernmental receivables	Annex 3	1,618	-	-	1,618	4,306
<b>Total</b>		<b>3,491</b>	<b>-</b>	<b>-</b>	<b>3,491</b>	<b>5,057</b>

**12.1 Staff Debtors**

	2006/07	2005/06
	R'000	R'000
Breach of contract	32	52
Ex-Employee	57	14
State Guarantee	17	17
Travel and subsistence debt	6	6
Telephone debt	66	52
Employee debt	1,436	57
Suppliers debt	240	553
GG Accident	19	-
<b>Total</b>	<b>1,873</b>	<b>751</b>

**12.2 Debts revised**

Prior year adjustment	(168)	(60)
<b>Total</b>	<b>(168)</b>	<b>(60)</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

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

	<b>2006/07</b>	<b>2005/06</b>
	<b>R'000</b>	<b>R'000</b>
Opening balance	19,151	3,226
Transfer from Statement of Financial Performance	15,372	19,152
Voted funds not requested/not received	13.1 -	(1)
Paid during the year	(19,151)	(3,226)
<b>Closing balance</b>	<b>15,372</b>	<b>19,151</b>
<b>13.1 Voted funds not requested/not received</b>		
Funds not to be requested	-	(1)
	-	(1)

**14. Departmental revenue to be surrendered to the Revenue Fund**

Opening balance		678	(672)
Transfer from Statement of Financial Performance		69,258	48,952
Departmental revenue budgeted	2 *	4,555	4,510
Paid during the year		(73,422)	(52,112)
<b>Closing balance</b>		<b>1,069</b>	<b>678</b>

\* Comparative figures have been changed to concur with accounting policies.

**15. Payables – current**

				<b>2006/07</b>	<b>2005/06</b>
				<b>R'000</b>	<b>R'000</b>
<b>Description</b>	<b>Notes</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Other payables	15.1	12	-	12	4
<b>Total</b>		<b>12</b>	<b>-</b>	<b>12</b>	<b>4</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**15.1 Other payables**

	<b>2006/07</b>	<b>2005/06</b>
	<b>R'000</b>	<b>R'000</b>
<b>Income Tax</b>	12	4
<b>Total</b>	12	4

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

	<b>2006/07</b>	<b>2005/06</b>
	<b>R'000</b>	<b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance	84,630	68,104
Add back non cash/cash movements not deemed operating activities	(84,622)	(52,027)
(Increase)/decrease in receivables – current	1,566	4
(Increase)/decrease in prepayments and advances	4	22
(Increase)/decrease in other current assets	(1)	(3,164)
Increase/(decrease) in payables – current	8	(67)
Proceeds from sale of capital assets	(5)	(5)
Expenditure on capital assets	1,824	2,012
Surrenders to Revenue Fund	(92,573)	(55,338)
Voted funds not requested/not received	-	(1)
Other non-cash items	4,555	4,510
<b>Net cash flow generated by operating activities</b>	<b>8</b>	<b>16,077</b>

\* Comparative figures have been changed to concur with accounting policies.

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**17. Reconciliation of cash and cash equivalents for cash flow purposes**

	<b>2006/07</b>	<b>2005/06</b>
	<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account	11,193	11,631
<b>Total</b>	<b>11,193</b>	<b>11,631</b>

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

**18. Contingent liabilities**

			<b>2006/07</b>	<b>2005/06</b>
	<b>Note</b>		<b>R'000</b>	<b>R'000</b>
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	Annexure 2A	564	567
Claims against the department		Annexure 2B	222	367
Other departments (interdepartmental unconfirmed balances)		Annexure 4	322	-
<b>Total</b>			<b>1,108</b>	<b>934</b>

**19. Commitments**

<b>Current expenditure</b>				
Approved and contracted			4,877	869
			4,877	869
<b>Capital expenditure</b>				
Approved and contracted			321	193
			321	193
<b>Total Commitments</b>			<b>5,198</b>	<b>1,062</b>

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**20. Accruals**

	2006/07		2006/07	
	R'000		R'000	
<b>Listed by economic classification</b>				
	30 Days	30+ Days	Total	Total
Goods and services	1,825	216	2,041	1,290
<b>Total</b>	<b>1,825</b>	<b>216</b>	<b>2,041</b>	<b>1,290</b>

**Listed by programme level**

Administration		587	138
Sustainable Resource Management		33	6
Asset and Liability Management		1,390	1,137
Financial Governance		31	9
		<b>2,041</b>	<b>1,290</b>
Confirmed balances with departments	Annexure 4	92	-
		<b>92</b>	<b>-</b>

**21. Employee benefits**

Leave entitlement		1,113	1,150
Thirteenth cheque		1,641	1,665
Capped leave commitments		4,473	4,512
<b>Total</b>		<b>7,227</b>	<b>7,327</b>

**22. Lease Commitments**

**22.1 Operating leases**

		Land	Buildings and other fixed structures	Machinery and equipment		Total
2006/2007						
				R'000		R'000
Not later than 1 year				119		119
Later than 1 year and not later than 5 years				161		161
<b>Total present value of lease liabilities</b>				<b>280</b>		<b>280</b>

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**22.2 Finance leases \***

2006/2007	Land	Buildings and other fixed structures	Machinery and equipment	Total
			R'000	R'000
Not later than 1 year	-	-	1,127	1,127
Later than 1 year and not later than 5 years	-	-	708	708
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>1,835</b>	<b>1,835</b>
<b>Analysis</b>				
Condoned	-	-	839	839
Not condoned	-	-	996	996
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,835</b>	<b>1,835</b>

2005/2006	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	1,051	1,051
Later than 1 year and not later than 5 years	-	-	1,121	1,121
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>2,172</b>	<b>2,172</b>
<b>Analysis</b>				
Condoned	-	-	504	504
Not condoned	-	-	1,668	1,668
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,172</b>	<b>2,172</b>

Comparative figures have been changed to concur with accounting policies.

**23. Receivables for departmental revenue**

	2006/07	2005/06
	R'000	R'000
Sales of goods and services other than capital assets	54	55
Interest, dividends and rent on land	73,727	52,679
Sales of capital assets	5	5
<b>Total</b>	<b>73,786</b>	<b>52,739</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**24. Irregular expenditure**

**24.1 Reconciliation of irregular expenditure**

	2006/07	2005/06
	R'000	R'000
Opening balance	-	41
Add: Irregular expenditure – current year	-	-
Less: Amounts condoned	-	41
Expenditure for capital assets	-	41
Irregular expenditure awaiting condonement	-	-

**25. Key management personnel**

	No. of Indi- viduals	2006/07	2005/06
		R'000	R'000
Political office bearers	1	860	816
Officials			
Chief Executive Officer	1	975	954
Senior Executive Managers and the Chief Financial Officer	4	2,427	2,380
Family members of key management personnel	4	708	537
<b>Total</b>		<b>4,970</b>	<b>4,687</b>

The Chief Financial Officer is currently on level 14 and included in above. The family members indicated above is related to the MEC for Finance (1) and the Senior Executive Manager: Financial Governance (3).

**26. Provisions**

**Potential irrecoverable debts**

Claims recoverable	1,434	4,275
<b>Total</b>	<b>1,434</b>	<b>4,275</b>

**Provisions**

Other – Claim for M.A. Mokotedi and T.S. Mosoahle	-	99
<b>Total</b>	<b>1,434</b>	<b>4,374</b>

The claim (R39 000) from M.A. Mokotedi is in respect of salary owed together. The claim (R60 000) from T.S. Mosoahle is also in respect of salary owed to her by the department. The official was dismissed and the case went on arbitration where the ruling was for the department to reinstate T.S. Mosoahle.

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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27. Tangible Capital Assets

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

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>10,427</b>	<b>284</b>	<b>1,806</b>	<b>5</b>	<b>12,512</b>
Computer equipment	7,062	1,257	1,081	-	9,400
Furniture and office equipment	2,940	(782)	688	-	2,846
Other machinery and equipment	425	(191)	37	5	266
<b>TOTAL TANGIBLE ASSETS</b>	<b>10,427</b>	<b>284</b>	<b>1,806</b>	<b>5</b>	<b>12,512</b>

27.1

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

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid cur- rent year, received prior year)	Total
	Cost	Fair Value	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1,806</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,806</b>
Computer equipment	1,081	-	-	-	1,081
Furniture and office equipment	688	-	-	-	688
Other machinery and equipment	37	-	-	-	37
<b>TOTAL</b>	<b>1,806</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,806</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**27.2**

**DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER  
FOR THE YEAR ENDED 31 MARCH 2007**

	Sold (Cash)	Non-Cash	Total Cost	Cash Received Actual
	Cost	Fair Value	Cost	Cost
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	5	-	5	5
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	5	-	5	5
<b>TOTAL</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>

**27.3**

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

	Opening balance	Additions	Disposals	Closing bal- ance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	9,805	1,987	1,365	10,427
Transport assets	1,323	42	1,365	-
Computer equipment	5,913	1,149	-	7,062
Furniture and office equipment	2,272	668	-	2,940
Other machinery and equipment	297	128	-	425
<b>TOTAL TANGIBLE ASSETS</b>	<b>9,805</b>	<b>1,987</b>	<b>1,365</b>	<b>10,427</b>

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

28. Intangible Capital Assets

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

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	948	-	18	26	940
<b>TOTAL INTANGIBLE ASSETS</b>	<b>948</b>	<b>-</b>	<b>18</b>	<b>26</b>	<b>940</b>

28.1

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

	Cash	Non-Cash	(Development work in prog- ress – current costs)	Received cur- rent year, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	18	-	-	-	18
<b>TOTAL</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

**28.2**

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER  
FOR THE YEAR ENDED 31 MARCH 2007**

	Sold (Cash)	Non-Cash	Total Cost	Cash Received Actual
	Cost	Fair Value	Cost	Cost
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	26	-	26	-
<b>TOTAL</b>	<b>26</b>	<b>-</b>	<b>26</b>	<b>-</b>

**28.3**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER  
FOR THE YEAR ENDED 31 MARCH 2006**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	923	25	-	948
<b>TOTAL</b>	<b>923</b>	<b>25</b>	<b>-</b>	<b>948</b>



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER			2005/06 Final Appropria- tion Act R'0000
	Adjusted Appropriation Act R'0000	Roll Overs R'0000	Adjustments R'0000	Total Available R'0000	Actual Transfer R'0000	% of Available funds Transferred %	
Department of the Premier	-	-	20	20	20	100.0%	-
	-	-	20	20	20	100.0%	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

## ANNEXURE 1C

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE			Final Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	2005/06	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
<b>Transfers</b>								
Donation to disability centre by the MEC for Finance	5	-	-	5	5	100.0%	-	
Primary school - Welkom	-	-	-	-	-	0.0%	5	
Donation to the Moroka High School: Seloseshu	5	-	-	5	5	100.0%	-	
Donation to Ikaheng Social Development Organisation	20	-	-	20	20	100.0%	-	
<b>Total</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>30</b>		<b>5</b>	

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE			2005/06 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %		
<b>Transfers</b>								
Leave Gratuity – JM Smith	-	-	-	-	-	0.0%	13	
Leave gratuity payments: MS Laney and A Griesel	84	-	-	84	82	97.6%	-	
Gifts to officials going on pension	1	-	-	1	1	100.0%	-	
Bursaries (Non-employees)	1,369	-	-	1,369	935	68.3%	925	
Callphone stolen: S Grove	4	-	-	4	4	100.0%	-	
Claims against the State-Injury on duty	25	-	-	25	8	32.0%	52	
Government vehicle and Rental car accident	8	-	-	8	3	37.5%	-	
<b>Total</b>	<b>1,491</b>	<b>-</b>	<b>-</b>	<b>1,491</b>	<b>1,033</b>		<b>990</b>	

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## ANNEXURE 1E

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07	2005/06
		R'000	R'000
<b>Received in kind</b>			
ABSA	Donation for Budget Speech	50	70
FNB	Donation for Budget Speech	30	-
Standard Bank	Donation for Budget Speech	50	-
Ernest and Young	Donation for Budget Speech	8	15
Pricewaterhouse Cooper	Donation for Budget Speech	10	-
Bloemwater	Donation for Budget Speech	-	4
<b>Total</b>		<b>148</b>	<b>89</b>

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
<b>Received in kind</b>			
ABSA	External news letter launch and Budget Speech	70	100
Ernest and Young	Treasury News launch and Budget Speech	15	50
Coca Cola Fortune	Year end function and Human Resource Development policy launch	-	1
Bloemwater	Budget Speech	4	1
South African Breweries	Year end function and Human Resource Development policy launch	-	1
<b>Total</b>		<b>89</b>	<b>153</b>

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE IF**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS,  
REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2007**

	2006/07	2005/06
	R'000	R'000
<b>NATURE OF GIFT, DONATION OR SPONSORSHIP</b>		
<b>Paid in cash</b>		
Moroka High School: Selosesha	5	-
Gifts to officials going on pension (MS Laney/A Griesel)	1	-
Gift to Ikhaheng Social Development Organisation	20	-
Donations to disability centre	5	-
Infrastructure Summit	-	201
Secretary day	-	6
Anti- Corruption Summit	-	49
JM Smith	-	1
<b>Subtotal</b>	<b>31</b>	<b>257</b>
<b>Remissions, refunds, and payments made as an act of grace</b>		
Cellphone stolen: S Grove	3	-
<b>Subtotal</b>	<b>3</b>	<b>-</b>
<b>TOTAL</b>	<b>34</b>	<b>257</b>

**ANNEXURE 2A**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL**

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2006	Guarantees draw downs during the year	Guarantees repaid/cancelled/ released during the year	Currency re-valuations	Closing balance 31 March 2007	Guaranteed interest for year ended 31 March 2007	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Saambou		67	67	-	-	-	67	-	-
NBS		30	30	-	-	-	30	-	-
Peoples Bank		18	18	-	-	-	18	-	-
FNB		72	72	-	15	-	57	-	-
FDC		62	62	-	19	-	43	-	-
Standard Bank		82	82	-	-	-	82	-	-
Nedbank		51	51	-	-	-	51	-	-
ABSA		185	185	31	-	-	216	-	-
<b>Total</b>		<b>567</b>	<b>567</b>	<b>31</b>	<b>34</b>	<b>-</b>	<b>564</b>	<b>-</b>	<b>-</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening	Liabilities incurred	Liabilities paid /	Liabilities recov-	Closing
	Balance	during the year	cancelled / reduced	erable (Provide	Balance
	01/04/2006	during the year	during the year	details hereunder)	31/03/2007
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
JC van Heerden	367	-	367	-	-
	367	-	367	-	-
<b>Other</b>					
South African Revenue Service	-	222	-	-	222
<b>Total</b>	<b>367</b>	<b>222</b>	<b>367</b>	<b>-</b>	<b>222</b>

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OVERSIGHT REPORT  
for the year ended 31 March 2007

**ANNEXURE 3**

**INTER-GOVERNMENT RECEIVABLES**

Department	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
FSPG Education	42	3	-	-	42	3
FSPG Public Works, Roads and Transport	-	2	-	-	-	2
NC: Treasury	-	2	-	-	-	2
Gauteng: Public Works, Roads and Transport	-	5	5	-	5	5
Gauteng: Justice	-	13	13	-	13	13
FSPG Local Government and Housing	112	-	-	-	112	-
FSPG: Revenue Fund	-	-	-	-	-	-
Gauteng Health	-	-	2	-	2	-
South African Police Services	-	-	2	2,844	2	2,844
<b>Other Government entities</b>						
South African Revenue Services	-	-	1,434	1,433	1,434	1,433
HOSMED	-	-	-	4	-	4
CMB Nominees	8	-	-	-	8	-
<b>TOTAL</b>	<b>162</b>	<b>25</b>	<b>1,456</b>	<b>4,281</b>	<b>1,618</b>	<b>4,306</b>

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ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000

DEPARTMENTS

Current

South African Police Services	25	-	-	-	25	-
FS: Department of Public Works, Roads and Transport	67	-	-	-	67	-
Department of Foreign Affairs		-	322	-	322	-
<b>Total</b>	<b>92</b>	<b>-</b>	<b>322</b>	<b>-</b>	<b>414</b>	<b>-</b>

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**1. Service delivery**

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

**Table 1.1 - Main services provided and standards**

<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
Monitor Financial Administration	11 Departments, 2 Trading	Departments, Public Entities, Trading Entities National Treasury, MEC Finance, CEO Provincial Treasury	81% adherence to predetermined Key performance indicators	Average adherence by all Departments to the Key performance indicators for April 2006– March 2007= 86%
Promote implementation of Accounting Policy, guidelines and practices	Departments, Trading Entities and Public entities	In respect of 5 Departments, 2 Trading Entities and 5 Public Entities	Circulars guidelines and practices in line with formats and guidelines of GRAP	5 PAG circulars and 2 practice notes were compiled according to guidelines while 10 exposure drafts were evaluated and the principles of 3 accounting standards from the Accounting Standards Board were implemented in the Province
Provide Financial Management Training	Departments, Trading Entities and Public Entities	In line with Accounting principles & practices	Number of officials trained	Total officials trained = 222
Promote unqualified AFS	11 Departments, Legislature 2 Trading Entities 5 Public Entities & Other funds	Departments, Legislature, Trading Entities, Public Entities and other funds	Unqualified audit opinions	8 Departments and 8 Public/Trading Entities & other funds received unqualified audit opinions for the 2005/06 financial year.
Compile a Consolidated Annual Financial information report	1 Consolidated Annual Report of Departments and Public Entities	Public, National Treasury and MEC Finance	Compile and submit Annual Report in line with National Treasury prescripts and guidelines	Compiled the Consolidated Annual Financial information of departments and public entities in line with National Framework and guidelines and tabled the Annual Report in November 2007.
Promote compliance in the Province	Provincial Departments & Entities	Provincial Departments & Entities.	Delegations updated annually.  Issue PFMA Circulars.	Delegations updated in April 2006.  Issued 3 PFMA Circulars & 1 amendment Circular.
Promote effective implementation of PROPAC Resolutions.	PROPAC.	Provincial Departments & Entities.	Bi-monthly monitoring report. Evaluation reports issued 8 working days before PROPAC sitting.	Issued 2 evaluation reports 8 working days before PROPAC sitting.
Assess the degree of compliance, with regard to PFMA.	EXCO	Provincial Departments & Entities.	4 quarterly compliance reports to EXCO	2 quarterly compliance reports issued to EXCO

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<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
Provide PFMA related training in the Province	Provincial Departments & Entities.	Provincial Departments & Entities.	4 training sessions per year.	1 training course with 1 session offered to 73 officials.
Monitor budget preparation progress for the local government sphere.	21 delegated municipalities.	4 non-delegated municipalities	Budget timelines Approval of 21 municipal budgets before 30/06/2006	All delegated municipalities budgets were approved by 30/06/2006.
Promote credible municipal budget.	21 delegated municipalities.	4 non-delegated municipalities	21 comments on approved budgets.	1 Consolidated reports and 21 letters regarding feedback on draft budgets were finalized.
Monitor, consolidate and analyse IYM of municipalities.	21 delegated municipalities.	4 non-delegated municipalities	By 22nd working day of each month, 21 Reports.	171 Reports.
Promote, monitor and evaluate effective implementation of municipal Legislative Resolutions.	21 delegated municipalities	4 non-delegated municipalities	8 working days before PROPAC.	2 Reports submitted for Propac sittings.
Facilitate publication of Section 71 financial reports.	21 delegated municipalities	4 non-delegated municipalities	4 Publications 25 April 25 July 25 Oct 25 Jan	4 Publications but only one reports was tabled in the Legislature.
Monitor compliance of MFMA of Legislative Resolutions.	21 delegated municipalities	4 non-delegated municipalities	4 Compliance Reports.	4 Reports.
Co-ordinate training and build capacity at municipalities.	21 delegated municipalities	4 non-delegated municipalities	300 Officials trained.	362 Officials trained.
Review the annual financial statements and audit reports for compliance and appropriateness.	21 delegated municipalities	4 non-delegated municipalities	None.	Function performed by LG & H as required by MFMA.
Security services to the Department	Employees	Service providers and potential employees	Monthly spot checks on buildings and integrity checks of employees on request	Monthly spot check conducted and all integrity check requests finalised
Filling of vacancies	Directorates	None	Submission for filling of posts within 3 months after request is received	39 posts filled, although submission for approval of appointments took longer than 3 months in some cases due to high workload
Management of the PDMS for the Department	Directorates	None	All employees to have performance plans and to be assessed on a quarterly basis	Performance plans in place for all employees. All employees assessed

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<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
Promoting sound labour relations	Department and employees	None	Reduction in misconduct cases and successful defence of disputes against Department	All disputes against Department successfully handled  Less than 5 misconduct cases registered
Providing IT support	Employees	None	Network 99,9% uptime	80% up due to interruptions and Lan Administrator vacancy.
Provide human resources development for the Department	Employees	None	All nominated employees trained	68% of training needs identified was completed in financial year
Consolidation of In-Year Management Monitoring Report	Provincial departments	None	According to Section 40(4)(c) of the PFMA	100% compliance
Render supply chain management services	Suppliers and employees	None	50% compliance with legislation, policies and procedures	65% compliance
Facilitate strategic planning and annual Performance Plan process	Department	None	Tabled Strategic Plan and Annual Performance Plan by March 2007	100%
Annual reporting	Department	None	Accurate Annual report by 31 August 2006	100%
Financial management	Department	None	According to pre-determined key performance indicators	100%
Internal Auditing	Department	None	100% execution of operational plan and three year strategic rolling plan	13%
Risk assessment	Department	None	Risk identified and reported	100%
Establish a borrowing framework for the Province	Provincial Departments	None	Draft framework completed by 31 March 2007	To be finalised during 2007/2008 financial year
Optimisation of Provincial own revenue sources	Provincial Departments	None	9 Departments to provide their revenue statistics to Department	5 Departments submitted information
Management of revenue collection	Departments	None	Aligned policies with fiscal framework	90%
Table appropriation and provincial budget in line with national and provincial priorities	Provincial Departments	None	Tabled 1 week after National Budget	100%
Prepare budget statements	Provincial Departments	None	Accurate budget statement tabled with the bill	100%

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<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
Preparation of adjustment budget	Provincial Departments	None	Accurate and credible adjustment budget book	100%
Monitor expenditure trends against budget figures	Provincial Departments	None	12 expenditure reports per Department	100%
Maintenance of a Provincial budget database	Provincial Departments	None	Monthly updated database	100%
Facilitate roll-out of infrastructure Development Improvement Programme and monitor its implementation in Departments	Provincial Departments	None	12 steering committee meetings	11 steering committee meetings held
Consolidation of Provincial Infrastructure Plan in line with the Division of revenue Act and the Free State Growth and Development Plan and Provincial strategies	Provincial Departments	None	1 Plan	100%
Manage and maintain the transversal systems	Provincial Departments	None	Transversal systems 99% available	98%
Provide functional and technical support to Provincial departments on transversal systems	Provincial Departments	None	Problems solved within 7 working days	100%
Maintain supplier register and item master	Provincial Departments	None	Suppliers and item master registered within 10 days after requests	100%

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**Table 1.2 - Consultation arrangements with customers**

<b>Type of arrangement</b>	<b>Actual Customers</b>	<b>Potential Customers</b>	<b>Actual achievements</b>
Regular meetings and communication with Departments	Provincial Departments	N/A	Effectively implemented services as indicated in par 1.1

**Table 1.3- Service delivery access strategy**

<b>Access Strategy</b>	<b>Actual achievements</b>
Use of letters, telephones, e-mail, meetings and visits from and to Departments	All systems in place and used to improve accessibility.
Use of e-mail to reach customers and make Department more accessible	System in place and in use on a regular basis.

**Table 1.4 - Service information tool**

<b>Types of information tool</b>	<b>Actual achievements</b>
Information provided to customers in English via letters, newsletters, local newspapers, meetings and telephone calls	Regular use of all mediums to provide information.

**Table 1.5 - Complaints mechanism**

<b>Complaints Mechanism</b>	<b>Actual achievements</b>
Grievance procedure for internal customers	All grievances handled and finalized according to the procedure.
Informal complaints mechanism via letters, e-mail and telephone calls to appropriate Directorate	Handled and finalized when received.

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## 2. Expenditure

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

**TABLE 2.1 – Personnel costs by programme, 2006/ 07**

<b>Programme</b>	<b>Total Expenditure (R'000)</b>	<b>Personnel Expenditure (R'000)</b>	<b>Training Expenditure (R'000)</b>	<b>Professional and Special Services (R'000)</b>	<b>Personnel cost as a percent of total expenditure</b>	<b>Average personnel cost per employee (R'000)</b>
Administration	34,959	21,695	0	0	62,1%	79
Sustainable Resources Management	8,703	6,196	0	0	71,2%	23
Asset and Liability Management	41,941	17,528	0	0	41,8%	64
Financial Governance	14,680	9,904	0	0	67,5%	36
Theft and losses	4,025	0	0	0	0%	0
<b>Total</b>	<b>104,308</b>	<b>55,323</b>	<b>0</b>	<b>0</b>	<b>53,6%</b>	<b>202</b>

**TABLE 2.2 – Personnel costs by salary bands, 2006/ 07**

<b>Salary bands</b>	<b>Personnel Expenditure (R'000)</b>	<b>% of total personnel cost</b>	<b>Average personnel cost per employee (R'000)</b>
Lower skilled (Levels 1-2)	246	0%	0
Skilled (Levels 3-5)	831	1,7%	65
Highly skilled production (Levels 6-8)	22,100	39,9%	117
Highly skilled supervision (Levels 9-12)	22,997	41,7%	245
Senior management (Levels 13-16)	9,149	16,7%	707
<b>Total</b>	<b>55,323</b>	<b>100%</b>	<b>202</b>

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

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Administration	15,224	69,1%	18	0,1%	193	0,9%	865	3,9%
Sustainable Resources Management	4,165	64,2%	40	0,6%	60	0,9%	170	2,6%
Asset and Liability Management	12,760	71,4%	0	0%	216	1,2%	778	4,4%
Financial Governance	7,034	70,3%	7	0,1%	58	0,6%	374	3,7%
<b>Total</b>	<b>39,183</b>	<b>69,5%</b>	<b>65</b>	<b>0,1%</b>	<b>527</b>	<b>0,9%</b>	<b>2,187</b>	<b>3,9%</b>

**TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2006/ 07**

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	244	0%	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	571	1%	2	0,2%	8	1%	53	6,3%
Highly skilled production (Levels 6-8)	16,347	29,6%	8	0,04%	298	1,3%	1,205	5,5%
Highly skilled supervision (Levels 9-12)	16,668	30,1%	55	0,2%	161	0,7%	777	3,4%
Senior management (Levels 13-16)	5,353	9,7%	0	0%	58	0,6%	153	1,7%
<b>Total</b>	<b>39,183</b>	<b>70,4%</b>	<b>65</b>	<b>0,1%</b>	<b>525</b>	<b>0,9%</b>	<b>2,187</b>	<b>4%</b>

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**3. Employment and Vacancies**

**TABLE 3.1 – Employment and vacancies by programme, 31 March 2007**

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	158	115	26%	7
Sustainable Resources Management	43	24	44%	0
Asset and Liability Management	126	92	26%	0
Financial Governance	73	38	47%	0
<b>Total</b>	<b>400</b>	<b>269</b>	<b>32,5%</b>	<b>7</b>

**TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2007**

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	5	4	20%	7
Skilled (Levels 3-5)	14	8	42%	0
Highly skilled production (Levels 6-8)	215	148	31%	0
Highly skilled supervision (Levels 9-12)	145	92	36%	0
Senior management (Levels 13-16)	21	17	19%	0
<b>Total</b>	<b>400</b>	<b>269</b>	<b>32,5%</b>	<b>7</b>

**TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2007**

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Senior Managers	15	11	26%	0
Executive Manager	1	1	0%	0
Senior Executive Managers	3	3	0%	0
CEO and MEC	2	2	0%	0
<b>Total</b>	<b>21</b>	<b>17</b>	<b>19%</b>	<b>0</b>

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4. Job Evaluation

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

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	5	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	14	9	64%	0	0%	0	0%
Highly skilled production (Levels 6-8)	215	21	9%	8	38%	0	0%
Highly skilled supervision (Levels 9-12)	145	18	12%	9	50%	0	0%
Senior Management Service Band A	15	0	0%	0	0%	0	0%
Senior Management Service Band B	4	0	0%	0	0%	0	0%
Senior Management Service Band C	0	0	0%	0	0%	0	0%
Senior Management Service Band D	2	0	0%	0	0%	0	0%
<b>Total</b>	<b>400</b>	<b>48</b>	<b>12%</b>	<b>17</b>	<b>35%</b>	<b>0</b>	<b>0%</b>

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2006 to 31 March 2007

Beneficiaries	African	Asian	Coloured	White	Total
Female	8	0	0	0	8
Male	5	0	0	2	7
<b>Total</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>15</b>
<b>Employees with a disability</b>					<b>0</b>

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**TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR I.V.C.3)**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Manager: Budget Management	4	11	12	Retention of employees
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2006/07				4
Percentage of total employment				1%

**TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR I.V.C.3)**

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	2	0	0	0	2
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
Employees with a disability					0
Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2006/07					1%

## 5. Employment Changes

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

Salary Band	Number of employees per band as on 1 April 2006	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	3	0	0%
Skilled (Levels 3-5)	7	1	0	0%
Highly skilled production (Levels 6-8)	156	12	19	12%
Highly skilled supervision (Levels 9-12)	89	19	16	18%
Senior Management (Levels 13-16)	17	4	4	23%
<b>Total</b>	<b>269</b>	<b>39</b>	<b>39</b>	<b>14%</b>

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**TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2006 to 31 March 2007**

<b>Occupation:</b>	<b>Number of employees per occupation as on 1 April 2006</b>	<b>Appointments and transfers into the department</b>	<b>Terminations and transfers out of the department</b>	<b>Turnover rate</b>
Senior Managers	11	4	4	36%
Executive Manager	1	0	0	0%
Senior Executive Managers	3	0	0	0%
CEO and MEC	2	0	0	0%
<b>Total</b>	<b>17</b>	<b>4</b>	<b>4</b>	<b>23%</b>

**Table 5.3 – Reasons why staff are leaving the department**

<b>Termination Type</b>	<b>Number</b>	<b>% of total</b>
Death	1	2%
Resignation	17	44%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	2	5%
Transfers to other Public Service Departments	19	49%
Other	0	0%
<b>Total</b>	<b>39</b>	<b>100%</b>
<b>Total number of employees who left as a % of the total employment</b>		<b>14%</b>

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**Table 5.4 – Promotions by critical occupation**

Occupation:	Employees as at 1 April 2006	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Senior Managers	11	0	0%	0	0%
Executive Manager	1	0	0%	0	0%
Senior Executive Managers	3	0	0%	0	0%
CEO and MEC	2	0	0%	0	0%
<b>Total</b>	<b>17</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**Table 5.5 – Promotions by salary band**

Salary Band	Employees on 1 April 2006	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	4	0	0%	0	0%
Skilled (Levels 3-5)	8	0	0%	5	62,5%
Highly skilled production (Levels 6-8)	148	3	2%	134	90,5%
Highly skilled supervision (Levels 9-12)	92	1	1%	56	60,8%
Senior Management Service Band A	11	0	0%	0	0%
Senior Management Service Band B	4	0	0%	0	0%
Senior Management Service Band C	0	0	0%	0	0%
Senior Management Service Band D	2	0	0%	0	0%
<b>Total</b>	<b>269</b>	<b>4</b>	<b>1,5%</b>	<b>195</b>	<b>72,4%</b>

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**6. Employment Equity**

**6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2007**

Occupational categories (SASCO)	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Legislators, senior officials and managers	37	4	0	12	29	3	0	22	107
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	3	1	0	1	5	0	0	0	10
Clerks	33	4	0	12	54	7	1	33	144
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	4	0	0	0	4	0	0	0	8
<b>Total</b>	<b>77</b>	<b>9</b>	<b>0</b>	<b>25</b>	<b>92</b>	<b>10</b>	<b>1</b>	<b>55</b>	<b>269</b>

<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
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**6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2007**

Occupational Bands	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Top Management	2	1	0	1	1	0	0	1	6
Senior Management	5	1	0	3	1	0	0	1	11
Professionally qualified and experienced specialists and mid-management	17	1	0	3	5	1	0	6	33
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	38	4	0	16	62	6	1	39	166
Semi-skilled and discretionary decision making	11	2	0	2	19	3	0	8	45
Unskilled and defined decision making	4	0	0	0	4	0	0	0	8
<b>Total</b>	<b>77</b>	<b>9</b>	<b>0</b>	<b>25</b>	<b>92</b>	<b>10</b>	<b>1</b>	<b>55</b>	<b>269</b>

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**6.3 Recruitment for the period 1 April 2006 to 31 March 2007**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	3	0	0	0	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management	6	0	0	0	1	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12	1	0	0	11	0	0	0	24
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	1	0	0	0	3	0	0	0	4
<b>Total</b>	<b>22</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39</b>

<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0
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**6.4 Promotions for the period 1 April 2006 to 31 March 2007**

Occupational Bands	Male				Female				Total
	African	Co- loured	Indian	White	African	Co- loured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	1	0	0	1	3
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>

<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0
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**6.5 Terminations for the period 1 April 2006 to 31 March 2007**

Occupational Bands	Male				Female				Total
	African	Co- loured	Indian	White	African	Co- loured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	4	0	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	5	1	0	0	2	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	1	0	3	6	0	0	2	22
Semi-skilled and discretionary decision making	3	0	0	0	2	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>22</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>39</b>
<b>Employees with disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

**6.6 Disciplinary action for the period 1 April 2006 to 31 March 2007**

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	0	0	0	0	0	0	0	3

**6.7 Skills development for the period 1 April 2006 to 31 March 2007**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	28	2	0	13	47	1	0	20	111
Professionals									
Technicians and associate professionals	2	0	0	0	1	0	0	0	3
Clerks	27	2		15	66	5		35	150
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

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Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>57</b>	<b>4</b>		<b>28</b>	<b>114</b>	<b>6</b>		<b>55</b>	<b>264</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

## 7. Performance Rewards

**TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2006 to March 2007**

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	55	169	32%	381	6,927
Male	20	77	25.3%	163	8,144
Female	35	92	37.6%	218	6,229
Asian	1	1	100%	5	4,744
Male	0	0	0%	0	0
Female	1	1	100%	5	4,744
Coloured	9	20	45%	56	6,222
Male	4	9	44.4%	26	6,453
Female	5	10	45.5%	30	6,035
White	58	80	72%	531	9,775
Male	14	25	56%	145	10,361
Female	44	55	78.6%	386	8,772
Employees with a disability	0	0	0%	0	0
<b>Total</b>	<b>123</b>	<b>269</b>	<b>45%</b>	<b>973</b>	<b>7,910</b>

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**TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2006 to 31 March 2007**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	4	0%	0	0	Personnel costs not available per salary bands
Skilled (Levels 3-5)	3	8	37%	9	3,000	Personnel costs not available per salary bands
Highly skilled production (Levels 6-8)	80	148	54%	487	6,087	Personnel costs not available per salary bands
Highly skilled supervision (Levels 9-12)	40	92	43%	477	11,925	Personnel costs not available per salary bands
<b>Total</b>	<b>123</b>	<b>252</b>	<b>49%</b>	<b>973</b>	<b>7,910</b>	Personnel costs not available per salary bands

**TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2006 to 31 March 2007**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Band A	0	0	0%	0	0
Band B	0	0	0%	0	0
Band C	0	0	0%	0	0
Band D	0	0	0%	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>

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

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	0	0%	0	0	Personnel costs not available per salary bands
Band B	0	0	0%	0	0	Personnel costs not available per salary bands
Band C	0	0	0%	0	0	Personnel costs not available per salary bands
Band D	0	0	0%	0	0	Personnel costs not available per salary bands
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>Personnel costs not available per salary bands</b>

**8. Foreign Workers**

**TABLE 8.1 – Foreign Workers, 1 April 2006 to 31 March 2007, by salary band**

Salary Band	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	0	0%	0	0%	0	0%
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	0	0%	0	0%	0	0%
Senior management (Levels 13-16)	0	0%	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**TABLE 8.2 – Foreign Worker, 1 April 2006 to 31 March 2007, by major occupation**

Major Occupation	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
No foreign workers	0	0%	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

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**9 - Leave utilisation for the period 1 January 2006 to 31 December 2006**

**TABLE 9.1 – Sick leave, 1 January 2006 to 31 December 2006**

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)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	26	61,5%	5	2,5%	5	6
Highly skilled production (Levels 6-8)	946	83,9%	116	58,6%	8	388
Highly skilled supervision (Levels 9-12)	378	74,3%	68	34,3%	6	282
Senior management (Levels 13-16)	47	85,1%	9	4,5%	5	91
<b>Total</b>	<b>1,397</b>	<b>81%</b>	<b>198</b>	<b>100%</b>	<b>7</b>	<b>767</b>

**TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2006 to 31 December 2006**

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	0	0%	0	0%	0	0
Highly skilled production (Levels 6-8)	116	100%	11	100%	11	53
Highly skilled supervision (Levels 9-12)	0	0%	0	0%	0	0
Senior management (Levels 13-16)	0	0%	0	0%	0	0
<b>Total</b>	<b>116</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>11</b>	<b>53</b>

**TABLE 9.3 – Annual Leave, 1 January 2006 to 31 December 2006**

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	0	0
Skilled Levels 3-5)	172	19
Highly skilled production (Levels 6-8)	3,515	22
Highly skilled supervision(Levels 9-12)	1,967	19
Senior management (Levels 13-16)	256	17
<b>Total</b>	<b>5,910</b>	<b>21</b>

**TABLE 9.4 – Capped leave, 1 January 2006 to 31 December 2006**

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	1	1	14
Highly skilled production (Levels 6-8)	129	5	29
Highly skilled supervision (Levels 9-12)	24	3	39
Senior management (Levels 13-16)	0	0	53
<b>Total</b>	<b>154</b>	<b>5</b>	<b>33</b>

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2006/07 due to non-approval of leave for the previous cycle (operational requirements)	115	13	8,846
Capped leave payouts on termination of service for 2006/07	304	37	8,216
Current leave payout on termination of service for 2006/07	101	13	7,769
<b>Total</b>	<b>520</b>	<b>63</b>	<b>8,254</b>

## 10. HIV/AIDS & Health Promotion Programmes

**TABLE 10.1 – Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	N/A

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**TABLE 10.2 – Details of Health Promotion and HIV/AIDS Programs**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms M G Tshitlho, Senior Manager: Corporate Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Ms C Ntlokwana
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	Yes		Recognize health promotion days. Assist employees with personal problems.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I 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 C Ntlokwana Mr T Mohlakoane Ms T Lebone Ms F Radiboke Ms R Deeuw Ms L Khoahlape Mr P Visser Ms N Matlala Ms L Dumisi Ms C Motsemme Mr L Menyatso Ms M Setai Ms M Booysen Ms S Kruger  All of the mentioned employees represent the different Directorates of the Free State Provincial Treasury.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		HIV and Aids Policy as well as employment policies and practices such regarding recruitment, selection, appointments.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Principles in the HIV policy clearly state that no discrimination is allowed against employees based on their HIV status
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes		Yes. In the process of organizing VCT training
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	No		

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11. Labour Relations

**TABLE 11.1 – Collective agreements, 1 April 2006 to 31 March 2007**

Total collective agreements	None
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**TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2006 to 31 March 2007**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	1	33%
Suspended without pay	1	33%
Fine	0	0%
Demotion	1	33%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	0	0%
Total	3	100%

Disciplinary hearings – 2006/ 07	3
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**TABLE 11.3 – Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Absenteeism	2	67%
Non compliance with Regulations	1	33%
Total	3	100%

**TABLE 11.4 – Grievances lodged for the period 1 April 2006 to 31 March 2007**

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

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**TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2006 to 31 March 2007**

	Number	% of Total
Number of disputes upheld	1	33%
Number of disputes dismissed	2	67%
Total number of disputes lodged	3	100%

**TABLE 11.6 – Strike actions for the period 1 April 2006 to 31 March 2007**

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

**TABLE 11.7 – Precautionary suspensions for the period 1 April 2006 to 31 March 2007**

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

## 12. Skills development

### 12.1 Training needs identified 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	54	0	97	0	97
	Male	52	0	64	0	64
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	2	0	2	0	2
	Male	4	0	4	0	4

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Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	99	3	147	5	155
	Male	55	2	64	5	71
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	0	0	0	0	0
	Male	3	0	0	0	0
Sub Total	Female	155	3	246	5	254
	Male	114	2	132	5	139
<b>Total</b>		<b>269</b>	<b>5</b>	<b>378</b>	<b>10</b>	<b>393</b>

**12.2 Training provided 1 April 2006 to 31 March 2007**

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	54	0	68	0	68
	Male	52	0	43	0	43
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0

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Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Female	2	0	1	0	1
	Male	4	0	2	0	2
Clerks	Female	99	3	98	5	106
	Male	55	2	37	5	44
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	0	0	0	0	0
	Male	3	0	0	0	0
Sub Total	Female	155	3	167	5	175
	Male	114	2	82	5	89
<b>Total</b>		<b>269</b>	<b>5</b>	<b>249</b>	<b>10</b>	<b>264</b>

### 13. Injury on duty

**TABLE 13.1 – Injury on duty, 1 April 2006 to 31 March 2007**

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

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**14. Utilisation of Consultants**

**Table 14. 1: Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
0	0	0	0

**Table 14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDI's)**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	N/A	N/A	N/A

**Table 14.3: Report on consultant appointments using Donor funds**

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None	N/A	N/A	N/A
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None	N/A	N/A	N/A
0	0	0	0

**Table 14.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDI's)**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	N/A	N/A	N/A

