



# **finance**

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Department: Finance  
**MPUMALANGA PROVINCIAL GOVERNMENT**

## **ANNUAL REPORT:** **2008-2009**

**PR: 155/2009**  
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# **PART ONE:**

# **GENERAL INFORMATION**



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## PART 1: GENERAL INFORMATION

### 1.1 Submission of the Annual Report (2008/2009) to the Executing Authority

I, Rabeng Sophney Tshukudu, the Accounting Officer of the Department of Finance have the honour of submitting the 2008/2009 Annual Report on the work of the Department of Finance, in terms of Chapter 5 (40)(d) of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) to the Executing Authority, Ms Y.N. Phosa, MPL.

**Mr R.S TSHUKUDU**  
Accounting Officer:  
Department of Finance

Date: 31/08/2009



## 1.2 Introduction by the Head of Department



**Mr R.S TSHUKUDU**  
**Head of Department/Accounting Officer**  
**Department of Finance**

During the financial year under review (2008-2009 financial year), we continued to ensure compliance by Departments in relation to all governing Acts, regulations and prescripts.

Our vacancy rate as at 31 March 2009 stood at 23% when measured against the approved structure. We believe the vacancy rate could have been even lower, had it not been for a number of staff resignations or transfers on promotion to other Departments.

By the end of March 2009, we had spent 81% of our allocated budget of R439, 845 million. The bulk of the under-expenditure was due to the under spending on the flagship projects budget that was allocated to the Department of Finance.

## 1.3 Information on the Ministry

The mandate of the Department is to:

- Prepare and manage the Provincial budget;
- Enforce uniform treasury norms and standards (as prescribed by the National Treasury and the Public Finance Management Act (PFMA) Act 1 of 1999 (as amended by Act 29 of 1999);
- Promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of Provincial Departments and Provincial Entities; and
- Ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.



### **Institutions reporting to the Executing Authority:**

No institutions reported to the Executing Authority during the financial year under review.

### **Bills submitted to the Legislature during the financial year (2008-2009)**

The following Bills were submitted to the Mpumalanga Provincial Legislature:

- Mpumalanga Appropriation Bill, 2008
- Mpumalanga Adjustment Appropriation Bill, 2008

### **Ministerial visits abroad**

No official trips abroad were undertaken by the Executing Authority during the period under review.

## **1.4 Our Mission Statement**

### **The Mission Statement of the Department is:**

"To allocate available resources consistent with Provincial Government's strategic objectives and priorities through effective monitoring of resource utilisation, prudent financial management, advice and support for enhanced service delivery"

### **The vision of the Department is to be:**

"A dynamic Department that ensures equitable allocation and optimal utilisation of provincial resources for accelerated service delivery and economic growth."

### **Our Values**

The Department is guided by the following core values:

- **Dedication:** We commit to perform our tasks in a dedicated manner to ensure speedy delivery of services;
- **Transparency:** We commit to render our services in a transparent manner and to ensure that we consult with all stakeholders;
- **Excellence:** We commit to execute our mandate in an excellent manner and with minimal mistakes;
- **Integrity:** We commit to apply rules and procedures of the Department and general conduct of all officials in a consistent, fair and just manner;
- **Honesty:** We commit all staff and management to conduct themselves with honesty and trustworthiness;
- **Fairness:** We commit to conduct business in a fair manner;
- **Commitment:** We commit to perform in terms of our Departmental service standards and guiding legislation.



## 1.5 Legislative Mandate

The Department derives its mandate from the following legislations:

- **The Constitution of the Republic of South Africa Act, 1996**

The Constitution provides a framework for the improvement of the quality of life of all citizens. It does so by enshrining the rights of all people which have to be respected, protected and promoted and fulfilled by the State. To enable the State to fulfil the rights of individuals, resources, especially financial resources, must be made available.

- **Public Finance Management Act, 1999 (Act 1 of 1999)**

This Act prescribes measures to ensure transparency and expenditure control in the National and Provincial spheres of Government and it sets operational procedures for borrowing, guarantees, procurement and oversight over the Provincial Revenue Fund.

- **Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)**

This Act sets out the responsibilities of the Provincial Treasury with regard to local Government finances and fiscal powers as delegated to it by National Treasury.

- **Annual Division of Revenue Act**

This Act provide for the equitable division of revenue anticipated to be raised nationally among the National, Provincial and Local spheres of Government every financial year, and it further sets out the responsibilities of the Provincial sphere of Government pursuant to such division.

- **Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)**

This Act sets out the process for the sharing of revenue raised nationally among National, Provincial and Local spheres of Government, as well as the allocation of money to the Provincial Government.

- **Mpumalanga Appropriation Act, 2008**

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in the 2008/2009 financial year; and to provide for subordinate matters incidental thereto.

- **Mpumalanga Adjustment Appropriation Act, 2008**

The Act provides for the appropriation of additional money for the requirements of the Mpumalanga Province in respect of the financial year ended 31 March 2009 (2008/2009).

- **Mpumalanga Finance Matters Act, 2006**

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





- **State Information Technology Agency Act, 1998 (Act 8 of 1998)**  
This Act has established an institution that is responsible for the State's information technology system.
- **Protected Disclosures Act, 2000 (Act 26 of 2000)**  
This Act helps to deter and detect wrongdoing in the workplace by providing an early warning mechanism to prevent impropriety and corruption in the public sector. It makes provisions for procedures in terms of which employees in the public sector who disclose information of unlawful or corrupt conduct by their employers or fellow employees are protected from occupational detriment.
- **Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004)**  
This Act provides for an overall anti-corruption strategy and makes provisions for the strengthening of measures to prevent and combat corruption and corrupt activities.
- **Mpumalanga Gambling Act, 1995 (Act 5 of 1995)**  
This Act provides, amongst others, for the levying of licences against casino owners. The Province in turn pays such levies and licences into the Provincial Revenue Fund for utilisation.
- **Occupational Health and Safety Act, 1993 (Act 85 of 1993)**  
This Act provides health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work, against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.
- **Control of Access to Public and Vehicles Act, 1985 (Act 53 of 1985)**  
This Act provides for the safeguarding of certain public premises and vehicles and for the protection of the people therein or thereon, and for matters connected therewith.
- **Electronic Communications Security (Pty) Ltd Act, 2002 (Act 68 of 2002)**  
This Act provides for the establishment of a company that will provide electronic communications security products and services to organs of the state; and to provide for matters connected therewith.
- **National Archives of South Africa Act, 1996 (Act 43 of 1996)**  
This Act provides for the establishment of the National Archives and Record Service; the proper management and care of the records of governmental bodies; and the preservation and use of a national archival heritage; and to provide for matters connected therewith.
- **Minimum Information Security Standards**  
This policy document provides guidelines to implement information security in the Republic.



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# **PART TWO:**

# **PROGRAMME PERFORMANCE**



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## PART 2: PROGRAMME PERFORMANCE

### 2.1 Voted Funds

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
Department of Finance	201,062	439,845	357,445	82,400
Responsible MEC	Mrs. Y.N. Phosa			
Administering Dept	Department of Finance			
Accounting Officer	Mr. R.S. Tshukudu			

### 2.2 AIM OF VOTE

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

**Mandate:**

Our mandate is to prepare and manage the Provincial budget, and enforce uniform treasury norms and standards as prescribed by the National Treasury and the Public Finance Management Act (PFMA) Act 1 of 1999 (as amended by Act 29 of 1999).

**Vision:**

A dynamic department that ensures equitable allocation and optimal utilization of provincial resources for accelerated service delivery and economic growth.

**Mission:**

To allocate available resources consistent with Provincial Government strategic objectives and priorities through effective monitoring of resource utilization, prudent financial management, advice and support for enhanced service delivery.

**Strategic Goals:**

- Maintain fiscal discipline
- Allocation of resources in line with Government priorities
- Contributing to the economy through efficient and effective service delivery
- Maintain leadership and good governance

### 2.3 KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

**Key measurable objectives**

- To ensure equitable allocation of provincial resources that finances the Province's key deliverables.



- To ensure that provincial departments and municipalities own revenue is optimised and expanded.
- To ensure the effective implementation of accounting practices in line with GRAP and applicable laws.
- To ensure optimal utilisation of provincial resources consistent with the Province's strategic objectives and priorities.
- To ensure effective optimal financial resource utilisation through analysis, identification and minimisation of risks.
- To ensure effective and efficient utilisation of assets and management of liabilities
- To ensure procurement strategies that will contribute to economic development.
- To ensure implementation of norms and standards for enhanced accountability within provincial departments and municipalities.
- To ensure political leadership on allocation and utilisation of Provincial resources

## **Programmes**

### ***Programme 1:***

The programme is responsible for the financial and administrative management of the Department.

### ***Programme 2:***

This program serves to provide professional advice and support to the Member of the Executive Council on fiscal policy, public finance development and management of annual budget processes.

### ***Programme 3:***

The programme provides provide policy direction, facilitating the effective and efficient management of physical and financial assets, Public Private Partnerships (PPP) and liabilities.

### ***Programme 4:***

This Programme serves to facilitate, monitor, support and provide professional advice to ensure financial compliance and to enable enhanced service delivery in the Province. It furthermore promotes accountability through substantive reflection of financial and non-financial activities.

## **Achievements**

The department managed to obtain an unqualified audit opinion for the 2006-2007 and 2007-2008 financial periods.

## **2.4 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2008/09**

The department is responsible for provincial resource allocation, monitoring and providing advisory services to all provincial departments. The department renders Treasury support functions to all provincial departments and carries all the information technology costs relating to SITA, BAS, LOGIS and PERSAL. Support is provided to municipalities to ensure sound and sustainable management of the fiscal and financial affairs of municipalities



## 2.5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2008/09

The department implemented the approved organisational structure during 2008/2009, however challenges were faced when trying to fill all vacancies and a vacancy rate of 23% was experienced at year-end. While efforts were made to fill vacancies the challenge was faced by resignations and staff transfers.

## 2.6 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2008/09 FINANCIAL YEAR

The department revised and submitted its strategic plan; annual performance and implementation plan for the 2008-2009 financial year to the Legislature for approval.

### 2.6.1 Policy developments and legislative changes

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

## 2.7 DEPARTMENTAL REVENUE, EXPENDITURE, AND OTHER SPECIFIC TOPICS

### 2.7.1 Collection of departmental revenue

The department had projected to collect R40,489 million of own targeted revenue and was able to collect a total of R65,984 million, exceeding the target by R25,495 million. The target was exceeded due to the interest realisation on the investment of unspent funds for the province.

The table below provides a breakdown of the sources of revenue:

	2005/06 Actual R'000	2006/07 Actual R'000	2007/08 Actual R'000	2008/09 Budget R'000	2008/09 Actual R'000	% Deviation from target
<b>Non-tax revenue</b>	1,737	1,202	2,162	2,000	1,749	(12.5%)
Sales of Goods and Services other than capital receipts						
Interest	63,341	62,375	141,225	38,429	64,024	166.6%
<b>Sale of Capital Assets (Capital Revenue)</b>						
Sale of Capital Assets	12	0	0	0	57	100%
<b>Financial transactions (Recovery of loans and advances)</b>	0	317	92	60	154	156.7%
<b>TOTAL REVENUE</b>	<b>65,090</b>	<b>63,894</b>	<b>143,479</b>	<b>40,489</b>	<b>65,984</b>	<b>163%</b>



## 2.7.2 Departmental expenditure

The department managed to spend R357,445 million of the allocated budget of R439,854 million or 81.3%. Management utilises the in-year-monitoring (IYM) tool to monitor expenditure patterns and actual spending against plans and take corrective action where necessary. The budget for the department was increased to cater for the Flagship projects of the Province and Unauthorised expenditure incurred by other departments in previous financial periods.

Programmes	Voted for 008/09 R'000	Roll-overs and adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	Variance R'000
Programme 1	72,428	0	3,900	76,328	74,902	1,426
Programme 2	247,958	0	(200)	249,558	173,559	75,999
Programme 3	21,459	0	0	21,459	20,363	1,096
Programme 4	96,200	0	(3,700)	92,500	88,621	3,879
<b>Total</b>	<b>439,845</b>	<b>0</b>	<b>0</b>	<b>439,845</b>	<b>357,445</b>	<b>82,400</b>

## 2.7.3 Transfer payments

The department transferred an amount of R30, 000 to officials' estates for benefits for deceased officials, R13,000 was transferred for municipal rates and taxes and R48,000,000 was transferred to Mbombela for the stadium.

Name of Institution	Amount Transferred R'000	Estimate Expenditure R'000
Programme 1	30	30
Programme 2	48,013	48,013
Programme 3	0	0
Programme 4	0	0

### **Conditional grants and earmarked funds**

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

## 2.7.4 Capital investment, maintenance and asset management plan

### **Asset Management**

All Departmental assets are recorded in the Asset Register that is updated regularly. Details of additions to assets can be found in the disclosure notes to the annual financial statements. A disposal committee has been established for the department to enable the disposal of unused and obsolete assets. All assets utilised in the department are in a good or fair condition.





## 2.8 Programme performance

### 2.8.1 Summary of programmes

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

**Programme 1: Administration**

**Programme 2: Sustainable Resource Management**

**Programme 3: Assets and Liabilities Management**

**Programme 4: Financial Governance**

#### **Programme 1: Administration**

##### **Purpose:**

This programme is responsible for financial and administrative management support in the department.

##### **Measurable objective:**

- To provide political direction on policy formulation by the Department.
- To provide the overall management and administration of the Department.
- To ensure compliance to regulations and policies.
- To provide an internal enabling function and support service with regard to legal services, human resource, communication, transversal issues and policy planning for the department.
- To provide financial and administrative support in the department.
- To ensure effective, efficient and economic utilisation of resources.
- Create a secure work environment by providing security management services.
- To evaluate the effectiveness and efficiency of risk management, control and governance processes.
- To implement effective and efficient risk management and fraud prevention strategies.
- To conduct socio-economic research to inform the budget and planning process.

##### **Service delivery objectives and indicators:**

- Provision of Political direction.
- Effective and efficient management of the Department.
- Provision of human resource, legal, communication, transversal issues and policy planning services.
- Provision of effective and efficient financial services and timeous and accurate financial information.
- Sound financial governance.
- Provision of security services
- Provision of effective and efficient audit services in compliance with IIA Standards and legislation.
- Provision of quality and accurate provincial socio-economic research and statistics reports.



## Service delivery achievements:

- Political direction provided
- The department was effectively and efficiently managed
- Human resource, legal, communication, transversal issues and policy planning services were provided.
- An unqualified audit report was received for prior financial periods.
- An effective internal audit service was rendered to the department.
- Risk management strategies were identified and implemented for risks identified.

### Programme 1

Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Office of the MEC</b>	Priorities and political strategic directives in order to meet the objectives of the Department	Number of MTEC / MUNIMEC Hearings	10 MTEC Hearings (10 Depts) 4 MUNIMEC Meetings Monthly Executive reporting and consulting	10 MTEC hearings held 4 MUNIMEC meetings held. Monthly Executive reporting and consulting
<b>Office of the HOD</b>	Translate strategic political and policy direction into strategies for effective management and service delivery	Date of finalising Annual Report	30 August 2008	Annual Report tabled by 30 August 2008
		Number of quarterly reports	4 quarterly reports (financial and non-financial)	4 quarterly Reports submitted
<b>Chief Operations Officer</b>	Provide strategic administrative support to HOD and Department	Number of reports to monitor administrative processes	12 Reports	No reports submitted
<b>Economic Analysis</b>	Provide provincial economic and social research and analysis that informs fiscal policy development and the annual budget process	Number of economic research studies/reports completed	4 Economic research reports	1 Economic research report completed
		Number of updated annual statistics reports	Updated Provincial Socio-Economic Outlook that informs the budget process	Updated Provincial Socio-Economic Outlook for the Adjustment Budget, Budget Speech and Budget Statement & Overview



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Regional Services</b>	Co-ordinate, plan, support and implement programmes at regional level	Quarterly reports on implementation of priorities	4 Quarterly report on implementation of priorities	4 reports on implementation of priorities prepared and submitted
<b>Corporate Services</b>	Provide human resource and support services to enable the department to achieve its objective	Filling of vacant posts	Filling of vacant 433	333 posts were filled
	Develop and implement Human Resource and Employment Equity plan	Compliance to human resource plan	Review Human Resource draft plan and conduct consultations	Reviewed Human resource draft plan and consulted with staff
		Compliance to employment Equity plan	Establish Employment Equity forum and compile Employment Equity draft plan	Employment Equity Forum established. Employment Equity plan drafted and approved for implementation.
		100% compliance to performance management and development policy	Implement and monitor compliance	205 performance assessments submitted for period ending 31 March 2008
	Enhance skills development to improve operational efficiency and employment opportunities	Number of learners enrolled	Enrol, train and mentor 15 learners through the learnership program	Enrolled, trained and mentored 21 Learners
		Number of interns enrolled	Enrol, train and coach 15 interns through the internship program	Enrolled, trained and mentored 23 Interns
		Number of internal bursaries awarded	Award 5 internal bursaries	Awarded 6 internal bursaries
		Number of external bursaries awarded	Award 16 external bursaries	Awarded 20 external bursaries



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		Number of training programmes conducted	30 Training programmes conducted	1 Training programme conducted
	Provision of labour advice to promote sound employer-employee relations	Number of labour cases resolved	100% on resolving grievances, disciplinary and misconduct cases	15 grievances lodged and resolved. 3 disciplinary hearings held.
				5 disputes lodged and 3 conciliations attended to
	Provision of records management services to protect information of the department	Availability of a record management system	Draft filing system circulated for consultation	Draft file system plan developed and awaiting approval
	Promote Gender and transformation	Create awareness on women, youth, children and people with disabilities	Conduct 4 awareness campaigns	3 Awareness Campaigns conducted.
		Implement health and wellness programme (EAP,HIV/AIDS,STI etc)	Launch Health and Wellness programme	Programme was launched
<b>Communication</b>	Positive and strong rapport with the media to maintain the positive image of the department	Number of media statements/ Advisories drafted and released	Write and release 8 media statements/ advisories per annum	Released 13 media statements/ advisories
		Turn-around time to respond to media enquiries	Respond to media enquiries within 1 day	Responded to all media enquiries within 1 day (including one(1) television interview)
		Number of press conferences/ briefing sessions organised and held	Host 2 press conferences / briefing sessions with the media	Organised 1 media breakfast briefing meeting
		Number of interviews organised	Organised 7 interviews for the MEC/Managers	Organised 18 interviews for the MEC/Managers



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		Numbers of news clippings compiled and distributed	Perform media monitoring and distribute 40 news clippings	Monitored the mass media and distributed 22 news clippings
	Well-informed stakeholders	Number of mass media publicity campaigns implemented	Implement 8 mass media publicity campaigns	Implemented 14 mass media publicity campaigns
		Number of radio talk-shows Organised	Organised 12 radio talk-shows	Organised 2 radio talk shows
		Number of departmental events supported	Provided support to 4 departmental events	Supported 17 departmental events
		Number of budget road-shows hosted	Organised and host 3 budget road-shows	None
		Number of government and departmental outreach programmes attended and supported	Take part in 10 government and departmental outreach programmes	Took part in 14 government and departmental outreach programmes
	Positive corporate image of the department	Adherence to the corporate brand in all documentation and on promotional and marketing material	Maintain corporate brand of the department	Purchased corporate branding material and enforced adherence to the corporate brand of the department
	Well informed stakeholders	Number of annual reports printed	Design and print 500 annual reports	Designed and printed 500 copies of the annual report (2007-08)
		Number of corporate material/stationery printed	Produce and distribute 500 items of corporate material/stationery	Printed and distributed 5000 items of corporate stationery
		Number of provincial budget speech books printed	Provide layout, design and print 1000 copies of the provincial budget speech	Provided layout, designed and arranged printing of 1000 copies of the provincial budget speech



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		Number of departmental policy and budget speech books printed	Design and print 500 copies of the policy and budget speech 2008	Provided layout, designed and arranged printing of 700 copies of the policy and budget speech 2008
		Number of pamphlets/fliers printed	Design, print and distribute 5000 pamphlets/fliers	Designed, printed and distributed 25800 pamphlets/fliers
		Number of budget made easy booklets printed	Provide layout and design service for the printing of the 2009 budget made easy booklet	Provided layout, design and arranged printing of the 2009 budget made easy booklet
		Number of staff bulletins printed	Produce and distribute 12 staff bulletins	Designed and distribute 1 issue of the staff bulletin
		Consolidated Annual Financial Statements books printed	Provide layout and design for the printing of the consolidated Annual Financial Statements	Provided layout, designed and arranged printing of the consolidated Annual Financial Statements
		Number of estimates of Adjusted Provincial Expenditure books printed	Provide layout and design for the printing of the Adjustment Budget Books	Provided layout, designed and coordinated printing of 200 Estimates of Adjusted Provincial Expenditure books
		Number of annual Citizen's reports printed	Design and print 1000 annual citizen's report	None
		Number of greeting card printed	Design and print 500 season's greeting cards	Designed and printed 500 season's greeting cards for MEC and HOD; and procured corporate Christmas gifts for the office of the MEC
		Number of times the intranet and website was updated	Update website and intranet 60 times per annum	Updated the website 72 times





Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Legal services</b>	To proactively provide legal support services to the MEC and departments	Number of legal advice and opinions provided	Provide legal advice and opinions within 14 days	Five legal opinions were provided Two labour related opinions were provided within 14 days
		Number of contracts and policies signed	Draft and scrutinise contracts and policies within 14 days from been received	Ten contracts scrutinised and Three policies drafted and scrutinised within 14 days
		Percentage of instituted and defended cases	100% institute and defend litigious cases as and when they may arise	Five cases were received and handled appropriately
		Legislation facilitated for passing	100% facilitation of legislation on request	All 4 legislations were enacted
		Routine enquiries- number of days taken to respond to enquiries	14 days to respond to enquiries	Nine requests received and responded to within 14 days
		Access to information - Number of days taken to respond to requests for information in terms of PAIA	14 days to respond to enquiries	One requests received and responded to within 14 days
<b>Security Management</b>	Create a secure work environment (to reduce security risk) by providing security management services	Number of security policies developed	Develop 1 security policy with implementation plan/s	1 security policy developed with procedures
		Number of security plans developed and reviewed	Develop and review 2 security plans	1 security plan developed
		Number of security threats and risk assessment conducted	Conduct 1 security threat and risk assessment	One security threat and risk assessment conducted



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		Number of security awareness campaigns conducted	Conduct 8 security awareness campaigns	10 security awareness campaigns conducted
		Number of security clearance applications submitted	Submit 18 SMS security clearances application	7 SMS applications submitted 46 of employees having access to sensitive information applications submitted
<b>Policy and planning</b>	Co-ordinate compilation of departmental performance reports to improve accountability objectives	Number of reports co-ordinated, compiled and submitted	Co-ordinate the compilation and submission of 4 quarterly reports (financial and non-financial)	Co-ordinated the compilation of 4 Quarterly reports
	Co-ordinate strategic planning review session to provide policy and strategic direction	Number of strategic planning review sessions held	Co-ordinate 1 strategic planning review session	1 Strategic Planning session co-ordinated
	Team building to promote unity within the department	Number of team building session conducted	Conduct 1 team building session	1 Team building session conducted
<b>Office of the CFO</b>	Render financial reports in order to promote sound financial management	Submission of timeous and accurate financial information	Timeous submission of financial reports: 12 IYM reports 1 Financial statements 1 Annual report	Prepared and submitted 12 IYM reports, 1 Financial statement and 1 Annual report
		Collection of revenue	Collect R40 489 000 own revenue	Collected R65 984 000 own revenue
		Implement budget	Preparation and implementation of main appropriation budget	Main budget prepared and implemented
		Submission of timeous and accurate financial information	Timeous submission of 12 expenditure reports	12 expenditure reports submitted timeously





Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		Timeframe to pay suppliers	Payment of all suppliers within 30 days	89% of suppliers were paid within 30 days based on the accrual listing at 31 March 2009
			Payments of salaries in time, Accurate payroll.	Comply with PFMA payment of salaries paid in time and accurate payroll ensures
	Implement SCM prescripts to improve financial management	Supply Chain Management services	Effective management of stores and transport	Stores and transport were partially effective during the period under review
			Effective management of departmental assets	Departmental assets management was partially effective during the year under review
			Effective and transparent procurement of goods and services	Effective and transparent procurement of goods and services maintained
<b>Internal Audit</b>	Independent efficient and effective value added internal audit function	Risk Management Strategy developed and implemented	Conduct 1 Risk Assessment and communicate results	1 Risk Assessment conducted and results communicated
			Develop, implement and monitor 1 Risk Management strategy	Risk Management Strategy had been developed, implemented and monitored
		Number of audit plans developed and implemented	Develop, implement and monitor 1 Audit plan (3 year and annual)	1 Audit plan (3 year and annual) was developed, implemented and monitored



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		Number of audits finalised and reports issued	Issue Internal audit reports as per the annual internal audit plan	Issued 6 Final internal audit reports and 5 Follow-up internal audit reports as per the 2008/09 internal audit plan. Issued 1 Follow-up for the Auditor-General Report
		Number of meetings scheduled	Schedule quarterly meetings for the Audit Committee	5 meetings scheduled for the Audit Committee

## **Programme 2: Sustainable Resource Management**

### **Purpose:**

The programme provides professional advice and support to the Member of the Executive Council on Provincial economic analysis, fiscal policy, public finance development and management of annual budget processes.

### **Measurable objective:**

- To oversee the overall performance of the programme in order to ensure that all planned objectives are achieved.
- To provide sector based socio economic, macro economic and labour market analysis research and planning per annum.
- To provide Fiscal Policy advice, determine the Medium Term Fiscal Framework, optimise and expand provincial own revenue sources base and develop the Provincial Borrowing Framework.
- To oversee provincial allocation processes aligned with provincial policies/growth and development strategy and provide Strategic Financial Administration.
- To provide departmental and municipal policy advice, ensure budget implementation and enhance service delivery.
- To render provincial infrastructure co-ordination services to improve the development of infrastructure in the province.



## **Service delivery objectives and indicators:**

- Effective implementation of programme planned activities.
- Number of research reports initiated.
- Support departments to exceed provincial own revenue target by 5%
- Alignment of budget to national and provincial priorities.
- Spending of departments and municipalities are aligned to budget.
- Number of infrastructure departments that implemented IDIP and number of departments monitored in terms of Infrastructure Development Improvement Programme (IDIP).
- Number of quality reports received from infrastructure departments within a specified time

## **Service delivery achievements:**

- Planned programme activities were effectively implemented.
- Economic and social research for the province was conducted.
- Own revenue collected exceeded projected amount by 37%.
- Budgets were aligned to national and provincial priorities.
- Spending of departments and municipalities were monitored and aligned to their budgets.
- All infrastructure departments implemented IDIP and reports were received.

## **PROGRAMME 2:**

Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Programme Support</b>	To oversee the overall performance of the programme in order to produce credible budget management and to provide support on fiscal policy issues	Effective support on fiscal policy and management of annual budget process	To oversee the overall performance of the programme in order to produce credible budget management and to provide support on fiscal policy issues	Effective support on fiscal policy and management of annual budget process
	To co-ordinate capacity building through training workshops on budget and financial management	Number of training workshops conducted annually	Capacity building through 12 training workshops on budget and financial management	12 Training workshops were held



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
	To implement effective planning mechanisms to ensure achievement of objectives	Monthly reports finalised and submitted	12 Monthly reports finalised and submitted	12 Monthly reports were finalised and submitted
		Quarterly reports submitted	Submit 4 Quarterly reports	Submitted 4 Quarterly reports
<b>Municipal Fiscal Discipline</b>	Capacity building on best practice methods, reforms and support on revenue generation strategies	Number of training workshops on revenue management conducted annually	24 Training workshops on revenue management conducted annually	No Training workshops held
	Promote better decision making within municipalities on revenue management through revenue forums	Number of Revenue Forums conducted annually	Hold 12 Revenue Forums annually	1 Revenue forum held
	Support provincial departments in expansion of revenue base	Number of revenue sources identified	Four potential own revenue sources identified	No own revenue sources identified
	Compile a consolidated debtors report on departmental debts and assist municipalities in debt reduction	Number of Consolidated debtors report compiled annually	Compile 4 Consolidated debtors report annually	1 Consolidated debtors report compiled
	Advise municipalities on revenue collection aspects	Number of municipalities revenue policies analysed and feedback provided on the analysed policies	Analyse revenue policies for 17 municipalities and provide feedback on the analysed policies	Analysed revenue policies for 17 municipalities and feedback provided



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Municipal Finance</b>	To monitor implementation of the Municipal Finance Management Act, No 56 of 2003 requirements and to promote Service Delivery	Number of Monthly Expenditure analysis reports and consolidated monthly reports analysed	240 monthly expenditure reports and 12 consolidated reports	31 Quarterly expenditure reports were analysed
		Number of municipal budgets and annual reports analysed	Analyse 20 municipal budgets and annual reports	20 Municipal budgets and annual reports analysed
		Publication of quarterly reports on municipal performance	Publication of 4 quarterly reports on municipal performance	4 quarterly publications completed and published
		Provide support and monitor implementation and compliance to MFMA in 20 delegated municipalities	Provide support and monitor implementation and compliance to MFMA in 20 delegated municipalities	A continuous hands on support, coordination of training through National Treasury and monitoring of implementation of MFMA
		Operationalizing the MOU with the Department of Local Government (DLG)	4 Meetings to be held with DLG on a quarterly basis to operationalise the MOU	3 quarterly meetings were held with DLG
		Implementation and compliance to the MFMA monitored and capacity building provided in identified areas	Implementation and compliance to the MFMA monitored and capacity building provided in identified areas	Training and hands on support was provided to municipalities on annual budget and annual reports
		Coordinate and monitor the implementation and management of IDIP in municipalities	Coordinate and monitor the implementation and management of IDIP in municipalities	Internal workshop was conducted and presentations were also made to municipalities through the MUNI-MEC meetings



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Provincial Fiscal Policy</b>	To build departments' skills through training on revenue collection	Number of training workshops conducted annually	Conduct 24 revenue management workshops	Conducted 6 workshops and 18 bi-laterals
	Capacity building to departments on best practice methods, reforms and support on revenue generation strategies	Number of revenue forums conducted annually	Hold 12 revenue forums	12 revenue forums were held
	Monitor the efficient functioning of cash management systems through cash office visits	Number of cash offices visited annually in all districts	Visit 72 cash -offices	Visited 72 cash -offices
	Support provincial departments in expansion of revenue base	Number of potential own revenue sources identified over the MTEF	Identify 3 revenue sources	1 revenue source was identified (Tourism levy)
	Support provincial departments in maximisation of revenue targets	Increased Own Revenue collection by departments. Exceed projected target of R375 Million own revenue collection	Projected to collect R375 Million in 2008/09 financial year	Manage to exceed projected revenue by collecting R514 Million provincially
<b>Budget &amp; Expenditure management</b>	To align provincial policies and growth and development strategy to ensure an effective budget allocation process	Number of budget circular issued.	Issue 3 budget circulars	3 Budget circulars issued
		Number of Departments strategic and performance plans reviewed	Review 13 Departments strategic and performance plans	14 Departments strategic and performance plans were reviewed
		Number of Public entities plans analysed	Analyse 8 Public entities plans	No public entities plans were analysed



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
	Monitor the efficient spending of provincial budgets	Number of monthly expenditure and performance reports analysed	Analyse 52 Monthly expenditure and performance reports	52 Monthly expenditure and performance reports analysed
		Budget Hearings	Hold 1 budget hearing	1 Budget hearing held for 14 Votes
		Number of In Year monitoring meetings annually	Hold 12 In Year monitoring meetings annually	11 In Year monitoring meetings held
	Coordinating the preparation of credible annual and MTEF budget by analysis and reviewing departments draft budget statements to achieve allocative efficiencies	2009/10 Budget statement	2009/10 Budget statement Preparation and Consolidation	2009/10 Budget statement prepared and Consolidated
		Municipalities IDP's analysed and aligned to PGDS	Analyse 20 Municipalities IDP's and aligned to PGDS	No Municipalities IDP's were analysed
<b>Infrastructure Co-Ordination</b>	Contribute to the management of infrastructure to enhance the capacity of departments to deliver	Number of infrastructure reporting model (IRM) reports reviewed	Review 84 infrastructure reporting model (IRM) reports	84 infrastructure reporting model (IRM) reports were reviewed
		Number of infrastructure projects reviewed and assessed	Review and assess 80 infrastructure projects	66 infrastructure projects were reviewed and assessed
		Number of IDIP departments monitored	Monitor 7 IDIP departments	7 IDIP departments monitored
		Number of infrastructure plans reviewed	Review 7 infrastructure plans	5 infrastructure plans reviewed





## **Programme 3: Sustainable Resource Management**

### **Purpose:**

The programme is responsible for providing policy direction, facilitating the effective and efficient management of physical and financial assets, Public Private Partnerships (PPP), liabilities management and Supply Chain management to all provincial departments and municipalities.

### **Measurable objective:**

- To provide management support and effective policy direction.
- To provide strategic support and training to provincial departments and municipalities in order to maximise private sector participation in rendering public service.
- To contribute to efficient provincial financial assets management
- Continuously monitor departmental bank accounts.
- Assist departments in compiling realistic cash flow projections
- To contribute to efficient accountability on provincial and municipal physical assets.
- To ensure compliance with the Supply Chain Management frameworks
- Coordinate, plan, support and implement an effective liabilities management strategy

### **Service delivery objectives and indicators**

- Monitor and manage cash in the province in order to meet departments' financial obligations.
- Monitor the implementation of PPP projects in order to contribute to economic growth objectives
- Assist departments to reduce matters of emphasis relating to asset management
- Strengthen capacity and skills of officials in departments and municipalities
- Uniform approach to asset management
- Monitor the implementation of SCM and asset management in all departments and municipalities to improve procurement of goods and services
- Coordinate, plan, support and implement an effective public sector liabilities management strategy





## Service delivery achievements:

- Improved management and planning in the programme
- 100% cash availability achieved
- Improved compliance to asset management norms and standards.
- Completed a draft asset management framework to standardise asset management in the province.
- Establishment of the provincial asset management task team to assist departments with their audit outcomes for the 2007/08 financial year.
- Two workshops were held to build capacity of officials in departments and one workshop for the implementation of asset management and GRAP in municipalities.
- Finalisation, approval and launch of the Public Private Partnership (PPP) policy to guide the implementation of PPPs.
- Reviewal of the provincial Supply Chain Management (SCM) policy to ensure full compliance and alignment to legislative framework
- Draft provincial preferential procurement policy to ensure the empowerment of the historical disadvantaged individuals including those in rural areas.
- Spend analysis report completed to assess the empowerment of the historically disadvantaged individuals and to inform decision making.
- Rolled out certificate programme for 25 officials with the University of Pretoria on Supply Chain Management and Asset Management to contribute in building a capacitated cadre of SCM and Asset Management practitioners.

Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Programme Support</b>	Effective management and support of programme objectives and activities.	Number of reports submitted	12 reports to be submitted	12 reports submitted
<b>Financial Asset Management</b>	Efficient provincial financial assets management	Timeous availability of cash	100% cash availability	100% cash was available in terms of the equitable share received
		Achieve best possible returns on investments from surplus funds	Maximum return on investments	100% investment of surplus cash was done
		Minimized mismanagement of petty cash	100% compliance by all departments	100% compliance by all departments achieved
		Effective banking services for all departments	Prompt response on departmental banking needs	There was timeous response to departmental needs on banking



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Physical Asset Management</b>	Infrastructure development and improved service delivery on Public Private Partnerships (PPPs) projects	Number of research projects done	2 research studies	Adjudication on project to identify PPP projects was concluded
		Number of officials capacitated	30 Provincial Government officials trained	22 officials attended foundation training on PPP
		Number of workshops held on Municipal PPP Toolkit and launch of PPP Policy	Two workshops/ Seminars on PPPs	A seminar on PPP's in municipalities was held. Seminar and launch of PPP policy held on 25 November 2008
	Efficient accountability on provincial and municipal physical assets	Number of asset registers complying with minimum norms and standards (condition, performance, life cycle)	12 departmental and 21 municipal asset registers	14 departments, 5 public entities and 17 municipalities' asset registers were monitored for compliance with the minimum standards
		Number of asset reconciliation statements submitted monthly	12 departmental reconciliation statements submitted by the 7th of each month	14 departments conduct reconciliations but only sporadically submit to the Department of Finance
		Number of departments and municipalities monitored on minimum requirements	12 Departments monitored	14 departments were monitored through one-on-one meetings



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		Training of officials in departments, and municipalities on asset management	24 officials trained from departments and 21 officials from municipalities	30 officials trained on asset management. 87 Officials from municipalities, Provincial Treasury and Department of Local Government attended a 3 day workshop on Asset Management and the implementation of GRAP in asset management through an initiative by National Treasury
		Assist departments to reduce matters of emphasis relating to asset management	Establishment of a Provincial Asset Management Task Team to identify root causes of audit outcomes  Monthly progress reports on physical asset management team.	A report was submitted to the Provincial Management Committee on findings of the task team  12 Monthly progress reports prepared and submitted
		Uniform approach to asset management	Developed Provincial Asset Management Framework	Draft asset management policy framework was submitted for consultation and is ready to be submitted to the relevant committees for approval
<b>Provincial Supply Chain Management</b>	Implementation of SCM and asset management in all departments and municipalities to improve procurement of goods and services	Monthly reporting by departments and municipalities on contracts awarded above R30 000.	Reports received within 7 days after the end of every month.	Reports received within 7 days after the end of every month from departments and prepare monthly reports on contracts awarded above R30 000 as well as on quotations from R30 000



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		Number of tender bulletins issued to subscribers	48 000 tender bulletins issued	49 700 tender bulletins were issued
		Number of tender documents issued to bidders	100% of bidding documents issued	100 % of bidding documents were issued
		Number of departments and municipalities complying with SCM processes and procedures	12 departments and 21 municipalities complying with SCM processes and procedures	14 departments and 20 delegated municipalities compliant to SCM processes and procedures
		Number of SCM Practitioners and Bid Committee Members trained on SCM within departments and Municipalities	600 SCM Practitioners and Bid Committee members in departments and municipalities to be trained on SCM	670 SCM practitioners and bid committee members in departments and municipalities trained on SCM processes, evaluation and adjudication as well as contract management processes
		Number of bid advisory services centres and road shows on SCM	6 road shows on SCM implemented and 4 bid advisory services in place	8 road shows on SCM were held targeting youth and disabled people in the three regions of the province 4 Bid Advisory services were implemented
		Number of departments and municipalities complying with the Preferential Procurement Policy Framework Act (PPPFA)	12 Departments and 21 Municipalities complying	14 Departments and 20 delegated municipalities compliant to PPPFA



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Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Public Sector Liabilities</b>	Implementation of an effective public sector liabilities management	Timeliness of analysing quarterly liability status reports submitted by departments	15 days after end of each quarter	Reports on retentions, State Guarantees and Leave Gratuities were received and analysed and quarterly reports submitted. Meetings were held with 13 departments focussing on liability management



## 2.8.4 Programme 4: Financial Governance

### **Purpose:**

The objective of this programme is to promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards.

### **Measurable objective:**

- Provide guide and ensure effective functioning of the component.
- Effective implementation of accounting practices in line with Generally Recognised Accounting Practice (GRAP). Monitor the implementation of and adherence to legislative prescripts.
- Effective monitoring and assessment of the implementation of norms and standards in terms of relevant legislation.
- Implementation of effective and efficient risk management and fraud prevention strategies.
- Implementation of effective and efficient internal audit strategies in departments and municipalities.
- Provide robust Information Technology (IT) infrastructure and responsive IT support services in the province.

### **Service delivery objectives and indicators**

- Provisioning of effective and efficient management and support of the programme.
- Reports in line with approved formats and guidelines
- Provision of support and monitoring of departments' and municipalities' financial performance.
- Compliance with norms and standards by provincial departments and municipalities.
- Effective and efficient risk management frameworks established in departments and municipalities.
- Provide support for the creation of efficient and effective internal audit and audit committee procedures and frameworks in departments and municipalities.
- Improved operational efficiency through ICT in the Province to accelerate service delivery.

### **Service delivery achievements:**

- The programme was effectively and efficiently managed.
- Annual reports tabled in the Legislature were in line with formats and guidelines.
- Departments and municipalities' financial performance were monitored and support was provided, including capacity building.
- Compliance to norms and standards were monitored in departments and municipalities.
- Risk management support was provided to departments and municipalities.



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Programme Support</b>	Submit Monthly reports	Number of reports submitted timeously	12 monthly reports submitted timeously	12 monthly reports were submitted timeously
	Submit Quarterly reports	Number of reports submitted timeously	4 quarterly reports submitted timeously	4 quarterly reports were submitted timeously
	Improved capacity building in Financial Governance	100% of officials with a signed-off training and development programme and implementation thereof	100% of officials with a signed-off training and development programme with implementation	100% of officials had signed-off training and development programmes which were implemented
<b>Accounting Services</b>	Improved capacity of departments, public entities and municipalities (training)	Number of officials trained on Accounting Standards and other legislations	130 officials trained in Departments	125 officials were trained to compile annual financial statements
				45 officials were trained in terms of legislation
			50 officials trained in Municipalities	84 officials in Municipalities were trained on Accounting Standard
			12 Public entities officials trained on financial statements	7 officials in Public Entities were trained on annual financial statements
	Improved disclosure of information in Annual Financial Statements	Number of trial balance meetings conducted in departments	52 trial balance meetings conducted in departments	52 trial balance meetings were held in departments
	Departments improved in disclosure and timely submission of Annual Financial Statements	Number of departments improved in disclosure and timely submission of Annual Financial Statements	12 departments (13 Votes) improved in disclosure and timely submission of annual financial statements	12 Departments improved on disclosure and submitted the annual financial statements timeously





Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
	Municipalities improved in disclosure and timely submission of Annual Financial Statements	Number of municipalities improved in disclosure and timely submission of Annual Financial Statements	15 Municipalities improved in disclosure and timely submission of annual financial statements	18 Municipalities improved on disclosure and submitted the annual financial statements timeously
	Consolidated Annual Financial Statements for 2007/08 tabled to Legislature	Number of consolidated Annual Financial Statements for 2007/08 tabled to Legislature	1 set of consolidated annual financial statements tabled to Legislature	1 set of consolidated annual financial statements was tabled to Legislature
<b>Norms and Standards</b>	Decreased non-Compliance with norms and standards by 12 Departments, 20 Municipalities and 6 Public Entities	Number of focus areas monitored in line with norms and standards issued to departments, municipalities and public entities in line with the PFMA and MFMA	4 focus areas per year identified and monitored	14 High Risk Areas were identified and monitored
			12 Departments monitored in terms of 4 high risk areas	High Risk Areas in 12 Departments were monitored
			20 Municipalities monitored in terms of 4 high risk areas	High Risk Areas in 20 Municipalities were monitored
			6 Public Entities monitored in terms of 4 high risk areas	High Risk Areas in 6 Public Entities were monitored
	Improving financial management of infrastructure projects	% of infrastructure departments monitored	100% of infrastructure departments monitored	100% infrastructure departments were monitored
		% of infrastructure municipalities monitored	100% infrastructure municipalities monitored	100% infrastructure municipalities were monitored





Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
	Strategy in terms of the action plans developed and implemented	Date by which to complete and implement the strategy document	Strategy document for audit findings to be completed and implemented by 30 November 2008	Strategy document for audit findings was completed and implemented by 30 November 2008
<b>Provincial Internal Audit</b>	To improve the quality of the internal Audit processes in Provincial Departments and Municipalities	Number of internal audit Strategic and Operational plans received and evaluated from Departments	12 Strategic and Operational Plans of departments reviewed against the Operational Plan Evaluation Tool	12 Strategic and Operational Plans of departments were reviewed against the Operational Plan Evaluation Tool
		Number of internal audit Strategic and Operational plans received and evaluated from Municipalities	20 Strategic and Operational Plans of municipalities reviewed against the Operational Plan Evaluation Tool	20 Strategic and Operational Plans of municipalities were reviewed against the Operational Plan Evaluation Tool
		Date of submission of assessment report feedback to departments	Assessment Reports issued to the HOD's and DG for all Departments	Assessment Reports were issued to the HOD's and DG for all Departments
		Date of submission of assessment report feedback to municipalities	Assessment Reports issued to the MM's for all Municipalities	Assessment Reports were issued to the MM's for all Municipalities
		Number of quarterly reports received and evaluated from Departments	12 Quarterly reports of departments evaluated against Operational Plans	8 Quarterly reports of departments were evaluated against Operational Plans
		Number of quarterly reports received and evaluated from Municipalities	20 Quarterly reports of municipalities evaluated against Operational Plans	6 Quarterly reports of municipalities were evaluated against Operational Plans



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
		% of competency assessment surveys completed for Heads of Internal Audit Units in departments and municipalities	100% competency assessment surveys completed in departments and 60% in municipalities	100% competency assessment surveys were completed in departments and 60% in municipalities
		% Audit Committees evaluated in departments and municipalities	50% of Audit Committees evaluated in departments and 50% in municipalities	None None
	To improve communication through workshops and presentations to ensure improved understanding	Number of workshops and presentations conducted	2 Workshops conducted	2 Workshops were conducted: - Internal Audit (IA) Municipal Workshop - Workshop (road shows) at four schools
			3 Presentations compiled and presented	3 Presentations were compiled and presented: - Provincial Management Committee - Internal Audit Workshop - Workshop (road shows) at four schools
	To research the advantages and disadvantages of a centralised / decentralised approach in terms of internal audit functions and provide recommendations for a specific approach in the Province	Research completed with specific recommendations provided	Recommendations from research conducted in the form of a proposal to be completed	Proposal was finalized and submitted to the HOD and presented to PMC



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Risk Management</b>	To develop and maintain effective and efficient risk management framework and tools for utilisation by departments and municipalities	Standardised Risk assessment methodology developed, maintained and implemented	Develop, maintain and implement Standardised Risk assessment methodology in 12 Departments	Standardised Risk assessment methodology was developed and implemented in 12 Departments
			Develop, maintain and implement Standardised Risk assessment methodology in 10 municipalities	Standardised Risk assessment methodology was developed, maintained and implemented in 10 municipalities
		Number of training conducted on enterprise risk management	Training sessions conducted in 3 Departments	Training sessions were conducted in 8 Departments
			Training sessions conducted in 3 Municipalities	Training sessions were conducted in 3 Municipalities
		Number of risk management forum meeting held	4 risk management forum meetings held	3 risk management forum meetings were held
		Number of risk management awareness workshops held	Risk management awareness workshops held in 4 Departments	Risk management awareness workshops were held in 3 Departments
			Risk management awareness workshops held in 6 municipalities	Risk awareness workshops were held at 4 municipalities



Sub-Programme	Outputs	Output Performance Measures/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
<b>Interlinked Financial Systems</b>	To monitor and support transversal systems' users and evaluate compliance to regulations to improve the quality of output	To monitor and support transversal systems' users and evaluate compliance to regulations to improve the quality of output	Increased system functionalities utilisation by 13 departments from 80% to 85% Maintained a turnaround of 3 months to implement Logis at specified sites	System functionality utilisation was increased as planned Logis was implemented at different sites in time
			13 votes closed books monthly and annually in time	13 votes closed books monthly and annually in time
			Officials trained on: BAS: 400 Logis: 200 Vulindlela: 120 Persal: 230	Official were trained as follows: BAS: 505 LOGIS: 201 Vulindlela: 90 Persal: 230
			Adherence to rules and regulations by 14 departments maintained at 90%	Adherence to rules and regulations by 14 departments was maintained at 90%
	To provide an effective Management Information System to enable decision-making by managers	To provide an effective Management Information System to enable decision-making by managers	Provided training and accessibility for the Management Information System to 30% managers in departments	Training and accessibility were provided for the Management Information System to 30% managers in departments
<b>Information Technology</b>	Availability of IT infrastructure 24x7 and up-time of 98 %	% Up-time	98% up-time maintained	99% up-time was maintained
	24/7 accessibility of IT Network	Number of scheduled maintenance work	4 scheduled maintenance work	4 scheduled maintenance work completed
	Managed all logged calls, ensure that MTTR of 24 hours is met	Call turnaround time	100% calls done within MTTR 24 hours	80% calls were done within MTTR
	Train 400 End-Users on IT Fundamentals	Number of end-users trained	400 end-users trained	500 end-users were trained
	Establishment of 10 Internet Kiosks	Number of Internet Kiosks established	10 Internet Kiosks established	25 Internet Kiosks were established



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## **2.9 Complementary documents:**

### ***Available on website:***

- Annual Reports:
  - 2004/2005
  - 2005/2006
  - 2006/2007
  - 2007/2008
- Strategic Plan 2005/2006 - 2009/2010
- Budget made Easy: 2005-2008
- Budget Speeches and Statements



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# **PART THREE:**

# **REPORT OF THE AUDIT COMMITTEE**





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### PART 3: AUDIT COMMITTEE REPORT

#### Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2009.

#### Audit Committee Members and Attendance:

The current Audit Committee consists of the four members appointed in October 2008. The meeting attendance details during the 2008/09 financial year were as follows:

Name of Member	Number of Meetings Attended
1. Mr. K Chisale (Chairperson)	5
2. Mr. A Dzuguda	2
3. Ms. N Jaxa	2
4. Mr. K Buthelezi	1
5. Ms. M Mosweu (Contract Expired 30 September 2008)	1
6. Mr. EJ De Jager (Resigned 30 June 2008)	2

#### Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from section 38(1)(a) of the Public Finance Management Act (PFMA) and Treasury Regulation (TR) 3.1.13. The Committee has adopted a formal terms of reference by way of the Audit Committee Charter to guide its operations and discharge its responsibilities.

#### Effectiveness of Internal Control

The Internal Audit Directorate is independent of management and reports functionally to the Audit Committee. The department conducted the risk assessment exercise where risks were identified, impact of risk was assessed and the system through which management is managing these risks has also been assessed. On the basis of such risk assessment, a three-year rolling plan and annual operational plans were prepared by Internal Audit and approved by the Audit Committee.

The Audit Committee is of the opinion that the control environment has improved from the previous financial years, however there is scope for more improvement. Management had implemented corrective action where possible to ensure that the controls are in place and operating as intended. However there are few areas that the Department needs to focus on, especially supply chain management and asset management in order to reduce risks and achieve a better level of compliance with Departmental policies and procedures. Where internal controls did not operate effectively,



there were no material findings and Finance departments assets have been safeguarded, proper accounting records maintained and resources utilised efficiently in all significant respects.

**The Quality of In-Year Management and Quarterly Reports Submitted in Terms of the PFMA and the Division Of Revenue Act.**

The Audit Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

**Evaluation of Financial Statements**

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General South Africa's management report and management's response thereto;
- Reviewed the department's compliance with legal and regulatory provisions
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted read together with the report of the Auditor-General South Africa.

**Internal audit**

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

**Auditor-General South Africa**

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

.....  
**Chairperson of the Audit Committee**

**Date: 30/07/2009**



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# **PART FOUR:**

# **ANNUAL FINANCIAL STATEMENTS**



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## PART 4: ANNUAL FINANCIAL STATEMENTS

### Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

#### 1. General review of the state of financial affairs

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

##### 1.1 Spending trends

###### **Programme 1: ADMINISTRATION**

This programme performed extremely well in the area of coordination and management of activities within the entire organization. The administration programme managed to spend **98 percent** or **R74,902** of **R76,328 million**.

###### **Programme 2: SUSTAINABLE RESOURCE MANAGEMENT**

The sustainable resource management programme has played a key role in the allocation of the limited financial resources to the competing policy priorities of the province. This programme also contributed meaningfully in achieving exercises conducted by the provincial executive council throughout the fiscal year ending 31 March 2009. This programme managed to spend **70 percent** or **R173, 558 million** of **R 249, 558 million**.

###### **Programme 3: ASSETS & LIABILITIES MANAGEMENT**

Assets and liabilities management programme spent **95 percent** or **R20, 363 million** of the approved budget of **R21, 459 million** this year. This programme provided policy direction and facilitated effective and efficient management of physical and financial assets and supply chain management.

###### **Programme 4: FINANCIAL GOVERNANCE**

This programme continued with the sterling work of promoting accountability through substantive reflection of financial management activities throughout the year for all provincial departments as well as compliance with financial norms and standards.

The programmes' allocated budget was **R92, 500 million**, of which **96 percent** or **R88, 622 million** was actually spent for the year.



## 1.2 Reasons for Under/Overspending

The Department of Finance managed to spend **81 Percent** of its budget for the 2008/2009 financial year ending 31 March 2009. In other words the Department spent **R357, 445 million** against its approved annual budget (**R439, 845 million**). The **19 percent** under-spending (**R82, 400 Million**) of the approved budget can be attributed mainly to the flagships projects budget that was allocated to the departmental budget during the adjustment budget.

The **R170, 380 million** for flagships projects allocated to the department only **R95, 429 million** was spent as at 31 March 2009. The amounts per flagship project were allocated as follows:

- " Maputo Development Corridor: **R51, 540 million**
- " Heritage, Greening **R46, 750 million**
- " Accelerated Capacity building **R4, 740 million**
- " Moloto Rail Development Corridor **R 17,380 million**
- " Water for all **R 49, 970 million**.

Nonetheless, the department has managed to spend **98 percent** or **R82, 032 million** on compensation of employees out of a budget of **R83, 746 million** at year-end (31 March 2009), compared to **93 percent** over the same period in 2007/08.

On goods and services the department has spent **R222, 768 million** or **73.5 percent** of **R302, 914 million**. The under spending is attributed by the flagships projects that has only spent **R95, 429 million** or **56 percent** of its allocated amount. Further more savings were generated due to decrease in the dollar/rand rate for transversal systems.

The department has spent **R4, 596 million** or **88.8 percent** against a budget of **R5, 172 million** on capital expenditure, the under spending is as a result of capital assets that were not purchased as anticipated by the end of the financial year.

On own revenue, the department exceeded the collection target of **R40, 489 million** by **R25, 495 million**, resulting in total collection of **R65, 984 million**.





## 1.3 Virement

### *Programme 1*

The programme received a total amount of **R3, 9 million** after the adjustment budget to defray projected overspending. Of the **R3, 9 million, R1, 050 million** was for projected overspending on compensation of employee's. The projected overspending was as a result of salaries of staff that were absorbed during the change of political heads. The remaining amount of **R2, 850 million** went to goods and services.

### *Programme 2*

An amount of **R0, 200 million** was transferred from sub-programme Provincial fiscal discipline to MEC office in programme 1 to fund the projected over expenditure in goods and services. The accumulated savings were as a result that some of their plans were not carried as planned.

### *Programme 4*

The programme transferred a total amount of **R3, 7 million** to programme 1. The accumulated savings in the programme were as a result of unanticipated decrease in tariffs for transversal systems during the financial year.

## 1.4 Unauthorised Expenditure

The department was allocated with **R10, 443 million** for approved unauthorised expenditure for four departments. The amount is accounted for as part of the departmental expenditure on goods and services. The total amount was transferred to the respective departments as follows:

- **Department of Local Government and Housing R7, 857 million**
- **Department of Roads R0, 547 million**
- **Premier's Office R1, 614 million**
- **Legislature R0, 425 million**



## 2. Service rendered by the department

The Department is responsible for the provincial resource allocation, monitoring and providing advisory services to all Provincial Department.

### 2.1 Tariff policy

The Department had not reviewed its tariff structure on the sale of Tender bulletins for the 2008/09 financial year.

### 2.2 Free Services

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

### 2.3 Inventories

The Department uses the weighted average costing method. The value of the inventory as at 31 March 2009 was **R 432, 765** comprising of the following:

- Domestic Consumables **R 3,798**
- Computer Consumables **R297,881**
- Stationery and Printing **R128,777**
- Grocery **R 2,309**

## 3. Capacity constraints

The difficulty in the filling of vacant posts is as result of the high staff turnover rate, transfers and promotions.

## 4. Utilisation of donor funds

The Department did not receive any sponsorship or donation during the year of reporting.

## 5. Trading entities and public entities

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

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

Transfer payments were made as reflected in Annexure 1F and 1L



## **7. Public Private Partnerships (PPP)**

The Executive Council has approved and launched the PPP provincial policy during the 2008/9 financial year. Furthermore, projects for the Thaba Chewu municipality were registered with the National Treasury and are still at feasibility study level.

## **8. Corporate governance arrangements**

### **8.1 Management Reporting**

The reporting requirement practiced by management in the Department is in accordance with section 32 (2) and 40(b) of the Public Finance Management Act No1 of 1999, as amended, which require the accounting officer to comply with the reporting requirements of the Division of revenue Act (DORA)

### **8.2 Risk Management Approach**

Risk assessment workshops were held during April 2008 to identify the risk focus area in the department. Risk Management strategies were identified to mitigate the risks identified; these strategies were monitored by the Risk Officer. A Risk Management committee has been established for the Department and reports to the Accounting Officer.

### **8.3 Internal Audit and Audit Committees**

The Department has an Internal Audit Unit. The results of the risk assessment were utilised to develop and approve a three-year and annual audit plan by the Audit Committee. The annual audit plan guides the internal audit component on the audits to be conducted to evaluate the adequacy and effectiveness of the internal controls, risk management and governance processes. The Audit Committee met regularly and provides an oversight of the internal audit unit as well as evaluating reports of the department.

### **8.4 Labour Relations**

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



### 8.5 Other Governance Issues

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

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

No activities have been or are going to be discontinued.

### 10. New/proposed activities

No new or proposed activities were undertaken during the year.

### 11. Asset management

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

### 12. Events after the reporting date

No event occurred after the reporting date that has an effect on the financial statements under review.

### 13. Performance information

#### 13.1 Financial Information

The Department utilises the In-Year Monitoring as a tool to determine, verify and monitor the utilization of its financial resources. This is done on a monthly basis through out the financial year.

#### 13.2 Service Delivery Information

The performance of the Department is assessed from its Operational Plan. All sections in the Department compile monthly/quarterly progress reports, which provide information such as achievements and challenges.



## 14 SCOPA Resolutions

Resolution	Subject	Progress
Capital tangible assets	Fixed assets	The asset register is updated and is available. The department complies with the requirements for a complete asset register (e.g. location, item description, amount and condition). Reconciliation between BAS and Logis is done on a monthly basis.
Spending of allocated budget	Under spending	The department has spent 81%, as at 31st March 2009 compared to 96% of the same period in the previous financial year however, the department will have under spending in goods and services due to the amount allocated to the flagship projects amounting to R170, 340 million.
Provincial treasury to play a more prominent role in monitoring spending by department	Monitor that departments operate and spend in accordance with approved plans submitted to treasury	Provincial treasury continues to play a crucial role in monitoring and reviewing financial performance against their predetermined plans.
Appointment of skilled officials in all existing vacancies	Strengthen capacity	The problem still persists in 2008/2009 but Management has made a major step in filling critical vacancies. The department is faced with high staff turn over rate.
Department to continue to play a leading role to other departments in dealing with infrastructure plans	Infrastructure plans	The department continues to assist infrastructure departments
Department should comply with the prescripts of the Employment Equity Act on new appointments	Employment equity plan	The department continues to pay attention to provisions of the employment equity act on new appointments and as a result an employment equity committee has been established.



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**14. Prior modifications to audit reports**

None

**15. Exemptions and deviations received from the National Treasury**

None

**16. Other**

None

**17. Approval**

The Annual Financial Statements set out on pages 62 to 106 have been approved by the Accounting Officer.

.....  
**RS TSHUKUDU**  
**HEAD OF DEPARTMENT**  
**Date: 31/05/2009**



## **REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 3: DEPARTMENT OF FINANCE FOR THE YEAR ENDED 31 MARCH 2009**

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Introduction**

1. I have audited the accompanying financial statements of the Department of Finance which comprise the statement of financial position as at 31 March 2009, appropriation statement, statement of financial performance and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 62 to 106.

#### **The 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 basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2008 (Act No. 2 of 2008) (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.

#### **The Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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.





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

### Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Finance as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.

### Emphasis of Matter

Without qualifying my opinion, I draw attention to the following

### Basis of accounting

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

### Material underspending of the budget

9. As disclosed in the appropriation statement, the department has materially under spent the budget on programme 2: Sustainable resource management to the amount of R76 million (30% of the appropriated amount). As a consequence, the department did not achieve all its objectives for this programme.

### Other matter

Without qualifying my opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

### Governance framework

10. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

### Key governance responsibilities

11. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:


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No. Matter	Y	N
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>		
1. No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	Y	
<b>Quality of financial statements and related management information</b>		
2. The financial statements were not subject to any material amendments resulting from the audit.	Y	
3. The annual report was submitted for consideration prior to the tabling of the auditor's report.	Y	
<b>Timeliness of financial statements and management information</b>		
4. The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	Y	
<b>Availability of key officials during audit</b>		
5. Key officials were available throughout the audit process.	Y	
<b>Development and compliance with risk management, effective internal control and governance practices</b>		
6. Audit committee		
• The department had an audit committee in operation throughout the financial year.	Y	
• The audit committee operates in accordance with approved, written terms of reference.	Y	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	Y	
7. Internal audit		
• The department had an internal audit function in operation throughout the financial year.	Y	
• The internal audit function operates in terms of an approved internal audit plan.	Y	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	Y	
8. There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	Y	
9. There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations	Y	



No. Matter	Y	N
10. The information systems were appropriate to facilitate the preparation of the financial statements.	Y	
11. A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.	Y	
12. Powers and duties have been assigned, as set out in section 44 of the PFMA.	Y	
<b>Follow-up of audit findings</b>		
13. The prior year audit findings have been substantially addressed.	Y	
14. SCOPA resolutions have been substantially implemented.	Y	
<b>Issues relating to the reporting of performance information</b>		
15. The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	Y	
16. Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	Y	
17. A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the department against its mandate, predetermined objectives, outputs, indicators and targets (Treasury Regulations 5.1, 5.2 and 6.1).	Y	
18. There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	Y	

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Report on performance information

12. I have reviewed the performance information as set out on pages 9 to 41.

### The accounting officer's responsibility for the performance information

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

### The Auditor-General's responsibility

14. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.


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15. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
16. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

### APPRECIATION

17. The assistance rendered by the staff of the Department of Finance during the audit is sincerely appreciated.

*Archer - General*

Nelspruit

31 July 2009



AUDITOR GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



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## DEPARTMENT OF FINANCE : VOTE 3 APPROPRIATION STATEMENT for the year ended 31 March 2009

Appropriation per programme									
APPROPRIATION STATEMENT	2008/09				2007/08				
	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. Administration</b>									
Current payment	69,655	-	3,345	73,000	72,054	946	98.7%	51,732	51,802
Transfers and subsidies	-	-	-	-	35	(35)	0%	60	60
Payment for capital assets	2,000	-	-	2,000	1,470	530	73.5%	1,308	1,062
<b>2. Sustainable Resource Management</b>									
Current payment	201,758	(13)	(200)	201,545	125,545	76,000	62.3%	20,115	18,663
Transfers and subsidies	48,000	13	-	48,013	48,013	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	20	-
<b>3. Asset and Liabilities Management</b>									
Current payment	21,319	-	-	21,319	20,253	1,066	95.0%	12,108	11,353
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	140	-	-	140	110	30	78.6%	82	81
<b>4. Financial Governance</b>									
Current payment	94,068	(900)	(3,700)	89,468	85,605	3,863	95.7%	57,575	54,536
Transfers and subsidies	-	-	-	-	1	(1)	0%	23	23
Payment for capital assets	2,132	900	-	3,032	3,016	16	99.5%	1,256	1,290
<b>Subtotal</b>	<b>439,072</b>	<b>-</b>	<b>(555)</b>	<b>438,517</b>	<b>356,102</b>	<b>82,415</b>	<b>81.2%</b>	<b>144,279</b>	<b>138,870</b>
<b>Statutory Appropriation</b>									
Current payment	773	-	555	1,328	1,343	(15)	101.1%	773	904
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>439,845</b>	<b>-</b>	<b>-</b>	<b>439,845</b>	<b>357,445</b>	<b>82,400</b>	<b>81.3%</b>	<b>145,052</b>	<b>139,774</b>
<b>Reconciliation with statement of financial performance</b>									
<b>ADD</b>									
Departmental receipts				65,984				143,479	
Direct Exchequer receipts				-				-	
Aid assistance				-				-	
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>505,829</b>				<b>288,531</b>	
<b>ADD</b>									
Aid assistance					-				
Direct Exchequer payments					-				
Prior year unauthorised expenditure approved without funding					-				
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>357,445</b>				<b>139,774</b>



**DEPARTMENT OF FINANCE : VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

Appropriation per economic classification									
2008/09								2007/08	
	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	81,393	530	495	82,418	80,689	1,729	97.9%	67,984	63,190
Goods and services	305,407	(1,443)	(1,050)	302,914	222,768	80,146	73.5 %	73,546	73,164
Financial transactions in assets and liabilities	-	-	-	-	6	(6)	-	-	-
<b>Transfers and subsidies</b>									
Provinces and municipalities	48,000	13	-	48,013	48,013	-	100.0%	-	-
Households	-	-	-	-	30	(30)	0%	83	83
<b>Payments for capital assets</b>									
Building & Other fixed structures	-	-	-	-	52	(52)	0%	-	-
Machinery and equipment	4,272	900	-	5,172	4,535	637	87.7%	2,666	2,404
Software and other intangible assets	-	-	-	-	9	(9)	0%	-	29
<b>Total</b>	<b>439,072</b>	<b>-</b>	<b>(555)</b>	<b>438,517</b>	<b>356,102</b>	<b>82,415</b>	<b>81.2%</b>	<b>144,279</b>	<b>138,870</b>

Statutory Appropriation									
2008/09								2007/08	
Direct changes against the Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Member of executive committee	773	-	555	1,328	1,343	(15)	101.1%	773	904
<b>Total</b>	<b>773</b>	<b>-</b>	<b>555</b>	<b>1,328</b>	<b>1,343</b>	<b>(15)</b>	<b>101.1%</b>	<b>773</b>	<b>904</b>

2008/09								2007/08	
Detail per sub-programme	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 Member Of Executive Council</b>									
Current payment	5,031	-	558	5,589	5,197	392	93.0%	3,041	2,930
Transfers and subsidies	-	-	-	-	1	(1)	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>1.2 Management Services</b>									
Current payment	39,041	-	480	39,521	37,834	1,687	95.7%	27,051	26,263
Transfers and subsidies	-	-	-	-	3	(3)	0%	60	60
Payment for capital assets	-	-	-	-	-	-	0%	139	38
<b>1.3 Financial Management</b>									
Current payment	23,088	-	2,307	25,395	26,637	(1,242)	104.9%	19,486	20,550
Transfers and subsidies	-	-	-	-	31	(31)	0%	-	-
Payment for capital assets	2,000	-	-	2,000	1,470	530	73.5%	1,139	1,007
<b>1.4 Internal Audit</b>									
Current payment	2,495	-	-	2,495	2,386	109	95.6%	2,154	2,059
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	30	17
<b>Total</b>	<b>71,655</b>	<b>-</b>	<b>3,345</b>	<b>75,000</b>	<b>73,559</b>	<b>1,441</b>	<b>98.1%</b>	<b>53,100</b>	<b>52,924</b>



**DEPARTMENT OF FINANCE : VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

Appropriation per economic classification									
Programme 1 Per Economic classification	2008/09						2007/08		
	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	39,060	-	495	39,555	39,058	497	98.7%	28,766	28,147
Goods and services	30,595	-	2,850	33,445	32,996	449	98.7%	22,966	23,655
Financial transactions in assets and liabilities	-	-	-	-	5	(5)	0%	-	-
<b>Transfers and subsidies to:</b>									
Households	-	-	-	-	30	(30)	0%	60	60
<b>Payment for capital assets</b>									
Building and Other Fixed Structures	-	-	-	-	52	(52)	0%	-	-
Machinery and equipment	2,000	-	-	2,000	1,418	582	70.9%	1,308	1,062
Software and other intangible assets	-	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>71,655</b>	<b>-</b>	<b>3,345</b>	<b>75,000</b>	<b>73,559</b>	<b>1,441</b>	<b>98.1%</b>	<b>53,100</b>	<b>52,924</b>

Appropriation per economic classification									
Detail per sub-programme	2008/09						2007/08		
	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	181,568	(150)	-	181,418	106,631	74,787	58.8%	6,128	6,174
Transfers and subsidies	48,000	13	-	48,013	48,013	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>2.2 Municipal Fiscal Discipline</b>									
Current payment	1,726	315	-	2,041	1,960	81	96.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>2.3 Provincial Administration Fiscal Discipline</b>									
Current payment	3,247	(306)	(200)	2,741	2,592	149	94.6%	3,704	3,241
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>2.4 Budget and Expenditure Management</b>									
Current payment	7,228	438	-	7,666	7,284	382	95.0%	5,679	5,133
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>2.5 Municipal Finance</b>									
Current payment	5,093	(440)	-	4,653	4,516	137	97.1%	3,447	2,794
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	20	-
<b>2.6 Infrastructure Coordination</b>									
Current payment	2,896	130	-	3,026	2,562	464	84.7%	1,157	1,321
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>249,758</b>	<b>-</b>	<b>(200)</b>	<b>249,558</b>	<b>173,558</b>	<b>76,000</b>	<b>69.5%</b>	<b>20,135</b>	<b>18,663</b>





**DEPARTMENT OF FINANCE : VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

Appropriation per economic classification									
Programme 2 Per Economic classification	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	13,712	530	-	14,242	14,240	2	100.0%	10,701	10,021
Goods and services	188,046	(543)	(200)	187,303	111,305	75,998	59.4%	9,414	8,642
Financial transactions in assets and liabilities	-	-	-	-	-	-	0%	-	-
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	48,000	13	-	48,013	48,013		100.0%	-	-
<b>Payment for capital assets</b>	-	-	-	-	-	-	0%	-	-
Machinery and equipment	-	-	-	-	-	-	0%	20	-
Software and other intangible assets	-	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>249,758</b>	<b>-</b>	<b>(200)</b>	<b>249,558</b>	<b>173,558</b>	<b>76,000</b>	<b>69.5%</b>	<b>20,135</b>	<b>18,663</b>

Appropriation per economic classification									
Detail per sub-programme	2008/09						2007/08		
	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	1,807	(150)	-	1,657	1,626	31	98.1%	1,306	1,020
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	140	-	-	140	110	30	78.6%	19	19
<b>3.2 Provincial Supply Chain Management</b>									
Current payment	11,153	927	-	12,080	11,860	220	98.2%	6,587	7,991
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	63	62
<b>3.3 Financial Assets</b>									
Current payment	1,557	(482)	-	1,075	1,050	25	97.7%	1,283	549
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>3.4 Public Sector liabilities</b>									
Current payment	2,616	(295)	-	2,321	1,451	870	62.5%	1,198	355
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>3.5 Physical Assets</b>									
Current payment	4,186	-	-	4,186	4,266	(80)	101.9%	1,734	1,438
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>21,459</b>	<b>-</b>	<b>-</b>	<b>21,459</b>	<b>20,363</b>	<b>1,096</b>	<b>94.9%</b>	<b>12,190</b>	<b>11,434</b>





**DEPARTMENT OF FINANCE : VOTE 3  
APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

Appropriation per economic classification									
Programme 3 Per Economic classification	2008/09						2007/08		
	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	9,441	-	-	9,441	8,927	514	94.6%	7,273	5,767
Goods and services	11,878	-	-	11,878	11,326	552	95.4%	4,835	5,586
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	-	-	-	-	-	-	0%	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	140	-	-	140	110	30	78.6%	82	81
Software and other intangible assets	-	-	-	-	-	-	0%	-	-
<b>Total</b>	<b>21,459</b>	<b>-</b>	<b>-</b>	<b>21,459</b>	<b>20,363</b>	<b>1,096</b>	<b>94.9%</b>	<b>12,190</b>	<b>11,434</b>

Appropriation per economic classification									
Detail per sub-programme	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Programme Support</b>									
Current payment	1,820	57	-	1,877	1,789	88	95.3%	1,664	749
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>4.2 Accounting Services</b>									
Current payment	14,537		(1,000)	13,537	13,074	463	96.6%	2,826	2,182
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>4.3 Norms and Standards</b>									
Current payment	6,273	-	-	6,273	4,900	1,373	78.1%	5,859	5,334
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	240	-	-	240	-	240	0%	-	-
<b>4.4 Risk Management</b>									
Current payment	1,816	150		1,966	1,143	823	58.1%	1,221	923
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>4.5 Provincial Internal Audit</b>									
Current payment	1,941	(150)	(200)	1,591	1,213	378	76.2%	831	492
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>4.6 Interlinked Financial Systems</b>									
Current payment	6,076			6,076	6,399	(323)	105.3%	4,251	4,930
Transfers and subsidies	-	-	-	-	-	-	0%	-	-
Payment for capital assets	-	-	-	-	-	-	0%	-	-
<b>4.7 Information Technology</b>									
Current payment	61,605	(957)	(2,500)	58,148	57,087	1,061	98.2%	40,923	39,926
Transfers and subsidies	-	-	-	-	1	(1)	0%	23	23
Payment for capital assets	1,892	900		2,792	3,016	(224)	108.0%	1,256	1,290
<b>Total</b>	<b>96,200</b>	<b>-</b>	<b>(3,700)</b>	<b>92,500</b>	<b>88,622</b>	<b>3,878</b>	<b>95.8%</b>	<b>58,854</b>	<b>55,849</b>


**finance**

 Department: Finance  
 MPUMALANGA PROVINCIAL GOVERNMENT

### DEPARTMENT OF FINANCE : VOTE 3 APPROPRIATION STATEMENT for the year ended 31 March 2009

Appropriation per economic classification									
Programme 4 Per Economic classification	2008/09						2007/08		
	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	19,180			19,180	18,464	716	96.3%	21,244	19,255
Goods and services	74,888	(900)	(3,700)	70,288	67,141	3,147	95.5%	36,331	35,281
Financial transactions in assets and liabilities	-	-	-	-	1	(1)	0%	-	-
<b>Transfers and subsidies to:</b>									
Households	-	-	-	-	-	-	0%	23	23
<b>Payment for capital assets</b>									
Machinery and equipment	2,132	900	-	3,032	3,007	25	99.2%	1,256	1,261
Software and other intangible assets	-	-	-	-	9	(9)	0%	-	29
<b>Total</b>	<b>96,200</b>	<b>-</b>	<b>(3,700)</b>	<b>92,500</b>	<b>88,622</b>	<b>3,878</b>	<b>95.8%</b>	<b>58,854</b>	<b>55,849</b>

**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**  
Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1F & 1L to the Annual Financial Statements.
- 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**  
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
- 3. Detail on financial transactions in assets and liabilities**  
Detail of these transactions per programme can be viewed in note 3.4 (Financial transactions in assets and liabilities) to the Annual Financial Statements.
- 4. Explanations of material variances from Amounts Voted (after Virement):**

<b>4.1 Per Programme</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Administration	76,328	74,902	1,426	2%
Sustainable Resource Management	249,558	173,558	76,000	30%
Asset and Liability Management	21,459	20,363	1,096	5%
Financial Governance	92,500	88,622	3,878	4%

**Reasons for under/Overspending**

- 1. Administration:** The under spending on this item is mainly on capital assets which was as result of assets that were not purchased as anticipated.
- 2. Sustainable Resource Management:** The under spending is mainly on the flagship projects that has spend only 56% of its allocated budget, department could not finish the allocated budget.
- 3. Assets and Liability Management:** The under spending is as a result of positions that were not filled by the end of the year.
- 4. Financial Governance:** The under spending is as a result of decrease in rates for the transversal systems.



**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

<b>4.2 Per Economic classification</b>	<b>Final Appropriation  R'000</b>	<b>Actual Expenditure  R'000</b>	<b>Variance R'000  R'000</b>	<b>Variance as a % of Final Appropriation  R'000</b>
<b>Current payments:</b>				
Compensation of employees	83,746	82,032	1,714	2%
Goods and services	302,914	222,768	80,146	26%
Financial transactions in assets and liabilities	-	6	(6)	-
<b>Transfers and subsidies:</b>				
Provinces and municipalities	48,013	48,013	-	100%
Households	-	30	(30)	-
<b>Payments for capital assets:</b>				
Buildings and other fixed structures		52	(52)	-
Machinery and equipment	5,172	4,535	637	12%
Software and other intangible assets	-	9	(9)	-



**DEPARTMENT OF FINANCE : VOTE 3  
STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2009**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	438,517	144,279
Statutory appropriation	2	1,328	773
Departmental revenue	3	65,984	143,479
<b>TOTAL REVENUE</b>		<b>505,829</b>	<b>288,531</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	82,032	64,094
Goods and services	5	222,768	73,164
Financial transactions in assets and liabilities	6	6	-
<b>Total current expenditure</b>		<b>304,806</b>	<b>137,258</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	48,043	83
<b>Expenditure for capital assets</b>			
Tangible capital assets	8	4,587	2,404
Software and other intangible assets		9	29
<b>Total expenditure for capital assets</b>		<b>4,596</b>	<b>2,433</b>
<b>TOTAL EXPENDITURE</b>		<b>357,445</b>	<b>139,774</b>
<b>SURPLUS FOR THE YEAR</b>		<b>148,384</b>	<b>148,757</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds		82,400	5,278
Departmental revenue	3	65,984	143,479
<b>SURPLUS FOR THE YEAR</b>		<b>148,384</b>	<b>148,757</b>



**DEPARTMENT OF FINANCE : VOTE 3  
STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2009**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>84,273</b>	<b>13,909</b>
Cash and cash equivalents	9	84,188	12,946
Receivables	10	85	963
<b>TOTAL ASSETS</b>		<b>84,273</b>	<b>13,909</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>84,221</b>	<b>13,752</b>
Voted funds to be surrendered to the Revenue Fund	11	82,400	5,278
Departmental revenue to be surrendered to the Revenue Fund	12	38	6,766
Payables	13	1,783	1,708
<b>TOTAL LIABILITIES</b>		<b>84,221</b>	<b>13,752</b>
<b>NET ASSETS</b>		<b>52</b>	<b>157</b>
<b>Represented by:</b>			
Recoverable revenue		52	157
<b>TOTAL</b>		<b>52</b>	<b>157</b>



**DEPARTMENT OF FINANCE : VOTE 3  
STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>Recoverable revenue</b>			
Opening balance		157	87
Transfers:		(105)	70
Debts recovered (included in departmental receipts)		(157)	(87)
Debts raised		52	157
Closing balance		<b>52</b>	<b>157</b>
<b>TOTAL</b>		<b>52</b>	<b>157</b>



**DEPARTMENT OF FINANCE : VOTE 3  
CASH FLOW STATEMENT  
for the year ended 31 March 2009**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		505,772	288,531
Annual appropriated funds received	1.1	438,517	144,279
Statutory appropriated funds received	2	1,328	773
Departmental revenue received	3	65,927	143,479
Net (increase)/decrease in working capital		953	(2,280)
Surrendered to Revenue Fund		(77,990)	(138,707)
Current payments		(304,806)	(137,258)
Transfers and subsidies paid		(48,043)	(83)
<b>Net cash flow available from operating activities</b>	14	<b>75,886</b>	<b>10,203</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(4,596)	(2,433)
Proceeds from sale of capital assets	3	57	-
<b>Net cash flows from investing activities</b>		<b>(4,539)</b>	<b>(2,433)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(105)	70
Increase/(decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>(105)</b>	<b>70</b>
Net increase/(decrease) in cash and cash equivalents		71,242	7,840
Cash and cash equivalents at the beginning of the period		12,946	5,106
<b>Cash and cash equivalents at end of period</b>	15	<b>84,188</b>	<b>12,946</b>





**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

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

**1. Presentation of the Financial Statements**

**1.1 Basis of preparation**

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

**1.2 Presentation currency**

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

**1.3 Rounding**

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

**1.4 Comparative figures**

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

**1.5 Comparative figures - Appropriation Statement**

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



**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**2. Revenue**

**2.1 Appropriated funds**

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

Total appropriated funds are presented in the Statement of Financial Performance.

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

**2.2 Statutory Appropriation**

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the Statement of Financial Performance.

Unexpended statutory appropriations are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

**2.3 Departmental revenue**

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.



**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**2.3.1 Tax revenue**

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

Tax receipts are recognised in the Statement of Financial Performance when received.

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

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

**2.3.3 Fines, penalties & forfeits**

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

**2.3.4 Interest, dividends and rent on land**

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

**2.3.5 Sale of capital assets**

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

**2.3.6 Financial transactions in assets and liabilities**

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

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

Forex gains are recognised on payment of funds.



**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**2.3.7 Transfers received (including gifts, donations and sponsorships)**

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

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

**2.4 Direct Exchequer receipts**

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received.

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

**2.5 Local and Foreign Aid assistance**

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.



**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**3. Expenditure**

**3.1 Compensation of employees**

**3.1.1 Short-term employee benefits**

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance .

All other payments are classified as current expense.

**3.1.2 Short-term employee benefits**

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

**3.1.3 Post retirement benefits**

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department.

Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).



**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**3.1.4 Termination benefits**

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

**3.1.5 Other long-term employee benefits**

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

**3.2 Goods and services**

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

**3.3 Interest and rent on land**

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

**3.4 Financial transactions in assets and liabilities**

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

**Forex losses** are recognised on payment of funds.

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



**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**3.5 Transfers and subsidies**

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

**3.6 Unauthorised expenditure**

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

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

**3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

**3.8 Irregular expenditure**

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

**3.9 Expenditure for capital assets**

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).





**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**4. Assets**

**4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

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

**4.2 Other financial assets**

Other financial assets are carried in the Statement of Financial Position at cost.

**4.3 Prepayments and advances**

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

**4.4 Receivables**

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest.

**4.5 Investments**

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes.

**4.6 Loans**

Loans are recognised in the Statement of Financial Position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost.





**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**4.7 Inventory**

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

**4.8 Capital assets**

**4.8.1 Movable assets**

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

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

**4.8.2 Immovable assets**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.



**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**5. Liabilities**

**5.1 Voted funds to be surrendered to the Revenue Fund**

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

**5.2 Departmental revenue to be surrendered to the Revenue Fund**

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

**5.3 Direct Exchequer receipts to be surrendered to the Revenue Fund**

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

Amounts received must be surrendered to the relevant revenue fund on receipt thereof. Any amount not surrendered at year-end is reflected as a current payable in the Statement of Financial Position.

**5.4 Bank overdraft**

The bank overdraft is carried in the Statement of Financial Position at cost.

**5.5 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

**5.6 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the financial statements.

**5.7 Commitments**

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.



**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**5.8 Accruals**

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

**5.9 Employee benefits**

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

**5.10 Lease commitments**

**Finance Leases**

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

**Operating leases**

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

**6. Receivables for departmental revenue**

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

**7. Net Assets**

**7.1 Capitalisation reserve**

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

**7.2 Recoverable revenue**

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

**DEPARTMENT OF FINANCE : VOTE 3  
ACCOUNTING POLICIES  
for the year ended 31 March 2009****8. Related Party Transactions**

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

**9. Key Management Personnel**

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

**10. Public Private Partnerships**

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.



**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**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:

	<b>Final Appropriation</b>	<b>Actual Funds Received</b>	<b>Funds not requested/ not received</b>	<b>Appropriation Received 2007/08</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Administration	75,000	75,000	-	53,100
Sustainable Resource Management	249,558	249,558	-	20,135
Assets and Liabilities Management	21,459	21,459	-	12,190
Financial Governance	92,500	92,500	-	58,854
<b>Total</b>	<b>438,517</b>	<b>438,517</b>	<b>-</b>	<b>144,279</b>

**2. Statutory Appropriation**

	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
Member of executive committee/parliamentary officers	1,328	773
<b>Total</b>	<b>1,328</b>	<b>773</b>
Actual Statutory Appropriation received	<b>1,328</b>	<b>773</b>



**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**3. Departmental revenue**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
Tax revenue			
Sales of goods and services other than capital assets	3.1	1,749	2,162
Interest, dividends and rent on land	3.2	64,024	141,225
Sales of capital assets	3.3	57	-
Financial transactions in assets and liabilities	3.4	154	92
Total revenue collected		<b>65,984</b>	<b>143,479</b>
<b>Departmental revenue collected</b>		<b>65,984</b>	<b>143,479</b>

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

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
Sales of goods and services		1,747	2,156
Other sales		1,747	2,156
Sales of scrap, waste and other used current goods		2	6
<b>Total</b>		<b>1,749</b>	<b>2,162</b>

**3.2 Interest, dividends and rent on land**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
Interest	3	64,024	141,225
<b>Total</b>		<b>64,024</b>	<b>141,225</b>

**3.3 Sale of capital assets**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
Tangible capital assets		57	-
Machinery and equipment	23.2	57	-
<b>Total</b>		<b>57</b>	<b>-</b>



**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**3.4 Financial transactions in assets and liabilities**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Receivables	3	141	79
Stale cheques written back	-		2
Other Receipts including Recoverable Revenue		13	11
<b>Total</b>		<b>154</b>	<b>92</b>

**4. Compensation of employees**

**4.1 Salaries and Wages**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Basic salary		53,504	42,434
Performance award		1,843	911
Service Based		495	69
Compensative/circumstantial		3,064	2,081
Other non-pensionable allowances		12,809	10,264
<b>Total</b>		<b>71,715</b>	<b>55,759</b>

**4.2 Social contributions**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
<b>Employer contributions</b>			
Pension		6,966	5,486
Medical		3,340	2,840
Bargaining council		11	9
Official unions and associations		-	-
<b>Total</b>		<b>10,317</b>	<b>8,335</b>

**Total compensation of employees**

		<b>82,032</b>	<b>64,094</b>
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Average number of employees		331	282
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**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**5. Goods and services**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Administrative fees		28	67
Advertising		3,907	2,558
Assets less than R5, 000	5.1	749	634
Bursaries (employees)		1,227	719
Catering		4,623	2,298
Communication		2,631	2,748
Computer services	5.2	49,250	30,714
Consultants, contractors & outsourced services	5.3	112,720	10,728
Entertainment		-	164
Audit cost - external	5.4	4,380	3,652
Government motor transport		1,662	1,321
Inventory	5.5	5,984	2,992
Maintenance, repairs and running costs		119	428
Operating leases		2,937	1,975
Owned and leasehold property expenditure	5.6	2,033	1,277
Transport provided for departmental activities		597	-
Travel and subsistence	5.7	14,335	7,690
Venues and facilities		2,181	1,406
Training and staff development		2,330	1,452
Other operating expenditure	5.8	11,075	341
<b>Total</b>		<b>222,768</b>	<b>73,164</b>

**5.1 Assets less than R5, 000**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>		749	634
Machinery and equipment		749	634
<b>Total</b>		<b>749</b>	<b>634</b>





**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**5.2 Computer services**

	<i>Note</i> 5	<b>2008/09</b> <b>R'000</b>	<b>2007/08</b> <b>R'000</b>
SITA computer services		45,907	27,509
External computer service providers		3,343	3,205
<b>Total</b>		<b>49,250</b>	<b>30,714</b>

**5.3 Consultants, contractors and outsourced services**

	<i>Note</i> 5	<b>2008/09</b> <b>R'000</b>	<b>2007/08</b> <b>R'000</b>
Business and advisory services		17	-
Legal costs		604	135
Contractors		-	81
Agency and support/outsourced services		112,099	10,512
<b>Total</b>		<b>112,720</b>	<b>10,728</b>

**5.4 Audit cost - External**

	<i>Note</i> 5	<b>2008/09</b> <b>R'000</b>	<b>2007/08</b> <b>R'000</b>
Performance audits		4,317	2,778
Forensic audits		-	874
Other audits		63	-
<b>Total</b>		<b>4,380</b>	<b>3,652</b>

**5.5 Inventory**

	<i>Note</i> 5	<b>2008/09</b> <b>R'000</b>	<b>2007/08</b> <b>R'000</b>
Learning and teaching support material		-	41
Food and food supplies		111	48
Other consumable materials		698	191
Maintenance material		-	9
Stationery and printing		5,175	2,703
<b>Total</b>		<b>5,984</b>	<b>2,992</b>

**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009****5.6 Owned and leasehold property expenditure**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Municipal services	5	951	511
Other		1,082	766
<b>Total</b>		<b>2,033</b>	<b>1,277</b>

**5.7 Travel and subsistence**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
Local	5	14,335	7,690
<b>Total</b>		<b>14,335</b>	<b>7,690</b>

**5.8 Other operating expenditure**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Learnerships	5	46	96
Professional bodies, membership, subscription fees		13	54
Resettlement costs		334	112
Other		10,682	79
<b>Total</b>		<b>11,075</b>	<b>341</b>

**6. Financial transactions in assets and liabilities**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Debts written off	6.1	6	-
<b>Total</b>		<b>6</b>	<b>-</b>

**6.1 Debts written off**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Nature of debts written off	6		
Staff debtor written off		6	-
<b>Total</b>		<b>6</b>	<b>-</b>



**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**7. Transfers and subsidies**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
Provinces and municipalities	<i>Annex 1F</i>	48,013	-
Households	<i>Annex 1L</i>	30	83
<b>Total</b>		<b>48,043</b>	<b>83</b>

**8. Expenditure for capital assets**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>Tangible assets</b>		<b>4,587</b>	<b>2,404</b>
Machinery and equipment	8.1	4,535	2,404
Other fixed structures	8.1	52	-
<b>Software and other intangible assets</b>	8.2	9	29
Computer software		9	-
Other intangibles		-	29
<b>Total</b>		<b>4,596</b>	<b>2,433</b>

**8.1 Analysis of funds utilised to acquire capital assets - 2008/09**

	<b>Voted funds R'000</b>	<b>Aid assistance R'000</b>	<b>Total R'000</b>
<b>Tangible assets</b>	<b>4,587</b>	-	<b>4,587</b>
Machinery and equipment	4,535	-	4,535
Other fixed structures	52	-	52
<b>Software and other intangible assets</b>	<b>9</b>	-	<b>9</b>
Computer software	9	-	9
<b>Total</b>	<b>4,596</b>	-	<b>4,596</b>



**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**8.2 Analysis of funds utilised to acquire capital assets - 2007/08**

	<b>Voted funds</b>	<b>Aid assistance</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Total assets acquired</b>	<b>2,433</b>	<b>-</b>	<b>2,433</b>

**9. Cash and cash equivalents**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
Consolidated Paymaster General Account		84,185	12,946
Disbursements		3	-
<b>Total</b>		<b>84,188</b>	<b>12,946</b>

**10. Receivables**

		<b>2008/09</b>			<b>2007/08</b>	
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
	<i>Note</i>	<b>Less than one year</b>	<b>One to three years</b>	<b>Older than three years</b>	<b>Total</b>	<b>Total</b>
Claims Recoverable	10.1 Annex4	-	-	-	-	900
Staff debt	10.2	55	28	-	83	63
Other debtors	10.3		2	-	2	-
<b>Total</b>		<b>55</b>	<b>30</b>	<b>-</b>	<b>85</b>	<b>963</b>

**10.1 Claims Recoverable**

	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
National Departments	10	-	762
Provincial Departments		-	138
<b>Total</b>		<b>-</b>	<b>900</b>



**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**10.2 Staff debt**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
	<i>10</i>	<b>R'000</b>	<b>R'000</b>
Cell Phones		10	63
Salary Overpayment		21	-
Recoverable Revenue		52	-
<b>Total</b>		<b>83</b>	<b>63</b>

**10.3 Other debtors**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
	<i>10</i>	<b>R'000</b>	<b>R'000</b>
Oxygen Medical Aid		2	-
<b>Total</b>		<b>2</b>	<b>-</b>

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

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		5,278	1,880
Transfer from statement of financial performance		82,400	5,278
Paid during the year		(5,278)	(1,880)
<b>Closing balance</b>		<b>82,400</b>	<b>5,278</b>

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

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		6,766	114
Transfer from Statement of Financial Performance		65,984	143,479
Paid during the year		(72,712)	(136,827)
<b>Closing balance</b>		<b>38</b>	<b>6,766</b>



**DEPARTMENT OF FINANCE : VOTE 3  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**13. Payables - current**

**Description**

*Note*

**2008/09  
Total**

**2007/08  
Total**

Clearing accounts

13.1

1,783

1,708

**Total**

**1,783**

**1,708**

**13.1 Clearing accounts**

*Note*

13

**2008/09  
R'000**

**2007/08  
R'000**

Description

Infrastructure

1,783

1,657

Disallowance

-

2

Salary Income Tax

-

49

**Total**

**1,783**

**1,708**

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

*Note*

**2008/09  
R'000**

**2007/08  
R'000**

Net surplus/(deficit) as per Statement of Financial Performance

148,384

148,757

Add back non cash/cash movements not deemed operating activities

(72,498)

(138,554)

(Increase)/decrease in receivables - current

878

(822)

(Increase)/decrease in prepayments and advances

-

(1,458)

Increase/(decrease) in payables - current

75

-

Proceeds from sale of investments

(57)

-

Expenditure on capital assets

4,596

2,433

Surrenders to Revenue Fund

(77,990)

(138,707)

**Net cash flow generated by operating activities**

**75,886**

**10,203**

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

*Note*

**2008/09  
R'000**

**2007/08  
R'000**

Consolidated Paymaster General account

84,185

12,946

Disbursements

3

-

**Total**

**84,188**

**12,946**



**DEPARTMENT OF FINANCE : VOTE 3  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

<b>16. Contingent liabilities</b>	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>Liable to</b>	<b>Nature</b>		
Housing loan guarantees	Employees <i>Annex 3A</i>	624	635
Claims against the department	<i>Annex 3B</i>	2,180	2,284
Other departments (unconfirmed balances)	<i>Annex 5</i>	43	-
<b>Total</b>		<b>2,847</b>	<b>2,919</b>
<b>17. Commitments</b>	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>Current Expenditure</b>			
Approved and Contracted		4	-
		<b>4</b>	-
<b>Capital Expenditure</b>			
Approved and Contracted		449	-
		<b>449</b>	-
<b>Total</b>		<b>453</b>	-
<b>18. Accruals</b>		<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
Goods and services	2,212	243	2,455
Machinery	-	27	27
Software	-	80	80
<b>Total</b>	<b>2,212</b>	<b>350</b>	<b>2,562</b>
			<b>5,834</b>
	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
<b>Listed by programme level</b>			
Administration		1,117	636
Sustainable Resource Management		692	3,738
Assets and Liabilities Management		187	38
Financial Governance		566	1,422
<b>Total</b>		<b>2,562</b>	<b>5,834</b>
	<i>Note</i>	<b>2008/09 R'000</b>	<b>2007/08 R'000</b>
Confirmed balances with other departments	<i>Annex 5</i>	50	28
<b>Total</b>		<b>50</b>	<b>28</b>



**DEPARTMENT OF FINANCE : VOTE 3  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**19. Employee benefits**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		3,958	2,908
Thirteenth cheque		2,356	1,817
Performance awards		1,815	1,184
Capped leave commitments		5,666	5,196
<b>Total</b>		<b>13,795</b>	<b>11,105</b>

**20. Lease commitments**

**20.1 Operating leases expenditure**

<b>2008/09</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
Not later than 1 year	-	389	1,001	1,390
Later than 1 year and not later than 5 years	-	655	832	1,487
<b>Total lease commitments</b>	<b>-</b>	<b>1,044</b>	<b>1,833</b>	<b>2,877</b>

<b>2007/08</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
Not later than 1 year	-	-	1,090	1,090
Later than 1 year and not later than 5 years	-	-	530	530
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>1,620</b>	<b>1,620</b>

**21. Irregular expenditure**

**21.1 Reconciliation of irregular expenditure**

	<i>Note</i>	<b>2008/09</b>	<b>2007/08</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		87	-
Add: Irregular expenditure - relating to prior year		-	87
Less: Amounts condoned		-	-
<b>Irregular expenditure awaiting condonation</b>		<b>87</b>	<b>87</b>





**DEPARTMENT OF FINANCE : VOTE 3  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**22. Key management personnel**

	No. of Individuals	2008/09 R'000	2007/08 R'000
Political office bearers (provide detail below)	1	1,429	773
<b>Officials:</b>			
Level 15 to 16	1	963	771
Level 14 (incl. CFO if at a lower level)	4	3,088	2,497
<b>Total</b>		<b>5,480</b>	<b>4,041</b>

**23. Movable Tangible Capital Assets**

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

	Opening balance R'000	Curr Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>11,041</b>	<b>1,804</b>	<b>7,653</b>	<b>5,070</b>	<b>15,428</b>
Transport assets	3,928	795	3,272	(3,945)	4,050
Computer equipment	6,450	1,035	3,028	(1,100)	9,413
Furniture and office equipment	609	13	501	(25)	1,098
Other machinery and equipment	54	(39)	852	(-)	867
<b>TOTAL</b>	<b>11,041</b>	<b>1,804</b>	<b>7,653</b>	<b>5,070</b>	<b>15,428</b>



**DEPARTMENT OF FINANCE : VOTE 3  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**23.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2009**

	Cash	Non-Cash (Develop- ment work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>4,535</b>	<b>3,005</b>	<b>113</b>	<b>7,653</b>
Transport assets	544	2,728		3,272
Computer Equipment	2,841	187		3,028
Furniture and Office Equipment	411	90		501
Other machinery and equipment	739		113	852
<b>TOTAL</b>	<b>4,535</b>	<b>3,005</b>	<b>-</b>	<b>7,653</b>

**23.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2009**

	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>1,932</b>	<b>3,138</b>	<b>5,070</b>	<b>57</b>
Transport assets	1,019	2,926	3,945	57
Computer equipment	888	212	1,100	-
Furniture and office equipment	25	-	25	-
Other machinery and equipment	-	-	-	-
<b>TOTAL</b>	<b>1,932</b>	<b>3,138</b>	<b>5,070</b>	<b>57</b>



**DEPARTMENT OF FINANCE : VOTE 3  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**23.3 Movement for 2007/08**

**MOVEMENT IN MOVALE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR  
ENDED 31 MARCH 2008**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>9,370</b>	<b>4,228</b>	<b>2,557</b>	<b>11,041</b>
Transport assets	4,250	473	795	3,928
Computer equipment	4,879	3,322	1,751	6,450
Furniture and office equipment	184	425	-	609
Other machinery and equipment	57	8	11	54
<b>TOTAL</b>	<b>9,370</b>	<b>4,228</b>	<b>2,557</b>	<b>11,041</b>

**23.4 Minor assets**

**MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2009**

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	-	-	749	-	749
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>749</b>	<b>-</b>	<b>749</b>

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	-	-	390	-	390
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>390</b>	<b>-</b>	<b>390</b>



**DEPARTMENT OF FINANCE : VOTE 3  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**24. Intangible Capital Assets**

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

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	4,721	56	9	-	4,786
<b>TOTAL</b>	<b>4,721</b>	<b>56</b>	<b>9</b>	<b>-</b>	<b>4,786</b>

**24.1 Additions**

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2009**

	Cash	Non-Cash	(Develop- ment work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	9	-	-	-	9
<b>TOTAL</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>



**DEPARTMENT OF FINANCE : VOTE 3  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**24.2 Movement for 2007/2008**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2008**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>COMPUTER SOFTWARE</b>	4,824	199	302	4,721
<b>TOTAL</b>	<b>4,824</b>	<b>199</b>	<b>302</b>	<b>4,721</b>

**25. Immovable Tangible Capital assets**

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDING OTHER FIXED STRUCTURES</b>	-	52	52	-
Other fixed structures	-	52	52	-
<b>TOTAL</b>	<b>-</b>	<b>52</b>	<b>52</b>	<b>-</b>

**25.1 ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2009**

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>BUILDING OTHER FIXED STRUCTURE</b>	52	-	-	-	52
Other fixed structures	52	-	-	-	52
<b>TOTAL</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52</b>



**DEPARTMENT OF FINANCE : VOTE 3  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

**25.2 Disposal**

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2009**

	<b>Sold for cash R'000</b>	<b>Transfer out or destroyed or scrapped R'000</b>	<b>Total disposals R'000</b>	<b>Cash Received Actual R'000</b>
<b>BUILDING OTHER FIXED STRUCTURES</b>	-	52	52	-
Other fixed structures	-	52	52	-
<b>TOTAL</b>	-	<b>52</b>	<b>52</b>	-



**DEPARTMENT OF FINANCE : VOTE 3  
ANNEXURES  
for the year ended 31 March 2009**

**ANNEXURE 1F**

**STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2007/08
	Amount	Roll Overs	Adjust-ments	Total Avail-able	Actual Transfer	% of Available funds Transf-erred	Amount received by munici-	Amount spent by munici-pality	% of available funds spent by munici-pality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Mbombela Municipality	-	-	-	-	48,000	-	48,000	-	-	-
Ehlanzeni District Council	-	-	-	-	13	-	13	-	-	-
	-	-	-	-	<b>48,013</b>	-	<b>48,013</b>	-	-	-

**ANNEXURE 1L**

**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll overs	Adjust-ments	Total Avail-able	Actual Transfer	% Avail-able funds Transf-ered	Approp-riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers Households	-	-	-	-	30	-	83
<b>Total</b>	-	-	-	-	<b>30</b>	-	<b>83</b>



**DEPARTMENT OF FINANCE : VOTE 3  
ANNEXURES  
for the year ended 31 March 2009**

**ANNEXURE 3A**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 - LOCAL**

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2009
		R'000	R'000	R'000	R'000	R'000	R'000
ABSA		239	82	-	34	-	48
NEDBANK		611	122	-	-	-	122
STANDARD BANK		162	32	-	-	-	32
PEOPLES BANK		458	84	-	-	-	84
OLD MUTUAL		596	148	-	29	-	119
FNB		160	60	-	28	-	32
MPUMALANGA HOUSING FINANCE		1,131	107	80	-	-	187
<b>Total</b>		<b>3,357</b>	<b>635</b>	<b>80</b>	<b>91</b>		<b>624</b>

**ANNEXURE 3B**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2009**

Nature of Liability	Opening Balance	Liabilities incurred during the year during the year	Liabilities paid/ cancelled/reduced (Provide details hereunder)	Liabilities recoverable	Closing Balance
	01/04/2008				31/03/2009
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
King Civil Engineering	2,130	-	-	-	2,130
Marie Broodryk	50	-	-	-	50
Hussain Esop Verachia	104	-	104	-	-
<b>Total</b>	<b>2,284</b>	<b>-</b>	<b>104</b>	<b>-</b>	<b>2,180</b>





**DEPARTMENT OF FINANCE : VOTE 3  
ANNEXURES  
for the year ended 31 March 2009**

**ANNEXURE 4  
CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2009 R'000	31/03/2008 R'000	31/03/2009 R'000	31/03/2008 R'000	31/03/2009 R'000	31/03/2008 R'000

**DEPARTMENTS**

SARS		762				762
ROADS AND TRANSPORT		138				138
SAFETY AND SECURITY	22				22	
	22	900			22	900

**ANNEXURE 5  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2009 R'000	31/03/2008 R'000	31/03/2009 R'000	31/03/2008 R'000	31/03/2009 R'000	31/03/2008 R'000

**DEPARTMENTS**

**Current**

Mpumalanga Premier office	-	-	32	-	32	-
Eastern Cape Treasury	10	-	-	-	10	-
Public works	-	28	8	-	8	28
<b>PALAMA</b>	40	-	-	-	40	-
Limpopo Premier office	-	-	3	-	3	-
<b>Total</b>	<b>50</b>	<b>28</b>	<b>43</b>	<b>-</b>	<b>93</b>	<b>28</b>



**finance**

Department: Finance  
MPUMALANGA PROVINCIAL GOVERNMENT

# **PART FIVE:**

# **HUMAN RESOURCE MANAGEMENT**



**finance**

Department: Finance  
**MPUMALANGA PROVINCIAL GOVERNMENT**



## PART 5: HUMAN RESOURCE MANAGEMENT

### HR OVERSIGHT - APRIL 2008 to MARCH 2009 - Mpumalanga - Finance

**TABLE 1.1 - Main Service for Service Delivery Improvement and Standards**

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
N/A	N/A	N/A	N/A	N/A

**TABLE 1.2 - Consultation Arrangements for Customers**

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
N/A	N/A	N/A	N/A

**TABLE 1.3 - Service Delivery Access Strategy**

Access Strategy			Actual Achievements
N/A			N/A

**TABLE 1.4 - Service Information Tool**

Type of Information Tool			Actual Achievements
N/A			N/A

**TABLE 1.5 - Complaint Mechanism**

Complaint Mechanism			Actual Achievements
N/A			N/A



## HR OVERSIGHT - APRIL 2008 to MARCH 2009 - Mpumalanga - Finance

**TABLE 2.1 - Personnel costs by Programme**

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	74,902	40,401	1,147	0	53.9	212	191
Sustainable Resource Management	173,559	14,240	405	0	8.2	303	47
Assets & Liabilities Management	20,362	8,927	254	0	43.8	279	32
Financial governance	88,622	18,464	524	0	20.8	303	61
<b>Total as on Financial Systems (BAS)</b>	<b>357,445</b>	<b>82,032</b>	<b>2,330</b>	<b>0</b>	<b>22.9</b>	<b>248</b>	<b>331</b>

**TABLE 2.2 - Personnel costs by Salary band**

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	1,685	2.1	84,250	82,032	20
Skilled (Levels 3-5)	3,605	4.4	90,125	82,032	40
Highly skilled production (Levels 6-8)	18,847	23	172,908	82,032	109
Highly skilled supervision (Levels 9-12)	43,027	52.5	303,007	82,032	142
Senior management (Levels 13-16)	13,033	15.9	724,056	82,032	18
Contract (Levels 9-12)	496	0.6	496,000	82,032	1
Contract (Levels 13-16)	487	0.6	487,000	82,032	1
Abnormal Appointment	852	1	0	82,032	0
<b>TOTAL</b>	<b>82,032</b>	<b>100</b>	<b>247,831</b>	<b>82,032</b>	<b>331</b>

**TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme**

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration	28,415	70.3	1,349	3.3	917	2.3	1,811	4.5	40,401
Sustainable Resource Management	10,336	72.6	48	0.3	251	1.8	379	2.7	14,240
Assets & Liabilities Management	6,532	73.2	193	2.2	126	1.4	380	4.3	8,927
Financial governance	13,796	74.7	5	0	330	1.8	752	4.1	18,464
<b>TOTAL</b>	<b>59,079</b>	<b>72</b>	<b>1,595</b>	<b>1.9</b>	<b>1,624</b>	<b>2</b>	<b>3,322</b>	<b>4</b>	<b>82,032</b>



**TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band**

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	1,052	62.4	73	4.3	118	7	162	9.6	1,685
Skilled (Levels 3-5)	2,260	62.7	188	5.2	203	5.6	371	10.3	3,605
Highly skilled production (Levels 6-8)	12,864	68.3	883	4.7	566	3	1,082	5.7	18,847
Highly skilled supervision (Levels 9-12)	30,509	70.9	451	1	653	1.5	1,460	3.4	43,027
Senior management (Levels 13-16)	10,856	83.3	-	0	84	0.6	226	1.7	13,033
Contract (Levels 9-12)	462	93.1	-	0	-	0	-	0	496
Contract (Levels 13-16)	283	58.1	-	0	-	0	21	4.3	487
Abnormal Appointment	793	93.1	-	0	-	0	-	0	852
<b>TOTAL</b>	<b>59,079</b>	<b>72</b>	<b>1,595</b>	<b>1.9</b>	<b>1,624</b>	<b>2</b>	<b>3,322</b>	<b>4</b>	<b>82,032</b>

**TABLE 3.1 - Employment and Vacancies by Programme at end of period**

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Pr1 Administration, Permanent	247	191	22.7	0
Pr2 Sustainable Resource Management, Permanent	59	47	20.3	0
Pr3 Assets and Liabilities Management, Permanent	53	32	39.6	0
Pr4 Financial Governance, Permanent	74	61	17.6	0
<b>TOTAL</b>	<b>433</b>	<b>331</b>	<b>23.6</b>	<b>0</b>

**TABLE 3.2 - Employment and Vacancies by Salary Band at end of period**

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	20	20	0	0
Skilled (Levels 3-5), Permanent	53	40	24.5	0
Highly skilled production (Levels 6-8), Permanent	142	109	23.2	0
Highly skilled supervision (Levels 9-12), Permanent	188	142	24.5	0
Senior management (Levels 13-16), Permanent	29	19	34.5	0
Contract (Levels 9-12), Permanent	1	1	0	0
<b>TOTAL</b>	<b>433</b>	<b>331</b>	<b>23.6</b>	<b>0</b>



**TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period**

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additinoal to the Establishment
Administrative related, Permanent	60	58	3.3	0
Communication and information related, Permanent	6	4	33.3	0
Finance and economics related, Permanent	28	15	46.4	0
Financial and related professionals, Permanent	94	68	27.7	0
General legal administration & rel. professionals, Permanent	1	0	100	0
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources related, Permanent	14	8	42.9	0
Information technology related, Permanent	34	32	5.9	0
Legal related, Permanent	3	2	33.3	0
Light vehicle drivers, Permanent	1	1	0	0
Logistical support personnel, Permanent	63	49	22.2	0
Other occupations, Permanent	111	78	29.7	0
Secretaries & other keyboard operating clerks, Permanent	3	1	66.7	0
Senior managers, Permanent	14	14	0	0
<b>TOTAL</b>	<b>433</b>	<b>331</b>	<b>23.6</b>	<b>0</b>

**TABLE 4.1 - Job Evaluation**

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	20	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	53	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	142	0	0	0	0	0	0
Highly skilled supervision(Levels 9-12)	188	0	0	2	0	0	0
Senior Management Service Band A	15	0	0	0	0	0	0
Senior Management Service Band B	10	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
<b>TOTAL</b>	<b>433</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0


**TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation**

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Highly skilled	0	0	0	0	331
Senior managers	0	0	0	0	331
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>331</b>
Percentage of Total Employment	0	0	0	0	331

**TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a Disability	0	0	0	0	0

**TABLE 5.1 - Annual Turnover Rates by Salary Band**

Salary Band	Employment at Beginning of Period (April 2008)	Appointment	Termination	Turnover Rate
Lower skilled (Levels 1-2), Permanent	16	9	0	0
Skilled (Levels 3-5), Permanent	35		11	0
Highly skilled production (Levels 6-8), Permanent	93	14	4	4.3
Highly skilled supervision (Levels 9-12), Permanent	120	9	4	3.3
Senior Management Service Band A, Permanent	12	1	1	8.3
Senior Management Service Band B, Permanent	4	0	0	0
Senior Management Service Band C, Permanent	1	0	0	0
Contract (Levels 9-12), Permanent	1	0	0	0
Contract (Band A), Permanent	1	0	1	100
<b>TOTAL</b>	<b>283</b>	<b>44</b>	<b>10</b>	<b>3.5</b>





**TABLE 5.2 - Annual Turnover Rates by Critical Occupation**

Occupation	Employment at Beginning of Period (April 2008)	Appointment	Termination	Turnover Rate
Administrative related, Permanent	52	14	1	1.9
Cleaners in offices, Permanent	13	0	0	0
Communication and information, Permanent	4	0	0	0
Computer system designers & analyst, Permanent	2	0	0	0
Custodian personnel, Permanent	1	0	0	0
Engineering sciences related, Permanent	2	0	0	0
Finance and economics related, Permanent	25	2	1	4
Financial and related professionals, Permanent	38	6	1	2.6
Financial clerks and credit controllers, Permanent	4	0	0	0
Head of department, Permanent	1	0	0	0
Human resources & development, Permanent	6	0	1	16.7
Human resources clerks, Permanent	1	0	0	0
Human resources related, Permanent	6	0	1	16.7
Information technology related, Permanent	12	5	0	0
Legal related, Permanent	3	1	1	33.3
Library mail and related clerks, Permanent	1	0	0	0
Light vehicle drivers, Permanent	2	0	0	0
Logistical support personnel, Permanent	23	5	0	0
Messengers porters and deliverers, Permanent	2	0	0	0
Other administrat & related clerks, Permanent	7	0	0	0
Other administrative policy, Permanent	2	0	0	0
Other information technology, Permanent	14	0	0	0
Other occupations, Permanent	46	9	4	8.7
Printing and machine operators, Permanent	1	0	0	0
Secretaries & other operating clerks, Permanent	12	1	0	0
Senior managers, Permanent	3	1	0	0
<b>TOTAL</b>	<b>283</b>	<b>44</b>	<b>10</b>	<b>3.5</b>

**TABLE 5.3 - Reasons why staff are leaving the department**

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	1	10	0.3	10	331
Resignation, Permanent	6	60	1.8	10	331
Expiry of contract, Permanent	1	10	0.3	10	331
Dismissal-misconduct, Permanent	2	20	0.6	10	331
<b>TOTAL</b>	<b>10</b>	<b>100</b>	<b>3</b>	<b>10</b>	<b>331</b>

Resignations as % of Employment	3
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**TABLE 5.4 - Promotions by Critical Occupation**

Occupation	Employment at Beginning of Period (April 2008)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progression to another Notch within Salary Level	Notch progression as a % of Employment
Administrative related	52	3	5.8	34	65.4
Cleaners in offices workshops etc.	13	0	0	1	7.7
Communication and information related	4	1	25	2	50
Computer system designers and analysts.	2	0	0	2	100
Custodian personnel	1	0	0	0	0
Engineering sciences related	2	0	0	0	0
Finance and economics related	25	5	20	18	72
Financial and related professionals	38	18	47.4	19	50
Financial clerks and credit controllers	4	0	0	3	75
General legal administration & rel. professionals	0	1	0	0	0
Head of department/chief executive officer	1	0	0	0	0
Human resources & development	6	0	0	5	83.3
Human resources clerks	1	0	0	1	100
Human resources related	6	2	33.3	4	66.7
Information technology related	12	4	33.3	1	8.3
Legal related	3	0	0	2	66.7
Library mail and related clerks	1	0	0	1	100
Light vehicle drivers	2	0	0	1	50
Logistical support personnel	23	12	52.2	11	47.8
Messengers porters and deliverers	2	0	0	1	50
Other administrat & related clerks and organisers	7	0	0	4	57.1
Other administrative policy and related officers	2	0	0	1	50
Other information technology personnel.	14	0	0	12	85.7
Other occupations	46	18	39.1	23	50
Printing and related machine operators	1	0	0	1	100
Secretaries & other keyboard operating clerks	12	0	0	9	75
Senior managers	3	1	33.3	2	66.7
<b>TOTAL</b>	<b>283</b>	<b>65</b>	<b>23</b>	<b>158</b>	<b>55.8</b>

**TABLE 5.5 - Promotions by Salary Band**

Salary Band	Employment at Beginning of Period (April 2008)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progression to another Notch within Salary Level	Notch progression as a % of Employment
Lower skilled (Levels 1-2), Permanent	16	0	0	2	12.5
Skilled (Levels 3-5), Permanent	35	1	2.9	26	74.3
Highly skilled production (Levels 6-8), Permanent	93	26	28	55	59.1
Highly skilled supervision (Levels 9-12), Permanent	120	37	30.8	70	58.3
Senior management (Levels 13-16), Permanent	17	1	5.9	5	29.4
Contract (Levels 9-12), Permanent	1	0	0	0	0
Contract (Levels 13-16), Permanent	1	0	0	0	0
<b>TOTAL</b>	<b>283</b>	<b>65</b>	<b>23</b>	<b>158</b>	<b>55.8</b>



**TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)**

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior managers, Permanent	4	0	1	5	0	2	0	0	2	0	7
Professionals, Permanent	99	2	1	102	12	94	1	2	97	5	216
Clerks, Permanent	6	0	0	6	0	19	0	0	19	1	26
Plant and machine operators, Permanent	2	0	0	2	0	0	0	0	0	0	2
Elementary occupations, Permanent	30	1	0	31	1	48	0	0	48	0	80
<b>TOTAL</b>	<b>141</b>	<b>3</b>	<b>2</b>	<b>146</b>	<b>13</b>	<b>163</b>	<b>1</b>	<b>2</b>	<b>166</b>	<b>6</b>	<b>331</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	4	0	0	4	1	0	0	0	0	0	5

**TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands**

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	3	0	0	3	0	2	0	0	2	1	6
Senior Management, Permanent	6	0	1	7	1	4	0	0	4	1	13
Mid-management, Permanent	75	2	1	78	9	51	1	1	53	2	142
Junior management Permanent	42	1	0	43	2	62	0	1	63	2	110
Semi-skilled decision making, Permanent	15	0	0	15	0	22	0	0	22	0	37
Unskilled and defined decision making, Permanent	0	0	0	0	0	22	0	0	22	0	22
Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	0	0	1
<b>TOTAL</b>	<b>141</b>	<b>3</b>	<b>2</b>	<b>146</b>	<b>13</b>	<b>163</b>	<b>1</b>	<b>2</b>	<b>166</b>	<b>6</b>	<b>331</b>

**TABLE 6.3 - Recruitment**

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	0	0	0	0	1	0	0	0	0	0	1
Mid-management, Permanent	5	0	0	5	0	4	0	0	4	0	9
Junior management Permanent	9	0	0	9	0	5	0	0	5	0	14
Semi-skilled decision making, Permanent	5	0	0	5	0	6	0	0	6	0	11
Unskilled and defined decision making, Permanent	0	0	0	0	0	9	0	0	9	0	9
<b>TOTAL</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>1</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>44</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0



**TABLE 6.4 - Promotions**

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	0	0	0	0	1	2
Senior Management, Permanent	1	0	1	2	0	2	0	0	2	0	4
Mid-management, Permanent	62	2	0	64	5	36	1	1	38	0	107
Junior management Permanent	24	1	0	25	1	54	0	1	55	0	81
Semi-skilled decision making, Permanent	12	0	0	12	0	15	0	0	15	0	27
Unskilled and defined decision making, Permanent	1	0	0	1	0	1	0	0	1	0	2
<b>TOTAL</b>	<b>101</b>	<b>3</b>	<b>1</b>	<b>105</b>	<b>6</b>	<b>108</b>	<b>1</b>	<b>2</b>	<b>111</b>	<b>1</b>	<b>223</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	3	0	0	3	1	0	0	0	0	0	4

**TABLE 6.5 - Terminations**

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	2	0	1	0	0	1	1	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0	0	1	1	2	0	0	2	0	4
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>10</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

**TABLE 6.6 - Disciplinary Action**

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Dismissal	2	0	0	2	0	0	0	0	0	0	2
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>



**TABLE 6.7 - Skills Development**

Occupational Categories	Male, African	Male, Coloured	Male, Indian Blacks	Male, Total	Male, White	Female, African	Female, Coloured	Female, Indian Blacks	Female, Total	Female, White	Total
Legislators, Senior Officials and Managers	10	0	1	11	0	4	0	0	4	2	17
Professionals	42	2	0	14	11	44	0	0	44	3	102
Technicians and Associate Professionals	38	0	1	39	0	39	1	2	42	1	82
Clerks	35	0	0	35	1	54	0	0	54	1	91
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant, Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>125</b>	<b>2</b>	<b>2</b>	<b>99</b>	<b>12</b>	<b>141</b>	<b>1</b>	<b>2</b>	<b>144</b>	<b>7</b>	<b>292</b>

	Male, African	Male, Coloured	Male, Indian Blacks	Male, Total	Male, White	Female, African	Female, Coloured	Female, Indian Blacks	Female, Total	Female, White	Total
Employees with disabilities	4	0	0	0	1	0	0	0	0	0	5

**TABLE 7.1 - Performance Rewards by Race, Gender and Disability**

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	92	163	56.4	839	9,121
African, Male	69	137	50.4	660	9,564
Asian, Female	2	2	100	60	30,039
Asian, Male	1	2	50	74	74,025
Coloured, Female	1	1	100	17	16,638
Coloured, Male	2	3	66.7	9	4,675
Total Blacks, Female	95	166	57.2	916	9,641
Total Blacks, Male	72	142	50.7	743	10,324
White, Female	3	6	50	26	8,816
White, Male	10	12	83.3	116	11,572
Employees with a disability	2	5	40	13	6,737
<b>TOTAL</b>	<b>182</b>	<b>331</b>	<b>55</b>	<b>1,815</b>	<b>9,973</b>

**TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service**

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	12	22	54.5	69	5,750
Skilled (Levels 3-5)	16	37	43.2	79	4,938
Highly skilled production (Levels 6-8)	68	110	61.8	493	7,250
Highly skilled supervision (Levels 9-12)	85	142	59.9	1,140	13,412
Contract (Levels 9-12)	1	1	100	34	34,000
Periodical Remuneration	0	1	0	0	0
Abnormal Appointment	0	49	0	0	0
<b>TOTAL</b>	<b>182</b>	<b>362</b>	<b>50.3</b>	<b>1,815</b>	<b>9,973</b>



**TABLE 7.3 - Performance Rewards by Critical Occupation**

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	34	63	54	571	16,794
Cleaners in offices workshops hospitals etc.	11	13	84.6	59	5,364
Communication and information related	0	3	0	0	0
Computer system designers and analysts.	2	2	100	14	7,000
Custodian personnel	0	1	0	0	0
Engineering sciences related	1	2	50	13	13,000
Finance and economics related	13	26	50	109	8,385
Financial and related professionals	28	50	56	284	10,143
Financial clerks and credit controllers	0	3	0	0	0
General legal administration & professionals	1	0	0	9	9,000
Head of department/chief executive officer	0	1	0	0	0
Human resources development	4	2	200	39	9,750
Human resources clerks	1	1	100	14	14,000
Human resources related	4	7	57.1	25	6,250
Information technology related	8	17	47.1	93	11,625
Legal related	1	2	50	10	10,000
Library mail and related clerks	1	2	50	11	11,000
Light vehicle drivers	1	1	100	8	8,000
Logistical support personnel	17	27	63	80	4,706
Messengers porters and deliverers	2	2	100	13	6,500
Motor vehicle drivers	0	1	0	0	0
Other administrat clerks & organisers	5	7	71.4	58	11,600
Other administrative related officers	1	2	50	33	33,000
Other information technology personnel	10	13	76.9	81	8,100
Other occupations	27	66	40.9	226	8,370
Secretaries & other operating clerks	9	12	75	61	6,778
Senior managers	1	5	20	4	4,000
<b>TOTAL</b>	<b>182</b>	<b>331</b>	<b>55</b>	<b>1,815</b>	<b>9,973</b>

**TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service**

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band B	0	13	0	0	0	0	0
Band C	0	4	0	0	0	0	0
Band D	0	2	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# finance

Department: Finance  
MPUMALANGA PROVINCIAL GOVERNMENT

**TABLE 8.1 - Foreign Workers by Salary Band**

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
TOTAL	0	0	0	0	0	0	0	0	0

**TABLE 8.2 - Foreign Workers by Major Occupation**

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
TOTAL	0	0	0	0	0	0	0	0	0

**TABLE 9.1 - Sick Leave for Jan 2008 to Dec 2008**

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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	43	81.4	10	5.8	4	8	171	35
Skilled (Levels 3-5)	116	82.8	19	11.1	6	26	171	96
Highly skilled production (Levels 6-8)	386	88.3	60	35.1	6	166	171	341
Highly skilled supervision (Levels 9-12)	365	84.4	74	43.3	5	327	171	308
Senior management (Levels 13-16)	27	85.2	7	4.1	4	61	171	23
Contract (Levels 9-12)	4	100	1	0.6	4	7	171	4
<b>TOTAL</b>	<b>941</b>	<b>85.8</b>	<b>171</b>	<b>100</b>	<b>6</b>	<b>595</b>	<b>171</b>	<b>807</b>

**TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2008 to Dec 2008**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certificate	Total number of Employees using Disability Leave
Highly skilled production (Levels 6-8)	12	100	1	50	12	6	12	2
Highly skilled supervision (Levels 9-12)	18	100	1	50	18	33	18	2
<b>TOTAL</b>	<b>30</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>15</b>	<b>39</b>	<b>30</b>	<b>2</b>





**TABLE 9.3 - Annual Leave for Jan 2008 to Dec 2008**

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	327	22	15
Skilled (Levels 3-5)	609	20	31
Highly skilled production (Levels 6-8)	2057	18	114
Highly skilled supervision (Levels 9-12)	2600	18	144
Senior management (Levels 13-16)	275	17	16
Contract (Levels 9-12)	21	21	1
<b>TOTAL</b>	<b>5889</b>	<b>18</b>	<b>321</b>

**TABLE 9.4 - Capped Leave for Jan 2008 to Dec 2008**

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2008	Number of Employees as at 31 December 2008
Lower skilled (Levels 1-2)	5	5	84	1	1094	13
Skilled (Levels 3-5)	2	1	89	2	977	11
Highly skilled production (Levels 6-8)	101	51	76	2	2819	37
Highly skilled supervision (Levels 9-12)	3	3	59	1	3740	63
Senior management (Levels 13-16)	18	9	33	2	232	7
<b>TOTAL</b>	<b>129</b>	<b>16</b>	<b>68</b>	<b>8</b>	<b>8862</b>	<b>131</b>

**TABLE 9.5 - Leave Payouts**

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout 2008/09 non-utilisation of leave for previous cycle	405	33	12,273
Capped leave payouts on termination of service for 2008/09	488	41	11,902
Current leave payout on termination of service for 2008/09	47	3	15,667
<b>TOTAL</b>	<b>940</b>	<b>77</b>	<b>12,208</b>

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	N/A
N/A	N/A





**TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Mr MM Khumalo Senior Manager: Corporate Services
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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.	x		Four (4) employees Budget - R647,000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	x		Health and Wellness programme
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.	x		Committee existed Mr. MM Khumalo - Chairperson. Kleinbooi YN, Thabethe NG, Nkonyane C, Gabela NG, Magagula DS, Moosa E, Makokga J
5. Has the department reviewed the employment policies and practices of your department 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.	x		Recruitment Policy Employment Equity Plan
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.	x		Handout and condoms/and awareness campaigns
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		Eleven (11) Awareness Campaigns held
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	x		Progress reports are available



**TABLE 11.1 - Collective Agreements**

Subject Matter	Date
N/A	

**TABLE 11.2 - Misconduct and Discipline Hearings Finalised**

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Dismissal	2	100	2
<b>TOTAL</b>	<b>2</b>	<b>100</b>	<b>2</b>

**TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings**

Type of misconduct	Number	Percentage of Total	Total
Fails to comply with or contravenes an act	2	100	2
<b>TOTAL</b>	<b>2</b>	<b>100</b>	<b>2</b>

**TABLE 11.4 - Grievances Lodged**

Number of grievances addressed	Number	Percentage of Total	Total
Not resolved	0	0	15
Resolved	15	100	15
<b>TOTAL</b>	<b>15</b>	<b>100</b>	<b>15</b>

**TABLE 11.5 - Disputes Lodged**

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	0	0
<b>Total</b>	<b>0</b>	

**TABLE 11.6 - Strike Actions**

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

**TABLE 11.7 - Precautionary Suspensions**

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



**TABLE 12.1 - Training Needs identified**

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other Forms of training	Total
Legislators, senior officials and managers	Female	2	0	6	0	6
	Male	5	0	11	0	11
Professionals	Female	102	0	90	0	90
	Male	114	0	94	0	94
Clerks	Female	20	0	55	0	55
	Male	6	0	36	0	36
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	0	0	0
Elementary occupations	Female	48	0	0	0	0
	Male	32	0	0	0	0
Gender sub totals	Female	172	0	151	0	151
	Male	159	0	141	0	141
<b>Total</b>		<b>331</b>	<b>0</b>	<b>292</b>	<b>0</b>	<b>292</b>

**TABLE 12.2 - Training Provided**

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other Forms of training	Total
Legislators, senior officials and managers	Female	2	0	6	0	6
	Male	5	0	11	0	11
Professionals	Female	102	0	25	0	25
	Male	114	0	10	0	10
Clerks	Female	20	0	0	0	0
	Male	6	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	0	0	0
Elementary occupations	Female	48	0	0	0	0
	Male	32	0	0	0	0
Gender sub totals	Female	172	0	31	0	31
	Male	159	0	21	0	21
<b>Total</b>		<b>331</b>	<b>0</b>	<b>52</b>	<b>0</b>	<b>52</b>

**TABLE 13.1 - Injury on Duty**

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



**TABLE 14.1 - Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
N/A	N/A	N/A	N/A

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

**TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs**

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

**TABLE 14.3 - Report on consultant appointments using Donor funds**

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

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

**TABLE 14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs**

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

[illegible]