

Annual Report 2004/2005

*Eastern Cape
Provincial Legislature*



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Part A:

General Information



1. General Information



1.1.

submission of the annual
report to the executive
authority

I have the honour of submitting the 2004/05 Annual Report of the Eastern Cape Provincial Legislature in terms of the Public Finance Management Act, 1999.

A handwritten signature in black ink, appearing to read 'M. H. MPAHLWA'.

M. H. MPAHLWA
SECRETARY TO THE LEGISLATURE

DATE : 30 AUGUST 2005



1.2. Introduction by the speaker

It is once again that time of the year when it is imperative for us to account for achievements of the year under review. One is proud to be counted as being part of a team, ensuring that the integrity, independence and impartiality of this institution are preserved. After spending a year in office we can confidently say that it has not been an easy road for us to see to it that a good working relationship between our offices and political parties is fostered, overseeing administration performance in the implementation of decisions as well as ensuring that the welfare and enabling facilities of Members are accorded the priority they deserve. Despite the obstacles along the road it is through the quality of leadership of leaders of political parties and the continued support and commitment exhibited by Members, as well as management and staff of this institution and government departments that we could comply with the Constitution.

As we form part and parcel of deepening our democracy, we as the Legislature are entrusted with the responsibility of representing our communities by attending to their petitions. This activity is very close to my heart, as I do not want us to disappoint our people who have placed their confidence in us to listen and attend to their problems when approaching

the Legislature. We once again call upon various Committees to treat this as a high priority on the list of matters for consideration. The Public Participation unit must also prioritise the handling of these petitions. If there is no continuous feedback to the petitioners, then it means we are failing in our Vision to improve the quality of life of the people, and in our Mission to facilitate public participation within the framework of governance for the people of the province.

The high level of debate in the House during the provincial Budget Votes cannot be underestimated. Our deliberations have assured me of the commitment we have as different spheres of Government to work co-operatively, and it is promising to see that maturity in handling budgetary challenges will bear fruit. There has long been a misunderstanding pertaining to the exact baseline of the Legislature. A decision has been taken to address this through a line-by-line assessment with the Treasury.

It must be mentioned that in our endeavour to improve the standard of our committees, a decision was taken to revamp our committee rooms. This should be regarded as a flagship programme. As I have already alluded to in the last annual report, we will continue to strive for excellence, and that assurance is further emphasised in this financial year. While the doomsayers will concentrate on everything that is going wrong somewhere in the Eastern Cape, particularly in the Legislature, we are heartened by the many positive efforts being made around the Eastern Cape to continue to achieve positive change.

A handwritten signature in black ink, appearing to read 'N. Kiviet', with a large, sweeping flourish above it.

HON. N. KIVIET
SPEAKER: EASTERN CAPE PROVINCIAL LEGISLATURE

Overview by the Secretary to the Legislature

The financial year under review 2004/2005 began at the same time as the beginning of the 3rd term of the Legislature. The swearing in of Members was followed by highly successful orientation programme for new and returning members. Political office bearers, whips and committee chairpersons were elected into office. Portfolio committees and other requisite institutional structures were put in place. While some critical posts were filled, there are still vacancies that could not be filled. A five year [2004-2009] strategic plan was adopted by the Legislature. This product was a product of an extensive consultation process that involved all critical stakeholders.

Highlights of the year under review include the first ever viewing of live broadcast of the State President's State of the Nation Address by students from nearby schools in our Chamber. This was followed by well organised State of the Province Address by Hon. Premier of the Eastern Cape.

During the year under review the Legislature held a three in one historical event where:

1. Former South African President N.R Mandela was honoured with bust, which was presented to him by the late first Premier of the Eastern Cape Provincial Legislature, Mr. Raymond Mhlaba.
2. There was the celebration of the ten years of freedom in the House and
3. The Legislature celebrated the winning of the 2010 Soccer World Cup competition by South Africa.

The event was held at the House followed by the Gala Dinner where the former President of Zambia Dr. Kenneth Kaunda was the Guest Speaker.

A number of important laws were enacted during the year under review details of which are contained in the report. All existing contracts with the Legislature were revised- a process that yielded better value for money services rendered to the Legislature. Aspects of institutional reform that relate to systems, IT and infrastructure were initiated during the year under review.

Expertise of Legislature managers was extensively utilized by most Provincial Legislatures including the Parliament of Lesotho. Though a good start has been made, a lot still remains to be done. In the year ahead these gains will be consolidated in our resolve for an efficient, effective and zero defect service delivery of the Eastern Cape Provincial Legislature.

My sincere gratitude goes to the Speaker and the Presiding Officers for guidance and support. A word of thanks must go to managers and staff members for their individual and collective efforts for quality service delivery.

I conclude by submitting the 2004/2005 Annual Report of the Eastern Cape Provincial Legislature in terms of the Public Finance Management Act [PFMA] Act 29 of 1999 as amended by Act 29 of 1999 to the Speaker Hon Noxolo Kiviet.



M.H. MPHAPHLWA

The Secretary to the Legislature

1.3. Information on the Institution

The Legislature is the arm of government that discusses Bills introduced by the Executive Council, writes new laws, changes any laws that need to be changed, scraps old laws that are no longer needed, discuss national laws that affect the Province and debates on matters of public importance

Bills passed by the Legislature during the year under review

- Adjustments Appropriation Bill, 2004 (B3-2004)
- Eastern Cape Schools Education Amendment Bill, 2003 (B17-2003)
- Eastern Cape Museums Bill, 2003 (B3-2003)
- Exhumations Bill, 2003 (B4-2003)
- Provincial Tender Board Repeal Bill, 2004, (B4-2004)
- Second Adjustments Appropriation Bill, 2005, (B2-2005)

Outstanding Bills

- House of Traditional Leaders Amendment Bill

Institutional visits abroad

<i>Place</i>	<i>Date</i>	<i>Purpose</i>
<i>Utah</i>	<i>19-23 July 2004</i>	<i>NCSL Conference</i>
<i>Canada</i>	<i>29 August - 9 September</i>	<i>CPA Conference</i>
<i>Australia</i>	<i>13 January - 16 February</i>	<i>Inter-Parliamentary Exchange</i>
<i>Swaziland</i>	<i>15-17 August</i>	<i>CPA Africa Region Conference</i>

1.3.1. Mission &

Vision statement

Mission:

The Legislature of the Eastern Cape legislates, conducts vigorous oversight and facilitates public participation within the framework of corporate governance for the people of the province.

Vision:

The Legislature of the Eastern Cape strives to be a dynamic People's Assembly committed to excellence in governance as mandated by the Constitution of the Republic of South Africa to improve the quality of life of the people of the province.

Values:

In terms of its Vision and Mission the Eastern Cape Provincial Legislature will be guided by honesty and commitment supported by:

Co-operation	:	Being co-operative and working well with others.
Creativity	:	Developing new ideas and applying innovative approaches
Moral integrity	:	Being honourable and following ethical principles
Accountability	:	Being answerable for one's actions
Excellence	:	Continuous improvement in performance and standards
Participation	:	Involvement of everyone concerned prior to making a decision
Development	:	Achieving personal growth, learning and development
Fairness	:	Being fair and providing just recognition based on merit
Openness	:	Being straight-forward, sincere and candid in discussions
Social equity	:	Being equal to others and avoiding status differences

1.3.2. Legislative mandate

The Legislature of the Province of the Eastern Cape derives its mandate from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

The core business of the Legislature is to be found in sections 114 and 118(1)(a), which read as follows:

114. (1) In exercising its legislative power, a provincial legislature may-
- (a) consider, pass, amend or reject any Bill before the legislature; and
 - (b) initiate or prepare legislation, except money Bills.
- (2) A provincial legislature must provide for mechanisms -
- (a) to ensure that all provincial executive organs of state in the province are accountable to it; and
 - (b) to maintain oversight of -
 - (i) the exercise of provincial executive authority in the province, including the promulgation of legislation; and
 - (ii) any provincial organ of state.
118. (1) A provincial legislature must
- (a) facilitate public involvement in the legislative and other processes of the legislature and its committees;

The operation of the Legislature is further governed by the following legislation:

The Powers, Privileges and Immunities of the Provincial Legislature Act, 1995 (Act 7 of 1995(EC)) which provides for the powers of structures of the Legislature to subpoena witnesses and privileges of Members when speaking in the House or Committees.

The Legislature is voluntarily in compliance with the Public Finance Management Act, Act 1 of 1999, due to the fact that the Finance Management for Parliament and Provincial Legislatures Act, currently under consideration in Parliament, has not yet been passed.

Part B:

PROGRAMME PERFORMANCE



2. Programme Performance

2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Eastern Cape Provincial Legislature	85 549	95 549	91 540	4 009
Responsible Speaker	Hon. Speaker – Ms Noxolo Kiviet			
Administering Dept	Eastern Cape Provincial Legislature			
Accounting Officer	Mr. M.PH. Mpahlwa			

Aim of Vote

The aim of the Eastern Cape Provincial Legislature is informed by its vision and mission to provide both legislative and institutional support services required of a Legislature to fulfil its constitutional functions. Legislating, oversight and the opening of the doors of the Legislature to the public continued to be important areas of the Legislature's activities

Key measurable objectives, programmes and achievements

Key measurable objectives

The Legislature seeks to align its activities in order to ensure that good governance is promoted within the following key strategic objectives:

- **Well-managed and effective Committee system**
The Legislature work is committee-driven
- there are standing committees that deal with specific executive government departments and some that handle internal processes. The quality of the House processes is dependent on the quality of the work produced by the committee system.
- **Well-functioning and properly recorded House sitting system**

The House meets to deliberate and take decisions on the work produced by the various committees. This is a political forum with legislative powers. The deliberations of the House must be properly recorded and these must meet specific standards.

- **Appropriate interaction with civil society**
In terms of the Constitution the Legislature promotes involvement of civil society in its activities. This is expressed in activities that relate either to visits to communities or visits by communities to the Legislature.
- **Effective management of finances and assets**
As an institution the Legislature has a budget and assets to manage in terms of the PFMA. It must be ensured that the management of these funds is effective, efficient and economic.
- **Appropriate and effective organizational systems**
The Legislature has to develop its unique organizational systems to ensure that work is performed adequately.
- **Appropriate enabling facilities and support.**
Members, Committees and structures of the Legislature cannot perform their

duties without proper enabling facilities and support.

- **Competent, empowered and performance-focused employees**

In order to perform the necessary tasks, employees must be properly selected and equipped to face the challenges.

Programmes

Programme 1:

Administration

This programme provides Finance and Information Technology, Corporate Services and Strategy and Communication.

Programme 2:

Remuneration of Elected Public Representatives

This programme caters for the payment of remuneration of elected public representatives and their support staff.

Programme 3:

Constitutional Mandate

This programme is responsible for effective and efficient administration, legal advisory services and logistical support to standing committees, House proceedings, Hansard and language services, NCOP processes, facilitation of public participation and handling of petitions.

Achievements

During the year under review all members elected to the third Legislature were sworn in and a comprehensive induction programme was conducted. All political structures such as standing and portfolio committees were established.

The Legislature continued with vigorous oversight, and robust debates in the House and committees took place.

Overview of the service delivery environment for 2004/05

The Provincial Government has adopted the Provincial Growth and Development Plan (PGDP). Some of the key development targets of this plan include, but are not limited to, the following:

- The reduction of unemployment by 50% in 2014.
- An economic growth rate of 5-8% per annum.
- A 60-80% reduction of the number of households living below the poverty line by 2014.

This development plan is anchored on 6 key strategic thrusts, namely:

- Systematic eradication of poverty;
- Agrarian transformation and poverty alleviation;
- Consolidation, development and diversification of manufacturing based and tourism potential;
- Infrastructure development;
- Public Sector and Institutional Transformation; and
- Human Resource Development.

Against this background, it is essential that provincial departments prioritize the PGDP in their plans. Also, the departmental budgets have to be aligned to these PGDP priorities. Put differently, each department needs to spell out clearly what its contribution will be towards the realization of the PGDP goals in the first instance. Secondly, the departments need to show what financial resources will be deployed to achieve these goals.

In carrying out its oversight responsibility, the challenge for the Legislature is to develop and put in place mechanisms to ensure that the provincial departmental plans are in line with the PGDP priorities. Through its committees the Legislature has to develop an in-depth insight of the PGDP sectoral targets against which to evaluate the departmental plans.

The Legislature also exists within a Provincial Government that has adopted austere fiscal measures that are intended to contain a spiralling financial debt. These measures include cutting back on:

- Communication
- Travelling
- Transport
- Administration
- Personnel
- Infrastructure expenditure.

The net effect of these measures has at the very least the potential to delay the implementation of some developmental

and infrastructural projects. It is also important to note that only 13% of provincial finances are spent on economic development.

It is within this contradictory context that the Legislature has to exercise its oversight responsibility over the executing authority. On the one hand there is a need by the provincial government to embark on an expanded public works program to kick-start the economic revival. On the other hand there is a need for the government to contain the public debt which could potentially negate the realization of the PGDP goals if left unchecked.

Notwithstanding the above, the Legislature, in collaboration with Chapter 9 institutions, has an obligation to ensure that provincial government departments comply with the dictates of the Constitution. The Office of the Auditor-General, for example, assists the Legislature to ensure that the departments comply with all financial legislation, including the relevant regulations. The challenge for the Legislature is to monitor the performance of the government departments in the realization of its policy objectives in the first instance. In addition to this, the Legislature needs to ensure that departments comply with all the laws of the country, including applicable regulations. In other words, the Legislature has the duty to hold the executing authority accountable.

In addition to these responsibilities, the Legislature has to ensure that the public is at the centre of government and legislative processes. The vastness and rural nature of the province, poor road and transport infrastructure and high levels of illiteracy and unemployment only serve to exacerbate the challenge of ensuring that communities are at the centre of these government processes. The success of the Legislature in carrying out its constitutional obligation namely oversight, law-making and public participation needs therefore to be measured against these objective external constraints imposed by the external environment.

Overview of the organisational environment for 2004/05

The Legislature has to conduct oversight over a Provincial Government that operates within a stringent fiscal regime.

The Legislature has 63 elected public representatives from the following parties:

ANC	-	53
UDM	-	6

DA	-	5
PAC	-	1

The public representatives are supported by an administration of 170 staff members. The reason for the existence of the Legislature is to deepen democracy, which is an expensive venture, and the Legislature always finds itself having to operate with insufficient budget.

Over the past ten years the Legislature has developed administrative capacity to ensure legislative and regulatory compliance by the provincial departments. The challenge is to build capacity to conduct performance oversight with respect to PGDP targets by the provincial departments. In this respect the Legislature intends to embark on an aggressive capacity-building programme for both the elected public representatives and staff over the next five years.

For the Legislature to be effective and efficient there is an urgent need to develop and, where necessary, review existing policies to be in line with the current demands. The same needs to be done with respect to systems and procedures. There is also an urgent need to upgrade the existing technology in order for the public representatives to be more effective in their work. The upgrading of technology is even more urgent to ensure the safety and security of people and property in the Legislature.

A lot has been done in ensuring sound labour relations between management and staff. Notwithstanding this, the unity of all stakeholders remains one of the key strategic challenges for the institution.

Prudent financial management is essential in order to ensure that public representatives are able to carry out their constitutional obligation. In this respect, there is an urgent need to fill the critical top management posts with highly skilled personnel.

Strategic Overview and key policy developments for the 2004/05 financial year

The process of strategic planning formulation in the institution is a more inclusive one with all stakeholders taking meaningful role to ensure maximum participation, ownership and shared vision.

There has not been policy changes for the year under review either than the fact that the Eastern Cape Provincial Legislature took a resolution to operate under the prescripts of the PFMA.

The programs are divided into three, program one being the administration of the Legislature, followed by program two which is the remuneration of Elected Public Representatives and lastly, program three is the constitutional mandate of the Legislature

Departmental expenditure

Programmes	Voted for 2004/05	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
Programme 1 : Administration	32 070		(1 432)	30 638	28 803	1 835
Programme 2 : Remuneration of Elected Public Representatives	33 256		1010	34 266	34211	55
Programme 3 : Constitutional Mandate	30 223		422	30 645	28 526	2119
Total	95 549			95 549	91 540	4009

Transfer payments

NAME OF INSTITUTION	AMOUNT TRANSFERRED	ESTIMATE EXPENDITURE
Political Parties	R5 777	
Amatole R.S	R130	

Capital Investment

No building projects were undertaken during the year under review. Refurbishments were carried by the Department of Public Works.

Maintenance

Major maintenance of the buildings was undertaken by Public Works.

Asset Management

During the period under review a plan to dispose of old vehicles and replace them with leased vehicles was put in place. In 2005/06 old vehicles will be replaced with new leased vehicles. All procurement preparations for this were done.

Summary of programmes

The activities of the Eastern Cape Provincial Legislature are organised in the following three programmes:

Programme 1:	Administration
Programme 2:	Remuneration of Elected Public Representatives
Programme 3:	Constitutional Mandate

2.2. Programme 1: Administration

Purpose

This programme provides Finance and Information Technology, Corporate Services, Strategy and Communication and the Secretariat.

Measurable objectives:

- To provide an effective financial management service to the core business within the Legislature, through prompt payments due to suppliers, members and Legislature staff, generation of reports as required by the Act and other related policies and regulations, to ensure compliance and appropriate practices
- To provide an effective financial management service to the core business within the Legislature, through prompt payments due to suppliers, members and Legislature staff, generation of reports as required by the Act and other related policies and regulations, to ensure compliance and appropriate practices
- To integrate systems and applications across the Legislature, integrate management, maintenance and access of information through utilization of information management tools.
- To provide effective personnel management, develop a training plan and provide enabling facilities.

- To raise public awareness on the role and activities of the Legislature and provide strategic support to the Secretariat..
- To provide strategic vision and leadership, co-ordination of divisional activities, regular interaction with political management and monitoring and reporting.

Service delivery objectives and indicators:

- To maximize compliance with all relevant financial statutes and regulations, the most important of which is the Public Finance Management Act, with effect from 10 December 2004, and provide excellent services to its customers both internally and externally.
- To provide and maintain efficient and effective mechanisms and procedures to meet institutional legislative requirements for information management and information technology systems.
- To implement effective communication tools in order to raise public awareness.
- To develop procedure manuals and policies and ensure that performance contracts with managers are signed.

2.2.1: Finance and Information Technology

Service Delivery Achievements

Key Measurable Objectives	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Effective and efficient financial management systems	Payment of creditors.	All payments are to be made through EBT.	100%	99% of payments are made through EBTs.
		Suppliers are paid within 30 days.	100%	Suppliers are paid within 30 days. 98%
	Cases reported for fraud	No fraudulent transactions have been reported.	100%	No fraudulent transactions.
	Reconciled bank account	The bank account must be reconciled at the end of each month and must not be in overdraft.	Reconciled PMG account.	PMG reconciled as at 31 March 2005 and there was no overdraft and the Legislature underspent by 4million as at 31 March 2005
	Full Adherence to PFMA and Treasury Regulations (From December 2004 as adopted by the House)	In-year-monitoring compiled monthly.	Submission of IYM to Treasury by the 15 th day of each month.	All transfer payments comply with PFMA.
		Adherence to PFMA and Treasury regulation requirements.	Compliance with PFMA.	Submission of IYM to Treasury on the 15 th day of each month signed by the Speaker.
				Adoption of the PFMA 04 December 2004.
	Controlling and maintaining suspense accounts	Reconciliation and clearance of suspense accounts monthly	90 %	Reconciled and cleared suspense accounts with the exception of the following: tax debt, deduction, disallowance, claims to other institutions.

Key Measurable Objectives	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Effective and efficient travel and accommodation arrangements	Effective and efficient travel and accommodation arrangements	All air tickets issued, hotels booked and vehicles/shuttles hired	97 %	All transport hired timeously. All tickets issued timeously. All accommodation booked timeously.
Efficient and effective and economical provisioning of IT equipment.	Upgraded IT system.	Plan to upgrade the LAN to 1000mbps.	Availability of network services at all times.	The tender was finalised by 31 March 2005.
	Information Communication Technology(ICT) Hardware and Software management and maintenance.	Updated hardware/software. LAN availability	Annual Network and hardware availability at 100%	The hardware available at 60%.
	Effective management and co-ordination of IT systems.	Attending to requests within the timeously.	Effective operating systems/updated software facilities to service institutional needs.	1. Delay in the lan upgrade. 2. Depending on Sita server which is creating problems.
	Management of staff.	Well managed staff.	Well managed staff.	Signed attendance register Section meeting conducted Monitoring of implementation of instruction.

2.2.2: Corporate Services

Service delivery achievements

Key Measurable Objectives	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Appropriate enabling facilities and support	Furniture needs for Presiding officers and Top management staff	All furniture needs for Presiding officers and Secretariat.	All needs met	Due to financial constraints correct grade of furniture could not be provided
	Targeted: seven committee rooms; revamping of Chamber; provision of canopy and boom at gate; perimeter light for security.	DPW monitor to provide these services. Ring-fenced funds for the revamping of the Chamber equipment utilised.	All targeted items met.	The canopy at the gate and the boom erected. Only the Speaker's chair was repaired in the Chamber. Seven committee rooms were not furnished.
	Management of service level agreements.	Invoices and accounts prepared on time.	Payments preparation upon receipt of invoice.	Target met, however over-expenditure occurred until bailout.
	All assets captured in asset register.	Manual register updated in time.	All assets should be registered in manual register.	Institution is using manual register although not all assets were reflected in the register.
Effective personnel management.	Up-to-date PERSAL record maintained.	PERSAL entries checked on a month-to-month basis and corrections effected.	After every month-end.	BAS and Persal not reconciled due to staff shortage.
	Filling of vacant posts.	All identified critical posts filled.	100% of critical posts filled by 31/03/2005	Following critical posts not filled: COO, Deputy Director, LRO.
	Management of performance.	All assessments due to be effected.	All staff assessed and rewards effected by 31 March 2005.	Only two staff members not assessed.
Implementation of training plan.	Training conducted as per needs identified in training plan.	Training prioritised for 2004/05 to be undertaken.	All prioritised training needs for directorates.	66 staff members trained in different areas.

2.2.3: Strategy and Communications

Service Delivery Achievements

Key Measurable Objectives	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
Management of effective communication	Production of publications.	No. of publications produced containing information on constitutional role of the Legislature.	25 000 pamphlets	31 000 well branded and informative pamphlets were produced.
			5 000 posters	3 000 posters depicting faces of members and members inside the Chamber were produced.
			Produce annual report before 30 August	300 copies of edited approved annual report were published.
			500 photographic directories.	700 updated photographic directory publications were produced.
			Finalise policy speech document before Speaker's policy speech day.	100 well branded and edited policy speech documents were tabled during Speaker's policy speech.
			The Speaker to table Strategic Plan during policy speech.	Institution's strategic plan was tabled during policy speech.
			Contact details for members distributed among stakeholders.	100 Z-cards with contact telephones for MPLS, MECs and key officials were produced.
	Special events/ Workshops	Well organized, publicised and branded special events.	Facilitate well organized and publicised events as per Executive request.	Well organized Induction programme was facilitated. Publicity of the State of the Province Address was facilitated. Ten years of Freedom and Bust Handing-Over Ceremony was well organized. Well organized NCOP visit by hon Mahlangu.

Key Measurable Objectives	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
	Branding and marketing	Well Branded institutional events	Organise well branded events	Well branded Operation Phakamisa Induction programme for MPLs. Well branded State of the Province Address Well branded Ten years of Freedom celebrations and Bust Handing-Over ceremony and Winning of 2010 Soccer Bid.
			Produce promotional materials to market and brand the event and the Legislature.	Promotional materials and produced during the Induction Programme, State of the Province Address and Ten Years of Freedom celebrations. Promotional materials for outside broadcast programme were produced. Variety of institutional traditional gifts for Presiding Officers, chairpersons of committees and International visitors were secured.
	Media management	No. of radio talk shows conducted in different radio stations and effective feedback	Monthly talk shows to be held with radio stations	Two radio talk shows with Umhlobo Wenene were held by four officials from Strategy and Communication and Public Participation to outline role of the Legislature. The Director: Strategy and Communication participated on the Umhlobo Wenene Twelve Down talk show together with Director from Premier's Office

Key Measurable Objectives	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
				<p>One radio talk show with Umhlobo Wenene was facilitated for the Speaker</p> <p>One radio talk show was facilitated during non-violence against women and children campaign.</p> <p>One radio interview with Umhlobo Wenene was facilitated for Chairperson of Education Portfolio Committee during school visits at the beginning of the year.</p> <p>Two radio talk shows with Umhlobo Wenene and Radio CKI were held by Deputy Speaker and Chair of Chairs during the State of the Province Address</p>
		Number of informative outside broadcast programme facilitated.	To hold two outside broadcast programmes	One outside broadcast programme was held at the Zwelitsha taxi rank to showcase new Presiding Officers.
		No of informative news supplements produced.	To produce two news supplements.	Speaker's profile was published in an article in the <i>Weekend Post</i> .
	Public Education	No. of information sessions conducted for visiting schools per annum both incoming and outgoing.	Quarterly information sessions to be held in schools.	93 information sessions were conducted for schools that visited the Legislature.
		An effective distribution strategy of publications developed to enhance public education.	Distribution of publications during events.	31 000 well branded and informative pamphlets were distributed during all institutionalized days and other Legislature activities.

Key Measurable Objectives	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
		An updated Legislature website with all relevant information well managed	Website to be updated weekly	Information of new political parties and presiding officers was placed on the website.
	Internal Communication	A comprehensive weekly diary circulated to Legislature community.	Legislature diary to be distributed weekly among internal stakeholders.	Weekly diary on the programme of the Legislature was circulated to Legislature community
		Monthly sectional meetings to be held.	Sectional meetings to be held monthly.	Monthly sectional meetings were held
		No. of internal newsletter issues produced	Bi-monthly internal newsletter to be produced	Eight issues of branded and modified internal newsletters were produced
Management of effective donor relations	Fundraising for institutional activities	Number of partnerships established with the private sector	Establish one new sponsor per annum.	Five private partners funding and sponsoring institutional activities
		Number of partnerships established with international agencies	Establish new partner-ships with international donors	No new partnership with international donors established.
Management of effective protocol	International agreements	Number of working agreements entered into with international parliaments.	Enter into new international agreements	No new agreement
	Study tours and inter-legislature exchange	Organised and effective study tours and well organised trips	Two study tours to be facilitated per year	Two study tours and one inter-legislature exchange programme with clear follow-up strategy
To ensure coordination of institutional activities through effective program.	Programming	Minimised clash of activities and double booking of MPLs.	To manage programming without clashes and double bookings.	Effectively managed institutional programming with few unavoidable clashes and double bookings.

2.2.4 : Secretariat

Service Delivery Achievements

Key Measurable Objectives	Outputs	Output performance measures/service delivery indicators	Target	Actual
To provide strategic vision and leadership	<p>Development of the five-year strategic plan.</p> <p>Development of the Annual Performance Plan based on the Strategic Plan.</p> <p>Production of the costed Operational Plan indicating how the Strategic Plan is going to be realized.</p>	Comprehensive strategic plan document with clear key performance areas, indicators and targets.	Adopted strategic plan	Strategic plan was adopted by all stakeholders.
Co-ordination of divisional activities.	Divisional monthly meeting	No of divisional meetings held	Eight meetings per annum	Seven meetings held
Regular interaction with political management.	Coordinated administrative and political activities.	No of Executive Committee meetings.	Sixteen meetings per annum.	Fifteen meetings held.
		Institutional programme	Annual programme received every month.	Annual programme monthly programmes and weekly programmes distributed.
Monitoring and reporting	Compilation of the monthly sub-program reports	Monthly sub-programme reports	Twelve monthly reports per annum	Ndumi to check
Performance management of managers	Programs ran in an efficient and effective way.	Signed performance management contracts.	Seven managers sign performance contract	Eighteen managers performance contracts signed
Organisational systems and procedure	Efficient and effective organisation	Developed procedure manuals	Procedure manuals for all adopted policies and 100% of activities.	Procedure manuals not completed.

2.3 Remuneration of Elected Public Representatives

Purpose:

This programme caters for the payment of remuneration of elected public representatives and their support staff. The remuneration of elected public representatives is based on a proclamation that is promulgated annually. Support staff to political parties are employed on contract consistent with a Legislature term.

Measurable objectives:

The remuneration of members is promulgated annually while their support staff are paid at the same level as other secretaries in the Legislature. It is a priority during an election year to ensure that personnel changes are captured accurately and on time.

Service delivery objectives and indicators:

Support to political parties : the Legislature has diverse political parties who employ support staff in form of secretaries, spokespersons and PAs. The Legislature, though not employing these personnel per se, assists the various parties in relation to salary and remuneration through PERSAL.

2.4 Constitutional Mandate

Purpose:

This programme is responsible for facilitating the processes of legislation, oversight and public participation within the framework of corporate governance for the people of the province. It is also responsible for provision of the official record of proceedings, the provision of language services, library and research services, and the questions function.

Measurable objectives:

- To provide an accurate official record of the debates of the Legislature.
- To provide translated documents and interpreted speeches of a high standard.

- To meet the information needs of members through the provision of library and research services.
- To formulate questions received from members and publish weekly Internal Question Papers and Question Papers for Question Days in the House.
- To provide administrative support to Portfolio Committees;
- To provide legal advisory services to the institution;
- To develop and implement public participation policy for the institution;
- To manage and ensure smooth processing of NCOP activities; and
- To manage and ensure smooth proceedings of the House in compliance with the Rules of the House.

Service delivery objectives and indicators:

Hansard and Information Services

Functioning of the Hansard Records sub-programme proceeded smoothly during the period under review, with no major problems being experienced. On four occasions urgent reference had to be made to Hansard by the Chair in respect of what a member had actually said in the House. In most cases it was possible to have the Daily Hansard record available within 24 hours.

Translation and interpreting services were consistently provided during the period under review, with all relevant documentation being translated and all sitting days provided with interpretation. The development of parliamentary terminology in the previously disadvantaged languages has been identified as a priority, and the Language Services Unit has been actively engaged with a range of stakeholders in developing such terminology – specifically in isiXhosa and Sesotho.

A need was identified for library and research services to be beefed up in order to meet members' and committees' needs more effectively. The donor-funded IPSP research and petitions upgrade project (Phase 2 of which commenced in January 2005) has been instrumental in this regard and a number of interventions are underway and scheduled for completion by December 2005. An extensive weeding process has been undertaken in the Library, and an appropriate acquisitions policy drawn up in respect of books and periodicals. Cluster researcher posts have been advertised and, once appointed, the incumbents will be assigned to specific committee clusters in order to perform both pro-active and reactive research.

Questions for written and oral reply continued to be put to MECs on a consistent basis during the period under review. The weekly Internal Question Papers were regularly produced and disseminated, with a notable increase in the number of questions for written reply submitted. (See table for breakdown of written

and oral questions.)

Oversight

The Oversight sub-programme managed to ensure that the process of considering Annual and Financial Oversight ran smoothly despite the fact that the House Programme was very tight. This achievement can be attributed to the fact that three Committee Coordinators were employed during the course of the previous financial year in order beef up the support service to committees.

NCOP & Legal

The NCOP and Legal Unit sub-programme ensured that the institution is provided with prompt legal advice. The NCOP Unit also strengthened its NCOP office by employing the NCOP Liaison Officer and Service Officer for the Cape Town Office.

House Business

House Business ensured that documentation for the House was tabled on time as per the Rules of the House. This can be attributed to strict adherence to Standing Rules of Procedure by Presiding Officers.

Public Participation

Public Participation programmes were highly successful despite financial constraints. This can be attributed to the continued commitment by the institution to ensuring that public participation programmes are prioritized.

2.4.1 Hansard and Information Services

Service delivery achievements

Key Measurable Objectives	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Production and distribution Daily Hansard; publication of Hansard volumes.	Provision of official record of proceedings.	Number of Daily Hansards and volumes produced.	Distributed Daily Hansard within 24 hours after sittings. Publication of volumes quarterly.	26 Daily Hansards produced within 24 hours and 4 volumes published.
Well-utilised library that meets members' information requirements.	Provision of lending and information services to library users.	Number of library items issued.	All requested items issued.	278 items issued during year under review.
Provision of quality research to the satisfaction of members and standing committees.	Research requests furnished.	Number of research documents produced. Number of committee meetings attended by researchers assigned to specific clusters.	All research requests complied with. All committee clusters covered.	31 research documents produced and 16 committee meetings attended. 4 additional cluster researcher posts advertised.
Replacement of outdated library and research equipment.	Identify hardware and software needs.	Drawing up of replacement plan and motivating for purchase.	Adoption of replacement plan. Replacement in terms of priorities set out in plan.	Replacement plan adopted in IPSP upgrade project. Identified upgrade equipment put out to tender.
Translated documentation of a high standard and simultaneous interpretation of speeches made in the House.	Translated documents that are fluent and understandable.	Number of documents translated.	All required documents translated.	144 documents translated.

Key Measurable Objectives	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
	Fluent interpretation provided for all sittings.	Number of sitting days provided with interpreting.	All sittings provided with interpretation	26 sitting days provided with interpreting.
	Development & raising awareness of parliamentary terminology in isiXhosa & Sesotho.	Production of terminology list.	Update & disseminate isiXhosa & Sesotho terminology list.	Updated terminology list disseminated.
		Consult language stakeholders.	Hold one consultative workshop.	Workshop on Sesotho terminology held.
Well-functioning Parliamentary Questions function.	Questions formulated and published within required time-frames.	Number of IQPs and QPs produced.	Regularly produced and disseminated Internal and External Question Papers.	40 IQPs and 5 QPs published.

BREAKDOWN OF QUESTIONS FOR WRITTEN AND ORAL REPLY

The following constitutes a political party breakdown of the number of questions for written and oral reply during the period under review.

PARTY	WRITTEN QUESTIONS	ORAL QUESTIONS
African National Congress	30	13
United Democratic Movement	10	11
Democratic Alliance	145	39
Pan Africanist Congress	1	0
	TOTAL: 186	TOTAL: 63

2.4.2 Public Participation

Service Delivery Achievements

Key Measurable Objectives	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
To promote and facilitate Public Participation-, process all received petitions and conduct effective Public Education programmes	<p>Management, organization and evaluation of Institutionalised Days.</p> <p>Processing of all petitions received in compliance with the Rules. Public Education programmes conducted.</p>	<p>The number of people who attended the Institutionalised Days and the awareness created in respect of legislative processes.</p> <p>The Legislature fulfilled its constitutional mandate in terms of Chapter 6, Section 118 of the Constitution.</p> <p>Petitions referred to all relevant Portfolio Committees / departments</p> <p>Public informed about legislative processes</p>	<p>2000 people</p> <p>50 petitions</p> <p>50 schools</p> <p>5000 publications distributed</p>	<p>The following Institutionalised Days were organized:</p> <ul style="list-style-type: none"> •Official Opening (700 people attended) •People's Assembly (500 people attended) •Youth parliament (700 youth attended) <p>Learners were invited to view the State of the Nation Address by the President in the Chamber (300 learners attended).</p> <ul style="list-style-type: none"> •Women's parliament (900) attended <p>Outreach programme conducted to 20 schools 20 petitions were finalized and</p> <p>5000 publications were distributed.</p>
Effective participation, liaison and integration of the Provincial Legislature in national legislative processes	<p>Interaction between Permanent Delegates and Members of the Provincial Legislature on Section 76 Bills was strengthened</p> <p>Weekly reports were received and distributed</p> <p>Section 74 and 76 legislation was referred to Portfolio Committees and section 75 legislation was referred to various political parties</p>	<p>Improved communication channels between the NCOP and the Legislature and full participation by Portfolio Committee chairpersons and presiding officers.</p>	<ul style="list-style-type: none"> •To hold Provincial weeks quarterly. •To hold 10 NCOP Business Committee meetings annually •All Section 76 Bills referred to Portfolio Committees to be finalised. •2 meetings per annum between the Legislature and Permanent Delegates to be convened. <p>4 reports to be published in the ATC</p>	<ul style="list-style-type: none"> •4 provincial weeks were held. •6 NCOP Business Committee meetings were held •8 mandates in respect of Section 76 Bills were forwarded to the NCOP. <p>1 meeting was held between the Legislature and Permanent Delegates.</p> <p>One report was published in the ATC</p>

2.4.3 NCOP and Legal

Service delivery achievements

Key Measurable Objective	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Professional, accurate and well-researched legal opinions provided to the Legislature	Opinions given, legal documents drafted and contracts finalised	Copies of contracts were finalised and legal opinions were given. Committees were briefed on section 76 legislation and provincial Bills, which were finalised.	<ul style="list-style-type: none"> On request 	<ul style="list-style-type: none"> Two contracts were drafted. Two CCMA cases were finalized (Assistant Directors and Yawa. 1 High Court Case was finalized (Fatuse) 1 High Court Case attended to but still pending
Conduct Capacity-Building Training	Training programmes for Legal Advisors through National Forums conducted	Courses and workshops attended providing best practices and sharing of ideas to improve formance.	<ul style="list-style-type: none"> 2 Legal Advisors 	<ul style="list-style-type: none"> 2 Legal Advisors attended three Legal Advisors' Forums. One workshop on Mandates Legislation attended. Inhouse training on legislative processes held.

2.4.4 House Business

Service Delivery Achievements

Key Measurable Objective	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Well managed and rule-compliant House proceedings implemented	Effective and efficient tabling of documents per Rules of Procedure.	Publication of all documents and reports in the ATC adhering to Rules of Procedures	100% compliance with the Rules in terms of the tabling of the documentation and publication in the ATC	<p>The following documents were tabled :</p> <ul style="list-style-type: none"> •House set for 26 days and sat for 71h59mins. •26 portfolio committee reports were tabled and adopted. <p>6 Bills were passed and converted to Acts.</p>
Implement electronic filing and archiving of all House documents and publications	Reliable installation and use of updated software and archiving materials	Efficient and effective electronic filing of House documents and backing of these systems up	100% of all House documents electronic filed	The local area network is currently awaiting installation to improve the electronic filing and archiving system.

2.4.5 Oversight

Service Delivery Achievements

Key Measurable Objective	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Effective scrutiny of legislation, vigorous general and financial oversight conducted by all Portfolio Committees ensuring compliance with the Rules.	<p>Scheduling of committee meetings to consider and finalise oversight matters.</p> <p>All referred pieces of legislation considered and finalized</p>	Portfolio committees convened meetings, conducted public hearings, fact-finding missions and visits across the province, nationally and internationally	An average of 15 meetings per committee	<p>An average of 16 meetings were held per committee, with the lowest committee being 6 and highest 20.</p> <p>26 portfolio committee reports were tabled.</p> <p>30 Public Hearings and visits. 10 NCOP Section 76 Bills were considered and finalised by Committees</p>
Capacity building and training to promote Professional service to Portfolio Committees	The professional support to the Portfolio Committees improved	Exposure of staff to specialised training courses and workshops	30 staff members	<p>•3 Committee Coordinators attended training in Cape Town which was offered by the UWC School of Governance, sponsored by the Canadian Parliamentary Centre.</p> <p>•3 Committee Coordinators attended a budget analysis workshop which was sponsored by IDASA.</p> <p>13 Committee Coordinators attended an orientation workshop for SCOPA which was organised by the office of the Auditor General.</p>

2.4.6 speaker's Office

Service Delivery Achievements

Key Measurable Objectives	Outputs	IndicatorsOutput performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
To ensure adequate administrative logistical support service to the Speakership	Well coordinated office	Management of correspondence	Daily and immediately upon receipt	All correspondence dealt with through acknowledgement, referral and follow until matters resolved
	Well coordinated Speakership Programme	Diary	On daily basis	All appointments effected on diary and Presiding Officers advised of meetings to be attended. VIP Protection Unit and authorised persons furnished with Speaker's itinerary.
Ensured that Speakership/Presiding Officers are able to provide strategic leadership to the Institution	Well coordinated meetings	Number of meetings organised and held with structures of the legislature	8 Meetings in a financial year 6 meetings 4 meetings	Organised 15 Presiding Officers meetings in preparation for Executive Committee meetings Arranged four briefing meetings with Leaders of political parties. Organised two one-on-one meetings with staff of various Sections/ Directorates in an endeavour to foster healthy working relations and to listen to matters affecting staff. Two meetings organised with Management to deal with issues raised by various Units and to develop a plan as to how these would be or addressed.

			21 June 2004	Ensured that Executive met with SALGA to discuss their involvement with NCOP Bills (secured meeting as targeted)
			07 December 2004	Organised meeting between Presiding Officers and Permanent Delegates to attend to administrative matters and office requirements.
			26 July 2004	Ten years of Freedom, Winning of the 2010 World Cup Soccer Bid and Handing over of Madiba Bust Ceremony. Communication of sincere appreciation on behalf of the Legislature extended to the guest speakers.
To ensure that the Institution is represented at important meetings abroad and locally	Well attended meetings	Forums, International Conferences and meetings	Annually and as per invites 25 November 2004 29 November 2004	Ensured that Members pledge their solidarity on the 16 Days of Activisms: Non- violence against Women and Children Ensured representation of institution at meeting of the UN International Day of Solidarity with the Palestinian People.

			Annually	Ensured that the Legislature is represented at the NCSL, Commonwealth Parliamentary Association and Forums affiliated to
Promoting the Legislature's image as a professional people's assembly	Well received dignitaries and guests on courtesy calls	Courtesy call visits communication		Hosted the following international dignitaries in strengthening existing relations:
			27 May 2004 17 January 2005 8 February 2005 15 February 2005	- Consul General- Botswana, Mr Sidney Modimakwane - Consul General Mr Li Jianying - German Delegation - Scottish Commonwealth Parliamentary -Association delegation
			29 March 2005	- Visit by Ambassador of Sweden, Dr Helena Nilson
Sound interaction with relevant stakeholders	Well attended to public queries	Petitions and requests	On daily basis	Assisted with public queries on grants to be resolved through follow-ups with relevant Departments. Through referral and constant tracking a labour dispute was resolved by the national-Department.

				Assisted Tapa High School in securing sponsorship for a function for their top student who received a scholarship to study abroad. Upon request, secured a national flag for Zwelimjongile High School
				Facilitated briefing meetings with all strategic key stakeholders of the Legislature, particularly on projects assigned for management by the Office.

Part C:

Internal Audit Committee Report



3. Internal Audit Committee Report

EASTERN CAPE PROVINCIAL LEGISLATURE

We are pleased to present our report for the financial year ended 31 March 2005.

3.1 Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets at least twice per annum as per its approved terms of reference. During the current year two meetings were held.

Name of Member Number of Meetings Attended

Prof D Rosenberg (Chairperson)	0
Mr S Nkununu	1
Mr X Stemela	2
Prof G Bartlett	2

The chairperson was teaching overseas during the period that the audit committee meetings were held. The meetings were chaired by Messrs Nkununu and Stemela respectively.

3.2 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein in so far as it was able to do from the information provided by the Legislature.

3.3 The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matters of emphasis and management letter of the Auditor-General, it was noted that the system of internal control was not effective for the year under review.

In some instances there were no prescribed policies and procedures in place, eg there was no policy framework in place to control fixed assets. Compliance with prescribed policies and procedures was lacking in other instances, eg numerous instances were identified of non-compliance with policies, procedures and regulations in respect of payroll and related personnel matters. During the year under review, the internal auditors also reported several instances of non-compliance with Income Tax legislation.

Significant control weaknesses have been reported by the Auditor-General in the qualification paragraph and under emphasis of matter in the audit report, and in the management letter. In a number of instances, the weaknesses reported previously have not been fully and satisfactorily addressed.

The Audit Committee remains concerned over the lack of management responses to a number of draft internal audit reports going back as far as June 2003.

3.4 The quality of in year monitoring reports submitted in terms of the PFMA

The Audit Committee is satisfied with the content and quality of the monthly reports prepared and submitted to Provincial Treasury during the year under review. It was however noted that reasons for material variances against budget were not provided in the reports.

The Audit Committee has requested the Legislature to provide these reports to them on a quarterly basis for monitoring purposes.

3.5 Evaluation of Financial Statements

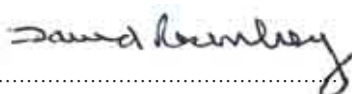
The Audit Committee has

- Reviewed the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor-General's management letter and management's response thereto;

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

3.6 Terms of reference of the Audit Committee

The terms of reference of both the Audit Committee and the internal auditors have effectively expired and these matters should be addressed by the Legislature as expeditiously as possible.



Chairperson of the Audit Committee

Date: 31 August 2005

Part D: Annual Financial Statements



4. Annual Financial Statements

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

4.1 General review of the state of financial affairs

- Important policy decisions and strategic issues facing the department.
The financial year under review has been an electioneering year and new Members of the Legislature were sworn in. This led to a number of decisions, like provision of accommodation for new members and relocating new to Bisho and non returning members to their respective homes.
*Deepening democracy, increasing people participation, in institutional event of the 26 July 2004.
- Comment on significant events that have taken place during the year.
Stabilisation of administration. Settlement with the former Secretary to the Legislature and the Chief Financial Officer. Appointment of Secretary to the Legislature, additional Committee Coordinators.
- Comment on major projects undertaken or completed during the year.
The Legislature after the elections conducted and an induction for all Members that were elected for the new term of the Legislature that went well.
- Spending trends
 - Reasons for under spending is because of the ringfenced projects that have not been finalised. The amounts will be rolled over to 2005/06 financial year for the completion of the projects.
 - Discuss the impact on programmes and service delivery.
There has been no major impact on the programmes of the Legislature and service delivery.
 - Actions taken or planned to avoid recurrence.

The implementation of Supply Chain Management and adoption of the policy.

- Any other material matter
The Legislature has been under funded in 2004/05 financial year; an additional amount of R13 810 million has been available through adjustment estimates. Of the additional amount R3 810 million was transferred directly to the Provincial Treasury. This led to a number of virements in the programmes including the direct charge which has been under funded.

The Provincial Treasury has made an undertaking to do a line by line assessment of the Legislature budget, and the Legislature has asked the Provincial Treasury to exclude the Members compensation as this is a direct charge but has not been treated as so.

4.2 Service rendered by the Legislature

The Legislature consists of members directly elected to represent people of the Eastern Cape. The voices of the people of the Eastern Cape are heard in the Legislature. The Legislature is a law making institution; it passes legislation for the Province and provides mandates for National Legislation, conducts oversight of the Executive, Provincial organs of state and facilitates public participation as required by the Constitution. Departments and organs of state are held accountable and a petitions process ensures addressing needs and complaints of the public. This therefore translates into meetings, public hearings, investigations and visits by various Standing Committees, as well as House sittings which are open to the public. Public participation is facilitated by having various institutionalised days in which the Public participates. This deepens democracy.

4.2.1 Inventories

All political parties presented in the Legislature are funded proportionally to perform their constitutional duties. The Eastern Cape Provincial Legislature is represented in the National Council of Provinces; these representatives communicate the Province's mandate on National Bills.

List the inventories on hand at year-end, by grouping it into

major categories as per Note 6. Reflect the costing method used for each category disclosed. Reflect the inventory disclosed for all stores. (Where disclosure of all stores is not possible, disclose the reason for this and reflect disclosures for main stores).

The disclosure of this information will be included in the disclosure notes for the year-ended 2006.

4.2.2 Capacity constraints

In the year under review the Legislature could not utilise the ring-fenced amounts. The procurement committee did not meet regularly and the Chief Financial Officer who was in charge of procurement and loading of the budget was later charged for inefficiency. The Legislature has involved the expertise from SITA for the LAN upgrade and the Department of Public Works is assisting with the sound system and the revamping of committee rooms.

The Legislature's secretariat has been operating without the CFO and the COO that has impacted negatively in the performance of the Legislature especially in administration.

4.2.3 Utilisation of donor funds

The major donor in the Legislature is the European Union Legislative Support Programme. Monies allocated to the Legislature are already divided into different programmes. For 2004/05 financial year these funds were utilised according to the Legislature plan with clear terms of reference. EULSP has got its own reporting system which is also used by the Legislature. This insures the effective use of these funds.

4.2.4 Trading entities and public entities: NONE

4.2.5 Organisations to whom transfer payments have been made

The entities to which transfer payments have been made in accordance with the approved transfers in the relevant Appropriation Act. (See annexure 1H)

Reasons for transfer payments. These are utilised by the Political parties in the running costs of the constituency offices.

Accounting arrangements are in place over each political party: At the end of each financial year a political party submits to the Legislature an audited financial statements before a party can access funding for the next financial year. The transfers are made quarterly on submission of quarterly financial reports by the political parties.

4.2.6 Public and private partnerships (PPP) : NONE

4.2.7 Corporate governance arrangements

The legislature's approach in order to minimise fraud risk and the Legislature has commissioned the internal auditors to develop a plan. The fraud risk plan has been developed by the Internal Auditors and tabled to the Rules Committee. Members and officials involved in procurement have been required to sign a code of conduct. Members of the Legislature have submitted their financial disclosures. The internal audit is outsourced to a private firm. The audit committee in the financial year under review did not meet regularly; the Chief Financial Officer who was the suppose to facilitate meetings did not. After his suspension the committees has met regularly and there are set dates for their meetings that are incorporated in the Legislature calendar.

The Rules committee consisting of members is responsible for policy making and the Executive Committee consisting of the Speaker and other Presiding Officers that overseas implementation of policies.

4.2.8 Discontinued activities/activities to be discontinued : NONE

4.2.9 New/proposed activities

• List new/proposed activities

House sitting outside the Legislature to facilitate a Peoples Assembly with National Parliament and other Legislatures

Consideration of annual reports of Municipalities in the Province

• Reasons for new activities

Unfunded mandate (Agreement between National Parliament's and the Speakers forum)

Municipal Finance Management Act requirement.

• Effect on the operations of the department

This will mean additional human and financial resources.

Financial implications of each new activity

EU funds from National Parliament will be utilized to fund part of the Peoples Parliament.

Costing of the consideration of the annual reports for Municipalities has not been done

4.2.10 Events after the reporting date

Delegations have been prepared by the Accounting officer and signed by the managers.

The managers have entered into performance agreements with the relevant supervisors.

4.2.11 Performance information

The managers submit monthly plans and reports on previous month to the Secretary to the Legislature. These are then consolidated into a management report which is submitted to the Executive Committee. Decisions of the Executive are communicated to management through management meetings. This has since been implemented towards the end of the financial year under review.

State what processes are in place to deliver performance information.

4.2.12 Scopa resolutions

No report has been received by the Legislature from Scopa

4.2.13 Other: NONE

Approval

The Annual Financial Statements set out on pages 1 to 61 have been approved by the Accounting Officer.



.....
M Mpahlwa
Secretary to the Legislature
27 May 2005

4.3 Report of the Auditor General

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE OF THE EASTERN CAPE PROVINCE, ON THE FINANCIAL STATEMENTS OF VOTE 2 –PROVINCIAL LEGISLATURE FOR THE YEAR ENDED 31 MARCH 2005

1. Audit Assignment

The financial statements as set out on pages 39 to 87, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (No. 1 of 1999). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2 Nature And Scope

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my

opinion.

3 Qualification

3.1 Housing guarantees

Due to the lack of a framework for performing independent reconciliations and checks, the housing guarantees of R1 022 000 disclosed in annexure 3 of the financial statements did not agree to the schedule of housing guarantees. This schedule reflected an amount of R2 856 066.

Confirmations by financial institutions which covered 85% of the guarantees confirmed an amount of R1 273 466.

I was therefore unable to verify the accuracy and completeness of the amount disclosed in the financial statements.

3.2 Leave entitlement

As a result of lack of proper framework for performing independent reconciliations and checks, leave records were not properly maintained.

I was unable to verify the accuracy and completeness of the leave entitlement amounting to R222 000 as well as the capped leave of R94 000, disclosed in the financial statements.

3.3 Personnel costs

As a result of lack of proper framework for performing independent reconciliations and checks, the BAS/PERSAL reconciliations were not prepared.

The total personnel costs as per the payrolls did not agree with the amount in the financial statements. There was an unreconciled difference of R291 845.

4 Qualified Audit Opinion

In my opinion, except for the effect on the financial statements of the matters referred to in subparagraph 3, the financial statements fairly present, in all material respects, the financial position of the Eastern Cape Provincial Legislature at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the relevant act.

5. Emphasis Of Matter

Without further qualifying the audit opinion expressed above, attention is drawn to the following matters:

5.1 Unauthorised expenditure

The legislature incurred an unauthorised expenditure of R3 464 000 in year 2003/04. Although the unauthorised expenditure is properly disclosed in the financial statements it has not yet been approved by the legislature.

5.2 Internal control weaknesses

The accounting officer is required by section 38(1) of the Public Finance Management Act, 1999 (Act No1 of 1999) to ensure that effective systems of financial management and internal control have been implemented. The following weaknesses existed:

- (a) The Chief Financial Officer resigned during the year and this impacted negatively on the effectiveness of management controls and reviews.
- (b) The fixed asset register was not properly maintained due to the lack of a policy framework to control fixed assets.
- (c) There were weaknesses in budgetary controls over the purchase of motor vehicles of R624 164 even though they were not budgeted for.
- (d) Payments to the value of R84 853 were made without supporting documentation.
- (e) Payroll reports were not certified.
- (f) Leave records and leave registers were not properly maintained.

5.3 Suspense accounts

The amounts previously reported have been written off in the current year. There are sundry receivables amounting to R44 464 (disallowance account) and R88 040 (debt account) which could not be verified due to the lack of supporting documentation.

5.4 Reference to other audits

A special investigation was performed on the awarding of a tender on the Local Area Network installation at the Eastern Cape Provincial Legislature. It was found that there were deviations from the documented policies and procedures and as a result the incorrect company was awarded the tender.

The Legislature is in the process of taking action against the officials involved.

6 Appreciation

The assistance rendered by the staff of the Provincial Legislature during the audit is sincerely appreciated.

S. A. Foke

Auditor-General

Pretoria

29 July 2005



AUDITOR - GENERAL

4.4 Accounting Policies for the year ended 31 March 2005

The Annual 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 Annual 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

4.4.1 Basis of preparation

The Annual 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. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

4.4.2 Revenue

Appropriated funds

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are not surrendered to the Provincial Revenue Fund.

Departmental revenue

Tax revenue

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the department and then transferred to the National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

Sale of capital assets

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

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.

Local and foreign aid assistance

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In

the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

4.4.3 Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

Post employment retirement benefits

The department provides retirement benefits for certain of its

employees through a defined benefit plan for Eastern Cape Provincial Legislature employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

Other employee benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

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. The expense is classified as capital if the goods and services were used on a capital project.

Interest and rent on land

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised expenditure, is defined as:

- The overspending of a vote or a main division within a vote, or
- Expenditure that was not made in accordance with the purpose of a vote or, in the case of a

main division, not in accordance with the purpose of the main division.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

Irregular expenditure

Irregular expenditure, is defined as : expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as: expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

4.4.4 Transfers and subsidies

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

4.4.5 Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. 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.

4.4.6 Investments

Investments include; Investments in Associates; Joint ventures; Investments in controlled entities and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

4.4.7 Receivables

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

4.4.8 Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.4.9 Payables

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

4.4.10 Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

4.4.11 Accruals

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

4.4.12 Contingent liability

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability
- Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

4.4.13 Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the

Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

4.4.14 Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

4.4.15 Recoverable revenue

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

4.4.16 Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.

4.5 Appropriation Statement for the year ended 31 March 2005

Appropriation per programme									
	2004/05							2003/04	
	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme 1									
Administration									
Current payment	29,094			28,094	28,389	705	97.6%	22,903	22,366
Transfers and subsidies	33			33	37	-4	112.1%	300	159
Payment for capital assets	1,511			1,511	377	1,134	25.0%	159	569
2. Programme 2									
Remuneration of Public Representatives									
Current payment	28,626			28,626	28,370	256	99.1%		
Transfers and subsidies	5,640			5,640	5,841	-201	103.6%		
Payment for capital assets									
3. Repeat for all programmes									
Constitutional Mandate									
Current payment	30,520			30,520	27,544	2,976	90.2%	25,339	26,273
Transfers and subsidies	26			26	29	-3	111.5%	5,292	4,853
Payment for capital assets	99			99	953	- 854	962.6%		
Subtotal	95,549			95,549	91,540	4,009	95.8%	79,388	79,615
Statutory Appropriation									
Current payment									
Transfers and subsidies									
Payment for capital assets									
TOTAL	95,549			95,549	91,540	4,009	95.8%	79,388	79,615
Reconciliation with Statement of Financial Performance									
Prior year unauthorised expenditure approved with funding									
Departmental revenue received				115				227	
Local and foreign aid assistance received									
Actual amounts per Statements of Financial Performance (Total revenue)				95,664	91,540			79,615	79,615
Investments acquired and capitalised during the current financial year, but expensed for appropriation purposes									
Other payments in Appropriation Statement, not accounted for in Statement of Financial Performance									
Local and foreign aid assistance									
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure condoned									
Actual amounts per Statements of Financial Performance (Total expenditure)					91,540				79,615

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual expenditure	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment	63,106			63,106	63,078	28	100,00%	55,614	55,766
Compensation of employees	23,134			25,134	21,135	3,999	84,1%	18,023	18,268
Goods and services									
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Provinces and municipalities	116			116	130	-14	112,1%	300	159
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	5,583			5,583	5,777	-194	103,5%	5,292	4,853
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	1,185			1,185	1,420	-235	119,8%		
Biological or cultivated assets									
Software and other intangible assets	425			425		425	0.0%	159	569
Land and subsoil assets									
Total	95,549			95,549	91,540		95,8%	79,388	79,615
				4,009					

Detail per programme : Administration

	2004/05							2003/04	
Programme per subprogramme	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Finance and IT	4,573			4,573	5,002	-429	109,4%	5,410	5,11
Current payment	8			8	7	1	87,5%		
Transfers and subsidies									
Payment for capital assets	1,511			1,511	377	1,134	25,0%	159	569
1.2 Organisational Development									
Current payment	17,378			17,378	16,541	837	95,2%	13,358	13,260
Transfers and subsidies	19			19	18	1	94,7%	300	159
Payment for capital assets									
1.3 Organisational Efficiency subprogrammes									
Current payment	3,289			3,289	3,215	74	97,8%	1,353	1,213
Transfers and subsidies	2			2	6	4	300%		
1.4 Secretariat									
Current payment	3,854			3,854	3,631	223	94,2%	2,782	2,782
Transfers and subsidies	4			4	6	-2	150%		
Payment for capital assets									
TOTAL	30,638			30,638	28,803	1,835	94,0%	23,362	23,094

	2004/05							2003/04	
Programme per subprogramme	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Remuneration									
Current payment	27,443			27,443	27,320	123	99,6%	25,395	25,395
Transfers and subsidies	50			50	62	-12	124%		
Payment for capital assets									
1.2 Support Staff									
Current payment	1,183			1,183	1,050	133	88,8%		
Transfers and subsidies	5,590			5,590	5,779	189	103,4%		
Payment for capital assets									
Total	34,266			34,266	34,211	55	99,8%	25,395	25,395

Detail per programme 2 Remuneration of Elected Public Representatives

	2004/05							2003/04	
Economic Classification	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	19,512			19,512	19,861	-349	101,8%	14,815	13,896
Goods and services	9,582			9,582	8,529	1,053	89,0%	8,088	8,470
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Provinces and municipalities	33			33	36	-3	109,1%	300	159
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	1,086			1,086	377	709	34,7%		
Biological or cultivated assets									
Software and other intangible assets	425			425		425	0%	159	569
Land and subsoil assets									
Total	30,638			30,638	28,803	1,835	94.0%	23,362	23,094

	2004/05							2003/04	
Economic Classification	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment	28,476			28,476	28,353	123	99,6%	25,695	24,706
Compensation of employees									
Goods and services	150			150	17	133	11,3%	700	689
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Provinces and municipalities	57			57	64	-7	112,3%		
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	5,583			5,583	5,777	-194	103%		
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Biological or cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	34,266			34,266	34,211	55	99,8%	25,395	25,395

Detail per programme 3 Constitutional Mandate

	2004/05							2003/04	
Programme per subprogramme	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment	3,271			3,271	3,218	53	98,4%	53,67	2,918
Transfers and subsidies	3			3	6	-3	200%		
Payment for capital assets									
1.2 House Business									
Current payment	12,408			12,408	12,345	63	99,5%	7,895	10,192
Transfers and subsidies	3			3	18	-15	600%		
Payment for capital assets									
1.3 Oversight Current payment	6,114			6,114	5,407	707	85,5%	5,292	4,853
Transfers and subsidies	10			10	-2	12	-20%	7,177	7,483
Payment for capital assets	99			99	-61	60	120,2%		
1.4 Public Participation									
Current payment	2,784			2,784	2,198	586	79%	1,838	1,753
Transfers and subsidies	3			3		3			
Payment for Capital assets									
1.5 NCOP & Legal									
Current payment	1,700			1,700	1,706	-6	100,4%	1,274	1,812
Transfers and subsidies	3			3	3		100%		
1.6 Speakers Office									
Current payment	4,243			4,243	2,670	1,573	86,8%	1,824	2,115
Transfers and subsidies	4			4	4		100%		
Payment for Capital assets					1,014	1.014			
TOTAL	30,645			30,645	28,526	2,119	93,1%	30,631	31,126

	2004/05							2003/04	
Economic Classification	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual Payment	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	15,118			15,118	14,864	254	98,3%	16,104	17,154
Goods and services	15,402			15,402	12,589	2,903	81,2%	9,235	9,109
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Provinces and municipalities	26			26	30	-4	115,4%	5,292	4,853
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Biological or cultivated assets									
Software and other intangible assets	99			99	1,043	-944	1053,5%		
Land and subsoil assets									
Total	30,645			30,645	28,526	2,119	93,1%	30,631	31,126

4.6 Notes to the Appropriation Statement

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

Detail of these transactions can be viewed in note 11 (Transfers and subsidies) and Annexure 1 (A-K) to the Annual Financial Statements.

4.6.2 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.

4.6.3 Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 8 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.6.4.1	Per Programme	Voted Funds after virement	Actual Expenditure	R'000	%
	Programme 1 Administration	30,638	28,803	1,835	94%
	Programme 2 Remuneration of POB	34,266	34,211	55	99%
	Programme 3 Constitutional Mandate	30,645	28,526	2,119	93,10%
	Etc				

4.6.5 Per Economic classification

Current payment:

Compensation of employees

Goods and services

Interest and rent on land

Financial transactions in assets and liabilities

Transfers and subsidies:

Provinces and municipalities

Departmental agencies and accounts

Universities and Technikons

Public corporations and private enterprises

Foreign governments and international organisations

Non-profit institutions

Households

Payments for capital assets:

Buildings and other fixed structures

Machinery and equipment

Heritage assets

Biological or cultivated assets

Software and other intangible assets

Land and subsoil assets

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	95,549	79,388
Statutory appropriation	2		
Appropriation for unauthorised expenditure approved			
Departmental revenue	3	115	227
Local and foreign aid assistance	4		
TOTAL REVENUE		95,664	79,615
EXPENDITURE			
Current expenditure			
Compensation of employees	5	63,078	55,766
Goods and services	6	21,135	18,266
Interest and rent on land	7		
Financial transactions in assets and liabilities	8		
Local and foreign aid assistance	4		
Unauthorised expenditure approved	9		
Total current expenditure		84,213	74,034
Transfers and subsidies	11	5,907	5,012
Expenditure for capital assets			
Buildings and other fixed structures	12		
Machinery and Equipment	12	1,420	
Biological or cultivated assets	12		569
Software and other intangible assets	12		
Land and subsoil assets	12		
Local and foreign aid assistance	4		
Unauthorised expenditure approved	9		
Total expenditure for capital assets		1,420	569
TOTAL EXPENDITURE		91,540	79,615
NET SURPLUS/(DEFICIT)		4,124	
Add back unauthorised expenditure	9		
Add back fruitless and wasteful expenditure	10		
NET SURPLUS/(DEFICIT) FOR THE YEAR		4,124	

	Note	2004/05 R'000	2003/04 R'000
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	18	4,009	-227
Departmental receipts to be surrendered to the Revenue Fund	19		227
		115	
Local and foreign aid assistance	4		
NET SURPLUS/(DEFICIT) FOR THE YEAR		4,124	-

The Legislature does not surrender to the Revenue Fund in terms of the PFMA

4.7 Statement of Financial Possession

	Note	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		4,750	6,299
Unauthorised expenditure	9	3,464	3,464
Fruitless and wasteful expenditure	10		
Cash and cash equivalents	13	641	
Loans			
Other financial assets	14		
Prepayments and advances	15		
Receivables	16	645	2,835
Local and foreign aid assistance receivable	4		
Non-current assets			
Investments	17		
Loans			
Other financial assets	14		
TOTAL ASSETS		4,750	6,299
LIABILITIES			
Current liabilities		4,124	4,593
Voted funds to be surrendered to the Revenue Fund	18	3,782	-227
Departmental revenue to be surrendered to the Revenue Fund	19	342	227
Bank overdraft	20		4,592
Payables	21		1
Local and foreign aid assistance repayable	4		
Local and foreign aid assistance unutilised	4		
Non-current liabilities			
Payables	22		
TOTAL LIABILITIES		4,124	4,593
NET ASSETS		626	1,706
Represented by:			
Capitalisation reserve		626	1,706
Recoverable revenue			
TOTAL		626	1,706

4.8 statement of Changes in net assets

	Note	2004/05 R'000	2003/04 R'000
4.8.1 Capitalisation reserve			
Opening balance			
Transfers			
Closing balance			
4.8.2 Recoverable revenue			
Opening balance		1,706	1,706
Debts written off	8.4	-1,080	
Debts recovered (included in departmental revenue)	3		
Debts raised			
Prior year adjustment			
Closing balance		626	1,706
TOTAL		626	1,706

4.9 Cash Flow Statement

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		97,854
Annual appropriated funds received		95,549
Statutory appropriated funds received		-
Appropriation for unauthorised expenditure received	9	-
Departmental revenue received		115
Local and foreign aid assistance received	4	-
Net (increase)/decrease in working capital		2,190
		<hr/>
Surrendered to Revenue Fund		
Current payments		-84,214
Transfers and subsidies paid		-5,907
Net cash flow available from operating activities	23	<hr/> 7,733 <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		-1,420
Proceeds from sale of capital assets	3	
Proceeds from sale of investments	3	
Proceeds from sale of other financial assets		
(Increase)/decrease in loans granted		
Net cash flows from investing activities		<hr/> -1,420 <hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution/dividend to government		
Increase/(decrease) in loans received		-1,080
Net cash flows from financing activities		<hr/> -1,080 <hr/>
Net increase/(decrease) in cash and cash equivalents		5,233
		<hr/> -4,592 <hr/>
Cash and cash equivalents at the beginning of the period		
Cash and cash equivalents at end of period		<hr/> 641 <hr/>

4.10 Notes to the Annual Financial Statements

1. Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share):**

	Final Appropriation	Actual Funds Received	Variance over/(under)	Total Appropriation 2003/04
	R'000	R'000	R'000	R'000
Programme 1	30,638	28,803	1,835	23,362
Programme 2	34,266	34,211	55	25,395
Programme 3	30,645	28,525	2,119	30,631
Total	95,549	91,540	4,009	79,388

Provide explanation of material variances including whether or not application will be made for a rollover.

1.2 Conditional grants	Note	2004/05	2003/04
Total grants received	Annex 1A	_____	_____

** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1.

2. Statutory Appropriation

	2004/05	2003/04
President and Deputy President's salaries		
Minister and deputy ministers salaries		
Member of executive committee/parliamentary officers		
Judges' salaries		
Sector education and training authorities (SETA)		
National Skills Fund	_____	_____

3. Departmental revenue to be surrendered to revenue fund

Description (Specify material amounts separately)

	Notes	2004/05	2003/04
Tax revenue			
Sales of goods and services other than capital assets			227
Fines, penalties and forfeits			
Interest, dividends and rent on land		76	
Sales of capital assets			
Recoverable revenue received			
Financial transactions in assets and liabilities	3.1		
Transfer received consists of:		39	
Gifts, donations and sponsorships received	Annex 1J		
Other transfers		39	
Total revenue collected		115	227
Less: Departmental Revenue Budgeted			
Departmental revenue collected		115	227

3.1 Financial transactions in assets and liabilities

Nature of loss recovered

	2004/05	2003/04
Cheques written back		
Other		

4. Local and foreign aid assistance

4.1 Assistance received in kind

Name of donor and purpose

	2004/05	2003/04
Local		
FIRST NATIONAL BANK- STATE OF THE PROVINCE ADDRESS	93	
VODACOM-STATE OF THE NATION ADDRESS	10	
Foreign		
EU- PUBLIC PARTICIPATION, HRD	103	
	62	
Total local and foreign aid assistance received in kind	165	

5. Compensation of employees

	2004/05 R'000	2003/04 R'000
5.1 Salaries and Wages		
Basic salary	49,991	35,692
Performance award	-	-
Service Based	15	1,485
Compensative/circumstantial	188	5,981
Periodic payments	-	-
Other non-pensionable allowances	5,769	4,042
	<u>55,963</u>	<u>47,200</u>
5.2 Social contributions		
5.2.1 Short-term employee benefits		
Pension	5,108	5,774
Medical	2,006	2,792
UIF	1	-
Bargaining council		
Official unions and associations		
Insurance	7,115	8,566
5.2.2 Post employment retirement benefits		
Pension		
Medical		
Insurance		-
	<u>63,078</u>	<u>55,766</u>
Total compensation of employees	63,078	55,766
Average number of employees	217	217

6. Goods and services

	Note	2004/05 R'000	2003/04 R'000
Advertising		150	203
Attendance fees (including registration fees)		-	-
Bank charges and card fees		29	35
Bore waterhole drilling		-	-
Bursaries (employees)		677	1,195
Cash discount		-	-
Communication		898	1,887
Computer services		480	-
Commission		-	-
Consultants, contractors and special services		1,576	-
Courier and delivery services		-	-
Tracing agents & Debt collections		-	-
Drivers' licences and permits		-	-
Entertainment		1,281	1,113
External audit fees	6.1	2,487	1,601
Equipment less than R5000		3,649	1,996

	Note	2004/05 R'000	2003/04 R'000
Firearm handling fees			-
Freight service			
Government motor transport			
Helicopter services			
Honoraria (Voluntarily workers)			
Inventory	6.2	1,078	1,102
Land reform/restitution			
Learnerships			
Legal fees		40	253
Licence agency fees			
Housing			
Maintenance, repairs and running cost		154	304
Operating leases			
Mint of decorations/medals			
Personnel agency fees			689
Photographic services		175	
Plant flowers and other decorations			
Printing and publications		150	
Professional bodies and membership fees		100	8
Resettlement cost			
Road laboratories			
Roadworthy tests			
School & boarding fees			
Subscriptions		14	1
Storage of furniture			
System access fees			
Taking over of contractual obligations			
Owned leasehold property expenditure			
Translations and transcriptions		50	101
Transport provided as part of the departmental activities			
Travel and subsistence	6.3	8,051	7,496
Venues and facilities		96	284
Protective, special clothing & uniforms			
		2004/05 R'000	2003/04 R'000
Training & staff development			
Town & regional planning			
Water research/testing			
Witness and related fees			
Previous years unallocated items			
		21,135	18,268
		2004/05 R'000	2003/04 R'000
6.1 External audit fees			
Regularity audits		1,758	442
Performance audits		259	
Other audits		470	1,159
Total external audit fees		2,487	1,601

6.2 Inventory (purchased during the year)

Inventory surcharges

Medas inventory interface

Construction work in progress

Other inventory

Strategic stock

Agricultural

Domestic consumables

Learning and teaching support material

Food and Food supplies

Fuel, oil and gas

Laboratory consumables

Other consumables

Parts and other maintenance material

Sport and recreation

Stationery and printing

Veterinary supplies

Restoration and fittings

Road construction and supplies

Medical supplies

Weapons and armaments

2004/05 R'000	2003/04 R'000
------------------	------------------

116	531
-----	-----

288	328
-----	-----

	-323
--	------

14	
----	--

660	566
-----	-----

1,078	1,102
--------------	--------------

2004/05 R'000	2003/04 R'000
------------------	------------------

6.3 Travel and subsistence

Local

Foreign

Total travel and subsistence

7,916	7,149
-------	-------

135	347
-----	-----

8,051	7,496
-------	-------

7 Interest and rent on land

Interest expense

Rent on land

2004/05 R'000	2003/04 R'000
------------------	------------------

Total interest and rent on land

8. Financial transactions in assets and liabilities

Note

2004/05 R'000	2003/04 R'000
------------------	------------------

Material losses through criminal conduct

8.1

8.2

Other material losses written off

8.4

1,080	
-------	--

Debts written off

1,080	
-------	--

8.1 Material losses through criminal conduct

Nature of losses

(Group major categories, but list material items)

	2004/05 R'000	2003/04 R'000
8.2 Other material losses written off		
Nature of losses		
(Group major categories, but list material items)		
8.3 Other material losses of items expensed in previous periods		
(Total not included above)		
(Group major categories, but list material items)		
8.4 Bad debts written off		
Nature of debts written off		
Transfer to debts written off		
- SARS	1, 080	
	1,080	
8.5 Details of theft and losses		
(Group major categories, but list material items)		

9 Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure		
Opening balance	3,464	
Unauthorised expenditure – current year/ adjustment previous		
Unauthorised expenditure approved by Parliament/Legislature – current expenditure		
Unauthorised expenditure approved by Parliament/Legislature – expenditure for capital assets		
Transfer to receivables for recovery		3,464
Unauthorised expenditure awaiting authorisation	3,464	3,464

9.2 Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Under funding from Provincial Treasury	CFO charged for not reporting but later resigned	3,464
		<hr/>
		3,464

10 Fruitless and wasteful expenditure

10.1 Reconciliation of fruitless and wasteful expenditure

Opening balance

Fruitless and wasteful expenditure – current year

Fruitless and wasteful expenditure condoned – current

Fruitless and wasteful expenditure condoned – capital

Transfer to receivables for recovery

Fruitless and wasteful expenditure awaiting condonement

10.2 Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	
		<hr/>
		<hr/>

11. Transfers and subsidies

		2004/05 R'000	2003/04 R'000
	Notes		
Provinces and municipalities	Annex 1B, 1C	130	159
Departmental agencies and accounts	Annex 1D		
Universities and Technikons	Annex 1E		
Foreign governments and international organisations	Annex 1G		
Public corporations and private enterprises	Annex 1F		
Non-profit institutions	Annex 1H	5,777	4,853
Households	Annex 1I		
Gifts and donations	Annex 1K		
		5,907	5,012

12. Expenditure for capital assets

		2004/05 R'000	2003/04 R'000
Buildings and other fixed structures	Annex 4	-	
Machinery and equipment	Annex 4	1,420	
Heritage assets	Annex 4	-	
Biological or cultivated assets	Annex 4	-	
Land and subsoil assets	Annex 4		
Software and other intangible assets	Annex 5		
Total		1,420	

The following amount for Compensation of employees has been included in Expenditure for capital assets

13. Cash and cash equivalents

Consolidated Paymaster General Account	641
Fund requisition account	
Cash receipts	
Disbursements	
Cash on hand	
Cash with commercial banks	
Cash in transit	
	641

14 Other financial assets

Description

Current
(Group major categories, but list material items)

Non-current

(Group major categories, but list material items)

15 Prepayments and advances

(Group major categories, but list material items)

Staff advances

Travel and subsistence

Prepayments

Advances paid to other entities

Claims recoverable

16. Receivables

					2004/05 R'000	2003/04 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Amounts owing by other entities	Annex 7					331
Staff debtors	16.1	58	79	69	206	1,745
Clearing accounts	16.2				-	-
Other debtors	16.3	17	227	195	439	759
		75	306	264	645	2,835

Amounts of R _____ (2004: R _____) included above may not be recoverable, but have not been written off in the Statement of financial performance

16.1 Staff debtors

Disallowances	206	665
Receiver of Revenue		1,080
	206	1,745

16.2 Clearing accounts

(Group major categories, but list material items)

16.3 Other debtors

Other institutions	244	759
SARS	195	
	439	759

17. Investments

Investee

(Reflected at cost)

Nature of investment

Notes
Annex 2

2004/05
R'000

2003/04
R'000

- -

18. Voted funds to be surrendered to the Revenue Fund

Opening balance	-227	
Transfer from Statement of Financial Performance	4,009	-227
Voted funds not requested/not received		
Paid during the year/ ADJUSTMENT FROM 2003/04		
Closing balance	3,782	-227

Legislature does not surrender in terms of the PFMA the template has no provision where this can be reflected.

19. Departmental receipts to be surrendered to the Revenue Fund

	2004/05 R'000	2003/04 R'000
Opening balance	227	
Transfer from Statement of Financial Performance	115	227
Transfer from local and foreign aid assistance**		
Paid during the year/ ADJUSTMENT FROM 2003/04		
Closing balance	342	227

**Amount not used at end of project, which donors allow department to maintain should be paid over to the Revenue Fund.

20. Bank overdraft

Paymaster General Account	4,592
	4,592

**21 Payables – current
Description**

	Notes	30 Days	30+ Days	2004/05 Total	2003/04 Total
Amounts owing to other departments	Annex 7				
Advances received	21.1				
Clearing accounts	21.2				1
Other payables	21.3				
					1

21.1 Advances received

(Identify major categories, but list material amounts)

21.2 Clearing accounts

Misallocation-subsistence allowance

(Identify major categories, but list material amounts)

**21.3 Other payables
Description**

(Identify major categories, but list material amounts)

22 Payables – Non-current
Description

		1 to 2 years	2 to 3 years	More than 3 years	2004/05 Total	2003/04 Total
Amounts owing to other departments	Annex 7					
Advances received	22.1					
Other payables	22.2					

22.1 Advances received

Identify major categories, but list material items

**2004/05
R'000** **2003/04
R'000**

22.2 Other payables
Description

(Identify major categories, but list material amounts)

23. Reconciliation of net cash flow from operating activities to surplus/(deficit)

	2004/05 R'000	2003/04 R'000
Net surplus/(deficit) as per Statement of Financial Performance	4,124	
Non-cash movements		
(Increase)/decrease in receivables – current	2,190	
(Increase)/decrease in prepayments and advances		
(Increase)/decrease in other current assets	-227	
(Increase)/decrease in other non-current assets		
Increase/(decrease) in payables – current	-1	
Increase/(decrease) in current liabilities		
Increase/(decrease) in non-current liabilities		
Proceeds from sale of equipment		
Surrenders		
Proceeds from sale of land and buildings		
Proceeds from sale of investments		
Capital expenditure	1,420	
Voted funds not requested/not received		
Proceeds from sale of financial assets		
Other non-cash items		
Net cash flow generated by operating activities	7,733	

24. Appropriated funds and departmental revenue surrendered

Appropriated funds surrendered

Departmental revenue surrendered

*Legislature do not surrender their revenue to the Revenue fund in terms of the PFMA

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	Note	2004/05 R'000	2003/04 R'000
25. Contingent liabilities			
Liability to Nature			
Motor vehicle guarantees, Employees	Annex 3	804	804
Housing loan guarantees, Employees	Annex 3	1,022	1,083
Other guarantees	Annex 3		
Claims			
Other departments (interdepartmental unconfirmed balances)	Annex 7		
Capped leave commitments		93	
Other			
		<u>1,919</u>	<u>1,887</u>
26. Commitments per programme		2004/05 R'000	2003/04 R'000
Current expenditure			
Approved and contracted			
Approved but not yet contracted			
Capital expenditure			
Approved and contracted			
Approved but not yet contracted			
Total Commitments			
27. Accruals		2004/05 R'000	2003/04 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Compensation of employees			
Goods and services	729		729
Interest and rent on land			
Transfers and subsidies			
Buildings and other fixed structures			
Machinery and equipment			
Biological or cultivated assets			
Software and other intangible assets			
Land and subsoil assets			
			<u>729</u>
			<u>3,486</u>
Listed by programme level			
Confirmed balances with other departments	Annex 7	2,545	
		<u>2,545</u>	

	2004/05 R'000	2003/04 R'000
28 Employee benefits		
Leave entitlement	222	548
Thirteenth cheque	1,325	3,308
Performance bonus	1,285	1,392
	<u>2,831</u>	<u>5,241</u>

29. Lease Commitments

29.1 Operating leases	Buildings and other fixed structures	Machinery and equipment	Total	Total
Not later than 1 year		984	984	
Later than 1 year and not later than 3 years				
Later than three years				

29.2 Finance leases

Not later than 1 year	
Later than 1 year and not later than 3 years	
Later than three years	
Future finance charges	
Present value of lease liabilities	
Total present value of lease liabilities	984 984

	2004/05 R'000	2003/04 R'000
30. Receivables for services delivered (off balance sheet)		
Nature of service		
(Group major categories, but list material items)		

An amount of R ____ has been written-off during the year. Amounts of R ____ included above may not be recoverable and has not been written off.

	Note	2004/05 R'000	2003/04 R'000
31 Irregular expenditure			
31.1 Reconciliation of irregular expenditure			
Opening balance			
Irregular expenditure – current year			
Transfer to Statement of Financial Performance – authorised losses (Condoned)			
Transfer to receivables for recovery (Not condoned)			
Irregular expenditure awaiting condonement			
Analysis			
Current			
Prior years			
31.2 Irregular expenditure			
Incident	Disciplinary steps taken/criminal proceedings		

32. Related party transactions

Information about related party transactions is required for accountability purposes and to facilitate a better understanding of the financial position and performance of the department. The principle issues in disclosing information about related parties is identifying which parties control or significantly influence the department and determining what information should be disclosed about transactions with those parties.

Disclosure of:

- The types of the related party relationship
- The types of transactions that have occurred
- The elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the Annual Financial Statements to provide relevant and reliable information for decision-making and accountability purposes.

The above excludes transfer payments and subsidies, as that is disclosed in the annexures to the Annual Financial Statements.

3.3 Senior management personnel

The aggregate compensation of the senior management of the department and the number of individuals determined on a full time equivalent basis receiving compensation within this category, showing separately major classes of key management personnel and including a description of each class for the current period and the comparative period. Detail on each type of compensation should also be disclosed.

•	Secretary to the Legislature	816 999
•	CFO/CPO	708 351
	TOTAL	1 525 350
•	Deputy Director Generals	

3.4 Public Private Partnership

For each Public Private Partnership the department has entered into the following must be disclosed for the current and prior period:

- A description of the arrangement
- Significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows
- The nature and extent of:
 1. rights to use specified assets
 2. obligations to provide or rights to expect provision of services
 3. obligations to acquire or build items of property, plant and equipment
 4. obligation to deliver or rights to receive specified assets at the end of the concession period
 5. renewal and termination options
 6. other rights and obligations (e.g. major overhauls), and
- Changes in the arrangement occurring during the period

Annexure 1a

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT		2003/04		
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

Annexure 16

STATEMENT OF CONDITIONAL GRANT PAID TO DEPARTMENTS

NAME OF DEPARTMENT	GRANT ALLOCATION			TRANSFER			SPENT			2003/04
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by department	Amount spent by department	% of available funds spent by department	
Amatole RSC's	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
	116			116	130	112.1%	130	130	100%	159
	116			116	130		130	130	100%	159

Annexure 10

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2003/04
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	

ANNEXURE 1D
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER			2003/04
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	

Annexure 1c

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION			EXPENDITURE			2003/04
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	
	% of Available funds Transferred						
	R'000	R'000	R'000	R'000	R'000	R'000	%

STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS

Annexure II

STATEMENT OF TRANSFERS TO HOUSEHOLDS

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Annexure ij

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05	2003/04
		R'000	R'000
Received in cash			
Received in kind			
FNB	STATE OF THE PROVINCE	93	
VODACOM	STATE OF THE PROVINCE	10	
EU	HRD	62	
		165	

Annexure ik

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE
FOR THE YEAR ENDED 31 MARCH 2005

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05	2003/04
		R'000	R'000

Annexure 2a

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2005

Name of Public Entities	Nature of business	Relevant Act	State Entity's PFMA Schedule type (schedule) year end if not 31 March	% Held 03/04	% Held 04/05	Number of shares		Cost of investment		Profit/(loss) for the year	Are the losses Guaranteed	
						04/05	03/04	04/05 R'000	03/04 R'000		Yes	No
Controlled entities												

Annexure 2b

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES AS AT 31 MARCH 2005 (CONTINUED)

Name of Public Entities	Cost of investment		Amounts owing to		Amounts owing by		Valuation of investment	
	04/05 R'000	03/04 R'000	04/05 R'000	03/04 R'000	04/05 R'000	03/04 R'000	04/05 R'000	03/04 R'000

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest for year ended 31 March 2005	Closing balance 31 March 2005	Realised losses i.r.o. claims paid out
	Motor vehicles	R'000	R'000	R'000	R'000	R'000	R'000	R'000
			804				804	
	Housing		1 083		61		-61	
	Other						1 083	
	Total		1,887		61		1,826	

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest for year ended 31 March 2005	Closing balance 31 March 2005	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000

Annexure 4

PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES						
Dwellings						
Non-residential buildings						
Investment properties						
Other structures (Infrastructure assets)						
Capital work in progress						
Heritage assets						
MACHINERY AND EQUIPMENT	1,266	1,420				2,686
Computer equipment	1,266	406				1,672
Furniture and office equipment		390				390
Other machinery and equipment						
Specialised military assets						
Transport assets		624				624
BIOLOGICAL OR CULTIVATED ASSETS						
LAND AND SUBSOIL ASSETS						
Land						
Mineral and similar non regenerative resources						
	1,266	1,420				2,686

Annexure 4 (Cont.)

PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES						
Dwellings						
Non-residential buildings						
Investment properties						
Other structures (Infrastructure assets)						
Capital work in progress						
Heritage assets						
	1,266					1,266
MACHINERY AND EQUIPMENT						
Computer equipment	1,266					1,266
Furniture and office equipment						
Other machinery and equipment						
Specialised military assets						
Transport assets						
BIOLOGICAL OR CULTIVATED ASSETS						
LAND AND SUBSOIL ASSETS						
Land						
Mineral and similar non regenerative resources						
	1,266					1,266

Annexure 5

SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2005

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Patents, Copyrights, brand names & trademarks						
Computer software						
Masheades and publishing titles						
Recipes, formulas, prototypes, designs and models						
Service and operating rights						
Airport landing rights						
Import/export licences						
Fishing Quotas						
Utility rights						
Mineral extraction rights						
Capitalised development costs						

SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2004

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Patents, Copyrights, brand names & trademarks						
Computer software						
Masheades and publishing titles						
Recipes, formulas, prototypes, designs and models						
Service and operating rights						
Airport landing rights						

Import/export licences
Fishing Quotas
Utility rights
Mineral extraction rights
Capitalised development costs

Annexure 6

INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance outstanding	
	outstanding			
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Departments				
Sports Arts & Culture		15		
Welfare				13
Premiers Office				18
Public Works				58
Education				97
Housing and local Government				102
Transport				28
Other government entities				
		15		
TOTAL		15		316

Annexure 7

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
Amounts not included in Statement of financial position				
Current : Treasury	2,545			3,810
Non-current				
Total	2,545			3,810
Amounts included in Statement of financial position				
Current				
Non-current				
Total				
Other government entities				
Amounts not included in Statement of financial position				
Current				
Non-current				
Total				
Amounts included in Statement of financial position				
Current				
Non-current				
Total				

Part E:

Human Resource Management



Current accounting treatment

Finance Leases

Finance leases entered in the current year are disclosed at the equivalent of their cash cost or the present value of the underlying lease payments, when the department assumes substantially all the benefits and risks of ownership on the asset concerned. The corresponding finance lease obligations are raised net of finance charges as financial liabilities, being the open market value of the leased assets at the commencement of the lease.

Operating Leases

The lease payments are recognised as expenditure when paid for.

Operating leases

Lease payments under an operating lease are expensed as and when payment is made.

Statement of Financial Performance

Lease payments are expensed when payment is made for both finance and operating leases. Finance lease expenditure must be treated as irregular.

Statement of Financial Position

No entry is made to the statement of financial position since the transaction is recognised on the cash basis of accounting. Short term employee benefits such as salaries, contributions to unemployment insurance and workmen's compensation funds, paid annual leave and paid sick leave, profit sharin

Working paper 4

CONDITIONAL GRANTS TRANSFERS TO MUNICIPALITIES FOR THE YEAR ENDED 31 MARCH 2004 CONVERTED TO THE MUNICIPAL FINANCIAL YEAR
FOR THE YEAR ENDED 30 JUNE 2005

5. Human Resource Management

5.1 Service Delivery

TABLE 5.1.1 – Main services provided and standards

Main Serices	Actual Customers	Potential Customers	Standard of service	Actual Achievements against standards
N/A	N/A	N/A	N/A	N/A

TABLE 5.1.2 – Consultation arrangement with customers

Type of arrangement	Actual Customers	Potential Customers	Actual Achievements
N/A	N/A	N/A	N/A

TABLE 5.1.3 – Service delivery access strategy

Access Strategy	Actual Achievements
N/A	N/A

TABLE 5.1.4 – Service information tools

Types of information tools	Actual Achievements
N/A	N/A

TABLE 5.1.5 – Complaints Mechanism

Complaints Mechanism	Actual Achievements
N/A	N/A

5.2 Expenditure

TABLE 5.2.1 – Personnel costs by programme, 2004/05

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Programme 1: Administration	28,803	19,861	-	8,529	0.69	248
Programme 2: Remuneration of E.R.P.	34,211	28,353	-	17	0.83	354
Programme 3: Constitutional Mandate	28,526	14,864	-	12,589	0.52	265
Total	91,540	63,078		21,135	0.69	867

TABLE 5.2.2 – Personnel costs by salary bands, 2004/05

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-5)	4,642	0.13	171
Skilled (Levels 6-8)	8,350	0.24	151
Highly skilled production (Levels 9-11)	12,000	0.35	300
Highly skilled supervision (Levels 12-17)	7,500	0.22	536
Senior management (Levels 18-21)	2,233	0.064	744
Political Office Bearers & Support	28,353	0.45	354
Total	63,078	2.03	2,256

TABLE 5.2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2004/05

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Administration	15,546	0.78	49	0.002	2,533	0.13	5,401	0.027
Remuneration of EPR	22,730	0.80	-	-	185	0.006	1,095	0.039
Constitutional Mandate	11,738	0.41	29,156		1,773	0.12	437	0.029
Total	50,014	1.99	78,156	0	4,491	0.256	6,933	0.095

TABLE 5.2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2004/05

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)
Lower skilled (Levels 1-5)	3,899	0,83	49	0.01	253	0.05	441
Skilled (Levels 6-8)	6,462	0,77			990	0,12	898
Highly skilled production (Levels 9-11)	10,627	0,89			720	0,06	653
Highly skilled supervision (Levels 12-17)	7,020	0,9			252	0,34	228
Senior management (Levels 18-21)	2130	0,95			54	0,24	49
Total	30 138	3.51	49	0.01	2 269	0.81	2 269

5.3 Employment and vacancies

TABLE 5.3.1 – Employment and vacancies by programme, 31 March 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Total	169	136	0.20	0

TABLE 5.3.2 – Employment and vacancies by salary bands, 31 March 2005

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	32	29	0.09	0
Skilled (Levels 3-5)	83	70	13	0
Highly skilled production (Levels 6-8)	35	18	17	0
Highly skilled supervision (Levels 9-12)	9	8	0.12	0
Senior management (Levels 13-16)	10	8	0.20	0

TABLE 5.3.3 – Employment and vacancies by critical occupation, 31 March 2005

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Secretary to the Legislature	1	1	0	0
Chief Operations Officer	1	0	100	0
Cluster Reseachers	3	0	100	0
Deputy Director: Enabling	1	1	0	0
Total	6	2		

5.4 Job evaluation

TABLE 5.4.1 – Job Evaluation, 1 April 2004 to 31 March 2005

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	32	32	100	7	0.22	1	0.04
Skilled (Levels 3-5)	83	83	100	6	0.08	0	0
Highly skilled production (Levels 6-8)	35	35	100	5	0.15	0	0
Highly skilled supervision (Levels 9-12)	9	9	100	4	0.45	0	0
Senior Management Service Band A	10	10	100	5	50	0	0
Senior Management Service Band B							
Senior Management Service Band C							
Senior Management Service Band D							
Total	169	169	100	27	5.0.9	1	0.04

TABLE 5.4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2004 to 31 March 2005

Beneficiaries	African	Asian	Coloured	White	Total
Female	25			2	27
Male	16		2	1	19
Total	41		2	3	46
Employees with a disability					

TABLE 5.4.3 – Employees who salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remunira-tion level	Reason for deveation
0	0	0	0	0
Total num,ber of employees whois salaries exceeded the level determan by job evaluation in 2003/04				
Percentage of total employment				

TABLE 5.4.4 – Profile of employees who salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0

5.5 Employment changes

TABLE 5.5.1 – Annual turnover rates by salary band for the period 1 April 2004 to 31 March 2005

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	32	0	3	10%
Skilled (Levels 3-5)	83	3	4	0.05
Highly skilled production (Levels 6-8)	35	0	2	0.06
Highly skilled supervision (Levels 9-12)	9	0	0	0
Senior Management Service Band A	2	1	1	0.50
Senior Management Service Band B				
Senior Management Service Band C				
Senior Management Service Band D				
Total	169	4	10	

TABLE 5.5.2 – Annual turnover rates by critical occupation for the period 1 April 2004 to 31 March 2005

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Secretary to the Legislature	1	1	1	100
Chief Financial Officer	1	0	1	100
Principal Committee Coordinator	1	1	1	100
Assistant GTO	1	0	1	100
Total	4	2	4	

Table 5.5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	3	0.03
Resignation	5	0.04
Expiry of contract	1	0.01
Dismissal – operational changes		
Dismissal – misconduct	1	0.01
Dismissal – inefficiency		
Discharged due to ill-health		
Retirement		
Transfers to other Public Service Departments		
Other		
Total	10	0.09
Total number of employees who left as a % of the total employment		

Table 5.5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Principal Committee Coordinator	1	1	100	0	0
Senior Committee Coordinator	1	1	100	0	0
Assistant Director: Finance	1	1	100	0	0
Total	3	3	100		

Table 5.5.5 – Promotions by salary band

Salary Band	Employees 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	32	0	0	0	0
Skilled (Levels 3-5)	83	3	0.04		0
Highly skilled production (Levels 6-8)	35	1	0.03	0	0
Highly skilled supervision (Levels 9-12)	9	0	0	0	0
Senior management (Levels 13-16)	10	0	0	0	0
Total	169	4	0.07	0	0

5.6 Employment equity

5.6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	10	0	0	2	4	0	0	0	16
Professionals	8	0	0	0	7	0	0	0	15
Technicians and associate professionals	18	1	0	1	30	0	0	3	53
Clerks	20	0	0	0	32	0	0	0	52
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
Total	56	1		3	73	0		3	136
Employees with disabilities									

5.6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	0	0	0	0	2
Senior Management	7	0	0	0	4	0	0	0	11
Professionally qualified and experienced specialists and mid-management	5	0	0	0	2	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	0	7	0	0	1	16
Semi-skilled and discretionary decision making	11	2	1		30	1		3	48
Unskilled and defined decision making	20	0	0	0	32	0	0	0	52
Total	53	2	1	1	75	1	0	4	136

5.6.3 – Recruitment for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	1	1	0	1	0	0	0	4
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0		0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	1	1	0	2	0	0	0	5

5.6.4 – Promotions for the period 1 April 2004 to 31 March 2005

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

5.6.5 – Terminations for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	1	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	1	1	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	4	1	0	0	1	1	0	0	7

5.6.6 – Disciplinary action for the period 1 April 2004 to 31 March 2005

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

5.6.7 – Skills development for the period 1 April 2004 to 31 March 2005

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislature, senior officials and managers	9			1	4				15
Professionals									
Technicians and associate professionals	2				1				3
Clerks	12	1	1		19				33
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assembles									
Elementary occupations									
Total	23	1	1	1	24	0	0	0	50

5.7 Performance rewards

TABLE 5.7.1 – Performance Rewards by race, gender, and disability, 1 April 2004 to 31 March 2005

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	127	127			
Male	51	51	100		
Female	75	75	100		
Asian					
Male					
Female					
Coloured	1	1	100		
Male	0	0	100		
Female	1	1	100		
White	4	4	100		
Male	2	2	100		
Female	2	2	100		
Employees with a disability					
Total					

TABLE 5.7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2004 to 31 March 2005

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	52	52		210112		0.01
Skilled (Levels 3-5)	48	48		251116		0.02
Highly skilled production (Levels 6-8)	16	16		250201		0.02
Highly skilled supervision (Levels 9-12)	7	7		201699		0.01
Total	123	127		913128		0.05

TABLE 5.7.3 – Performance Rewards by critical occupations, 1 April 2004 to 31 March 2005

Critical occupations	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	Percentage of total within occupation	Total cost (R'00)	Average cost per employee
Total	N/A	N/A	N/A	N/A	N/A

TABLE 5.7.4 – Performance related Rewards (Cash bonus), by salary band, for senior management service

Salary Band	Beneficiary profile			Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A						
Band B						
Band C						
Band D						
Total	N/A	N/A	N/A	N/A	N/A	N/A

5.8 Leave utilisation for the period

1 January 2004 to 31 December 2004

TABLE 5.8.1 – Sick leave, 1 January 2004 to 31 December 2004

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	576	73.09	38	27.54	15.16	10789592
Skilled (Levels 3-5)	189	99.30	23	16.66	8.21	3782684
Highly skilled production (Levels 6-8)	139	93.52	10	7.25	13.9	1483136
Highly skilled supervision (Levels 9-12)	71	95.77	11	7.97	6.45	84000
Senior management (Levels 13-16)	29	96.55	4	2.90	7.25	41134
Total	1004	58.23	86	62.32	50.97	16180547

TABLE 5.8.2 – Disability leave (temporary and permanent), 1 January 2004 to 31 December 2004

Salary Band	Total days taken	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimate cost (R'000)
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (level 6-8)						

Highly skilled supervision (Level 9-12)						
Senior management (Level 13-16)						
Total	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 5.8.3 – Annual leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	1596	2.80
Skilled Levels 3-5)	1179	3.80
Highly skilled production (Levels 6-8)	803	5.57
Highly skilled supervision(Levels 9-12)	724	6.18
Senior management (Levels 13-16)	173	25.87
Total	4475	44.22

TABLE 5.8.4 – Capped leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004
Lower skilled (Levels 1-2)	148	18.5	18.5
Skilled Levels 3-5)	3	3	3
Highly skilled production (Levels 6-8)	15	15	15
Highly skilled supervision(Levels 9-12)	46	11.5	11.5
Senior management (Levels 13-16)	0	0	0
Total	212	48	48

TABLE 5.8.5 – Leave payouts for the period 1 April 2004 to 31 March 2005

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	N/A	N/A	N/A
Capped leave payouts on termination of service for 2004/05	N/A	N/A	N/A
Current leave payout on termination of service for 2004/05	R138037	9	R15337
Total	R138037	9	R15337

5.9 HIV and Aids & health promotion programmes

TABLE 5.9.1 – Steps taken to reduce the risk of occupational exposure

Units/Catagories of employees identified to be at high risk on contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
	Awareness programmes and policies are in place
N/A	

TABLE 5.9.2 – Details of Health Promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		x	
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		1 staff budget - R250 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Plan drafted and adopted by institution.
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		Stakeholders -Trading unit, Management, Union
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Draft policy submitted to CPO
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		Policy remains in draft form with CPO
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		(11) persons tested voluntarily.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		x	

5.10 Labour relations

TABLE 5.10.1 – Collective agreements, 1 April 2004 to 31 March 2005

Subject Matter	Date
Substantive agreement	06/2004

TABLE 5.10.2 – Misconduct and disciplinary hearings finalised, 1 April 2004 to 31 March 2005

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

Disciplinary hearings - 2003/2004	None
-----------------------------------	------

TABLE 5.10.3 – Types of misconduct addressed at disciplinary hearings

Types of misconduct	Number	% of total
Total	N/A	N/A

TABLE 5.10.4 – Grievances lodged for the period, 1 April 2004 to 31 March 2005

	Number	% of total
Number of grievances resolved		
Number of grievances not resolved		
Total number of grievances lodged	N/A	N/A

TABLE 5.10.5 – Disputes lodged with councils for the period, 1 April 2004 to 31 March 2005

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

TABLE 5.10.6 – Strike actions for the period, 1 April 2004 to 31 March 2005

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

TABLE 5.10.7 – Precautionary suspensions for the period 1 April 2004 to 31 March 2005

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	390
Cost (R'000) of suspensions	372

5.11 skills Development

TABLE 5.11.1 – Training need identified for the period 1 April 2004 to 31 March 2005

Occupational categories	Gender	Number of employees as at 1 April 2004	Training need identified at start of reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4		1	2	7
	Male	12		2		14
Professionals	Female	7		2	1	10
	Male	8		1	1	10
Technicians and associate professionals	Female	33		1	1	35
	Male	20				20
Clerks	Female	32		1		33
	Male	20		3		23
Service and sales workers	Female					
	Male					
Skilled Agriculture and Fishery workers	Female					
	Male					
Craft and related trade workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female	4				4
	Male					
Sub-total	Female	80		5	4	89
	Male	60		6	1	67
Total		140	0	11	5	160

TABLE 5.11.2 – Training provided, 1 April 2004 to 31 March 2005

Occupational categories	Gender	Number of employees as at 1 April 2004	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female			4		4
	Male			10		10
Professionals	Female					
	Male					
Technicians and associate professionals	Female			2	7	9
	Male			1	9	10
Clerks	Female			18		18
	Male			15		15
Service and sales workers	Female					
	Male					
Skilled Agriculture and Fishery workers	Female					
	Male					
Craft and related trade workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female					
	Male					
Sub-total	Female					
	Male					
Total				50	16	66

5.12 *Injury on duty*

TABLE 5.12.1 – Injury on duty, 1 April 2004 to 31 March 2005

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0.00
Temporary Total Disablement		
Permanent Disablement		
Fatal		
Total	1	0.00

5.13 Utilisation of Consultants

TABLE 5.13.1 – 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 5.13.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

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

TABLE 5.13.3 – 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 5.13.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) 1 April 2004 to 31 March 2005

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

Part F:

Annexures Inputs from Political Parties



Mr S Gqobana
Chief Whip of the Ruling Party



Mr A Trollip
Political Head - Democratic Alliance



Mr Z Mkhalele
Political Head - Pan Africanist Congress

Progress Report: African National Congress

Sicelo Gqobana

CHIEF WHIP OF THE RULING PARTY



ANC POLITICAL REPORT FOR ANNUAL REPORT

The African National Congress has 51 members in the Provincial Legislature of the Eastern Cape.

The executive committee comprises of the Premier, elected by the Legislature and 10 MECs appointed by the Premier. The executive committee comprises of the following Honourable Members(ANC)

Premier of the Eastern Cape	- Hon. N. Balindlela
Agriculture	- Hon. G. Nkwinti
Economic Affairs Environment and Tourism	- Hon. De Wet
Education	- Hon. M. Matomela
Finance	- Hon. B. Nel
Public Works	- Hon. C. Martin
Social Development	- Hon. T. Xasa
Safety and Security	- Hon. T. Mhlahlo
Housing and local government	- Hon. S. Kwelita
Sports Arts and culture	- Hon. M. Jajula

The remaining 40 members actively participate in the programmes of the Legislature and ensure that the Legislature performs its constitutional mandate, effectively and efficiently to give to the principles of democracy and ensure that the Legislature is managed administratively and politically. The following ANC members occupy offices/positions within the Legislature namely:

- Office of the Speaker – Hon. N. Kiviet
- Office of the Deputy Speaker- Hon. M. Marasha
- Office of the Chief Whip – Hon. S. Gqobana
- Office of the Deputy Chief Whip- Hon. A. Mtsi
- Office of the Chairperson of Committees- Hon. S. Mazosiwe
- Office of the Deputy Chairperson of Committees- Hon. G. Barry
- Whips : Hon. Nazo

Hon. Tom
Hon. Komose
Hon. Snell
Hon. Suka
Hon. Mampunye
Hon. Makupula

The ANC has a total of 46 constituency office within the Province. The offices are located in all regions of the Province and are situated as follows:

Amatole Region

East London	- Member deployed: Hon. A. de Wet
Gonubie	- Member deployed : Hon. W.H Nel
Buffalo Flats	- Member deployed: Hon. G.T Snell
KWT	- Member deployed : Hon. N. Jajula
Alice	- Member deployed : Hon. X. Tom
Middledrift	- Member deployed : Hon. N. Kiviet
Adelaide	- Member deployed : Hon. S. Mazosiwe
Great Kei	- Member deployed : Hon. S.Sogoni
Great Kei	- Member deployed : Hon. N. Balindlela
Seymour	- Member deployed : Hon. P. Hobongwana
Fort Beaufort	- Member deployed : Hon. M.M. Makhalima
Butterworth	- Member deployed : Hon.M. Qwase
Kentane	- Member deployed : Hon. L. Nazo
Willowvale	- Member deployed: Hon. Makupula
Ngqamakwe	- Member deployed : Hon. B. Tunyiswa
Elloitdale	- Member deployed : Hon. M. Basophu
Chaluma	- Member deployed : Hon. D. Komose

OR Tambo Region

Umtata	- Member deployed : Hon. Luyenge
Tsolo	- Member deployed : Hon. B. Goqwana
Qumbu	- Member deployed : Hon. T. Xasa
Mqanduli	- Member deployed : Hon. T.Bam
Lusikisiki	- Member deployed : Hon. N. Buka
Bizana	- Member deployed : Hon. P.J Mguni

Alfred Nzo Region

Maluti	- Member deployed : Hon. M. Marasha
Mt Frere	- Member deployed : Hon. P.C. Samka-Mququ

Cacadu Region

Blue Crane Route	- Member deployed : Hon. S.H. Gqobana
Camdeboo	- Member deployed : Hon. M. Schoeman
Sunday's River	- Member deployed : Hon. Gomomo
Kouga	- Member deployed : Hon.L. Johson & Hon. B. Sonjica
Koukamma	- Member deployed : Hon. G. Bary
Makana	- Member deployed : Hon. P. Nkayi
Ndlambe	- Member deployed : Hon. Nkwinti & Hon. V. Mtongana
Ikwezi	- Member deployed : Hon. B. Fihla
Baviaans	- Member deployed : Hon. J. Chalmers

KEY PERFORMANCE AREAS THAT ALL ANC MPLS HAVE TO INCLUDE IN THEIR CONSTITUENCY REPORTS ARE THE FOLLOWING

1. Constituency Offices as community advise offices

The aim is to advise and assist members of the community to access government goods and services , IDs , social grants, CCMA, UIF and many others.

Key performance indicators would include

- Number of cases dealt with and follow-ups
- Kinds of problems frequently encountered . It would be helpful to keep a director of local individuals and institutions that can be called upon in addressing some of these problems (social workers, trade unions, child welfare, Dept. of Labour, Legal aid board, local Minister of religion, rape crisis etc.)

2. Community empowerment through education and information

An informed community is an empowered community. As an organic part of the community , the constituency office is the best placed to educate and inform communities about government policies, programmes and services and about their human rights and the work of the Legislature.

3. Constituency Offices , Centre of Development and Empowerment

To empower and mobilise people to become conscious activists for development and transformation the MPL and his/her office should strive to build community consensus around positive value such as anti-crime , anti-corruption etc in this the MPL and his /her office should actively seek out and engage progressive community leaders and organizations in the tasks of transformation and development. These could be religious organizations , youth

, sports, pensioners, business , academics, women etc.

The member should also strive to initiate , support and strengthen community based structures and community development projects.

This support could take various forms like :

- Sourcing and assisting with leadership
- Organizing workshops and seminars and identify speakers
- Networking with other like minded structures and individuals to share ideas and resources.

It would also be advisable here to keep database of local individuals and organizations which can assist with training , advice and other resources.

4. Monitoring Efficiency of government programmes

The aim here is to ensure that government programmes reach their intended targets and produce their intended outcomes. Programmes in housing, health care, welfare, education etc, are intended to assist and assist and to meet to basic needs of the poor and the disadvantaged.

Sicelo Gqobana

CHIEF WHIP OF THE RULING PARTY

Progress Report: Democratic Alliance

ATHOL TROLLIP PROVINCIAL LEADER



DA POLITICAL REPORT FOR ANNUAL REPORT

The DA was pleased with its political support as its caucus grew from 4 to 5 elected representatives in April 2004. The DA had 4 members elected in 1999 and were later joined by the Hon. Chief Kakudi of the UDM in the first floor crossing period. Sadly Chief Kakudi passed away and was replaced by Hon. Pine Pienaar who was next on the DA party list, this was a great loss to the DA and the Chief is sorely missed.

The DA for the first time has an elected member from the former Transkei in, the Hon. Veliswa Mvenya, who was previously an Amatola District Councillor. The election of Hon. V. Mvenya has resulted in the first DA constituency office in the Transkei and is based in Butterworth.

The DA has constituency offices in the following areas:

East London	- Hon. A. Trollip MPL
King William's Town	- Hon. S. Farrow MP
Middleburg	- Hon. D. Smiles MPL
Butterworth	- Hon. V. Mvenya MPL
Port Elizabeth	- Hon. B. Stevenson MPL
	- Hon. E. Trent MP
	- Hon. D. Lee MP
Uitenhage	- Hon. P. Pienaar MPL
	- Hon. W. Le Roux MP
Humansdorp	- Hon. T. Delpont MP

Apart from these offices the DA has other constituency/service offices in Cradock, Grahamstown, Stutterheim, Willowmore and Steylerville. The DA prides itself for the community work that is performed from these offices ranging from social welfare queries to

municipal, provincial and national public queries. We have a proud record of responding to and resolving the public's queries relating to public service delivery at all levels, from departments to parastatals.

The DA has almost 100 councillors in its service across the Province from Kouga (West) to Umzimkulu (East), Ndlambe in the South to Gariep in the North. These councillors are expected to deal with the public at local level and they have a clear organisational communication channel to MPL's and MP's in order to deal with all the public issues that come to their attention.

The DA has a proven record of attendance at portfolio committee meetings, public hearings and workshops of the legislature. The combating of the scourge of HIV/Aids is a high priority for all our public reps. The DA knows that HIV causes Aids and that Aids cannot be cured. We promote abstinence for people outside long term relationships. If sex cannot be avoided, every precaution against infection should be taken by men and women. The access of infected people to ARV's remains a major concern that we continue to champion.

The health and education of our population, especially the youth, is of critical importance and MP's and MPL's are expected to monitor the delivery and provision of these services very closely in their constituencies.

The DA believes that without a strong principled and effective opposition, that the affairs of this province will not improve and that the lives of especially the poor, will not be uplifted. We aim therefore to always provide effective, coherent and constructive opposition.

Our staff hierarchy is currently as follows:

Leader's Secretary	- Ms Michelle Heuer
Whip's Secretary	- Ms Annette Rademeyer (above serves MPL P. Pienaar)
Member's Secretary	- Mrs Tessa Botha (above serves MPL V. Mvenya)

The DA had until recently, employed on a 6 monthly basis, a DA member from the previously disadvantaged community to perform reception duties and other office duties to gain work experience. This practise has ceased due to financial constraints, but we aim to continue this in the new year. The last two trainees were Mrs Chrisencia Dudumashe and Mr Sanele Magaqa.

I hope this will assist you with the Annual Report as discussed in the Rules meeting.

Athol Trollip
PROVINCIAL LEADER

Progress Report: Pan Africanist Congress of Azania

ZiM

PROVINCIAL LEADER



PAC POLITICAL REPORT FOR ANNUAL REPORT

The PAC has ten constituency offices in the Eastern Cape Province paid from the constituency allowance. It has recently opened new offices in Port Elizabeth, New Brighton, which are serviced by three (3) constituency co-ordinators.

Zingisa Mkabile

PROVINCIAL LEADER

