

# CONTENTS

	PART A: GENERAL INFORMATION	
1.	DEPARTMENT GENERAL INFORMATION	4
2.	LIST OF ABBREVIATIONS/ACRONYMS	5
3.	FOREWORD BY THE MEC	6
4.	REPORT OF THE ACCOUNTING OFFICER	8
5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	13
6.	STRATEGIC OVERVIEW	13
6.1.	Vision	14
6.2.	Mission	14
6.3.	Values	14
7.	LEGISLATIVE AND OTHER MANDATES	14
8.	ORGANISATIONAL STRUCTURE	19
	PART B: PERFORMANCE INFORMATION	
1.	AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	21
2.	OVERVIEW OF DEPARTMENTAL PERFORMANCE	21
2.1.	Service Delivery Environment	22
2.2.	Service Delivery Improvement Plan	22
2.3.	Organisational environment	23
2.4.	Key policy developments and legislative changes	23
3.	STRATEGIC OUTCOME ORIENTED GOALS	
4.	PERFORMANCE INFORMATION BY PROGRAMME	27
4.1.	Programme 1: ADMINISTRATION	27
4.2.	Programme 2: SUSTAINABLE RESOURCE MANAGEMENT	34
4.3.	Programme 3: ASSET AND LIABILITY MANAGEMENT	39
4.4.	Programme 4: FINANCIAL GOVERNANCE AND MUNICIPAL FINANCE MANAGEMENT	44
5.	TRANSFER PAYMENTS	54
5.1.	Transfer payments to public entities	54
5.2.	Transfer payments to all organisations other than public entities	54
6.	CONDITIONAL GRANTS	55
6.1.	Conditional grants and earmarked funds paid	55
6.2.	Conditional grants and earmarked funds received	55
7.	DONOR FUNDS	56
7.1.	Donor Funds Received	56



8.	CAPITAL INVESTMENT	56
8.1.	Capital investment, maintenance and asset management plan	56
	<b>PART C: GOVERNANCE</b>	
1.	INTRODUCTION	59
2.	RISK MANAGEMENT	59
3.	FRAUD AND CORRUPTION	59
4.	MINIMISING CONFLICT OF INTEREST	59
5.	CODE OF CONDUCT	60
6.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	60
7.	PORTFOLIO COMMITTEES	61
8.	PROPAC RESOLUTIONS	61
9.	PRIOR MODIFICATIONS TO AUDIT REPORTS	68
10.	INTERNAL CONTROL UNIT	68
11.	INTERNAL AUDIT AND AUDIT COMMITTEES	68
12.	AUDIT COMMITTEE REPORT	70
	<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	
1.	INTRODUCTION	73
2.	OVERVIEW OF HUMAN RESOURCES	73
3.	HUMAN RESOURCES OVERSIGHT STATISTICS	74
	<b>PART E: FINANCIAL INFORMATION</b>	
1.	REPORT OF THE AUDITOR GENERAL	101
2.	ANNUAL FINANCIAL STATEMENTS	104



# PART A: GENERAL INFORMATION



# 1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS: Free State Provincial Government Building  
No 55 Elizabeth Street, Cnr Markgraaff and Elizabeth Street  
Office of the CFO – Room 601  
Bloemfontein  
9301

POSTAL ADDRESS: Private Bag x 20537  
Bloemfontein  
9301

TELEPHONE NUMBER/S: 051 403 3456

FAX NUMBER: 051 403 3244

EMAIL ADDRESS: [thami@treasury.fs.gov.za](mailto:thami@treasury.fs.gov.za)

WEBSITE ADDRESS : [www.treasury.fs.gov.za](http://www.treasury.fs.gov.za)



## 2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statement
AGSA	Auditor-General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COGTA	Cooperative Governance and Traditional Affairs
DPSA	Department of Public Service and Administration
EE	Employment Equity
EHW	Employee Health and Wellness
EPRE	Estimate of Provincial Revenue Expenditure
EXCO	Executive Council
FSGDS	Free State Growth and Development Strategy
GRAP	Generally Recognised Accounting Practice
HOD	Head of Department
HRM	Human Resource Management
ICT	Information and Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IYM	In-year Monitoring
KCM	Key Control Matrix
MEC	Member of Executive Council
MFM	Municipal Finance Management
MFMA	Municipal Finance Management Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NERSA	National Energy Regulator of South Africa
OHS	Occupational Health and Safety
PAIA	Promotion of Access to Information Act
PAJA	Promotion to Administrative Justice Act
PAM	Physical Asset Management
PDMS	Performance and Development Management System
PFMA	Public Finance Management Act
PPP	Public Private Partnership
QPR	Quarterly Performance Report
SALGA	South African Local Government Association
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan
SMS	Senior Management Service
TR	Treasury Regulations



### 3. FOREWORD BY THE MEC



**MS EC ROCKMAN**  
Member of the Executive Council for Finance

With the tabling of the Provincial Budget for 2013 we said that the core principle of prudence and fiscal discipline in utilising public resources by all stakeholders was at the heart of the 2013 MTEF budget with a commitment to cost saving and reprioritisation of the budget to high impact services guiding us in the implementation of our development plans for the MTEF period ahead.

It is against this background that Provincial Treasury executed its mandate during the reporting period. It is with a sense of pride and accomplishment that we look back not only on the past year but on the whole electorate period during which our progress in achieving improved financial governance has been real and evidence of the good story we have to tell.

At the end of the 2013/14 financial year, not one provincial department or provincial public entity received a disclaimer audit opinion. The Provincial Treasury obtained a clean audit

for the fifth consecutive year and the Department of Sport, Arts, Culture and Recreation for the second consecutive year. The Free State Legislature also improved to a clean audit whilst the Department of Economic Development, Tourism and Environmental Affairs and the Department of Public Works improved to unqualified audit opinions with findings. The Fleet Management Trading Entity and the Housing and Nature Conservation funds also retained their clean audits whilst the Free State Development Corporation (FDC) and Free State Tourism Authority improved to unqualified audit opinions with findings. We recognize that there are remaining challenges that require us to sustain our efforts to achieve clean audit status across all provincial departments and public entities.

Though we have not achieved the same significant progress in the local government sector, we are satisfied that we are making progress. The audit outcomes for Free State municipalities reflect a steady but slow year-on-year improvement towards unqualified audit opinions. The Provincial Treasury and the Department of Cooperative Governance and Traditional Affairs, together with the South African Local Government Association (SALGA), have intensified engagements with and support of the local government sector to ensure that we achieve real and meaningful improvements.

During the period under review the department functioned against the backdrop of a slower than expected recovery in the global economy, the provincial contribution to the national economy on a gradual decline and a reduction in the province's equitable share. This called for a tightening of our belts and innovation and creativity in the use of the resources. The measures that we have put in place to enhance revenue and contain costs appear to be bearing fruit. Preliminary results indicate that the province have succeeded in collecting approximately 4% more revenue than expected and preliminary actual expenditure at 99% of the adjusted appropriation.



Going forward we will continue to ensure that the provincial budget process give effect to the Medium Term Strategic Framework initiatives and reflect greater alignment with the National Development Plan as well as the Free State Growth and Development Strategy in order to accelerate economic growth, eliminate poverty and reduce inequality despite the shrinking provincial equitable share.

We will continue to put measures in place to improve financial discipline and contain costs. Particular emphasis will be placed on the management of the compensation of employees' budget as one of the major cost drivers in the province.

I am proud to table this report which highlights key achievements of the department in relation to policy directives and strategic outcomes related to our 5 year Strategic Plan and the 2013/14 Annual Performance Plan (APP).

Allow me to extend my sincere gratitude to the Chief Executive Officer (CEO) of the Provincial Treasury and his team, Accounting Officers and Chief Financial Officers (CFO) of departments, provincial public entities and municipalities as well as Members of the Executive Council for their support and cooperation during the period under review.



**ELZABE C ROCKMAN**

**MEC for Finance**

Date: 31 July 2014



## 4. REPORT OF THE ACCOUNTING OFFICER



**MR MNG MAHLATSI**  
Chief Executive Officer: Provincial Treasury

### •Overview of the operations of the department:

The role of the Provincial Treasury was particularly challenging during the reporting period as a result of the constrained economic and fiscal environment and the perpetual decline in the province's equitable share allocation.

The department had to explore new ways and approaches to navigate the difficult economic times and had a key role to play in making sure that government's policy objectives of moderating growth in government expenditure and reprioritisation of spending away from current expenditure towards capital expenditure were achieved in the province.

A provincial Revenue Enhancement Strategy has been implemented since the 2012/13 financial year and revenue projects were funded through the Revenue Enhancement Allocation. Preliminary results show that the province was able to collect 104% of the expected revenue.

The Free State Provincial Treasury effectively executed its monitoring and oversight responsibilities. The Key Control Matrix (KCM) reporting model that was introduced in 2012 has been reviewed and improved to promote compliance with the PFMA. A number of improvements have been noted, including development and implementation of policies and procedures as per the minimum requirements of National Treasury, improved reconciliation between departments and the provincial revenue fund and submission of supporting documentation which reduces the risk of scope limitations due to misplaced or lost supporting documents. Of significance is that the three best performing departments according to the Key Control assessments are the same departments that received clean audit opinions for 2012/13.

During the period under review the Provincial Treasury succeeded in assisting municipalities to address government debt to municipalities. Municipalities were assisted, in consultation with the National Electricity Regulator of South Africa (NERSA), on tariff setting for electricity. NERSA has agreed to partner with the department to work with municipalities. This will go a long way in addressing some of the challenges experienced with revenue at municipalities. Municipalities were continuously monitored and support was provided with regard to budgets, supply chain management, accounting, risk management and internal audit.

A detailed performance report, outlining achievements against targets set for the period under review, is provided in Part B of the report.



Overview of the financial results of the department:

• **DEPARTMENTAL RECEIPTS**

Departmental Receipts	2013/2014			2012/2013		
	Estimate R'000	Actual Amount Collected R'000	(Over)/ Under Collection R'000	Estimate R'000	Actual Amount Collected R'000	(Over)/ Under Collection R'000
Tax Receipts						
Sale of goods and services other than capital assets	128	208	(80)	122	132	(10)
Interest, dividends and rent on land	30,462	41,093	(10 631)	71,664	51,555	20,109
Financial transactions in assets and liabilities	385	182	203	-	838	(224)
<b>Total</b>	<b>30,975</b>	<b>41,83</b>	<b>10,508</b>	<b>71,786</b>	<b>51,911</b>	<b>19,875</b>

Provincial Treasury over-collected on revenue because of the selling of bid documents in respect of transversal bids, commission earned on insurances and garnishee orders and the interest earned on investments.

The over collection on interest earned was as a result of reserve funds which were kept with the South African Reserve Bank to ensure that the interest earned for March 2014 will be received during the month of March 2014 and not in April 2014 as it would have been if invested with a financial institution. The interest in respect of February 2014 and March 2014 was received in March 2014. Previously interest earned during the month of March was only received in April of the new financial year.

The department is not a service rendering department and did not render any free services during the financial year under review. No bad debts were written off that might have an effect on our own revenue.

• **PROGRAMME EXPENDITURE**

The table below provides a summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year at programme level.

Departmental Receipts	2013/2014			2012/2013		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	92,088	90,185	1,903	84,166	82,771	1,395
Sustainable Resource Management	26,417	26,264	153	25,109	24,792	317
Assets and Liability Management	61,584	61,362	222	60,033	59,869	164
Financial Governance	39,547	38,556	991	39,425	39,113	312
<b>Total</b>	<b>219,636</b>	<b>216,367</b>	<b>3,269</b>	<b>208,733</b>	<b>206,545</b>	<b>2,188</b>



#### **MAIN REASONS FOR UNDER-SPENDING:**

The under-spending is mostly due to decreased spending in travel and subsistence items which occurred as a result of the implementation of cost containment measures which restricted travelling and subsistence as well as the slow filling of posts as a result of an alignment process which requires current employees to be suitably placed before vacancies are filled.

- **VIREMENTS /ROLL OVERS**

One virement was implemented after the adjusted budget. A total amount of R283 000 was moved with a virement in order to accommodate amounts within compensation of employees to be paid due to approval of payment of performance awards to departmental officials above the budgeted amount.

No roll overs were requested.

- **UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE**

One case of fruitless and wasteful expenditure was reported during the 2013/14 financial year. DA63/4 (01/13) was reported in June 2013, after a fire occurred on the fourth floor of the Provincial Government Building in one of the offices of the Provincial Treasury. The case was investigated by the Fire Marshal as well as Security Services, but no official could be held liable, therefore the amount was written off as irrecoverable and therefore resolved.

- **FUTURE PLANS OF THE DEPARTMENT**

The department is in the process of restructuring to ensure that it is appropriately structured and staffed to execute its mandate as effectively and efficiently as possible and to ensure that the activities of the department are aligned to government priorities.

The department intends to fully exercise its oversight role on provincial departments, municipalities and public entities in accordance with applicable legislation and mandates. Support to these entities will be intensified in an effort to further strengthen financial management in the province. Specific interventions will be effected to support departments that are under pressure. These measures will require commitment of departmental resources over and above normal operational requirements.

An area which will receive particular attention during the new financial year and which would require resources, is management of the budget for compensation of employees.

Overall, Provincial Treasury will continue to ensure that the Provincial Budget gives effect to the Medium Term Strategic Framework (MTSF) initiatives and reflect greater alignment to the National Development Plan (NDP) as well as Free State Growth and Development Strategy (FSGDS) in an endeavour to accelerate economic growth, eliminate poverty and reduce inequality despite the shrinking Provincial Equitable Share and that financial discipline and management of resources in the province is strengthened.

- **PUBLIC PRIVATE PARTNERSHIPS**

None

- **DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED**

There has been no discontinued activities during the period under review.

- **NEW OR PROPOSED ACTIVITIES**

There has been no new activities during the period under review.



- **SUPPLY CHAIN MANAGEMENT**

- The department had no unsolicited bid proposals for the year under review.
- Supply Chain Management processes and systems are in place to prevent irregular expenditure.
- The vacant post of the Supply Chain Management Senior Manager is envisaged to be filled by the 1st of September 2014
- The department has established a frontline office from the ground floor of the Free State Provincial Government (FSPG) to handle the queries and support suppliers with the Centralised database registration.

- **GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES**

- The department donated an iPad and laptop to the former MEC: Finance as well as redundant furniture to NGOs. No gifts or donations were received in kind from non-related parties.
- Provincial Treasury is responsible for the payment of the usage of computer systems (BAS, Persal and Logis) on behalf of all FS Provincial Departments and 2 Trading Entities.
- Informal rental arrangement with the Department of Education in respect of accommodation (1st floor) at the Trustfontein Building at no cost in return for the usage of the data line of the Provincial Treasury to establish network connection.
- The Provincial Treasury is also occupying the accommodation in the Provincial Government Building and the Trustfontein Building at no cost from the Department of Public Works.

- **EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY**

- None

- **EVENTS AFTER THE REPORTING DATE**

On the 24th of July 2014 a fire started in an office occupied by an official from Cash Management on the 10th floor, Free State Provincial Government Building. The fire brigade was able to contain the fire and the department suffered a loss of approximately R9,280.00 due to damages to furniture and equipment. At the time of reporting the central processing unit (CPU) of the computer must still be examined. The fire started after hours and no official was in the office. Arson is not suspected.

- **OTHER**

The implementation of the Policy and Procedure on Incapacity Leave and Ill-health Retirement (PILIR) was suspended for part of the financial year. PILIR provides for the appointment of a Panel of Accredited Health Risk Managers, by the Department of Public Service and Administration, as service providers available to a department to investigate and assess the applications made by employees. The appointment of these service providers was delayed due to a legal challenge brought to the High Court against the appointment process. Therefore for the first half of the financial year no timeous decision could be made on the validity of the incapacity and/or ill-health retirement applications received from employees. Although the Panel was formally established on 1 November 2013 there is a possibility that salary paid to employees whilst on incapacity and/ or ill-health retirement may be recoverable if the applications, made in the first part of the financial year, are not subsequently recommended by the service providers.



Six incapacity leave applications during the period 1 November 2013 to 31 March 2014 were approved by the Health Risk Manager, and have no impact on the annual financial statements. Two temporary incapacity leave applications for the period 6 September 2013 to 4 October 2013 and 7 January 2014 to 8 January 2014 (30 days in total) are not yet finalized by the Health Risk Manager. If declined, it means that the employees will have to either convert the declined leave to annual leave, or the leave will have to be recovered as leave without pay. Six temporary leave applications were declined during the period November 2013 to 31 March 2014 that amounts to 18 days that will have to be converted to annual leave, if the employees have available annual leave credits, or the declined temporary incapacity leave will be recovered as leave without pay.

- **ACKNOWLEDGEMENT AND APPRECIATION**

I would like to acknowledge and extend my sincere gratitude to the MEC of Finance for her confidence and generous support.

I want to thank Accounting Officers and Chief Financial Officers of departments, municipalities and public entities as well as the National Treasury and Auditor General of South Africa for their cooperation and collaboration to ensure that we achieve our mandate and objectives.

I am deeply proud of the Provincial Treasury team and I am grateful for their unwavering support. I wish to thank all the employees who worked so committedly to achieve the goals and objectives of the department. It is an honour to work with you.

- **APPROVAL AND SIGN OFF**

The Annual Financial Statements set out on pages 104 to 157 have been approved.



---

**M.N.G. Mahlatsi**  
Accounting Officer  
Provincial Treasury

**Date:** 31 July 2014



## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

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

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2014.

Yours faithfully



Accounting Officer  
M.N.G. Mahlatsi

Date: 31 July 2014



## 6. STRATEGIC OVERVIEW

### 6.1. VISION

Your partner in financial resource management excellence, for a better life for all in the Free State Province.

### 6.2. MISSION

To promote sound financial resource management, for improved service delivery in the Free State Province

### 6.3. VALUES

Every employee is expected to be guided by the principles and core values that the department espouses:

- Integrity
- Accountable
- Assertiveness
- Collaborative
- Responsive
- Committed
- Proactive

## 7. LEGISLATIVE AND OTHER MANDATES

The existence of the department and its operations are governed by the following constitutional and legislative mandates:

The Constitution of the  
Republic of South Africa  
Act 108 of 1996

### NATIONAL, PROVINCIAL AND MUNICIPAL BUDGETS

215.

- (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
- (2) national legislation must prescribe -
  - (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.
- (3) budgets in each sphere of government must contain -
  - (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.



Public Finance  
Management Act No. 1 of  
1999 (as amended)

## **18. FUNCTIONS AND POWERS**

- (1) A Provincial Treasury must
  - (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 provincial departments and provincial public entities; and
  - (d) ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.
  
- 2) A provincial treasury--
  - (a) must issue provincial treasury instructions not inconsistent with this Act;
  - (b) must enforce this Act and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in provincial departments;
  - (c) must comply with the annual Division of Revenue Act, 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 provincial public entity;
  - (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 National Treasury in terms of this Act; and
  - (i) may do anything further that is necessary to fulfil its responsibilities effectively.

## **76. TREASURY REGULATIONS AND INSTRUCTIONS, INTER ALIA,**

- 1) The National Treasury must make regulations or issue instructions applicable to departments, concerning -
  - (a) any matter that must be prescribed for departments in terms of this Act;
  - (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 Revenue Fund, 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.

- 2) The National Treasury may make regulations or issue instructions applicable to departments, concerning-
  - (a) any matter that may be prescribed for departments in terms of this Act;
  - (b) the charging of expenditure against particular votes;
  - (c) the establishment of and control over trading entities;
  - (d) the improvement and maintenance of immovable state assets;
  - (e) fruitless and wasteful, unauthorised and irregular expenditure;
  - (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.
- (3) Regulations in terms of subsection (1) or (2) may prescribe matters for which the prior approval of a Treasury must be obtained.

Municipal Finance Management Act 56 of 2003

Chapter 2  
**GENERAL FUNCTIONS OF NATIONAL TREASURY AND PROVINCIAL TREASURIES, INTER ALIA,**

- 3) A provincial treasury must in accordance with a prescribed framework -
  - (a) fulfil 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.
- 4) To the extent necessary to comply with subsection (3), a provincial treasury-
  - (a) must monitor-
    - (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;



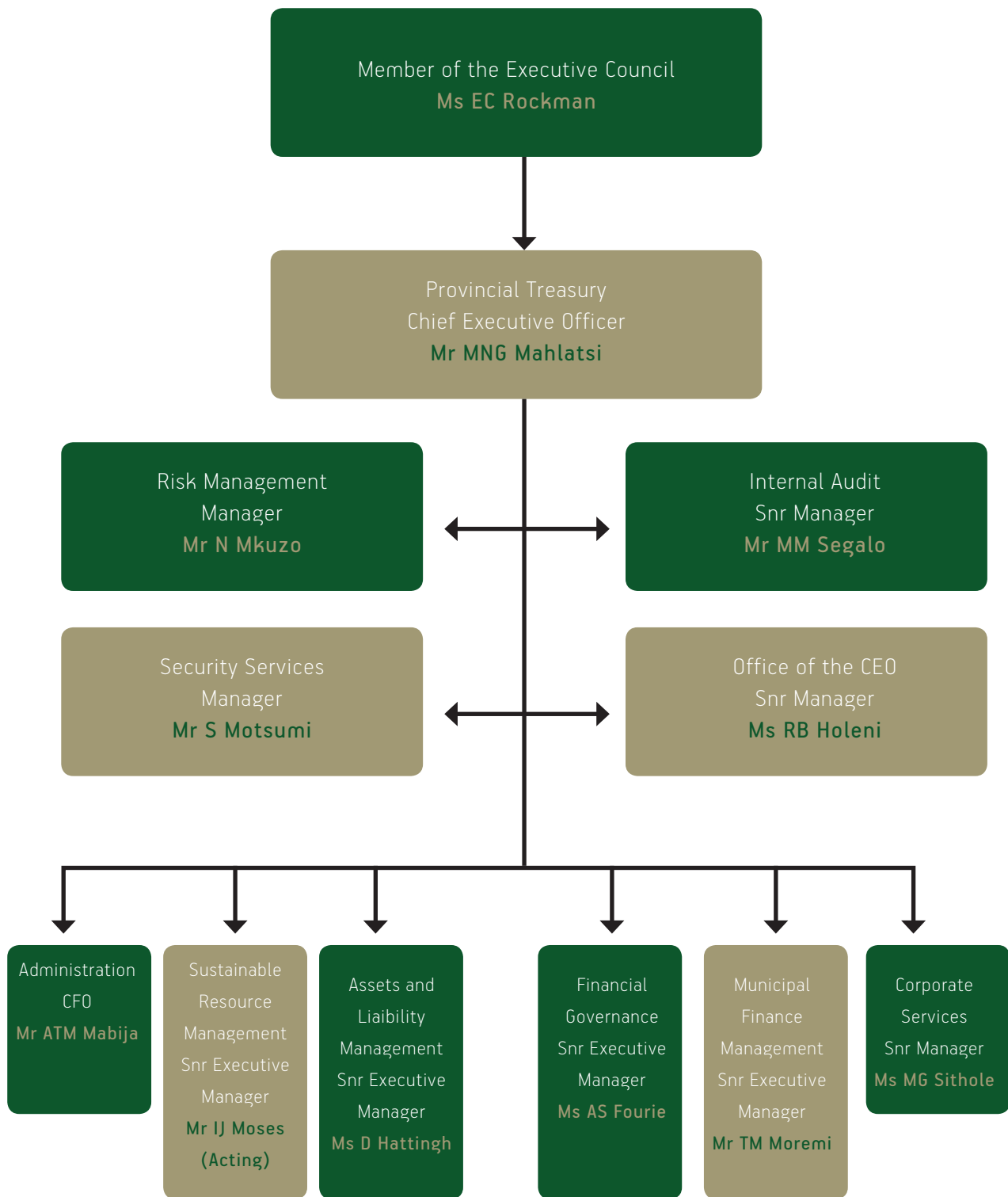
	<ul style="list-style-type: none"> <li>(b) may assist municipalities in the province in the preparation of their budgets;</li> <li>(c) may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and</li> <li>(d) may take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act.</li> </ul>
<p>Division of Revenue Act (Act 2 of 2008)</p>	<p><b>DUTIES OF PROVINCIAL TREASURIES</b></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, publish the following in the Gazette:</p> <ul style="list-style-type: none"> <li>(i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province’s own funds;</li> <li>(ii) the indicative allocation to be made per school in the province;</li> <li>(iii) the indicative portion of the Integrated Housing and Human Settlement Development allocation to each municipality;</li> <li>(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;</li> <li>(v) the envisaged division of the allocation contemplated in subparagraphs (i)-(iv), in respect of each municipality and school, for the next financial year</li> <li>(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</li> <li>(vii) the budget of each hospital in a format determined by the National Treasury.</li> </ul> <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>(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>



- (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.
- (c) The provisions of subsection (2), with the necessary changes, apply in respect of allocations referred to in paragraph (b).
  
- (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.
  
- (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 —
  - (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.



## 8. ORGANISATIONAL STRUCTURE



# PART B: PERFORMANCE INFORMATION



# 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 101 for the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1. SERVICE DELIVERY ENVIRONMENT

The Provincial Treasury offers support and oversight to all departments, public entities and municipalities in the following form:-

- Support on provincial economic analysis, fiscal policy, management of the annual budget process and the implementation of provincial budgets
- Facilitation of effective and efficient management of assets, liabilities and financial management systems
- Promoting accountability through substantive reflection on financial activities as well as compliance with financial norms and standards

The role of the Provincial Treasury was particularly challenging during reporting period as a result of the constrained economic and fiscal environment and the perpetual decline in the province's equitable share allocation.

The department had to explore new ways and approaches to navigate the difficult economic times and in making sure that government's policy objectives of moderating growth in government expenditure and reprioritisation of spending away from current expenditure towards capital expenditure were achieved in the province.

Provincial departments had challenges in containing their expenditure within their allocated budgets and Provincial Treasury had to continue with the implementation of cost-containment measures in ensuring that government spending is managed effectively, efficiently and economically.

The province's management of personnel cost posed a particular challenge and more effective controls over personnel expenditure are required.

Although progress has been made towards improving the audit outcomes of departments and municipalities, the target of clean audits in all departments, entities and municipalities by 2014 could not be achieved and particularly municipalities required intensive support.

The provincial government placed greater focus on infrastructure delivery which required greater monitoring of infrastructure projects by Provincial Treasury.



Resolutions taken at Executive Council's Implementation Lekgotla at the beginning of 2013, which impacted on Provincial Treasury, included

- The on-going monitoring and compliance with the requirement to ensure that payment of suppliers occur within 30 days
- Together with the Department of Cooperative Governance and Traditional Affairs, the Provincial Treasury was required to report to the Executive Council on the review of the composition and functioning of Audit Committees, Risk Management Committees and Internal Audit Units
- The strengthening of anti-corruption capacity of both provincial and local government
- The review of the procurement process for infrastructure in line with new draft legislation to be done in consultation with the Department of Public Works and the State Law Advisors
- A provincial debt collection and revenue enhancement campaign to be led by the Provincial Treasury and COGTA
- Sustained joint campaigns with COGTA, SALGA and municipalities to encourage people to pay for services, sanitation, rates and taxes at municipal level
- Education and awareness campaigns and sustained interaction with communities on financial and audit terminology, audit findings and other issues related to Financial Management.

## 2.2. SERVICE DELIVERY IMPROVEMENT PLAN

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Report and support Municipal officials to ensure adherence to the Municipal Finance Management Act (MFMA)	Municipalities officials	23 municipalities out of 24 capacitated trained on the financial management programmes.	23 municipalities out of 24 capacitated trained on the financial management programme.	Total of 23 training sessions held for all delegated municipalities
	Municipalities officials	34% of municipalities and municipal entities got unqualified audits	34 % of municipalities and municipal entities to have unqualified audits and 8 municipalities to have clean audits	34% or 8 municipalities and entities have received unqualified opinions
	Municipalities officials	Municipalities consulted through Forums, workshops, bilaterals, telephones, email, personal visits	Meet with Municipal managers and CFO's once per quarter and continuous ad hoc consultation meetings.	26 consultation sessions were held
		Lack of consequences for transgressions	70% of Oversight and monitoring by Mayors and Councils	(87%) or 21 Municipalities were supported during MEC's meetings with them



### Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Municipalities are consulted through forums, workshops, bi-laterals, and visits	Forums, bi-laterals and visits	Complied

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Information is made available through meetings, workshops, newspapers and the department's website.	Quarterly Meetings with CFOs, workshops, and the department's website Section 71 reports and information to be posted on the Free State Treasury web site with contact details of functional area managers	Complied

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Informal and formal (letters, verbally, emails )	Response must be within 7 working days, providing the name of the person handling the query and reference number where applicable	No complaints received to date

## 2.3. ORGANISATIONAL ENVIRONMENT

The Chief Executive Officer retired on 31 July 2013. An acting CEO was appointed until the position was permanently filled on 1 September 2013. Stability in the rest of the department ensured a smooth and seamless transition.

Challenges were experienced due to vacancies that could not be filled but the commitment of staff and willingness to work overtime enabled the department to achieve most of its objectives despite this challenge. With regard to personnel, the department is still experiencing challenges with equity in terms of disability and women at senior management level. A concerted effort will be made to fill the vacant senior management positions with female candidates and the department will be working with disability organisations in an effort to recruit appropriately qualified persons with disabilities.

The department successfully implemented the new version of Standard Charter of Accounts (SCOA) in the budget structure. During the reporting period an average of 97.5% of creditors were paid within 30 days. Measures were put in place to improve on this and in the last quarter of the reporting period the department succeeded in paying 100% of creditors within 30 days. With regard to the province's target that 70% of the expenditure on the 15 most procured items must go to SMMEs, the department succeeded in ensuring that 76.3% of the this expenditure for the reporting period went to SMMEs.

## 2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no key policy developments and legislative changes for the financial year 2013/14.



### 3. STRATEGIC OUTCOME ORIENTED GOALS

The Provincial Treasury does not render services directly to the public. The department provides support to provincial departments, municipalities and public entities and is also responsible for oversight and monitoring of financial management. These functions are reflected in the strategic goals of the department:

- Provision of high quality support services to internal and external stakeholders
- To promote the effective management of the provincial fiscal framework
- To promote effective management of provincial assets and liabilities
- Promotion of financial governance within the provincial government
- To promote the effective implementation of Municipal Finance related legislation

#### **Strategic Goal 1: Provision of high quality support services to internal and external stakeholders**

The department succeeded in obtaining a clean audit report for the fifth consecutive year during the 2013/14 financial year, thus achieving the goal set for clean audits by 2014.

Effective controls were put in place that ensured that the department had no irregular or unauthorised expenditure for the period under review.

During the reporting period an average of 97,8% of creditors were paid within 30 days. The department also succeeded in ensuring that 76.3% of expenditure on the 15 most procured items went to SMMEs.

#### **Strategic Goal 2: To promote the effective management of the provincial fiscal framework**

A realistic and credible 2014/15 Provincial Budget that serves the interests of the Free State as a whole was developed through extensive consultations which included structured MTEC hearings, consultations with MECs and HODs and various sessions of the budget Lekgotla and extended meetings of the Executive Council.

To mitigate against the tight and challenging fiscal position, the department developed a Revenue Enhancement Strategy, which is aimed at investing on projects that have a potential to yield revenue for the Province.

A Provincial specific Borrowing Framework has been drafted for consideration by the Executive Council.

There is evident progress with regard to management and quantifying of debt in the Province. All departments report on a monthly and quarterly basis to Provincial Treasury.

#### **Strategic Goal 3: To promote effective management of provincial assets and liabilities**

Provincial Treasury is responsible for managing the provincial supplier database. During the period under review the department embarked on a purification of the database exercise and succeeded in removing officials registered as suppliers from the database.



The department is responsible for oversight and monitoring of Supply Chain Management (SCM) in provincial departments and public entities. In order to address capacity issue and audit queries relating to non-adherence to supply chain procedures, an SCM Toolkit is being developed and tested to assist departments with their day-to-day functions. Extensive training forms part of the roll-out of the toolkit.

The new BAS Databases for all Free State Provincial Government departments for Version 4 of Standard Chart of Accounts successfully went live on 1 April 2013.

#### **Strategic Goal 4: Promotion of financial governance within the provincial government**

The Department of the Premier, Provincial Treasury and Police, Roads and Transport in partnership with PWC, ACFE and Standard Bank facilitated the International Fraud Awareness Week event held on 4 - 8 November 2013. The purpose of the event was to create an opportunity to engage on challenging topics and to be better equipped to be able to put in place mechanisms with which fraud can be defeated.

To effect and ensure accountability Provincial Treasury introduced monthly Key Control reporting in 2011 which was amended from March 2012 to a Monthly, Quarterly and Bi-annual Key Control Matrix (KCM) reporting model. The KCM, which is aimed at promoting compliance with the PFMA, was reviewed during the reporting period.

These disciplines are reviewed on an annual basis to incorporate AGSA findings of the prior year. Since the implementation and assessment of this Key Control Matrix the following improvements were achieved:

- Submission of the Key Control reporting by departments within the prescribed due date.
- The average rate of submission of supporting documentation as at the end of March 2013 was 87,6% which reduced the risk of scope limitations due to misplaced/lost supporting documents.
- Development and implementation of Policies and Procedures as per the minimum requirements of National Treasury improved to 54,5%.
- Improved reconciliations between departments and the Provincial revenue fund.
- The three best performing departments according to the Key Control assessments are also the same departments receiving clean audit opinions for 2012/13.
- Interim Financial Statements (IFS) which were introduced on bi-annual basis were increased to quarterly basis as from 2011/12 financial year. Treasury identified during the assessment of the fourth quarter as well as the Draft AFS assessments, 635 findings of which 498 (78,4%) were rectified before the submission of the unaudited 2012/13 AFS. Accounting transactions to the value of R 4,158 million were rectified based on Treasury Assessments.
- The implementation of Shared Audit Committees has resulted in an improvement of Governance as reported in the 2011/12 General Report of the AGSA.
- Internal Audit Activity has improved from 79% to 91% when comparing 2010/11 to 2012/13 financial years.
- Risk Management, has improved from 58,25% to 85% since 2010/11 to 2012/2013 financial year.
- FCM: Performance of the departments which obtained level 3 has improved from 1 to 4 departments when comparing 2010/2011 to 2012/2013 financial year.



## Strategic Goal 5: To promote the effective implementation of Municipal Finance related legislation

In March 2013, the Provincial Treasury undertook an initiative to hold bilaterals on the mid-year assessment reviews of municipalities. Four municipalities were identified for piloting this project namely, Xhariep District, Dihlabeng, Metsimaholo and Tswelopele municipalities.

The purpose of the mid-year reviews was:

- To monitor the progress in the budget implementation for the 2012/13 municipal financial year;
- Monitor the service delivery performance against the approved SDBIP for the 2012/13 municipal financial year;
- Provide valuable input to influence the 2012/13 municipal adjustments budget process;
- Opportunity for municipalities to raise other relevant issues with National and Provincial Treasury and other stakeholders; and
- Allows Provincial Treasury to highlight other significant circular and policy reforms that will be introduced by the National Treasury and clarify issues in budget circulars and budget regulations.

Provincial Treasury established a Committee which is mandated to ensure municipalities settle their accounts and enter into payment agreements with bulk service providers. Through this Committee the following has been achieved:

- significant decline in outstanding creditor debts by municipalities, the outstanding debt owed to municipalities declined from R 438 million in August 2011 to R 152 million in June 2013
- adherence to payments agreements by Municipalities.

The Intergovernmental Debt Steering Committee (IDSC) was established to manage Government debt owed to municipalities by departments. The membership of the IDSC is composed of delegates from Provincial Treasury, CoGTA, SALGA, National Public Works, provincial Public Works and the Department of Education. The total outstanding Government debt owed to municipalities as at June 2013, significantly declined to R152 million, representing a R286 million reduction from R438 million reported in August 2011.

During the MEC's Roadshows in which all municipalities in the Province were visited, tariff setting of electricity was discovered as a major challenge as well as impacting negatively towards the credibility of adopted budgets. Provincial Treasury, in consultation with National Electricity Regulator South Africa (NERSA), held working sessions with all municipalities on filling of application forms as well as tariff setting of electricity. NERSA agreed to partner with Provincial Treasury to work with municipalities. This initiative is anticipated to be an annual programme. This will go a long way in addressing some of the major challenges experienced with revenue at municipalities.

In the past financial years the submission rate of applications to NERSA to approve municipal electrical tariff rates (D-Forms) for Free State municipalities has been very poor and in most instances there was non-compliance. Through the establishment of the partnership of the Provincial Treasury and NERSA significant progress was made with Free State municipalities and it is now a leading province in terms of submissions. Sixteen (16) out of the seventeen (17) licensees were able to submit the financial D-Forms.



## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1. PROGRAMME 1: ADMINISTRATION

#### Purpose:

The role of this programme is to provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure that there are appropriate support services to all other programmes to ensure the effective and efficient functioning of the department. The programme consists of five operational sub-programmes:

- Office of the MEC
- Management Services
- Corporate Services
- Financial Management
- Supply Chain Management
- Internal Audit

#### Strategic Objectives:

- To provide support to the MEC in ensuring effective and efficient functioning of the department
- To provide support to the CEO in ensuring effective and efficient functioning of the department
- To facilitate a skilled, competent and responsive workforce for the department
- To ensure that allocated funds are planned for, managed and spent efficiently
- To procure and maintain quality goods and services in an economical and efficient manner
- To ensure compliance with best practices, norms and standards, independent assessment of the adequacy and effectiveness of internal controls

#### Strategic objectives, performance indicators, planned targets and actual achievements

The programme is responsible for the Strategic Goal 1, **Provision of high quality support services to internal and external stakeholders** and as such provide administrative support services to ensure the effective and efficient functioning of the. The services provided include financial and supply chain management, risk management, internal audit, human resource management and general support services to the offices of the MEC and Chief Executive Officer.

The sections that follow provide information on the achievement of targets for the strategic objectives and performance indicators for the programme for the year under review.



## Strategic objectives:

Programme 1: Administration					
Strategic objectives	* Actual Achievement 2012/2013	* Planned Target 2013/2014	* Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
To provide support to the office of the MEC in ensuring effective and efficient functioning of the department	89	78	75	3	The deviation is due thereto that elections were held in May 2014 and the Budget Vote and APP will only be tabled thereafter.
To provide support to the office of the CEO in ensuring effective and efficient functioning of the department	72	35	32	3	The department planned for 25 Financial Disclosures of SMS members but only 22 SMS posts were filled when disclosures were due.
To facilitate skilled, competent and responsive workforce for the department	1611	33	37	4	The overachievement is due to additional reports that were requested by the Department of the Premier on EHWP
To ensure that allocated funds are planned for, managed and spent efficiently	40	31	30	1	The underperformance is due to a change in reporting requirements which reduced the number of KCM reports required.
To procure and maintain quality goods and services in an economical and efficient manner	3	4	4	-	-
To ensure compliance with best practices, norms and standards, independent assessment of the adequacy and effectiveness of internal controls	23	19	19	-	-

\* The Actual Achievement and Planned Targets for each Strategic Objective was determined through a simple count of all targets achieved or planned for each of the Performance Indicators set for a particular Strategic Objective. Details of performance indicators and specific targets are provided in the section on Performance Indicators.

The substantial difference between the Actual Achievement for 2012/13 and the Planned Target for 2013/14 is due to a review of the Performance Indicators during the development of the 2013/14 Annual Performance Plan (APP) which aimed to remove more operational matters from the APP and to improve alignment with the outcomes approach.

### Reasons for deviations

Reasons for deviations are provided in comment on deviations column above



## Performance Indicators

Programme / Sub-programme: Office of the MEC Strategic objective: To provide support to the office of the MEC in ensuring effective and efficient functioning of the Department					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Accurate and efficient records management system implemented	1 record management system	1 record management system	1 record management system	-	-
Turn-around time for the internal and external correspondence received and responded to by the Office of the MEC					
<ul style="list-style-type: none"> <li>Internal</li> <li>External</li> </ul>	2 working days 5 working days	2 working days 5 working days	2 working days 5 working days	- -	- -
Regular interaction with constituency office	51 interactions	50 interactions	50 interactions	-	-
Regular interaction with internal and external stakeholders					
<ul style="list-style-type: none"> <li>Quarterly Infrastructure and expenditure reviews</li> <li>Auditor General, suppliers</li> </ul>	3 reviews 8 interactions	4 reviews 12 interactions	3 reviews 12 interactions	1 review -	The MEC's programme did not allow for more interactions -
Tabling of Provincial Budget, Budget Vote, Adjustment Budget, APPs in terms of the PFMA at the legislature and cabinet	N/A	4	2 (Adjustment Budget and Provincial Budget)	2 (Budget Vote and APP)	Budget Vote and APP will be tabled after the 2014 election



**Programme / Sub-programme: Management Services**

**Strategic objective: To provide support to the office of the CEO in ensuring effective and efficient functioning of the Department**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Consolidated report on all finalised departmental delegations	1 report	1 report	1 report	-	-
Risk management framework reviewed	1 risk framework	1 risk framework	1 risk framework	-	-
Policy compliance reports on MISS produced on quarterly basis	4 reports	4 reports	4 reports	-	-
Designated officials and employees declaring financial interests	23 SMS members	25 SMS members	22 SMS members	3 SMS Members	Only 22 SMS posts were filled at the time of reporting.
Number of Vetting reports  • Individual shortlisted candidates before employment  • Security clearance (Z204) on all employees  • Service providers contracted to the department	4 reports	4 reports	4 reports	-	-



Programme / Sub-programme: Corporate Services

Strategic Objective: To facilitate a skilled, competent and responsive workforce for the Department

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of policies, procedure and departmental delegations developed and reviewed	8 policies	* 4 comprehensive reports on implementation of each plan's activities  1 set of departmental delegations reviewed	3 comprehensive reports on implementation of each plan's activities  1 set of delegations	1  -	The under-performance is due to a delay in finalising a disability policy.  -
Effective implementation of PMDS policy to monitor, assess staff performance and performance agreement for level 1-12 and above:					
Bi annual assessment	N/A	31 May 31 Oct	31 May 0	- 31 Oct not assessed	Pay progression and performance bonuses were not implemented in July as planned but only in September due to the late submission of assessments by components and the lengthy process of quality assurance. Approval for late implementation was obtained from the Accounting Officer.
Performance agreements	31 May & 31 Oct	1st Dec	Assessment (level 1 to 12)	-	
Pay progression	Aug 2012	July 2013	Sept 2013	2 Months	
Performance bonuses	Aug 2012	July 2013	Sept 2013	2 Months	
Approved organogram aligned to departmental strategic objectives	0	Approved revised Organisational structure by July 2013	0	Revised structure still in draft format	Consultation in processes
Reports on services rendered as per EHWP Strategic framework	4 reports	4 reports	7 reports	3	Additional reports were requested by the Department of the Premier
Communication strategy approved and implemented	1 strategy	Quarterly report on communication and event services	4 reports	-	-
Timely IT Support and accessible ICT infrastructure	Suppliers appointed, Disaster Recovery and Business continuity assessment done Microsoft SharePoint pre-implementation has been conducted	Implement SharePoint Platform and System centre	Share Point functional  Corporate Governance of ICT framework phase 1	-	-
Workplace skills plan, HRD Plan, SDIP, and HR plans reviewed and implemented	4 plans	** 16 reports for each plan's activities	16 reports	-	-



- \* Target was incorrectly captured in the Annual Performance Plan as 8 policies instead of 4 comprehensive reports on the implementation of each plan's activities. Quarterly targets were correctly captured.
- \*\* Target was incorrectly captured in the Annual Performance Plan as 12 reports for each plan's activities instead of 16 reports for each plan's activities. Quarterly targets were correctly captured.

Programme / Sub-programme: Financial Management					
Strategic Objective: To ensure that allocated funds are planned for, managed and spent efficiently					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Provide legislative financial and prescribed Provincial reports:					
18 KCM	N/A	18 KCM	17 KCM	1 KCM	Reporting requirements changed. No KCM report was required for the month of November 2013.
1 Adjustment Budget	N/A	1 Adjustment Budget	1 Adjustment Budget	-	-
3 Estimates of Provincial Revenue Expenditure (EPRE)	N/A	3 EPRE	3 EPRE	-	-
Annual Report in line with SAIGA Standards Annual Performance Plans (APP), Quarterly Performance Reports (QPR) in line with prescribed formats and timelines	1 Annual Report 1 SPP/APP 4 QPR	1 Annual Report 1 SPP/APP 4 QPR	1 Annual Report 1SPP/ APP 2013/2014 4 QPR	-	-
Produce credible Estimates of Provincial Expenditure Statement II (2 draft and 1 final report submitted in January)	3 reports	3 reports	3 reports	-	-



**Programme / Sub-programme: Supply Chain Management**

**Strategic Objective: To procure and maintain quality goods in an economical and effective manner**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Management of all departmental Assets to meet minimum LOGIS asset register requirements	1 updated asset management register	1 updated asset management register	1 updated asset management register	-	-
Annual Demand Management Plan aligned with the APP/ Budget	Alignment of needs, inputs and final budget allocations	1 complete demand plan	1 complete demand plan	-	-
All bids considered for procurement by bid committee and reports produced (advertised bids)	1 report	Bid committee reports produced (within 90 days of bid validity)	1 bid report (24 Apr 2013) 1 nil report 1 bid report (20 Dec 2013).	-	-
Payments of creditors within 30 days	98.82% of creditors were paid within 30 days	Payments within 30 days	97.8% payments within 30 days	-	-

**Programme / Sub-programme: Internal Audit**

**Strategic Objective: To ensure compliance with best practices, norms and standards, independent assessment of the adequacy and effectiveness of internal controls**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of audits performed per year	17 audits performed	13 audits performed	13 audits performed	-	-
Number of workshops conducted at service points for Internal controls	2 workshops conducted	2 workshops conducted	2 workshops conducted	-	-
Audit plans developed and submitted to audit committee for approval.	2 audit plans	2 audit plans	2 audit plans	-	-
Audit charters reviewed and submitted to audit committee for approval.	2 audit charters	2 audit charters	2 audit charters	-	-



### Reasons for deviations

Reasons for deviations are provided in the comments column of the tables above.

### Strategy to overcome areas of underperformance

Strategies to overcome under-performance are provided in the columns of the tables above.

### Changes to planned targets

There were no in-year changes to planned targets. Changes to indicators and targets were effected on the 2014/15 Annual Performance Plan.

### Sub-programme expenditure: Programme 1

Sub- Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	6 879	6 509	370	6 035	5 906	129
Management Services	7 899	7 771	128	5 964	5 876	88
Corporate Services	31 641	31 131	510	34 085	33 256	829
Financial Management	41 200	40 481	719	33 668	33 366	302
Internal Audit departmental	4 469	4 293	176	4 414	4 367	47
Total	92 088	90 185	1 903	84 166	82 771	1 395

### 4.2. Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

#### Purpose:

The role of this programme is to promote the effective management of the provincial fiscal framework. The programme consists of four sub-programmes:

- Economic Analysis
- Fiscal Policy
- Budget Management
- Public Finance

#### Strategic Objectives:

- To influence policy development and implementation in line with Fiscal framework
- To provide Fiscal Policy implementation support to Departments and Entities
- To allocate financial resources in line with Government priorities
- To monitor financial and non-financial performance of the Provincial Government

#### Strategic objectives, performance indicators, planned targets and actual achievements

Programme 2, Sustainable Resource Management, is responsible for Strategic Goal 2 **To promote the effective management of the provincial fiscal framework**. The programme provides professional advice and support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of provincial budgets. The sections that follow provide information on the achievement of targets for the strategic objectives and performance indicators for the programme for the financial year under review.



## Strategic Objectives

Programme Name: Sustainable Resource Management					
Strategic objectives	* Actual Achievement 2012/2013	* Planned Target 2013/2014	* Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
To influence policy development and implementation in line with fiscal framework	28	29	25	4	The under-performance is due to two studies that could not be completed due to a lack of appropriate data in one case and non-response by stakeholders in the other as well as a workshop that was not held and one quarterly report on the Provincial Equitable Share that could not be produced due to the need to first finalise other research.
To provide fiscal policy implementation support	124	105	103	2	The under-performance is as a result of the unavailability of two departments to attend training.
To allocate financial resources in line with Government priorities	11	9	10	1	A Special Adjustment Budget had to be tabled in addition to the Adjustment Budget tabled within 30 days of the National Adjustment Budget.
To monitor financial and non-financial performance of the Provincial Government	27	22	22	-	-

\* The Actual Achievement and Planned Targets for each Strategic Objective was determined through a simple count of all targets achieved or planned for each of the Performance Indicators set for a particular Strategic Objective. Details of performance indicators and specific targets are provided in the section on Performance Indicators.

The substantial difference between the Actual Achievement for 2012/13 and the Planned Target for 2013/14 is due to a review of the Performance Indicators during the development of the 2013/14 Annual Performance Plan (APP) which aimed to remove more operational matters from the APP and to improve alignment with the outcomes approach.

### Reasons for deviations

Reasons for deviations are provided in comment on deviations column above.



## Performance indicators

Programme / Sub-programme: Economic Analysis					
Strategic objective: To influence policy development and implementation in line with fiscal framework					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Updated Regional Explorer database	4 updates on database	4 updates on databases	4 updates on databases	-	-
Update of Computable General Equilibrium and Social Accounting Matrix	0	1 update	1 update	-	-
Computable General Equilibrium studies	2 studies	2 studies	2 studies	-	-
Number of research based reports produced	5 reports	4 reports	2 reports	2 reports	Survey for one of the studies was incomplete due to non-response by stakeholders.  The other research paper was cancelled halfway due to lack of appropriate data.
Workshops conducted with stakeholders: • Provincial Economic Review and Outlook • Familiarize the practice of Socio-economic review analysis	6 Workshops	6 Workshops	5 Workshops	1 Workshop	Although the workshop was held evidence was destroyed in the fire of 29 June 2013
Publish Quarterly Labour Market Reviews	4 PQMLR	4 reviews	4 reviews	-	-
Publish the provincial economic review and outlook (PERO) annually	1 document	1 document	1 document	-	-
Coordinate and publish MTBPS document	1 chapter	1 MTBPS document	1 MTBPS document	-	-
Quarterly reports on Provincial Equitable Shares	4 reports	4 reports	3 reports	1 Report	Due to the need for a study on infrastructure to be finalised earlier than planned, a report was not produced in the 3rd Quarter.
1 Submission on PES on the FFC's Division of Revenue recommendations	1 submission	1 submission	1 submission	-	-
Produce a report on the Provincial Access to Conditional Grants	N/A	1 report	1 report	-	-



Programme / Sub-programme: Fiscal Policy

Strategic Objective: To provide fiscal policy implementation to support departments and entities

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Credible revenue base for 12 departments	12 Depts	12 Depts	12 Depts	-	-
Train departments on revenue	12 Depts	12 Depts	10 Depts	2 Depts	Partially achieved due to unavailability of DETEA and Human Settlements revenue units to participate in the training.
Quarterly meetings on revenue	4 meetings	4 meetings	4 meetings	-	-
Develop & issue guidelines on revenue related matters	6 guidelines	6 guidelines	6 guidelines	-	-
Conduct revenue inspections	24 inspections	20 inspections	20 inspections	-	-
Monthly analysis reports on: • Own Revenue • Conditional Grants • REA Projects	N/A 12 12	36 reports	36 reports	-	-
Review of the Provincial Revenue Enhancement Strategy	Revised Revenue Strategy	Annual Review	Annual Review	-	-
Produce reports on all measures taken to optimise Conditional Grants	2 reports	2 reports	2 reports	-	-
Quarterly reports on: • Donor Funding • Public Entities	N/A	8 reports	8 reports	-	-
Evaluation of Corporate Plans for the Public Entities	N/A	1 report	1 report	-	-
Research reports on Provincial Taxes	N/A	2 reports	2 reports	-	-
Developing Borrowing Framework	N/A	1 framework	1 framework	-	-



**Programme / Sub-programme: Budget Management**  
**Strategic Objective: To allocate financial resources in line with government priorities**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Tabled appropriation and Provincial Budget in line with National prescripts	Credible Provincial budget tabled	Credible Provincial Budget tabled within 2 weeks after National budget	Credible Provincial Budget tabled within 2 weeks after National budget	-	-
Tabled Adjustment Budget in line with National prescripts	Adjustment Budget tabled	Credible Adjustment Budget tabled within 30 days after National Adjustment Budget	Adjustment Budget tabled within 30 days after National Adjustment Budget	Special Adjustment Budget was tabled on 12 March 2014	A Special Adjustment Budget had to be tabled due to an amendment of the Division of Revenue Act following the stopping and subsequent reallocation of Conditional Grants from other provinces to the Free State Province.
Report on alignment of budget, strategic and annual performance plans	3 evaluation reports per department	3 evaluation reports per department	3 evaluation reports per department	-	-
Produce quarterly reports on progress made against funded priorities	4 reports	4 reports	4 reports	-	-

**Programme / Sub-programme: Public Finance**  
**Strategic Objective: To monitor financial and non-financial performance of the Provincial Government**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of assessment reports prepared in terms of In Year Monitoring Model	19 reports	14 reports	14 reports	-	-
Number of reports prepared in terms of infrastructure reporting model	4 reports	4 reports	4 reports	-	-
Number of reports prepared in terms of the quarterly performance model	4 reports	4 reports	4 reports	-	-



### Reasons for deviations

Reasons for deviations are provided in the comments column of the tables above.

### Strategy to overcome areas of underperformance

Strategies to overcome under-performance are provided in the columns of the tables above.

### Changes to planned targets

There were no in-year changes to planned targets. Changes to indicators and targets were effected on the 2014/15 Annual Performance Plan.

### Sub-programme expenditure: Programme 2

Sub- Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 684	2 684	-	2 423	2 414	9
Economic Analysis	5 916	5 778	138	5 796	5 665	131
Fiscal Policy	4 581	4 578	3	4 088	4 024	64
Budget Management	9 228	9 226	2	8 715	8 637	78
Public Finance	4 008	3 998	10	4 087	4 052	35
<b>Total</b>	<b>26 417</b>	<b>26 264</b>	<b>153</b>	<b>25 109</b>	<b>24 792</b>	<b>317</b>

### 4.3. PROGRAMME 3: ASSET AND LIABILITY MANAGEMENT

#### Purpose:

The role of this programme is to promote effective management of provincial assets and liabilities. This programme consists of two operational sub-programmes:

- Asset Management
- Supporting and Interlinked Financial Systems

#### Strategic Objectives

- Monitoring of effective and efficient management of movable and immovable assets
- To manage transversal financial management systems

#### Strategic objectives, performance indicators, planned targets and actual achievements

Programme 3 is responsible for Strategic Goal 3, **To promote effective management of provincial assets and liabilities** and as such provide policy direction, implement transversal financial management systems, monitor movable and immovable assets and liabilities, promote effective supply chain management practices and manage the provincial revenue fund.

The sections that follow provide information on the achievement of targets for the strategic objectives and performance indicators for the programme for the financial year under review.



Programme Name: Asset and Liability Management					
Strategic objectives	* Actual Achievement 2012/2013	* Planned Target 2013/2014	* Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
To monitor the effective and efficient management of movable and immovable assets	594	336	371	35	Overachievement due to ad hoc requests for additional infrastructure site visits, additional infrastructure/ IDP delivery meetings, additional training and additional physical asset management monitoring reports.
To manage transversal financial management systems	** 1333	** 706	** 1210	504	Overachievement due to more officials being trained on Transversal Systems, i.e. BAS, PERSAL and LOGIS.

\* The Actual Achievement and Planned Targets for each Strategic Objective was determined through a simple count of all targets achieved or planned for each of the Performance Indicators set for a particular Strategic Objective. Details of performance indicators and specific targets are provided in the section on Performance Indicators.

\*\* The planned target is determined based on the average number of users that can be trained by the available trainers with time allowed for administration work. The indicator is however demand driven and due to additional requests from departments and changes to systems that require users to be trained again time planned for administration is used to provide additional training.



## Reasons for deviations

Reasons for deviations are provided in the comment on deviations column above.

## Performance indicators

<b>Programme / Sub-programme: Asset Management</b> <b>Strategic Objective: To monitor the effective and efficient management of movable and immovable assets</b>					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Infrastructure/IDP delivery meetings and reviews conducted	13 meetings	8 meetings	18 meetings	10	There were 10 additional meetings as a result of National Treasury's request and visits to the province
Number of infrastructure site visits conducted	68 projects	60 projects	69	9	Additional site visits due to ad hoc requests from CEO, Budget Management and the Department of Education.
Number of infrastructure monitoring & review reports produced	4 reports	8 reports	8 reports	-	-
Number of consolidated reports produced on effective management of PPP projects	4 consolidated reports	4 consolidated reports	4 consolidated reports	-	-
Number of Training sessions on PPP projects conducted	2 training sessions	2 training sessions	2 training sessions	-	-
Monthly monitoring of the provincial banker in line with the SLA through monthly meetings	10 meetings	11 meetings	11 meetings	-	-
Timely submission of accurate Annual Financial Statements on the Provincial Revenue Fund	1 set of AFS submitted in time	1 set of AFS submitted in time	1 set of AFS submitted in time	-	-
Monthly reports on Cash allocations to departments	12 reports	12 reports	12 reports	-	-
Monthly monitoring reports on Investments	N/A	12 reports	12 reports	-	-
Annual review and implementation of the settlement limit and bridging finance	Reviewed bridging finance 12 sets of limits	Review of bridging finance Implementation of 12 settlement limit	Reviewed bridging finance 12 sets of limits	-	-
Supply Chain Management key performance indicators implemented	1 set of KPIs developed and monitored	1 set of KPIs developed and monitored	1 set of KPIs template implemented	-	-



Programme / Sub-programme: Asset Management

Strategic Objective: To monitor the effective and efficient management of movable and immovable assets

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of supply chain management forums and training sessions conducted	16 SCM forums (12 monitoring meetings held in the form of forums)	4 SCM Forums 4 training sessions	3 SCM Forums 9 training sessions	1 5	Intention was to invite NT and CIPS but it did not materialize  5 additional SCM trainings were conducted due to assistance received from National Treasury and PALAMA
Supplier management system maintained	1 supplier database (4 reports on the maintenance)	* 1 supplier database (4 reports on maintenance)	4 report on supplier database maintenance	-	-
Number of SCM monitoring reports produced	70 reports	52 reports	47 reports	5	The target could not be reached due to two departments not submitting KPI reports for assessment in the 1st quarter and assessments not done for the 2nd Quarter due to new KPIs that were developed
Number of training sessions conducted / facilitated	3 training sessions	1 training session	1 training session	-	-
Physical asset management within departments and public entities improved - training and forums	18 PAM forums	14 PAM forums 8 training sessions	14 PAM forums 8 training sessions	- -	- -
Physical Asset Management monitoring reports produced to promote effective physical asset management practices within the province	71 reports	120 reports	134 reports	14	Target exceeded due to follow-ups conducted by PAM on previous monitoring to implement recommendations

\* Annual Target incorrectly captured as 1 Supplier Database in Annual Performance Plan



**Programme / Sub-programme: Supporting and Interlinked Financial Systems**  
**Strategic Objective: To manage transversal financial management systems**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Availability and stability of the BAS Terminal Servers	98,16% of working hours	95% of 8 working hours	99.78% of 8 working hours available	Target exceeded by 5%	
Provide technical and functional support to provincial departments within working hours	Respond within 8 working hours	Respond within 8 working hours	Responded within 8 working hours	-	-
Process submissions from departments for online banking and/or hand written cheques	Within 24 working hours	Within 24 working hours	Within 24 working hours	-	-
Interfaces successfully integrated with external systems	100% of 3 Interfaced	100% of 3 Interfaced	100% of 3 Interfaced	-	-
Process credible and accurate entities within 10 working days	Within 10 working days	Within 10 working days	Within 10 working days	-	-
Items codified and standardized (Process item-codification requests) within 48 working hours	Within 48 working hours	Within 48 working hours	Within 48 working hours	-	-
Number of employees trained on Transversal Systems (BAS, PERSAL and LOGIS)	1297 users trained	700 users trained	1204 users trained	504	Target exceeded due to the release of the Quotation and Procurement functions on 27 September 2013 and Logistics initiated training sessions on these functions, additional training due to a LOGIS System change with regard to Quotation Management and a request for extra training courses by the Department of Education

**Reasons for deviations**

Reasons for deviations are provided in the comments column of the tables above.

**Strategy to overcome areas of underperformance**

Strategies to overcome under-performance are provided in the columns of the tables above.

**Changes to planned targets**

There were no in-year changes to planned targets. Changes to indicators and targets were effected on the 2014/15 Annual Performance Plan.



#### Sub-programme expenditure: Programme 3

Sub- Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 262	2 241	21	3 270	3 238	32
Asset Management	19 484	19 324	160	15 103	15 082	21
Supporting and Interlinked Financial Systems	39 838	39 797	41	41 660	41 549	111
<b>Total</b>	<b>61 584</b>	<b>61 362</b>	<b>222</b>	<b>60 033</b>	<b>59 869</b>	<b>164</b>

#### 4.4. PROGRAMME 4: FINANCIAL GOVERNANCE AND MUNICIPAL FINANCE MANAGEMENT

##### Purpose

The role of this programme is to promote financial governance within the provincial government.

The programme consists of seven (7) sub-programmes:

##### Financial Governance

- Accounting Services
- Provincial Risk Management and Internal Audit

##### Municipal Finance Management

- Municipal Budget and Monitoring (IYM)
- Municipal Accounting Services
- Municipal Revenue and Debt Management
- Municipal Supply Chain Management and Compliance
- Municipal Risk Management and Internal Audit

##### Strategic Objectives

- To promote sound accounting practices and reporting
- To monitor and assess budget planning and implementation in municipalities
- To monitor municipal revenue and debt in establishing sound fiscal management
- To support, promote and monitor sound financial reporting in line with legislation
- To promote implementation of Supply Chain Management and compliance with norms and standards
- To promote sound Risk Management and Internal Audit in municipalities
- To promote sound Risk Management and Internal Audit practices

##### Strategic objectives, performance indicators, planned targets and actual achievements

Programme 4 is responsible for 2 strategic goals, i.e. Strategic Goal 4, **Promotion of financial governance within the provincial government** and Strategic Goal 5, **To promote the effective implementation of Municipal Finance related legislation**. It strives to improve financial accountability in both the Provincial and Local spheres of government in order to improve financial governance and audit outcomes.



The sections that follow provide information on the achievement of targets for the strategic objectives and performance indicators for the programme for the financial year under review.

**Strategic objectives:**

Programme Name: Financial Governance and Municipal Finance Management					
Strategic objectives	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations
To promote sound accounting practices and reporting	255	32	35	3	Comment on deviations Overachievement is due to an additional work session on the 2012/13 audit findings and additional training due to the introduction of a new Public Entity template for Annual Financial Statements.
To monitor and assess budget planning and implementation in municipalities	111	6	9	3	Overachievement as a result of additional training sessions for municipalities on tariff setting.
To monitor municipal revenue and debt in establishing sound fiscal management	43	28	40	12	Overachievement due to a report on the status of 'Pay for your Services' campaign not initially planned for as well as additional intergovernmental working sessions with departments and municipalities to address government debt to municipalities.
To support, promote and monitor sound financial reporting in line with legislation	25	18	17	1	In the 3rd Quarter assets and liabilities were addressed in the report on adherence to GRAP standards and a separate report on asset and liability management was not produced.
To promote implementation of Supply Chain Management and compliance with norms and standards	31	30	45	15	Overachievement due to municipalities requesting additional training in SCM
To promote sound Risk Management and Internal Audit in municipalities	169	18	18	-	-
To promote sound Risk Management and Internal Audit practices	152	22	24	2	Overachievement due to the International Fraud Awareness week activities extended to the districts and additional work sessions based on 2012/13 audit outcomes with all stakeholders.



\* The Actual Achievement and Planned Targets for each Strategic Objective was determined through a simple count of all targets achieved or planned for each of the Performance Indicators set for a particular Strategic Objective. Details of performance indicators and specific targets are provided in the section on Performance Indicators.

The substantial difference between the Actual Achievement for 2012/13 and the Planned Target for 2013/14 is due to a review of the Performance Indicators during the development of the 2013/14 Annual Performance Plan (APP) which aimed to remove more operational matters from the APP and to improve alignment with the outcomes approach.

### Reasons for deviation

Reasons for deviation are included in the comments column of the table above.

### Performance indicators

Programme / Sub-programme: Accounting Services					
Strategic Objective: To promote sound accounting practices and reporting					
Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of accounting related forums/work sessions/bilaterals to build capacity in provincial departments and entities	11	8	10	2	Exceeding of target relates to additional work sessions arranged based on the 2012/13 Audit Findings
Formal training sessions conducted/facilitated to build capacity in provincial departments and entities on: <ul style="list-style-type: none"> <li>• Asset and liability accounts</li> <li>• Basic accounting handbook</li> <li>• Annual financial statements</li> </ul>	7	6	7	1	Training needs were identified due to the new Public Entity template that was introduced by National Treasury for the preparation of Annual Financial Statements and a request from departments for the training on the departmental AFS template
Number of consolidated reports on interim and annual financial statements assessments produced to promote quality financial statements	70	4	4	-	-
Timely submission of consolidated annual financial statements and Annual Report <ul style="list-style-type: none"> <li>• Draft CFS</li> <li>• Final CFS</li> <li>• Annual Report</li> </ul>	30 June 31 August 31 October	30 June 31 August 31 October	30 June 31 August 31 October	-	-
Number of consolidated Key Control Matrix assessment reports produced for departments and trading entities' to promote compliance with legislative requirements	164	11	11	-	-



**Programme / Sub-programme: Municipal Budget and Monitoring (IYM )**  
**Strategic Objective: To monitor and assess Budget planning and implementation in municipalities**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Credible Draft budgets, Final budgets and received Adjustment budgets	N/A	1 Consolidated Report for 23 municipalities	1 Consolidated Report for 23 municipalities	-	-
Monitoring budget performance through In Year Monitoring (IYM).	N/A	Quarterly publication of section 71	Quarterly publication of section 71	-	-
Capacity building initiatives to municipalities on budget preparation and in year reports	2 Sessions	2 training sessions (1 Budget preparation, 1 IYM)	5 training sessions	3	Tariff setting of electricity was identified as a major challenge impacting negatively on the credibility of adopted budgets. Provincial Treasury in consultation with National Electricity Regulator South Africa (NERSA) held working sessions with all municipalities on filling of application forms as well as tariff setting of electricity. National Treasury furthermore requested Provincial Treasury to assist with the roll out and implementation of Standard Charts of Accounts. Workshops were held in four districts in the province
MFM Joint Forums	N/A	2 Sessions	2 Forum sessions	-	-



**Programme / Sub-programme: Municipal Revenue and Debt Management**  
**Strategic Objective: To monitor municipal revenue and debt in establishing sound fiscal management**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Monthly assessment on municipal revenue and debt management to improve management processes as per MFMA section 71	10 Local Municipalities	12 consolidated reports	13 consolidated reports	1	The over achievement is due to a report compiled on the status of the 'Pay for your Services' campaign which formed part of the EXCO resolutions taken on revenue enhancement strategies in addition to the monthly reports planned for.
Assessment of draft revenue policies in compliance to legislation, i.e. <ul style="list-style-type: none"> <li>• Credit control and debt collection</li> <li>• Property rates</li> <li>• Tariff</li> <li>• Indigent</li> <li>• Debt write off</li> </ul>	N/A	1 consolidated report	1 consolidated report	-	-
Number of intergovernmental work sessions conducted to resolve national and provincial debt owed to municipalities	10 work sessions	2 plenary sessions  10 work sessions at Municipalities	3 plenary sessions  20 work sessions at Municipalities	1 plenary session  10 work sessions at Municipalities	The overachievement was due to the Department of Public Works having problems to solve debt with some municipalities and seeking Provincial Treasury's intervention as well as additional demands from municipalities and departments to clear the intergovernmental debt. Additional intergovernmental work sessions were therefore arranged which resulted in government debt to municipalities reducing substantially.
MFM Joint Forums	N/A	2 Meetings	2 Meetings	-	-
Revenue value chain workshop	N/A	1 workshop	1 workshop	-	-



**Programme / Sub-programme: Municipal Accounting Services**  
**Strategic Objective: To support, promote and monitor sound financial reporting in line with legislation**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Adherence to GRAP standards, accounting disciplines and timely submission of credible annual financial statements	N/A	4 consolidated reports for 23 municipalities	4 consolidated reports for 23 municipalities	-	-
Number of Municipalities developed and implemented audit action plans	2 reports	2 consolidated reports for 23 municipalities	2 consolidated reports for 23 municipalities	-	-
Asset and liability management in Municipalities assessed	N/A	4 consolidated reports for 23 municipalities	3 consolidated reports for 23 municipalities	1 report	In the 3rd Quarter the matter was addressed in the report on adherence to GRAP standards and a separate report on asset and liability management was not produced.
Timely submission of <ul style="list-style-type: none"> <li>• Draft Annual Report</li> <li>• Tabling of Annual Report</li> </ul>	1 report 1 report	31 August 31 January	31 August 31 January	-	-
Report on the progress of the implementation of PROPAC resolutions	4 reports	4 consolidated reports for 23 municipalities	4 consolidated reports for 23 municipalities	-	-
MFM Joint Forums	N/A	2 forums	2 forums	-	-



**Programme / Sub-programme: Municipal Supply Chain Management and Compliance**

**Strategic objective: To promote implementation of Supply Chain Management and compliance with norms and standards**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of Municipalities assessed and assisted with compliance to SCM prescripts	9 municipalities	8 municipalities	13 municipalities	5 municipalities	The overachievement was due to municipalities requesting additional training and hands-on support on the implementation of SCM policies and procedures
Number of municipalities assessed to improve compliance against the MFMA 30 Monitoring Indicators	4 consolidated reports	4 consolidated reports on 23 municipalities	3 consolidated reports on 23 municipalities	1 consolidated reports on 23 municipalities	National Treasury changed the template for the report in the 2nd Quarter and also changed the reporting date with the result that no report was produced for the 2nd Quarter.
Number of Municipalities assessed on annual review and implementation of MFMA system of delegations	1 consolidated status report and 3 progress report	1 consolidated status report and three progress reports	1 consolidated status report and three progress reports	-	-
Development and implementation of SCM Management Toolkit for Municipalities	N/A	Toolkit developed	Toolkit not fully developed	Toolkit not yet fully developed. Testing not yet completed.	The system is still being tested before it will be signed-off. Administrators and end-users must still be trained.
Number of Municipalities assessed and assisted with uploading of contract above R100 000.	N/A	7 municipalities	17 municipalities	10 municipalities	All relevant municipalities were previously trained on how to upload contracts above R100 000 onto the National Treasury's Contract Registration Administration (CRA) system. However, after training they failed to continue uploading information and then requested Treasury to re-train them, hence more municipalities were assisted than planned for.



**Programme / Sub-programme: Municipal Supply Chain Management and Compliance**  
**Strategic objective: To promote implementation of Supply Chain Management and compliance with norms and standards**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of Municipalities monitored for compliance with PPP prescripts	N/A	2 reports	1 report	1 report	One report was not done as the department was awaiting a legal opinion on a PPP contract.
Capacity building:					
• MFM Joint forums	N/A	2 meetings	2 meetings	-	-
• Interns programme	2 forums	2 interns forums	2 interns forums	-	-
• Minimum Competency Level requirements	1 report	2 reports	3 reports	1	Overachievement due to a request of National Treasury to assist municipalities to compile their quarterly reports on progress made on Municipal Finance Management Programme (MFMP). Municipalities were also assisted with the uploading of the MFMA interactive DVD
• SCM formal training	4 training	1 training session	3 training session	2	Overachievement due to additional training on Local Content as not all municipalities complied with the requirements of Local Content, in spite of training that was provided in the past.



**Programme / Sub-programme: Municipal Risk Management and Internal Audit**  
**Strategic Objective: To promote sound Risk Management and Internal Audit in Municipalities**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Review and Development new KPIs <b>Reviewed KPIs</b> Internal Audit Audit Committee Risk Management: Risk management Committee Fraud management Strategies	8 set of indicators	5 set of indicators	5 set of indicators	-	-
<b>Newly Developed KPIs</b> Internal Audit Recommendations Template		1 Template	1 Template	-	-
Annual capacity, follow up on capacity and functionality assessment reports produced for delegated municipalities against predetermined KPIs  Capacity and Functionality Assessment • Internal Audit Units  • Audit Committees • Risk Management Units • Risk Management Committee • Fraud Management Strategies	46 Reports	2 consolidated reports	2 consolidated reports	-	-
Evaluation of Internal Audit recommendations and monitoring implementation for delegated municipalities	N/A	2 consolidated reports	2 consolidated reports	-	-
Capacity building • Formal training (IA and RM)  • MFM joint forum (RMGIA)  • Annual Audit Committee chairperson's forums  • Host Forum – fraud awareness week	4 trainings  4 joint forums  2 forums  1 forum	2 trainings  2 joint forums  1 forum  1 forum	2 trainings  2 joint forums  1 forum  1 forum	-	-



**Programme / Sub-programme: Provincial Risk Management and Internal Audit**  
**Strategic Objective: To promote sound Risk Management and Internal Audit practices**

Performance Indicator	Actual Achievement 2012/2013	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Bi-annual assessments reports produced for departments and public entities to promote compliance with Risk Management framework	29 reports	2 consolidated reports	2 consolidated reports	-	-
Bi-annual consolidated Financial Management Capability Maturity (FMCM) assessment report to promote performance level on financial management components for departments and entities	N/A	2 consolidated reports	2 consolidated reports	-	-
Number of Risk Management and Internal Audit related forums / sessions to build capacity in provincial departments and entities	N/A	6 forums/ sessions	6 forums/sessions	-	The overachievement was due to a decision to extend the International Fraud Awareness week activities to districts.
Formal training sessions conducted/facilitated to build capacity for provincial departments and Entities <ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Internal Audit</li> </ul>		2 training/ session	6 training/session	4 training/ session	Work sessions and training based on 2012/13 Audit Outcomes was arranged with all stakeholders to address capacity related to Risk Management.
Bi-annual consolidated assessment reports produced for departments and public entities to promote compliance with Internal Audit framework.	20 reports	1 consolidated report	1 consolidated report	-	-
Entities' key control matrix assessments reports to promote compliance with legislative requirements	N/A	9 reports	9 reports	-	-



### Reasons for deviations

Reasons for deviations are provided in the comments column of the tables above.

### Strategy to overcome areas of underperformance

Strategies to overcome under-performance are provided in the columns of the tables above.

### Changes to planned targets

There were no in-year changes to planned targets. Changes to indicators and targets were effected on the 2014/15 Annual Performance Plan.

### Sub-programme expenditure: Programme 4

Sub- Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	1 786	1 720	66	1 746	1 731	15
Accounting Services	7 698	7 641	57	7 841	7 769	72
Norms and Standards	21 706	21 148	558	22 542	22 350	192
Risk Management and Internal Audit Provincial	8 357	8 047	310	7 296	7 263	33
<b>Total</b>	<b>39 547</b>	<b>38 556</b>	<b>991</b>	<b>39 425</b>	<b>39 113</b>	<b>312</b>

## 5. TRANSFER PAYMENTS

### 5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
None				

### 5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2013 to 31 March 2014

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Reasons for the funds unspent by the entity
None					



The table below reflects the transfer payments which were budgeted for in the period 1 April 2013 to 31 March 2014, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
None				

## 6. CONDITIONAL GRANTS

### 6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The table below describes each of the conditional grants and earmarked funds paid by the department.

Department/ Municipality to whom the grant has been transferred	None
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA	N/A
Amount transferred (R'000)	N/A
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	N/A

### 6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The table below details the conditional grants and ear marked funds received during for the period 1 April 2013 to 31 March 2014.

Department who transferred the grant	None
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA	N/A
Amount received (R'000)	N/A
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A



## 7. DONOR FUNDS

### 7.1. DONOR FUNDS RECEIVED

Name of donor	N/A
Full amount of the funding	N/A
Period of the commitment	N/A
Purpose of the funding	N/A
Expected outputs	N/A
Actual outputs achieved	N/A
Amount received in current period (R'000)	N/A
Amount spent by the department (R'000)	N/A
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	N/A

## 8. CAPITAL INVESTMENT

### 8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

- The department's procurement plan gives direction in respect of capital assets to be procured and maintained.
- To ensure that the department's asset register remains up-to-date, the following measures were developed and implemented:
  - Manual Additions register – to verify and reconcile all the newly barcoded and procured assets versus the Logis system's Major additions report.
  - Disposal and Balance Adjustment Database register – to record all captured disposals and losses
  - Movement of assets are captured within 3 days after submission
- A vast number of office furniture and computer equipment was procured in the 2012/2013 financial year, and are still in a fair condition. The depreciation rate for the computer equipment is 3 years.



The table below indicates expenditure on new and replacement assets.

New and replacement Assets	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Audio visual equipment	15	11	4	7	-	7
Building Air-con systems	91	51	40	-	-	-
Computer hardware & systems	1 107	889	218	2 690	2 461	229
Computer software	-	-	-	-	-	-
Domestic Equipment	2	-	2	28	28	-
Learning, Training Support	128	81	47	82	51	31
Photographic equipment	-	-	-	4	-	4
Telecommunication equipment	-	-	-	125	-	125
Office equipment	233	200	33	278	209	69
Office furniture	119	97	22	1 150	1 095	55
Cellular Routers	-	-	-	120	119	1
<b>Total</b>	<b>1 695</b>	<b>1 329</b>	<b>366</b>	<b>4 484</b>	<b>3 963</b>	<b>521</b>



# PART C: GOVERNANCE



# 1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the taxpayer.

# 2. RISK MANAGEMENT

- The department has an approved Risk Management Policy and Risk Management Strategy.
- Risk Assessment was conducted for the period under review and a Risk Assessment Report was compiled and presented to management.
- The department has a functional Risk Management Committee in place that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- The Audit Committee independently monitors and provide feedback on the effectiveness of Risk Management implementation in the department.
- The department monitors progress made on implementation of mitigation strategies for unacceptable risks on a quarterly basis through risk monitoring reports by the risk owners.

# 3. FRAUD AND CORRUPTION

- The department has an approved fraud prevention plan together with an approved fraud prevention policy in place.
- The department has a clear guide on reporting of fraudulent and corrupt cases. These guidelines are communicated to all officials on fraud posters that are placed in offices and are also captured in the approved fraud prevention policy, which is also communicated and placed on the intranet. The departmental fraud prevention strategy also includes a whistle blowing policy.
- The department has two types of reporting mechanisms in place. Cases are reported  
Non-anonymously:
  - Report in writing, Verbally or telephonically to the line manager;
  - Report in writing, verbally or telephonically to the Manager: Security Services;
  - Report in writing to the Accounting Officer.Anonymously:
  - Report by using the confidential 24 hour Fraud Hotline: 0800 701 701. The custodian of this number is the Public Service Commission.

# 4. MINIMISING CONFLICT OF INTEREST

Members of bid committees are required to declare interest through the completion of the declaration of interest and confidentiality document whenever a bid committee convenes.

In addition to the above, SCM practitioners are subjected to the requirements of the Directorate's Code of Conduct which requires practitioners to declare any business interest, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest.



In the event that conflict of interest arises with bids, the committee member will be required to withdraw from the bidding process.

The SBD4 bidding document requires bidders to declare relations with both people employed by the state and involved in the procurement process.

As prescribed by chapter three of the Public Service Act, 1994 (Act No. 103 of 1994), read with related regulations regarding financial disclosures, all Senior Management Members (SMS) completed the disclosure forms and these were signed off by the Executive Authority and presented to the office of Public Service Commission as required by the Act.

## 5. CODE OF CONDUCT

The department has a Procedure Manual in Code of Conduct to identify the attitudes, conduct and actions required to ensure that the role and responsibilities of the Provincial Treasury is carried out in an ethical manner. The manual deals with acceptable and respectful behavior and aims to contribute to confidence in and respect for Provincial Treasury.

85% of officials in the department was trained on the said Manual.

This manual clearly indicates what procedure to follow in the case of a breach of any conditions of the code of conduct. All instances of non-compliance with the Code of Conduct are treated seriously by the department and, depending on the nature of the of the misconduct, may result in the department taking formal disciplinary action.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Employers are expected to provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of employees. The department has established an Occupational Health and Safety (OHS) Committee, which includes the HIV Committee, to oversee health and safety matters in the departments. The committee comprises of the following members:

### **OHS Committee**

1. P.E. Mahabuke: Assistant Manager: Special Programmes and Employee Health and Wellness
2. C. Ntlokwana: Wellness Consultant
3. V. Phalatsane: CEO's Office
4. Y. Adams: Support and Interlink Services
5. M. Mafata: Support and Interlink Services
6. S. Mokotso: HIV committee member
7. M. Sello: Supply Chain Management
8. B. Mosese: HRM
9. M. Mokoena: HRM
10. W. Tsekeli; Finance Management
11. D. Rheeder: PSA
12. A. Molefe: Asset Management
13. P. Thamae: Special Programmes officer
14. L. Joubert: PERSAL



15. S. Basson: BAS
16. T. Medupe: PSA
17. B. Mokobe: NEHAWU
18. N. Mapili: Municipal Finance Management

Activities undertaken during the reporting period include:

- Fire report accessed from fire department
- Training of the OHS Committee in basic fire-fighting, OHS, Basic First Aid.
- Resolving of OHS hygiene and other safety concerns in cooperation with Public Works.
- Safety, Health, Environmental Risk and Quality(SHERQ) policy developed and approved as per legislative and DPSA prescripts.

## 7. PORTFOLIO COMMITTEES

The department attended the following Portfolio Committee meetings:

Date	Matters discussed
21 November 2013	Adjustment Appropriation Bill 2013/14 Annual Report 2012/13 2nd Quarter Expenditure Reports for 2013/14 financial year
14 March 2014	Appropriation Bill 2014

## 8. PROPAC RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Resolution 5 of 2013	Oversight regarding SCM	Provincial Treasury must enhance their oversight role to enforce the PFMA and legislative requirements related to Supply Chain Management to fulfil their mandate as required by section 18 of the PFMA.	The department developed a SCM Toolkit that will assist departments, municipalities and provincial public entities with standard operating procedures relating to SCM.	No
		Relevant SMS Members should ensure that a proper assessment is executed at each department and all deficiencies with recommendations how to resolve them are communicated to all Accounting Officers before 31 May 2013. Quarterly implementation progress report should be submitted to the Committee.	A SCM Checklist (KPIs) has been developed on which quarterly assessments are done and findings communicated to departments and entities.	No



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	Oversight regarding Asset Management	<p>Provincial Treasury should enforce the legislative requirements related to Asset Management and build capacity at departments.</p> <p>Provincial Treasury should implement measures, monitor and report on quarterly basis to the Committee on:</p> <ul style="list-style-type: none"> <li>• Status of LOGIS asset register of all departments</li> <li>• Completeness, existence and valuation of assets (including immovable assets)</li> <li>• Compliance with relevant Legislative requirements.</li> </ul>	<p>Status of departments' asset register is 75%. There is a completeness and accurate valuation of assets for the department utilizing LOGIS assets register. Policies are evaluated annually. Programmes relevant to Asset Management are submitted and verified by officials.</p> <p>9 Out of 12 departments are utilising the prescribed system and only 3 are still in the process of converting to LOGIS.</p>	No
Resolution 16 of 2013 (Transversal)	Enforcement of the PFMA	<p>Implement effective internal controls and processes which will prevent and detect any non-compliance matter in the department, instituting and operating appropriate and relevant key controls.</p>	<p>The department has internal controls but further improvement is required.</p>	No
		<p>Ensure the following processes are designed and implemented:</p> <ul style="list-style-type: none"> <li>• Minimum policies and procedures as communicated by Provincial treasury should be developed, approved and implemented before 30 April 2013.</li> <li>• Monitoring and enforcing financial management legal requirements and ensuring that standard operating procedures are developed and implemented in line with relevant legislative requirements</li> <li>• Instituting and operating appropriate and relevant key internal controls</li> <li>• Implement effective internal controls to prevent unauthorised, irregular as well as fruitless and wasteful expenditure</li> <li>• Finalise backlog investigations related to irregular as well as fruitless and wasteful expenditure before 30 April 2013 and ensure that all future investigations are completed within the required timeframes</li> </ul>	<p>The department has policies and procedures in place but must develop further policies and procedures to comply with the new instruction from Treasury.</p>	No



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<ul style="list-style-type: none"> <li>• Developing, communicating, implementing and monitoring compliance with the code of conduct</li> <li>• Ensuring that employees are properly trained and understand the code of conduct</li> <li>• Effective use of the Internal Audit function where non-compliance matters were reported; and</li> <li>• Effective use of Audit Committee to perform an oversight thus giving assurance to the accounting officer.</li> </ul>	<p>Employees trained on the code of conduct</p> <p>Internal Audit actively performs planned audits in terms of the approved audit plan and reports non-compliance and deficiencies with internal controls on identification in their internal audit reports. The Audit Committee is used effectively.</p>	<p>Yes</p> <p>Yes</p> <p>Yes, ongoing</p>
		<p>Ensure that the following actions are taken in case of non-compliance:</p> <ul style="list-style-type: none"> <li>• Investigate the matter</li> <li>• Institute disciplinary action against officials if liable in law, if not liable, the reason why the relevant official is not liable in law must be stated</li> <li>• Report the disciplinary action taken against an official to the Executive Authority, Provincial Treasury and AGSA; and</li> <li>• If the matter has financial implications attached to it, ensure that officials are charged with financial misconduct and recover those monies from the responsible officials, if liable in law</li> </ul> <p>All incidents of non-compliance must be officially recorded and submitted to Provincial Treasury on bi-monthly basis</p>	<p>Some cases were investigated and reported to Provincial Treasury. Mechanisms however have to be put in place to ensure that all cases are reported.</p>	<p>No, ongoing matter</p>
		<p>Provide all reports, documents and information required by law or requested in terms of section 41 of the PFMA within the timeframe to Provincial Treasury and AGSA. Accounting Officers are accountable and should ensure that information provided is complete, accurate, useful and reliable.</p>	<p>Ongoing. The department submitted all documents required and complied with section 41. According to the assessment received from Provincial Treasury there are no outstanding documents.</p>	<p>No, ongoing</p>



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	Procurement Function	Provincial Treasury must assess the procurement and provisioning systems as well as compliance with SCM legislative requirements of all departments and entities and provide the assessment report on all deficiencies with recommendations to the Accounting Officers/ Authorities before 31 May 2013.	Duplication of Resolution 5/2013	
		Accounting Officers / Authorities must within 30 days of receipt of this assessment develop a remedial action plan with responsibility and timeframe for execution as well as supervision to implement the recommendations of Provincial Treasury and resolve all matters before 30 October 2013. A bi-monthly progress report on implementation signed off by the Accounting Officer/Authority should be submitted to Treasury. Accounting Officers/Authorities should identify none of poor performance and institute disciplinary actions.	A SCM Checklist (KPIs) has been implemented on which reporting is done.	No, Ongoing
	Asset Management	Provincial Treasury should implement measures, monitor and report on quarterly basis on the following: <ul style="list-style-type: none"> <li>• Status of LOGIS asset register of all departments</li> <li>• Completeness, existence and valuation of assets (including immovable assets)</li> <li>• Compliance with relevant Legislative requirements.</li> </ul>	The following measures were implemented: <ul style="list-style-type: none"> <li>• Monthly monitoring of asset room lists during site visits</li> <li>• Monitoring of the existing immovable asset register and Action Plan according to GIAMA</li> <li>• Monthly monitoring of existing departmental asset management policies and delegations.</li> <li>• Monthly and quarterly verification of PAM KPI.</li> </ul>	No, ongoing
		Accounting Officer must within 30 days from the tabling and adoption of the resolution by the Legislature develop a remedial action plan with responsibilities and timeframes to ensure the following: <ul style="list-style-type: none"> <li>• Asset register is converted to LOGIS Asset register, within timeframes indicated by National Treasury</li> <li>• Critical funded vacancies are filled within 3 months</li> <li>• Adequate skills to fulfil asset management functions</li> <li>• Completeness, existence and accurate valuation of assets</li> <li>• Effective management of Work in Progress related to Infrastructure</li> <li>• Effective contract management</li> <li>• Compliance with Physical Asset management KPIs issued by Provincial Treasury</li> </ul>	The department uses the LOGIS Asset register.  Due to the department's restructuring process vacancies have not been filled. The department was however able to effectively fulfil the asset management functions.	



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		<p>Accounting Officers must provide a detail report before 30 April 2013 to the Committee regarding the following information:</p> <ul style="list-style-type: none"> <li>• Consultants/contract workers used since 2011/12 till date of the report</li> <li>• Scope of appointments</li> <li>• Period of appointments</li> <li>• Cost implication</li> <li>• Skills transferred</li> <li>• Outcome/ achievement versus scope</li> <li>• Number and level of vacancies in Asset management during each period of appointment of consultants / contract workers</li> </ul>	<p>Progress on Asset vacancies is submitted on monthly basis as part of KPI. The department has not been utilizing contract workers since 2011.</p>	No
	Predetermined objectives	<p>Implement control measures which will prevent such findings (accuracy, validity, completeness measurability and relevance/planned targets) in future financial years. These control measures must be able to ensure the following:</p> <ul style="list-style-type: none"> <li>• Reported indicators on the predetermined objectives are accurate when compared to the source information</li> <li>• The actual relevant performance must be valid when compared to the evidence provided</li> <li>• The information reported is completed with reference to the reported information</li> <li>• Indicators are clear and well defined to ensure that actual performance are consistent and measurable</li> <li>• The indicators and targets must be consisted to the planned objectives</li> <li>• Effective monitoring of financial and performance information on quarterly basis</li> <li>• Sufficient capacity both resources and skills exist in Strategic Planning and Monitoring unit to comply with requirements of pre-determined objectives</li> </ul> <p>The afore-mentioned matters should be included in the job descriptions / relevant agreements to ensure that disciplinary action can be instituted if the findings are not effectively addressed in the 2013/2014 financial year.</p> <p>The Accounting Officer must request monthly management, monitoring and reporting on the status of implementation of this action plan from the CFO and institute disciplinary actions against relevant officials for poor performance.</p>	<p>Control measures have been implemented.</p> <p>These include quarterly reporting on performance information to the management structures of the department as well as the Audit Committee. Verification of the evidence provided done by Internal Audit.</p> <p>The Public Finance unit in Provincial Treasury also verifies the evidence and provides the department with a report.</p> <p>The Draft Annual Performance Plan for 2014/15 was submitted to the Budget office of Provincial Treasury as well as the Monitoring and Evaluation unit in the Department of the Premier for assessment of compliance with requirements and outcomes before it was finalised.</p> <p>Job descriptions have been reviewed to include the requirements.</p>	No, ongoing



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	Slow implementation on the Auditor General's findings	<p>Provincial Treasury in future issue an enforcement letter to the responsible Accounting Officer or Accounting Authority before 30 August 2012 to account for transgression of non-compliance based on the relevant Audit reports and management letters. The non-compliance or transgression should be based on the following:</p> <ul style="list-style-type: none"> <li>• Audit opinion</li> <li>• Unauthorised, irregular as well as fruitless and wasteful expenditure</li> <li>• Strategic planning, budget management and predetermined objectives</li> <li>• Expenditure, revenue, assets and liabilities</li> <li>• Governance</li> </ul>	Enforcement letters issued.	Yes
		<p>Submit within 30 days a report of disciplinary steps taken against official(s) who have failed to execute their duties properly which contributed to the findings included in Provincial Treasury enforcement letter</p> <p>Comply with the national and provincial requirements related to remedial action plan content and timeframes and hold the CFO in terms of Treasury Regulations 2.1 responsible to ensure that the root causes are addressed and the remedial action plan is effectively implemented. None or poor performance identified during assessment must be addressed.</p> <p>Audit Committees should cover progress with the rectification of prior audit findings in their quarterly reports to Executive Authorities and submit a copy via Treasury to the Portfolio Committee.</p>	<p>No disciplinary actions required.</p> <p>A remedial action plan, which complies with national and provincial requirements, was developed. All root causes have been addressed and the plan has been effectively implemented.</p> <p>The departmental Internal Auditors monitor progress on the implementation of the Remedial Action Plan and the Chief Audit Executive presents the progress to the Audit Committee to provide oversight. The status of prior audit findings are included in the Audit Committee's quarterly report to the Executing Authority.</p>	No, ongoing



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	Provincial Interdepartmental Claims	Interdepartmental claims should be limited and budget allocation should be done according to the mandate of a department.	The Executive Council agreed that Provincial Treasury should incur the costs for the memorial service and viewing of the funeral of the late Dr Mandela and that provincial departments must reimburse Provincial Treasury.	No, ongoing
		When one department needs to incur expenditure on behalf of another department there must be written agreement between the relevant Accounting Officers on behalf of the relevant departments.	Agreements have been signed for expenditure incurred for the memorial service and funeral of the late Dr Mandela.	No, ongoing
		The accounting officer who incurs the expenditure must ensure that an official claim with relevant supporting documents is issued within 15 days from the date that expenditure was settled.	The department issued four of the eleven claims within 15 days. The other claims were issued later.	No, ongoing
		All accounting transactions related to these claims should be processed on the financial system before month end closure.	All claims were processed by month end closure.	No, ongoing
		All interdepartmental claims must be settled within 30 days and in case of disputes, must be communicated in writing within 10 days from receipt of the claim.	Claims against the department were settled within 30 days and disputes resolved.	No, ongoing
		The Accounting Officer incurring the expenditure must ensure that proper procurement procedures are executed and no irregular or fruitless and wasteful expenditure is incurred.	No irregular and fruitless and wasteful expenditure were reported which relates to claims issued.	No, ongoing
	Debt Management	Preventative and detective control measures should be implemented to ensure that debt is limited, communicated and recovery measures agreed upon within 60 days from identification of debt.	<p>The department has a debt policy that includes measures to enhance debt management.</p> <p>Preventative and detective measures to ensure the recovery and prescription of debt have been implemented.</p> <p>Provincial Treasury has confirmed that spot checks on debt files confirmed that debt identification were registered on BAS within 30 days of identification and the recovery / instalments of debt within 60 days.</p>	No, ongoing
	Audit Committees	Mechanisms must be developed to ensure that management submits responses to internal audit reports.	Management submits responses to internal audit.	Yes



## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department obtained a clean audit report in the 2012/13 financial year. The department has developed an Amended Audit Action Plan, whereby all findings raised in the Auditor General's management letter are recorded and assigned to responsible officials for implementation and remedial actions and is reported as prescribed on a monthly basis to all the relevant stakeholders.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
N/A		

## 10. INTERNAL CONTROL UNIT

### Effectiveness of Internal Audit

The departmental internal audit assessed and evaluated the effectiveness of the internal control system of the department against the principles and focus areas as outlined by COSO's internal control integrated framework to assist in improving the system's effectiveness. The internal audit unit has achieved its set objectives in terms of the 2013/14 annual performance plan, the unit has also completed most of the project in terms of the 2013/14 approved annual internal audit plan. Management agreed with the recommendations made by internal audit where deficiencies were identified, and corrective action plans implemented where possible.

### Effectiveness of Audit Committee

The department's Audit Committee has operated in accordance with the approved written terms of reference and has fulfilled its obligations for the year. The Audit Committee held 5 meetings during the 2013/14 financial year, and made recommendations that internal audit and management should implement. The Audit Committee is fully functional and acts upon any identified control deficiencies and takes action where necessary.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### Key activities and objectives of the internal audit

Internal audit and the Audit Committee evaluated and assessed:

- The system employed to ensure the reliability and integrity of financial and non-financial information
- Systems established to ensure compliance with policies, procedures, laws and regulations applicable to the department
- Systems employed by the department to ensure that assets are safeguarded
- Efficiency and effectiveness with which departmental resources are utilized.
- Departmental operations to determine whether they are being carried out as planned and whether results are consistent with established objectives and goals.

Coordinated work with external assurance providers to ensure full audit plan coverage and minimize duplication.

Reported periodically to management and the audit committee on the internal audits purpose, authority, responsibility and performance relative to its plan.



## Summary of audit work done

Internal audit provides reports to the audit committee on the effectiveness of governance, risk management and internal control processes within the department. Based on the reports and work done by internal audit, the committee had no reason to believe that any material breakdowns within the internal control system and risk management, as identified, have not been addressed or are in the processes of being addressed.

During the 2013/2014 financial year the internal audit unit was able to achieve all its targets set in the annual performance plan. The approved annual internal audit plan as at 31 March 2014 had a total of 29 audits as amended during the year, of which 24 were completed, 3 were still in progress and 2 carried over and included in the 2014/2015 annual internal audit plan.

## Key activities and objectives of the audit committee

Reviewed and discussed the Annual Financial Statements to be included in the Annual report, with the AGSA and Accounting officer.

Reviewed the AGSA management letter and management responses thereon.

Reviewed information on predetermined objectives to be included in the annual report.

Reviewed the department's compliance with legal and regulatory provisions.

Reviewed and approved the internal audit plans and charters.

Satisfied itself that the internal audit scope was risk based and included management recommendations

Considered the reports of the internal auditors on the department's system of internal control.

Reviewed the adequacy of corrective actions taken by management in response to issues raised by assurance providers.



## Attendance of Audit Committee meetings by Audit Committee members

The table below discloses relevant information on the audit committee member.

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Prof. S Perumal (Chairperson)	Doctor of Commerce Master of commerce Bachelor of commerce (honours) Bachelor of commerce	External	-	2011/03/21	-	5
Mr. D Lekoto	B.Com Hons, Post Grad diploma Certified Fraud Examiner Certified public Accountant(CA) GIA	External	-	2011/03/21	-	4
Mr. D Nadison	B.A Social work M.A Industrial social work	External	-	2011/03/21	-	4
Adv. N van Heerden	Bachelor of Arts Bachelor of law	External	-	2011/03/21	-	5
Mr. R Morar	CA(SA) Bachelor of Commerce Certified Fraud Examiner Diploma in Accountancy	External	-	2011/03/21	2013/08/21	0

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2014.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

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

- 12 Control review audits
- 4 Financial Audits
- 4 Performance Audits
- 1 Governance Audit
- 1 Risk management audit
- 2 Compliance Audits



The following were areas of concern:

- None

#### **In-Year Management and Monthly/Quarterly Report**

The department has been reporting monthly and quarterly to the Treasury as is required by the PFMA.

#### **Evaluation of Financial Statements**

We have reviewed the annual financial statements prepared by the department.

#### **Auditor-General's Report**

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

- Business Continuity plans.

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



**Prof: Sadhasivan Perumal**

**Chairperson of the Audit Committee**

**Free State Treasury**

**Date: 26/05/2014**



# PART D: HUMAN RESOURCE MANAGEMENT



# 1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

## 2. OVERVIEW OF HUMAN RESOURCES

### **Status of human resources in the department**

The Free State Provincial Treasury ended the 2012/2013 financial year with a staff compliment of 378 employees. The organizational structure comprised of 447 posts, of which 23 posts were unfunded. The department therefore ended the 2012/2013 financial year with a vacancy rate of 15% for all of its posts.

During the 2013/2014 financial year, the department employed eight new employees, whilst thirty two employees terminated their services with the department. The department ended the 2013/2014 financial year with a staff compliment of 354 employees, which led to an increase of the vacancy rate from 15% for the 2012/2013 financial year to 20.5% for the 2013/2014 financial year.

Unfortunately the department could not fill most of its funded vacancies during the 2013/2014 financial year, as the department is in the process to re-structure. Current employees will first have to be suitably placed on the new organisational structure of the department to determine which vacancies could be filled during the 2014/2015 financial year.

Human resources priorities during the 2013/2014 financial year focused on the training and development of current employees, and part-time bursaries were also rewarded to all employees who applied for bursaries.

Other human resources priorities included the revision of some of the human resources policies of the department, and constant communication to the employees of the department regarding policy and procedural matters on human resources.

The Human Resources Plan of the Department expired on 31 March 2014. Unfortunately the department could not effectively implement all aspects of the Plan due to the fact that the department was unable to recruit and select employees for most of its funded vacancies as a result of the re-structuring process that must still be finalised. The department is in the process to draft a new human resources plan for the department that should be approved by 30 June 2014.

The biggest challenge experienced during the 2013/2014 financial year was the fact that the department lost the services of many employees that could not be replaced. However, the department still managed to deliver services to its clients, despite the human resources challenges.

### **Employee performance management**

The Free State Provincial Government (FSPG) Performance and Development Management System (PDMS) Policy Framework for SMS members (level 13 to 16) and officials on Level 1 to 12 is being implemented by the department.

The assessment for levels 1 to 12 for the 2012/2013 financial year has been completed. performance rewards and Pay Progression were implemented in September 2013. Challenges were experienced with regard to the timely submission of assessment documents and the availability of Committee members. The target date of July 2013 for implementation of assessment outcomes could not be achieved.

The SMS assessment for the period of 2011/2012, 2012/2013 are not yet concluded. The department anticipates concluding the above assessment in 2014.

### **Employee Health and Wellness Programme (EHWP)**

The Free State Provincial Treasury derives its mandate from the Employee Health and Wellness Strategic Framework for the Public Service (EHGWSF); and has the key objective of providing an integrated, needs-driven, participative, and holistic approach to Employee Health and Wellness for productivity within the Public Service.

The integrated approach to employee health and wellness links the individual health, safety and wellness, organisational wellness, environmental sustainability, quality management to productivity and improved service delivery outcomes. The following are the critical common strategic interventions in priority areas of the Employee Health and Wellness Strategic Framework: HIV&AIDS and TB Management; Health and Productivity Management; Safety, Health, Environment, Risk and Quality Management (SHERQ); and Wellness Management



### Behavioural Risk Management Audit (BRMA)

EHWP in FSPT is based on identified health and wellness risks through BRMA which was conducted by Careways in order to be relevant to the needs of both the organisation and the employees. To enhance employees' wellbeing, improve performance, and reduce costs associated with human behaviour; Careways, which works with client organisations throughout South Africa, was contracted for rendering certain aspects of employee wellness services to Treasury officials through employee wellbeing programmes, training or informal skills transfer, critical incident services like crisis intervention services, and risk management consultancy.

Careways contributes positively to Treasury's organisational health and has been contracted as service provider for Employee Health and Wellness Programme at the Free State Provincial Treasury for two consecutive years based on their performance. It renders 24/7 toll-free counselling and other services to both managers and all other officials at all levels at an agreed upon cost as per Service Level Agreement.

#### Achievements in 2013/14

- i. Reviewed and approved Sport & Choir policy
- ii. EAP policy implementation - (EAP Consultation and referrals,).
- iii. Developed and approved OHS/SHERQ policy –.
- iv. Quarterly OHS Committee Meetings to address OHS concerns and for compliance with the OHS Act.
- v. HCT Campaign and GEMS Assessments to check presence of chronic illness and management thereof, - HIV Counselling and Testing Campaign
- vi. Facilitation of preventive measures against HIV- Kept register for distribution of male and female Condoms and HIV & AIDS leaflets at distribution points,
- vii. Offering of counselling to EAP officials on monthly basis and referral to professionals, facilitated on-going intervention by the contracted service provider - average is three to five officials per month.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1. PERSONNEL RELATED EXPENDITURE

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2013 to 31 March 2014

Programme	2013/2014			2012/2013		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	90 185	54 707	0	0	60.6	330
Sustainable Resources Management	26 264	22 900	0	0	87.2	477
Asset and Liability Management	61 362	32 346	0	0	52.7	368
Financial Governance	38 556	35 148	0	0	91.2	456
<b>Total</b>	<b>216 367</b>	<b>145 101</b>	<b>0</b>	<b>0</b>	<b>67.1</b>	<b>383</b>



Table 3.1.2 Personnel costs by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	5 251	3.6	37	142
Highly skilled production (Levels 6-8)	45 885	31.7	157	292
Highly skilled supervision (Levels 9-12)	66 619	45.9	137	486
Senior management (Levels 13-16)	24 130	16.6	23	1 049
Periodic remuneration	211	0.2	5	42
Contract	3 005	2	20	150
<b>Total</b>	<b>145 101</b>	<b>100</b>	<b>379</b>	<b>383</b>

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2013 to 31 March 2014

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs
Administration	38 923	71.2	61	0.1	1 241	2.3	2 300	4.2
Sustainable Resources Management	16 106	70.3	0	0	368	1.6	780	3.4
Asset and Liability Management	23 753	73.4	24	0.1	774	2.4	1 587	4.9
Financial Governance	23 962	68.2	23	0.1	786	2.2	980	2.8
<b>TOTAL</b>	<b>102 744</b>	<b>70.8</b>	<b>108</b>	<b>0.1</b>	<b>3 169</b>	<b>2.2</b>	<b>5 647</b>	<b>3.9</b>



Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs
Skilled (Levels 1-2)	0	0	0	0	0	0	0	0
Skilled (Levels 3-5)	3 289	62.6	4	0.1	300	5.7	450	8.6
Highly skilled production (Levels 6-8)	31 452	68.5	75	0.2	1 555	3.4	2 867	6.2
Highly skilled supervision (Levels 9-12)	48 078	72.2	28	0.04	1 013	1.5	2 145	3.2
Senior management (Levels 13-16)	17 234	71.4	0	0	294	1.2	185	0.8
Others	2 691	89.5	1	0.03	7	0.2	0	0
Periodic Remuneration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>102 744</b>	<b>70.8</b>	<b>108</b>	<b>0.1</b>	<b>3 169</b>	<b>2.2</b>	<b>5 647</b>	<b>3.9</b>

### 3.2. EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees

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



Table 3.2.1 Employment and vacancies by programme as on 31 March 2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	167	143	14.5	18
Sustainable Resources Management	54	47	13	1
Asset and Liability Management	103	88	15	0
Financial Governance	44	36	18	0
Municipal Finance Management	77	40	48	1
<b>Total</b>	<b>445</b>	<b>354</b>	<b>20</b>	<b>20</b>

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	0	0	0	8
Skilled (Levels 3-5)	42	37	11.9	9
Highly skilled production (Levels 6-8)	180	157	12.7	1
Highly skilled supervision (Levels 9-12)	197	137	30.4	0
Senior management (Levels 13-16)	26	23	11.5	2
<b>Total</b>	<b>445</b>	<b>354</b>	<b>20</b>	<b>20</b>

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
None	445	354	20	20
<b>Total</b>	<b>445</b>	<b>354</b>	<b>20</b>	<b>20</b>

### 3.3. FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.



Table 3.3.1 SMS post information as on 31 March 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	4	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	5	5	20	0	0
Salary Level 13	19	16	64	3	12
<b>Total</b>	<b>25</b>	<b>22</b>	<b>88</b>	<b>3</b>	<b>12</b>

Table 3.3.2 SMS post information as on 30 September 2013

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	11	0	0	1	4
Salary Level 15	0	0	0	0	0
Salary Level 14	5	3	12	2	8
Salary Level 13	19	16	64	3	12
<b>Total</b>	<b>25</b>	<b>19</b>	<b>76</b>	<b>6</b>	<b>24</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2013 to 31 March 2014

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled within 12 months
Director-General/ Head of Department	1	1	0
Salary Level 15	0	0	0
Salary Level 14	1	1	1
Salary Level 13	2	0	2
<b>Total</b>	<b>4</b>	<b>2</b>	<b>3</b>



Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2013 to 31 March 2014

**Reasons for vacancies not advertised within six months**

The department is in the process to re-structure, and a decision was taken only to fill the most critical posts on SMS level. Therefore only the post of Head of Department and the post of Senior Executive Manager: Municipal Finance Management was filled through the normal recruitment process. The post of Senior Executive Manager: Asset and Liability Management was filled by means of a transfer.

**Reasons for vacancies not filled within six months**

A management decision was taken not to proceed with the filling of most of the departmental vacancies on SMS level due to the fact that the department is in the process to re-structure. The filling of the current vacant SMS posts will proceed once the re-structuring process and placement of employees are finalised.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2013 to 31 March 2014

**Reasons for vacancies not advertised within six months**

N/A

**Reasons for vacancies not filled within six months**

N/A

**3.4. JOB EVALUATION**

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



Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2013 to 31 March 2014

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		% of posts evaluated	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	42	4	9.5	4	100	0	0
Highly skilled production (Levels 6-8)	180	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	197	15	7.6	0	0	0	0
Senior Management Service Band A	19	5	26.3	1	20	0	0
Senior Management Service Band B	5	3	60	2	66.7	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
<b>Total</b>	<b>445</b>	<b>27</b>	<b>6</b>	<b>7</b>	<b>25.9</b>	<b>0</b>	<b>0</b>

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 to 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female	4	0	0	0	4
Male	1	0	0	0	1
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b>Employees with a disability</b>					<b>0</b>

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



Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2013 to 31 March 2014

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 and 31 March 2014

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

### 3.5. EMPLOYMENT CHANGES

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Number of employees at beginning of period-1 April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	31	0	1	3.2
Highly skilled production (Levels 6-8)	169	3	10	5.9
Highly skilled supervision (Levels 9-12)	155	0	17	11.6
Senior Management Service Bands A	17	1	1	5.9
Senior Management Service Bands B	4	2	1	25
Senior Management Service Bands C	0	0	0	0
Senior Management Service Bands D	2	1	1	50
Contracts	20	1	1	5
<b>Total</b>	<b>398</b>	<b>8</b>	<b>32</b>	<b>8</b>



Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None	0	0	0	0
	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2013 to 31 March 2014

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	11	34.4
Expiry of contract	1	3.1
Dismissal – operational changes	0	0
Dismissal – misconduct	2	6.3
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	3	9.4
Transfer to other Public Service Departments	15	46.9
Other	0	0
<b>Total</b>	<b>32</b>	<b>100</b>
Total number of employees who left as a % of total employment	8.6	8.6

Table 3.5.4 Promotions by critical occupation for the period 1 April 2013 to 31 March 2014

Occupation	Employees 1 April 2013	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
None	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Table 3.5.5 Promotions by salary band for the period 1 April 2013 to 31 March 2014

Occupation	Employees 1 April 2013	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Lower skilled (Levels 1-2) Skilled	0	0	0	0	0
(Levels 3-5) Highly skilled	31	3	9.7	28	90.3
production (Levels 6-8)	169	2	1.2	121	71.6
Highly skilled supervision (Levels 9-12)	155	0	0	114	73.5
Senior Management (Level 13-16)	23	0	0	6	26
<b>Total</b>	<b>378</b>	<b>5</b>	<b>1.3</b>	<b>269</b>	<b>71.7</b>

### 3.6. EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	71	0	1	9	55	3	1	20	160
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	1	1	0	1	1	0	0	0	4
Clerks	39	4	0	7	101	8	0	25	184
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	5	0	0	0	1	0	0	0	6
<b>Total</b>	<b>116</b>	<b>5</b>	<b>1</b>	<b>17</b>	<b>158</b>	<b>11</b>	<b>1</b>	<b>45</b>	<b>354</b>
Employees with disabilities	1	0	0	1	0	0	0	0	2



Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	1	2
Senior Management	12	0	1	3	2	0	0	3	21
Professionally qualified and experienced specialists and mid-management	27	0	0	2	19	2	0	8	58
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	60	4	0	11	113	7	1	27	223
Semi-skilled and discretionary decision making	11	1	0	1	23	2	0	6	44
Unskilled and defined decision making	5	0	0	0	1	0	0	0	6
<b>Total</b>	<b>116</b>	<b>5</b>	<b>1</b>	<b>17</b>	<b>158</b>	<b>11</b>	<b>1</b>	<b>45</b>	<b>354</b>

Table 3.6.3 Recruitment for the period 1 April 2013 to 31 March 2014

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



Table 3.6.4 Promotions for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	0	0	1	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12	0	0	2	9	0	0	1	24
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>32</b>
Employees with Disabilities	0	0	0	0	0	0	0	0	0



Table 3.6.6 Disciplinary action for the period 1 April 2013 to 31 March 2014

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	3	0	0	0	1	0	0	0	4

Table 3.6.7 Skills development for the period 1 April 2013 to 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	74	0	1	5	59	0	1	11	151
Professionals	4	0	0	0	6	0	0	0	10
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	20	5	0	3	82	3	0	13	126
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	5	0	0	0	0	0	0	0	5
<b>Total</b>	<b>103</b>	<b>5</b>	<b>1</b>	<b>8</b>	<b>147</b>	<b>3</b>	<b>1</b>	<b>24</b>	<b>292</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

### 3.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2013

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	4.8
Salary Level 15	0	0	0	0
Salary Level 14	5	4	4	19
Salary Level 13	19	16	16	76.2
<b>Total</b>	<b>25</b>	<b>21</b>	<b>21</b>	<b>100</b>



### 3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2013 to 31 March 2014

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	106	274	38.6	1 536	14 491
Male	43	116	37	732	17 023
Female	63	158	39.8	804	12 761
<b>Asian</b>	1	2	50	12	12 000
Male	0	1	0	0	0
Female	1	1	100	12	12 000
<b>Coloured</b>	10	16	62.5	111	11 100
Male	3	5	60	29	9 666
Female	7	11	63.6	82	11 714
<b>White</b>	49	62	79	681	13 897
Male	12	17	70.6	176	14 666
Female	37	45	82.2	505	13 648
<b>Total</b>	<b>166</b>	<b>354</b>	<b>46.8</b>	<b>2 340</b>	<b>14 096</b>

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	12	37	32.4	64	5 333	0.04
Highly skilled production (Levels 6-8)	84	157	53.5	821	9 773	0.5
Highly skilled supervision (Levels 9-12)	70	137	51.09	1 455	20 785	1
<b>Total</b>	<b>166</b>	<b>331</b>	<b>50.15</b>	<b>2 340</b>	<b>14 096</b>	<b>1.6</b>

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
None	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	16	0	0	0	0
Band B	0	5	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	1	0	0	0	0
<b>Total</b>	<b>0</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.9. FOREIGN WORKERS

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2013 to 31 March 2014

Salary band	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	1	100	1	100	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2013 to 31 March 2014

Major occupation	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Econometrician	1	100	1	100	0	0

### 3.10. LEAVE UTILISATION

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



Table 3.10.1 Sick leave for the period 1 January 2013 to 31 December 2013

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 Skills (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	419	87.4	31	9.0	14	178
Highly skilled production (Levels 6-8)	1 543	83.4	155	45.3	10	1 167
Highly skilled supervision (Levels 9 -12)	1 193	78.3	140	41.0	9	1 706
Top and Senior management (Levels 13-16)	131	89.3	16	4.7	8	429
<b>Total</b>	<b>3 286</b>	<b>82.2</b>	<b>342</b>	<b>100.00</b>	<b>9.6</b>	<b>3 480</b>

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2013 to 31 December 2013

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	10	100	1	33.3	10	4
Highly skilled production (Levels 6-8)	61	100	1	33.3	61	58
Highly skilled supervision (Levels 9-12)	14	100	1	33.3	14	14
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>85</b>	<b>100</b>	<b>3</b>	<b>100</b>	<b>28.3</b>	<b>76</b>

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

Table 3.10.3 Annual Leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	718	32	22
Highly skilled production (Levels 6-8)	4 143	169	25
Highly skilled supervision (Levels 9-12)	3 581	155	23
Senior management (Levels 13-16)	529	24	22
<b>Total</b>	<b>8 971</b>	<b>380</b>	<b>23.6</b>



Table 3.10.4 Capped leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2014
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	4	1	4	21
Highly skilled supervision (Levels 9-12)	6	1	6	33
Senior management (Levels 13-16)	33	2	17	85
<b>Total</b>	<b>43</b>	<b>4</b>	<b>11</b>	<b>30</b>

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

Table 3.10.5 Leave pay-outs for the period 1 April 2013 to 31 March 2014

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2013/14 due to non-utilisation of leave for the previous cycle	201	9	22
Capped leave pay-outs on termination of service for 2013/14	347	12	29
Current leave pay-out on termination of service for 2013/14	0	12	0
<b>Total</b>	<b>548</b>	<b>33</b>	<b>17</b>



### 3.11. HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 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><b>1. Those in Physical Asset Management- Asset and Liability</b> - they go outside to check assets management in the province - 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 directorate go out to work on sites.</p> <p><b>2. Sustainable Resource Management</b> - 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 official within this chief directorate.</p> <p><b>3. MFMA</b> - officials go outside to check and monitor municipalities performance in the whole FS province</p> <p><b>4. Financial Governance</b> - 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 – site visits are done for compliance and accountability.</p> <p><b>5. Fiscal policy</b> - officials go outside to check and monitor Revenues in the whole FS province</p> <p><b>6. Infrastructure &amp; PPP</b> officials go outside to monitor Infrastructure Co-ordination and PPP issues to ensure the successful implementation of transversal financial management systems.</p> <p><b>7. LOGIS</b> - go outside to train departments on LOGIS in the whole FS province</p> <p><b>8. Those in reproductive age</b> (more than 60% of Treasury officials are at a reproductive age )</p> <p><b>9. Interns</b> - most of whom are exposed for the first time to work environment and are therefore at a vulnerable stage.</p>	<p>1. Education on Sexually Transmitted Infections (STI) Information Sessions on and their treatment as well as treatment of opportunistic infections.</p> <p>2. Regular Distribution of Barrier methods, particularly condoms and femidoms (female condoms) at accessible distribution points like ablution places and bathrooms.</p> <p>3. On-going referral as per need of HIV affected and infected officials for regular health assessments, VCT, on-going counselling, infection control, social support and treatment services for appropriate management of STI's and HIV/TB.</p> <p>4. Support for both infected and affected employees as well as their immediate families (according to scope of applicability of FSPT HIV,AIDS &amp; TB Policy).</p> <p>5. Preventive and Universal Measures (as in the First Aid and HIV and AIDS &amp; TB Policy) during medical emergencies (first aid) - wearing of gloves encouraged- first aiders know their role in preventing post exposure infections.</p> <p>6. Established external partnerships with other stakeholders like Department of Health, Old Mutual, Newstart, Prime Cure, ATTIC and GEMS for referral and support.</p> <p>7. HCT - Voluntary Confidential Counselling Testing (VCCT) encouraged – GEMS contracted staff did tests for staff in the department.</p> <p>8. Policies on EAP, Gender, Sexual and Workplace Harassment, First Aid and HIV and AIDS/TB - accessible to all officials on departmental intranet.</p> <p>9. Education of staff on Prevention of Mother To Child Transmission (PMTCT), STI and condom use.</p> <p>10. Creation of non-discriminatory environment by empowering other officials and maintenance of confidentiality-policy implementation.</p> <p>11. Training of EHW staff in mainstreaming of HIV Gender base Rights by DPSA- 2 trained</p>



	Key steps taken to reduce the risk
	<p>12. Monitoring and Evaluation strategies such as the following Workplace HIV and AIDS programme measures:</p> <ul style="list-style-type: none"> <li>• Number of female and male condoms distributed in the toilets and bathroom – 2 400.</li> <li>• Number of peer educators trained to empower other officials - at present and training done, 8 peer educators in basic HIV.</li> <li>• Training of 5 peer educators in doing VCTs.</li> <li>• Employees educated on HIV and AIDS/TB issues in order to create awareness -</li> <li>• Number of HIV and AIDS/TB brochures/leaflets developed and distributed - several left at condom distribution points. Number of officials who disclosed that they are HIV positive - all were supported.</li> <li>• On-going counselling is offered on site to those affected as part of dedicated Employee Assistance Programme (EAP)</li> </ul>



Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Senior Manager for Corporate Services: Mrs Mpho Sithole.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		The department has a dedicated unit, the Special Programmes and Employee Health and Wellness Unit. The unit is supervised by an Assistant Manager with two Special Programmes officers and one EHW officer.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		<p>The annual budget that is available for this purpose is R 338,488.00.</p> <ol style="list-style-type: none"> <li>1. <b>Celebration of National Health Calendar Days</b> - characterized by onsite screening and other health activities.</li> <li>2. <b>Education and Training</b> - Employee Wellness Empowerment, health information and wellness education Programme, education and training workshops, fun walks/runs, and provision of health-related newsletters, emails articles and posters, awareness campaigns and health alert messages.</li> <li>2. <b>Enabling Environment</b>- Employee Wellness policy development.</li> <li>3. <b>Fitness Programmes</b>- Sport and fun walks/runs</li> <li>4. <b>Counselling</b> - 24/7 Telephonic Counselling services through Careways</li> <li>5. <b>Trauma Debriefing</b> - crisis management</li> <li>6. <b>Health assessments</b> - using GEMS</li> <li>7. <b>Partnerships</b> - Private and NGO Stakeholder</li> <li>8. <b>Preventive and Promote Health</b></li> <li>9. <b>Bereavement services</b></li> <li>10. <b>Executive health Coaching</b></li> </ol>



Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		<p>The OHS Committee that includes the HIV Committee has been established.</p> <p><b>OHS Committee</b></p> <ol style="list-style-type: none"> <li>1. P.E. Mahabuke: Assistant Manager: Special Programmes and Employee Health and Wellness</li> <li>2. C. Ntlokwana: Wellness Consultant</li> <li>3. V. Phalatsane: CEO's Office</li> <li>4. Y. Adams: Support and Interlink Services</li> <li>5. M. Mafata: Support and Interlink Services</li> <li>6. S. Mokotso: HIV committee member</li> <li>7. M. Sello: Supply Chain Management</li> <li>8. B. Mosese: HRM</li> <li>9. M. Mokoena: HRM</li> <li>10. W. Tsekeli: Financial Management</li> <li>11. D. Rheeder: PSA</li> <li>12. A. Molefe: Asset Management</li> <li>13. P. Thamae: Special Programmes officer</li> <li>14. L. Joubert: PERSAL</li> <li>15. S. Basson: BAS</li> <li>16. T. Medupe: PSA</li> <li>17. B. Mokobe: NEHAWU</li> <li>18. N. Mapili: Municipal Finance Management</li> </ol>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		√	All EHW policies are still to be reviewed for alignment with the Employee Health and Wellness Strategic Framework.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		Provision of Enabling Environment- EHW Policies and HIV, AIDS & TB Policy.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	√		HCT- Voluntary Confidential Counselling Testing (VCCT) encouraged – GEMS contracted staff did tests for staff in the department in May 2013 and December 2013.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/\ indicators.	√		<ol style="list-style-type: none"> <li>1. Quarterly EHWSF Report for Premier's Office</li> <li>2. Departmental Report to DPSA - MPAT</li> <li>3. Careways Monthly reports</li> <li>4. Behavioural Risk Management Audit / Survey- Questionnaires used as tool and report produced through the contracted Wellness Service Provider - Careways</li> </ol>



### 3.12. LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2013 and 31 March 2014

Total number of Collective agreements	None
---------------------------------------	------

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2013 to 31 March 2014

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	2	50
Final written warning	2	50
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>4</b>	<b>100</b>

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2013 to 31 March 2014

Type of misconduct	Number	% of total
Improper conduct	4	100
<b>Total</b>	<b>4</b>	<b>100</b>

Table 3.12.4 Grievances logged for the period 1 April 2013 to 31 March 2014

Grievances	Number	% of total
Number of grievances resolved	3	100
Number of grievances not resolved	0	0
<b>Total number of grievances lodged</b>	<b>3</b>	<b>100</b>

Table 3.12.5 Disputes logged with Councils for the period 1 April 2013 to 31 March 2014

Disputes	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	1	100
<b>Total number of disputes lodged</b>	<b>1</b>	<b>100</b>

Table 3.12.6 Strike actions for the period 1 April 2013 to 31 March 2014

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



Table 3.12.7 Precautionary suspensions for the period 1 April 2013 to 31 March 2014

<b>Number of people suspended</b>	0
<b>Number of people whose suspension exceeded 30 days</b>	0
<b>Average number of days suspended</b>	0
<b>Cost of suspension(R'000)</b>	0

### 3.13. SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 1 April 2013 to 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 2013	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	85	0	61	0	61
	Male	93	0	61	0	61
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	4	0	9	0	9
	Male	3	0	11	0	11
Clerks	Female	129	0	95	0	95
	Male	55	0	44	0	44
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	4	0	0	0	0
	Male	5	0	5	0	5
Sub Total	Female	222	0	0	0	0
	Male	156	0	0	0	0
<b>Total</b>		<b>378</b>	<b>0</b>	<b>286</b>	<b>0</b>	<b>286</b>



Table 3.13.2 Training provided for the period 1 April 2013 to 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 2013	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	85	0	108	0	108
	Male	93	0	79	0	79
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	4	0	10	0	10
	Male	3	0	10	0	10
Clerks	Female	129	0	169	0	169
	Male	55	0	88	0	88
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	4	0	0	0	0
	Male	5	0	5	0	5
Sub Total	Female	222	0	287	0	287
	Male	156	0	182	0	182
<b>Total</b>		<b>378</b>	<b>0</b>	<b>469</b>	<b>0</b>	<b>469</b>

### 3.14. INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2013 to 31 March 2014

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

### 3.15. UTILISATION OF CONSULTANTS

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.



Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2013 to 31 March 2014

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	0	0	0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 to 31 March 2014

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2013 to 31 March 2014

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 to 31 March 2014

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0



### 3.16. SEVERANCE PACKAGES

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2013 to

31 March 2014

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# PART E: FINANCIAL INFORMATION



# 1. REPORT OF THE AUDITOR GENERAL

## REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON VOTE NO. 4: FREE STATE PROVINCIAL TREASURY REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the financial statements of the Free State Provincial Treasury set out on pages 104 to 157, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Free State Provincial Treasury as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.



### Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:
  - Programme 2: Sustainable resource management (on pages 34 to 38)
  - Programme 3: Asset and liability management (on pages 39 to 43)
  - Programme 4: Financial governance and municipal finance management (on pages 43 to 53).
9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's **Framework for managing programme performance information (FMPPi)**.
11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
12. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

### **Additional matters**

13. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

### **Achievement of planned targets**

14. Refer to the annual performance report on pages 21 to 56 for information on the achievement of the planned targets for the year.

### **Adjustment of material misstatements**

15. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for programme 4. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

### Compliance with legislation

16. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

### Internal control

17. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.



## OTHER REPORTS

### Performance audits

18. The report of the Auditor-General of South Africa on the readiness of government to report on its performance will be tabled during 2014. The Free State Provincial Treasury was one of the 61 institutions/departments audited during this audit. The performance audit focused on the following:
- The systems and processes that government departments have put in place to report on their performance
  - The performance reporting guidance and oversight government departments received.

### Investigations

19. During the 2013-14 financial year Provincial Treasury requested an independent consulting firm to conduct a comprehensive review of processes, employee disclosure and value for money in supply chain management practices. The investigation was aimed at determining whether any Free State government employees were conducting business with the state. The investigation was still in progress at the reporting date.
20. In the **Regulation Gazette No. 8736**, dated 31 August 2007, and **Regulation Gazette No. 8738**, dated 27 November 2007, the Special Investigation Unit (SIU) was requested to investigate the affairs insofar as they relate to the administration of the Free State Development Fund and the Moral Regeneration Movement. The report had been received during the financial year and both the findings and the recommendations are currently under consideration.

Auditor - General

Bloemfontein

31 July 2014



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## 2. ANNUAL FINANCIAL STATEMENTS

### TABLE OF CONTENTS

Appropriation Statement	105
Notes to the Appropriation Statement	118
Statement of Financial Performance	120
Statement of Financial Position	121
Statement of Changes in Net Assets	122
Cash Flow Statement	123
Notes to the Annual Financial Statements (including Accounting policies)	124
Disclosures Notes to the Annual Financial Statements	139
Annexures (Unaudited Supplementary Information)	150



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Appropriation per programme										
	2013/14					2012/13				
	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
<b>1. ADMINISTRATION</b>										
Current payment	85,584	(87)	-	85,497	83,887	1,610	98.1%	78,644	77,677	
Transfers and subsidies	3,374	(2)	-	3,372	3,262	110	96.7%	719	103	
Payment for capital assets	3,130	89	-	3,219	2,911	308	90.4%	4,803	4,312	
Payment for financial assets	-	-	-	-	125	(125)		-	679	
	<b>92,088</b>	-	-	<b>92,088</b>	<b>90,185</b>	<b>1,903</b>		<b>84,166</b>	<b>82,771</b>	
<b>2. SUSTAINABLE RESOURCE MANAGEMENT</b>										
Current payment	26,192	(17)	68	26,243	26,093	150	99.4%	24,824	24,476	
Payment for capital assets	157	17	-	174	167	7	96.0%	285	150	
Payment for financial assets	-	-	-	-	4	(4)		-	166	
	<b>26,349</b>	-	<b>68</b>	<b>26,417</b>	<b>26,264</b>	<b>153</b>		<b>25,109</b>	<b>24,792</b>	
<b>3. ASSET AND LIABILITY MANAGEMENT</b>										
Current payment	61,019	(61)	215	61,173	61,013	160	99.7%	58,470	58,282	
Transfers and subsidies	101	-	-	101	101	-	100.0%	310	303	
Payment for capital assets	249	61	-	310	234	76	75.5%	1,253	1,213	
Payment for financial assets	-	-	-	-	14	(14)		-	71	
	<b>61,369</b>	-	<b>215</b>	<b>61,584</b>	<b>61,362</b>	<b>222</b>		<b>60,033</b>	<b>59,869</b>	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Appropriation per programme										
	2013/14					2012/13				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
<b>4. FINANCIAL GOVERNANCE</b>										
Current payment	39,537	(283)	(283)	38,971	38,124	847	97.8%	38,608	38,433	
Transfers and subsidies	37	-	-	37	37	-	100.0%	26	-	
Payment for capital assets	256	283	-	539	390	149	72.4%	791	680	
Payment for financial assets	-	-	-	-	5	(5)		-	-	
<b>Subtotal</b>	<b>39,830</b>	-	<b>(283)</b>	<b>39,547</b>	<b>38,556</b>	<b>991</b>		<b>39,425</b>	<b>39,113</b>	
<b>TOTAL</b>	<b>219,636</b>	-	-	<b>219,636</b>	<b>216,367</b>	<b>3,269</b>	<b>98.5%</b>	<b>208,733</b>	<b>206,545</b>	
<b>TOTAL (brought forward)</b>	<b>219,636</b>	-	-	<b>219,636</b>	<b>216,367</b>	<b>3,269</b>	<b>98.5%</b>	<b>208,733</b>	<b>206,545</b>	
<b>Reconciliation with statement of financial performance</b>										
<b>ADD</b>										
Departmental receipts				24,407				37,449		
<b>Actual amounts per statement of financial performance (Total Revenue)</b>				<b>244,043</b>				<b>246,182</b>		
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>216,367</b>				<b>206,545</b>	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Appropriation per Economic classification									
	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	145,513	-	-	145,513	145,101	412	99.7%	141,087	140,513
Goods and services	66,819	(448)	-	66,371	64,016	2,355	96.5%	58,931	57,826
Interest and rent on land	-	-	-	-	-	-	-	528	528
<b>Transfers and subsidies</b>									
Public corporations and private enterprises	2	(2)	-	-	-	-	-	34	9
Households	3,074	14	-	3,088	3,070	18	99.4%	351	316
Gifts and donations	436	(14)	-	422	330	92	78.2%	670	81
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	-	-	-	-	-	303	303
Machinery and equipment	3,792	450	-	4,242	3,702	540	87.3%	6,763	5,991
Intangible assets	-	-	-	-	-	-	-	66	62
<b>Payments for financial assets</b>									
	-	-	-	-	148	(148)	-	-	916
<b>Total</b>	<b>219,636</b>	<b>-</b>	<b>-</b>	<b>219,636</b>	<b>216,367</b>	<b>3,269</b>	<b>98.5%</b>	<b>208,733</b>	<b>206,545</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Detail per Programme 1 – Administration for the year ended 31 March 2014										
Detail per sub-programme	2013/14					2012/13				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>1.1 OFFICE OF THE MEC</b>										
Current payment	6,799	(61)	-	6,738	6,413	325	95.2%	6,014	5,903	
Transfers and subsidies	-	-	-	-	-	-	-	21	3	
Payment for capital assets	118	23	-	141	96	45	68.1%	-	-	
<b>1.2 MANAGEMENT SERVICES</b>										
Current payment	11,769	(6,617)	-	5,152	5,039	113	97.8%	5,826	5,732	
Transfers and subsidies	2,692	-	-	2,692	2,692	-	100.0%	-	-	
Payment for capital assets	55	-	-	55	40	15	72.7%	138	129	
Payment for financial assets	-	-	-	-	-	-	-	-	15	
<b>1.3 CORPORATE SERVICES</b>										
Current payment	30,599	190	-	30,789	30,439	350	98.9%	31,820	31,352	
Transfers and subsidies	519	(2)	-	517	420	97	81.2%	690	91	
Payment for capital assets	335	-	-	335	269	66	80.3%	1,575	1,366	
Payment for financial assets	-	-	-	-	3	(3)	-	-	447	
<b>1.4 FINANCIAL MANAGEMENT</b>										
Current payment	31,811	6,554	-	38,365	37,719	646	98.3%	30,592	30,341	
Transfers and subsidies	163	-	-	163	150	13	92.0%	8	9	
Payment for capital assets	2,606	66	-	2,672	2,490	182	93.2%	3,068	2,799	
Payment for financial assets	-	-	-	-	122	(122)	-	-	217	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Detail per Programme 1 – Administration for the year ended 31 March 2014										
Detail per sub-programme	2013/14					2012/13				
	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
<b>1.5 INTERNAL AUDIT DEPARTMENTAL</b>										
Current payment	4,606	(153)	-	4,453	4,277	176	96.0%	4,392	4,349	
Transfers and subsidies	-	-	-	-	-	-		-	-	
Payment for capital assets	16	-	-	16	16	-	100.0%	22	18	
<b>Total</b>	<b>92,088</b>	<b>-</b>	<b>-</b>	<b>92,088</b>	<b>90,185</b>	<b>1,903</b>	<b>97.9%</b>	<b>84,166</b>	<b>82,771</b>	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Programme 1 Per Economic classification	Appropriation per economic classification									
	2013/14					2012/13				
	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
<b>Current payments</b>										
Compensation of employees	54,910	-	-	54,910	54,707	203	99.6%	54,469	54,196	
Goods and services	30,674	(87)	-	30,587	29,180	1,407	95.4%	24,175	23,481	
<b>Transfers and subsidies to:</b>										
Public corporations and private enterprises	2	(2)	-	-	-	-		34	9	
Households	2,936	14	-	2,950	2,932	18	99.4%	15	13	
Gifts and donations	436	(14)	-	422	330	92	78.2%	670	81	
<b>Payment for capital assets</b>										
Buildings and other fixed structures	-	-	-	-	-	-		5	6	
Machinery and equipment	3,130	89	-	3,219	2,911	308	90.4%	4,732	4,244	
Intangible assets	-	-	-	-	-	-		66	62	
<b>Payments for financial assets</b>										
	-	-	-	-	125	(125)		-	679	
<b>Total</b>	<b>92,088</b>	<b>-</b>	<b>-</b>	<b>92,088</b>	<b>90,185</b>	<b>1,903</b>	<b>97.9%</b>	<b>84,166</b>	<b>82,771</b>	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Detail per Programme 2 – Sustainable Resource Management for the year ended 31 March 2014									
Detail per sub-programme	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 PROGRAMME SUPPORT</b>									
Current payment	1,409	1283	(16)	2,676	2,677	(1)	100.0%	2,417	2,409
Payment for capital assets	8	-	-	8	7	1	87.5%	6	5
<b>2.2 ECONOMIC ANALYSIS</b>									
Current payment	6,758	(949)	87	5,896	5,762	134	97.7%	5,670	5,592
Payment for capital assets	20	-	-	20	16	4	80.0%	126	66
Payment for financial assets	-	-	-	-	-	-	-	-	7
<b>2.3 FISCAL POLICY</b>									
Current payment	4,906	(206)	(135)	4,565	4,558	7	99.8%	4,062	3,963
Payment for capital assets	16	-	-	16	16	-	100.0%	26	26
Payment for financial assets	-	-	-	-	4	(4)	-	-	35
<b>2.4 BUDGET MANAGEMENT</b>									
Current payment	8,975	(9)	162	9,128	9,127	1	100.0%	8,617	8,483
Payment for capital assets	83	17	-	100	99	1	99.0%	98	30
Payment for financial assets	-	-	-	-	-	-	-	-	124



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Detail per Programme 2 – Sustainable Resource Management for the year ended 31 March 2014										
Detail per sub-programme	2013/14					2012/13				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>2.5 PUBLIC FINANCE</b>										
Current payment	4,144	(136)	(30)	3,978	3,969	9	99.8%	4,058	4,029	
Payment for capital assets	30	-	-	30	29	1	96.7%	29	23	
<b>Total</b>	<b>26,349</b>	<b>-</b>	<b>68</b>	<b>26417</b>	<b>26,264</b>	<b>153</b>	<b>99.4%</b>	<b>25,109</b>	<b>24,792</b>	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Programme 2 Per Economic classification	Appropriation per economic classification									
	2013/14					2012/13				
	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
<b>Current payments</b>										
Compensation of employees	22,833	-	68	22,901	22,900	1	100.0%	20,972	20,862	
Goods and services	3,359	(17)	-	3,342	3,193	149	95.5%	3,852	3,613	
<b>Payments for capital assets</b>										
Machinery and equipment	157	17	-	174	167	7	96.0%	285	151	
<b>Payments for financial assets</b>										
	-	-	-	-	4	(4)		-	166	
<b>Total</b>	<b>26,349</b>	<b>-</b>	<b>68</b>	<b>26,417</b>	<b>26,264</b>	<b>153</b>	<b>99.4%</b>	<b>25,109</b>	<b>24,792</b>	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Detail per Programme 3 – Asset and Liability Management for the year ended 31 March 2014									
Detail per sub-programme	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 PROGRAMME SUPPORT</b>									
Current payment	686	1,576	(21)	2,241	2,241	-	100.0%	3,219	3,188
Payment for capital assets	21	-	-	21	-	21		51	50
<b>3.2 ASSET MANAGEMENT</b>									
Current payment	20,539	(1,248)	34	19,325	19,187	138	99.3%	14,808	14,789
Transfers and subsidies	78	-	-	78	78	-	100.0%	247	240
Payment for capital assets	53	28	-	81	59	22	72.8%	48	29
Payment for financial assets	-	-	-	-	-	-		-	24
<b>3.3 SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS</b>									
Current payment	39,794	(389)	202	39,607	39,585	22	99.9%	40,443	40,305
Transfers and subsidies	23	-	-	23	23	-	100.0%	63	63
Payment for capital assets	175	33	-	208	175	33	84.1%	1,154	1,134
Payment for financial assets	-	-	-	-	14	(14)		-	47
<b>Total</b>	<b>61,369</b>	<b>-</b>	<b>215</b>	<b>61,584</b>	<b>61,362</b>	<b>222</b>	<b>99.6%</b>	<b>60,033</b>	<b>59,869</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Programme 3 Per Economic classification	Appropriation per economic classification									
	2013/14					2012/13				
	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
<b>Current payments</b>										
Compensation of employees	32,131	-	215	32,346	32,346	-	100.0%	32,179	32,061	
Goods and services	28,888	(61)	-	28,827	28,667	160	99.4%	25,763	25,693	
Interest and rent on land	-	-	-	-	-	-	-	528	528	
<b>Transfers and subsidies</b>										
Households	101	-	-	101	101	-	100.0%	310	303	
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment	249	61	-	310	234	76	75.5%	298	297	
<b>Payments for financial assets</b>										
	-	-	-	-	14	(14)	-	-	71	
<b>Total</b>	<b>61,369</b>	<b>-</b>	<b>215</b>	<b>61,584</b>	<b>61,362</b>	<b>222</b>	<b>99.6%</b>	<b>60,033</b>	<b>59,869</b>	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Detail per Programme 4 – Financial Governance for the year ended 31 March 2014										
Detail per sub-programme	2013/14					2012/13				
	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	R'000
<b>4.1 PROGRAMME SUPPORT</b>										
Current payment	1,821	(116)	-	1,705	1,655	50	97.1%	1,726	1,713	
Payment for capital assets	27	54	-	81	65	16	80.2%	20	18	
<b>4.2 ACCOUNTING SERVICES</b>										
Current payment	7,674	(94)	-	7,580	7,534	46	99.4%	7,743	7,673	
Payment for capital assets	68	50	-	118	107	11	90.7%	98	96	
<b>4.3 MUNICIPAL FINANCE</b>										
Current payment	21,728	(69)	(283)	21,376	20,917	459	97.9%	21,884	21,805	
Transfers and subsidies	37	-	-	37	37	-	100.0%	26	-	
Payment for capital assets	142	151	-	293	189	104	64.5%	632	545	
Payment for financial assets	-	-	-	-	5	(5)	-	-	-	
<b>4.4 RISK MANAGEMENT INTERNAL AUDIT PROVINCIAL</b>										
Current payment	8,314	(4)	-	8,310	8,018	292	96.5%	7,255	7,242	
Payment for capital assets	19	28	-	47	29	18	61.7%	41	21	
<b>Total</b>	<b>39,830</b>	<b>-</b>	<b>(283)</b>	<b>39,547</b>	<b>38,556</b>	<b>991</b>	<b>97.5%</b>	<b>39,425</b>	<b>39,113</b>	



# FREE STATE: PROVINCIAL TREASURY VOTE 4

APPROPRIATION STATEMENT for the year ended 31 March 2014

Appropriation per economic classification									
Programme 4 Per Economic classification	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	35,639	-	(283)	35,356	35,148	208	99.4%	33,467	33,394
Goods and services	3,898	(283)	-	3,615	2,976	639	82.3%	5,141	5,039
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>									
Households	37	-	-	37	37	-	100.0%	26	-
<b>Payment for capital assets</b>									
Machinery and equipment	256	283	-	539	390	149	72.4%	791	680
<b>Payment for financial assets</b>									
<b>Total</b>	<b>39,830</b>	<b>-</b>	<b>(283)</b>	<b>39,547</b>	<b>38,556</b>	<b>991</b>	<b>97.5%</b>	<b>39,425</b>	<b>39,113</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

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

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

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

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

## 3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	92,088	90,185	1,903	2%
<i>The saving mainly consist out of a decrease in travelling and subsistence cost throughout the programme, non-filling of vacancies which also had an effect on the resettlement budget and a decrease in the procurement of stationary.</i>				
Sustainable Resource Management	26,417	26,264	153	1%
<i>The saving is due to a decrease in the usage of travel and subsistence and stationary within the programme.</i>				
Asset and Liability Management	61,584	61,362	222	0%
<i>No deviation percentage</i>				
Financial Governance	39,547	38,556	991	3%
<i>Due to vacancies within MFM unit the saving is divided between compensation, goods and services and capital items. Lesser travelling occurred due to lesser officials in service.</i>				



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current expenditure</b>				
Compensation of employees	145,513	145,101	412	0%
Goods and services	66,371	64,016	2,355	4%
Interest and rent on land				
<b>Transfers and subsidies</b>				
Households	3,088	3,070	18	1%
Gifts and donations	422	330	92	22%
<b>Payments for capital assets</b>				
Machinery and equipment	4,242	3,702	540	13%
Software and intangible assets				
<b>Payments for financial assets</b>	-	148	(148)	100%

Goods and services had a saving on consultant fees and a decrease in traveling cost.  
Donations and gifts are linked to the MEC's interaction with her constituency.



# FREE STATE: PROVINCIAL TREASURY VOTE 4

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
<b>REVENUE</b>			
Annual appropriation	1	219,636	208,733
Departmental revenue	2	24,407	37,449
<b>TOTAL REVENUE</b>		<b>244,043</b>	<b>246,182</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	145,101	140,513
Goods and services	4	64,016	57,826
Interest and rent on land	5	-	528
<b>Total current expenditure</b>		<b>209,117</b>	<b>198,867</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	3,400	406
<b>Total transfers and subsidies</b>		<b>3,400</b>	<b>406</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	3,702	6,294
Intangible assets	8	-	62
<b>Total expenditure for capital assets</b>		<b>3,702</b>	<b>6,356</b>
<b>Payments for financial assets</b>	6	148	916
<b>TOTAL EXPENDITURE</b>		<b>216,367</b>	<b>206,545</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>27,676</b>	<b>39,637</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		3,269	2,188
Annual appropriation		3,269	2,188
Departmental revenue and NRF Receipts	2	24,407	37,449
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>27,676</b>	<b>39,637</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2014

	<i>Note</i>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>3,582</b>	<b>2,326</b>
Cash and cash equivalents	9	165	1,142
Prepayments and advances	10	57	35
Receivables	11	3,360	1,149
<b>TOTAL ASSETS</b>		<b>3,582</b>	<b>2,326</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>3,534</b>	<b>2,197</b>
Voted funds to be surrendered to the Revenue Fund	12	3,269	2,188
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	9	9
Payables	14	256	-
<b>TOTAL LIABILITIES</b>		<b>3,534</b>	<b>2,197</b>
<b>NET ASSETS</b>		<b>48</b>	<b>129</b>
<b>Represented by:</b>			
Recoverable revenue		48	129
<b>TOTAL</b>		<b>48</b>	<b>129</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

STATEMENT OF CHANGES IN NET ASSESTS for the year ended 31 March 2014

<b>NET ASSETS</b>		<b>2013/14</b>	<b>2012/13</b>
	<i>Note</i>	<b>R'000</b>	<b>R'000</b>
Opening Balance		<b>129</b>	<b>663</b>
Transfers		(81)	(534)
Irrecoverable amounts written off	6.2	-	-599
Debts revised		-26	-
Debts recovered (included in departmental receipts)		-115	-14
Debts raised		60	79
<b>Closing balance</b>		<b>48</b>	<b>129</b>
<b>TOTAL</b>		<b>48</b>	<b>129</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

CASH FLOW STATEMENT for the year ended 31 March 2014

	<i>Note</i>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		261,119	261,258
Annual appropriated funds received	1.1	219,636	208,733
Departmental revenue received	2	390	970
Interest received	2.2	41,093	51,555
Net (increase)/decrease in working capital		(1,977)	(228)
Surrendered to Revenue Fund		(43,671)	(68,285)
Current payments		(209,117)	(198,339)
Interest paid	5	-	(528)
Payments for financial assets		(148)	(916)
Transfers and subsidies paid		(3,400)	(406)
<b>Net cash flow available from operating activities</b>	<b>15</b>	<b>2,806</b>	<b>(7,444)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(3,702)	(6,356)
<b>Net cash flows from investing activities</b>		<b>(3,702)</b>	<b>(6,356)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(81)	(534)
<b>Net cash flows from financing activities</b>		<b>(81)</b>	<b>(534)</b>
Net increase/(decrease) in cash and cash equivalents		(977)	(14,334)
Cash and cash equivalents at beginning of period		1,142	15,476
<b>Cash and cash equivalents at end of period</b>	<b>16</b>	<b>165</b>	<b>1,142</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ACCOUNTING POLICES for the year ended 31 March 2014

<b>Summary of significant accounting policies</b>	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.</p>
<b>6</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7</b>	<p><b>Revenue</b></p>
<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ACCOUNTING POLICES for the year ended 31 March 2014

<b>7.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
<b>8</b>	<p><b>Expenditure</b></p>
<b>8.1</b>	<p><b>Compensation of employees</b></p>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p><b>Accrued expenditure payable</b></p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.</p>
<b>8.4</b>	<p><b>Leases</b></p>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ACCOUNTING POLICES for the year ended 31 March 2014

	<p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
<b>10</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
<b>11</b>	<p><b>Receivables</b></p> <p>Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
<b>12</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
<b>13</b>	<p><b>Payables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost.</p>
<b>14</b>	<p><b>Capital Assets</b></p>
<b>14.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 are recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the</p>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ACCOUNTING POLICES for the year ended 31 March 2014

	<p>end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
<b>14.2</b>	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 are recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
<b>14.3</b>	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 are recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
<b>15</b>	<p><b>Contingents</b></p>
<b>15.1</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>
<b>15.2</b>	<p><b>Commitments</b></p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid</p>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ACCOUNTING POLICES for the year ended 31 March 2014

	<p>expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
<b>16</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>17</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>18</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>19</b>	<p><b>Non-adjusting events after the reporting date</b></p> <p>None at the reporting date</p>
<b>20</b>	<p><b>Related party transactions</b></p> <p>Specific information with regards to related party transactions is included in the disclosure notes and the report of the Accounting Officer.</p>
<b>21</b>	<p><b>Key management personnel</b></p> <p>Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.</p>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 1. Annual Appropriation

### 1.1 Annual Appropriation

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

	Final Appropriation	2013/14 Actual Funds Received	Funds not requested/ not received	2012/13 Appropriation received
	R'000	R'000	R'000	R'000
Administration	92,088	92,088	-	84,166
Sustainable Resource Management	26,417	26,417	-	25,109
Asset and Liability Management	61,584	61,584	-	60,033
Financial Governance	39,547	39,547	-	39,425
<b>Total</b>	<b>219,636</b>	<b>219,636</b>	<b>-</b>	<b>208,733</b>

## 2. Departmental Revenue

	Note	2013/14 R'000	2012/13 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	208	132
Interest, dividends and rent on land	2.2	41,093	51,555
Transactions in financial assets and liabilities	2.3	182	838
<b>Total revenue collected</b>		<b>41,483</b>	<b>52,525</b>
<b>Less: Own revenue included in appropriation</b>	15	17,076	15,076
<b>Departmental revenue collected</b>		<b>24,407</b>	<b>37,449</b>

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

Sales of goods and services produced by the department	208	132
Other sales	208	132
<b>Total</b>	<b>208</b>	<b>132</b>

### 2.2 Interest, dividends and rent on land

Interest	41,093	51,555
<b>Total</b>	<b>41,093</b>	<b>51,555</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 2.3 Transactions in financial assets and liabilities

	<i>Note</i>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
Receivables		-	614
Other Receipts including Recoverable Revenue		182	224
<b>Total</b>		<b>182</b>	<b>838</b>

## 3. Compensation of employees

### 3.1 Salaries and Wages

Basic salary		102,744	99,528
Performance award		2,315	2,739
Service Based		380	434
Compensative/circumstantial		2,031	1,386
Other non-pensionable allowances		18,795	18,111
<b>Total</b>		<b>126,265</b>	<b>122,198</b>

### 3.2 Social contributions

#### Employer contributions

Pension		13,166	12,626
Medical		5,647	5,667
Bargaining council		23	22
<b>Total</b>		<b>18,836</b>	<b>18,315</b>

#### Total compensation of employees

		<b>145,101</b>	<b>140,513</b>
Average number of employees		<b>366</b>	<b>380</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 4. Goods and services

	Note	2013/14 R'000	2012/13 R'000
Administrative fees		48	40
Advertising		2,303	557
Minor Assets	4.1	595	994
Bursaries (employees)		392	346
Catering		901	1,034
Communication		758	1,080
Computer services	4.2	22,352	24,713
Consultants, contractors and agency/outsourced services	4.3	4,205	3,871
Entertainment		43	48
Audit cost – external	4.4	14,349	9,907
Fleet services		800	505
Consumables	4.5	4,060	3,864
Operating leases		1,046	1,180
Transport provided as part of the departmental activities		120	-
Travel and subsistence	4.6	4,566	5,503
Venues and facilities		594	615
Training and development		6,777	3,408
Other operating expenditure	4.7	107	161
<b>Total</b>		<b>64,016</b>	<b>57,826</b>

An amount of R9 637 was paid in respect of overdue AGSA accounts for 4 provincial departments, 1 Public Entity and 11 municipalities. Restated fleet services of R505 due to the fact that in the 2012/13 financial year it was reported according to the SCOA classification covered under Travel and Subsistence.

### 4.1 Assets less than R5,000

<b>Tangible assets</b>		595	993
Machinery and equipment		595	993
<b>Intangible assets</b>		-	1
<b>Total</b>		<b>595</b>	<b>994</b>

### 4.2 Computer services

	4		
SITA computer services		19,214	20,356
External computer service providers		3138	4,357
<b>Total</b>		<b>22,352</b>	<b>24,713</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 4.3 Consultants, contractors and agency/outsourced services

	Note	2013/14 R'000	2012/13 R'000
	4		
Business and advisory services		858	1,570
Legal costs		61	35
Contractors		2,202	574
Agency and support/outsourced services		1,084	1,692
<b>Total</b>		<b>4,205</b>	<b>3,871</b>

## 4.4 Audit cost – External

Regularity audits	4	14,349	9,907
<b>Total</b>		<b>14,349</b>	<b>9,907</b>

An amount of R9 637 was paid in respect of overdue AGSA accounts for 4 provincial departments, 1 Public Entity and 11 municipalities.

## 4.5 Consumables

	4	311	250
Consumable supplies		9	-
Uniform and clothing		214	212
Household supplies		28	37
Building material and supplies		49	-
IT consumables		11	1
Other consumables		3,749	3,614
Stationery, printing and office supplies		<b>4,060</b>	<b>3,864</b>
<b>Total</b>		<b>4,060</b>	<b>3,864</b>

## 4.6 Travel and subsistence

Local		4,566	5,157
Foreign		-	346
<b>Total</b>		<b>4,566</b>	<b>5,503</b>

## 4.7 Other operating expenditure

Professional bodies, membership and subscription fees	4	13	11
Resettlement costs		23	125
Other		71	25
<b>Total</b>		<b>107</b>	<b>161</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

	2013/14 R'000	2012/13 R'000
<b>5. Interest and rent on land</b>		
Interest paid	-	528
<b>Total</b>	<u>-</u>	<u>528</u>
<b>6. Payments for financial assets</b>		
Material losses through criminal conduct	<b>32</b>	<b>32</b>
Theft	6.3 <span style="border: 1px solid black; padding: 2px;">32</span>	<span style="border: 1px solid black; padding: 2px;">32</span>
Other material losses written off	6.1 115	258
Debts written off	6.2 1	626
<b>Total</b>	<u><b>148</b></u>	<u><b>916</b></u>
<b>6.1 Other material losses written off</b>		
<b>Nature of losses</b>		
Damaged laptop (DA26/4/5 (21/12))		7
Misuse of fax line (DA63/4 (01/12))		50
GG vehicle accident (DA26/4/2 (24/12) and vehicle accident (DA26/41 (06/13))	39	-
Loss of photocopy machine in fire (DA63/4 (01/13))	76	-
Vehicle accidents (DA26/4/2 (10/12) and (DA26/4/2 (17-20/12))		77
Reprint of EPRE books (DA63/4 (03/12))		124
<b>Total</b>	<u><b>115</b></u>	<u><b>258</b></u>
<b>6.2 Debts written off</b>	6	
<b>Recoverable revenue written off</b>		
Breach of contract	-	388
Ex-employee debt	-	128
Employee debt	-	83
<b>Total</b>	<u>-</u>	<u><b>599</b></u>
Ex-employee Debt	<u>1</u>	<u>27</u>
<b>Total</b>	<u><b>1</b></u>	<u><b>27</b></u>
<b>Total debt written off</b>	<u><b>1</b></u>	<u><b>626</b></u>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 6.3 Details of theft

	<i>Note</i>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>Nature of theft</b>	6		
Theft of laptop and USB device (DA26/4/5 (10/10))		-	-
Theft of tea trolley (DA26/4/5 (01/11))		-	-
Theft of laptop (DA26/4/5 (04/12))		-	6
Loss of I-pad (DA26/4/8 (08/12))		-	10
Loss of laptop (DA26/4/5 (12/12))		-	3
Loss of laptop (DA26/4/5 (13/12))		-	13
Theft of laptop & iPad (DA26/4/5 (03/13))		12	-
Theft of sportkit items(DA26/4/5 (07/13))		3	-
Theft of laptop & iPad (DA26/4/5 (05/13))		13	-
Theft of laptop (DA26/4/5 (08/13))		4	-
<b>Total</b>		<b>32</b>	<b>32</b>

## 7. Transfers and subsidies

	<i>Note</i>		
Public corporations and private enterprises	<i>Annex 1A</i>	-	9
Households	<i>Annex 1B</i>	3,070	316
Gifts, donations and sponsorships made	<i>Annex 1C</i>	330	81
<b>Total</b>		<b>3,400</b>	<b>406</b>

Unspent funds transferred to the above beneficiaries 18 -

Funding were made available for payment of leave gratuity, which is extremely difficult to predict.

## 8. Expenditure for capital assets

<b>Tangible assets</b>		<b>3,702</b>	<b>6,294</b>
Buildings and other fixed structures	27	-	303
Machinery and equipment	25.1	3,702	5,991
<b>Intangible assets</b>		<b>-</b>	<b>62</b>
Computer software	26.1	-	62
<b>Total</b>		<b>3,702</b>	<b>6,356</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 8.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	3,702	-	3,702
Buildings and other fixed structures	-	-	
Machinery and equipment	3,702	-	3,702
<b>Intangible assets</b>	-	-	-
Computer Software	-	-	-
<b>Total</b>	<b>3,702</b>	<b>-</b>	<b>3,702</b>

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

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	6,294	-	6,294
Buildings and other fixed structures	303	-	303
Machinery and equipment	5,991	-	5,991
<b>Software and other intangible assets</b>	62	-	62
Computer Software	62	-	62
<b>Total</b>	<b>6,356</b>	<b>-</b>	<b>6,356</b>

## 8.3 Finance lease expenditure included in Expenditure for capital assets – 2013/14

	Voted funds R'000
<b>Tangible assets</b>	2,372
Machinery and equipment	2,372
<b>Total</b>	<b>2,372</b>

## 9. Cash and cash equivalents

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General Account		165	1,142
<b>Total</b>		<b>165</b>	<b>1,142</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 10. Prepayments and advances

	Note	2013/14 R'000	2012/13 R'000
Travel and subsistence		57	35
<b>Total</b>		<b>57</b>	<b>35</b>

## 11. Receivables

	Note	2013/14			2012/13
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total
Claims recoverable	11.1	3,073	-	-	706
	Annex 4				
Staff debt	11.2	136	142	9	443
Other debtors	11.3	-	-	-	34
<b>Total</b>		<b>3,209</b>	<b>142</b>	<b>9</b>	<b>1,149</b>

### 11.1 Claims recoverable

	Note	2013/14 R'000	2012/13 R'000
Provincial departments		3,068	706
Public entities		5	-
<b>Total</b>		<b>3,073</b>	<b>706</b>

### 11.2 Staff debt

	Note	2013/14 R'000	2012/13 R'000
Ex-employee	11	64	-
Telephone		48	39
Employee		175	370
<b>Total</b>		<b>287</b>	<b>409</b>

### 11.3 Other debtors

	Note	2013/14 R'000	2012/13 R'000
Ex-employee	11	-	34
<b>Total</b>		<b>-</b>	<b>34</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 11.4 Impairment of receivables

	<i>Note</i>	<b>2013/14</b> <b>R'000</b>	<b>2012/13</b> <b>R'000</b>
Estimate of impairment of receivables		25	30
<b>Total</b>		<b>25</b>	<b>30</b>

## 12. Voted funds to be surrendered to the Revenue Fund

Opening balance	2,188	15,734
As restated	2,188	15,734
Transfer from statement of financial performance	3,269	2,188
Paid during the year	(2,188)	(15,734)
<b>Closing balance</b>	<b>3,269</b>	<b>2,188</b>

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

Opening balance	9	35
As restated	9	35
Transfer from Statement of Financial Performance	24,407	37,449
Own revenue included in appropriation	17,076	15,076
Paid during the year	(41,483)	(52,551)
<b>Closing balance</b>	<b>9</b>	<b>9</b>

## 14. Payables - current

Clearing accounts	14.1	256	-
<b>Total</b>		<b>256</b>	<b>-</b>

### 14.1 Clearing accounts

Sal: Income tax	14	256	-
<b>Total</b>		<b>256</b>	<b>-</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 15. Net cash flow available from operating activities

	<i>Note</i>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		27,676	39,637
Add back non cash/cash movements not deemed operating activities		(24,870)	(47,081)
(Increase)/decrease in receivables – current		(2,211)	(239)
(Increase)/decrease in prepayments and advances		(22)	11
Increase/(decrease) in payables – current		256	-
Expenditure on capital assets		3,702	6356
Surrenders to Revenue Fund		(43,671)	(68,285)
Own revenue included in appropriation		17,076	15,076
<b>Net cash flow generated by operating activities</b>		<b><u>2,806</u></b>	<b><u>(7,444)</u></b>

## 16. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	165	1,142
<b>Total</b>	<b><u>165</u></b>	<b><u>1,142</u></b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 17. Contingent liabilities

### 17.1 Contingent liabilities

Liable to	Nature	Note	2013/14 R'000	2012/13 R'000
Claims against the department		Annex 2	41	41
Intergovernmental payables (unconfirmed balances)		Annex 4	90	90
<b>Total</b>			<b>131</b>	<b>131</b>

## 18. Commitments

### Current expenditure

Approved and contracted	475	378
Approved but not yet contracted	-	19
	<b>475</b>	<b>397</b>

### Capital expenditure

Approved and contracted	13	33
	<b>13</b>	<b>33</b>
<b>Total Commitments</b>	<b>488</b>	<b>430</b>

No commitments exceeds one year.  
All commitments have been disclosed.

## 19. Accruals

Listed by economic classification	2013/14 R'000			2012/13 R'000
	30 Days	30+ Days	Total	Total
Goods and services	3,650	-	3,650	1,338
<b>Total</b>	<b>3,650</b>	<b>-</b>	<b>3,650</b>	<b>1,338</b>

Listed by programme level	Note	2013/14 R'000		2012/13 R'000
Administration		878		1,159
Sustainable Resource Management		27		52
Assets and Liability Management		2,660		44
Financial Governance		85		83
<b>Total</b>		<b>3,650</b>		<b>1,338</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

		2013/14 R'000	2012/13 R'000
Confirmed balances with departments	<i>Annex 4</i>	780	226
<b>Total</b>		<b>780</b>	<b>226</b>

The amount included in Administration includes services rendered by the AGSA during March 2014 relating to audit fees.

The amount included in Assets and Liability Management includes services rendered by the Consultant Open Water for which invoices was only received in April 2014 relating to services rendered in March 2014.

## 20. Employee benefits

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Leave entitlement		4,778	4,508
Service bonus (Thirteenth cheque)		4,423	4,303
Performance awards		2,339	2,799
Capped leave commitments		4,777	4,644
<b>Total</b>		<b>16,317</b>	<b>16,254</b>

## 21. Lease commitments

### 21.1 Operating leases expenditure

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2013/14</b>					
Not later than 1 year	-	-	-	1,222	1,222
Later than 1 year and not later than 5 years	-	-	-	1,929	1,929
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,151</b>	<b>3,151</b>

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2012/13</b>					
Not later than 1 year	-	-	-	536	536
Later than 1 year and not later than 5 years	-	-	-	344	344
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>880</b>	<b>880</b>

The department lease 13 fleet vehicles from Fleet management.



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

None of the above lease agreements include the escalation clause.

The department is not having any sub-leases.

There were no sale and lease back agreements entered into by the department.

## 21.2 Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
<b>2013/14</b>					
Not later than 1 year				2,159	2,159
Later than 1 year and not later than 5 years				221	221
<b>Total lease commitments</b>	-	-	-	<b>2,380</b>	<b>2,380</b>

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
<b>2012/13</b>					
Not later than 1 year	-	-	-	1,859	1,859
Later than 1 year and not later than 5 years	-	-	-	1,384	1,384
<b>Total lease commitments</b>	-	-	-	<b>3,243</b>	<b>3,243</b>

The department leased 38 photocopiers over 36 months from Gerox.  
The department has 80 cellular phones and 60 USB devices over a 24 months period from VODACOM.  
None of the above lease agreements include the escalation clause.

No assets are sub-leased by the department.

There are also no escalation clauses in the lease agreements and the fees are standard / fix for the term of the agreement.

There are no restrictions imposed on the department through any lease agreement.

There were no sale and leaseback agreements entered into by the department.



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 22. Irregular expenditure

### 22.1 Reconciliation of irregular expenditure

	<i>Note</i>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
Opening balance		-	-
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		293	-
Less: amounts condoned		(272)	-
<b>Irregular expenditure awaiting condonation</b>		<b>21</b>	<b>-</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		21	-
<b>Total</b>		<b>21</b>	<b>-</b>

### 22.2 Details of irregular expenditure – current year

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2013/14 R'000</b>
DA/IE/1-11/2013/14 (Hambanathi Travel: MNG Mahlatsi)	The case is still under investigation.	2
DA/IE/2-11/2013/14 (Rennies travel: MNG Mahlatsi)	The case is still under investigation.	2
DA/IE/3-11/2013/14 (Free state Travel: ATM Mabija)	The case is still under investigation.	1
DA/IE/4-11/2013/14 (Hambanathi Travel: FF Sithole)	The case is still under investigation.	3
DA/IE/5-11/2013/14 (Hambanathi Travel: M Harijane)	The case is still under investigation.	3
DA/IE/6-11/2013/14 (Hambanathi Travel: KPJ Kriese)	The case is still under investigation.	2
DA/IE/7-11/2013/14 (Free state Travel: T Thotane)	The case is still under investigation.	2
DA/IE/8-11/2013/14 (Free state Travel: M Mokokoane)	The case is still under investigation.	2
DA/IE/9-11/2013/14 (Free state Travel: R Modise)	The case is still under investigation.	2
DA/IE/10-11/2013/14 (Free state Travel: S Molibeli)	The case is still under investigation.	2
<b>Total</b>		<b>21</b>

### 22.3 Details of irregular expenditure condoned

<b>Incident</b>	<b>Condoned By (Condoning authority)</b>	
DA/IE/11/2013/14 (Moorar Incorporated)	Case was condoned by the Accounting Officer	272
<b>Total</b>		<b>272</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

<b>22.4</b>	<b>Details of irregular expenditure under investigation</b>	<b>2013/14</b>	
<b>Incident</b>		<b>R'000</b>	
DA/IE/1-2013/14 (Hambanathi Travel: MNG Mahlatsi)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	2	
DA/IE/2-2013/14 (Rennies travel: MNG Mahlatsi)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	2	
DA/IE/3-2013/14 (Free state Travel: ATM Mabija)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	1	
DA/IE/4-2013/14 (Hambanathi Travel: FF Sithole)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	3	
DA/IE/5-2013/14 (Hambanathi Travel: M Harijane)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	3	
DA/IE/6-2013/14 (Hambanathi Travel: KPJ Kriese)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	2	
DA/IE/7-2013/14 (Free state Travel: T Thotane)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	2	
DA/IE/8-2013/14 (Free state Travel: M Mokokoane)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	2	
DA/IE/9-2013/14 (Free state Travel: R Modise)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	2	
DA/IE/10-2013/14 (Free state Travel: S Molibeli)	Exceed limit of R1 300.00 as per Provincial Treasury Instruction note 31.	2	
<b>Total</b>		<b>21</b>	
<b>23</b>	<b>Fruitless and wasteful expenditure</b>		
<b>23.1</b>	<b>Reconciliation of fruitless and wasteful expenditure</b>		
	<i>Note</i>	<b>2013/14</b>	<b>2012/13</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		-	
Fruitless and wasteful expenditure – relating to prior year		-	
Fruitless and wasteful expenditure – relating to current year		76	174
Less: Amounts resolved		(76)	(174)
<b>Fruitless and wasteful expenditure awaiting resolution</b>		<b>-</b>	<b>-</b>
<b>23.2</b>	<b>Analysis of Current year's fruitless and wasteful expenditure</b>		
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2013/14</b>	
		<b>R'000</b>	
Fire on the 4 <sup>th</sup> floor in the Provincial Government building – destroyed 1 photocopy machine	No liability could be determined		76
<b>Total</b>			<b>76</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 24 Key management personnel

	No. of Individuals	2013/14 R'000	2012/13 R'000
Political office bearers (provide detail below)	1	1,752	1,707
<b>Officials:</b>			
Level 15 to 16	2	4,102	1,548
Level 14 (incl. CFO if at a lower level)	10	5,575	5,510
Family members of key management personnel	4	979	1,072
<b>Total</b>		<b>12,408</b>	<b>9,837</b>

## 25 Non – adjusting events after the reporting date

Include an estimate of the financial effect of the subsequent non-adjusting event or a statement that such an estimate cannot be made

	2013/14 R'000
On the 24 <sup>th</sup> of July 2014 a fire started in an office occupied by an official from Cash Management on the 10 <sup>th</sup> floor, Provincial Government Building. The fire brigade was able to contain the fire and the department suffered a loss due to damages to furniture and equipment. At the time of reporting the central processing unit (CPU) of the computer must still be examined. The fire started after hours and no official was in the office. Arson is not suspected.	9
<b>Total</b>	<b>9</b>

## 26 Movable Tangible Capital Assets

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>26,262</b>	<b>22</b>	<b>1,279</b>	<b>307</b>	<b>27,256</b>
Computer equipment	18,711	14	889	293	19,321
Furniture and office equipment	5,959	-	297	14	6,242
Other machinery and equipment	1,592	8	93	-	1,693
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>26,262</b>	<b>22</b>	<b>1,279</b>	<b>307</b>	<b>27,256</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 25.1 Additions

### Movable Tangible Capital Assets

#### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>3,702</b>	<b>-</b>	<b>(2,423)</b>	<b>-</b>	<b>1,279</b>
Computer equipment	889				889
Furniture and office equipment	297				297
Other machinery and equipment	2,516		(2,423)		93
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3,702</b>	<b>-</b>	<b>(2,423)</b>	<b>-</b>	<b>1,279</b>

## 25.2 Disposals

#### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>307</b>	<b>307</b>	<b>-</b>
Transport assets			-	
Computer equipment		293	293	
Furniture and office equipment		14	14	
Other machinery and equipment			-	
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>307</b>	<b>307</b>	<b>-</b>





# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## Minor Assets

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1	28	13,031	-	13,060
Prior Year Balances	-	-	-	(14)	-	(14)
Additions	-	1	3	995	-	999
Disposals	-	-	-	454	-	454
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>2</b>	<b>31</b>	<b>13,558</b>	<b>-</b>	<b>13,591</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	2	23	8,824	-	8,849
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>2</b>	<b>23</b>	<b>8,824</b>	<b>-</b>	<b>8,849</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 26 Intangible Capital Assets

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	560	-	-	-	560
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>560</b>

### 26.1 Movement for 2012/13

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

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	498	-	62	-	560
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>498</b>	<b>-</b>	<b>62</b>	<b>-</b>	<b>560</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## 27. Immovable Tangible Capital Assets

### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balances
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	303	-		-	303
Other fixed structures	303	-		-	303
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>303</b>	<b>-</b>		<b>-</b>	<b>303</b>

### 27.1 Movement for 2012/13

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

	Opening balance	Current year adjustments to prior year balances	Additions	Disposal	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	303	-	303
Other fixed structures	-	-	303	-	303
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>303</b>	<b>-</b>	<b>303</b>





# FREE STATE: PROVINCIAL TREASURY VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

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

NAME OF PUBLIC CORPORATION / PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2012/13	
	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
<b>Public Corporations</b>									
<i>Transfers</i>									
SA Broadcasting corporation	-	-	-	-	-	-	-	-	24
T Ngubeni – injury on duty	-	-	-	-	-	-	-	-	10
<b>Total</b>	-	-	-	-	-	-	-	-	<b>34</b>

# FREE STATE: PROVINCIAL TREASURY VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## ANNEXURE 1B STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2012/13 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
<b>HOUSEHOLDS</b>							
<b>Transfers</b>							
Leave gratuity	3,060	-	14	3,074	3,057	99%	351
Injury on duty	14	-	-	14	13	93%	-
<b>Total</b>	<b>3,074</b>	<b>-</b>	<b>14</b>	<b>3,088</b>	<b>3,070</b>		<b>351</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

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

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2013/14	2012/13
	R'000	R'000
<b>Paid in cash</b>		
Kloppers – donation of camera and stand	-	7
ME Tau – donation to cover health insurance, camcorder and flight ticket for internship to China	-	25
Matshediso Gospel Choir – donation to make CD	-	5
ABASA – donation towards school visit programme and QE function	19	30
Donation of flowers and cash towards funeral of ME Hok	-	1
Donation of payment towards registration fees for two volley ball teams to CUT	-	2
Donation to family of late V Mafilika	-	10
Donation of long service award certificate with frame to SJ Roberts	-	1
Donation towards Thami Performance Annual Awareness function	20	-
Donation of school uniforms and food parcels for five learners during the take a boy child to work	11	-
Donation of school uniforms to Koffiefontein Public School and Zastron Primary School for Provincial Nelson Mandela Celebrations	24	-
Donation of educational toys and painting material for Zamani Day Care at Memel for Provincial Nelson Mandela Celebrations	7	-
Donations of blankets to Koffiefontein Public School and Zastron Primary School for Provincial Nelson Mandela Celebrations	95	-
Donation of frames with long services certificates – officials with 20 and 30 years' service	9	-
Donation of school uniforms to Zastron Primary School	15	-
Donation of food parcels for needy older & disabled persons at Petrusburg as part of older persons' project during older persons month	5	-
Donation of 100 foam mattresses for Zamani day care centre at Memel for Universal/International children's day	23	-
Donation of groceries for Kanana Disabled day care centre in Botshabelo	2	-
Donation of 223 pairs of school shoes to learners of five schools around FS Province as part of MEC's outreach programme	50	-
Donation towards Freedom day celebrations	50	-
<b>Subtotal</b>	<b>330</b>	<b>81</b>

# FREE STATE: PROVINCIAL TREASURY VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

	2013/14	2012/13
	R'000	R'000
<b>Made in kind</b>		
Donation of old redundant furniture and equipment to Department of Education	-	20
Donation of old redundant furniture and equipment to Department of Police Roads and Transport	-	11
Donation of old redundant furniture and equipment to Tokolo Community	-	10
Donation of old redundant furniture and equipment to Kanana Disable Centre	-	9
Donation of old redundant furniture and equipment to Leratong Day Care	-	7
Donation of old redundant furniture and equipment to Wisdom Pre-school	5	20
Donation of old redundant furniture and equipment to Joe Solomon	-	12
Donation of old redundant furniture and equipment to Petrusburg Municipality	-	101
Donation of old redundant furniture and equipment to Woman Manyano	-	35
Donation of old redundant furniture and equipment to District Youth Conference	-	26
Donation of old redundant furniture and equipment to Motheo	-	37
Donation of old redundant furniture and equipment to Minor Day Care	-	10
Donation of old redundant furniture and equipment to House of Hope	-	3
Donation of old redundant furniture and equipment to MI Bosman	-	9
Donation of old redundant furniture and equipment to Mohloli Media Prod	-	8
Donation of old redundant furniture and equipment to All Saints Catholic Church (NGO)	-	33
Donation of old redundant furniture and equipment to Uniting Reformed Church (NGO)	-	121
Donation of old redundant furniture and equipment to Christian Apostolic Church (NGO)	-	62
Donation of old redundant furniture and equipment to Stars of Tomorrow (NGO)	-	11
Donation of old redundant furniture and equipment to Sivile (NGO)	-	4
Donation of old redundant furniture and equipment to Tsepanang (NGO)	-	14
Donation of old redundant furniture and equipment to Pariware	-	27
Donation of old redundant furniture and equipment to Acts of Apostle	18	-
Donation of equipment to former MEC Mr S Mohai	51	-
Donation of old redundant furniture and equipment to Archi-Con Consultancy	6	-
Donation of old redundant furniture and equipment to Matla	61	-
Donation of old redundant furniture and equipment to Reikaeletse	169	-
<b>Subtotal</b>	<b>310</b>	<b>590</b>
<b>TOTAL</b>	<b>640</b>	<b>671</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## ANNEXURE 2 STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	Opening Balance 1 April 2013 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancell ed/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2014 R'000
Claims against the department Standard Bank	41	-	-	-	41
<b>TOTAL</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## ANNEXURE 3 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
FS: Education	1,028	61	-	-	1,028	61
FS: Provincial Treasury (Revenue Fund)	-	526	-	-	-	526
FS: Police, Roads and Transport	12	1	-	-	12	1
FS: Cooperate Governance and Traditional Affairs	-	25	-	-	-	25
FS: Agriculture	1,000	-	-	-	1,000	-
FS: Social Development	1,000	-	-	-	1,000	-
GP: Education	28	-	-	-	28	-
	<b>3,068</b>	<b>613</b>	<b>-</b>	<b>-</b>	<b>3,068</b>	<b>613</b>
<b>Other Government Entities</b>						
Free State Legislature	-	-	-	93	-	93
South African Revenue Services	-	-	5	-	5	-
	<b>-</b>	<b>-</b>	<b>5</b>	<b>93</b>	<b>5</b>	<b>93</b>
<b>TOTAL</b>	<b>3,068</b>	<b>613</b>	<b>5</b>	<b>93</b>	<b>3,073</b>	<b>706</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## ANNEXURE 4 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Department of Justice & Constitutional Development	-	-	90	90	90	90
FSPG: Fleet Management	-	130	-	-	-	130
FS: Premier	780	96	-	-	780	96
<b>Total</b>	<b>780</b>	<b>226</b>	<b>90</b>	<b>90</b>	<b>870</b>	<b>316</b>



# FREE STATE: PROVINCIAL TREASURY VOTE 4

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2014

## ANNEXURE 5 MOVEMENT IN CAPITAL WORK IN PROGRESS

### MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	-	-
Other fixed structures	-	51	51	-
<b>TOTAL</b>	<b>-</b>	<b>51</b>	<b>51</b>	<b>-</b>







