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ANNUAL REPORT 2009/10

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Foreword by the MEC For Finance: Free State Province Mr. S.J. Mohai, MPL.



The year under review was a difficult one on the economic front. Although the economy started to recover from the deepest recession in 17 years, that was inspired by the global meltdown, the recovery has been slow and characterized by struggles with regard to employment and consumer confidence. The revenues of Government were also affected by the effects of the recession.

The fiscal stance of saving by government for rainy days proved to be the best remedy when we were confronted by the recession. The proper regulation of the financial sector was also one of our protecting pillars during periods of volatility. The financial sector regulation also emerged as one of the main areas for post recession way forward in restructuring the global economy, even in developed countries.

Despite these difficulties, Government remained focused to its mandate of bettering the lives of our people as guided by the five main priorities of education, health, decent jobs, rural development and community safety. Treasury has an important role in the realization of this mandate. That is why our very first step after the 2009 April elections was to attempt to revise the budget in line with the new priorities.

Prudent financial management is even more necessary during periods of downturns; our experience over the past year has proven. That is why cost cutting measures that were introduced in the period under review were part of important steps in the right direction.

On the overall we sought to increase the performance of Treasury functions in such areas as revenue collection, asset management and financial governance. This is a trend that we will maintain so as to help the speedy recovery of the economy. We will also ensure monitoring of Government expenditure, particularly in infrastructure development since this is part of our stimulus for the immediate recovery and long-term economic development.

We will continue to conduct our Treasury work not just to push numbers but to articulate the policy choices and trade-offs that Government has made given the many competing demands with limited resources. 16 years since the advent of freedom the need for a more meaningful economic development to our people will loom larger as the course of transformation enters a new trajectory. The work of Treasury will therefore continue to be geared towards the needs of our people.

We are confident that working closely with other Government departments we can do better and more!

A handwritten signature in black ink, appearing to be 'S.J. Mohai', written over a light blue circular stamp.

**MEC FOR FINANCE: FREE STATE PROVINCE
MR. S.J. MOHAI, MPL**

Introductory Remarks by the Acting CEO as Head of Department Me NP Mkiva

I am privileged to submit the 2009-10 Annual Report for Department of Provincial Treasury in line with the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999) and Treasury Regulations.

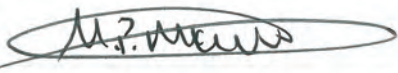
The year 2009-10 was a hectic one whereby the Department was expected to deliver according to the new mandate from new elected government. In formulation of the Annual Performance Plans for 2009-12 and 2010-2013 and the Strategic Plan for 2010-2015 the Department has taken a new mandate and priorities in to consideration. The Department has also produced Outcomes-Based Planning document which is a requirement to adhere to in terms of the government of the day's mandate and priorities.

The Provincial Treasury has, *inter alia*, submitted to the Free State Legislature the following key documents:

- The Provincial budget for 2010-2011 fiscal year;
- Departmental budget vote for 2010-2011 fiscal year;
- 5 year strategic plan for 2010-2015;
- Annual Performance Plan 2010-2013.

I have a pleasure to work with dedicated and competent officials for Department of Provincial Treasury. Without their efforts, these mammoth tasks could not have been possible. My special thanks to all Treasury Officials and MEC Seiso Mohai for his stewardship as the MEC for Treasury.

Thank you.



NP MKIVA
ACTING CEO

Part 1

Programme

Performance



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1. INFORMATION ON THE MINISTRY

- a) The MEC donated on the 18th July 2009 household items to the 4 roomed RDP house of Nkgono Lydia Ramosie. A pensioner in Masaleng Village- Qwaqwa as part of a service provided on Mandela Day Celebration, amongst items that were delivered are:
 - Carpets; 2 plate stove; curtains, bed; bedding; vinyl floor covering and a set of pots.
 - Painting; fencing; planting of trees as well as fitting doors.
- b) Bluhues organization seeking R5000 donation for the Fundraising Gala Dinner held at Ramblers Victorian Hall- Bloemfontein for the Kanana Disabled House in Botshabelo.
- c) A donation from MEC was done and 10 officials attended the event on his behalf.
 - MEC also offered to donate 2 computers to the Kanana Disabled House in Botshabelo
- d) Human rights day and 16day activism against woman and child abuse, world AIDS day- provincial combined celebrations were held.
- e) Anti human trafficking campaign, the Maseru and Ficksburg borders were visited.
- f) 1 table was donated to young chartered accounts to support youth development
- g) Broken furniture was donated to Motheo College
- h) School bags was donated during take a child to work campaign
- i) The department participated in Premier's youth awards for branding

BILLS SUBMITTED TO THE LEGISLATURE DURING THE 2009/10 FINANCIAL YEAR

- **Appropriation Bill, 2009**
- **Appropriation Act, 2009:** Act No.5 of 2009 – 31 July 2009
- **Adjustment Appropriation Act, 2009:** Act no.9 of 2009 – 4 December 2009
- **Special Adjustment Appropriation Act, 2010:** Act no.4 of 2010 – 31 March 2010
- **Authorizing of expenditure** -Finance Act, no 8 of 2009

MINISTERIAL VISITS ABROAD

PLACE	DATE	PURPOSE
None	None	None

2. MISSION STATEMENT

As a leading agent, promote responsive and sustainable service delivery that is in line with government priorities in an economical, efficient and effective manner through:

- prudent resource management
- sound processes
- systems and reporting measures
- prompt and quality services
- policy and statutory compliance

3. LEGISLATIVE MANDATE

The existence of the department and its operations are guided by:

<p>The Constitution of the Republic of South Africa Act 108 of 1996</p>	<p>National, provincial and municipal budgets</p> <p>215.</p> <p>(1) national, provincial and municipal budgets and budgetary processes must promote transparency, accountability and effective financial management of the economy, debt and the public sector</p> <p>(2) national legislation must prescribe -</p> <ul style="list-style-type: none"> (a) the form of national, provincial and municipal budgets ; (b) when national and provincial budgets must be tabled; and (c) budgets in each sphere of government must show the sources of revenue and the way in which proposed expenditure will comply with national legislation. <p>(3) budgets in each sphere of government must contain -</p> <ul style="list-style-type: none"> (a) estimates of revenue and expenditure, differentiating between capital and current expenditure; (b) proposals for financing any anticipated deficit for the period for which they apply, and (c) an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.
<p>Public Finance Management Act No. 1 of 1999 (as amended)</p>	<p>18. Functions and powers,</p> <p>(1) A <u>Provincial Treasury</u> must--</p> <ul style="list-style-type: none"> (a) prepare the provincial budget; (b) exercise control over the implementation of the provincial budget; (c) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of <u>provincial departments</u> and provincial public entities; and (d) ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies. <p>2) A provincial treasury--</p> <ul style="list-style-type: none"> a) must issue provincial treasury instructions not inconsistent with <u>this Act</u>; b) must enforce this Act and any <u>prescribed</u> national and provincial norms and standards, including any prescribed standards of <u>generally recognized accounting practice</u> and uniform classification systems, in provincial departments; c) must comply with the <u>annual Division of Revenue Act</u>, and monitor and assess the implementation of that Act in provincial public entities; d) must monitor and assess the implementation in provincial public entities of national and provincial norms and standards; e) may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management; f) may investigate any system of financial management and internal control applied by a provincial department or a <u>provincial public entity</u>; g) must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of this Act by a provincial department or a provincial public entity; h) must promptly provide any information required by the <u>National Treasury</u> in terms of this Act; and i) may do anything further that is necessary to fulfill its responsibilities effectively.

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
for the year ended 31 March 2010

<p>Treasury Regulations, May 2005 issued in terms of PFMA Act 1 of 1999 (as amended)</p>	<p>76. Treasury regulations and instructions, inter alia,</p> <p>1) The <u>National Treasury</u> must make regulations or issue instructions applicable to <u>departments</u>, concerning -</p> <ul style="list-style-type: none"> a) any matter that must be <u>prescribed</u> for departments in terms of <u>this Act</u>; b) the recovery of losses and damages; c) the handling of, and control over, trust money and property; d) the rendering of free services; e) the writing off of losses of state money or other state assets or amounts owed to the state; f) liability for losses and damages and procedures for recovery; g) the cancellation or variation of contracts to the detriment of the state; h) the settlement of claims by or against the state; i) the waiver of claims by the state; j) the remission of money due to the <u>Revenue Fund</u>, refunds of revenue and payments from the Revenue Fund, as an act of grace; k) the alienation, letting or other disposal of state assets; and l) gifts or donations by or to the state. <p>2) The National Treasury may make regulations or issue instructions applicable to departments, concerning-</p> <ul style="list-style-type: none"> a) any matter that may be prescribed for departments in terms of this Act; b) the charging of expenditure against particular <u>votes</u>; c) the establishment of and control over trading entities; d) the improvement and maintenance of immovable state assets; e) fruitless and wasteful, unauthorised and <u>irregular expenditure</u>; f) the determination of any scales of fees, other charges or rates relating to revenue accruing to, or expenditure from, a Revenue Fund; g) the treatment of any specific expenditure; h) vouchers or other proofs of receipts or payments, which are defective or have been lost or damaged; i) assets which accrue to the state by operation of any law; or j) any other matter that may facilitate the application of this Act. <p>3) Regulations in terms of subsection (1) or (2) may prescribe matters for which the prior approval of a <u>Treasury</u> must be obtained.</p>
<p>Municipal Finance Management Act 56 of 2003</p>	<p>Chapter 2 General functions of National Treasury and Provincial Treasuries, inter alia,</p> <p>3) A provincial treasury must in accordance with a prescribed framework -</p> <ul style="list-style-type: none"> (a) fulfill its responsibilities in terms of this Act; (b) promote the object of this Act as stated in section 2 within the framework of co-operative government set out in Chapter 3 of the Constitution: and (c) assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act. <p>4) To the extent necessary to comply with subsection (3), a provincial treasury-</p> <ul style="list-style-type: none"> (a) must monitor- <ul style="list-style-type: none"> (i) compliance with this Act by municipalities and municipal entities in the province; (ii) the preparation by municipalities in the province of their budgets; (iii) the monthly outcome of those budgets; and (iv) the submission of reports by municipalities in the province as required in terms of this Act; (b) may assist municipalities in the province in the preparation of their budgets; (c) may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and (d) may take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
for the year ended 31 March 2010

<p>Division of Revenue Act (Act 2 of 2009)</p>	<p>Duties of Provincial Treasuries</p> <p>31 (1) The provincial treasury must reflect Schedule 5 allocations separately in the province's appropriation Bill or a schedule to its appropriation Bill.</p> <p>(2) (a) The provincial treasury must on the same day that its budget is tabled in the provincial legislature or a later date approved by the National Treasury, but not later than 14 April 2008, publish the following in the Gazette:</p> <ul style="list-style-type: none"> (i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds; (ii) the indicative allocation to be made per school in the province; (iii) the indicative portion of the Integrated Housing and Human Settlement Development allocation to each municipality; (iv) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by a Schedule 5 allocation on behalf of a province or for assistance provided to the province in implementing such a programme; (v) the envisaged division of the allocation contemplated in subparagraphs (i)-(iv), in respect of each municipality and school, for the next financial year and the 2010/11 financial year; (vi) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs; and (vii) the budget of each hospital in a format determined by the National Treasury. <p>(b) The allocations and budgets referred to in paragraph (a) must be deemed to be final if the legislature passes the appropriation Bill without any amendments.</p> <p>(c) In the event that the legislature amends the appropriation Bill the accounting officer of the provincial treasury must publish amended allocations and budgets in the Gazette within 14 days of legislature passing the appropriation Bill.</p>
<p>Division of Revenue Act (Act 2 of 2009)</p>	<p>(3) (a) Despite anything to the contrary contained in any law, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (1) or (2).</p> <p>(b) The amended allocations and allocations referred to in paragraph (a) must be published in the province's budget documents that are submitted with an adjustment appropriation Bill to its legislature.</p> <p>(c) The provisions of subsection (2), with the necessary changes, apply in respect of allocations referred to in paragraph (b).</p> <p>(4) Where a function for which a province receives a Schedule 5 allocation is assigned to a municipality during a financial year and the province has not appropriated funds to that municipality for the performance of that function, the province must transfer the allocation to the municipality in terms of section 226(3) of the Constitution as a direct charge against that province's Revenue Fund and must inform the National Treasury of the transfer.</p> <p>(5) (a) A provincial treasury must, as part of its consolidated monthly report in terms of section 32 of the Public Finance Management Act, in the format determined by the National Treasury, report on —</p> <ul style="list-style-type: none"> (i) actual transfers received by the province from national departments; (ii) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month; and (iii) actual transfers made by the province to municipalities, and actual expenditure by municipalities on such allocations.

4 Programme performance Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over / Under Expenditure
Provincial Treasury	162,257	159,552	149,550	10,002
Responsible MEC	MEC of Finance: Mr S Mohai			
Administering Dept	Department of Treasury			
Accounting Officer	Dr M Eugene Mokeyane			

Aim of vote

To focus on its core functions and responsibilities emanating from the Public Finance Management Act (PFMA) 1 of 1999, as amended, Treasury Regulation promulgated in terms of section 76 of the Act, and oversight and support functions to be executed in respect municipalities in terms of Municipal Finance Management Act, Act 56 of 2003.

4.1. KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS:

PROGRAMME 1: ADMINISTRATION

Provide leadership, strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes

KEY MEASURABLE OBJECTIVES:

- Render an integrated quality support service to the MEC
- Render an integrated quality support service to the CEO
- Recruit, maintain and retain sufficient and adequate human resource in line with government's transformation goals and objectives
- Enhance internal and external communication
- Provide an effective and accurate financial administrative support within the department.
- Proper management of departmental performance information, planning, monitoring, evaluation and reporting processes
- Procure goods and services in the department in line with the demand and planning principles
- Ensure that the internal audit effort support the attainment of the strategic objective of the department

OTHER DEPARTMENTAL ACHIEVEMENTS

- There has been an improvement in the employment equity figures of the Department, all of the appointments made during the quarter were from designated groups, the vacancy rate was 11.2% at the end of fourth quarter, which is an improvement from the previous financial year.

An average of 95.33% was achieved in respect of the Accounting key performance indicators and 99% in respect of the Banking key performance indicators for the months December 2009, January 2010 and February 2010.

- The payment of creditors was finalized within 30 days, an average of 98% was achieved in this respect
- A new planning framework on outcomes-based planning was finalized for the department
- 24 Part and Full time bursaries were awarded for 2009/10 financial and calendar year.
- 16 wellness workshops were conducted
- 25 Provincial and national days were celebrated
- Performance bonuses and pay progression to all qualifying official were paid in August 2009
- All new employees has been screened and vetted
- 916 employees has been trained in line with operational needs
- 12 Media liaison coverage for departmental activities were done
- 1 Master system plan developed and implemented
- Provincial budget speech and department vote speech successfully tabled
- Credible adjustment budget tabled
- Annual performance plans and strategic plans tabled
- Annual Demand management plan completed
- Departmental Asset register completed

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Provide leadership, strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes

KEY MEASURABLE OBJECTIVES:

- Update socio economic database to inform planning and decision making
- Monitor revenue performance against target
- Prepare and recommend the appropriation of funds to provincial departments in line with government priorities.
- Assess expenditure performance of departments and Public Entities against budgets

OTHER DEPARTMENTAL ACHIEVEMENTS

- One (1) socio economic database was updated to inform planning and decision making
- Discussion document on MTBPS in assessing the impact and implications of various fiscal objectives on selected socio-economic variables produced
- Credible revenue base developed for 11 departments as well revenue training conducted.
- 3 guidelines developed for revenue related matters, there was full compliance with legislative prescripts, PFMA, Procedures, Treasury Regulations and Departmental policies
- 5 reports on donor funding, allocation, spending, challenges, compare to other provinces and recommendation made
- 11 revenue analysis report produced
- 3 quarterly reports produced on all measures taken to optimize conditional grants
- 1 consolidated analysis report on the preparation of the strategic plans and annual plans produced

- Adjustment budget tabled on 25 November 2009
- Credible provincial budget tabled on 5th March 2010
- Consolidated report on alignment of budget, strategic plans and annual performance plans produced
- 14 consolidated report in assessing expenditure performance of the for Departments and Public Entities against budget produced
- 4 consolidated reports on expenditure performance for published infrastructure plans as well 4 consolidated reports on expenditure against conditional grants produced.
-

PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

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

KEY MEASURABLE OBJECTIVES:

- To promote the effective, efficient and transparent management of physical and financial assets and the implementation of alternative service delivery modules and supply chain management framework
- To manage and ensure the successful implementation of transversal financial management systems
- Strengthen the capacity in provincial departments on the utilization of the transversal systems
- Guide the implementation of infrastructure delivery models

OTHER DEPARTMENTAL ACHIEVEMENTS

SCM Forum and Training Sessions

- 5 SCM Forums were held during the financial year and 5 Training Sessions conducted for the departments.
- SCM Forum Terms of Reference developed and issued to departments
- SCM Training Circular 2/2009 issued

Database

- New system is in place since November 2009
- Manual developed and issued to departments on the usage of the system
- Circulars 6 and 7/2009 issued to departments on the usage and access of the database

Transversal Contracts

- Catering transversal contract has been arranged and concluded to 60 suppliers for the twelve (12) provincial departments
- SCM Policy/Delegations and Practice Note were developed and issued to departments.

Policy Administration

- A SCM Procedure Manual has been compiled and issued to departments for assisting in SCM implementation.

SCM Monitoring

- 10 Departments and 3 Public Entities were monitored to check the level of SCM implementation in departments and public entities and to make findings and recommendation to such. Only 25 reports were compiled.

Procurement Spent

- Workshops have been arranged on procurement plans and spent for departments

Physical Asset Management

- New Asset Management Key Performance Indicators (77) Document developed and issued to Departments in February 2010. These new AM KPI's have replaced the previous Asset Management Reform Implementation Plan.
- Asset Management Delegations were developed and issued to departments. Departments were previously not in possession of specific Asset Management Delegations. Very limited criteria previously formed part of Supply Chain management Delegations.
- EXCO Memorandum on "Asset Management challenges in Free State Provincial Departments" was compiled in December 2009. EXCO approved it and issued it as Resolution 6 of 2010 in January 2010 for implementation by departments.
- 10 Asset Management Training Sessions/ Presentations were held. 235 Officials attended these sessions.
- 11 Asset Management Presentations performed at Financial Bilaterals in November.
- 11 Courses/ Workshops were attended by Physical Asset Management officials.
- 31 Meetings held with departments (Head Offices) on asset management related matters.
- 292 Departmental Institutions visited to conduct on site verification and monitoring.
- 187 Properties monitored in 5 Districts.
- 12 Asset Management (PAM) Circulars compiled and issued to departments.
- 13 Auctions that generated income to the value of R 24,7 million were overseen and monitored.

Infrastructure & PPP Coordination

- 35 Infrastructure Delivery inter-departmental meetings including Infrastructure Delivery Improvement Programme (IDIP) were held.
- All departments participating in the IDIP programme name; Department of Education, Health, Treasury and Public Works and Rural Development were trained in Infrastructure Planning (IP).
- 2 Weeks Project Management Course was attended by 2 nominated officials of Infrastructure Unit at the Central University of Technology (CUT).
- 30 officials from IDIP participating departments (Treasury, Health, Education and Public Works) attended a week course on Programme Management at the University of the Free State (UFS)
- 56 Site visits to various departmental infrastructure projects in various regions were conducted.
- 3 Infrastructure Review Meetings with departments were held.
- An IDIP phase 2 closure report was handed over to Provincial Treasury (PT) for submission to National Treasury (NT)

Cash Management

- Unaudited annual financial statements of the Revenue Fund were compiled and submitted.
- New processes and procedures were taken over from Accounting Services by Cash Management for the management of aggregate and item limits on the FNB online system due to the risk of bank overdrafts
- Presenting at Financial Management bilateral that were conducted with all Departments and Entities in November 2009.
- 12 cash transfer reports submitted for the financial year
- 12 reconciliation reports for each department submitted

- Investment target exceeded by 12%
- Spending of all departments were within appropriation for 2009/10
- All expected funds from national departments were received and allocated according to payment schedule.
- Investment Policy was reviewed and amended.

Supporting and Interlinked Financial Systems

- The New tools of MY-FTP and LBIS (LOGIS Business Information System) was presented in a Forum and rolled out successfully in all Departments.
- Successfully assisted the Department of Local Government & Housing during their split to Human Settlement and COCTA with the creation of new stores and a detailed project plan and the technical and functional support
- Successfully assisted the Department of Education with a customized training on Capturing Assets for 42 of their Officials around the districts.
- Successfully presented LOGIS Balance Score Card to the Provincial CFO Forum and shared a Compact Disk full of easy to navigate information around the use, reports, guidelines and circulars around LOGIS the Tool.
- A total of seven (7) Circulars were circulated around the key aspects of LOGIS.
- All Logistics Business Processes were documented and shared with all Departments.
- We had a target of 350 officials to be trained for the 2009/2010 we managed to train 579 officials.
- All of our LOGIS Trainers were Certified Assessors
- We successfully managed to work together with Accounting Services with the Inventory Training for key officials within all Departments.
- Conducted a LOGIS Forum successfully on Inventory Balancing and Financial Year End procedures.
- We assisted the Department of Treasury Supply Chain Management Directorate with the development of Transport Spreadsheet to capture and report statistics on the use of their vehicles weekly, monthly and annually.
- On LOGIS 4601 Entities were captured with banking details and 503 without banking details.
- 2677 Items were credible and accurately registered and 5186 ICN's were researched and identified.
- 6 PERSAL Practice Notes and 9 PERSAL Circulars were developed and distributed to Provincial Departments.
- 426 System Change Control (SCC) were handled and Processed for Provincial Departments.
- In-house SARS WORKSHOP was held to assist Provincial Departments with the new SARS amendment.
- PERSAL transfer procedures guidelines were develop to assist transfer movement between Dept of Public Works and Safety, as well as Department of Cooperative Governance and Traditional Affairs and Human Settlement.
- All Provincial Departments were assisted with the capturing of MEC's salary packagers.
- 1 153 logged calls handled and processed for Provincial Departments.
- Assist Office of the Premier with rectifying their establishment to comply HR Connect requirements.
- Arrange two meetings with SARS For all Departments in preparation of Employer TAX Reconciliation.
- Successfully achieve 95% availability and stability of the BAS Terminal Servers as well as the in house development systems e.g. Training Management System (TMS), iRequest and the Call Centres.

- Successfully supported and maintained the in house development systems e.g. Training Management System (TMS), iRequest and the Call Centres.
- 4310 Entities were created on BAS with banking details and 1712 without banking details.
- 307 BAS users were trained.

PROGRAMME 4: FINANCIAL GOVERNANCE

To promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

KEY MEASURABLE OBJECTIVES:

- To monitor compliance with the MFMA
- To improve the implementation of accounting related legislation and policy frameworks within provincial departments and public entities (including capacity building)
- To prepare the consolidated annual financial information for the Free State Provincial Government
- To promote the effective, efficient and transparent management of physical and financial assets within municipalities
- To promote the development and implementation of credible municipal budgets

OTHER DEPARTMENTAL ACHIEVEMENTS

- 12 departments monitored and adhered to 93% of the accounting related KPI's from weighted 100%.
- 2 Trading Entities monitored and adhered to 87% of the accounting related KPI's from weighted 100%.
- 5 Listed Public Entities monitored and adhered to 60% of the accounting related KPI's from weighted 60%.
- 18 Training session for Provincial Department, Public Entities and Trading Entities
- Annual reports for consolidated financial information tabled on 29/10/2009.
- 12 departments monitored and adhered to 90% of the banking arrangements KPI's from set target of 82%
- 1 set of KPI's of asset management developed and rolled-out
- 12 assessment reports on asset management produced
- 35 Supply Chain Management assessment reports on implementation of SCM framework produced
- 1 set of internal audit KPI's developed
- 7 Municipalities monitored to adhere to an average of 50% of internal audit KPI's from weighted 100%
- 1 set of risk management KPI's developed for municipalities
- 25 approved budget assessment reports produced
- 123 IYM assessment reports produced
- 13 different training sessions conducted to build capacity in municipalities
- 173 monthly returns received from municipalities
- 11 departments were assessed in term of the implementation of legislative resolutions and reached the target actual of 80%
- Departmental and Entities' delegations on Human Resource Management, Supply Chain Management, Financial , MEC's and Accounting Officers were updated
- Department achieved 71% on Risk Management and 65% for Risk Management Committees
- Assessed Public Entities achieved an average of 60% for Risk Management Units, 4 Risk Management Committees achieved an average of 64%

4.2. OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2009/10

- The Department has managed to keep vacancy rate low during the year under review. At the end of 2009-10 vacancy rate was at 11%. 2009 was a year in which national general elections were held. New mandate or priorities ushered in. The National Cabinet adopted Medium Term Strategic Framework with 10 priorities derived from five election manifesto priorities and outcomes-based planning with 12 outcomes to be implemented by all spheres of government was also adopted in the same year.
- The Provincial Treasury had to align its Annual Performance Plan to these new developments. The Provincial Treasury has performed fairly well against its set 2009-2010 targets. Provincial Treasury does not offer services directly to the public, but to Provincial Departments, Municipalities, trading Entities and Public Entities.
- Detailed information on services rendered to these customers has been reported in performance information of each programme in this Annual Report

The challenges and other factors that might impact on a department's performance.

- Deviation from the Procurement plan
- Projects identified with potential to generate revenue are not yielding positive result as anticipated, due to administrative and legal challenges experienced by departments.
- Projects coordinators do not provide information to Provincial Treasury on all donor funding within their departments
- Responses of Departments regarding asset monitoring visits are not effective
- Capacity building in departments for Demand and Performance Management
- Contract management is a challenge in most departments
- Failure to pay invoices within 30 days
- Capturing of new suppliers on the database system is a challenge as it is now done in-house due to termination of contract with Quadrem
- Unsound financial management within Provincial Departments and Public Entities
- Late tabling of consolidated annual financial information
- High staff turnover rate at municipalities affects continuity in terms of reports/returns and information that need to be submitted to Provincial Treasury.
- Continuing internal rotation of staff and their replacement with officials outside the affected functional area, thereby adversely affecting continuity
- Non submission of completed KPIs' by the departments and entities for the review

Factors that might be offered as mitigating

- Continuous interaction with department will continue until our objective to optimise collection is realised.
- Circular will be issued instructing the department project coordinates to disclose all donor funds received within the province.
- All checklists are submitted by departments and public entities except for the Department of Agriculture. Reports were issued and follow up visits are being arranged in which a challenge in such a way that departments do not respond to dates given to them to monitor them.
- Arrange training in this regards specifically. Service providers that provide relevant training for SCM practitioners on these elements are therefore not easy to get hold off. Palama that was accredited by National Treasury also do not give specific training in these two elements.
- Cost analysis is a challenge in contract management and the Provincial Treasury also needs to be capacitated in this regard.

- Complaints of payment of invoices from Department of Health are received. Matters under investigation (complaints mechanism is handling the matters). To report to EXCO quarterly on compliance by departments.
- Monitoring reports on Key Performance Indicators (KPI's) are issued on a monthly basis to promote financial management within Departments and evaluated and provided inputs on the template and guide for the preparation of annual reports for the 2009/10 financial year
- Meetings held with the Auditor General to discuss matters of concern and to eliminate delays
- Ensure transfer of skills to other key staff and interns at municipalities.
- Both political as well as administrative interventions / engagements at all inter-governmental forums.
- Formal follow up letters to the Accounting Officers and Accounting Authorities. Physical visit to departments and public entities to encourage CRO's and CAE's to complete the necessary required information.

4.3. SERVICES RENDERED DIRECTLY TO THE PUBLIC

The department does not deliver a service to the public but mainly to other Provincial Departments, trading entities and public entities. Capacity building was done by means of the following:

- Issue practice notes
- Training sessions
- Procedure manuals
- Technical advise
- Hands on support.

Grievance Mechanism

Labour relation awareness article has been put in place for all employees to observe the following:

- How to use the grievance procedure
- Where to obtain copies of grievance form?
- What information must be provided in the grievance form?
- What to do once I have completed the grievance form?
- To whom must the completed grievance form be submitted?
- Are there any time frames within which I must submit my grievance?
- How long does the employer have to respond to my problems
- Am I allowed representation during investigation
- What happens if I am not satisfied with the employer's response to my grievance?

Explanations/reasons for any additions to or virement between the main appropriation allocations:

- Visiting of infrastructure projects –Capacity constraints
- Number of employees trained on BAS, PERSAL,LOGIS – more departments needed training, increased number of new courses were to be offered
- Quarterly progress report were not done, they are handled at cluster level
- Number of service providers (in rand category) contracted to the department vetted – a consolidated report will be done on 2010 first quarter for 1-3 contracts awarded
- Number of unresolved recommendations of Auditor General's management letter at the year end, a decision was taken by internal audit to leave this indicator

4.4. OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2009/10

- The new Chief Executive Officer was appointed on 1 February 2009, and the Chief Financial Officer was appointed on the 4th November 2009.
- No strike by significant portions of the personnel employed by the department
- No fraud cases were registered, 2 officials with salary package of R100 000 were dismissed during the 2009/10 financial year.

4.5. STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2009/10 FINANCIAL YEAR

Important policy / strategic decisions issued by the department

- Based on the department's mandate emanated from section 18 of the PFMA the following directive was issued for the year under review:
- A decision to handle submissions from Department of Education was taken at EXCO level in October 2008, Provincial Treasury was then mandated to handle shifting of funds function from the 3 big departments that have been overspending in the past, namely, Health, Education and Public Works and Rural Development. On the 23rd October 2009 in a Senior Management Meeting convened by MEC Seiso Mohai, a decision was taken not to handle submission for approval on financial matters anymore.

Policy developments and legislative changes

The following policies were developed, approved and implemented during 2009/10

- Amended special leave policy
- Policy on remunerative work outside the public service
- Remunerated overtime policy
- Recruitment and selection policy
- Resettlement policy
- Skills retention strategy
- Special leave policy
- Transport of furniture policy
- Working hours policy
- National Human Resource policy framework
- Supply Chain Management Policy for Free State Provincial Treasury
- Bereavement policy
- HIV/AIDS policy
- Employee Assistance Policy
- Traineeship policy
- Policy framework PDMS
- Policy on learnership
- Departmental internet policy
- DITC policy
- Software policy
- E-mail policy

Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

During the year under review the Provincial Treasury department collected 12% more than anticipated. The main reasons for this are:

- New investments processes were implemented;
- The cost containment measures allowed more funds to be available for the funds to be available for investment
- Tenders were sold in order to increase income.

The table below should be used to provide a breakdown of the sources of revenue:

	2006/07	2007/08	2008/09	2009/10	2009/10	% deviation from target
	Actual	Actual	Actual	Target	Actual	
Non-tax revenue	54	60	79	96	196	51%
Transfers received	-	-	-	-	2	100%
Sales of goods and services other than capital assets	54	60	79	96	194	51%
Interest, dividend and rent on land	73,727	62,614	33,534	81,546	91,143	11%
Sales of capital assets (Capital Revenue)	5	-	11	11	-	100%
Capital Assets	5	-	11	11	-	100%
Financial transactions (Recovery of loans and advances)	27	522	174	277	376	26%
TOTAL DEPARTMENTAL RECEIPTS	73,813	63,196	33,980	81,930	91,715	12%

DEPARTMENTAL EXPENDITURE

Programmes	Voted for 2009/10	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1 : Administration	64,160	1,152	-	65,312	61,382	3,930
Programme 2 : Sustainable Resource Management	18,996	737	-	19,733	17,613	2,120
Programme 3 : Asset and Liability Management	54,057	(4,555)	-	49,502	46,146	3,356
Programme 4: Financial Governance	25,044	(39)	-	25,005	24,409	596
Total	162,257	(2,705)	-	159,552	149,550	10,002

TRANSFER OF PAYMENTS

None

CONDITIONAL GRANTS AND EARMARKED FUNDS

None

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

None

4.6. ASSET MANAGEMENT DISPOSALS

4.6.1 SCRAPPING

The Department had scrapped IT Equipments that were disposed through Sell by Quotation to interested Suppliers. This method of disposal was decided by the Disposal Committee in order to obtain revenue from parts of Computer monitors, CPU and printers. The highest quotations received from this exercise were to the amount of R620.00.

4.6.2 DONATIONS

Three Computers were donated to a youth organization as part of the MEC's outreach program

4.6.3 TRANSFERS

Four Laptops which were used to the support staff of the former MEC for Finance were transferred to the Department of Education

4.6.4 MEASURES TAKEN TO ENSURE THAT THE ASSET REGISTER REMAINED UP-TO-DATE DURING THE PERIOD UNDER REVIEW

ADDITIONS

The Asset management Unit took responsibility of capturing receipts of newly procured assets on the system to ensure the following

- Allocation of Unique numbers and Bar-Codes, is done
- Correct locations

LOGIS/BAS RECONCILIATION

The Asset Management Unit does Monthly and Quarterly reconciliation of discrepancies on procured assets to ensure that correct financial allocations and asset categories are utilized on both the BAS and LOGIS system. This Reconciliation is done in the format of Financial Statements so as to be able to reconcile any irregularities during the year.

STOCKTAKING

- The annual stocktaking was conducted to ensure quantities and status of assets issued so as to update the Asset Register.

MOVEMENT OF ASSETS AND EXIT OF OFFICIALS

- As part of control measures regular spot checks are done to effect proper movement of assets on the Asset Register.
- During exit of officials, Asset Management Unit conducts spot checks ensure that status of issued assets is still according to the Asset List and therefore effect changes and handing over.

4.7. PROGRAMME PERFORMANCE WITH SERVICE DELIVERY ACHIEVEMENTS

Programme 1

Purpose: To provide leadership, strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes.

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Measurable objective	Service Delivery Objectives/ Indicators	Service Delivery Achievements
Render integrated quality support service to the MEC	Number of meetings planned chaired by the MEC	61% target achieved
	Accurate and efficient records management system is implemented	100% achieved
	Turn-around time for documents received by the Office of the MEC	100% achieved
Render integrated quality support service to the CEO	Number of meetings planned and chaired by the CEO	Target exceeded by 12%
	Accurate and efficient records management system implemented	100% achieved
	Turn-around time for documents received by the Office of the CEO	100% achieved
	Number of strategic leadership meetings held: 12 monthly meetings with management 4 strategic planning review sessions Quarterly meeting with MEC with top management	50% target achieved 100% not achieved 100% achieved
Recruit, maintain and retain sufficient and adequate human resource in line with government transformation goals and objectives	Funded posts filled on the approved staff establishment	97% target achieved
	Limit the number of staff leaving the department	Down by 53%
	Number of appointments in line with EE plan • Black • Females • Disabled	Target not achieved by 10% Target not achieved by 6% 50% target achieved
	Number of reviewed, approved and implemented departmental HRM policies	100% achieved
	Number of Provincial and National days celebrated	Target exceeded by 400%
	Number of wellness workshop offered	Target exceeded by 60%
	Quarterly compliance report on the aspects of OHS Act	Target exceeded by 25%

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Measurable objective	Service Delivery Objectives/ Indicators	Service Delivery Achievements
	Number of post evaluated on the staff establishment	97% target achieved
	Annual review of organisational structure by specified dead-line	100% achieved
	Performances bonuses to qualifying officials finalised within the prescribed timeframe	100% achieved from level 1-12. 0% not achieved from level 13-16)
	Pay progression for qualifying officials finalised within the prescribed timeframe	100% achieved
Ensure that the department functions within the legally compliant framework	Number of awareness campaign held on Legal and Labour Relations matters conducted	100% achieved
	Number of days to finalise disciplinary cases in accordance with legislation	0% not achieved (Target was incorrect set on 14 days instead of 30 Days)
	Policy compliance report on MISS produced on quarterly basis	100% achieved
	Designated officials and employees declaring financial interests	100% achieved
	Number of identified staff vetted	53% target achieved
	Number of service providers (in rand category) contracted to the department vetted	0% not achieved
	Monthly report on inspections and findings related to security aspects	Target exceeded by 8.33%
	Number of security awareness programmes	100% achieved
Recruit, maintain and retain sufficient and adequate human resource in line with government transformation goals and objectives	Number of Interns appointed	Target exceeded by 25%
	Number of employees trained in line with needs	Target exceeded by 162%
	Number of induction session conducted	75% achieved
	Number of workplace skills plans in place	100% achieved
	Number of full/part time bursaries awarded	Target deviated by 4%
Enhance internal and external communication	Quarterly newsletter produced	Target Achieved 100%
	Number Service Delivery Improvement Plans	100% achieved target corrected as 1(one)
	Media liaison activities	Target exceeded by 200%

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Measurable objective	Service Delivery Objectives/ Indicators	Service Delivery Achievements
Enhance internal and external communication	Number of Batho Pele information sessions	Target deviated by 91%
	Number of e-portals and developed and maintained	Target exceeded by 50%
	Network infrastructure designed, deployed and monitored in 4 phases	Target not achieved
	Number of IT workshop conducted	100% achieved
	Developed and implemented master system plan	100% achieved
Provide an effective and accurate administrative support within the department	Adherence to predetermined Financial and banking KPI's indicators	100% achieved
	90% of set banking KPI's	100% achieved
Allocate and monitor all budget resources within the department in line with government priorities	Adherence to key Budget Deadlines: • Produce a credible Adjustment Budget (one report submitted November)	100% achieved
	• Produce a credible Budget Statement II (2 drafts and 1 final report submitted January)	100% achieved
Prepare annual financial statement for the department	Adherence to PFMA Reporting requirements: • Compile In Year Monitoring (IYM) reports	100% achieved
Prepare annual report for the department	Adjustment Budget(one report submitted November)	100% achieved
	Budget Submission(one report submitted August)	100% achieved
	Accurate Annual Financial Statements before (May) each year	100% achieved
	Annual Report (August)	100% achieved

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Measurable objective	Service Delivery Objectives/ Indicators	Service Delivery Achievements
Proper management of departmental performance information, planning, monitoring, evaluation and reporting processes	Published and tabled strategic plans	100% achieved
	Assist in production of operational plans for all directorates	100% achieved
	Quarterly Performance Information Reports produced and submitted	100% achieved
	Facilitate engagement meetings regarding APP and SPP held	75% target achieved
	Quarterly reports on Programme of Actions submitted	0% target not achieved
	Number of reports submitted on Departmental injunctions	100% achieved
	Number of Strategic Planning Forum meetings attended	30% target achieved
	National CFO's meeting attended	100% achieved
Manage assets and transport effectively and efficiently	Effective Management of all Departmental Assets to meet minimum LOGIS asset register requirements	100% achieved
Procure goods and services in the departments in line with demand and planning principles	Annual Demand Management Plan aligned with the APP/Budget	100% achieved
	All bids considered for procurement by bid committee	100% achieved
Render an effective and efficient logistics management services to all the users within the departments	93% of the number of creditors paid within 30 days	Target exceeded by 2%
Ensure that the internal audit offer support the attainment of the strategic objective of the department	Number of audits performed per year	85% target achieved
Enhance the implementation of internal controls towards appropriately addressing risks within the department	Number of days after completion of audit within which a report is issued	71% target achieved
	Number of unresolved recommendations of Auditor General's management letter at the year end	100% achieved

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Measurable objective	Service Delivery Objectives/ Indicators	Service Delivery Achievements
Ensure compliance with best practices, norms and standards within the internal audit environment	Date of completion of the departmental risk register	100% achieved
	Number of workshops conducted at service points for Internal controls	Target exceeded by 25%
	Level of reliance placed by Auditor General on work performed by Internal Audit	Target no longer exist
Promote adoption of sound risk management practices within the Department	Date of the review of the risk management framework	100% achieved
	Updated risk registers for the department	100% achieved
	Number of risk mitigation reports presented to management	50% target achieved
	Annual finalisation of risk assessment report	100% achieved
	Number of workshop or training session held	50% target achieved

Programme 2

Purpose: To provide professional advice and support on provincial economic analysis, fiscal policy and the management of annual budget process and the implementation of provincial budget.

Measurable objective	Service Delivery Objectives/Indicators	Service Delivery Achievements
Update socio economic database to inform planning and decision making	Updated database by the end of financial year	100% achieved
Utilization of the regional CGE Model to assess the policy implications on various socio-economic indicators	Piloting Capacity building	Target exceeded by 75%
Assess the impact and implications of various fiscal objectives on selected socio-economic variables	Number of research based reports produced	40% target achieved
	Workshops conducted with stakeholders	83% target achieved
	Produce discussion document (1MTBPS)	100% achieved
	Publish QLMR	100% achieved

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Measurable objective	Service Delivery Objectives/ Indicators	Service Delivery Achievements
Influence the direction, development and implementation of government policy through the publication of an annual discussion document	Number of discussion documents produced	100% achieved
Develop credible revenue budget for the department Monitor revenue performance against target	Credible revenue base for 11 departments	100% achieved
	Train departments on revenue	Target deviated by 17%
	Revenue targets analysis reports	100% target achieved
100% compliance with legislative prescripts, PFMA, procedures, Treasury Regulations and departmental policies	Overpayments to provincial revenue fund reports	75% target achieved
	Quarterly meeting on revenue	75% target achieved
	Develop and issue 3 guidelines on revenue related matters	100% achieved
	Conduct revenue inspections	Target exceeded by 13%
	Evaluate Annual Performance Plan of revenue generating department.	100% achieved
Review components of PES model	Research Report on Provincial Equitable share formula	100% achieved
	Review 4 Components of Provincial Equitable Share	100% achieved
	1 Submission on PES on the FFC's Division of Revenue recommendations	100% achieved
Optimise/Raise revenue form Conditional grants	Quarterly report on all measures taken to optimise conditional grants	100% target achieved
Manage Donor Funding	1 Report, on donor funding (allocation, spending, challenges, compare to other provinces and provide recommendations on how to improve)	Target exceeded by 25%
	Establish database of Free State current Donor funding	0% achieved The database is not operational as yet however the department is using a electronic system to capture data. Access Programme
Ensure compliance with South African prescripts, Donor country requirements	Report on findings	100% achieved
	Number of analytical reports	100% achieved
	Number of assessment reports	100% achieved
Enhance the preparation of the strategic and annual performance plans of provincial departments.	Tabled provincial budget in line with national prescripts	100% achieved

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Measurable objective	Service Delivery Objectives/ Indicators	Service Delivery Achievements
Prepare and recommend the appropriation of funds to provincial departments in line with government priorities.	Tabled Adjustment Budget in line with National prescripts	100% achieved
	Report on alignment of budget, strategic and annual performance plans.	100% achieved
Assess expenditure performance of departments and Public Entities against budgets	Number of assessment reports prepared in terms of In Year Monitoring Model	72% achieved
Verify expenditure against conditional grants objectives	Number of compiled C-grants reports verified	100% achieved
Assess expenditure performance against published infrastructure plans	Number of reports prepared in terms of infrastructure reporting model	100% achieved
Verify performance of departments and public entities against set target	Number of reports prepared in terms of the quarterly performance model	100% achieved

Programme 3

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

Measurable objective	Service Delivery Objectives/Indicators	Service Delivery Achievements
To guide and monitor the implementation , management reform(physical asset management)	Number of asset management reform project plan template implemented	100% achieved
	Number of asset management forums and training sessions conducted	100% achieved & Target exceeded by 13%
	Number of FSPT asset management steering committee meetings held	100% achieved
	Number of asset management inspection/monitoring visits conducted <ul style="list-style-type: none"> • Inspection reports • Monitoring reports 	Target exceeded by 58% Target exceeded by 12%
To support and monitor the implementation of the supply chain management framework	Number of supply chain management forums and training sessions conducted	Target exceeded by 25%
	Number of monitoring and evaluation reports produced.	57% achieved
	Number of supplier management system maintained	100% achieved

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Measurable objective	Service Delivery Objectives/Indicators	Service Delivery Achievements
Guide the implementation of infrastructure delivery models and public, private partnership project	Number of infrastructure delivery meetings, including IDIP held	59% target achieved
	Number of training sessions conducted / facilitated	100% achieved
	Number of infrastructure site visits conducted 20 project bi-monthly	49% target achieved
	Number of infrastructure monitoring reports produced	63% target achieved
Ensure proper and effective management of provincial revenue fund	Timely and reliable Provincial revenue Fund annual financial statements	100% achieved
	Monthly cash transfer reports produced	100% achieved
	Facilitated revenue generation through investment <ul style="list-style-type: none"> • Investment reports 	Target exceeded by 8.33%
Maintain transversal systems	Availability and stability of the Transversal systems	100% achieved
	Provide technical and functional support to Provincial Departments within working hours	100% achieved
Strengthen the capacity in provincial departments on the utilization of the transversal systems	Interfaces successfully integrated with external systems	100% achieved
	Number of clear and user-friendly Transversal System Circulars and Practice Notes	100% achieved
	Credible and accurate Entity Register	100% achieved
	Items codified and standardized within 48 hours	100% achieved
	Number of employees trained on BAS, PERSAL, LOGIS	Target exceeded by 61%

Programme 4

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

Measurable objective	Service Delivery Objectives/Indicators	Service Delivery Achievements
To improve the implementation of accounting related legislation and policy frameworks within provincial departments and public entities (including capacity building)	Number of Departments monitored to adhere to 87% accounting related KPI's from weighted 100%	100% achieved Target exceeded by 9%
	Number of Trading Entities monitored to adhere to 87% accounting related KPI's from weighted 100%	100% achieved
	Number of listed Public Entities monitored to adhere to 60% accounting related KPI's from weighted 100%	100% achieved
	Number of training session for Provincial Departments, public and Trading Entities	Target exceeded by 80%
To prepare the consolidated annual financial information for the Free State Provincial Government	Timely submission of annual report for consolidated financial information to be tabled	Time deviated by 7days or 30%
To ensure the successful implementation of banking arrangements for the Provincial Departments	Number of Departments and Trading Entities monitored to adhere to 82% of banking arrangement KPI from Weighted 100%	92% target achieved
To promote the effective, efficient and transparent management of physical and financial assets within municipalities	Development and roll-out of asset management KPI's for all municipalities.	100% achieved
	Number of assessment reports on asset management KPI's	100% achieved
To promote the implementation of the supply chain management framework	Number of SCM assessment reports	83% target achieved
To promote the establishment of functional Internal Audit Units and Audit Committees	Develop Internal Audit KPI's for all municipalities	100% achieved
	Number of Municipalities bi-annually monitored to adhere to an average of 50% of Internal audit KPI's from weighted 100%	67% target achieved
To promote successful implementation of Risk Management Framework	Develop Risk Management KPI's for all municipalities	100% achieved
	Number of Municipalities bi-annually monitored to adhere to an average of 50% of Risk Management KPI's from weighted 100%	100% achieved
To promote the development and implementation of credible municipal budget	Number of Draft Budget Assessment Reports	92% target achieved
	Number of Approved Budget Assessment Reports	100% achieved
	Number of Budget Timelines Assessment Reports	82% target achieved
	Number of Adjustment Budgets Assessment Reports	100% achieved

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Measurable objective	Service Delivery Objectives/Indicators	Service Delivery Achievements
To monitor LG and H on effective implementation of PROPAC resolutions by municipalities	Number of evaluation reports to LG&H	25% Target achieved (The reason for the non compliance was due to the fact that no reports were received and letters was issued in this regard requesting the reports.)
To monitor, consolidate and analyse IYM reports of municipalities	Number of IYM assessment reports	41% target achieved
	Consolidated reports	100% achieved
	Publications	75% target achieved
To co-ordinate training and building capacity at municipalities To monitor compliance with the MFMA	Number of training sessions concluded	Target exceeded by 125%
	Number of quarterly reports	Target exceeded by 30%
	Number of annual returns	67% target achieved
	Quarterly MFMA Implementation of the 16 Priorities	100% achieved
	Number of bi-annual returns	63% target achieved
	Number of monthly returns	80% target achieved
To enhance the effective implementation of legislative (PROPAC) resolutions within the provincial departments and public entities	An average of 90% implementation of legislative resolutions for 11 departments and 5 registered entities	100% achieved
To enhance financial decision making in the Free State Provincial Government	Updated and aligned delegation in place for all provincial departments and public entities Departments: PSA/PSR delegations <ul style="list-style-type: none"> • MEC'S/ • Accounting Officers • SCM delegations • Financial delegation Entities: <ul style="list-style-type: none"> • HRM delegation • SCM delegations • Financial delegations 	55% achieved 82% achieved 100% achieved 100% achieved 60% target achieved 60% target achieved 60% target achieved

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Service delivery achievements:

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
			Target	Actual
Office of the MEC	An integrated quality support service rendered to the MEC	Number of meetings planned chaired by the MEC	150	91
	Effective and efficient functioning of the office of the MEC	Accurate and efficient records management system is implemented	1 Records management system is implemented	1 Records management system is implemented
		Turn-around time for documents received by the Office of the MEC	2 working days	2 working days
Office of the CEO	Effective and efficient functioning of the office of the CEO	Number of meetings planned and chaired by the CEO	103	115
		Accurate and efficient records management system implemented	1 upgraded system implemented	1 upgraded system implemented 1
		Turn-around time for documents received by the Office of the CEO	2 days	2 days
	Ensure that the CEO fully execute his engagements within the department	Number of strategic leadership meetings held	12 monthly meetings with management 4 strategic planning review sessions Quarterly meeting with MEC with top management	6 monthly meetings with management 0 strategic planning review sessions 4 Quarterly meeting with MEC with top management
Corporate services	Sufficient and adequate human resource	Funded posts filled on the approved staff establishment	370 filled posts on the staff establishment	358
		Limit the number of staff leaving the department	40 employees	19 staff left the department
		Number of appointments in line with EE plan Black Females Disabled	Black male=144 Black Females=144 Disabled=4	Black male = 130 Black female = 136 Disabled = 2
		Number of reviewed, approved and implemented departmental HRM policies	8 policies	8 reviewed, approved and implemented departmental HRM policies

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Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
Corporate services	Sufficient and adequate human resource	Number of Provincial and National days celebrated.	5	25 Provincial and National days celebrated
		Number of wellness workshop offered	10	16 wellness workshop offered
		Quarterly compliance report on the aspects of OHS Act.	4	5 reports on the aspects of OHS
		Number of post evaluated on the staff establishment	370 posts	358 posts
		Annual review of organisational structure by specified dead-line	June 2009	0
		Performances bonuses to qualifying officials finalised within the prescribed timeframe	July 2009	August 2009 (Level 1-12) (Level 13-16 not yet evaluated.)
		Pay progression for qualifying officials finalised within the prescribed timeframe	July 2009	August 2009
	Ensure that the department functions within a legally complaint framework	Number of awareness campaign held on Legal and Labour Relations matters conducted	4	4
		Number of days to finalise disciplinary cases in accordance with legislation	14 days	30 days (The 14 days was incorrectly set. The correct target was suppose to be 30 days)
		Policy compliance report on MISS produced on quarterly basis	4 Reports	4 Reports
		Designated officials and employees declaring financial interests	19 SMS members	19 SMS members
		Number of identified staff vetted	370 employees	175 employees
		Number of service providers (in rand category) contracted to the department vetted.	><R500 ><R5,000 ><R30,000 ><R100,000	0
		Monthly report on inspections and findings related to security aspects.	12	13 inspections and findings related to security aspects

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Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
Corporate services	Ensure that the department functions within a legally complaint framework	Number of security awareness programmes.	6	6 Security awareness programmes
	Effective administration of career incident	Number of Interns appointed	20	25 Interns appointed
		Number of employees trained in line with needs.	350	916 Employees trained in line with needs
		Number of induction session conducted	4	3 Induction session conducted
		Number of workplace skills plans in place	1	1 Workplace skills plans in place
		Number of full/part time bursaries awarded.	25	24 Full/part time bursaries awarded
	Enhanced internal and external communication & IT support services	Quarterly newsletter produced	4	4 Newsletter produced
		Number Service Delivery Improvement Plans	1	3 Service Delivery Improvement Plans – target was incorrectly captured
		Media liaison activities	4	12 Media liaison activities
		Number of Batho Pele information sessions	54	5 Batho Pele information sessions
		Number of e-portals and developed and maintained.	4	6 E-portals and developed and maintained
		Network infrastructure designed, deployed and monitored in 4 phases.	Completion of phase 1 and 2	phase 1 and 2-incomplete
		Number of IT workshop conducted.	6	6 IT workshop conducted
		Developed and implemented master system plan.	1	1 Master system plan implemented
	Financial Management	Effective management, planning, budgeting, implementation, monitoring and reporting	Adherence to predetermined Financial and banking KPI's indicators	95% of set Financial KPI's

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Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
Financial Management	Effective management, planning, budgeting, implementation, monitoring and reporting	90% of set banking KPI's	90% of set KPI's	95.33% of banking KPI's achieved
		Adherence to key Budget Deadlines:	1	1 Adjustment Budget report submitted November)
		<ul style="list-style-type: none"> Produce a credible Adjustment Budget (one report submitted November) 		
		<ul style="list-style-type: none"> Produce a credible Budget Statement II (2 drafts and 1 final report submitted January) 	3 reports	1 Budget Statement II (2 drafts and 1 final report submitted January)
		Adherence to PFMA Reporting requirements:	12 IYM reports	12 IYM Reports
		<ul style="list-style-type: none"> Compile In Year Monitoring (IYM) reports 		
		Adjustment Budget (one report submitted November)	1 report	1 Adjustment Budget (one report submitted November)
		Budget Submission(one report submitted August)	1 report	1 Budget Submission(one report submitted August)
Strategic Planning	Effective management, planning, budgeting, implementation, monitoring and reporting	Published and tabled Annual Performance plan and strategic plan	1 APP	1 SPP 1 APP
		Assist in production of operational plans for all directorates	August 2009	August 2009
		Quarterly Performance Information Reports produced and submitted	4	4 Performance Information Reports produced and submitted
		Facilitate engagement meetings regarding APP and SPP held	4	3 Meetings regarding APP and SPP held
		Quarterly reports on Programme of Actions submitted	4	0
		Number of reports submitted on Departmental injunctions	4	4 Reports submitted on Departmental injunctions

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
for the year ended 31 March 2010

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
		Number of Strategic Planning Forum meetings attended	10	3 Strategic Planning Forum meetings attended
		National CFO's meeting attended	2	2 CFO Forums were attended
Supply Chain Management	Improved management of assets, transport logistics management service to all the users within the department	Effective Management of all Departmental Assets to meet minimum LOGIS asset register requirements	1 complete asset management register	1 Complete Asset register
		Annual Demand Management Plan aligned with the APP/ Budget	Annually	1 complete demand plan
		All bids considered for procurement by bid committee	1 report	100% of bids considered for procurement by bid committee
		93% of the number of creditors paid within 30 days	95% of 200 creditors paid within 30 days	98.60%
Internal Audit	Enhanced the implementation of internal controls towards appropriately addressing risks within the department	Number of audits performed per year	34	29 audits performed
		Number of days after completion of audit within which a report is issued	7days	5 days
		Number of unresolved recommendations of Auditor General's management letter at the year end	0	0
		Date of completion of the departmental risk register	31/03/2010	31/03/2010
		Number of workshops conducted at service points for Internal controls	4	5 Workshops conducted at service points for Internal controls
		Level of reliance placed by Auditor General on work performed by Internal Audit	70% of reliance	0

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
for the year ended 31 March 2010

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
Risk Management	Sound risk management practices within the Department	Date of the review of the risk management framework	31/03/2010	31/03/2010
		Updated risk registers for the department	4	4 risk registers for the department updated
		Number of risk mitigation reports presented to management	4	2 risk mitigation reports presented to management
		Annual finalisation of risk assessment report	31/03/2010	31/03/2010
		Number of workshop or training session held	4	2 Training session held
Economic Analysis	Updated socio economic database to inform planning and decision making and assessed the policy implications on various socio-economic indicators	Updated database by the end of financial year	1	1 Updated database
		Piloting Capacity building	1 (Development stages)	4
	Assessed impact and implications of various fiscal objectives on selected socio-economic variables	Number of research based reports produced	4	1 research based reports produced
		Workshops conducted with stakeholders	6	5 Workshops conducted with stakeholders
		Produce discussion document (1MTBPS)	1	1 discussion document produced
		Publish QLMR	1	2 QLMR published
		Number of discussion documents produced	1	1 Discussion documents produced
	Fiscal Policy	Credible revenue budget for the departments and compliance with SA prescripts, Donor Country requirements	Credible revenue base for 11 departments	11
Train departments on revenue			6	5 departments trained departments on revenue
Revenue targets analysis reports			12	12 Revenue targets analysis reports

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
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Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
		Overpayments to provincial revenue fund reports	12	9
		Quarterly meeting on revenue	4	3 meeting on revenue held
		Develop and issue 3 guidelines on revenue related matters	3	3 guidelines on revenue related matters
		Conduct revenue inspections	8	9 Revenue inspections conducted
		Evaluate Annual Performance Plan of revenue generating department.	8	11 Departments evaluated
		Research Report on Provincial Equitable share formula	2	2 Report on Provincial Equitable share formula
		Review 4 Components of Provincial Equitable Share	4	4 Components of Provincial Equitable Share reviewed
		1 Submission on PES on the FFC's Division of Revenue recommendations	1	1
		Quarterly report on all measures taken to optimise conditional grants	4	4 Reports on all measures taken to optimise conditional grants produced
		1 Report, on donor funding (allocation, spending, challenges, compare to other provinces and provide recommendations on how to improve)	4	5 Reports produced
		Establish database of Free State current Donor funding	1	0 The database is not operational as yet however the department is using a electronic system to capture data. Access Programme)
		Report on findings	1	2 Report on findings produced

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
for the year ended 31 March 2010

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
Budget Management	Enhanced strategic and annual performance plans of provincial departments and alignment of departmental budgets with priorities of government	Number of analytical reports	1 consolidated reports	1 consolidated reports
		Number of assessment reports	3 assessment reports	1 consolidated I evaluation report produced
		Tabled provincial budget in line with national prescripts	Tabling within 2 weeks after National budget is tabled	Provincial budget tabled on the 5 th March 2010
		Tabled Adjustment Budget in line with National prescripts	Credible Adjustment budget tabled within 30 days after National Adjustment Budget	The 2009 Adjustment Budget was tabled on the 25 th November 2009
		Report on alignment of budget, strategic and annual performance plans	1 report per department	Consolidated final report was compiled
Public Finance	Assessed expenditure performance of departments and Public Entities against budgets	Number of assessment reports prepared in terms of In Year Monitoring Model	18 consolidated reports (Departments and Public Entities)	14 consolidated reports (Departments and Public Entities)
	Verified expenditure against conditional grants objectives, published infrastructure plans,	Number of compiled C-grants reports verified	4 consolidated reports	4 consolidated reports
		Number of reports prepared in terms of infrastructure reporting model	4 consolidated reports (7 departments)	4 consolidated reports (7 departments)
		Number of reports prepared in terms of the quarterly performance model	8 Consolidate reports (4 Departments & 4 Public Entities)	8
Asset Management	Implementation of asset management reform (physical asset management)	Number of asset management reform project plan template implemented	1	1 asset management Draft document compiled
		Number of asset management forums and training sessions conducted	4 AM Forum & 8 Training Sessions	4 AM Forum & 9 Training Sessions
		Number of FSPT asset management steering committee meetings held	4	2 Asset Management steering committee meeting held 11 asset management presentation made

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PERFORMANCE INFORMATION
for the year ended 31 March 2010

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target		
Asset Management	Implementation of asset management reform (physical asset management)	Number of asset management inspection/ monitoring visits conducted □ Inspection reports	12	31 Inspection reports 161 Monitoring reports	
		□ Monitoring reports	144		
	The Supply chain Management framework supported and monitored	Number of supply chain management forums and training sessions conducted	4 SCM Forums 4 training sessions	5 SCM Forum conducted 5 Training sessions	
		Number of monitoring and evaluation reports produced	44	25 monitoring and evaluation reports produced	
		Number of supplier management system maintained	1	1 supplier management system maintained	
	Improved implementation of infrastructure delivery models and public private partnership projects	Number of infrastructure delivery meetings, including IDIP held	46	35 infrastructure delivery meetings, including IDIP held	
		Number of training sessions conducted / facilitated	1	1 training sessions conducted	
		Number of infrastructure site visits conducted 20 project bi-monthly	120 projects	55 infrastructure site visits conducted	
		Number of infrastructure monitoring reports produced	16	10 Monitoring reports produced	
	Effective management of provincial revenue fund.	Timely and reliable Provincial revenue Fund annual financial statements	Finalisation of Financial Statements according to prescripts	2 sets of AFS	
		Monthly cash transfer reports produced	12 cash transfer reports	12 cash transfer reports produced	
		Facilitated revenue generation through investment □ Investment reports	12 Investment reports	13 Investment reports produced	
	Support & Interlinked	Managed and maintained the transversal systems	Availability and stability of the Transversal systems	95% of working hours	95% of working hours
			Provide technical and functional support to Provincial Departments within working hours	Respond to calls within 8 working hours	All calls Responded within 8 working hours
		Improved utilization of the transversal systems by departments	Interfaces successfully integrated with external systems	100% Interfaced	100% of External systems interfaced

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
for the year ended 31 March 2010

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
		Number of clear and user-friendly Transversal System Circulars and Practice Notes	LOGIS 5 26 Transversal Systems circulars and practice notes	29 Transversal System Circulars and Practice Notes
		Credible and accurate Entity Register	100% credible and accurate Entity Register	100% of 1165 credible and accurate Entity Register on LOGIS and BAS
		Items codified and standardized within 48 hours	100% (3589)	100% of 2246 codified and standardized
		Number of employees trained on BAS, PERSAL, LOGIS	BAS: 350 PERSAL: 250 LOGIS: 250	BAS: 307 PERSAL: 404 LOGIS: 597 = 1 290
Accounting Services	Implemented accounting related legislation and policy frameworks within provincial departments and public entities (including capacity building)	Number of Departments monitored to adhere to 87% accounting related KPI's from weighted 100%	11 Departments	11 Departments adhered to 93% accounting related KPI's from weighted 100%
		Number of Trading Entities monitored to adhere to 87% accounting related KPI's from weighted 100%	2 Trading Entities	2 Trading Entities adhered to 87% accounting related KPI's from weighted 100%
		Number of listed Public Entities monitored to adhere to 60% accounting related KPI's from weighted 100%	5 Public Entities	5 Listed Public Entities adhered to 60% accounting related KPI's from weighted 100%
		Number of training session for Provincial Departments, public and Trading Entities	10 training sessions	18 training sessions
	Timely consolidated annual financial information for the Free State Provincial Government	Timely submission of annual report for consolidated financial information to be tabled	23 October 2009	29 October 2009
	Successful implementation of banking arrangements for the Provincial Departments	Number of Departments and Trading Entities monitored to adhere to 82% of banking arrangement KPI from Weighted 100%	13 Departments and Trading Entities	Departments achieved 90% and Trading Entities 97% of banking arrangement KPI from Weighted 100%

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
for the year ended 31 March 2010

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
MFMA	Effective, efficient and transparent management of physical and financial assets within municipalities	Development and roll-out of asset management KPI's for all municipalities.	1 set of KPI's	1 set of KPI's For 24 municipalities
		Number of assessment reports on asset management KPI's	12 Municipalities	12 Municipalities
	Supply chain management framework implemented	Number of SCM assessment reports	48 SCM assessment	40 SCM assessment reports
	Functional Internal Audit Units and Audit Committees	Develop Internal Audit KPI's for all municipalities	1 set of Internal Audit KPI's for all municipalities	1 set of Internal Audit KPI's for all municipalities
		Number of Municipalities bi-annually monitored to adhere to an average of 50% of Internal audit KPI's from weighted100%	6 Municipalities	4 Municipalities bi-annually monitored to adhere to an average of 50% of Internal audit KPI's from weighted100%
	Successful implementation of Risk Management Framework	Develop Risk Management KPI's for all municipalities	1 set of Internal Audit KPI's for all municipalities	1 set of Internal Audit KPI's for all municipalities
		Number of Municipalities bi-annually monitored to adhere to an average of 50% of Risk Management KPI's from weighted100%	5 Municipalities	5 Municipalities bi-annually monitored to adhere to an average of 50% of Risk Management KPI's from weighted100%
	Credible municipal budgets	Number of Draft Budget Assessment Reports	25 Draft Budget Assessment Reports	23 Draft Budget Assessment Reports
		Number of Approved Budget Assessment Reports	25 Approved Budget Assessment Reports	25 Approved Budget Assessment Reports
		Number of Budget Timelines Assessment Reports	25 Budget Timelines Assessment Reports	19 Budget Timelines Assessment Reports
		Number of Adjustment Budgets Assessment Reports	Adjustment Budgets submitted	6 reports on adjustment budget assessment reports

Vote 4: FREE STATE PROVINCIAL TREASURY
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for the year ended 31 March 2010

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
	Effective implementation of PROPAC resolutions by municipalities	Number of evaluation reports to LG&H	4 Evaluation reports	1 Evaluation reports to LG&H (The reason for the non compliance was due to the fact that no reports were received and letters was issued in this regard requesting the reports.)
	IYM reports of municipalities To monitored and consolidated	Number of IYM assessment reports	300 IYM assessment reports	123 IYM assessment reports
		Consolidated reports	12	12 consolidated reports
		Publications	4 Publications	3 Publications
	Training and capacity built in municipalities and compliance with MFMA monitored	Number of training sessions concluded	4 Training sessions	13 Training sessions held
		Number of quarterly reports	96 compliance reports	125 compliance reports
		Number of annual returns	48 annual returns	32 annual returns
		Quarterly MFMA Implementation of the 16 Priorities	4	4
		Number of bi-annual returns	48 bi-annual returns	30 bi-annual returns
		Number of monthly returns	216 monthly returns	173 monthly returns
	Effective implementation of legislative (PROPAC) resolutions within provincial departments and public entities.	An average of 90% implementation of legislative resolutions for 11 departments and 5 registered entities	80%	11 assessed departments 80% Assessed public entities 80%
Risk Management and Internal Audit	Successful implementation of the risk management framework within provincial departments and public entities towards promoting good governance and administration in the Free State Provincial Government	Updated and aligned delegation in place for all provincial departments and public entities Departments: PSA/PSR delegations • MEC'S/ • Accounting Officers • SCM delegations • Financial delegation Entities: • HRM delegation • SCM delegations • Financial delegations	11 11 11 11 5 5 5	6 9 11 11 3 3 3

Vote 4: FREE STATE PROVINCIAL TREASURY
PERFORMANCE INFORMATION
for the year ended 31 March 2010

Sub-programmes	Outputs	Output performance measures / service delivery indicators	Actual performance against target	
		Number of departments monitored bi-annually to achieve 75 % of KPI's for risk management units and committees from weighted 100%	11 Departments	7 Departments monitored bi-annually to achieve 71% of KPI's for risk management units and 65% for Risk Management Committees from weighted 100% 7 Risk Management units =60% 4 Risk Management Committees 60%
		Number of public entities monitored bi-annually to achieve 60% of KPI's for risk management units and committees from weighted 100%	5 Public Entities	3 Public Entities assessed, Achieved 60% of Risk Management and 64% in Risk Management Committees Risk Management Unit =53% Risk Management Committees =53%
		Number of departments monitored bi-annually to achieve 85% of KPI's for internal audit units and committees from weighted 100%	11 Departments	3 Entities assessed, Achieved 60% of Risk Management and 64% in Risk Management Committees Risk Management Unit =53%
		Number of public entities monitored bi-annually to achieve 53 % of KPI's for internal audit units and committees from weighted 100%	5 Public Entities	10 departments assessed on IAA's and 8 Departments on AC Averages IAA's=53% AC=53%

Reasons for major variances:

- Visiting of infrastructure projects –Capacity constraints
- Number of employees trained on BAS, PERSAL, LOGIS – more departments needed training, increased number of new courses were to be offered
- Programme of Actions quarterly progress reports were not done, they are handled at cluster level
- Number of service providers (in rand category) contracted to the department vetted – a consolidated report will be done on 2010 first quarter for 1-3 contracts awarded

4.8 List of complementary documents that provide more information, including information available on the website of the department

- Acts
- Best Practice Notes
- Budgets
- Circulars
- Delegations
- Local government
- Manuals
- Strategic plans
- Policies
- Regulations
- Municipal reports

OVERVIEW

We are pleased to present our report for the financial year ended 31 March 2010.

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee hereby reports that it has complied with its responsibilities arising from Section 38(1)(a) of the Public Finance Management Act and Treasury Regulation 3.1.13. Furthermore, the Audit Committee reports that it has adopted appropriate formal terms of reference as its charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The term for the department's Audit Committee expired on 31 December 2009.

A shared Interim Audit Committee was appointed for the period 21 May to 31 July 2010 to assist with the Audit Committee related activities associated with the finalisation of the 2009/2010 financial year-end. Due to unforeseen circumstances however, the Shared Interim Audit Committee could not perform their functions for the period 21 May to 31 July 2010.

AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE OF MEETINGS

The Audit Committee (the term of which expired on 31 December 2009) consisted of 4 independent members. For the year ended 31 March 2010 the committee held 3 meetings and the member's attendance of the meetings is indicated hereunder:

Member	Number of meetings attended
Mr. BM Radebe (Chairperson)	3
Mr. JH Blair	3
Adv. NM van Heerden	2
Mr. P Simpson	3

The Interim Audit Committee consists of 4 independent members listed below:

Mr. BM Radebe (Chairperson - deceased on 9 July 2010)
Mr. JH Blair
Adv. NM van Heerden
Dr. K Laubscher (Chairperson since 16 July 2010)

RISK MANAGEMENT


The Free State Provincial Treasury has developed and approved a risk management policy and strategy which includes the establishment of the Risk Management Committee for managing and monitoring of risks on an ongoing basis. During the period ending 31 March 2010, reports relating to risk management were presented to the Audit Committee Chairperson.

EFFECTIVENESS OF INTERNAL CONTROLS

Based on the reports presented to the Audit Committee by the internal audit directorate, the Audit Committee is satisfied that Management has implemented adequate controls in most areas within the department to provide reasonable assurance that all the major inherent risks are appropriately identified, managed and that applicable legislation is adhered to.

ANNUAL FINANCIAL STATEMENTS

The Audit Committee confirms that the internal audit function has evaluated the annual financial statements submitted to the Auditor-General of South Africa. After conclusion of the audit, the Audit Committee will review the audited financial statements read in conjunction with the Auditor General's Management letter and response from Management and pronounce on the contents thereof.



Chairperson of the Audit Committee
DR K Laubscher

Vote 4: FREE STATE PROVINCIAL TREASURY
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for the year ended 31 March 2010

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1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

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

Important policy / strategic decisions issued by the department

Based on the department's mandate emanated from section 18 of the PFMA the following directive was issued for the year under review:

- To improve expenditure trends and prevent over expenditure, directives were issued relating to the shifting of funds, cost containment measures, the appointed of consultants etc.
- To improve cash management in the province new directives which include aggregated limits weekly payment of creditors for amounts above R1 million was introduced.
- Gambling Board – Jointly with Department of Economic Development, Tourism and Environmental Affairs, Gambling and Racing Board and Provincial Treasury, a procedure manual has been developed for the collection and payment of gambling revenue and was implemented after the Free State Gambling Levies Bill was approved.
- Financial directives were developed for implementation for all departments.
- The following delegations were standardised for provincial departments:
 - ✓ Financial
 - ✓ SCM
 - ✓ Asset Management
 - ✓ Persal
 - ✓ LOGIS
 - ✓ BAS

Comments on significant actions that have taken place during the financial year

- Nationally and provincially, revenue collection was affected negatively by economic conditions. The revised Investment Strategy and our re-engineered business processes, mechanism to manage donor funding and ongoing research to optimize funding for the province resulted in R91,143 million raised from interest.
- Key performance indicators for asset management were developed to address the qualified audit opinions which should reflect improvement only during the 2010/11 financial year.
- COGTA in conjunction with Provincial Treasury launched Operation clean audit 2014 indicating the provincial targets and established a Steering committee to oversee the implementation plans.
- A direct recovery process was successfully implemented since November 2009 to ensure that claims against Free State departments are settled on monthly basis.
- Intervention regarding outstanding interdepartmental claims between national and provincial departments resulted in the recovering of R7,3 million from national and other provincial departments and R99,1 million between Free State departments.
- Interim Financial Statements was introduced and provincial departments and entities were required to submit these statements as at the end of September 2010 by 31 October 2010. In addition this province in conjunction with the Auditor-General of South Africa succeeded to audit comparative figures for the 2009/10 financial statements and to provide feedback to departments and public entities by mid May 2010 to enhance the quality of the 2009/10 financial statements and to relief pressure

during the audit period.

- Competency-based assessment for supervisory positions from level nine to eleven was introduced to ensure that we recruit and retain people that have the necessary skills to do the work.
- On the support to departments, we improved the capacity in the areas of asset management, supply chain management, and internal audit. In collaboration with PALAMA, we have rolled out training sessions on SCM-related issues to departments.
- We also monitored departments and (schedule 3A and 3C) public entities on compliance with SCM prescripts.
- On internal auditing, the average key performance indicators and performance for provincial departments achieved 86% and 86% average for the Internal Audit activities and Audit Committees respectively.
- The department convened training sessions as well as forums on Risk Management and Internal Audit, which resulted in the following improvement measured by key performance indicators.
- The average Risk management activities improved from 41% to 71% and Risk Management Committees from 30% to 65 % for provincial departments
- The average Internal Audit activities improved from 69% to 86% and Internal Audit Committee from 59% to 86 % for provincial departments.
- We have sensitized municipalities on the role and importance of formalizing Risk Management structures within their councils as required by the MFMA. Furthermore, we have trained relevant officials in municipalities on new budget and reporting formats.
- The assessment of accounting related key performance indicators, capacity building and monthly assessment of bank reconciliations as well as clearing accounts continued during the year under review to improve financial management.
- In respect of major projects, the Free State Provincial Treasury does not have direct projects, but indirectly monitor and evaluate progress on projects on a monthly basis.

1.1 Spending trends

Programme 1: Administration

This programme performed well in the area of coordination and management of activities within the entire organization. Additionally allocated to this programme in the year under review was the coordination and payment of consultants in order to assist line departments in the province with past over expenditures and to align departments' organizational structures correctly. The administration programme managed to spend 94 percent or R61, 382 million of the R65, 312 million allocated.

Programme 2: Sustainable Resource Management

This programme played a key role in the allocation of the limited financial resources to the competing policy priorities of the province and also in the year under review added an additional task by monitoring and implementing strict cost containment measures in order to avail additional funding for investments. This programme also contributed meaningfully in achieving exercises conducted by the provincial executive council and office of the Premier throughout the fiscal year ending 31 March 2010. The programme managed to spend 89 percent or R17, 613 million of the allocated R19, 733 million.

Programme 3: Assets and Liability Management

The Assets and Liability Management programme managed to spend 93 percent or R46,146 million of the R49,502 million allocated. The programme provided policy directions and facilitated effective and efficient management of physical and financial assets and supply chain management. They also provided assistance relating to the transversal systems used by all departments within the province.

Programme 4: Financial Governance

The Financial Governance programme ensured that there is a continuing promoting of accountability through substantive reflection of financial management activities throughout the financial year for all provincial departments and municipalities as well as compliance with financial norms and standards. The programme managed to spend 98 percent or R24,409 million of the allocated R25,005 million.

Month	Compensation of expenditure R'000	Goods and Services R'000	Interest and rent and land R'000	Transfer payments R'000	Payments for assets R'000	Payments for financial assets R'000	Total R'000
04/2009	7,601	222	-	211	-	-	8,034
05/2009	7,460	333	-	248	-	-	8,041
06/2009	7,375	1,859	-	2,580	89	-	11,903
07/2009	7,633	2,820	-	106	124	-	10,683
08/2009	8,272	2,868	-	7	166	-	11,313
09/2009	7,697	6,594	77	(738)	217	-	13,847
10/2009	9,614	3,757	65	5	168	-	13,609
11/2009	8,262	1,651	(1)	965	32	-	10,909
12/2009	8,426	6,303	-	182	156	-	15,067
01/2010	8,089	2,370	3,618	261	161	-	14,499
02/2010	8,048	4,901	59	-	132	-	13,140
03/2010	8,390	8,377	82	256	1,319	81	18,505
TOTAL	96,867	42,055	3,900	4,083	2,564	81	149,550

Reasons for Under/Overspending

The department of Provincial Treasury managed to spend 94 percent or R149,550 million of the allocated R159,552 million allocated in the 2009/10 financial year. The under spending can mainly be contributed to the following:

The department has managed to spend 95 percent or R96,867 million on compensation of employees out of a budget of R101,491 at year ended 31 March 2010. The vacancy rate at year end was 10.95 percent and was contributed by the review and amendment of the organizational structure of each department in the province and the moratorium placed on the filling of non-essential posts during October 2009 to January 2010.

On goods and services the department spent 90 percent or R42,055 million against the R46,601 million allocated. The under spending is attributed to the implementation of a credit note received from SITA in respect of prior year price increase which was disapproved. One of the SITA invoices were only partially paid (software licenses) due to a wrong calculation made by SITA on the tax portion. The department did not make payments towards the consultant agencies Mindworx and Ramathe Fivaz, who was conducting assessments on the provincial organizational structure and did investigations, as there was still a dispute between the provincial government and the company. The department also did not make use of funding projected for the printing of the Annual Performance Plan or the Strategic Plan as the printing will only be finalized in the 2010/11 financial year.

The department has spent R2,564 million or 75 percent against the budget of R3,413 million on capital expenditure and the under spending is as a result of late submission of request for procurement which resulted in the non-delivery of capital items ordered by suppliers within the province.

On own revenue, the department exceeded the collection target of R81,930 million by R9, 785 million and collected a total sum of R91,715 million. This over collection is mainly due to the cost containment measures, which allowed more funding to be available for investments and the department also initiated the selling of tender documents to increase revenue.

1.3 Virements

No virements was done after the adjusted estimate for the 2009/10 financial year.

1.4 Unauthorised / Irregular and Fruitless Expenditure

The effective internal controls which apply in this department ensured that no fruitless / irregular or unauthorised expenditure was incurred.

1.5 Any other Material Matter

The department did not incur any expenditure related to the purchasing of soccer world cup clothing, travel and subsistence and tickets.

2. SERVICES RENDERED BY THE DEPARTMENT

The department does not render direct services to the general public but is responsible for the provincial resource allocation, monitoring and providing advisory services to all Provincial Departments and municipalities.

- Planning and preparation of the Provincial budgets;
- Provincial expenditure and revenue management;
- Cash flow management and investment of short-term surplus funds;
- Oversight over provincial asset management and procurement practices;
- Management of 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 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).

2.1 Tariff policy

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

2.2 Free Services

The department renders Treasury support functions to all provincial departments, public entities as well as municipalities. The total costs relates to SITA, in respect of the transversal systems, BAS, LOGIS and PERSAL.

2.3 Inventory

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

3. CAPACITY CONSTRAINTS

Due to limited accommodation for departmental officials the environment is limiting the appointments. Within the Organizational Efficiency Services unit a shortage of staff was experienced, especially with the job evaluations and profiles which need to be conducted.

This task is directly linked to the review of the current organizational structure and the implementation of new posts. However this task was very difficult with the HR Connect programme running simultaneous to the review of the organizational structure.

The Public Finance Directorate experienced capacity constraints with only two officials verifying twelve department and six public entities in terms of monthly expenditure reports and also two officials verifying twelve department and six public entities quarterly performance reports on non-financial information and one official responsible for eight departments' infrastructure reporting. The volume of information submitted in the short time space to evaluate before submitting to National Treasury in terms of the PFMA, Treasury Regulations and DORA created problematic situations due to the capacity constrained experienced with only the five officials.

4. UTILIZATION OF DONOR FUNDS

The department did not receive any sponsorships or donations during the year of reporting.

5. TRADING ENTITIES AND PUBLIC ENTITIES

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

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

None.

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

None.

8. CORPORATE GOVERNANCE ARRANGEMENTS

- **Management Reporting**

The reporting requirement practiced by management in the department is in accordance with section 32 (2) and 40 (b) of the Public Finance Management Act No 1 of 1999, as amended, which require the accounting officer to comply with the reporting requirement of the Division of Revenue Act (DORA)

- **Labour Relations**

The Labour relations section continued in its quest to assist managers, employees and consultation with organized labour in dealing with labour matters in the work place and maintaining sound labour relations.

- **Other Governance Issues**

To minimize conflict of interest the Department ensured that all Senior Management Services members complied with the Public Service Regulations by declaring financial interest yearly before the end of April.

19 Senior Management Services members submitted financial declaration forms. In 2009 Security Services Unit embarked on the process of vetting campaign to certain sections of the department namely: Supply Chain Management, Asset Management and Support and Interlinked.

Hundred and thirteen officials submitted Z204 (security clearance) forms to NIA through security services. Two Senior Management Services Members received clearance certificate from NIA.

The department conducted eleven environmental safety assessments, no health hazards were identified. The department adhered to Part vi D of the Public Service Regulations.

The Code of Conduct is implemented through the Performance Development and Management System.

- **Risk Management Approach**

Development of Risk Management Framework

- Risk Management Policy
- Risk Management Committee charter
- Risk Management Strategy

Risk Assessment

The risk assessment was conducted in a form of workshops and meetings arranged per sub programmes.

These meetings were attended by Senior Managers and staff members who fall within the salary range of level nine (9) up to and including level twelve (12) for all operational risks while for strategic risks the participants were Senior Managers.

The Departmental Risk Manager and the assistant were responsible for facilitation of the risk assessment process at both the strategic and operational level.

The risk assessment methodology was applied with reference to the public sector risk management framework, Free State Provincial Treasury Risk Management Policy as well as Risk Management best practices. The methodology covered among others the following aspects:

- Inherent risk ratings
- Determination of existing controls
- Residual risk ratings
- Development of risk register per sub programme

Development of Departmental risk tolerance level model

The amount of risk that the Department is prepared to accept, tolerate or be exposed to at any point in time.

Development of risk mitigation action plans

This is where sub programme managers are expected to develop sound control measures over and above the existing control for all the risks that fall beyond the departmental risk tolerance level.

Monitoring

Objectives of monitoring are to determine if:

- Risk mitigation action plans have been implemented as planned.
- Risk mitigation action plans are as effective as expected or if new actions should be developed.
- Level of risk priority has changed from its prior state.

- A risk event has occurred
- Risks not previously identified, that have occurred.

For the year under review the Risk Management activity and the Risk Management Committee achieved 88% and 72% respectively against the key performance indicators as assessed by the office of the Provincial Accountant General.

- **Fraud Prevention Plan**

The internal audit unit in conjunction with the Risk Management started with the review of the Fraud Prevention Plan during the 2009/10 financial year. The Fraud Management policy was presented to officials during the Fraud awareness workshops and inputs received from them was incorporated into the policy. The fraud prevention process will be finalized in the current financial year.

- **Effectiveness of Internal Audit**

The Department has an Internal Audit Unit. The results of the risk assessments were utilised to develop and approve a three year to year and annual audit plan by the Audit Committee. The annual plan guides the internal audit component on the audits to be conducted to evaluate the adequacy and effectiveness of the internal controls, risk management and governance process.

The Internal Audit unit completed 83% of the audits which were scheduled to be performed during the 2009/10 financial year, which included 7 follow-up audits and 1 ad hoc audit as well as the review of the pay progression made in the 2002/03 financial year. The Internal Audit unit was also tasked by the Treasury CEO to help the Internal Audit unit from the Department of Health with their annual plan as they had a shortage of staff; one Manager and one Assistant Manager were seconded to the Department of Health for this function.

For the year under review **the Internal Audit activity achieved 82%** compliance rate against the key performance indicators as assessed by the Office of the Provincial Accountant General. The actual results are 82% which is 17% above the provincial annual target

- **Effectiveness of the Audit Committee**

The Audit Committee was effectively functioning for the period 1 April 2009 to 31 December 2009, where after the Audit Committee members' contracts expired from 31 December 2009. After this the responsibility for appointment of the Audit Committee members was moved to the Provincial Risk management and Internal Audit unit within Financial Governance.

For the year under review the Audit Committee achieved 82% compliance rate against the key performance indicators as assessed by the Office of the Provincial Accountant General which is **17%** above the provincial annual target.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The department did not discontinue any services / activities during the year under review.

10. NEW/PROPOSED ACTIVITIES

● **Clean Audit for Provincial Treasury**

During the 2010/11 financial year the Provincial Treasury will strive to enhance from an unqualified to a clean audit opinion. In this process the Internal Audit unit within the department will be more visible and will assist the department in achieving this objective.

- In conjunction with COGTA implement a database with generic policies and operational procedures for all main functions [including procedures to comply with GRAP standards] of municipalities.
- Hands on support to municipalities will be increased from 65 days to 104 days. This will increase credibility of information, decrease audit enquiries and improve AFS audit opinions as well as compliance with MFMA.
- Promote the alignment between municipalities IDP, budget and SDBIP with the aim to improve service delivery.
- The implementation of cluster Audit committees to enhance effectiveness will be aggressively pursued.
- During the 2010/11 financial year the Free State Provincial Treasury will reform the budgeting process from an output to an outcomes-based budgeting process.
- Provincial Treasury will use the compliance tool developed in 2009/10 to assess and build capacity at municipalities in order to increase compliance with 10%. This will decrease non-compliance reported in the Audit report and also contribute to improve the perceptions of the communities about the municipal performance, thereby reducing the risk of social unrest and unwarranted damage to municipal property. It may also contribute to an improvement in the payment of municipal services.
- The management of transversal contracts for the procurement of goods and services in the FS Province will be centralized in this department. We believe that this is a crucial step in stamping out corruption in the province. We will also review the procurement processes with an aim of introducing efficiency, reduce costs and eliminate.

● **Appointment of a Shared Interim Audit Committee**

Free State Executive Council has resolved via Council Minutes 7.13/2009 and 7.5/2010 to professionalize the Audit Committee's and ensures that they contribute and add value and not focus on the compliance of the legislative requirements. Audit Committee's have a positive impact on the way in which departments are managed.

The rationale for clustering the audit committees was to professionalize the Audit Committee's and ensure that they contribute and add value and not focus on the compliance of the legislative requirements only and to assist in achieve 2014 clean audit vision.

To ensure continuity in the roles and duties of the Audit Committee, an Interim Shared Audit Committee is in process of being established to deal with the matters of the department because their Audit committee members' contracts have expired during the year under review.

Subsequently the shared Interim Audit Committee was appointed for the period of 21st May 2010 to 31st July 2010.

11. ASSET MANAGEMENT

The department implemented additional control measures during the year under review in respect of the management of departmental assets:

ISSUED ASSETS

- Room Lists are printed for all assets issued and attached at back of the door at all locations.
- Declaration letters are signed by all asset holders for all allocated assets.

ADDITIONS

The Asset management Unit took responsibility of capturing receipts of newly procured assets on the system to ensure the following.

- Allocation of Unique numbers and Bar-Codes;
- Correct locations.

LOGIS/BAS RECONCILIATION

The Asset Management Unit does monthly and quarterly a reconciliation of discrepancies on procured assets to ensure that correct financial allocations and asset categories are utilized on both the Financial and LOGIS system. This Reconciliation is done in the format of Financial Statements so as to be able to reconcile any irregularities during the year.

MOVEMENT OF ASSETS AND EXIT OF OFFICIALS

- As part of control measures regular spot checks are done to effect proper movement of assets on the Asset Register.
- During exit of officials, Asset Management Unit conducts spot checks ensure that status of issued assets is still according to the Asset List and therefore effect changes and handing over.

DISPOSAL

All disposable assets (Redundant, obsolete, unserviceable / irreparable assets) are disposed according to the methods decided and approved by the Disposal committee. After approval all necessary transactions are effected accordingly on the Asset Register.

The major challenges that led to non-compliance to Asset Management Reform are as follows:

As a result of the high vacancy rate in asset management there is less segregation of duties between procurement practitioners and asset management practitioners. The issue of specialization in each functional area compromised as one official double as both procurement and asset practitioner. This resulted in the best practices in asset management not to be emphasized because of capacity issues and officials start doing things for the sake of compliance, this scenario is quite prevalent in districts and various institutions in the province.

This issue is directly linked to the low skills base in asset management, and this also has a profound effect on the credibility of asset registers. As that requires a comprehensive understanding of processes and procedures.

12. EVENTS AFTER THE REPORTING DATE

None.

13. PERFORMANCE INFORMATION

The National Treasury has issued a reporting tool/guideline to use for quarterly performance reporting. This guide is called, "Guide for the implementation of Provincial Quarterly Performance reports". The guide explains how departments with standardized

and non-standardized performance indicators should report on their performance on quarterly basis. Provincial Treasury adheres to non-standardized performance indicators and therefore is reporting on the word format. The guideline has been communicated to all programmes and sub-programme managers and it has been in use for a while now.

The Strategic Planning unit has issued a circular informing all programmes and sub-programmes to submit proof (hard-copies) of actual targets achieved, this was communicated in 2009/10 financial year. The Strategic Planning unit is keeping hard-copies received from programme and sub-programme managers in a safe place for audit purposes.

14. SCOPA RESOLUTIONS

All SCOPA resolutions reflected in the 2008/09 Annual Report were finalised during the 2009/10 financial year. The resolutions related to the 2008/09 Annual Report were only tabled on the 31st March 2010 and will be included in the 2010/11 Annual Report. However there are no specific resolutions for this department except matters covered in resolutions related to transversal matters link to all departments in the province.

15. PRIOR MODIFICATIONS TO AUDIT REPORTS

The mechanisms put in place by the Accounting Officer to resolve the matters reported by the Auditor General in the previous years are as follows:

- Internal Audit annually review implementation of measures to resolve issues raised in the Audit Reports.
- Review is executed as part of the Audit Plan.
- Issues not satisfactorily resolved are presented to management for intervention.
- Unresolved issues after management intervention are presented by the Audit Committee.
- The Audit Committee advises the MEC on issues relating to Governance, Risk Management including unresolved audit report issues.
- A component of Financial Governance monitors the implementation of PROPAC resolutions.

In the past financial year the following measures were added to the above-mentioned:

- Quarterly reporting on the Audit Implementation Plan: Auditor General Report; and
- Quarterly reporting on the Audit Implementation Plan: Capability Report.
- Review by a unit within Financial Governance on reporting of above.

The issues raised by the Auditor General in the previous financial years' audit reports and the mechanisms put in place were effective in minimizing the recurring findings/queries.

16. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

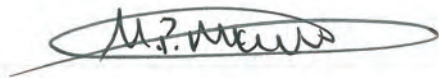
None.

17. OTHER

None.

18. APPROVAL

The Annual Financial Statements set out on page 61 to 101 have been approved by the Accounting Officer.



NAME: NP MKIVA
TITLE: Acting ACCOUNTING OFFICER
DATE: Monday, 31 May 2010

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE No. 4: FREE STATE PROVINCIAL TREASURY FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Free State Provincial Treasury, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the 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 information, as set out on pages 61 to 101.

Accounting officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA). 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; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa, 1996, section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Free State Provincial Treasury as at 31 March 2010, and its financial performance and its cash flows for the year then ended in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the PFMA and DoRA.

Emphasis of matter

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

Basis of accounting

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, described in note 1 to the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA and General Notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009, I include below my findings on the report on predetermined objectives, compliance with the PFMA and DoRA and financial management (internal control).

Findings

Predetermined objectives

No matters to report.

Compliance with laws and regulations

No matters to report.

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and DoRA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

No matters to report.

OTHER REPORTS

Investigations

An investigation was conducted by an independent consulting firm on request of the Premier. The investigation aimed to establish whether the department complied with legislative prescripts related to payroll and supply chain management. The investigation was still ongoing at the reporting date.

Bloemfontein/13 July 2010



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Part 2

Annual Financial Statements



Vote 4: FREE STATE PROVINCIAL TREASURY
APPROPRIATION STATEMENT
for the year ended 31 March 2010

APPROPRIATION STATEMENT	2009/10						2008/09		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration									
Current payment	62,679	(874)	-	61,805	58,105	3,700	94.0%	46,708	45,069
Transfers and subsidies	1,768	211	-	1,979	1,974	5	99.7%	2,024	1,942
Payment for capital assets	865	663	-	1,528	1,303	225	85.3%	1,318	1,313
2. Sustainable Resource Management									
Current payment	19,503	(273)	-	19,230	17,194	2,036	89.4%	16,896	16,402
Transfers and subsidies	-	17	-	17	17	-	100.0%	-	-
Payment for capital assets	230	256	-	486	402	84	82.7%	95	46
3. Asset & Liability Management									
Current payment	46,983	(392)	-	46,591	43,625	2,966	93.6%	53,639	53,211
Transfers and subsidies	2,086	6	-	2,092	2,092	-	100.0%	114	114
Payment for capital assets	433	386	-	819	429	390	52.4%	47	47
4. Financial Governance									
Current payment	24,973	(547)	-	24,426	23,979	447	98.2%	20,135	19,795
Payment for capital assets	32	547	-	579	430	149	74.3%	155	108
TOTAL	159,552	-	-	159,552	149,550	10,002	93.7%	141,131	138,047
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				85,476				28,552	
Actual amounts per Statement of Financial Performance (Total Revenue)				245,028				169,683	
Actual amounts per Statement of Financial Performance Expenditure					149,550				138,047

**Vote 4: FREE STATE PROVINCIAL TREASURY
APPROPRIATION STATEMENT
for the year ended 31 March 2010**

Appropriation per economic classification										
2009/10										
	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	R'000
Current payments										
Compensation of employees	102,211	(720)	-	101,491	96,867	4,624	95.4%	84,894	83,999	
Goods and services	48,232	(1,631)	-	46,601	42,055	4,546	90.2%	52,107	50,142	
Interest and rent on land	3,695	264	-	3,959	3,900	59	98.5%	381	284	
Financial transactions in assets and liabilities	-	-	-	-	81	(81)	-	-	52	
Transfers and subsidies										
Provinces and municipalities	256	(11)	-	245	245	-	100.0%	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	4	4	
Households	3,598	245	-	3,843	3,838	5	99.9%	2,134	2,052	
Payments for capital assets										
Machinery and equipment	1,560	1,853	-	3,413	2,564	849	75.1%	1,528	1,431	
Software and other intangible assets	-	-	-	-	-	-	-	83	83	
Total	159,552	-	-	159,552	149,550	10,002	93.7%	141,131	138,047	

**Vote 4: FREE STATE PROVINCIAL TREASURY
APPROPRIATION STATEMENT
for the year ended 31 March 2010**

Detail per programme 1 - Administration (for the year ended 31 March 2010)

Details per Sub-Programme	2009/10					2008/09			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
1.1 Office of the MEC									
Current payment	4,334	403	-	4,737	4,503	234	95.1%	4,455	4,311
Payment for capital assets	46	73	-	119	97	22	81.5%	44	44
1.2 Management Services									
Current payment	12,430	(515)	-	11,915	10,683	1,232	89.7%	2,140	2,044
Transfers and subsidies	-	-	-	-	-	-	-	243	243
Payment for capital assets	49	15	-	64	59	5	92.2%	29	28
1.3 Corporate Services									
Current payment	22,515	(294)	-	22,221	21,787	434	98.0%	20,737	19,782
Transfers and subsidies	1,768	211	-	1,979	1,974	5	99.7%	1,781	1,699
Payment for capital assets	517	425	-	942	805	137	85.5%	1,132	1,132
1.4 Financial Management									
Current payment	20,227	(457)	-	19,770	18,545	1,225	93.8%	16,568	16,258
Payment for capital assets	210	139	-	349	298	51	85.4%	90	87
1.5 Internal Audit									
Current payment	3,173	(11)	-	3,162	2,587	575	81.8%	2,808	2,674
Payment for capital assets	43	11	-	54	44	10	81.5%	23	22
Total	65,312	-	-	65,312	61,382	3,930	94.0%	50,050	48,324

Vote 4: FREE STATE PROVINCIAL TREASURY
APPROPRIATION STATEMENT
for the year ended 31 March 2010

Details per programme 1 - Administration (for the year ended 31 March 2010)

Programme 1 Per Economic classification	2009/10					2008/09			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	38,026	(608)	-	37,418	35,740	1,678	95.5%	32,660	32,137
Goods and services	24,597	(371)	-	24,226	22,210	2,016	91.7%	13,883	12,800
Interest and rent on land	56	105	-	161	119	42	73.9%	167	130
Financial transactions in assets and liabilities	-	-	-	-	36	(36)	-	-	2
Transfers and subsidies to:									
Provinces and municipalities	256	(11)	-	245	245	-	100.0%	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	4	4
Households	1,512	222	-	1,734	1,729	5	99.7%	2,020	1,938
Payment for capital assets									
Machinery and equipment	865	663	-	1,528	1,303	225	85.3%	1,233	1,230
Software & other intangible assets	-	-	-	-	-	-	-	83	83
Total	65,312	-	-	65,312	61,382	3,930	94.0%	50,050	48,324

**Vote 4: FREE STATE PROVINCIAL TREASURY
APPROPRIATION STATEMENT
for the year ended 31 March 2010**

Details per programme2 - Sustainable Resource Management (for the year ended 31 March 2010)

Details per Sub-Programme	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme Support									
Current payment	1,281	-	-	1,281	1,100	181	85.9%	1,179	1,071
Payment for capital assets	47	-	-	47	29	18	61.7%	30	30
2.2 Economic Analysis									
Current payment	4,371	(11)	-	4,360	3,425	935	78.6%	4,089	3,905
Payment for capital assets	43	11	-	54	52	2	96.3%	-	-
2.3 Fiscal Policy									
Current payment	4,439	(174)	-	4,265	4,002	263	93.8%	4,070	4,032
Transfers and subsidies	-	17	-	17	17	-	100.0%	-	-
Payment for capital assets	53	19	-	72	51	21	70.8%	-	-
2.4 Budget Management									
Current payment	6,022	(22)	-	6,000	5,661	339	94.4%	4,601	4,502
Payment for capital assets	43	160	-	203	176	27	86.7%	65	16
2.5 Public Finance									
Current payment	3,390	(66)	-	3,324	3,006	318	90.4%	2,957	2,892
Payment for capital assets	44	66	-	110	94	16	85.5%	-	-
Total	19,733	-	-	19,733	17,613	2,120	89.3%	16,991	16,448

Vote 4: FREE STATE PROVINCIAL TREASURY
APPROPRIATION STATEMENT
for the year ended 31 March 2010

Detail per programme 2 - Sustainable Resource Management (for the year ended 31 March 2010)

Programme 2 Per Economic classification	2009/10						2008/09		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	16,595	(69)	-	16,526	15,525	1,001	93.9%	12,930	12,918
Goods and services	2,899	(257)	-	2,642	1,615	1,027	61.1%	3,890	3,418
Interest and rent on land	9	53	-	62	54	8	87.1%	75	50
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	16
Transfers & subsidies									
Households	-	17	-	17	17	-	100.0%	-	-
Payment for capital assets									
Machinery & equipment	230	256	-	486	402	84	82.7%	96	46
Total	19,733	-	-	19,733	17,613	2,120	89.3%	16,991	16,448

Vote 4: FREE STATE PROVINCIAL TREASURY
 APPROPRIATION STATEMENT
 for the year ended 31 March 2010

Detail per programme 3 - Asset and Liability Management (for the year ended 31 March 2010)

Details per Sub-Programme	2009/10					2008/09			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
3.1 Programme Support									
Current payment	1,126	(17)	-	1,109	987	122	89.0%	1,018	981
Transfers and subsidies	2,086	-	-	2,086	2,086	-	100.0%	-	-
Payment for capital assets	43	28	-	71	57	14	80.3%	-	-
3.2 Asset Management									
Current payment	16,924	(98)	-	16,826	14,731	2,095	87.5%	8,923	8,717
Payment for capital assets	265	98	-	363	168	195	46.3%	-	-
3.4 Support and Interlinked Financial Systems									
Current payment	28,933	(277)	-	28,656	27,907	749	97.4%	43,698	43,513
Transfers and subsidies	-	6	-	6	6	-	100.0%	114	114
Payment for capital assets	125	260	-	385	204	181	53.0%	47	47
Total	49,502	-	-	49,502	46,146	3,356	93.2%	53,800	53,372

Vote 4: FREE STATE PROVINCIAL TREASURY
APPROPRIATION STATEMENT
for the year ended 31 March 2010

Detail per programme 3 - Asset and Liability Management (for the year ended 31 March 2010)

Programme 3 Per Economic classification	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	26,030	-	-	26,030	24,182	1,848	92.9%	21,493	21,280
Goods and services	17,323	(448)	-	16,875	15,716	1,159	93.1%	32,060	31,835
Interest and rent on land	3,630	56	-	3,686	3,682	4	99.9%	86	62
Financial transactions in assets and liabilities	-	-	-	-	45	(45)	-	-	34
Transfers and subsidies to:									
Households	2,086	6	-	2,092	2,092	-	100.0%	114	114
Payment for capital assets									
Machinery & equipment	433	386	-	819	429	390	52.4%	47	47
Total	49,502	-	-	49,502	46,146	3,356	93.2%	53,800	53,372

Vote 4: FREE STATE PROVINCIAL TREASURY
APPROPRIATION STATEMENT
for the year ended 31 March 2010

Detail per programme - Financial Governance (for the year ended 31 March 2010)

Details per Sub-programme	2009/10					2008/09				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
4.1 Programme Support										
Current payment	1,390	(109)	-	1,281	1,255	26	98.0%	1,243	1,229	
Payment for capital assets	-	72	-	72	60	12	83.3%	7	6	
4.2 Accounting Services										
Current payment	6,938	(106)	-	6,832	6,788	44	99.4%	6,044	6,010	
Payment for capital assets	-	107	-	107	90	17	84.1%	35	-	
4.3 Norms and Standards-MIFMA										
Current payment	11,309	(393)	-	10,916	10,650	266	97.6%	8,643	8,424	
Payment for capital assets	32	299	-	331	218	113	65.9%	110	102	
4.4 Risk Management and Internal Audit										
Current payment	5,336	61	-	5,397	5,286	111	97.9%	4,205	4,132	
Payment for capital assets	-	69	-	69	62	7	89.9%	3	-	
Total	25,005	-	-	25,005	24,409	596	97.6%	20,290	19,903	

Vote 4: FREE STATE PROVINCIAL TREASURY
 APPROPRIATION STATEMENT
 for the year ended 31 March 2010

Detail per programme 4 - Financial Governance (for the year ended 31 March 2010)

Programme 4 Per Economic classification	2009/10						2008/09		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payment									
Compensation of employees	21,560	(43)	-	21,517	21,420	97	99.5%	17,811	17,664
Goods and services	3,413	(555)	-	2,858	2,514	344	88.0%	2,274	2,089
Interest and rent on land	-	50	-	50	45	5	90.0%	53	42
Payment for capital assets									
Machinery & equipment	32	548	-	580	430	150	74.1%	152	108
Total	25,005	-	-	25,005	24,409	596	97.6%	20,290	19,903

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) 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 6 (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 R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Administration	65,312	61,382	3,930	6%

Vacancies within the programme as well as the non delivery of items ordered contributed to the saving within this programme. The programme also did not pay a claim which is under dispute with the Office of the Premier and the service provider.

Sustainable Resource Management	19,733	17,613	2,120	11%
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Several vacancies within the programme and the non delivery of items contributed to the saving within the programme. The project in respect of economic research were also not outsourced as planned and the department made use of it's own skilled officials in this regard.

Asset and Liability Management	49,502	46,146	3,356	7%
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Vacancies within this programme contributed to the saving as well as the non delivery of IT equipment and the implementation of the credit note in respect of the SITA account. The programme further intended to start with the new database process and provide assistance to departments through consultants. This project however was not completed in the financial year.

Financial Governance	25,005	24,409	596	2%
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Vacancies within the programme and the non finalization of training due to restructuring of the programme and the priorities contributed to the saving within this programme.

Vote 4: FREE STATE PROVINCIAL TREASURY
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2010

4.2 Per Economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure:				
Compensation of employees	101,491	96,867	4,624	5%
Goods and services	46,601	42,055	4,546	10%
Interest and rent on land	3,959	3,900	59	1%
Financial transactions in assets and liabilities	-	81	(81)	100%
Transfers and subsidies:				
Provinces and municipalities	245	245	-	0%
Households	3,843	3,838	5	0%
Payments for capital assets:				
Machinery and equipment	3,413	2,564	849	25%

Vote 4: FREE STATE PROVINCIAL TREASURY
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2010

		2009/10	2008/09
	<i>Note</i>	R'000	R'000
REVENUE			
Annual appropriation	1	159,552	141,131
Departmental revenue	2	85,476	28,552
TOTAL REVENUE		245,028	169,683
EXPENDITURE			
Current expenditure			
Compensation of employees	3	96,867	83,999
Goods and services	4	42,055	50,142
Interest and rent on land	5	3,900	284
Financial transactions in assets and liabilities	6	81	52
Total current expenditure		142,903	134,477
Transfers and subsidies			
Transfers and subsidies	7	4,083	2,056
Expenditure for capital assets			
Tangible capital assets	8	2,564	1,431
Software and other intangible assets	8	-	83
Total expenditure for capital assets		2,564	1,514
TOTAL EXPENDITURE		149,550	138,047
SURPLUS/(DEFICIT) FOR THE YEAR		95,478	31,636
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds		10,002	3,084
Annual appropriation		10,002	3,084
Departmental revenue	13	85,476	28,552
SURPLUS/(DEFICIT) FOR THE YEAR		95,478	31,636

Vote 4: FREE STATE PROVINCIAL TREASURY
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2010

		2009/10	2008/09
	<i>Note</i>	R'000	R'000
ASSETS			
Current assets		11,200	4,677
Cash and cash equivalents	9	8,297	1,255
Prepayments and advances	10	88	48
Receivables	11	2,815	3,374
TOTAL ASSETS		11,200	4,677
LIABILITIES			
Current liabilities		10,105	3,145
Voted funds to be surrendered to the Revenue Fund	12	10,002	3,084
Departmental revenue to be surrendered to the Revenue Fund	13	103	61
TOTAL LIABILITIES		10,105	3,145
NET-ASSETS		1,095	1,532
Represented by:			
Recoverable revenue		1,095	1,532
TOTAL		1,095	1,532

Vote 4: FREE STATE PROVINCIAL TREASURY
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2010

		2009/10	2008/09
	<i>Note</i>	R'000	R'000
Recoverable revenue			
Opening balance		1,532	1,381
Transfers:		(437)	151
Irrecoverable amounts written off	6.2	(78)	(10)
Debts revised		(30)	(48)
Debts recovered (included in departmental receipts)		(373)	(296)
Debts raised		44	505
Closing balance		1,095	1,532
TOTAL		1,095	1,532

Vote 4: FREE STATE PROVINCIAL TREASURY
CASH FLOW STATEMENT
for the year ended 31 March 2010

CASH FLOW		2009/10	2008/09
	<i>Note</i>	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		251,267	175,111
Annual appropriated funds received	1	159,552	141,131
Departmental revenue received	2	91,715	33,980
Net (increase)/decrease in working capital		519	(361)
Surrendered to Revenue Fund		(94,757)	(37,379)
Current payments		(142,903)	(134,477)
Transfers and subsidies paid		(4,083)	(2,056)
Net cash flow available from operating activities	14	10,043	838
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(2,564)	(1,514)
Net cash flows from investing activities		(2,564)	(1,514)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(437)	151
Net cash flows from financing activities		(437)	151
Net increase/(decrease) in cash and cash equivalents		7,042	(525)
Cash and cash equivalents at the beginning of the period		1,255	1,780
Cash and cash equivalents at end of period	15	8,297	1,255

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

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund.

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

The total appropriated funds received during the year are presented in the statement of financial performance.

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

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

The cost of short-term employee benefits are expensed in the statement of financial performance when financial authorisation for payment is effected on the system (by no later than 31 March 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 must not be recognised in the statement of financial performance or position.

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

3.1.2 Post retirement benefits

Employer contributions (i.e. social contributions) are expensed in the statement of financial performance when the final authorization for payment is effected on the system (by no later than 31 March each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Funds and not in the financial statement of the employer department.

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

3.1.3 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).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) 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).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

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/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

3.3 Interest and rent on land

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

3.4 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 an estimate is included in the disclosure notes to the financial statements amounts.

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

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

3.8 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

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 and where the goods and services have not been received by year end.

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

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services. Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Inventory

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

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

4.5 Capital assets

4.5.1 Movable assets

Initial recognition

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

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

Subsequent recognition

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

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

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

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

5.3 Commitments

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

5.4 Accruals

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

5.5 Employee benefits

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

5.6 Lease commitments

Finance lease

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

Operating lease

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

5.7 Provisions

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

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

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

9. Key management personnel

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

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received 2008/09
Programmes	R'000	R'000	R'000	R'000
Administration	65,312	65,312	-	50,050
Sustainable Resource Management	19,733	19,733	-	16,991
Asset and Liability Management	49,502	49,502	-	53,800
Financial Governance	25,005	25,005	-	20,290
Total	159,552	159,552	-	141,131

	Note	2009/10 R'000	2008/09 R'000
2. Departmental revenue			
Sales of goods and services other than capital assets	2.1	194	79
Interest, dividends and rent on land	2.2	91,143	33,534
Financial transactions in assets and liabilities	2.3	376	367
Transfer received	2.4	2	-
Total revenue collected		91,715	33,980
Less: Own revenue included in appropriation	13	6,239	5,428
Departmental revenue collected		85,476	28,552

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department		194	79
Other sales		194	79
Total		194	79

Comparative figures have changed to concur with accounting policies.

2.2 Interest, dividends and rent on land

Interest		91,143	33,534
Total		91,143	33,534

Vote 4: FREE STATE PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010

	<i>Note</i>	2009/10 R'000	2008/09 R'000
2.3 Financial transactions in assets and liabilities	2		
Receivables		363	310
Other Receipts including Recoverable Revenue		13	57
Total		376	367

	<i>Note</i>		
2.4 Transfers received	2		
Public corporations and private enterprises		2	-
Total		2	-

3. Compensation of Employees

3.1 Salaries and wages

Basic salary	69,628	60,357
Performance award	899	1,252
Service Based	273	201
Compensative/circumstantial	1,090	471
Other non-pensionable allowances	11,744	10,490
Total	83,634	72,771

3.2 Social contributions

Employer contributions

Pension	8,986	7,750
Medical	4,235	3,467
Bargaining council	12	11
Total	13,233	11,228

Total compensation of employees	96,867	83,999
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Average number of employees	358	353
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Vote 4: FREE STATE PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010

		2009/10	2008/09
	<i>Note</i>	R'000	R'000
4. Goods and services			
Administrative fees		1,167	1,087
Advertising		999	1,169
Assets less than R5,000	4.1	561	248
Bursaries (employees)		351	297
Catering		487	622
Communication		864	1,355
Computer services	4.2	14,483	31,465
Consultants, contractors and agency/outsourced services	4.3	10,963	1,775
Entertainment		26	122
Audit cost – external	4.4	4,447	1,854
Inventory	4.5	3,726	3,223
Operating leases		-	1,587
Owned and leasehold property expenditure	4.6	10	194
Travel and subsistence	4.7	3,219	3,969
Venues and facilities		219	429
Training and staff development		290	152
Other operating expenditure	4.8	243	594
Total		42,055	50,142

Note

4.1 Assets less than R5,000

4

Tangible assets		561	248
Machinery and equipment		561	248
Total		561	248

Note

4.2 Computer Services

4

SITA computer services		12,048	30,100
External computer service providers		2,435	1,365
Total		14,483	31,465

Vote 4: FREE STATE PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010

	<i>Note</i>	2009/10 R'000	2008/09 R'000
4.3 Consultants, contractors and agency/ outsourced services	<i>4</i>		
Business and advisory services		1,696	1,056
Legal costs		168	67
Contractors		405	255
Agency and support/outsourced services		8,694	397
Total		10,963	1,775
	<i>Note</i>		
4.4 Audit cost – external	<i>4</i>		
Regularity audits		4,447	1,854
Total		4,447	1,854
	<i>Note</i>		
4.5 Inventory	<i>4</i>		
Food and food supplies		138	168
Other consumable materials		8	1,082
Maintenance material		5	36
Stationery and printing		3,575	1,937
Total		3,726	3,223
	<i>Note</i>		
4.6 Owned and leasehold property expenditure	<i>4</i>		
Property maintenance and repairs		10	194
Total		10	194
	<i>Note</i>		
4.7 Travel and subsistence	<i>4</i>		
Local		3,218	3,851
Foreign		1	118
Total		3,219	3,969

Vote 4: FREE STATE PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010

	<i>Note</i>	2009/10 R'000	2008/09 R'000
4.8 Other operating expenditure	4		
Professional bodies, membership and subscription fees		12	11
Resettlement costs		183	583
Other		48	-
Total		<u>243</u>	<u>594</u>

5. Interest and Rent on Land

Interest paid		3,900	284
Total		<u>3,900</u>	<u>284</u>

Note

6. Financial Transactions in Assets and Liabilities

Material losses through criminal conduct		-	18
Theft	6.3	-	18
Other material losses written off	6.1	-	24
Debts written off	6.2	81	10
Total		<u>81</u>	<u>52</u>

Note

6.1 Other material losses written off

Nature of losses

Vehicle accident		-	24
Total		<u>-</u>	<u>24</u>

Note

6.2 Debts written off

Nature of debts written off

Employee Debt		81	-
Breach of Contract		-	10
Total		<u>81</u>	<u>10</u>

Vote 4: FREE STATE PROVINCIAL TREASURY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010

	<i>Note</i>	2009/10 R'000	2008/09 R'000
6.3 Details of theft	6		
Nature of theft			
Theft of computer and other items			16
Theft of cellular phones			2
Total		-	18
	<i>Note</i>		
6.4 Receivables for departmental revenue written off	21.1		
Nature of losses			
Breach of Contract		(22)	(10)
Employee debt		(56)	-
Ex-employee debt		(3)	-
Total		(81)	(10)
	<i>Note</i>		
7. Transfers and Subsidies			
Public corporations and private enterprises	Annexure 1A	3	4
Households	Annexure 1B	3,335	1,803
Gifts, donations and sponsorships made	Annexure 1D	745	249
Total		4,083	2,056
	<i>Note</i>		
8. Expenditure for capital assets			
Tangible assets			
Machinery and equipment	26	2,564	1,431
Software and other intangible assets			
Computer software		-	83
Total		2,564	1,514

8.1 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted Funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	2,564	-	2,564
Machinery and equipment	2,564	-	2,564
Total	2,564	-	2,564

8.2 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted Funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	1,431	-	1,431
Machinery and equipment	1,431	-	1,431
Software and other intangible assets	83	-	83
Computer software	83	-	83
Total	1,514	-	1,514

	2009/10	2008/09
	R'000	R'000
9. Cash and cash equivalents		
Consolidated Paymaster General Account	8,297	1,255
Total	8,297	1,255
10. Prepayments and Advances		
Travel and subsistence	88	48
Total	88	48

11. Receivables

		2009/10			2008/09	
		R'000			R'000	
	Note	Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	11.1					
	Annex 3	1,470	-	-	1,470	1,638
Recoverable expenditure	11.2	11	-	-	11	-
Staff debt	11.3	135	501	698	1,334	1,736
Total		1,616	501	698	2,815	3,374

11.1 Claims recoverable	Note	2009/10	2008/09
	11	R'000	R'000
National departments		9	12
Provincial departments		22	1,613
Public entities		1,439	13
Total		1,470	1,638

11.2 Recoverable expenditure (disallowance accounts)			
Salary reversal	11	11	-
Total		11	-

11.3 Staff debt	11		
Breach of contract		402	512
Ex-Employee		239	264
Telephone		72	56
Employee		606	887
GG vehicle accident		15	15
Subsistence & travel		-	2
Total		1,334	1,736

12. Voted Funds to be surrendered to the Revenue Fund			
Opening balance		3,084	3,460
Transfer from statement of financial performance		10,002	3,084
Paid during the year		(3,084)	(3,460)
Closing balance		10,002	3,084

13. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		61	-
Transfer from statement of financial performance		85,476	28,552
Own revenue included in appropriation		6,239	5,428
Paid during the year		(91,673)	(33,919)
Closing balance		103	61

14. Net cash flow available from operating activities

	2009/10	2008/09
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	95,478	31,636
Add back non cash/cash movements not deemed operating activities	(85,435)	(30,798)
(Increase)/decrease in receivables – current	559	(385)
(Increase)/decrease in prepayments and advances	(40)	24
Expenditure on capital assets	2,564	1,514
Surrenders to Revenue Fund	(94,757)	(37,379)
Own revenue included in appropriation	6,239	5,428
Net cash flow generated by operating activities	10,043	838

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

Consolidated Paymaster General account	8,297	1,255
Total	8,297	1,255

16. Contingent liabilities and contingent assets

	2009/10	2008/09
	R'000	R'000
Contingent liabilities		
Liable to	Nature	
Housing loan guarantees	Employees	Annex 2A
	57	80
Claims against the department	Annex 2B	263
Other departments (interdepartmental unconfirmed balances)	Annex 4	788
Total	1,656	1,131

17. Commitments

Current expenditure

Approved and contracted	436	106
	436	106

Capital Expenditure (including transfers)

Approved and contracted	165	49
	165	49

Total Commitments	601	155
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18. Accruals

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	393	-	393	1,094
Total	393	-	393	1,094

Note

Listed by programme level

Administration	337	257
Sustainable Resource Management	15	6
Asset and Liability Management	38	813
Financial Governance	3	18
Total	393	1,094

Confirmed balances with departments	<i>Annex 4</i>	129	3,817
Total		129	3,817

19. Employee benefits

	2009/10	2008/09
	R'000	R'000
Leave entitlement	1,919	2,262
Service bonus (Thirteenth cheque)	3,163	2,603
Capped leave commitments	4,642	4,667
Total	9,724	9,532

20. Lease commitments

20.1 Operating leases expenditure

2009/10	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	432	432
Later than 1 year and not later than 5 years	-	-	423	423
Total lease commitments	-	-	855	855

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	391	391
Later than 1 year and not later than 5 years	-	-	324	324
Total lease commitments	-	-	715	715

20.2 Finance leases expenditure

2009/10	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	1,337	1,337
Later than 1 year and not later than 5 years	-	-	314	314
Total lease commitments	-	-	1,651	1,651
LESS: finance costs	-	-	130	130
Total present value of lease liabilities	-	-	1,521	1,521

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	1,318	1,318
Later than 1 year and not later than 5 years	-	-	1,440	1,440
Total lease commitments	-	-	2,758	2,758
LESS: finance costs	-	-	381	381
Total present value of lease liabilities	-	-	2,377	2,377

21. Receivables for departmental revenue

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		194	79
Interest, dividends and rent on land		91,143	33,534
Financial transactions in assets and liabilities		376	367
Transfers received (incl conditional grants to be repaid by prov depts)		2	-
Total		91,715	33,980

21.1 Analysis of receivables for departmental revenue

	<i>Note</i>		
Opening balance		-	-
Less: Amounts received		-	-
Add: Amounts recognised		-	-
Less: Amounts written-off/reversed as irrecoverable	6.2	81	10
Closing balance		(81)	(10)

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	<i>Note</i>		
Opening balance		-	-
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		21	301
Less: Amounts condoned		(21)	(301)
Less: Amounts recoverable (not condoned)		-	-
Less: Amounts not recoverable (not condoned)		-	-
Irregular expenditure awaiting condonation		-	-
Analysis of awaiting condonation per age classification			
Current year		-	-
Total		-	-

22.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Lease payment RT Contract	None	17
Air ticket issued without an official order	This incident took place during November 2008. No new cases have taken place during the 2009/10 financial year. The officials responsible have left the department since.	4
Total		<u>21</u>

22.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2009/10 R'000
Lease payment RT Contract	National Treasury	(17)
Air ticket issued without an official order	Acting Accounting Officer	(4)
Total		<u>(21)</u>

23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Opening balance		-	-
Fruitless and wasteful expenditure – relating to current year		3	-
Less: Amounts condoned		(3)	-
Fruitless and wasteful expenditure awaiting condonement		<u>-</u>	<u>-</u>

23.2 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Air ticket issued without an official order. Interest charged by the Travel agency.	This incident took place during November 2008. No new cases have taken place during the 2009/10 financial year. The officials responsible has left the department since.	3
Total		<u>3</u>

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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24. Related party transactions	<i>Note</i>	2009/10	2008/09
		R'000	R'000

Other

Informal rental arrangement with the Department of Education in respect of accommodation (1 floor) at the Trustfontein Building at no costs in return for the usage of the data line of the Provincial Treasury to establish network connection at no costs. The Provincial Treasury is also occupying accommodation in the Provincial Government Building and the Trustfontein Building at no cost from the Department of Public Works and Rural Development.

Total

	-	-
	-	-

25. Key management personnel

	No. of Individuals		
Political office bearers (provide detail below)	1	1,421	1,361
Officials:			
Level 15 to 16	1	1,334	1,380
Level 14 (incl CFO if at a lower level)	5	6,172	3,174
Family members of key management personnel	4	794	909
Total		9,721	6,824

26. Provisions

Potential irrecoverable debtors

Claims recoverable	1,439	1,452
Total	1,439	1,452

27. Movable Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2010

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	14,680	54	1,206	59	15,881
Computer equipment	10,330	54	1,050	59	11,375
Furniture and office equipment	3,340	-	113	-	3,453
Other machinery and equipment	1,010	-	43	-	1,053
TOTAL MOVEABLE TANGIBLE CAPITAL ASSETS	14,680	54	1,206	59	15,881

Due to the item re classification of assets to be in line with SCOA the opening balance was restated.

Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2010

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,564	-	(1,358)	-	1,206
Computer equipment	1,050	-	-	-	1,050
Furniture and office equipment	1,077	-	(964)	-	113
Other machinery and equipment	437	-	(394)	-	43
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	2,564	-	(1,358)	-	1,206

Disposals

DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Sold for cash	Transfer out or destroyed or scrapped	Total disposal	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Computer equipment		59	59	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL	-	59	59	-

Movement for 2008/09

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	13,249	1,431	-	14,680
Computer equipment	8,972	1,358	-	10,330
Furniture and office equipment	3,281	59	-	3,340
Other machinery and equipment	996	14	-	1,010
TOTAL MOVEABLE TANGIBLE CAPITAL ASSETS	13,249	1,431	-	14,680

Due to the item re classification of assets to be in line with SCOA the opening balance was restated.

Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2010

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	2	31	12,036	-	12,069
TOTAL	2	31	12,036	-	12,069

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	8	-	8
TOTAL NUMBER OF MINOR ASSETS	-	-	8	-	8

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	2	34	11,386	-	11,422
TOTAL	2	34	11,386	-	11,422

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of R1 minor assets	-	-	8	-	8
TOTAL	-	-	8	-	8

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	196	-	-	-	196
TOTAL INTANGIBLE CAPITAL ASSETS	196	-	-	-	196

Movement for 2008/09

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	126	70	-	196
TOTAL INTANGIBLE CAPITAL ASSETS	126	70	-	196

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

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2008/09 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	Capital R'000		Current R'000
Private Enterprises									
Transfers									
Claims against the state: Injury on duty (NP Mkiva & Z Wilken)	3	-	-	3	3	100%	-	-	
TOTAL	3	-	-	3	3		-	4	

ANNEXURE 1B
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2008/09 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 %	
Transfers							
Non Employee Bursaries	1,512	-	-	1,512	1,214	80%	1,281
Retirement benefit	-	-	36	36	35	97%	522
Severance package (CJ Hendriks)	2,086	-	-	2,086	2,086	100%	-
Total	3,598	-	36	3,634	3,335		1,803

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

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
		R'000	R'000
Received in cash			
Gobodo Inc Bloemfontein	Year end function sponsor	2	-
Subtotal		2	-
Received in kind			
National Treasury	Trolley business case and fridge for 6 tins	-	2
Canon Katlego	Donation for farewell function of former CEO: DR Barlow	-	5
Eclipse Networks	Donation for farewell function of former CEO: DR Barlow	-	5
Subtotal		-	12
TOTAL		2	12

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

NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10		2008/09	
	R'000		R'000	
Paid in Cash				
Portrait for Mr. Barlow	-			6
Premier's Youth Awards	86			20
Macufe	-			21
FS Provincial Golden Games	-			2
Transport to funeral of the late Mr. Motlogelwa	-			10
Transport to the funeral and flowers for the funeral of Mr. Athibeng	3			-
Freedom Day celebrations and donation to disabled people	19			-
Voted Speech	200			-
Human Rights day and 16 day activism against woman and child abuse celebrations	413			-
Nelson Mandela Day celebrations	12			-
Donation to disabled people by the MEC	5			-
Take a child to work day – school bags	2			-
Donation by MEC to ABASA – 1 table	5			-
2000 t/shirts, 5 screens and video recording for National Day of Prayer	-			97
Relebeletsi School	-			34
Tjhebelopele School	-			13
Tirisano Dress-making Project	-			30
Children's Day	-			14
Lerato Care Giver	-			2
Subtotal	745			249
Made in kind				
Donation of old redundant furniture to Motheo College	41			-
Subtotal	41			-
TOTAL	786			249

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 – LOCAL

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Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing									
FDC		43	43	-	23	-	20	-	-
Standard bank		17	17	-	17	-	-	-	-
Nedbank		20	20	37	20	-	37	-	-
Total		80	80	37	60	-	57	-	-

The opening balance was restated due to the fact that Nedbank released a housing guarantee already in 2008 without informing the department. The department was only informed on the 17th July 2010

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of Liability	Opening Balance 1 April 2009	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2010
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
South African Revenue Services	222	-	-	-	222
Standard Bank of South Africa Limited	41	-	-	-	41
Suspension – JC Lennox	-	46	-	-	46
Termination of Service – S Cason	-	244	-	-	244
Total	263	290	-	-	553

**ANNEXURE 3
CLAIMS RECOVERABLE**

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
FSPG: Education	-	124	18	1,470	18	1,594
National Treasury	-	11	-	1	-	12
Eastern Cape: Sport, Arts and Recreation	-	-	-	17	-	17
National Pensions	-	-	-	1	-	1
FSPG: Health	-	1	-	-	-	1
National Labour	-	-	1	-	1	-
Water Affairs	8	-	-	-	8	-
FSPG: Police Roads and Transport	-	-	1	-	1	-
Gauteng: Community Safety	-	-	3	-	3	-
	8	136	23	1,489	31	1,625
Other Government Entities						
South African Revenue Service	-	1,439	1,439	13	1,439	1,452
	-	1,439	1,439	13	1,439	1,452
TOTAL	8	1,575	1,462	1,502	1,470	3,077

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
FSPG: Department of Economic Development, Tourism and Environmental Affairs	-	32	-	-	-	32
FSPG: Public Works and Rural Development	2	-	-	708	2	708
FSPG: Government Garage	127	96	-	2	127	98
Department of Labour	-	-	-	13	-	13
PALAMA	-	-	-	65	-	65
FSPG: Revenue Fund	-	3,618	-	-	-	3,618
Department of Justice	-	71	-	-	-	71
Department of the Premier	-	-	1,046	-	1,046	-
Total	129	3,817	1,046	788	1,175	4,605



Part 3

Oversight Report



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

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Assessing of expenditure performance of Departments and Public Entities against budgets	Departments Public Entities	Departments Public Entities	In-Year reporting reports produced	Reports produced
Capacity building workshops on the development of Municipal socio-economic and demographic profiles	District and Local Municipalities	Councillors and Portfolio committees	3 Capacity building Workshops	3 Workshops conducted
Compilation of analysis reports on Annual Performance and Strategic Plans	All provincial departments	National Treasury, Planning Unit in the Office of the Premier, National Departments, EXCO	1 Analysis report per department	1 analysis report per department completed in January 2010
Assessments on the draft Annual Performance and Strategic Plans of Departments	All provincial departments	National Treasury, Planning Unit in the Office of the Premier, National Departments, EXCO	3 Assessment report per department (1 for Each Draft)	3 Assessment report per department completed
Preparation and tabling of the provincial budget in the Provincial Legislature	All provincial departments, and the Provincial Legislature	National Treasury, Planning Unit in the Office of the Premier, National Departments, EXCO, Economic Development agencies Commercial Banks Municipalities, Libraries and the public in General	Provincial Budget tabled in the provincial Legislature within 14 days of the National Budget	Budget tabled on the 5th of March 2010

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OVERSIGHT REPORT
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Preparation and tabling of the Adjustment Budget in the Provincial Legislature	All provincial departments, and the Provincial Legislature	National Treasury, Planning Unit in the Office of the Premier, National Departments, EXCO, Economic Development agencies Commercial Banks Municipalities, Libraries and the public in General	Adjustment Budget tabled in the provincial Legislature within 30 days of the National Adjustment Budget	Adjustment Budget tabled on 25 November as well as an additional Special Adjustment budget which was tabled on 31 March 2010
Preparation of a report on the alignment of the departmental budgets with Strategic and annual Performance Plans	All provincial departments	National Treasury, Planning Unit in the Office of the Premier, National Departments, EXCO	1 Report per department	1 report per department completed.
Management and maintenance of the transversal systems	Provincial Departments & Other Provinces	Transversal System users in Provincial Departments	95% Availability and stability of the Transversal Systems	95% Availability and stability of the Transversal Systems was achieved
	Provincial Departments & Other Provinces	Transversal System users in Provincial Departments	Provide technical and functional support to Provincial Departments within 8 working hours	100% of Transversal Systems related calls were responded to within 8 working hours
	Provincial Departments & Other Provinces	Provincial Departments	100% of three Interfaces successfully integrated with external systems	100% of three Interfaces successfully integrated (TELKOM, PERSAL, Bank)

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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
	Provincial Departments & Other Provinces	Provincial Departments	Register suppliers and banking details within 10 working days	100% of the requests were handled within the set standard. 4310 entities created on BAS with banking details and 1712 without banking details. On LOGIS, 4601 entities captured with banking details and 503 without banking details.
	Provincial Departments & Other Provinces	Provincial Departments	95% of Items codified and standardized within 48 hours	100% of the 2677 items were credible and accurately registered. 5186 ICN's were researched and identified.
	Provincial Departments & Other Provinces	Transversal System users in Provincial Departments	Number of clear and user-friendly Transversal System Circulars and Practice Notes	25 clear and user-friendly Transversal System Circulars and Practice Notes
Capacity in provincial departments on the utilization of the transversal systems.	Provincial Departments	All nominated Officials	Pass rate of above 70%	1 280 Users trained on BAS, LOGIS and PERSAL of which 86.37% of 307 on BAS, 70.4% of 579 on LOGIS and 88.75% of 394 on PERSAL trainees achieved a pass rate of 70% and above

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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Monitoring and Inspection visits	Provincial Departments and Schedule 3A and 3C Public Entities	Provincial Departments Public Entities	Visit & Monitor Departments and Public Entities on asset management: <ul style="list-style-type: none"> □ Monitoring Plan □ On site visits □ Meetings with departments □ Gathering of information □ Compiling of reports 	Monitored 11 Departments and 4 Public Entities <ul style="list-style-type: none"> □ 43 Inspection Reports produced □ 161 Monitoring Reports produced □ 292 Institutions visited □ 187 Properties monitored <p style="text-align: right;"><i>Target Exceeded</i></p>
Asset Management Project Plan	Provincial Departments and Schedule 3A and 3C Public Entities	Provincial Departments Public Entities	<ul style="list-style-type: none"> □ Review of AM Reform Implementation Plan □ New Draft AM KPi's 	<ul style="list-style-type: none"> □ AM KPI's (77) developed □ AM Delegations developed for FSPG Dept's □ Compile EXCO Memo on AM problems in FSPG Dept's <p style="text-align: right;"><i>Target Exceeded</i></p>
Asset Management Steering Committee	Provincial Departments and Schedule 3A and 3C Public Entities	Provincial Departments Public Entities	<ul style="list-style-type: none"> □ On- going strategic direction in the FSP Treasury and to FSPG Departments □ Identification and recommendation of asset management challenges 	<ul style="list-style-type: none"> □ 2 AM Steering Committee meetings held □ 1 meeting cancelled by CEO and 1 meeting couldn't proceed due to urgent meeting with MEC □ 2 Bilateral Sessions held with FSPG Departments on Asset Management matters
Reconciliation between Departments and Exchequer	Provincial Departments		<ul style="list-style-type: none"> □ Preparation of accurate and correct Monthly Reconciliation 	<ul style="list-style-type: none"> □ 12 Reports for Department

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OVERSIGHT REPORT
for the year ended 31 March 2010**

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Test the AFS template and evaluate the guide as released by OAG	National Treasury		<ul style="list-style-type: none"> <input type="checkbox"/> provision of spot-on comments and inputs on accuracy and correctness of Provincial Revenue fund's annual financial statement template 	<ul style="list-style-type: none"> <input type="checkbox"/> 1 Template was tested and comments/inputs forwarded to National Treasury
Annual Financial Statements according to prescripts	Provincial Treasury National Treasury Auditor-General		<ul style="list-style-type: none"> <input type="checkbox"/> Compilation of accurate and correct annual financial statement 	<ul style="list-style-type: none"> <input type="checkbox"/> 1 AFS set was compiled with unaudited figures and 1 set was compiled with audited figures
Cash Transfer	Provincial Departments Third parties		<ul style="list-style-type: none"> <input type="checkbox"/> Notify departments of the actual cash transferred as well as weekly ACB limits <input type="checkbox"/> Monitoring of PMG, IGCC and PRF accounts <input type="checkbox"/> Repayment of Board loans due 	<ul style="list-style-type: none"> <input type="checkbox"/> Ensured that the departments have enough cash available in their bank accounts; not too much cash and not too less <input type="checkbox"/> Transferred payments of Board Loans when the valid claim is received
Investment	Financial institutions and CPD		<ul style="list-style-type: none"> <input type="checkbox"/> Request quotations from financial institutions and CPD. <input type="checkbox"/> Investing with the highest bidder <input type="checkbox"/> Investment committee meeting 	<ul style="list-style-type: none"> <input type="checkbox"/> Transfer of funds to financial Institutions to generate interest
Infrastructure delivery meetings, including IDIP	Provincial Departments	Municipalities	1 training session for provincial departments per annum	1 training session for provincial department

**Vote 4: FREE STATE PROVINCIAL TREASURY
OVERSIGHT REPORT
for the year ended 31 March 2010**

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Infrastructure site visits	Provincial Departments infrastructure projects	Provincial Departments and Municipalities	Conduct site visits to ascertain value for money in the implementation of infrastructure projects	55 of 120 planned site visits were conducted. This target has been reviewed since we realised it was unrealistic.
Promote adherence to the Municipal Finance Management Act (MFMA)	Municipalities	Community members COGTA	24 Municipalities <ul style="list-style-type: none"> □ 19 municipalities local municipality □ 5 District Municipalities Mangaung is reporting directly to National Treasury	24 Municipalities <ul style="list-style-type: none"> □ 19 municipalities local municipality □ District Municipalities Mangaung is reporting directly to National Treasury
			Consult with Municipalities to ensure that the communities and stakeholders are involved when drawing up the budget	Budget timeline Budget format Bilateral IDP review Reporting format
			The Provincial Treasury advice under spending municipalities. Provincial Treasury writes letters to municipalities who experience problems in implementing the regulations/ framework of the MFMA.	Give municipalities feedback in terms of section 71 report Report on the bi annual on SCM Report on compliance i.e. FMG spending, Borrowing return etc
			Expenditure reports from the municipalities submitted to the Provincial Treasury.	The Provincial Treasury assists Municipality on the ff: <ul style="list-style-type: none"> - SCM procedures are in place - Spending is according to section 17 - Revenue and expenditure reports are submitted to council on the monthly basis according to section 71

Table 1.2 - Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
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

Access Strategy	Actual achievements
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

Types of information tool	Actual achievements
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

Complaints Mechanism	Actual achievements
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.

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, 2009/10

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Administration	61,382	35,740	-	-	58.2	243
Sustainable Resources Management	17,613	15,525	-	-	88.1	338
Asset and Liability Management	46,146	24,182	-	-	52.4	252
Financial Governance	24,409	21,420	-	-	87.8	353
Total	149,550	96,867	-	-	64.8	270

TABLE 2.2 – Personnel costs by salary bands, 2009/ 10

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	924	1	42
Skilled (Levels 3-5)	2,754	2.8	110
Highly skilled production (Levels 6-8)	35,743	36.9	198
Highly skilled supervision (Levels 9-12)	43,009	44.4	318
Senior management (Levels 13-16)	14,362	14.8	797
Periodic remuneration	75	0.1	12
Total	96,867	100	270

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, 2009/ 10

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	25,284	71	-	-	672	1.8	1,585	4.4
Sustainable Resources Management	11,964	77	-	-	151	0.9	538	3.4
Asset and Liability Management	16,464	68	-	-	413	1.7	1,290	5.3
Financial Governance	15,916	74	-	-	259	1.2	822	3.8
Total	69,628	72	-	-	1,495	1.5	4,235	4.3

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2009/ 10

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)	924	100	-	-	-	-	-	-
Skilled (Levels 3-5)	2,188	79.4	-	-	147	5.3	221	7.8
Highly skilled production (Levels 6-8)	23,628	66	-	-	878	2.4	2,178	6.1
Highly skilled supervision (Levels 9-12)	31,756	74	-	-	420	0.9	1,652	3.8
Senior management (Levels 13-16)	11,057	77	-	-	50	0.3	184	1
Periodic remuneration	75	100	-	-	-	-	-	-
Total	69,628	72	-	-	1,495	1.5	4,235	4.3

3 – Employment and Vacancies

TABLE 3.1 – Employment and vacancies by programme, 31 March 2010

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	166	147	11.45	22
Sustainable Resources Management	54	46	15	-
Asset and Liability Management	106	96	9	-
Financial Governance	76	69	9.2	-
Total	402	358	11	22

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2010

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	-	-	-	22
Skilled (Levels 3-5)	31	25	19	0
Highly skilled production (Levels 6-8)	193	180	7	0
Highly skilled supervision (Levels 9-12)	156	135	13	0
Senior management (Levels 13-16)	22	18	18.2	0
Total	402	358	11	22

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2010

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Senior Managers	16	12	25	-
Executive Manager	1	1	-	-
Senior Executive Managers	3	3	-	-
CEO and MEC	2	2	-	-
Total	22	18	18.2	-

4 – Job Evaluation

TABLE 4.1 – Job Evaluation, 1 April 2009 to 31 March 2010

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	-	-	-	-	-	-	-
Skilled (Levels 3-5)	29	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	167	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	137	1	0.7	1	0.7	-	-
Senior Management Service Band A	14	-	-	-	-	-	-
Senior Management Service Band B	4	-	-	-	-	-	-
Senior Management Service Band C	0	-	-	-	-	-	-
Senior Management Service Band D	2	-	-	-	-	-	-
Total	353	1	0.7	1	0.7	-	-

***TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2009 to 31 March 2010**

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Employees with a disability

-

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
HRD Manager	1	10	11	Difficulty recruiting candidate with suitable
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2009/ 10				
Percentage of total employment				0.28

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	1	-	-	-	1
Total	1	-	-	-	1

Employees with a disability	0
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Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2009/10	1
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5 - Employment Changes

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2009 to 31 March 2010

Salary Band	Number of employees per band as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	29	5	3	10
Highly skilled production (Levels 6-8)	167	18	5	3
Highly skilled supervision (Levels 9-12)	137	6	14	11
Senior Management (Levels 13-16)	20	4	6	30
Total	353	33	28	8

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2009 to 31 March 2010

Occupation:	Number of employees per occupation as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Managers	14	2	4	28
Executive Manager	1	1	1	100
Senior Executive Managers	3	-	-	33
CEO and MEC	2	1	1	50
Total	20	4	6	30

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	4	14.28
Resignation	8	28.58
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	2	7.14
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	1	3.57
Transfers to other Public Service Departments	13	46.43
Other	-	-
Total	28	100
Total number of employees who left as a % of the total employment		8

Table 5.4 – Promotions by critical occupation

Occupation:	Employees as at 1 April 2009	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	14	-	-	-	-
Executive Manager	1	-	-	-	-
Senior Executive Managers	3	-	-	-	-
CEO and MEC	2	-	-	-	-
Total	20	-	-	-	-

Table 5.5 – Promotions by salary band

Salary Band	Employees on 1 April 2009	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)	-	-	-	-	-
Skilled (Levels 3-5)	29	1	3.44	10	34
Highly skilled production (Levels 6-8)	167	6	3.59	108	65
Highly skilled supervision (Levels 9-12)	137	11	8.02	88	64
Senior Management Service Band A	14	-	-	-	-
Senior Management Service Band B	4	-	-	-	-
Senior Management Service Band C	-	-	-	-	-
Senior Management Service Band D	2	-	-	-	-
Total	353	18	15.05	206	58

6 – Employment Equity

6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2010

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	71	3	-	10	46	3	-	20	153
Professionals	-	-	-	-	-	-	-	-	-
Technicians and associate professionals	5	1	-	1	5	-	-	-	12
Clerks	51	4	-	10	85	8	1	30	189
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	4	-	-	-	-	-	-	-	4
Total	131	8	0	21	136	11	1	50	358
Employees with disabilities	1	-	-	1	-	-	-	-	2

6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	-	-	-	1	-	-	1	6
Senior Management	5	1	-	3	2	-	-	1	12
Professionally qualified and experienced specialists and mid-management	30	1	-	4	9	2	-	10	56
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	74	4	-	12	102	6	1	31	230
Semi-skilled and discretionary decision making	8	2	-	2	18	3	-	7	40
Unskilled and defined decision making	10	-	-	-	4	-	-	-	14
Total	131	8	0	21	136	11	1	50	358

6.3 Recruitment for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	-	-	-	-	-	-	-	2
Senior Management	1	-	-	-	1	-	-	-	2
Professionally qualified and experienced specialists and mid-management	2	-	-	-	1	-	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	-	-	-	8	-	-	-	18
Semi-skilled and discretionary decision making	1	-	-	-	3	-	-	-	4
Unskilled and defined decision making	2	-	-	-	2	-	-	-	4
Total	18	-	-	-	15	-	-	-	33

6.4 Promotions for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	8	-	-	1	1	-	-	-	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	-	-	-	5	-	-	-	7
Semi-skilled and discretionary decision making	-	-	-	-	1	-	-	-	1
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	10	-	-	1	7	-	-	-	18
Employees with disabilities	-	-	-	-	-	-	-	-	-

6.5 Terminations for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	1	-	-	-	-	2
Senior Management	3	-	-	-	1	-	-	-	4
Professionally qualified and experienced specialists and mid-management	7	-	-	1	-	-	-	-	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	-	-	1	8	-	-	-	10
Semi-skilled and discretionary decision making	1	-	-	-	1	-	-	-	2
Unskilled and defined decision making	2	-	-	-	-	-	-	-	2
Total	15	-	-	3	10	-	-	-	28

6.6 Disciplinary action for the period 1 April 2009 to 31 March 2010

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	-	-	-	-	-	-	1	4

6.7 Skills development for the period 1 April 2009 to 31 March 2010

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	34	1	-	3	45	2	-	-	85
Professionals									
Technicians and associate professionals	26	1	-	4	52	5	1	8	97
Clerks	13	2	-	3	16	2	-	3	39
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	12	-	-	-	16	-	-	-	28
Total	85	4	0	10	129	9	1	11	249
Employees with disabilities	-	-	-	-	-	-	-	-	-

7 – Performance Rewards

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2009 to 31 March 2010

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	46	267	17.22	412	8,956
Male	20	131	15.26	210	10,500
Female	26	136	19.11	202	7,769
Asian	1	1	100	6	6000
Male	-	-	-	-	-
Female	1	1	100	6	6000
Coloured	7	19	36.84	85	12,142
Male	3	8	37.5	38	12,666
Female	4	11	36.36	47	11,750
White	41	71	57.74	422	10,292
Male	9	21	42.85	93	10,333
Female	32	50	64	329	10,281
Employees with a disability	-	-	-	-	-
Total	95	358	26.53	925	9,736

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2009 to 31 March 2010

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)	-	-	-	-	-	Personnel cost not available per salary band
Skilled (Levels 3-5)	3	29	10.3	10	3,333	Personnel cost not available per salary band
Highly skilled production (Levels 6-8)	44	167	26.3	306	6,955	Personnel cost not available per salary band
Highly skilled supervision (Levels 9-12)	48	137	35	609	12,688	Personnel cost not available per salary band
Total	95	333	28.5	925	9,736	

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2009 to 31 March 2010

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	-	-	-	-	-
Band B	-	-	-	-	-
Band C	-	-	-	-	-
Band D	-	-	-	-	-
Total	-	-	-	-	-

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	-	-	-	-	-	Personnel costs not available per salary bands
Band B	-	-	-	-	-	Personnel costs not available per salary bands
Band C	-	-	-	-	-	Personnel costs not available per salary bands
Band D	-	-	-	-	-	Personnel costs not available per salary bands
Total	-	-	-	-	-	

8 – Foreign Workers

TABLE 8.1 – Foreign Workers, 1 April 2009 to 31 March 2010, by salary band

Salary Band	1 April 2009		31 March 2009		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	-	-	-	-	-	-

TABLE 8.2 – Foreign Worker, 1 April 2009 to 31 March 2010, by major occupation

Major Occupation	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
No foreign workers	-	-	-	-	-	-
Total	-	-	-	-	-	-

9 - Leave utilisation for the period 1 January 2009 to 31 December 2009

TABLE 9.1 – Sick leave, 1 January 2009 to 31 December 2009

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)	-	-	-	-	-	-
Skilled (Levels 3-5)	217	81.8	21	72	10.3	56
Highly skilled production (Levels 6-8)	1,074	75.1	137	82	7.8	557
Highly skilled supervision (Levels 9-12)	935	78.8	117	85	7.9	873
Senior management (Levels 13-16)	43	81.4	10	20	4.3	115
Total	2,269	77	285	100	7.9	1,601

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2009 to 31 December 2009

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)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	5	100	3	50	2	2
Highly skilled supervision (Levels 9-12)	33	100	3	50	11	49
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	38	100	6	100	6	51

TABLE 9.3 – Annual Leave, 1 January 2009 to 31 December 2009

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	-	-
Skilled (Levels 3-5)	516	17.8
Highly skilled production (Levels 6-8)	3,995	23.9
Highly skilled supervision (Levels 9-12)	3,196	23.3
Senior management (Levels 13-16)	355	17.7
Total	8,062	22.8

TABLE 9.4 – Capped leave, 1 January 2009 to 31 December 2009

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009
Lower skilled (Levels 1-2)	-	-	-
Skilled (Levels 3-5)	-	-	-
Highly skilled production (Levels 6-8)	62	4	26
Highly skilled supervision (Levels 9-12)	62	5	37
Senior management (Levels 13-16)	-	-	-
Total	124	9	63

TABLE 9.5 – Leave payouts for the period 1 April 2009 to 31 March 2010

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2009/10 due to non-approval of leave for the previous cycle (operational requirements)	90	4	22,500
Capped leave payouts on termination of service for 2009/10	272	22	12,364
Current leave payout on termination of service for 2009/10	87	7	12,429
Total	449	33	13,606

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
<p>1. Asset and Liability - The role of Asset and Liability Management is to provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management financial systems. Some officials in this chief directorate go out to work on sites and leave their homes for some days.</p> <p>2. Sustainable Resource Management- The role of Sustainable Resource Management is to provide support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of Provincial Budgets hence site visits by some officials within this chief directorate-Sometimes officials spend time away from their families.</p> <p>3. Financial Governance- The role of Financial Governance is to promote accountability through substantive reflection of financial activities of the province as well as compliance with finance norms and standards – travelling and leaving homes for some time during site visits which are done for compliance and accountability may render officials vulnerable.</p> <p>4. Youth- majority of Treasury officials are youth who by virtue of age may be exposed to risk of HIV infection.</p> <p>5. Sexually Reproductive Age- the pregnancy rate is fairly high in Treasury and this an indication of exposure to infection</p>	<ol style="list-style-type: none"> 1. Education Sexually Transmitted Infections (STI) Information Sessions on and their treatment as well as treatment of opportunistic infections - STI presentation in February 2010 during STI & Condom Week. 2. Regular Distribution of Barrier methods, particularly condoms and femidoms at accessible distribution points like ablution places. 3. Referral of affected officials for Health, VCT, on-going counselling, infection control, social support and treatment services for appropriate management of STI's and HIV/ TB. 4. Support for both infected and affected employees as well as their immediate families (according to scope of applicability of FSPT Policy) 5. Preventive and Universal Measures during medical emergencies (first aid) - wearing of Gloves encouraged- first aiders know their role in preventing post exposure infections. 6. Established External Partnerships with other stakeholders like Department of Health, Prime Cure, ATTIC and New-start for referral and support. 7. Voluntary Confidential Counselling Testing (VCCT) encouraged – New-start tests done previously. 8. Policy on HIV&AIDS/TB- accessible to all officials on departmental intranet. 9. Education of staff on Prevention of Mother To Child Transmission (PMTCT) 10. Creation of non discriminatory environment by empowering other officials and maintenance of confidentiality. 11. Departmental commemoration of Candle Light Memorial by means of presentation and candle lighting. 12. Monitoring and Evaluation strategies such as the following Workplace HIV and AIDS programme measures: <ul style="list-style-type: none"> <input type="checkbox"/> Number of female and male condoms distributed in the toilets. <input type="checkbox"/> Number of peer educators trained to empower other officials-at present there was no training done yet but is being planned for new financial year. <input type="checkbox"/> Number of employees trained on HIV and AIDS/TB issues in order to create awareness. <input type="checkbox"/> Number of first aiders trained in Post Exposure Prophylaxis (PEP). <input type="checkbox"/> Number of HIV&AIDS/TB brochures/leaflets developed and distributed.

- Number/percentage of men/women receiving HIV Testing and counselling.
- Number of officials/People Living With HIV and AIDS (PLWHA) with or without TB and the number of officials with TB only.
- Number of officials on ARV therapy/TB treatment.
- Number of officials who disclosed that they are HIV positive.
- Ongoing counselling is offered on site to those affected as part of dedicated Employee Assistance Programme (EAP)

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

Details
Awareness creation about the HIV, AIDS & TB Policy where officials were given an opportunity to contribute to its development, maintenance and review; and they have access to it through intranet.
Key messages via intranet to disseminate information around HIV and AIDS especially around related National Health Days like World Aids day
Candle Light Memorial celebration- presentation by health experts, the affected and motivational talk and spiritual inspiration
Pamphlets and other up-to-date materials' distribution in commonly used distribution points like ablution blocks
Condom distribution in toilets and bathrooms.
Putting up posters on Treasury floors with messages that encourage and advocates correct attitudes and positive behavior
Encouragement of those affected to utilise community HIV services
Holding of World AIDS day event annually.
Established Task Team to deal with HIV, AIDS & TB issues.
Presentations and circulated information via intranet on PMTCT and dealing with Stigma
Encouragement of VCT
Monitoring of condom uptake monthly
Promotion of female and male condoms by distributing both at distribution points
Creation of referral mechanism with VCT providers like private and public providers- clinics. New-start and ATTIC.
Training of focal points responsible for EAP, HIV, AIDS & TB and TASK Team members.

11 – Labour Relations

TABLE 11.1 – Collective agreements, 1 April 2009 to 31 March 2010

Total collective agreements	0
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TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2009 to 31 March 2010

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	1	20
Suspended without pay	3	60
Fine	-	-
Demotion	1	20
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
Total	5	100

Disciplinary hearings – 2009/ 10

Type of misconduct	Number	% of total
Improper conduct	3	60
Absenteeism	2	40
Total	5	100

	Number	% of Total
Number of grievances resolved	4	100
Number of grievances not resolved	0	0
Total number of grievances lodged	4	100

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2009 to 31 March 2010

	Number	% of Total
Number of disputes upheld	2	100
Number of disputes dismissed	-	-
Total number of disputes lodged	2	100

TABLE 11.6 – Strike actions for the period 1 April 2009 to 31 March 2010

<i>Total number of person working days lost</i>	-
Total cost (R'000) of working days lost	-
Amount (R'000) recovered as a result of no work no pay	-

TABLE 11.7 – Precautionary suspensions for the period 1 April 2009 to 31 March 2010

Number of people suspended	3
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	103
Cost (R'000) of suspensions	78

12 - Skills development

12.1 Training needs identified 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of employees as at 1 April 2009	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	68	-	47	-	47
	Male	89	-	35	-	35
Professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Technicians and associate professionals	Female	5	-	63	-	63
	Male	6	-	36	-	36
Clerks	Female	116	-	14	-	14
	Male	52	-	6	-	6
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	5	-	16	-	16
	Male	12	-	12	-	12
Sub Total	Female	-	-	-	-	-
	Male	-	-	-	-	-
Total		353	-	229	-	229

12.2 Training provided 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	-	-	48	-	48
	Male	-	-	47	-	47
Professionals	Female	-	-	0	-	0
	Male	-	-	0	-	0
Technicians and associate professionals	Female	-	-	81	-	81
	Male	-	-	34	-	34
Clerks	Female	-	-	24	-	24
	Male	-	-	11	-	11
Service and sales workers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Skilled agriculture and fishery workers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Craft and related trades workers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Plant and machine operators and assemblers	Female	-	-	0	-	0
	Male	-	-	0	-	0
Elementary occupations	Female	-	-	17	-	17
	Male	-	-	17	-	17
Sub Total	Female	-	-	170	-	170
	Male	-	-	109	-	109
Total		-	-	279	-	279

13 – Injury on duty

TABLE 13.1 – Injury on duty, 1 April 2009 to 31 March 2010

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	100
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	4	100

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
0	0	0	0
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 (HDIs)

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

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

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

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

