

Foreword

The Annual Report and Financial Statements of the Free State Legislature for the 2004/2005 financial year reflect on the performance of the obligations and functions of the Legislature as a constitutional institution of democracy. It must be acknowledged that the financial year under review was always set to inherently embody two significant milestones for the Legislature, namely (i) the end of term of the second democratic Legislature and (ii) the symbolical achievement of the first decade of democracy. As a result, various activities were initiated during the 2004/2005 financial year that combined the celebration of the achievements of the first decade of democracy whilst strategically positioning the Legislature to meet the challenges and demands that the future holds.

During the presentation of the Legislature's Vote to the Legislature during the same year, it was indicated that one of our priorities would be to continuously develop the Legislature as an institution that promotes good governance through participatory democracy and that embraces the principle of co-operative governance. We indicated that we would achieve our constitutional obligations through activities and initiatives aimed at exercising the Legislature's oversight function, facilitating public access, involvement and participation in the legislative process and to serve the citizens of the Free State in a manner that empowers and educates. We believe that we have made significant progress in realizing these priorities.

The past year has also seen a review of the internal arrangements of the Legislature. This included a major review of the organizational structure, a review of the Standing Rules and Orders and the finalisation of the Code of Conduct and Ethics for Elected Representatives. We believe that these initiatives will contribute to the way in which the Legislature promotes accountability, responsibility and openness.

Although we have taken the first few steps on the road to realizing the hopes and dreams of the people of the Province, we remain acutely aware of the challenges that lie ahead. The renowned author, W. Foster, once said; "Great leaders are never satisfied with current levels of performance. They are relentlessly driven by possibilities and potential achievements". This is the challenge of the elected representatives and employees of the Free State Legislature as we embark on the road towards the Second Decade of Democracy. We remain committed to ensure the realization of a better life for all, the transformation of society and the strengthening of democracy.

M.A. DUKOANA
SPEAKER

Overview by the Secretary to the Legislature

This annual report of the Free State Legislature covers the period April 2004 to March 2005 and contains the financial statements for the year ending 31 March 2005 as well as the Auditor-General's report thereon. The annual report is published in compliance with the spirit and provisions of the Public Finance Management Act. In this regard, the finalization of the Financial Administration of Parliament and Provincial Legislatures Act is still awaited as this will be the parliamentary version of the Public Finance Management Act.

The annual report details the delivered outputs of the Legislature and its Committees in pursuit of the exercise of its constitutional functions and obligations. It also includes key delivery outputs of the procedural and administrative support services rendered in support of the House, its Committees and Members.

The 2004/2005 financial year was marked by the third democratic elections that took place during April 2004. The election results changed the composition of the Free State Legislature and accordingly impacted on not only party representation but also individual representation. The report accordingly reflects these changes and the impact it has had on the procedural business of the House and Committees.

During the financial year under review, various major procedural and administrative activities and projects were undertaken. These include the continued implementation of the revised organisational structure, the transfer of functions and operational areas and the consequent need for policy review and amendments. The financial year also marked the celebration of "Ten Year of Democracy" and the report reflects various activities undertaken in this regard. Furthermore, various initiatives, aimed at improving the effective and efficient rendering of procedural and administrative services of the Legislature, were undertaken.

I wish to place on record my appreciation towards the Presiding Officers, Members of the Legislature as well as the management and staff who constructively contributed throughout the financial year to realize the aims of objectives of the Free State Legislature.

E.C. ROCKMAN

SECRETARY TO THE LEGISLATURE

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SECTION ONE

1. Introduction

- a) The Free State Legislature derives its mandate from the Constitution of the Republic of South Africa, Act No 108 of 1996. Section 10(1) of the Constitution provides that; “The legislative authority of a province is vested in its provincial legislature”. It confers powers on the Provincial Legislature to, *inter alia*, pass a constitution and legislation that fall within various functional areas listed in the relevant Schedules to the Constitution and to assign any of its legislative powers to a Municipal Council in a Province. The constitutional limitations within which a Provincial Legislature must operate is further provided for in section 104(3) as follows; “A provincial legislature is bound only by the Constitution and, if it has passed a constitution for its province, also by that constitution and must act in accordance with and within the limits of the Constitution and that provincial constitution.”
- b) Section 114(1) and (2) of the Constitution provide further for the powers of a Provincial Legislature to include; (a) the consideration, passing, amendment or rejection of bills, (b) to initiate or prepare legislation, except money bills, (c) to ensure that all provincial executive organs of state in the province are accountable to it and (d) to maintain oversight of the exercise of provincial executive authority in the province, including the implementation of legislation and any provincial organ of state.
- c) In addition to its constitutional duties and obligations, the general and specific powers of the Legislature are set out in Rules 127 to 130 of the Standing Rules and Orders.

1.1 Aim of the Vote

- a) The aim of Vote 2: Provincial Legislature is to provide for the remuneration of elected representatives and employees as well as to provide for the procedural and administrative support services required by the Legislature to fulfil its constitutional functions, *inter alia*, the consideration of legislation, the performance of monitoring and oversight functions, ensuring accountability by the Executive Council as well as facilitating and enhancing public participation in the legislative processes. The Vote also aims to provide the necessary and required facilities to the House, its Committees and Members and to enable political parties represented in the Legislature to secure administrative support services and to serve constituents.

1.2 General comments re financial position

- a) The Rules and Orders Committee approved the budget of the Legislature for the 2004/2005 financial year on 26 August 2003 in the total amount of R66.052 million. The Legislature’s initial allocation as per the Appropriation Act was R51.196 million. A

further amount of R10.768 million was allocated to the Legislature through the Adjustment Appropriation Act. The total amount appropriated to the Free State Provincial Legislature for the 2004/2005 financial year was therefore R61.964 million.

- b) The Legislature's Budget Vote (Vote 2) comprises of only one programme. The programme is sub-divided into the following economic classifications;
- Compensation of Employees
 - Goods and services
 - Transfer payments
 - Capital payments
- c) On 30 November 2004, the Minister of Finance published a notice in the Government Gazette in accordance with section 27(3) of the PFMA in which the provincial budget and programme structures were set out. The notice included a proposed budget and programme structure for Provincial Legislatures that will result in a change to the current budget format. The proposed budget and programme structure were, however, not finalized during the 2004/2005 financial year and is currently still the subject of further consultation and consideration.
- d) The total expenditure of the Free State Legislature for the 2004/2005 financial year amounted to R62.223 million. An amount of R259 000 was overspent during the reported period. The Legislature utilized its own income to fund the over-expenditure in terms of section 22(1) of the Public Finance Management Act (Act 1 of 1999). It should be noted that it is imperative that consensus should be reached at national level (amongst Provincial Legislatures, the respective Provincial and National Treasuries and Offices of the Auditor-General) regarding the accounting treatment of retained income of Provincial Legislatures. The apparent lack of uniformity in the approach and practices applied by the respective Provincial Legislatures, Provincial Treasuries and Offices of the Auditor-General in this regard was again evident in the audit of the financial year under review.

SECTION TWO

2.1 Presiding Officers

- a) The Presiding Officers of the Free State Legislature comprise of the Speaker, Deputy Speaker and Chairperson of Committees. The Speaker performs the functions and responsibilities assigned by relevant national and provincial legislation as well as the Standing Rules and Orders of the Legislature. This includes executing the responsibilities as Treasury of the Free State Legislature. The Speaker is the chairperson of the Rules and Orders Committee and the Programming Committee of the Legislature.
- b) The Deputy Speaker performs the functions assigned in terms of the Standing Rules and Orders, including acting in the position of Speaker as and when required, as well as specific functions as agreed amongst the Presiding Officers. The Deputy Speaker chairs, *inter alia*, the Internal Arrangements Committee and the Committee on Government Assurances. Political responsibility for gender issues at political level in the Legislature has also been assigned to the Deputy Speaker.
- c) The Chairperson of Committees equally performs specific functions assigned by the Standing Rules and Orders and is the Chairperson of the Chairpersons' Panel. The Chairperson of Committees also serves as the political champion of public participation and education initiatives.

2.2 Presiding Officers: Prior general elections of April 2004

- a) During the first few weeks of the 2004/2005 financial year, the Presiding Officers of the Legislature were as follows;

Speaker:	Mr. M.A. Dukoana
Deputy Speaker:	Mr. J.M. Aucamp
Chairperson of Committees:	Mr. P.H.I. Makgoe

2.3 Presiding Officers: Post general elections of April 2004

- a) Following the general elections, the election of Presiding Officers took place on 26 April 2004. The Judge President of the High Court of South Africa: Free State Provincial Division, Judge J.P. Malherbe, presided over the election of the Speaker. The newly-elected Speaker presided over the election of the Deputy Speaker and the House, by motion, elected the Chairperson of Committees of the Whole House.

- b) Following the inauguration and election of the new Presiding Officers and for the remainder of the 2004/2005 financial year, the Presiding Officers of the Legislature were as follows;

Speaker:	Mr. M.A. Dukoana
Deputy Speaker:	Ms. G. Mothupi
Chairperson of Committees:	Ms. S. Mnumzana

2.4 Leader of Government Business

- a) The MEC: Public Works, Roads and Transport, Mr. S.M.A. Malebo, served as the Leader of Government Business at the end of the second term of the Legislature during April 2004.
- b) The MEC: Education, Ms. M.A. Tsopo, was appointed by the Premier as Leader of Government Business following the April 2004 general elections and continued to serve in this position at 31 March 2005.

2.5 Speakers' Forum

The Speaker and Deputy Speaker participate in the Speakers' Forum that is constituted by the Speakers and Deputy Speakers of Parliament and all Provincial Legislatures.

2.6 Provincial Speaker and Chief Whips' Forum

The Speaker and Chief Whip of the Legislature have also constituted a provincial Speakers and Chief Whips' Forum. This forum provides a platform where Speakers and Chief Whips of local councils in the Free State Province can consult and engage on matters of mutual interest.

2.7 Support staff

Support staff of the Presiding Officers are contractual appointments linked to the term of office of the respective incumbents in the positions of Speaker, Deputy Speaker, Chairperson of Committees and Leader of Government Business. Expenditure incurred in this regard is linked to the budget item "Compensation of Employees" and constituted 8.17 % of the budget item during the 2004/2005 financial year.

SECTION THREE

3. The Political Landscape of the Free State Legislature

- a) The political landscape of the Free State Legislature is determined by the proportional representation of the respective political parties according to votes achieved during a general election and the consequent allocation of seats to parties who qualify in terms of relevant constitutional and legislative provisions. During the first term of the Legislature, i.e. 1994 to 1999, three political parties were represented in the Legislature, namely the African National Congress (majority party) the National Party (official opposition) and the Freedom Front. Four political parties were represented in the Legislature during the second term of the Legislature, i.e. 1999 to 2004. These four political parties were the African National Congress (majority party), the Democratic Alliance (official opposition – the party changed its name from Democratic Party to Democratic Alliance), the New National Party and the Freedom Front.
- b) The Legislature adopted a resolution on 10 February 2004 to dissolve in terms of section 109(1)(a) of the Constitution, 1996 and the respective political parties made their closing statements to the second term of the Legislature on 24 March 2004. The new financial year on 1 April 2004 therefore commenced in the environment of the pending general elections that took place on 14 April 2004.

3.1 Pre-elections: April 2004

- a) During the first weeks of the 2004/2005 financial year (prior to the general election), the Legislature comprised of 30 elected representatives from four different political parties as follows;

*	African National Congress:	25 Members
*	Democratic Alliance:	2 Members
*	New National Party:	2 Members
*	Freedom Front:	1 Member

- b) The allocation of Permanent Delegates to the NCOP during the first weeks of the 2004/2005 financial year (prior to the general election), was as follows;

*	African National Congress:	4 Permanent Delegates
*	Democratic Alliance:	1 Permanent Delegate
*	New National Party:	1 Permanent Delegate

- c) Although the Democratic Alliance and New National Party each held two seats following the 1999 general elections, the Democratic Alliance was determined as the

Official Opposition by former Speaker M.J. Mafereka. This determination was based on the fact that the DA received a higher number of votes cast in the 1999 general elections than the NNP.

- d) At the end of the second term of the Legislature, the following Members of the Legislature completed ten years of uninterrupted service as elected public representatives;

- i) Aucamp, J.M. (New National Party)
- ii) Buthelezi, M.A. (African National Congress)
- ii) Dukoana, M.A. (African National Congress)
- iii) Kganare, D.A. (African National Congress)
- iv) Kotsoane, I.W. (African National Congress)
- v) Mafereka, M.J. (African National Congress)
- vi) Makgoe, P.H.I. (African National Congress)
- vii) Tsopo, O. (African National Congress)
- viii) Oosthuizen, A. (Freedom Front)

- e) All of the above Members, excluding Mr. D.A. Kganare (ANC) and Mr. J.M. Aucamp (NNP) were returned to the Legislature following the April 2004-elections and commenced a third consecutive term as elected public representatives.

- f) At the end of the second term of the Legislature, the following Members served as Whips of the respective political parties;

- | | | |
|------|-----------------------------------|----------------------|
| i) | Chief Whip (ANC and Legislature): | Mr. S.J. Mohai |
| ii) | ANC Whip: | Mr. P.H.I. Makgoe |
| iii) | ANC Whip: | Ms. Q. Letsoha-Matae |
| iv) | ANC Whip: | Mr. A. Marais |
| v) | DA Whip: | Mr. D.A. Worth |
| vi) | NNP Whip: | Dr. J.J. Swanepoel |

- g) The Leader of the Official Opposition (Democratic Alliance) during the second term (1999 – 2004) of the Legislature, Adv. P.B. Geldenhuys, passed away during September 2004.

3.2 Post-elections: April 2004

- a) The results of the April 2004 general elections for the Free State Province were as follows;

Political Party	Votes	Percentage (%)
African Christian Democratic Party (ACDP)	13 488	1.32 %
African National Congress (ANC)	838 583	82.05 %
Azanian People's Organisation (AZAPO)	3450	0.34 %
Christian Democratic Party (CDP)	665	0.07 %
Democratic Alliance (DA)	90 609	8.87 %
Independent Democrats (ID)	6259	0.61 %
Inkatha Freedom Party (IFP)	4352	0.43 %
Keep It Straight and Simple (KISS)	294	0.03 %
Minority Front (MF)	182	0.02 %
Nasionale Aksie (NA)	1071	0.1 %
New Labour Party (NLP)	240	0.02 %
New National Party (NNP)	8380	0.82 %
Pan Africanist Congress of Azania (PAC)	13 277	1.3 %
Peace & Justice Congress (P.J.C.)	568	0.06 %
Employment Movement of South Africa (EMSA)	732	0.07 %
The Organisation Party (T.O.P.)	458	0.04 %
Socialist Party of Azania (SOPA)	1129	0.11 %
United Christian Democratic Party (UCDP)	6730	0.66 %
United Democratic Front (UDM)	9785	0.96 %
United Front (UF)	685	0.07 %
Freedom Front Plus (VF Plus)	21 107	2.07 %
Valid Votes	1022044	100 %
Spoilt Votes	20076	
% Poll	78.88 %	
# of Voters	1042120	

[Source: Report on the National and Provincial Elections 2004, www.elections.org.za/elections2004_static/asp]

- b) This resulted in the representation of elected representatives and political parties in the Free State Legislature for the duration of the 2004/2005 financial year as follows;

*	African National Congress:	25 Members
*	Democratic Alliance:	3 Members
*	Freedom Front Plus:	1 Member
*	African Christian Democratic Party:	1 Member

- c) The allocation of Permanent Delegates to the NCOP for the post-election period and for the duration of the 2004/2005 financial year, were as follows;

*	African National Congress:	4 Permanent Delegates
*	Democratic Alliance:	1 Permanent Delegate
*	Freedom Front Plus:	1 Permanent Delegate

- d) Details of public representatives, both at the expiry of the second term of the Legislature and as at 31 March 2005, are set out in Annexure One.

3.3 Official Opposition

The Democratic Alliance, holding 3 seats in the Legislature following the 2004-elections, is the largest minority party and is therefore recognized as the Official Opposition.

3.4 Determination of Whips to Political Parties

a) Following the inauguration of the new Legislature, the Rules and Orders Committee considered and reviewed the allocation of Whips to political parties. The Rules and Orders Committee determined the formula for the allocation of Whips to political parties on 30 April 2004 as follows;

- i) 1 Whip for every 8.69 Members per party;
- ii) The Chief Whip of the majority party is excluded from the formula of 1 Whip for every 8.69 Members and
- iii) Chief Whip of the largest minority party (DA – official opposition) is excluded from the formula.

b) Political parties who are not entitled to a Whip, still participate in Whips' meetings for preparation of sittings, etc.

c) Following the determination, the following Members were appointed as Whips and served in these positions as at 31 March 2005;

- i) Chief Whip (ANC and Legislature): Mr. M.C. Mokittane
- ii) ANC Whip: Ms. M.A. Buthelezi
- iii) ANC Whip: Ms. T. Mokoanyana
- iv) ANC Whip: Mr. T. Mofokeng
- v) DA Whip: Mr. P. Frewen

3.5 Orientation programme for Members of the Legislature

a) Following the April-2004 elections, 16 Members, representing three political parties, were inaugurated who had not previously served in the Free State Legislature. An in-house orientation programme for Members of the Legislature was facilitated from 5 to 6 May 2004. The orientation programme focussed on the following areas;

- i) Facilities, Benefits and Payments to Members of the Legislature;
- ii) Committee-system of the Legislature: Portfolio-, Household- and Select Committees;

- iii) Presentation by the Office of the Auditor-General on the role of the Auditor-General;
- iv) Presentation on the budget process and consideration of the Appropriation Bill;
- v) Presentation by the Political Office-Bearers' Pension Fund;
- vi) Presentation by PARMED;
- vii) Presentation on tax implication for elected public representatives. Separate focus areas were facilitated by KPMG;
- viii) Presentation on Standing Rules and Orders;
- ix) Presentation on the Public Finance Management Act and
- x) Presentation on the organizational structure of the Free State Legislature

3.6 Budget items and expenditure relating to political parties and elected representatives

The current budget structure of the Legislature's Vote does not provide for a direct illustration of the link between budget items and expenditure incurred in respect of political parties and elected representatives. This link can, however, be illustrated as follows;

a) Standard expenditure

The standard expenditure that the Legislature incurs in this regard includes the following;

i) Remuneration of elected representatives

The remuneration of political representatives is determined by the Independent Commission on Remuneration that submits its recommendations annually to the President. The remuneration of elected representatives for the 2004/2005 financial year were therefore dealt with in accordance with the Premier's proclamation printed in the Provincial Gazette of 18 November 2004 (Notice 204 of 2004) in terms of the proclamation of the President published in the Government Gazette of 5 November 2004, no. 54. The Legislature determined the remuneration of the Premier by motion in the House on 18 November 2004.

The responsibility for the payment of salaries and benefits of the Premier and Members of the Executive Council were transferred to the relevant Provincial Departments with effect 1 April 2003 and is therefore not accommodated in the Legislature's budget.

Expenditure relating to the remuneration of elected representatives constituted 29.69 % of the budget item "Compensation of Employees" during the financial year under review.

ii) Policy on Payment of Benefits, Facilities and Allowances to elected representatives

The Policy on Payment of Benefits, Facilities and Allowances provides for and outlines the conditions under which enabling facilities are made available to elected representatives. The Policy was reviewed during April 2004 and addresses enabling facilities such as (i) accommodation and relocation costs, (ii) communication allowances, (iii) travelling facilities, (iv) subsistence allowances, (v) study-aid for elected representatives and (vi) accident insurance.

Expenditure relating to enabling facilities relate to the budget item "goods and services", specifically telephone and cellular phone cost, travelling and accommodation costs, subsistence allowances and insurance costs.

iii) Transfer payments to political parties

The Policy on Payment to Political Parties represented in the Free State Legislature sets out the relevant formulas and conditions according to which transfer payments to political parties are made. Expenditure in this regard constituted 100 % of the budget item "transfer payments" during the 2004/2005 financial year and amounted to R8.330 million. This constitutes 13.39 % of the overall budget of the Legislature.

xi) Provision of furniture and equipment

The Legislature is responsible for the provision of office furniture, computer equipment and communication facilities to all Members and staff of the respective political parties. The first upgrade of office furniture for elected representatives since the inception of the Legislature in 1994 was undertaken during the 2004/2005 financial year. Office furniture that was still usable was reallocated for use. Communication facilities include the provision of office telephones to Members and staff as well as fax machines to political parties.

xii) Provision of office space

Office space is provided to political parties at the Legislature's cost. Given the increased needs and requirements of the respective political parties (as well as the changes to political parties represented in the Legislature following the 2004 elections), agreement regarding extensive renovations to be

undertaken at the cost of building management was concluded with RMB Properties. As a result, renovation, maintenance and repair work were attended to in the offices of most political parties. Payments in respect of office rent constitute 6.83 % of the overall budget of the Legislature.

b) Unavoidable expenditure arising from April 2004-elections

It is inevitable that the results of a general election may have direct financial consequences on the Legislature's budget. This was accepted and taken into account by both the Legislature and Provincial Treasury during the budget preparations for the 2004/2005 financial year. The following unavoidable additional expenditure resulted from the results of the general elections;

i) Payment of once-off allowance to non-returning Members

The President issued a proclamation (no 30 of 2004) in the Government Gazette (No. 26421) of 2 June 2004 in which a once-off special allowance, equivalent to one month's salary, was to be paid to an office-bearer who, on 13 April 2004, was a Premier, Member of the Executive Council or Member of the Provincial Legislature and who was not designated as a representative by the Electoral Commission in terms of section 105 of the Constitution of South Africa pursuant to the election on 14 April 2004. Provision was made, however, that no allowance was payable in terms of the proclamation to a person who, within one month as from 13 April 2004, was elected or appointed to any office under the State and received remuneration for serving in that office.

ii) Additional office space

Prior to the general elections, the New National Party was accommodated at its own offices in Willows, Bloemfontein. Following the results of the 2004-general elections, the New National Party did not secure any seats in the Free State Legislature. Additional office space had to be secured for the African Christian Democratic Party (ACDP) in the Legislature's rented office space in the Southern Life Plaza, Bloemfontein.

SECTION FOUR

4. Procedural and legislative business of the Legislature

4.1 General

The Programming Committee approves the programme of the Legislature which incorporates sittings of the House, meetings of Household -, Portfolio – and Select Committees, constituency periods and other activities of the Legislature. Specific provision is made for designated constituency days and constituency periods.

During the period under review, the pending 2004 general elections impacted significantly on the Legislature as more time had to be allocated to enable elected representatives to attend to constituency duties. Another aspect that was taken into consideration in the drafting of the Legislature's programme during this period, was the fact that the 2004 calendar year would celebrate the first 10 years of democracy in South Africa. Provision for the facilitation of specific projects of the Legislature in respect of these celebrations also had to be made.

During recess periods of the Legislature, sittings of the House and meetings of Committees are not convened as such recess periods specifically make provision for designated constituency periods. Voter awareness programmes were facilitated during the first weeks of April 2004. Following the general elections, the following recess periods were designated during the 2004/2005 financial year;

- ii) 25 June to 19 July 2004
- iii) 17 September to 1 October 2004
- iv) 10 December 2004 to 24 January 2005
- v) 21 March to 1 April 2005

4.2 Sittings of the House and details of business

Sittings of the Legislature convene as per the approved programme of the Legislature. The Whips' Committee, established in terms of Rule 187(2)(e) and constituted in terms of Rule 193, chaired by the Chief Whip, is responsible for the scheduling of business to be dealt with by the House.

The following sittings convened during the period under review and dealt with business as indicated;

Date	Business of the House
2004	
26 April	Inauguration of new Legislature
	Election of Premier, Speaker and Deputy Speaker
	Appointment of NCOP Permanent Delegates (ANC and DA)
14 May	Election of Chairperson of Committees
	Appointment of NCOP Permanent Delegate (FF Plus)
	Motion noting appointment of respective party Whips
	Motion noting election of Chairpersons of respective Portfolio Coms.
	Report by Rules and Orders Committee: Amendments to Rules and Orders
	Report : Safety & Security and Agriculture Committee on Chabeli petition
26 May	Premier's Opening Address
27 May	Tabling of Strategic Plans of Departments
	Debate on Premier's Opening Address
28 May	Motion: Leave of absence to Ms. C. Lobe for period longer than 30 days
	Premier's reply to Debate on Opening Address
1 June	Report of the Finance Committee
	General Debate on the Appropriation Bill
2 June	Tabling of Strategic Plan of Department of Agriculture
	Second Reading Debate: Appropriation Bill
3 June	Debate on Vote: Health
4 June	Debate on Vote: Finance
7 June	Debate on Vote: Local Government & Housing
8 June	Debate on Vote: Tourism, Environmental & Economic Affairs

Date	Business of the House
9 June	Appointment of Members to service on the Committee on Ethics and Members' Interests
	Debate on Vote: Public Works, Roads and Transport
10 June	Debate on Vote: Public Safety, Security and Liaison
	Debate on Vote: Sport, Arts, Culture, Science & Technology
11 June	Debate on Vote: Agriculture
14 June	Debate on Vote 7: Social Development
15 June	Debate on Vote 1: Premier
	Debate on Vote 2: Legislature
2 August	Tabling and referral of the Finance Bill [B3-2004]
	Tabling and referral of Reports of the Auditor-General: a) Allowances and Salaries of Councillors at Maluti-a-Phofung and Allowances of Councillors at Thabo Mofutsanyana[PR21/2004] b) Financial Statements of the Revenue Fund for year ended 31 march 2003 [PR39/2004]
26 August	Report of the Public Accounts Committee
	Tabling and referral of Report on: Settlement of Free State Development Corporation debt to Development Bank of South Africa.
	Debate: Women and Ten Years of Democracy
12 October	Report of the Committee on Public Works, Roads and Transport on the Strategic Plan of the Department.
	Report of the Committee on Public Works, Roads and Transport on the Road Ordinance Amendment Bill.
	Report of the Committee on Education and Sports, Arts, Culture, Science and Technology on Strategic Plans of the Departments.
	Report of the Committee on Local Government and Housing on Strategic Plan of the Department.
	Second Reading Debate: Free State Centre for Citizenship Education and Conflict Resolution Act Repeal Bill [B4-2004]

Date	Business of the House
12 October (continued)	Second Reading Debate: Free State Interim Passenger Transport Amendment Bill [B7-2004]
	Tabling and Referral of Annual Reports and Financial Statements of; a) Provincial Treasury b) Health c) Public Works, Roads and Transport d) Sport, Arts, Culture, Science & Technology e) Local Government and Housing f) Free State Legislature
13 October	Report of the Committee on Safety & Security and Agriculture on the Strategic Plan of the Department of Safety and Security and that Agriculture.
	Report of the Committee on Local Government and Housing on NCOP Provincial Week.
	Tabling and Referral of Annual Reports and Financial Statements of; a) Public Safety & Security and Liaison b) Social Development c) Education d) Phakisa Major Sport Event and Development Corporation e) Free State Premier's Economic Advisory Council f) Free State Gambling and Racing Board g) Free State Development Corporation
	Tabling and Referral of the General Report of the Auditor-General on the Audit outcomes of Local Government for the Financial year ended 30 June 2003
18 November	Report of the Chairperson of Committees on Voting Mandates submitted to the NCOP.
	Determination of salary and allowances of Premier.
	Second Reading Debate: Roads Ordinance Amendment Bill [B6-2004]
	Tabling of the Free State Public Transport Bill [B10-2004]

Date	Business of the House
25 November	Condolences on the Passing of the Chairperson of the NCOP, Ms. J. Kgoali by the Political Parties.
	Report of the Public Accounts Committee.
	Tabling and Referral of Adjustment Appropriation Bill [B11-2004]
	<p>Tabling and Referral of Annual Reports and Financial Statements of;</p> <ul style="list-style-type: none"> a) Education b) Tourism, Environmental and Economic Affairs c) Agriculture
	<p>Tabling and Referral of Reports of the Public Service Commission as follows:</p> <ul style="list-style-type: none"> a) Report on the Dispute Resolution Mechanisms in the Public Service (2003). b) Report on the investigation into management of Discipline in the Public Service (2003). c) Report on the Causes and effects of Mobility amongst Senior Management Service and Professional Staff in the Public Service (2003) d) Report on the Management of the Subsidized Motor Transport Scheme. e) Remunerative work outside the Public Service – an Investigation undertake in the Gauteng Provincial Health Sector (2004). f) Implementing Financial Disclosure Requirements. g) Investigation into the Re-Employment of persons retired due to ill-Health (2004). h) Report on the Abilities of the Departments to deal with Devolved Authority Regarding Remuneration and Conditions of Service (2004). i) Annual Report of the Public Service Commission (2003/2004).
2 December	Report of the Committee on Public Works, Roads and Transport regarding the Annual Report of the Department.
	Report of the Committee on Public Works, Roads and Transport Regarding Site Visits undertaken during November 2004.
	Report of the Committee on Public Works, Roads and Transport on the Interim Passenger Transport Amendment Bill.

Date	Business of the House
2 December (continued)	Report of the Committee on Tourism, Environmental and Economic Affairs on the Strategic Plan of the Department.
	Report of the Committee on Tourism, Environmental and Economic Affairs with regard to Site Visits.
	Report of the Committee on Safety & Security and Agriculture with regard to Site Visits.
	Tabling of the Notice on: Assuming of Responsibility for some Executive obligations of the Moqhaka Municipality and Phumelela Municipality by the Provincial Executive in terms of Section 139(1)(b) of the Constitution, 1996.
	That leave be granted for the Second Reading Debate on the Interim Passenger Transport Amendment Bill [B7-2004]
	That leave be granted for the tabling of the Free State Traditional Leadership and Governance Bill [B12-2004]
3 December	Tabling and Referral of the Annual Report and Audited Financial Statements of the Free State Youth Commission [2003/2004].
	Closing Statements by the Premier and Leaders of Political Parties Represented in the Legislature.
2005	
18 February	Premier's State of the Province Address
24 February	Debate on Premier's State of the Province Address
	Report of Committee on Social Development and Health on Site Visits and Projects Funded in the Xhariep District.
	Report of the Committee on Social Development and Health with regard to Strategic Plans on the Department of Health.
	Tabling & Referral of Annual Report & Audited Financial Statements of the Office of the Premier for the year ended 31 March 2004.

Date	Business of the House
24 February (continued)	<p>Tabling and Referral of Reports of the Auditor-General as follows;</p> <p>a) Forensic Audit Investigation into alleged Irregularities at the Lejweleputswa District Municipality [PR207/2004].</p> <p>b) Forensic Audit Investigation into alleged Irregularities Pertaining to the Procurement Process at the Motheo District Municipality [PR214/2004]</p> <p>c) Forensic Audit Investigation into alleged Irregularities at the Department of Social Development: Community Development Project [PR212/2004].</p> <p>d) Forensic Audit into alleged Irregularities at the Free State Provincial Treasury-Department of Finance, Expenditure and Economic Affairs [PR211/2004].</p> <p>Forensic Audit into alleged Irregularities at the Free State Liquor Board regarding forged Liquor Licences [PR01/2005].</p>
25 February	<p>Tabling and Referral of Reports of the Auditor-General as follows;</p> <p>a) The Financial Statements of the Kopanong Local Municipality for the Year ended 30 June 2003 and the results of the Kopanong Local Municipality's performance measurement for the year ended 30 June 2003.</p> <p>b) The Financial Statements of the Matjhabeng Local Municipality for the Year ended 30 June 2003 and the Results of the Matjhabeng Local Municipality's performance measurement for the year ended 30 June 2003.</p> <p>c) The Financial Statements of the Matjhabeng Local Municipality for the year ended 30 June 2002.</p> <p>d) The Financial Statements of the Tswelopele Local Municipality for the year ended 30 June 2003 and the results of the Tswelopele Local Municipality's performance measurement for the year ended 30 June 2003.</p> <p>e) The Financial Statements of the Lejweleputswa District Municipality for the year ended 30 June 2003 and the results of the Lejweleputswa District Municipality's performance measurement for the year ended 30 June 2003.</p>

Date	Business of the House
25 February (continued)	Tabling of the Report of the Leader of Government Business with regard to the compliance of the Premier and Executive Council of the Free State Province with provisions of section 17 of the Interpretation Act, No 33 of 1957.
	Reply to the Debate on the Premier's State of the Province Address
3 March	Report of the Committee on Finance, the Office of the Premier and the Legislature on the Adjustment Appropriation Bill
	Second Reading Debate: Adjustment Appropriation Bill
4 March	Tabling of Appropriation Bill [B2-2005] and Provincial Budget Speech
17 March	Report of Finance, Office of the Premier and Legislature Committee: Addendum to Finance Committee Report with regard to Adjustment Appropriation Bill.
	Tabling and referral of the General Law Repeal Bill [B 01-2005]
	Tabling and referral of the Finance Bill [B 3-2005]

4.3 Legislation

No legislative programme was received from the Executive Council during the period under review. The following legislation was, however, passed during the 2004/2005 financial year;

- a) Appropriation Act, No. 3 of 2004
- b) Finance Act, No. 4 of 2004
- c) Roads Ordinance Amendment Act, No. 5 of 2004
- d) Free State Interim Passenger Transport Amendment Act, No. 6 of 2004 and
- e) Adjustment Appropriation Act, No. 7 of 2004

4.4 National Council Of Provinces

- a) The National Council of Provinces (NCOP) is one of the two houses of Parliament. It represents the provinces to ensure that provincial interests are taken into account in the national sphere of government. It does this mainly by participating in the national legislative process, and by providing a national forum for public debate of important issues affecting the provinces.

- b) The April 2004 general elections also impacted on the functions and activities of the NCOP during the period under review. In this regard, it should be noted that during the months of April 2004. The NCOP's orientation programme for Permanent Delegates took place from 4 - 21 May 2004. Debates on the respective budget votes were scheduled for the period 24 May to 31 June 2004. The month of July 2004 was allocated for constituency work. No negotiating or voting mandates were required for the months of September 2004, December 2004, January 2005 and February 2005.
- c) A Workshop on Mandates Legislation was convened from 8 to 10 September 2004. The workshop considered the processes followed by provinces in terms of their rules and responses to the proposed new procedure in terms of mandates, the current 4-week cycle, the tagging of draft legislation and various other technical matters.
- d) The Free State Legislature participated in and executed its constitutional duties and obligations with regard to the various NCOP-matters during the 2004/2005 financial year as follows;

4.4.1 Negotiating and Final mandates

- a) Negotiating and final mandates were issued in respect of the Free State's vote on section 76 bills in the National Council of Provinces;
 - i) Older Persons Bill [B68-2003]
 - ii) Traditional Health Practitioners Bill [B66-2003]
 - iii) Dental Technicians Bill [B63-2003]
 - iv) Sterilisation Amendment Bill [B12-2004]
 - v) Choice on Termination of Pregnancy Amendment Bill [B72-2003]
 - vi) Division of Revenue Bill [B8B-2005]

4.4.2 NCOP Sitzings and other business

- a) An overview of NCOP sittings and other business in which the Free State Legislature participated during the 2004/2005 financial year can be provided as follows;

Date	Description
May 2004	
4 May	NCOP Sitting for the Inauguration of Permanent Delegates and the Election of Presiding Officers attended by Ms. B. Marshoff, Mr. M. Dukoana, Mr. C. Mokitlane and Mr. P.H.I. Makgoe.
5 May	NCOP Sitting for the adoption of NCOP Rules and Establishment of Committees.

Date	Description
10 May	Joint Sitting - Address by former State President, Mr. Mandela, and former Deputy President, Mr. De Klerk. Attended by Ms. B. Marshoff, Mr. M. Dukoana, Ms. G. Mothupi, Mr. C. Mokitlane, Ms. M.A. Buthelezi and Mr. H. Nketu as Special Delegates.
21 May	Joint Sitting: State of the Nation Address by President of RSA attended by Ms. B. Marshoff, Mr. M. Dukoana, Ms. G. Mothupi, Ms. O. Tsopo, Mr. H. Nketu and Mr. S. Mohai as Special Delegates.
June 2004	
5-6 June	NCOP Programming Workshop attended by the Deputy Speaker, Ms. G. Mothupi, the Chairperson of Committees, Ms. S. Mnumzana and the Deputy Secretary: Procedural Services, Mr. T.L. Mofokeng
August '04	
3 Aug.	Briefing on Older Persons Bill attended by Chairperson of Health and Social Development Committee, Mr. G. Ramathebane as Special Delegate.
6 Aug.	Briefing on the Financial Administration of Parliament and Provincial Legislatures Bill attended by the Chairperson of the Finance, Office of the Premier and Legislature Committee, Mr. A. Marais as Special Delegate.
25 Aug.	Briefing on the National Environmental Management: Air Quality Bill attended by the Chairperson of the Tourism, Environmental and Economic Affairs Committee, Mr. P. Khoarai as Special Delegate.
September	
15 Sept.	Address by the President of India attended by the Deputy Speaker, Ms. G. Mothupi, Ms. O. Tsopo (Leader of Government Business), Mr. T.S. Belot and Ms. S. Mnumzana (Chairperson of Committees) as Special Delegates.
20 Sept.	Workshop on delegated legislation attended by Ms. S. Mnumzana, Mr. T. Mofokeng and Mr. H. Nketu.
October '04	
5 October	Hearing on IGFR attended by Ms. O. Tsopo.
19 – 20 October	Public hearings on land reform attended by the Chairperson of the Safety & Security and Agriculture Committee, Mr. H. Nketu.

Date	Description
November 04	
5 November	President's Address to the NCOP attended by the Deputy Speaker, Ms. G. Mothupi, Ms. O. Tsopo, Mr. T.S. Belot and Ms. S. Mnumzana as Special Delegates.
24 November	Joint Sitting: Tribute to the late NCOP Chairperson, Ms. J. Khoali attended by the Premier, Speaker, Ms. O. Tsopo and Mr. Maloka as Special Delegates.
February '05	
1 Feb.	Meeting of Committee on Arts and Culture attended by the Chairperson of the Education and Sport, Arts, Culture Committee, Mr. P. Maloka
7 – 8 Feb.	Workshop on the Joint Monitoring Committee on the Improvement of Quality of Life and Status of Women attended by Ms. S. Mnumzana and Ms. M. Thoabala.
11 February	Joint Sitting – State of the Nation Address by the President of the RSA attended by the Premier, Speaker, Ms. C. Lobe, Ms. A. Buthelezi and Mr. H. Nketu as Special Delegates
15 February	Meeting of the Committee on Education attended by the Chairperson of the Education and Sport, Arts, Culture Committee, Mr. P. Maloka
23 February	Budget Speech by the Minister of Finance attended by the Premier.
March '05	
18 March	Address by the Deputy President attended by the Premier, Mr. S. Mohai and Ms. S. Mnumzana as Special Delegates.

4.5 Procedural Papers of the House

The review of the Standing Rules and Orders resulted in the inclusion of a description of the procedural papers of the House as described in Rule 28 of the Standing Rules and Orders. All procedural papers are published in the three languages of record used by the Free State Legislature, i.e. English, SeSotho and Afrikaans. The procedural papers include the following;

- i) Order Paper – prepared for sittings.
- ii) Minutes of Proceedings – produced after every sitting day of the Legislature.
- iii) Tablings, Announcement and Committee-Update – published every Friday, except when the Legislature is in recess.
- iv) Question Papers – published every Wednesday, except when the Legislature is in recess. The publication of Question Papers is also subject to questions being submitted by elected representatives.

4.5.1 Questions Papers

Only three Question Papers were published during the period under review as questions were not received from elected representatives for publication. Questions posed to the Premier and Members of the Executive Council during the financial year under review are as follows:

Portfolio	Oral	Written	Total
Premier	0	1	1
MEC: Agriculture	0	1	1
MEC: Education	0	2	2
MEC: Environmental Affairs & Tourism	0	0	0
MEC: Finance, Expenditure & Economic Affairs	0	0	0
MEC: Health	0	3	3
MEC: Local Government & Housing	0	4	4
MEC: Public Works, Roads & Transport	0	0	0
MEC: Safety & Security	0	0	0
MEC: Sport, Arts, Culture, Science & Technology	0	0	0
MEC: Welfare	0	2	2
Total		13	13

4.6 Budget items and expenditure relating to the procedural, legislative and NCOP-business of the House

- a) The link between budget items and direct expenditure relating to the procedural, legislative and NCOP-business of the House (excluding the remuneration of elected representatives) are illustrated as follows;
 - i) Compensation of employees who render procedural and administrative support services with regard to, amongst others, the following areas;

- Office of the Legal Advisor in respect of legislative, NCOP and procedural matters;
 - Table Staff Section, including preparation of procedural papers and duties performed in the House;
 - NCOP-section (in respect of the Bloemfontein and Cape Town offices);
 - Information Technology & Technical services, specifically sound;
 - Hansard staff, including interpretation services during sittings as well as the transcription, translation and printing of Hansard;
 - Procurement staff for the procurement of required stock, facilities and equipment, including logistical arrangements such as travel and accommodation requirements with regard to the NCOP and
 - Staff in the Household Services Section who are responsible for service officer duties during sittings as well as cleaning and preparation of the Fourth Raadzaal for sittings.
- ii) Expenditure in respect of travel, accommodation and daily allowances for elected representatives and staff who travel to Cape Town to attend to NCOP-business.
- iii) Expenditure relating to the costs of paper, photocopying and printing of procedural papers, reports to the Legislature and Hansard. Also included are costs associated with catering services and cleaning materials of the Fourth Raadzaal.
- iv) Expenditure relating to the costs of rental equipment such as photocopiers, the provision of computers and printers and the provision and maintenance of recording and sound systems as well as interpretation equipment.
- v) Expenditure relating to costs of office rent for staff involved as well as the costs of maintenance and repairs of the Fourth Raadzaal.

SECTION FIVE

5. Committee-system of the Legislature

5.1 Introduction

- a) The Committee-system of the Legislature comprises of three categories of Committees, namely Household -, Portfolio and Select Committees. The functions of these Committees are set out in detail in the Standing Rules and Orders of the Free State Legislature. Attention is, however, drawn to the following;
- i) The Rules and Orders Committee remains the highest decision-making body of the Legislature and is established in terms of Rule 188 of the Standing Rules and Orders. The Committee is, *inter alia*, responsible for the approval of the Legislature's budget.
 - ii) The powers, scope and functions of Portfolio Committees of the Legislature are set out in the Standing Rules and Orders, specifically Rules 197 and 198.

5.2 Household Committees

Household Committees deal in general with the internal arrangements and activities of the Legislature. During the period under review, the following Household Committees were established in terms of the Standing Rules and Orders;

a) **Committee on Rules and Orders**

The Committee is chaired by the Speaker and is the highest decision-making body of the Legislature. The Committee established functional Sub-Committees as follows; (i) Budget and International Visits, (ii) Labour Relations and Human Resource Development and (iii) Review of Standing Rules and Orders.

b) **Internal Arrangements Committee**

The Committee is chaired by the Deputy Speaker and deals with facilities and amenities for Members of the Provincial Legislature. During the period under review, the Committee dealt, *inter alia*, with the provision of housing facilities to Members who resides outside the municipal boundaries of the city of Bloemfontein. As a result of budget constraints, no progress could be made with regard to the required renovations and maintenance of the Fourth Raadzaal.

c) **Programming Committee**

The Programming Committee of the Legislature is a Household Committee established in terms of Rule 194 of the Standing Rules and Orders. The Committee is

chaired by the Speaker and key stakeholders in the programme of the Legislature, for example, the Leader of Government Business, the Chairperson of Committees and senior Whips of the Legislature serve on the Committee. The Committee deals essentially with the programme of the Legislature.

d) Chairpersons' Panel

Following the review of the Standing Rules and Orders, the functions previously exercise by the Prioritizing Committee were assigned to the Chairpersons' Panel. The Committee is chaired by the Chairperson of Committees and comprises of all Chairpersons of Portfolio Committees. The Panel considers all matters pertaining to the scope and functions of Portfolio Committees and advises on the Rules and Orders pertaining to Portfolio Committees. In addition, it deals with the referral of all NCOP-bills to relevant Portfolio Committees.

e) Whips' Committee

The Whips' Committee exercises the functions and powers conferred upon it by the Standing Rules and Orders of the Legislature. One of its main functions is to coordinate the arrangements re the procedural business of sittings of the House.

f) Committee on Ethics and Members' Interests

The Committee on Ethics and Members' Interests is charged with the following functions in terms of the Rule 190(4) of the Standing Rules and Orders with regard to the Code of Conduct and Ethics of Members of the Legislature;

- i) to implement the Code of Conduct for Members of the Legislature set out in the Schedule;
- ii) to develop standards of ethical conduct for Members;
- iii) to serve as an advisory and consultative body, both generally and to Members, concerning the implementation of the Code;
- iv) to regularly review the Code and make recommendations for its amendment; and
- v) to perform the other functions and exercise the powers reasonably assigned to the Committee in the Code and in terms of resolutions adopted in the House.

A workshop for all Members on the Register of Members' Interests was facilitated on 23 June 2004. The workshop was facilitated by the Registrar of Members' Interests at Parliament. In terms of the Standing Rules and Orders, the Committee must report to the House at least annually on the operation and effectiveness of the Code, but did not do so during the financial year under review.

g) Women's Multi-Party Caucus

The caucus comprises of all women MPL's from all political parties represented in the Legislature.

5.3 Portfolio Committees

Meetings of Portfolio Committees convene as per the approved programme of the Legislature. It should, however, be noted that only 17 out of the total number of 30 elected representatives are available to serve on Portfolio Committees. [Note that the Premier, Members of the Executive Council as well as the Speaker and Deputy Speaker do not serve on Portfolio Committees.] This results in a situation where one Member of the Provincial Legislature serves on at least 3 to 4 Portfolio Committees. As a result, the Legislature faces serious constraints in scheduling Committee-meetings to ensure that a quorum of Members is at least available in each Committee-meeting. This again has a consequential impact on the number of meetings scheduled for each Portfolio Committee.

5.3.1 Public Accounts Committee

The main function of the Committee is to consider Reports of the Auditor-General as tabled in the Legislature and referred to the Public Accounts Committee, to make recommendations to the Free State Legislature, to monitor the implementation of resolutions of the Committee, as adopted by the Legislature, and to make further recommendations to the House in this regard. An approved method of work for the Committee has been adopted. The work of the Committee necessitates a close working relationship with both the Office of the Auditor-General and the Provincial Treasury.

An orientation workshop, with presentations from, *inter alia*, Prof. Christina Murray (Professor of Constitutional and Human Rights Law, University of Cape Town) and Mr. S. Fakie (Auditor-General) was facilitated for the Committee on 21 June 2004.

The Committee considered, *inter alia*, the following matters;

Date	Matters attended to
16 August '04	Consideration of Replies to Resolutions of PROPAC
17 August '04	Consideration of the Report of the Auditor-General on the unauthorised payments made in respect of honorariums, councillor allowances and salaries at the Maluti-a-Phofung Municipality and councillor allowances at the Thabo Mafutsenyana District Municipality
19 August '04	Resolutions

Date	Matters attended to
16 September '04	Forensic Investigations Requested by the Department of Tourism, Environmental and Economic Affairs
28 & 29 October '04	Forensic Investigations Requested by the Department of Tourism, Environmental and Economic Affairs
9 Nov. 2004	a) Replies to Resolutions b) Report of the Auditor-General on the financial statements of Vote 2: Provincial Legislature for the year ended 31 March 2004 c) Report of the Auditor-General on the financial statements of Vote 4: Provincial Treasury for the year ended 31 March 2004
10 Nov. 2004	a) Report of the Auditor-General on the financial statements of Vote 5: Health for the year ended 31 March 2004. b) Report of the Auditor-General on the financial statements of the Phakisa Major Sport Events and Development Corporation for the year ended 31 March 2004 c) Report of the Auditor-General on the financial statements of the Free State Development Corporation for the year ended 31 March 2004 d) Report of the Auditor-General on the financial statements of the Free State Gambling and Racing Board for the year ended 31 March 2004
11 Nov. 2004	a) Report of the Auditor-General on the financial statements of the Centre for Citizenship Education and Conflict Resolution for the year ended 31 March 2004. b) Report of the Auditor-General on the financial statements of Vote 12: Sport, Arts, Culture, Science & Technology for the year ended 31 March 2004. c) Report of the Auditor-General on the financial statements of the Mmabana Cultural Centre for the year ended 31 March 2004. d) Report of the Auditor-General on the financial statements of the Basotho Cultural Village for the year ended 31 March 2004.
15 Nov. 2004	a) Report of the Auditor-General on the financial statements of Vote 8: Local Government & Housing for the year ended 31 March 2004.

	b) Report of the Auditor-General on the financial statements of the Free State Housing Fund for the year ended 31 March 2004. c) Report of the Auditor-General on the financial statements of Vote 9: Public Works, Roads and Transport for the year ended 31 March 2004.
16 Nov. 2004	a) Report of the Auditor-General on the financial statements of Vote 10: Safety, Security and Liaison for the year ended 31 March 2004. b) Report of the Auditor-General on the financial statements of Vote 7: Social Development for the year ended 31 March 2004. c) Presentation by the Directorate: Special Operations Regional Officer: Free State.
17 Nov. 2004	Resolutions
18 Nov. 2004	Resolutions
19 Nov. 2004	Resolutions
22 Nov. 2004	Resolutions
18 March '05	Consideration of resolutions and report

The Public Accounts Committee also gives recognition to the best performing Provincial Department/Vote and the best performing Local Council based on a standard set of evaluation criteria that the Members of the Committee completes upon consideration of the audit reports of each Department and Local Government. The prize-giving ceremony took place on 16 September 2004. The best performing Provincial Department/Vote for the 2003/2004 financial year was awarded to the Free State Legislature, whilst the Mangaung Local Council was awarded as the best performing Local Council for the 2003/2004 financial year.

The Public Accounts Committee also participated in the 8th Biennial Conference of the Australasian Council of Public Accounts Committees from 6 to 8 February 2005.

5.3.2 Education and Sport, Arts, Culture, Science & Technology Committee

The Committee deals with all functional areas of the Departments of Education and Sport, Arts, Culture, Science and Technology and relevant NCOP-matters. During the period under review, the Committee considered, *inter alia*, the following matters;

Date	Matters attended to
21 May '04	Consideration of background information on activities of previous Committee and formulation of workplan
19 Aug. '04	Consideration of Strategic Plans for 2004/2005 financial year of the Departments Education and Sport, Arts and Culture
2 Sept. '04	Consideration of Committee report on Strategic Plans of the Departments of Education and Sport, Arts, Culture for 2004/2005
30 Nov. '04	Consideration of Committee's report on site visits undertaken
1 Feb. '05	Accompanied National Assembly Committee on Sport to Virginia Sport Academy and USSASA in Bloemfontein
2 Feb '05	Joint meetings with sport councils
3 Feb. '05	Two Committees (NA and Legislature) visited the Free State Sport Science Institute
4 Feb. '05	Two Committees (NA and Legislature) met with the Department of Sport, Arts, Culture, Science & Technology
15 Feb '05	Committee met to consider its programme
23 Feb '05	Committee undertook a site visit to the Jimmie Roos – and Kroonstad Juvenile Schools.

5.3.3 Health and Social Development Committee

The Committee deals with all functional areas of the Departments of Health and Social Development and relevant NCOP-matters. During the period under review, the Committee considered, *inter alia*, the following;

Date	Matters attended to
18 May '04	Consideration of background information on activities of previous Committee and formulation of workplan
5 Aug '04	Briefing on Older Persons Bill & establishment of South African Social Security Agency
10 Aug '04	Public Hearing on Older Persons Bill
17 Aug '04	Formulation of negotiating mandate: Older Persons Bill
27 Aug. '04	Consideration of draft regulations on the Free State Initiation School Health Act
2 Nov. '04	Consideration of the Choice on Termination of Pregnancy Amendment bill (final mandate)
9 Nov. '04	Planning and consideration of preparations for site visits

Date	Matters attended to
10 Nov. '04	Site visits to Southern Landfill Dumping Site, Bloemfontein
11 Nov. '04	Site visit to clinic and a project funded by SOCDEV in Bethulie; site visit to clinic and Thusano Disability Project in Rouxville and site visit to clinic and Sivile VEP in Smithfield
9-10 March 2005	FFC Hearings

5.3.4 Committee on Finance, Office of the Premier and Legislature

The Committee deals with the functional areas of the Free State Legislature, the Office of the Premier and the Provincial Treasury and relevant NCOP-matters. The Finance Committee held a strategic workshop for all Members of the Legislature on 23 May 2004 at Village Bioketlo. During the period under review, the Committee also considered, *inter alia*, the following matters;

Date	Matters attended to
20 May '04	Consideration of background information on activities of previous Committee and formulation of workplan Consideration of Appropriation Bill
26, 27 & 31 May 2004	Consideration of Appropriation Bill
1 June 2004	Consideration of report on Appropriation Bill
12 Aug. 2004	Consideration of nominations for Free State Youth Commission
24 Aug. 2004	Consideration of nominations for Free State Youth Commission in terms of section 3 of the FS Youth Commission Act, as amended
8, 14 and 21 Sept. 2004	Met with former Commissioners for assessment of previous terms of the Free State Youth Commission
7 October '04	Public hearing on FFC
12 October 2004	Consideration of nominations for Free State Youth Commission in terms of section 3 of the FS Youth Commission Act, as amended
21 Oct. '04	Consideration of quarterly reports from Provincial Departments
2 Dec. '04	Consideration of Adjustment Appropriation bill
16 Feb. '05	Consideration of Adjustment Appropriation Bill and Annual Report
25 Feb. '05	Consideration of Adjustment Appropriation Bill
2-3 March '05	Consideration of Division of Revenue Bill
7-10 March '05	Consideration of Appropriation Bill
15-16 March	Consideration of Appropriation Bill

5.3.5 Local Government and Housing Committee

The Committee deals with all matters pertaining to the Department of Local Government and Housing and relevant NCOP-matters. During the period under review, the Committee considered, *inter alia*, the following matters;

Date	Matters considered
10 Aug '04	Meeting with Department of Local Government & Housing to consider departmental strategic plan for 2004/2005 financial year
31 Aug. '04	Meeting with SALGA
6 Sept. '04	Meeting with MEC: Local Government & Housing and SALGA, Free State
7 Sept. '04	Meeting with Mayor, Councillors and CBO's of Maluti-a-Phofung Municipality
8 Sept. '04	Meeting with Mayor, Councillors and CBO's of Mafube Municipality
9 Sept. '04	Meeting with Mayor, Councillors and CBO's of Moqhaka Municipality
10 Sept. '04	Meeting with Mayor, Councillors and CBO's of Motheo District Municipality
7 Oct. '04	Consideration of Report on NCOP Provincial Week
21 Oct. '04	Consideration of Report on Annual Report of Department of Local Government & Housing
3 Feb. '05	Consideration of Free State Traditional Leadership and Government Bill
15 Feb. '05	Meeting with Mayor, Councillors and Ward Committees of Phumelela municipality
16 Feb. '05	Meeting with CBO's, SANCO, business community, organised labour, municipal manager and senior officials in Phumelela Municipality

5.3.6 Public Works, Roads and Transport Committee

The Committee deals with all matters pertaining to the Department of Public Works, Roads and Transport and relevant NCOP-matters. During the period under review, the Committee considered, *inter alia*, the following matters;

Date	Matters considered
20 Aug. '04	Consideration of Department's Strategic Plan in terms of Regulation 5 of Treasury Regulations and consideration of Free State Roads Ordinance Amendment bill
26 Aug '04	Meeting with Department to consider Strategic Plan of Department of 2004/2005 financial year

Date	Matters considered
1 Sept. '04	Consideration of Committee Report on the Department's Strategic Plan for 2004/2005 financial year
9 Sept. '04	Consideration of Report on Free State Road Ordinance Amendment Bill
6 & 20 Oct. '04	Consideration of the annual report of the Department, the Free State Road Ordinance Amendment Bill and the Free State Interim Passenger Transport Amendment Bill.
16 & 17 Nov. 2004	Site visits to projects and programmes in Xhariep district
18 Nov. '04	Consideration of report on site visits undertaken

5.3.7 Safety & Security and Agriculture Committee

The Committee deals with all functional areas of the Departments of Public Safety, Security and Liaison and Agriculture as well as NCOP-matters. During the period under review, the Committee considered, *inter alia*, the following matters;

Date	Matters considered
17 Aug. 04	Meeting with Department to consider Strategic Plan of Department of 2004/2005 financial year
1 Sept. '04	Meeting with MEC: Public Safety and Liaison to consider strategic plan of Department for 2004/2005
6 Oct. '04	Consideration of Department's strategic plans
25 Oct. '04	Site visit to Paradys experimental farms, UFS
26 Oct. '04	Site visit to Grain SA, Bothaville and Allem-brothers, Viljoenskroon
28 Oct. '04	Site visit to small grain institute and an apple project, Bethlehem
24 Nov. '04	Consideration of report on site visits undertaken
8 Feb. 05	Site visit to Makwane and Phuthaditjhaba Police Stations
9 Feb. '05	Site visit to Phuthaditjhaba police stations
10 Feb. '05	Consideration of Annual Report of Department
28 Feb. '05	Site visit to Sasolburg police station, Correction Service Centre and Magistrate Court
1 March '05	Visited Kroonstad and Virginia police stations, Magistrate's Court and Correctional Service institutions together with the NCOP Committee
2-3 March '05	Visited local police stations, Magistrate's Courts and Correctional Service institutions in Odendalsrus, Welkom and Bloemfontein together with the NCOP Committee
4 March '05	Meeting with the MEC: Public Safety and Liaison, Departments of Correctional Service, Justice and the SAPS provincial management together with NCOP Committee

The Committee also undertook a study visit to New Zealand during February 2005.

5.3.8 Tourism, Environmental and Economic Affairs Committee

The Committee deals with all functional areas pertaining to the Department of Tourism, Environmental and Economic Affairs as well as NCOP-matters. During the period under review, the Committee considered, *inter alia*, the following matters;

Date	Matters considered
20 May '04	Meeting with Department to consider Strategic Plan of Department of 2004/2005 financial year
2 Sept. '04	Meeting with MEC: Tourism, Environmental & Economic Affairs to consider Strategic Plan of Department
17 Sept. '04	Consideration of Air Quality Bill
5, 19 & 26 Sept. '04	Consideration of Report on Strategic Plan of Department and resignation and election of Chairperson
3 Nov. '04	Site visit to Lake Xhariep Dam.
4 Nov. '04	Site visit to Matjhabeng Industrial Park and Ligia toilet paper plant
23 Nov. '04	Consideration of strategic plan of Department

5.4 Budget allocations to Portfolio Committees

Provision is made for specific budget allocations to Portfolio Committees. Expenditure with regard to travelling, accommodation, catering and transport (rental vehicles and public transport) arising from Committee-activities, including NCOP-matters, are allocated to the specific Portfolio Committees. The Chairpersons of Portfolio Committees are responsible for consideration and recommendation of relevant service providers to be utilized.

SECTION SIX

6. Procedural and administrative support services

The implementation of the revised organizational structure (as approved by the Rules and Orders Committee during January 2004) continued during the 2004/2005 financial year. The core functions of each of the main functional areas of the administrative and procedural support services of the Legislature are briefly summarized ;

6.1 Office of the Secretary to the Legislature

The Office of the Secretary to the Legislature comprises of the Internal Audit Unit, the Public Participation and Education Unit, the Security Unit and an Administrative Unit.

6.1.1 Internal Audit Unit

- a) No progress was made with regard to the expansion of the Internal Audit Unit due to budget constraints and only one staff member was employed in the Unit during the financial year under review. During the period under review, the Unit focussed on conducting specific assignments and projects regarding compliance with internal policies of the Legislature, e.g. leave verification, the utilization of official transport and a comparison of audit findings in respect of the gift shop between the 2002/2003 and 2003/2004 financial year and an evaluation whether the identified corrective measures that were required had been implemented.
- b) The Rules and Orders Committee reviewed its approach to the establishment of the Audit Committee and approved a formal terms of reference within which the Audit Committee will operate. The terms of reference provides for the appointment of Audit Committee members and this process was initiated at the end of the financial year. Some progress was made with regard to the development of appropriate internal audit policies and processes. A risk assessment workshop was conducted and a risk assessment report was produced. An internal audit coverage plan was also produced. The service provider, however, developed unforeseen internal organizational problems and failed to conclude the work at the end of the financial year under review. The matter should be concluded during the 2005/2006 financial year.

6.1.2 Public Participation and Education Unit

Section 118(1) of the Constitution requires that the Provincial Legislature must facilitate public involvement in the legislative and other processes of the Legislature and its Committees and to conduct its business in an open manner. The Public Participation and Education Unit comprises of two components, namely Public

Participation & Education and Public Relations. Priority was given to the further establishment and staffing of the Public Participation and Education Unit during the 2004/2005 financial year. Further details of activities of the Public Participation and Education Unit are provided in paragraph 6.5.

6.1.3 Administrative Unit

The Administrative Unit is responsible for the rendering of specific and general administrative services to the Secretary to the Legislature, the Manager: Secretary's Office and the Internal Audit and Security Units. The Unit is also responsible for the establishment and maintenance of a procedural archive of sittings of the Legislature. During the 2004/2005 financial year, the Unit commenced with the re-establishment of the administrative and filing systems in the Office of the Secretary to the Legislature and the procedural archive. The Manager: Office of the Secretary and the Senior Administrative Officer participate in the Provincial Record Managers Forum.

6.1.4 Security Unit

The Security Unit deals on a continuous basis with all aspects pertaining to matters of security and cooperates with the South African Police Services and/or other organizations, as and when the need arises. The appointment of additional security officers was also prioritized during the financial year under review. Essential required upgrades and expansion of electronic security systems were attended to.

6.2 Office of the Legal Advisor

- a) The Office of the Legal Advisor is responsible for the rendering of all legal services to the Presiding Officers, Committees, Members and the Office of the Secretary to the Legislature. The Office cooperates, *inter alia*, on relevant matters with the State Law Advisors, the Office of the State Attorneys and private law firms, if and when necessary. The Office also advises and/or represents the Legislature in labour matters.
- b) The Office of the State Attorneys continued to deal with various matters pertaining to outstanding debt to the Legislature. In one of the matters, outstanding debt was fully recovered and settled. The recovery of outstanding debt through an emolument order (obtained during the previous financial year) continued during the 2004/2005 financial year.
- c) Two new units, namely (i) the Monitoring and Compliance Unit and (ii) the Members' Interests Unit, were established in the Office of the Legal Advisor as a result of the reorganization process. The Members' Interests Unit currently comprises of only one staff member and deals with matters pertaining to the Register of Members' Interests

as well as training, development and special interest needs and requirements of elected representatives.

- d) No progress could be made with regard to the establishment of the Monitoring and Compliance Unit due to budgetary constraints. It is envisaged that this Unit will be responsible to facilitate a process through which the oversight function of the Legislature can be exercised.

6.3 Division: Procedural Services

- a) The Procedural Services Division comprises of the Office of the Deputy Secretary: Procedural Services and the Directorates of Hansard and Legislation and Proceedings. The Table Services Unit deals with the drafting and production of all procedural documentation of the Legislature.
- b) The Directorate: Hansard is responsible for the production of verbatim reports of sittings and/or Committee-meetings as well as the rendering of translation and interpretation services. A terminology development unit is also established in the Directorate. It should be noted that the Hansard is produced in the three languages of record of the Legislature, i.e. English, SeSotho and Afrikaans. Two staff members received accreditation from the South African Translators Institute (SATI) for translations from Afrikaans into English.
- c) The Directorate Legislation and Oversight comprises of two components, namely Committee and Research Services Section and the NCOP and Library Section. Priority was given to the appointment of additional committee coordinators and researchers during the financial year under review. The ideal staffing ratio that is strived for is to assign a committee coordinator and researcher to each Portfolio Committee. This has, however, not been possible due to financial constraints.

6.4 Division: Corporate Services

- a) The Division Corporate Services comprises of the Office of the Deputy Secretary: Corporate Services (including the Procurement Unit) and two Directorates, namely (i) Human Resource Management and (ii) Institutional Support. Provision was made for an Internal Policy Coordinator in the Office of the Deputy Secretary: Corporate Services.
- b) The Directorate: HR Management is responsible for the rendering of all human resource related functions, including personnel administration, labour relations, skills development and social responsibility. Provision was also made for the establishment of a Performance Management Unit. The Directorate has been formally structured

into units, namely (i) Personnel Administration, (ii) Skills Development, (iii) Employee Assistance Unit, (iv) Labour Relations and (v) Performance Management. A process for the development of new job descriptions for posts that did not previously exist on the organisational structure of the Legislature was initiated. The review process of existing job descriptions also commenced during the period under review.

- c) The Directorate: Institutional Support comprises of the following units; (i) Information Technology, (ii) Household Services and (iii) Members' Support Services. The appointment of an IS Manager was prioritized during the financial year under review. Appointments in the Members' Support Services and Household Services Sections were also prioritized to facilitate the transfer of functions to appropriate directorates and sections. An extensive upgrade of computer equipment was also attended to.

6.4 Division: Finance

The Finance Division comprises of the following units; (i) budget section, (ii) payment section, (iii) accounting services and (iv) asset and fleet management. Priority was also given to additional staff appointments in the Finance Division. Three new staff members were appointed in respectively the payment section (1) and accounting section (2). One of the newly-appointed staff members in the accounting section, however, resigned before the end of the financial year under review.

6.5 Public Participation and Education

The strengthening of the Public Participation and Education Unit enabled the Legislature to increase the activities that it undertakes with regard to the promotion of public education, information and awareness initiatives. In addition to determining its own priorities and programmes, some priorities are determined and shared amongst the legislative sector at national level. Key public participation and education programmes held during the year under review included the following;

6.5.1. Ten Years of Democracy Celebrations

The programme of Ten Years of Democracy celebrations commenced early in the 2004 calendar year with the participation in the University of the Free State's RAG and the roll-out of the school competition. Other programmes that formed part of the Ten Years of Democracy celebrations, included the following;

a) Democracy Rally

A Ten Year Democracy Celebration Rally was held on 24 April 2004 at Goodyear Park, Bloemfontein. The event comprised of the building of a big 100-piece puzzle in the form of the national flag. Mayors of all municipalities (local and district), various national and provincial government departments, institutions of state as well as

representatives from business and community organisations participated in the event. These included, for example, representatives from the judiciary, the Office of the Public Protector, the Human Rights Commission, the Office of the Auditor-General, the Provincial Commissioners of the SAPS and Correctional Services, the Public Service Commission, the Youth and Gender Commissions, representatives from SANGOCO, representatives from tertiary institutions and various provincial sporting codes as well as Members of the Provincial Legislature.

A major disappointment was the withdrawal of all provincial departments on the day prior to the event.

b) Leratong Children's Home and Thekolohelong Old Age Home, QwaQwa

An event was hosted on Saturday, 22 May 2004, at the Leratong Children's Home and Thekolohelong Old Age Home in QwaQwa. It comprised of a party and entertainment for the children and a lunch for the old-aged persons. The Legislature partnered with the Provincial Department of Social Development, various organisations and private sector companies to donate identified items to the two institutions. The list of donations was as follows;

- i) The RAG (Receive and Give) organization, University of the Free State, donated R6000 and KPMG donated R1200 which was used to buy blankets for the Leratong Children's Home. [RAG is the annual fundraising initiative of students of the University of the Free State.] A total number of 200 blankets were donated to the Leratong Children's Home.
- ii) Telkom, Free State, sponsored toys that were donated to the Leratong Children's Home.
- iii) Telkom, Free State, also provided the jerseys and shirts that were donated to the Thekolohelong Old Age Home.
- iv) Kloppers, Bloemfontein, sponsored 50 % of the purchase price of a Nutec 74cm television that was donated to the Thekolohelong Old Age Home. The Legislature contributed the remainder of the purchase price.
- v) Bloemfontein Protea Hotel donated various food products to both institutions.
- vi) The Thabo Mofutsenyana District Council who donated various clothing items to the Thekolohelong Old Age Home.

c) Youth Sport Festival

A Youth Sport Festival was held from 19 to 20 June 2004 in Lejweleputswa that was aimed at promoting mass-based sport participation. Various sport competitions were held on 19 June 2004 including soccer, netball, rugby, basketball (boys), table tennis, volleyball (boys) and softball. A Golf Youth Day was held on 20 June 2004 at the Oppenheimerpark Gold Club. [Winners of the different sporting codes are set out in Annexure 2] The Legislature partnered with various sport organizations in order to successfully host the event.

d) Women's Celebrations

An event to celebrate Women's Day in the context of Ten Years of Democracy was held from 27 to 28 August 2004 in Koffiefontein. The Legislature partnered with the Letsemeng Municipality to organise the event. The event took the format of a competition for the exhibition of products from community development projects in the Xhariep district, followed by an underground mine visit and ending with a gala dinner during the evening. The Legislature contributed prize money of R30 000 to the competition. Winners of the respective categories for the exhibition of products were as follows;

i) Sewing:

- 1st prize: Itumeleng, Jagersfontein
- 2nd prize: Tusetsang, Fauresmith
- 3rd prize: Phula O Phedise

ii) Arts and Crafts:

- 1st prize: Kgaladi Crafts, Koffiefontein
- 2nd prize: Sheet Metal Workshop
- 3rd prize: Ditema, Zastron

iii) Stock Farming:

- 1st prize: Dankbaar Meat Production, Koffiefontein
- 2nd prize: Itsokolele Poultry

iv) Irrigation:

- 1st prize: Itumeneleng vegetables, Petrusburg
- 2nd prize: Ebenezar, Koffiefontein

d) Children-project, Botshabelo

The Legislature also participated in a democracy celebration with children born in 1994 Botshabelo Hohle Primary School on 19 November 2004.

e) Prize-giving ceremonies at schools

The prize-giving ceremonies at schools of the respective winners of the School' Competition continued during April and May 2004. The competition comprised of the following elements; (i) a colouring competition for Grades 1 to 3, (ii) a poster competition for Grades 4 – 7 and (iii) an essay competition for Grade 8 – 12. Essays could be submitted in either Sesotho, Afrikaans or English. A list of all winners was included in the Annual Report of the 2004/2005 financial year. The prize-giving ceremonies were attended by Members of the Legislature who also utilized the opportunity to inform the teachers, learners and parents about democracy and the role of the Free State Legislature.

6.5.2 Bloemfontein Show

One of the new projects embarked on during the financial year 2004/2005, was the Legislature's participation in the Bloemfontein Show held from 27 April to 8 May 2004. The theme of the Legislature's exhibition was the "Decade of Democracy". It provided a platform to promote the Legislature's achievements during the past 10 years and to raise public awareness about the Legislature as a democratic institution. Hand-toys with questions and answers about the Free State Legislature and democracy were handed out for free during the show. The interest in the Legislature's exhibition is also illustrated by the fact that 1026 tickets were sold at R5.00 each for a lucky draw in which two prizes (Zippy Nippy's) could be won. The cost of the Zippy Nippy's was covered by the sale of the tickets.

6.5.3 Youth Parliament

The Public Participation and Education Unit assisted the Youth Commission with the hosting of a Youth Parliament on 3 June 2004 at the Fourth Raadzaal.

6.5.4 Women's Day

National Women's Day was celebrated on the 9th of August 2004 at Mantsopa Village in Ladybrand. The purpose of the event was to inform the public about the role and functions of the Free State Legislature.

6.5.5 People's Assembly

The Legislature participated in the People's Assembly event that linked Parliament and the nine Provincial Legislature via satellite on 25 October 2004. A preparatory workshop with participants was held on 10 October 2004 with a rehearsal for the People's Assembly taking place on 24 October 2004. The purpose of the event was to familiarise the different sectors and the community with the Bill of Rights as the main theme. It was also aimed at promoting dialogue and engagement between the

public and elected representatives on how the Constitution has impacted on the lives of ordinary people through the sharing of their experiences.

6.5.6 ID Campaign

The Legislature and the Department of Home Affairs continued its cooperation campaign with regard to the distribution of ID-documents in the Free State Province. The campaign unfolded in the Lejweleputswa, Motheo, Xhariep and Thabo Mofutsanyana-districts.

6.5.7 Legislature's Annual Golf Day

The Free State Legislature hosted a Golf Day on 12 November 2004. The purpose of the golf day was to raise funds for two charity organizations, namely (i) Sakhi Sizwe HIV/AIDS home-based care organization in Koffiefontein and (ii) Winburg HIV/AIDS Home Care organisation in Winburg. A donation of R15 000 was made to each of the organisations.

6.5.8 Human Rights Day Celebrations

The Legislature facilitated its Human Rights Day celebrations in Sasolburg in partnership with the South African Human Rights Commission, the Department of Justice and the South African Non-governmental Coalition (Free State) on 21 March 2005.

6.5.9 Africa Day Celebrations

Another new project facilitated by the Legislature was Africa Day Celebrations on 23 March 2005. The celebrations comprised of a tree-planting ceremony at the Seisa Ramabodu Stadium, Bloemfontein. Cultural events were performed by Flaxman Qopane and Zolani Mkiva. Following the tree-planting ceremony, a soccer match was played between the teams of the Free State Legislature and the Lesotho Parliament. A gala event was held during the evening at which the internationally acclaimed Ladysmith Black Mambazo and Peter Ntwane performed. The Legislature also published a booklet comprising information about the national flags and capital cities of each country on the African continent, the constitutive act of the African Union and information regarding the New Partnership for Africa's Development (NEPAD).

6.5.10 Taking Parliament to the People Campaign

A decision was taken to take a different approach to sittings of the Legislature scheduled for the consideration of the Appropriation Bill. It was agreed that sittings of the Legislature will convene in the respective districts of the Provinces and that the sittings will be preceded by public hearings and/or site visits by relevant Portfolio Committees. The Public Participation and Education Unit was therefore charged with

the responsibility of ensuring that suitable preparations are made in the respective districts for Committee-meetings and sittings. Pre-visits to all identified towns in the respective districts were conducted during March 2005.

6.5.11 Publications, information and branding

The Public Relations Unit also attended to some of the following;

- a) Printing of deskpads and calendars for 2005 calendar year
- b) Printing of business cards and invitations to various events
- c) Printing of conference folders
- d) Sourcing of various corporate branding products, e.g. gazebo's and banners with the Legislature's logo.
- e) Printing and distribution of a booklet on the budget process
- f) Printing and distribution of a booklet on Africa Day
- g) Printing and distribution of a booklet promoting national and provincial symbols
- h) Sourcing of printed t-shirts for events such as the Annual Golf Day, Human Rights Day and Women's Celebrations.

6.5.12 Other events

Other events and activities attended to by the Public Participation and Education Unit included the following;

- i) Workshop for Student Parliament with Central University of Technology (Free State) held on 15 July 2004;
- ii) Visit by the Chinese People's Association for Friendship with Foreign Countries (2-4 August 2004);
- iii) Meeting of the Procedural Staff Forum (2 September 2004);
- iv) Tree-planting ceremonies with Members at various schools on 3 September 2004 as part of celebrations of National Arbor Week;
- v) Public Accounts Committee prize-giving ceremony (16 September 2004);
- vi) Legislature's participation in MACUFE Jazz Festival (9 October 2004);
- vii) Members' and staff closing functions during December 2005;
- viii) Preparations for site visits and public hearings undertaken by Portfolio Committees (continuously through financial year);
- ix) Media breakfast on 15 February 2005 and
- x) Official Opening on 18 February 2005

6.6 Key developments with regard to administrative policies and procedures

Some of the key developments with regard to administrative policies and procedures of the Legislature during the financial year included the following;

- a) The Policy on Funding of Political Parties consolidated two separate policy documents, namely the Policy on Office Allocations payable to Political Parties and Policy on Constituent Allowance payable to Political Parties and included a review of, *inter alia*, formulas for funding levels, the introduction of a new research allowance and accounting standards.
- b) The Policy on Facilities, Payments and Benefits to Members of the Legislature was amended.
- c) As indicated in section three, specifically paragraph 3.4, the formula according to which Whips are allocated to representative political parties were reviewed at the commencement of the third term of the Free State Legislature.
- d) Three administrative policies, namely the Policies on (i) Transport, (ii) Travelling Services for Employees and (iii) Communication Services were extensively reviewed and amended to bring relevant policy provisions in line with the reviewed organizational structure by assigning responsibilities to relevant officials, units and divisions and addressing both operational, monitoring and control provisions.
- e) The Policy on Information Technology was finalized during the financial year under review.

SECTION SEVEN

7. Further Information pertaining to Economic Classification

7.1 Compensation of Employees

In addition to the compensation of elected representatives and staff as indicated above, further information pertaining to the 2004/2005 financial year in this regard is summarized as follows;

7.1.1 Retirement Dispersations

a) Political Office-Bearers' Pension Fund (POBF)

The Speaker, Mr. M.A. Dukoana, continued to serve as trustee of the Free State Legislature of the Political Office-Bearers' Pension Fund. Mr. P.H.I. Makgoe serves as alternate trustee.

b) Provident Fund (Employees)

The Free State and Gauteng Legislatures are still jointly members of a Provident Fund. Each Legislature is represented in the body of trustees. An audit of the Provident Fund concluded during the period under review.

7.1.2 Staff establishment

On 1 April 2004, the number of appointed posts reflected a total number of 84 permanent and 6 contract employees. At 31 March 2005, the number of permanent employees was 109 and contract employees were 9. The profile of the staff establishment of the Free State Legislature is set out in Annexure Three.

a) Appointments

The implementation of the new organisational structure, as approved by the Rules and Orders Committee during January 2004, continued in the new financial year. Prioritised appointments focused on the following functional areas;

- i) Finance Division
- ii) Procurement
- iii) Committee and Research Services
- iv) Public Participation and Education
- v) Household Services
- vi) Security
- vii) Members' Support Services

b) Terminations

There were 14 service terminations during the period under review. These service terminations are illustrated as follows;

Type	African		Coloured		Indian		White		Total
	M	F	M	F	M	F	M	F	
Contract Expiry	3	2	-	1	-	-	-	3	9
Death	-	-	-	-	-	-	-	-	0
Dismissal	-	-	-	-	-	-	-	-	0
Resignation	1	1	-	-	-	-	-	2	4
Retirement	-	1	-	-	-	-	-	-	1
Ill –health	-	-	-	-	-	-	-	-	0
Total	4	4	-	1	-	-	-	5	14

c) Study-aid (MPLs and staff)

i) Study-aid Review: Staff

In addition to the standard periodic review of study-aid granted to employees, it was decided to conduct a comprehensive review of all study-aid granted to employees for the ten-year period 1994 to 2004. The review commenced in January and was concluded in March 2005. The review resulted in the cancellation of study-aid granted to 25 staff members with study-aid debt totalling approximately R96 000. Agreements to repay the study-aid debt (with interest) to the Legislature were concluded with all affected staff members over a period not exceeding 24 months. No new study-aid applications will be considered from the affected staff members until such time that outstanding debt is settled.

Two cases were handed over to the State Attorneys for recovery. Repayment in one case has been received whilst the other case is pending.

ii) Study-aid Review: Members

The Rules and Orders Committee approved the granting of study-aid to Members on 29 February 2000 and approved amendments to the policy on 30 April 2004. A review of study-aid granted to Members were subsequently also initiated but was not concluded at the end of the financial year under review. The preliminary findings of the review, however, indicate the following;

* Total study-aid applications granted since 2000:	15
* Qualifications successfully obtained:	4

The review will be concluded during the 2005/2006 financial year.

iii) New study-aid granted

New study-aid applications were approved in respect of 1 Member and 20 staff members in order to pursue studies with various educational institutions for a variety of qualifications, including high school, college, technikon and university education. It should be noted that the Rules and Orders Committee approved the extension of the study-aid facility to staff of political parties under specific contractual conditions during March 2005.

iv) Qualifications obtained

The following qualifications were obtained by staff during the period under review;

- i) Mr. S. Cezula, who served as PA to the Chairperson of Committees, completed the B.Tech-degree at the Central University of Technology. Mr. Cezula has subsequently left the service of the Legislature.
- ii) Ms. C. Khakhane, Senior Public Participation Officer, obtained a diploma in Event Management.
- iii) Ms. J. Mohibidu, Private Secretary, obtained a diploma in Office Administration.
- iv) Ms. C. Oliphant, Personal Assistant, obtained her matric certificate.

d) Housing Guarantees

A review of the Legislature's obligations in respect of housing guarantees had to be undertaken during the audit of the 2004/2005 financial year as the disclosure of housing guarantees in the Financial Statements was overstated. The Internal Audit Unit conducted a verification of all housing guarantees issued and the required corrections was made to the disclosure notes. Reports in this regard were filed with Provincial Treasury as required.

e) Training and Development

Details of training and development initiatives undertaken during the year appear in Annexure 4.

f) Collective agreements

Management and organized labour concluded an agreement for a 6.80 % salary adjustment with effect from 1 April 2004. The agreement was in line with the

agreement concluded at Parliament which currently still serve as the benchmark for the Legislature.

g) Disciplinary cases

Two formal disciplinary inquiries convened during the period under review. In the one matter, an employee was charged with unauthorized absence from the workplace and leaving the workplace without permission. The case resulted in a written warning.

In another matter, an employee was charged with unauthorized absence from the workplace, leaving the workplace without permission and unauthorised possession of Legislature's property. The case resulted in a final written warning, suspension from driving vehicles, including rental vehicles, of the Legislature for a period of 1 year and the recovery of costs related to an unauthorized trip undertaken.

h) Social responsibility

Programmes focussing on employee assistance and increased social awareness were continued. A presentation on Psychology was facilitated on 12 July 2004. An HIV/AIDS Awareness workshop was also facilitated by AWEPA from 15 – 16 July 2004. In addition to the facilitation of specific events, such as presentations and workshops, continued efforts at providing information regarding health and emotional wellbeing were sustained. The office rendered continued support to staff members and their families who were faced with serious illnesses and accidents.

7.2 Goods and Services

7.2.1 International visits

The following international visits were undertaken;

i) Africa Future Leaders programme, United States of America

The hon. Member, Mrs C Lobe, attended an Africa Future Leaders programme in the USA during September 2004.

ii) Study tour, India

The hon. Member, Mr H Nketu, accompanied a delegation of the Department of Agriculture from 19 November to 3 December 2004 to India.

iii) Public Accounts Committee, Australia

The hon. Members Oosthuizen, Nordier, Frewen, Maloka, Mokitlane and the hon. Deputy Speaker, Ms G Mothupi, attended the 8th Biennial Conference of the Australasian Council of Public Accounts Committees 2005.

- iv) **CPA Africa Region Conference, Swaziland**
The Speaker and the hon. Members Mr. M.C. Mokitlane and Ms. M.A. Buthelezi participated in the CPA Africa Region Conference from 7 – 15 August 2004 in Swaziland.
- v) **CPA International Conference, Canada**
The Speaker attended the CPA International Conference that was held from 29 August to 7 September 2004 in Canada.
- vi) **United Nations 49th Session of the Commission on Status of Women, United States of America**
the hon. Member, Ms. C. Lobe, attended the 49th Session of the United Nation's Commission on the Status of Women in the United States of America from 28 February to 12 March 2005.
- vii) **Portfolio Committee on Safety & Security and Agriculture, New Zealand**
The Portfolio Committee on Safety & Security and Agriculture will be represented by a delegation of 7 persons (6 Members and 1 staff Member) to participate in a study visit to New Zealand from 10 – 22 March 2005.
- viii) **54th CPA Westminster Seminar, United Kingdom**
The hon. Member, Ms. A. Buthelezi, participated in the 54th CPA Westminster Seminar to be held in London from 7 to 18 March 2005.
- ix) **Human Resource Planning in the Public Sector: Japan-Singapore Partnership Programme**
The Deputy Secretary: Corporate Services participated in the course "Human Resource Planning in the Public Sector" that was held from 6 to 15 December 2004 in Singapore. South African participation (only two applicants were accepted) in the course was facilitated by the Department of Foreign Affairs as part of the Japan-Singapore Partnership Programme for the 21st Century.

7.2.2 Land and Buildings

- a) **Rental of office space – Southern Life Plaza**
Expenditure incurred with regard to the rental of office space in the Southern Life Plaza amounted to R4.248 million. As a result of the outcome of the general elections, the Legislature was required to increase the office space in Southern Life Plaza from 4234 m² to 6500 m². The additional office space was required to

accommodate the African Christian Democratic Party (ACDP) as well as increased office space requirements of other political parties and the administrative establishment of the Legislature.

[It should be noted that prior to the general elections, the New National Party (NNP) was accommodated at its own offices in Willows, Bloemfontein.]

b) Fourth Raadzaal

The Legislature was not in a position to attend to the further required renovation programme at the Fourth Raadzaal in order to prevent the further disrepair to the building.

7.2.3 Professional and special services

Major expenditure incurred related to the standard audit fees of the Office of the Auditor-General.

7.3 Transfer payments

As indicated in paragraph 6.6(a) above, the two separate policies in terms of which transfer payments were made to the representative political parties were consolidated into one policy. The purpose of these transfer payments is to enable the political parties to engage administrative and research support and to service their constituents.

The recovery of the amount of R64 861.64 (paid by the Legislature in respect of a forensic audit investigation into the financial statements of a representative political party during the 2002/2003 financial year) is still outstanding.

7.4 Capital Payments

Tenders were awarded in respect of the provision of computer equipment and photocopiers and an extensive upgrade of office furniture was completed during the 2004/2005 financial year. Two additional vehicles, allocated to the general pool, were purchased and the Speaker's official vehicle was also replaced.

SECTION EIGHT

8. Legislature Support Programme (Funded by the European Union)

8.1 Introduction

The European Commission previously funded the Parliamentary Support Programme under the auspices of the Speakers' Forum from November 1996. The EU Parliamentary Support Programme (PSP) ended during the 2002/2003 financial year. A new programme, the Legislatures Support Programme, is a three-year programme designed to contribute to the strengthening of democracy and good governance. The specific purpose is to support the South African Legislatures (national and provincial) to fulfil their Constitutional mandates in a citizen-oriented manner.

8.2 Administration of the programme

Funding is allocated to Parliament and each of the Provincial Legislatures. Funding is not directly transferred to the Legislature. The Programme Management Unit is based in Cape Town and applications for funding in accordance with funds allocated to specific result areas are submitted for approval before expenditure can be incurred. Activities undertaken through the programme is agreed-upon and coordinated between the Office of the Presiding Officers and the Secretary to the Legislature. The coordination and implementation of the programme and specific activities are located in the Office of the Secretary to the Legislature and is the direct responsibility of the Manager: Office of the Secretary.

8.3 Funding

- a) Funding is available for specific purposes in five defined result areas, namely;
 - i) Result Area One:
Law-making systems and processes, policy development, assessment of implementation capacity, oversight and accountability improved
 - ii) Result Area Two:
Public Participation in decision-making enhanced and education in democracy developed
 - iii) Result Area Three:
Improved equality on gender and disability in the Legislature
 - iv) Result Area Four:
Skills in Legislatures improved
 - v) Result Area Five:
ICT facilities and equipment in Legislatures enhanced

- b) Approval to incur expenditure was obtained from the Legislature Support Programme in respect of the following items during the 2004/2005 financial year;

i)	Printing of various materials:	R66 463.14
ii)	Branding & promotional items:	R49 600.26
iii)	Design of research studies:	R59 129.00
iv)	Staff Training:	R23 755.00
v)	Gender programmes:	R42 556.20

Total: R241 503.60

The Legislature utilized 100 % of its allocated funding during the Interim Workplan phase, i.e. August 2004 to 31 March 2005.

8.4 Projects / Activities undertaken

Some of the projects and/or activities undertaken with the funding indicated in paragraph 8.3(b) above, include the following;

- a) Conceptualization and design of research study to measure the impact of HIV/AIDS on the employment profile of the Legislature.
- b) Conceptualization and design of research study into rulings by Presiding Officers in terms of Rule 89 of the Standing Rules and Orders in the House for the period 1998 to last sitting of the second term of the Free State Legislature
- c) Printing of various material, e.g. wall calendars and deskpads for 2005 calendar year.
- d) Purchasing of various promotional items, e.g. bendable pencils utilized as promotional material during Bloemfontein Show and gazebo's printed with the Legislature's logo.
- e) Funding for two training workshops on gender-related matters, i.e. Men and Masculinities Training and Gender Analysis of Budgets was approved during the interim workplan.
- f) Training workshops on Business Etiquette and Protocol and Preparation of Annual Financial Statements were facilitated and/or attended during the interim workplan with funding made available through the LSP.

SECTION NINE

9. Inter-Legislature Cooperation

9.1 Pan-African Parliament

The first sitting of the Pan-African Parliament convened from 16 September to 7 October 2004 at Gallagher Estate, Gauteng Province. The Free State Legislature was requested to second staff to assist in the production of the Hansard of the Pan-African Parliament. Three staff members were subsequently seconded to the PAP.

9.2 Forums for elected representatives

a) Speakers' Forum

The Speaker and Deputy Speaker represent the Legislature in the Speakers' Forum. This is a forum of Presiding Officers (Speakers and Deputy Speakers) of all Provincial Legislatures as well as Presiding Officers of Parliament and the National Council of Provinces.

b) Association of Public Accounts Committees [APAC]

The Public Accounts Committee of the Free State Legislature is a member of the Association of Public Accounts Committees (APAC). Prior to the April-2004 general elections, the Legislature was represented in APAC's Council of Delegates by Mr. A. Oosthuizen (Chairperson of the Public Accounts Committee) and Mr. P.H.I. Makgoe (ANC). Mr. P.H.I. Makgoe also served in the Executive Committee of APAC prior to the general election.

Following the general elections, Mr. A. Oosthuizen and Mr. A. Marais represented the Legislature in APAC's Council of Delegates. Mr. Marais also serves in the Executive Committee of APAC.

The following delegates of the Public Accounts Committee attended the annual APAC Conference from 3 - 5 October 2004 at Emnotweni, Mpumalanga;

- | | | |
|----|--------------------|-------------|
| a) | Mr. A. Oosthuizen: | Chairperson |
| b) | Mr. A. Marais | ANC |
| c) | Mr. C. Mokitlane | ANC |
| c) | Mr. P. Maloka | ANC |
| d) | Mr. P. Frewen | DA |
| e) | Mr. C. Nordier | ACDP |

4.2 Forums for Staff

a) **SALSA [Secretaries Association of Legislatures of South Africa]**

All Secretaries to Provincial Legislatures are members of the Secretaries' Association of Legislatures of South Africa (SALSA). SALSA reports to the Speakers' Forum on its activities. Meetings of the association convenes quarterly. The Association has also been extended to include Deputy Secretaries of legislative institutions.

i) **Legal Advisors Forum**

The Legal Advisors to Legislatures and Parliament participate in the cluster. It should be noted that the Office of the Legal Advisor of the Legislature also participates in meetings of the Provincial Constitutional Technical Committee (PCTC). Representation of the Legislature rotates between the Legal Advisor and Assistant Legal Advisor, depending on the programme of sittings of the Legislature and Committee-meetings. Some of the meetings of the forum that convened during the period under review, includes the following;

- 19 May 2004
Consideration of, *inter alia*, the following; (i) Floor-crossing legislation, (ii) Law Advisers' Forum Publication, (iii) Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, (iv) Finance Administration of Parliament and Provincial Legislatures Bill, (v) Proroguing of Parliament, (vi) Determination of Official Opposition and (vii) delegated legislation.
- 20 August 2004
Consideration of, *inter alia*, the following; (i) Legal Advisors Forum Publication, (ii) Powers, Privileges and Immunities of Parliament and Provincial Legislatures draft bill, (iii) Delegated Legislation (section 17 of the Interpretation Act No 33 of 1957 provides for a list of certain proclamations and notices to be submitted to Parliament and Provincial Legislatures), (iv) confidentiality of opinions and (v) Pan African Parliament.
- 24 to 25 November 2004
Consideration of, *inter alia*, the following; (i) draft section 65(2) of NCOP Mandates legislation, (ii) tagging of bills in terms of Parliament's Joint Rules and payment of recovered legal costs into the Revenue Fund.

ii) **Other**

Various other forums, aimed at promoting cooperation, coordination and information-sharing in the legislative sector, exist under the auspices of SALSA. These include the following;

- **Finance Forum**
The Chief Financial Officers of Parliament and Legislatures participate in the Forum. The Forum is responsible for dealing with matters of mutual interest with regard to financial management and administration of the legislative sector.
- **HR Managers Forum**
The HR Managers' Forum is constituted by the relevant heads of human resource matters in the legislative sector.
- **Research and Information Cluster**
The Senior Researcher and Librarian of the Legislature participate in the forum.
- **Language Services Cluster**
The Heads of Language Services and/or Hansard Directorates at Legislatures and Parliament participate in the cluster. The Director: Hansard represents the Legislature in this cluster.
- **Public Education Cluster**
The Heads of divisions/directorates/units that deal with public participation programmes in Legislatures and Parliament participate in the cluster. The Director: Public Participation and Education and the Manager: Public Participation represent the Legislature.
- **Committee Staff Forum**
The forum represents all Committee Coordinators of Legislatures. The Manager: Committee Services and the Director: Legislation and Oversight participate in the forum.
- **Information Technology Forum**
IS Managers of Parliament and Legislatures constitute the Information Technology Forum. The forum is responsible for information-sharing and consultation on various information technology and technical matters that affects the legislative sector.

ANNEXURE ONE
Public Representatives

1. Elected representatives at the expiry of the second term of the Free State Legislature, i.e. 13 April 2004 [excluding Premier and Members of the Executive Council]

1.1 African National Congress

Buthelezi, M.A.:	Chairperson: Committee on Local Government and Housing
Dlungwana, P:	Chairperson: Chairperson: Committee on Improvement of Quality of Life/Status of Women
Dukwana, M.A.:	Speaker
Letsoha-Matae, Q.:	ANC Whip
Maforeka, M.J.:	Chairperson: Committee on Education and Sport, Arts, Culture
Makgoe. P.H.I.:	Chairperson of Committees of the Whole House
Marais, T.:	Chairperson: Finance Committee
Mohai, S.:	Chief Whip
Mohapi, O.J. :	Member
Mokitlane, C.:	Chairperson: Committee on Tourism, Environmental and Economic Affairs
Monareng, N.:	Chairperson: Prioritizing Committee
Nketu, H.:	Chairperson: Safety and Security and Agriculture Committee
Noe, E.:	Chairperson: Health and Social Development Committee]
Segalo, I:	Chairperson: Public Works, Roads and Transport Committee

1.2 Democratic Party

Geldenhuys, P:	Leader of the Official Opposition
Worth, D:	DP Whip

1.3 New National Party

Aucamp, J.M:	Deputy Speaker
Swanepoel, J:	NNP Whip

1.4 Freedom Front

Oosthuizen, A.P:	Chairperson: Public Accounts Committee
------------------	--

ANNEXURE ONE
Public Representatives

1.5 Permanent Delegates to the National Council of Provinces at the expiry of the second term of the Free State Legislature, i.e. 13 April 2004

- | | | |
|----|-----------------|---|
| 1. | Mr. T. Ralane | [African National Congress] |
| 2. | Ms. N. Khunou | [African National Congress] |
| 3. | Rev. M. Chabaku | [African National Congress] |
| 4. | Mr. T. Setona | [African National Congress and Provincial Whip] |
| 5. | Ms. S. Botha | [Democratic Party] |
| 6. | Dr. P.J.C. Nel | [New National Party] |

1.6 Members of the Executive Council at the expiry of the second term of the Free State Legislature, i.e. 13 April 2004

- | | | |
|-----|--------------------|---|
| 1. | Ms. I.W. Direko: | Premier |
| 2. | Mr. S.T. Belot: | MEC: Tourism, Environmental & Economic Affairs |
| 3. | Mr. Z.A. Dingani: | MEC: Finance & Expenditure |
| 4. | Mr. D.A. Kganare: | MEC: Education |
| 5. | Mr. I.W. Kotsoane: | MEC: Public Safety, Security and Liaison |
| 6. | Mr. S.A. Malebo: | MEC: Public Works, Roads and Transport |
| 7. | Ms. B. Marshoff: | MEC: Social Development |
| 8. | Mr. W. Mfebe: | MEC: Sport, Arts, Culture, Science & Technology |
| 9. | Mr. HvM. Oelrich: | MEC: Agriculture |
| 10. | Mr. L. Tsenoli: | MEC: Local Government and Housing |
| 11. | Ms. M.A. Tsopo: | MEC: Health |

ANNEXURE ONE
Public Representatives

2 Members of the Provincial Legislature as at 31 March 2005
[Excl. Premier and MECs]]

2.1 African National Congress

Buthlezi, M.A.:	Chairperson: Committee on Local Government and Housing
Dukwana, M.A.:	Speaker
Khoarai, P.:	Chairperson: Tourism, Environmental & Economic Affairs
Lobe, C.:	Chairperson: Public Works, Roads and Transport Committee
Maloka, P.:	Chairperson: Education & Sport, Arts, Culture Committee
Marais, T.:	Chairperson: Finance Committee
Mnumzana, S.:	Chairperson of Committees of the House
Mofokeng, T.:	Whip
Mokitlane, C.:	Chief Whip: ANC and Legislature
Mokoenanyana, T.:	Whip
Mothupi, G.:	Deputy Speaker
Nketu, H.:	Chairperson: Safety and Security and Agriculture Committee
Ramathebane, G.:	Chairperson: Health and Social Services Committee
Thoabala, M:	Member

2.2 Democratic Alliance

Botha, A.:	Leader of the Official Opposition
Frewen, P.:	DA Whip
Alexander, B.:	MPL

2.3 Freedom Front Plus

Oosthuizen, A.P:	Chairperson: Public Accounts Committee
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2.4 African Christian Democratic Party

Nordier, C.:	Leader: ACDP
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ANNEXURE ONE
Public Representatives

2.5 Permanent Delegates to the National Council of Provinces

- | | | |
|----|---------------------|---|
| 1. | Mr. T. Ralane | [African National Congress] |
| 2. | Mr. T. Setona | [African National Congress and Provincial Whip] |
| 3. | Ms. Mabe | [African National Congress] |
| 4. | Mr. C.J. van Rooyen | [African National Congress] |
| 5. | Mr. D. Worth | [Democratic Alliance] |
| 6. | Dr. F. van Heerden | [Freedom Front Plus] |

2.6 Members of the Executive Council

- | | | |
|-----|---------------------|---|
| 1. | Ms. F.B. Marshoff: | Premier |
| 2. | Mr. S.T. Belot: | MEC: Health |
| 3. | Ms. P.Z. Dlungwana: | MEC: Social Development |
| 4. | Mr. F.K. Morule: | MEC: Finance & Expenditure |
| 5. | Mr. I.W. Kotsoane: | MEC: Local Government and Housing |
| 6. | Mr. M.J. Mafereka: | MEC: Sport, Arts, Culture, Science & Technology |
| 7. | Mr. E.S. Magashule: | MEC: Agriculture |
| 8. | Mr. P.H.I. Makgoe: | MEC: Public Safety, Security and Liaison |
| 9. | Dr. B. Malakoane: | MEC: Tourism, Environmental & Economic Affairs |
| 10. | Mr. S.J. Mohai: | MEC: Public Works, Roads and Transport |
| 11. | Ms. O. Tsopo: | MEC: Education |

ANNEXURE TWO
Winners at Youth Sport Festival

1. Youth Sport Festival

A Youth Sport Festival was held from 19 to 20 June 2004 in Lejweleputswa that was aimed at promoting mass-based sport participation.

A. Soccer (Boys under 17)

1. Allenridge
2. Welkom
3. Odendaalsrus & Ventersburg

B. Netball

1. Allenridge
2. Welkom
3. Virginia & Ventersburg

C. Rugby

1. Welkom
2. Virginia

D. Basketball (Boys)

1. Welkom
2. Allenridge
3. Allenridge

E. Basketball (Girls)

1. Welkom
2. Virginia

F. Table Tennis

1. Ventersburg
2. Allenridge
3. Henneman

G. Volleyball (Boys)

1. Welkom
2. Virginia
3. Welkom

H. Volleyball (Girls)

1. Henneman
2. Welkom

I. Softball

1. Allenridge
2. Welkom
3. Allenridge

J. Golf

1. Division with handicaps (boys)

- i) W. Bezuidenhout & F. van Heerden
- ii) S. Mazibuko & V Mazibuko
- iii) T. Wesi & T. Ramathenyane

2. Division without handicaps

- i) S. Lebeko & W. Smith
- ii) I. Motolo & J. Radebe
- iv) R. Palweni & P. Moloi

3. Division (girls)

- i) M. Sandys & N. Binyane
- ii) B. Nkoane & M. Mapua
- iii) G. Pebane & M. Koeshe

4. Longest drive

- i) Hole no 2: R. Volskenk
- ii) Hole no 3: A. Jordaan
- iii) Hole no 13: B. Baans
- iv) Hole no 18: M. de Wet

5. Nearest to the pin

- i) Hole 3: T. Tong
- ii) Hole 8: W. Bezuidenhout
- iii) Hole 12: M. Kampong
- iv) Hole 16: F. van Heerden

ANNEXURE THREE
Staff Establishment

Staff Establishment

Total number of permanent employees as at 31 March 2005
(breakdown according to age, population and gender)

Age Group	African		Coloured		White		Disabled		TOTAL	
	M	F	M	F	M	F	M	F	M	F
20-24	1	2	0	1	0	0	0	0	1	3
25-29	2	3	0	0	0	1	1	0	2	4
30-34	10	10	1	0	1	4	0	0	12	14
35-39	32	8	1	2	2	2	0	0	35	12
40-44	7	7	0	1	0	1	0	0	7	9
45-49	2	3	0	1	0	0	0	0	2	4
50-54	0	2	0	0	0	1	0	0	0	3
55-59	0	0	0	0	0	1	0	0	0	1
60-64	0	0	0	0	0	0	0	0	0	0
TOTAL	54	35	2	5	3	10	(1)	0	59	50

(There are no employees of the Asian population group in the employment of the Legislature)

ANNEXURE FOUR

Training

Type of Training	No of Staff Trained	Designated	Non-Designated	Male	Female
Information Technology					
MS Word	5	4	1	2	3
MS Excel	5	4	1	2	3
N+	2	2	0	2	0
End-user computing	5	5	0	3	2
R-Data Usergroup	4	3	1	2	2
Labour Law	11	9	2	5	6
Industrial Relations & Labour Law	3	2	1	2	1
Language & Terminology Development					
Computational Morphology	2	2	0	2	0
African Languages Seminar	1	1	1	2	0
African Languages Association	1	1	0	1	0
SeSotho Terminology	2	2	0	2	0
Orthography, spelling & editing rules of African languages	1	1	0	1	0
Social Responsibility					
HIV/AIDS Workshop	34	33	1	15	19
Finance					
Expenditure management	1	1	0	0	1
Preparation of annual financial statements	5	4	1	3	2
Tax Risk 2005	2	1	1	1	1

Type of Training	No of Staff Trained	Designated	Non-Designated	Male	Female
Human Resources					
Skills Development Facilitation	1	1	0	1	0
HR Planning & Management	5	4	1	3	2
ICT Learnerships	1	1	0	0	1
Risk Assessment	15	13	2	12	3
Project Management	13	11	2	8	5
Team Building	20	20	0	10	10
Business Etiquette & Protocol	17	16	1	9	6
CPA Sergeant-At-Arms Conference	1	1	0	1	0
People's Assembly	3	3	0	3	0
Legislature Support Programme	2	2	0	2	0
NCOP staff workshop: Drafting of legislation on mandates	3	3	0	2	1
Second National Conference of the Health Information Community of SA	2	2	0	1	1

FREE STATE LEGISLATURE

VOTE 2

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2005

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

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**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

Report by the Accounting Officer to the Speaker and the Free State Legislature

1. General review on the state of financial affairs

Appropriated funds were spent in accordance to the vote. Revenue generated and applied in terms of Section 22 of the Public Finance Management Act, (No. 1 of 1999) did accommodate a percentage of the spending and has been reported accordingly. The Legislature received a budget allocation of R61.964 million for the year, whilst revenue generated by the Legislature totalled R548 000. Expenditure totalling R62.223 million can be attributed to the payment of salaries & allowances for Members of the Legislature, staff and the delivery of basic support services such as office provision, travel, communication, constituent allowances and administration. Remuneration packages of political office-bearers and staff represents the bulk of expended funds (56.20%), whilst goods and services, transfer payments to political parties and capital assets represent the remaining spending items.

Current expenditure represents 81.79% of voted funds, followed by transfers to represented political parties (13.38%) and capital assets at 4.83% .

The state of financial affairs can be reported as sound.

Vision

To create an institution which upholds the Constitution in an effort to promote good governance through participatory democracy and embraces the principle of co-operative governance.

Constitutional obligations

The Constitution requires that the Legislature must provide mechanisms to ensure that all provincial executive organs in the province are accountable to the Legislature and maintains oversight in the exercise of the provincial executive authority in the province, including implementation of legislation.

The mission of the Legislature to fulfil its constitutional obligation by facilitating involvement and participation toward the legislative process by the general public was expanded during the reported period. Public Participation and Education programme of the Legislature were launched during the fourth quarter of the reported period and will be an ongoing project.

2. Service rendered by the Legislature

2.1 A list of services rendered

The following services are rendered by the Free State Legislature;

(a) Office of the Secretary to the Legislature

Four units are located in the Office of the Secretary to the Legislature, namely;

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

- i) Internal Audit Unit
- ii) Public Participation and Education Unit
- iii) Administration Unit
- iv) Security Unit

(b) Procedural Services Division

The Procedural Services Division of the Free State Legislature renders the following key procedural and administrative support services to Members, Portfolio Committees and sittings of the Legislature;

- i) The Table Services Section is responsible for the production of procedural documentation relating to the proceedings of the Legislature, e.g. Order Papers, Question Papers and Minutes of Proceedings.
- ii) The Directorate: Hansard is responsible for the production of verbatim reports of sittings and/or Committee meetings as well as the rendering of translation and interpretation services.
- iii) The Directorate: Legislation and Oversight is responsible for the rendering of procedural and administrative support services to Portfolio Committees, including research services. The Directorate is also responsible for the provision of NCOP and Library support services.

(c) Corporate Services Division

The Procurement Unit is located in the Office of the Deputy Secretary: Corporate Services and deals with all matters pertaining to the procurement requirements of the Free State Legislature. The Corporate Services Division further renders key administrative support services to the institution as follows;

- i) The Directorate: Human Resource Management is responsible for the rendering of all human resource related functions, including personnel administration, labour relations, skills development and social responsibility.
- ii) The Directorate: Institutional Support is responsible for the rendering of information technology services, household services and general support, including the rendering of telecommunication services.

(d) Finance Division

The Finance Division is responsible for the rendering of all financial services, including payroll-administration and management, accounting, drafting, monitoring and control of budget expenditure and all matters relating to the administration and management of assets and the official vehicles of the Legislature.

(e) Office of the Legal Advisor

The Office of the Legal Advisor is responsible for the rendering of all legal services to the Speakers' Office, Committees, Members and the office of the Secretary to the Legislature.

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

2.2 Tariff policy

Not applicable to the Legislature

2.3 Free Services

Not applicable to the Legislature

2.4 Inventories

The list of inventories on hand at year-end has been grouped into the following major categories:

Consumables	R 478.09
Food & Food Supplies	R 3 201.12
Stationery	R59 429.48

The costing method used on the above-listed categories was based on average cost.

3. Capacity Constraints

3.1 Budget allocation

The budget allocation to the Free State Legislature for the 2004/2005 financial year amounted to R61.964 million. It should be noted that the initial MTEF-allocation to the Legislature for the 2004/2005 financial year was R51.196 million and an additional appropriation of R10.768 million was received through the adjusted estimates. The uncertainty regarding the funding position of the Legislature for most of the 2004/2005 financial year impacted on all programmes and activities of the Free State Legislature.

4. Utilisation of donor funds

The Legislature Support Programme (LSP), a donor aid programme of the European Union, introduced a new programme, which became operational during the 2004/2005 financial year. No direct funding was transferred to the Free State Legislature during the financial year. The LSP, however, authorized expenditure to be incurred in respect of the following activities during the 2004/2005 financial year;

a)	Printing of various materials:	R66 463.14
b)	Branding & promotional items:	R49 600.26
c)	Design of research studies;	R59 129.00
d)	Staff Training:	R23 755.00
e)	Gender programmes:	R42 556.20
Total:		R241 503.60

5. Trading entities and public entities

Not applicable to the Legislature

6. Organisations to who transfer payments have been made

The following political parties, who were represented in the Legislature during the 2004/2005 financial year, received transfer payments:

- a) African National Congress

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

- b) Democratic Alliance
- c) New National Party (proportional to the period relating to the commencement of the new financial year up to the inauguration of the new Legislature following the April 2004 general elections)
- d) Freedom Front
- e) African Christian Democratic Party (proportional to the period following the inauguration of the new Legislature after the April 2004 general elections)

Transfer payments to the above-mentioned entities were made in accordance with the Policy on Funding of Political Parties represented in the Free State Legislature. The policy essentially provides for transfer payments to enable political parties to establish and maintain its infra-structure in the Legislature, inclusive of a research allowance and to fund its constituency offices.

No other organisation received transfer payments from the Legislature.

7. Public private partnerships (PPP)

Not applicable to the Legislature.

8. Corporate governance arrangements

8.1 Risk Management

A risk assessment workshop was convened and a Risk Assessment Report was formulated. The Rules and Orders Committee took note of the Risk Assessment Report as tabled on 15 March 2005.

8.2 Internal Audit

- a) The applicability of the PFMA to Provincial Legislatures is set out in section 3 of the Act. The following provisions have reference;

- “(1) This Act, to the extent indicated in the Act, applies to-
- (d) Parliament and the Provincial Legislatures, subject to subsection (2).
- (2) To the extent that a provision of this Act applies to-
- (b) a provincial legislature, any controlling and supervisory functions of the National Treasury and a provincial treasury in terms of that provision are performed by the Speaker of the provincial legislature”.

- b) Section 38 of the Act provides as follows;

(38)(1) The accounting officer for a department, trading entity or constitutional institution-

- (a) must ensure that that department, trading entity or constitution institution has and maintains-
 - (i) effective, efficient and transparent systems of financial and risk management and internal control;
 - (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77”
- c) The relevant provisions of the PFMA as set out above does not apply to the Free State Legislature as the Legislature is neither a department, trading entity or constitutional institution (as listed in Schedule 1 to the Act).

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

- d) Notwithstanding the above, it is expected that similar provisions of the PFMA will be taken up in the Financial Administration of Parliament and Provincial Legislatures bill. (Refer to Chapter 6, sections 46 and 47). As a result, the Free State Legislature has commenced with the necessary initiatives to address these matters.
- e) The following has been achieved;
 - i) An internal audit unit has been created in the Office of the Secretary to the Legislature. The unit is, however, not fully functional and has focused on specific assignments.
 - ii) A risk assessment study has been completed.
 - iii) An internal audit coverage plan has been prepared.
 - iv) Terms of Reference for the Audit Committee have been finalized and were approved by the Rules and Orders Committee on 15 March 2005.

8.3 Policy Review

The following policies were reviewed and amended during the financial year under review;

- a) Funding of Political Parties represented in the Free State Legislature
- b) Policy on Communication Services
- c) Policy on Transport
- d) Policy on Travelling Services for Employees of the Free State Legislature
- e) Policy on Facilities, Benefits and Payments to Members of the Legislature

A new Policy on Information Technology was also drafted and finalized with its adoption on 15 March 2005 by the Rules and Orders Committee.

8.4 Committee on Ethics and Members Interests

The Committee on Ethics and Members' Interests (as envisaged in terms of Rule 190 of the Standing Rules and Orders of the Free State Legislature) was appointed on 8 June 2004.

9. Discontinued activities / activities to be discontinued

Not applicable

10. New/proposed activities

10.1 Public Participation and Education Programme

Various initiatives were undertaken by the Public Participation and Education Unit as part of the Free State Legislature's Decade of Democracy celebrations. These initiatives were additional to the standard public participation and education programme of the Legislature and were accommodated in the budget allocation of the Legislature.

10.2 Legislative building complex

The issue regarding the lack of a suitable legislative building complex for the Free State Legislature has been an ongoing discussion and consideration during the audit period. It should be noted that the Legislature's expenditure for the rental of office buildings during

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

the 2004/2005 financial year was R4.248 million. Since the establishment of the Free State Legislature in 1994, a total amount exceeding R21.7 million has been utilized for the purpose of office rent.

10.3 Employment Equity

Although progress was made with regard to the representation of designated groups, specifically women at management level and the disabled at all levels, further continuous attention and consideration must be given to this matter.

11. Events after the reporting date

Not applicable

12. Performance information

The core constitutional functions performed by the Provincial Legislature essentially relate to, *inter alia*, the performance of monitoring and oversight functions, ensuring accountability by the Executive Council as well as facilitating and enhancing public participation in the legislative processes. The major projects undertaken by the Legislature therefore relates mostly to these core constitutional functions as well as strengthening and enhancing the procedural and administrative support services which facilitates the performance and execution of constitutional functions and obligations.

Some of the major projects undertaken by the Legislature in the afore-mentioned context, include the following

a) Compilation of a comprehensive asset register

The Legislature undertook a comprehensive review of its assets by digitally recording all assets in terms of asset management provisions. All assets of the Legislature have been bar coded. A digital photo was taken of every item and stored along with information such as purchase date, value, devaluation options and disposals. This process involved the following;

- counting and capturing of data (including serial numbers) relating to all assets in the Legislature;
- identifying, researching and clarifying all discrepancies between the newly-collected data and previous data;
- identifying redundant and obsolete assets;
- compiling a new coding system for all assets;
- identifying and marking all redundant and/or obsolete equipment to be disposed of;
- verification of date and purchase amount of all equipment and determining rate of depreciation and current value.

The project was completed during the 4th quarter of the financial year. Update of the asset register will continue indefinitely.

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

13. Scopa resolutions

Reference to Previous Audit Report & SCOPA resolutions	Subject	Findings on progress
Resolution no. 12/2004 (1)	Audit Committee	The approved Public Accounts Committee recommendation was that the Secretary to the Legislature takes responsibility to convene the audit committee for their first meeting and ensure that all stakeholders are invited. A process was initiated to address matters relating to the internal audit unit and the audit committee in a more comprehensive manner. This resulted in the finalization of the risk assessment report, the internal audit coverage plan and the internal audit charter. The Rules and Orders Committee also approved the draft Terms of Reference for the Audit Committee which did not previously exists.
Resolution no. 12/2004 (2)	IT Policy & Committee	The approved Public Accounts Committee recommendation was that the Secretary continue her efforts in finalising IT policy and IT Committee by 31 March 2005. It should be noted that the IT Policy was adopted during the 4 th quarter of the financial year and an IT Committee has been established.
Resolution no. 29/2004	Refer to the responsibilities of Accounting Officers regarding monitoring of unauthorised, irregular expenditure. The Committee raised concern that such expenditure are not being identified and disclosed timeously by the Accounting Officers.	<p>The procedure applied previously by the Secretary was to issue a section 64 directive in respect of matters that were likely to result in unauthorized expenditure. This directive was presented to the executive authority of the Legislature, i.e. the Speaker and a copy was forwarded to the Office of the Auditor-General, Provincial and National Treasury.</p> <p>The recommendation by Public Accounts to report such events to the relevant treasury has been noted and</p>

**FREE STATE LEGISLATURE
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**REPORT OF THE ACCOUNTING OFFICER
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		will be adhered to. Efforts to detect unauthorised expenditure and to enforce appropriate disciplinary and/or criminal steps will continue.
Resolution no. 29/2004 (2)	Accounting officers should timely report detailed information to Provincial Treasury on all instances where unauthorized expenditure has been identified and appropriate disclosure thereof should also be effected in the annual financial statements.	The Secretary will report such information to the executive authority.
Resolution no. 30/2004 (1)(2)(3)	Public Accounts notices that Accounting Officers do not have and maintain effective and transparent systems of internal control. The Committee further recommends that Accounting Officers should ensure that internal procedures and measures are in place for payment approval and processing.	A comprehensive risk assessment report, internal audit coverage plan and internal audit charter were compiled by an independent audit firm. Responsibilities and functions previously executed by the same division have been divided between divisions to establish additional internal control measures. This was a result of the implementation of the reviewed organisational structure of the Legislature. The Financial Code, procedures and measures to ensure internal control as well as procurement and payment procedures are under consideration.
Resolution no. 36/2004	The lack of internal control over housing loan guarantees was a concern raised by the Committee.	The human resources division of the Legislature was tasked to investigate possible invalid guarantees and a report was submitted to the Accounting Officer

14. Other

Progress with financial management improvement

Implementation of a new financial management system was concluded during the reported period and addressed a range of functions. A project to update the asset register by bar coding all assets. Digital prints of assets have been made and recorded on the new system. Tracking of assets can be done in a quick way and audit trails are readily available. A need has been identified to invest in advanced asset management and tracking technology. An aspect that will have to be addressed in this regard is the allocation of suitable resources, including staffing levels, in order to ensure that the Legislature optimally utilizes its existing technology.

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2005**

Approval

The Annual Financial Statements set out on pages 85 to 113 have been approved by the Accounting Officer.

Mrs EC Rockman
Accounting Officer
31 May 2005



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

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 2 – FREE STATE PROVINCIAL LEGISLATURE FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 85 to 113, 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). 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 Classification of goods and services

The analysis of goods and services as disclosed in note 4 to the financial statements, which is classified according to the nature of the expenses, revealed a number of errors. Several expenses disclosed in this note were significantly misallocated. Computer service expenses totalling R299 000 were misallocated to other expense accounts and were therefore not disclosed as such in this note.

This matter resulted from a lack of a proper management framework regarding the introduction of the new standard chart of accounts to be implemented in the financial system.

3.2 Verification of accruals

The policies and procedures of the Free State Provincial Legislature (legislature) do not require supplier statements to be reconciled to the PROMUN system. As no creditors reconciliations were performed, the accuracy and completeness of accruals to the amount of R396 000, as disclosed in note 17 to the financial statements, could not be verified.

3.3 Employee benefits and contingent liabilities

Leave entitlement and thirteenth cheque accruals to the sum of R554 000 and R1 229 000 at 31 March 2005, respectively, as disclosed in note 18 to the financial statements, could not be verified as correct. The amounts disclosed comprise actual payments during the period under review and not amounts accrued at year-end.

Furthermore, an amount of R356 000, disclosed in note 16 as capped leave commitments at year-end, could not be supported by detailed schedules. The correctness, completeness and existence of these commitments could therefore not be verified. These matters resulted from a lack of an appropriately documented accounting framework that is aligned with the latest guide for the preparation of annual reports, as issued by the National Treasury.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Free State 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.

5. EMPHASIS OF MATTER

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

5.1 Accounting treatment of other income

In the absence of applicable legislation, the legislature adopted the accounting treatment of other income whereby all revenue received is transferred to the revenue reserve. This accounting method was disclosed in the 2003-04 financial statements [Note 2].

During the current financial year, the legislature incurred an overspending of R259 000 for the financial year. Other income of R548 000 was utilised to defray the overspending by only transferring R289 000 of this amount to the revenue reserve.

The inconsistent accounting treatment of other income resulted in unauthorised expenditure as well as the revenue reserve as disclosed in the statement of financial position being understated by R259 000. This also affects the revenue reserve as disclosed in the statement of changes in net assets.

5.2 Expenditure associated with capital assets

The legislature did not apply the set of rules drawn up by the National Treasury, based on its asset management guide. These rules require that the acquisition of individual assets with a value of less than R5 000 are classified as current expenditure. The legislature classified expenditure according to the nature and objective of each expenditure item. The accounting treatment in respect of expenditure items was, however, not documented in an approved policy and procedure framework.

5.3 Audit committee and internal audit unit

With reference to paragraphs 4.1.4 of the 2002-03 and 5.1.3 of the 2003-04 audit reports, as well as Provincial Public Accounts Committee resolution number 12 of 2004, it was noted that an audit committee was still not functional. The effectiveness of the internal control systems and the adequacy, reliability and accuracy of the financial information provided to management and other users of such information were therefore not reviewed.

Furthermore, the operation of the internal audit unit was limited due to the audit committee not being functional. The unit operated with one official who performed ad hoc special investigations. An audit approach and methodology had not been formulated and the draft internal audit charter had not yet been approved and implemented.

5.4 Weaknesses in internal control

5.4.1 Fleet management

Material shortcomings were identified in the control over vehicle fleet management. Control measures were inadequate to ensure that complete and valid records of vehicle utilisation were kept, for example:

- Trips totalling 9 110 kilometres made by the senior service officer were authorised by himself. This is due to the fact that the transport policy lacks guidance on who should authorise trips made by the senior service officer.
- Trip authority forms for trips totalling 7 752 kilometres could not be submitted.
- Trip authorisations for April and May 2004 could not be submitted.

These shortcomings were the result of inadequate internal control measures to ensure that allocated resources were not misappropriated. The position of director: institutional support was also vacant during the period under review.

5.4.2 Salary advances

As a result of a lack of a proper policy in respect of certain salary advances, the legislature granted salary advances on a continuous basis and not only in exceptional circumstances. During the period under review, these advances totalled approximately R269 000.

Furthermore, when the granting of salary advances occurs on a continuous basis, the South African Revenue Service (SARS) deems the salary advances to have the nature of interest-free loans granted by employers to employees, i.e. a fringe benefit. (Paragraphs 2(f) and 11(2) of the seventh schedule to the Income Tax Act, 1962 (Act No. 58 of 1962) have reference.) The cash equivalent of the fringe benefits was, however, not included on the IRP5 certificates in order to be assessed by SARS.

5.4.3 Other weaknesses in internal control

During the audit, various shortcomings in the system of internal monitoring and control were identified, specifically in respect of housing guarantees, leave administration, salary advances, overtime, and subsistence and travelling expenses. Several of the control weaknesses identified resulted from the fact that the human resource management policy does not adequately facilitate the segregation of duties and does not require the performance of independent checks and reconciliations by a senior official. Another contributing factor is the vacant position of human resource director since August 2004.

6. APPRECIATION

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

S. A. Fakie
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Auditor-General

Pretoria

31 July 2005



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

**FREE STATE LEGISLATURE
VOTE 2**

**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 respects, 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 specific statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) applicable to the Free State Legislature. 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.

1. Basis of preparation

The Annual Financial Statements have been prepared on the modified cash basis of accounting, except where stated otherwise. The report entity is in transition from reporting on a modified cash basis of accounting to reporting on an accrual basis of accounting. Under the modified cash basis of accounting transactions and other events are recognized when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognized when incurred and not when cash is received or paid.

The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items.

2. Revenue

Appropriated funds

Voted funds are the amounts appropriated to the Legislature in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund, unless otherwise stated.

Departmental Revenue

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 recognized in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land

Interest is recognized as revenue in the Statement of Financial Performance of the Legislature. Section 22 (1)(a) of the Public Finance Management Act, No. 1 of 1999 states that all money received by a provincial government, including the province's equitable share, and grants made to it, in terms of the annual Division of Revenue Act, must be paid into the province's Provincial Revenue Fund, except money received by the provincial legislature.

Interest and dividends received are recognized upon receipt of funds. They are recognized as revenue in the financial statements of the Provincial Legislature. Income transferable falls within the above category and has been addressed accordingly.

Sale of capital assets

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

Financial transactions in assets and liabilities

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

3. Local and foreign aid assistance

The Legislature Support Programme (LSP), a donor aid programme of the European Union, introduced a new programme for the 2004/2005 financial year. Foreign aid assistance is recognized in the statement of financial performance on receipt of funds.

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

4. Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognized as an expense in the statement of financial performance when the final authorization for payment is effected on the system. Social contributions include the Legislature's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognized as an expense in the Statement of Financial Performance when the final authorization 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 authorization 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 recognized in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

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

Medical benefits

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

Post employment retirement benefits

The Legislature provides retirement benefits for its permanent employees and members through defined benefit and defined contribution plans. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorization for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the Legislature.

Other employee benefits

Obligations arising from leave entitlement and thirteenth cheques 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 recognized as an expense in the Statement of Financial Performance when the final authorization for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

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 underspending available to the Legislature. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised, irregular, fruitless and wasteful expenditure

Unauthorised expenditure means:

- the overspending of the Legislature's vote
- expenditure that was not made in accordance with the purpose of the Legislature's vote.

Unauthorised expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority or funded from future voted funds.

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

Irregular expenditure

Irregular expenditure means expenditure, other than unauthorized expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act, or
- any provincial legislation providing for procurement procedures at the Free State Legislature

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.

5. 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.

6. 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 recognized as an expense in the Statement of Financial Performance when the final authorization for payment is effected on the system.

7. Receivables

Receivables are not normally recognized 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.

Receivables for services delivered are not recognized in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the 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 financial statements.

8. Cash and cash equivalents

Cash comprises cash on hand and demand deposits, whilst cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash. Reporting cash with a commercial bank will be relevant to the Legislature.

9. 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.

10. Payables

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

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

11. 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 recognized 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.

12. 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 authorization for payment has not been effected on the system. These amounts are not recognized in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the financial statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

13. 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 recognized in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

14. Revenue Reserve Accounting Policy

Revenue generated and applied in terms of Section 22 of the Public Finance Management Act, (No. 1 of 1999) did accommodate a percentage of the spending and has been reported accordingly.

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

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 financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the Legislature may reasonably have available for reporting.

**FREE STATE LEGISLATURE
VOTE 2**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005**

Appropriation per programme									
		2004/05						2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payments as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
1. Programme 1									
Current payment	50,804	-	-	50,804	50,890	-86	100.2%	42,173	41,575
Transfers and subsidies	8,088	-	-	8,088	8,330	-242	103.0%	6,766	6,894
Payment for capital assets	3,072	-	-	3,072	3,003	69	97.8%	2,415	1,667
2. Programme 2									
Current payment									
Transfers and subsidies									
Payment for capital assets									
3. Repeat for all programmes									
Current payment									
Transfers and subsidies									
Payment for capital assets									
Subtotal	61,964	-	-	61,964	62,223	-259	100.4%	51,354	50,136
Statutory Appropriation									
Current payment									
Transfers and subsidies									
Payment for capital assets									
TOTAL	61,964			61,964	62,223	-259	100.4%	51,354	50,136
Reconciliation with Statement of Financial Performance									
Prior year unauthorised expenditure approved with funding									840
Departmental revenue received				548				297	
Local and foreign aid assistance received									
Actual amounts per Statements of Financial Performance (Total revenue)				62,512				51,651	
Actual amounts per Statements of Financial Performance (Total expenditure)					62,223				50,976

**FREE STATE LEGISLATURE
VOTE 2**

**APPROPRIATION STATEMENT
for the year ended 31 March 2005**

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment 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	37,010	-	-	37,010	34,995	2,015	94.6%	28,351	27,720
Goods and services	13,794	-	-	13,794	15,895	-2,101	-115.2%	13,822	13,855
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies to:									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	8,088	-	-	8,088	8,330	-242	-103.0%	6,766	6,894
Households									
Gifts and donations									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	3,072	-	-	3,072	3003	69	97.8%	2,415	1,667
Biological or cultivated assets									
Software and other intangible assets							0		
Land and subsoil assets									
Total	61,964			61,964	62,223	-259	100.4%	51,354	50,136

Statutory Appropriation									
	2004/05							2003/04	
Details of direct changes against the National/Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
List all direct charges against the Revenue Fund								51,354	50,136
Total								51,354	50,136

**FREE STATE LEGISLATURE
VOTE 2**

**DETAIL PER PROGRAMME 1
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
1.1 Subprogramme 1									
Current payment	50,804	-	-	50,804	50,890	-86	100.2%	42,173	41,575
Transfers and subsidies	8,088	-	-	8,088	8,330	-242	103.0%	6,766	6,894
Payment for capital assets	3,072	-	-	3,072	3,003	69	97.8%	2,415	1,667
TOTAL	61,964	-	-	61,964	62,223	-259	100.4%	51,354	50,136

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payment									
Compensation of employees	37,010	-	-	37,010	34,995	2,015	94.6%	28,351	27,720
Goods and services	13,794	-	-	13,794	15,895	-2,101	115.2%	13,822	13,855
Transfers and Subsidies									
Departmental agencies and accounts									
Non-profit institutions	8,088	-	-	-	8,330	-242	103.0%	6,766	6,894
Payment for capital assets									
Machinery and equipment	3,072			3,072	3,003	69	97.8%	2,415	1,667
Biological or cultivated assets									
Software and other intangible assets		-	-						
Total	61,964	-	-	61,964	62,223	-259	100.4%	51,354	50,136

**FREE STATE LEGISLATURE
VOTE 2**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2005**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (H) to the Annual Financial Statements.

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

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

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

3.1 Per Programme	Voted Funds after virement	Actual Expenditure	R'000	%
Programme 1	61,964	62,223	(259)	0.4%

3.2 Per Economic classification

Current payment:

The review of the organizational structure of the Legislature was concluded during the audit period. Filling of critical posts followed during the latter part of the financial year, attributed mainly to the under spending of 5.4% for compensation of employees.

The overspending of 15.2% incurred for payments of goods & services within programme one. The participation of portfolio committees in international conferences and expenditure related to such travel, relocation fees payable to non-returning Members of the Legislature, audit fees and communication spending were the main attributors to the overspending.

Transfers and subsidies:

Non-profit institutions reflect an overspending of 3%. Budget for donations was listed under goods & services and not transfer, resulting in the overspending of the sub vote.

Payments for capital assets:

The saving of 2.2% under machinery and equipment relates to an under spending of software assets.

**FREE STATE LEGISLATURE
VOTE 2**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	61,964	51,354
Departmental revenue	2	548	297
TOTAL REVENUE		62,512	51,651
EXPENDITURE			
Current expenditure			
Compensation of employees	3	34,995	27,720
Goods and services	4	15,895	13,855
Unauthorised expenditure approved	5	-	840
Total current expenditure		50,890	42,415
Transfers and subsidies	6	8,330	6,894
Expenditure for capital assets			
Machinery and Equipment	7	2,938	1,667
Software and other intangible assets	7	65	-
Total expenditure for capital assets		3,003	1,667
TOTAL EXPENDITURE		62,223	50,976
NET SURPLUS/(DEFICIT)		289	675
Add back unauthorised expenditure		-	-
Add back fruitless and wasteful expenditure		-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		289	675
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	12	-259	378
Departmental receipts to be surrendered to the Revenue Fund	13	548	297
NET SURPLUS/(DEFICIT) FOR THE YEAR		289	675

**FREE STATE LEGISLATURE
VOTE 2**

**STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		647	836
Cash and cash equivalents	8	270	449
Other financial assets	9	63	-
Prepayments and advances	10	81	169
Receivables	11	233	218
		<hr/>	<hr/>
TOTAL ASSETS		<hr/> 647 <hr/>	<hr/> 836 <hr/>
LIABILITIES			
Current liabilities		61	539
Voted funds to be surrendered to the Revenue Fund	12	-	378
Payables	14	61	161
		<hr/>	<hr/>
TOTAL LIABILITIES		<hr/> 61 <hr/>	<hr/> 539 <hr/>
NET ASSETS		<hr/> 586 <hr/>	<hr/> 297 <hr/>
Represented by:			
Revenue Reserve		586	297
		<hr/>	<hr/>
TOTAL		<hr/> 586 <hr/>	<hr/> 297 <hr/>

**FREE STATE LEGISLATURE
VOTE 2**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Revenue Reserve			
Opening balance		297	
Transfers		289	297
Closing balance		<u>586</u>	<u>297</u>
 TOTAL		 <u>586</u>	 <u>297</u>

**FREE STATE LEGISLATURE
VOTE 2**

**CASH FLOW STATEMENT
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Annual appropriated funds received		61,964
Departmental revenue received		548
Net (increase)/decrease in working capital		10
		<u>62,522</u>
Surrendered to Revenue Fund		-378
Current payments		-50,990
Transfers and subsidies paid		-8,330
Net cash flow available from operating activities	<i>15</i>	<u>2,824</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		-3,003
Net cash flows from investing activities		<u>-3,003</u>
Net increase/(decrease) in cash and cash equivalents		-179
Cash and cash equivalents at the beginning of the period		449
Cash and cash equivalents at end of period	<i>8</i>	<u>270</u>

**FREE STATE LEGISLATURE
VOTE 2**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

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
Administration	61,964	61,964	-	51,354
Total	61,964	61,964	-	51,354

2. Departmental revenue to be surrendered to revenue fund
Description

	<i>Notes</i>	2004/05	2003/04
Tax revenue			
Sales of goods and services other than capital assets		142	69
Fines, penalties and forfeits			
Interest, dividends and rent on land		261	223
Sales of capital assets		-	1
Sales of other than capital assets			4
Recoverable revenue received		115	
Financial transactions in assets and liabilities	2.1	20	-
Transfer received consists of:		10	-
Gifts, donations and sponsorships received	Annex 1J	10	-
Other transfers			
Total revenue collected		548	297
Less: Departmental Revenue Budgeted			
Departmental revenue collected		548	297

2.1 Financial transactions in assets and liabilities
Nature of loss recovered

	2004/05	2003/04
Cheques written back	20	-
	20	-

3. Compensation of employees

3.1 Salaries and Wages

	2004/05 R'000	2003/04 R'000
Basic salary	22,866	18,770
Service Based	495	-
Compensative/circumstantial	852	522

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

Other non-pensionable allowances	5,546	4,385
	<u>29,759</u>	<u>23,677</u>

	2004/05 R'000	2003/04 R'000
3.2 Social contributions		
3.2.1 Short-term employee benefits		
Medical	1,434	1,185
3.2.2 Post-employment retirement benefits		
Pension	3,802	2,858
	<u>5,236</u>	<u>4,043</u>
Total compensation of employees	<u>34,995</u>	<u>27,720</u>
Average number of employees	<u>187</u>	<u>134</u>

4. Goods and services

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Advertising		217	185
Bank charges and card fees		47	29
Bursaries (employees)		166	147
Communication		1,595	1,404
Consultants, contractors and special services		1,365	941
Courier and delivery services		46	24
Entertainment		2,029	1,064
External audit fees	4.1	632	390
Equipment less than R5000		2	-
Inventory	4.2	543	1,211
Legal fees		28	-
Maintenance, repairs and running cost		7	-
Operating leases		543	608
Plant flowers and other decorations		19	-
Printing and publications		367	-
Professional bodies and membership fees		137	-
Resettlement cost		160	-
Subscriptions		332	692
System access fees		-	4
Owned leasehold property expenditure		4,248	4,420
Translations and transcriptions		50	-
Transport provided as part of the departmental activities		173	324
Travel and subsistence	4.3	2,776	2,117
Venues and facilities		21	-
Protective, special clothing & uniforms		53	-
Training & staff development		339	295
		<u>15,895</u>	<u>13,855</u>

	2004/05 R'000	2003/04 R'000
4.1 External audit fees		
Regularity audits	632	390
Total external audit fees	<u>632</u>	<u>390</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

		2004/05 R'000	2003/04 R'000
4.2 Inventory (purchased during the year)			
Other inventory		-	56
Domestic consumables		39	24
Learning and teaching support material		73	73
Food and Food supplies		63	65
Fuel, oil and gas		197	156
Stationery and printing		167	837
Medical supplies		4	-
Weapons and armaments		<u>543</u>	<u>1,211</u>
		2004/05 R'000	2003/04 R'000
4.3 Travel and subsistence			
Local		1,965	1,892
Foreign		<u>811</u>	<u>225</u>
Total travel and subsistence		<u>2,776</u>	<u>2,117</u>
		2004/05 R'000	2003/04 R'000
5 Unauthorised expenditure			
5.1. Reconciliation of unauthorised expenditure			
Opening balance		-	840
Unauthorised expenditure approved by Parliament/Legislature – current expenditure		-	-840
Unauthorised expenditure awaiting authorisation		<u>-</u>	<u>-</u>
		2004/05 R'000	2003/04 R'000
6. Transfers and subsidies			
	<i>Notes</i>		
Non-profit institutions	<i>Annex 1H</i>	8,182	6,855
Gifts and donations	<i>Annex 1K</i>	148	39
		<u>8,330</u>	<u>6,894</u>
		2004/05 R'000	2003/04 R'000
7. Expenditure for capital assets			
Machinery and equipment	<i>Annex 4</i>	2,938	1,667
Software and other intangible assets	<i>Annex 5</i>	65	-
Total		<u>3,003</u>	<u>1,667</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

				2004/05 R'000	2003/04 R'000
8.	Cash and cash equivalents				
	Cash on hand			4	4
	Cash with commercial banks			266	501
	Cash in transit			-	-56
				<u>270</u>	<u>449</u>
				2004/05 R'000	2003/04 R'000
9	Other financial assets				
	Description				
	Current				
	Stock on Hand			63	-
				<u>63</u>	<u>-</u>
				2004/05 R'000	2003/04 R'000
10	Prepayments and advances				
	Description				
	Staff advances			81	90
	Travel and subsistence			-	79
				<u>81</u>	<u>169</u>
11.	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		-	69
	Staff debtors	11.1	114	-	48
	Clearing accounts	11.2	42	-	84
	Other debtors	11.3	12	65	82
			<u>126</u>	<u>107</u>	<u>283</u>
				2004/05 R'000	2003/04 R'000
11.1	Staff debtors				
	Salary Disallowance			114	22
	Diner'sclub			-	26
				<u>114</u>	<u>48</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

11.2 Clearing accounts				2004/05 R'000	2003/04 R'000
			Salary Accounts	<u>42</u>	<u>84</u>
				42	84
11.3 Other debtors				2004/05 R'000	2003/04 R'000
			ANC Political Party	65	65
			S&T Daily Allowance	-	17
			Supplier Disallowance	<u>12</u>	<u>-</u>
				77	82
12. Voted funds to be surrendered to revenue fund				2004/05 R'000	2003/04 R'000
			Opening balance	378	-
			Transfer from Statement of Financial Performance	-	1,218
			Paid during the year	<u>-378</u>	<u>(840)</u>
			Closing balance	-	378
13. Departmental receipts to be surrendered to the Revenue Fund				2004/05 R'000	2003/04 R'000
			Opening balance	297	-
			Transfer from Statement of Financial Performance	548	297
			Paid during the year	<u>-259</u>	<u>-</u>
			Closing balance	586	297
**Amount not used at end of project, which donors allow department to maintain should be paid over to the Revenue Fund.					
14. Payables – current				2004/05	2003/04
Description				Total	Total
	<i>Notes</i>	30 Days	30+ Days		
Amounts owing to other departments	<i>Annex 7</i>		1	1	1
Clearing accounts	<i>14.1</i>		58	58	148
Other payables	<i>14.2</i>		2	2	12
			<u>61</u>	<u>61</u>	<u>161</u>
14.1 Clearing accounts				2004/05 R'000	2003/04 R'000
			Salary Deduction account	22	21
			Receipt Suspense	<u>36</u>	<u>127</u>
				58	148

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

14.2 Other payables

GRN Accrual
Staff

- 12
2 -

2	12
----------	-----------

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

2004/05

R'000

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

289

(Increase)/decrease in receivables-current

-15

(Increase)/decrease in prepayments and advances

88

Increase/(decrease) in payables – current

-100

Increase/(decrease) in non-current liabilities

-63

Surrenders

-378

Capital expenditure

3,003

Net cash flow generated by operating activities

2,824

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

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

			<i>Note</i>	2004/05 R'000	2003/04 R'000
16. Contingent liabilities					
	Liable to	Nature			
	Housing loan guarantees	Employees	<i>Annex 3</i>	672	695
	Capped leave commitments			356	-
				1,028	695
17. Accruals					
	Listed by economic classification			2004/05 R'000 Total	2003/04 R'000 Total
		30 Days	30+ Days		
	Goods and services	368	-	368	231
	Machinery and equipment	28	-	28	19
		396	-	396	250
	Listed by programme level				
	Administration			396	250
	Confirmed balances with other departments		<i>Annex 7</i>	1	1
				1	1
				2004/05 R'000	2003/04 R'000
18. Employee benefits					
	Leave entitlement			554	407
	Thirteenth cheque			1,229	959
	Performance bonus			1,783	1,366
19. Lease Commitments					
	19.1 Operating leases			2004/05 R'000 Total	2003/04 R'000 Total
		Buildings and other fixed structures	Machinery and equipment		
	Type of institution				
	Not later than 1 year				237
	Later than 1 year and not later than 3 years		5,422	5,422	318
	Later than three years		5,422	5,422	555

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

20. Related party transactions

No report of related parties and transactions is made.

21. Senior management personnel

	2004/05	2003/04
<i>Speaker to the Legislature</i>		
<i>Short term benefits</i>	688	642
<i>Post employment benefit</i>	88	83
<i>Secretary to the Legislature</i>		
<i>Short term benefits</i>	783	668
<i>Post employment benefit</i>	80	75
<i>Deputy Secretary (2)</i>		
<i>Short term benefits</i>	1214	583
<i>Post employment benefit</i>	127	65
<i>Chief Finance Officer</i>		
<i>Short term benefits</i>	648	539
<i>Post employment benefit</i>	65	61
<i>Legal Advisor</i>		
<i>Short term benefits</i>	447	495
<i>Post employment benefit</i>	47	57
	<u>4,187</u>	<u>3,268</u>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 1H
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS**

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				TRANSFER		2003/04
	Appropriation Act	Roll overs	Adjustment s	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers	5,781	-	-	5,781	8182	141.53%	6,855
Total	5,781	-	-	5,781	8182		6,855

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

ANNEXURE 1J

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			
KPMG	10 year democracy celebrations	1	
RMB Properties	Golfday Donation	2	
ABSA	Golfday Donation	7	
		10	

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

ANNEXURE 1K

**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
Paid in cash			
National Womansday	National Womensday		2
Lebone House	Childrens Home		6
Tshwarisang Homecare	Childrens Home		8
University Free State	Rag Donation		13
Late Dave Riba	Funeral Donation Staff		5
Matwang Secondary School	10 democracy School		3
	Project		
Mophate Secondary School	10 democracy School		2
	Project		
10year Democracy School Project	Prizes School Project	46	
Sakhisizwe Golf day Donation	Golfday Donation	15	
Winburg Aids Support Group	Aids Support	15	
Ndlondlo Funerals: late Lehalehale	Funeral Contribution	5	
Basotho Cultural Village	Performers 10year	3	
	democracy		
Diphakwe Cultural Group	Performers 10year	3	
	democracy		
Sportvendo : Sponsorship Medihelp Business	Business run sponsor	29	
Run			
Molete OJ: Golf Donation	Golfday Donation	5	
Mathabeng Municipality; Golf event	Golfday Donation	4	
SAFA: Soccer Bid Gala Event	Tickets speaker	5	
Late Soekoe ; Funeral Donation	Funeral Donation	5	

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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Matjabeng Municipality Golf Event	Golfdays Donation	4	
QwaQwa old Age & Orphanage home: Blankets	10 democracy donations	9	
TOTAL		148	39

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 3
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
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Housing	-	266	-	21	-	245	-
FDC		-	70	61	-	-	131	-
FNB		-	71	-	4	-	67	-
NBS		-	73	-	37	-	36	-
Nedbank		-	39	-	12	-	27	-
PERM		-	83	-	45	-	38	-
Saambou		-	41	-	27	-	14	-
Standard Bank		-		46	18	-	80	-
Trustgro		-	52	-	18	-	34	-
	Total	-	695	107	182	-	672	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 4
PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000
MACHINERY AND EQUIPMENT	2,938			
Computer equipment	945			
Furniture and office equipment	1,367			
Transport assets	626			
	2,938			

PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004

	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000
MACHINERY AND EQUIPMENT	1,667			
Computer equipment	904			
Furniture and office equipment	178			
Transport assets	585			
	1,667			

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 5
SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March
2005**

	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000
Computer software	<u>65</u>	-	-	-
	<u>65</u>			

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

	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000
Computer software	-	-	-	-
	-			
	-	-	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 6
INTER-GOVERNMENT RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Departments				
Provincial Treasury	-	4		
	-	4		
Other government entities				
African National Congress	65	65		
	65	65		
TOTAL	65	69		

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

**ANNEXURE 7
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000

Department

Amounts not included in
Statement of financial position

Current

Non-current

Total

Amounts included in Statement of
financial position

Current

Non-current

Total

	1	1
	1	1

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
