

FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3

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

Annual Financial Statements

for

Free State – Department of Tourism, Environmental and Economic Affairs

for the year ended 31 March 2005

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Free State – Department of Tourism, Environmental and Economic Affairs

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FOREWORD BY MEMBER OF THE EXECUTIVE COUNCIL

This report should be seen as a tool for reflection on the services rendered by our Department during the past financial year. It is intended to help us review our strategies and strengthen implementation.

The report shows the necessity of urgently addressing the systemic challenges faced by this Department. It also highlights the fact that the pace of implementation of our programmes must be accelerated.

The challenge in the next ten years is to achieve the goals of the Free State Growth and Development Strategy. We recognise that our Department being responsible for promotion of tourism and sustainable development through environmental conservation must play a leading role in economic and social development of our people. Our success in playing this role will be enhanced by collaboration with other departments we work together in the Economic, Environment and Investment Cluster.

As we look forward to 2010, it is important that we recognise the contribution made by our predecessors in realising the achievements shown in this report. This report marks the beginning of our efforts to remedy the weaknesses and shortcomings they could not address.

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PART ONE - GENERAL INFORMATION

1. General information

1.1 Submission of the annual report to the executive authority

I, **Thabo B. Khunyeli**, submit to the MEC for the Department of Tourism, Environmental and Economic Affairs, the Annual Report for the financial year 2004/2005, in compliance with the Public Finance Management Act 1 of 1999 section 40 (e) as amended by Act 29 of 1999.

TB KHUNYELI

ACCOUNTING OFFICER: DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS

Signed on this day of August 2005.

1.2 Introduction by the Head of Department

Information on the Department

The Department comprises thirteen programmes through which it achieved its responsibilities in the financial year under review:

- ❖ Programme 1: Administration (Management, MEC office, Office of the HOD, Internal Audit Unit)
- ❖ Programme 2: Corporate Affairs
- ❖ Programme 3: Financial Management
- ❖ Programme 4: Budgeting and Risk Management
- ❖ Programme 5: Supply Chain Management
- ❖ Programme 6: Tourism
- ❖ Programme 7: Investment Promotion
- ❖ Programme 8: Planning and Research
- ❖ Programme 9: SMME Promotion
- ❖ Programme 10: Liquor and Consumer Affairs
- ❖ Programme 11: Environmental Affairs
- ❖ Programme 12: Conservation
- ❖ Programme 13: Transversal Functions (transfer payments)

The following service programme categories had been identified as fundamental in enabling the department to achieve its mission:

- ❖ Investment promotion
- ❖ Business support services
- ❖ Regulatory services
- ❖ Tourism Promotion
- ❖ Economic sector development (non Tourism)
- ❖ Bio-diversity conservation
- ❖ Environmental quality management services
- ❖ Sustainable development support service

Bills submitted to the legislature during the financial year

No bills were submitted, by the department, to the Legislature in the financial year under review. However, the following bills have been finalised and are ready for adoption as Acts:

- ❖ Free State Tourism Authority Bill – the bill will be established in order to carry out the provincial marketing mandates.
- ❖ Free State Liquor Legislation and Liquor Policy – whose main functions will be to enable proper management of the distribution of liquor and protection of consumer against unfair business practices in the province.

Executive Authority visits abroad

Place	Date	Purpose
United Kingdom	19-31 August 2004	Attended celebrations for the ten years of democracy

1.3 Mission statement

To provide an economic and environmental governance system that contributes towards sustainable livelihoods together with relevant stakeholders to ensure job creation and poverty alleviation within the Free State Province.

- ❖ To promote sustainable economic activity within the province
- ❖ To promote sustainable environmental conservation within the province
- ❖ To ensure internal departmental business process excellence.

1.4 Legislative mandate

The departmental core business emanates from various legislation which includes, *inter alia*, the Constitution, the Public Finance Management Act, DoRA, National Environmental Management Act to mention just a few.

The department is also responsible for two public entities listed under Schedule 3 Part C of the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999). These are:

- ❖ The Free State Development Corporation (FDC) was established by the Free State Provincial Government in terms of FDC Act, Act 6 of 1995, as amended
- ❖ The Free State Gaming and Gambling Board (FSGB) established by the Free State Gambling and Racing Board Act 6 of 1996.

The FDC is primarily aimed at promoting the SMME sector in the Free State, which has the potential to be the largest creator of employment opportunities and the strongest generator of economic growth; while the Free State Gaming and Racing Board is aimed at monitoring and controlling gambling activities in the Free State region. These activities include:

- ❖ Licensing and registering of individuals and entities to conduct gambling and related activities
- ❖ Registering of gambling devices and collecting prescribed taxes and levies.
- ❖ Ensuring compliance with all legislation in connection with gambling activities

PART TWO – PROGRAMME PERFORMANCE

Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
	R203 754 000	R250 385 000	R242 391 000	R7 994 000
Responsible MEC	MEC for the Department of Tourism, Environmental And Economic Affairs			
Administering Dept	Department of Tourism, Environmental And Economic Affairs			
Accounting Officer	Superintendent General for the Department of Tourism, Environmental And Economic Affairs			

Aim of Vote

To provide an economic and environmental governance system that contributes towards sustainable livelihoods, together with relevant stakeholders, to ensure job creation and poverty alleviation within the Free State province.

Key measurable objectives, programmes and achievements

Key measurable objectives

- ❖ Strengthen the competitive advantage of the province
- ❖ Support the creation and expansion of SMME
- ❖ Add value to Free State products.
- ❖ Expand manufacturing industries in the province
- ❖ Optimize tourism opportunities.
- ❖ Develop and expand the transport and distribution industry.
- ❖ Maximize economic potential of municipalities in the Free State.
- ❖ Increase the rate of investment by exploiting private direct investment through integrated
- ❖ Approach to 2010 Soccer World Cup.
- ❖ Ensure a healthy environment through integrated environment management.

Programmes

1. PROGRAMME 1: ADMINISTRATION

The programme provides managerial leadership to the department.

2. PROGRAMME 2: CORPORATE SERVICES

The directorate provides organisational support on corporate related matters and strategic management.

3. PROGRAMME 3: FINANCIAL MANAGEMENT

This directorate conducts the overall management of the finances and provisioning of the department.

4. PROGRAMME 4: BUDGETING AND RISK MANAGEMENT

The directorate conducts the overall risk and management, budget and strategic planning in the department.

5. PROGRAMME 5: SUPPLY CHAIN MANAGEMENT

The main function here is to attain and sustain sound asset and procurement practices.

6. PROGRAMME 6: TOURISM

Tourism directorate conducts the overall management of tourism development and promotion.

7. PROGRAMME: 7 INVESTMENT PROMOTION

Trade and Investment Promotion aims to facilitate investment and increase exports in the Free State for the purpose of stimulating economic growth and create sustainable job opportunities.

8. PROGRAMME 8: PLANNING AND RESEARCH

The Planning, Research & Policy Development Directorate played an effective advisory role to directorates within the department and other departments, through economic planning, policy development and targeted research.

9. PROGRAMME 9: SMME

The programme aims to create an environment that is conducive to SMME development and growth.

10. PROGRAMME 10: LIQUOR AND CONSUMER AFFAIRS

The programme aims to create a well regarded internal trade that will enable proper management of the distribution of liquor and protection of consumer against unfair business practices in the Province.

11. PROGRAMME 11: ENVIRONMENTAL AFFAIRS

The programme aims to coordinate the programmes that will assist in the protection of human health and the environment.

12. PROGRAMME 12: CONSERVATION

Conservation promotion and bio-diversity management in the Province

Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

The department had envisaged to collect R24,284m in the financial year 2004/2005. Actual revenue collections increased by 17% over the estimate on casino taxes and by 19% on non tax collections.

This has mainly been the result of improved methods of revenue collections on casino taxes, but also because of under estimation on liquor licenses.

Further, the income generated from the sale of game fluctuates, based on a two-year game management strategy. This strategy allows significant variance in the number of excess game animals being made available, for sale through the various operational programs. Effectively, over the two-year management period, income from game sale will alternate; one year realising a lower income than the other. In this regard, the year under review reflects income, from the sale of game, in the lower spectrum of the two-year cycle.

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

Departmental expenditure

Programmes	Voted for 2004/05	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
1. Administration	12,776	12	5,570	18,358	18,145	213
2. Corporate Services	9,196	10	97	9,303	10,352	-1,049
3. Financial Management	9,259	8	(732)	8,535	6,512	2,023
4. Budgeting & Risk Management	800	0	0	800	2	798
5. Supply Chain Management	3,520	6	(286)	3,240	2,532	708
6. Tourism	10,493	29	(29)	10,493	7,639	2,854
7. Investment Promotion	5,653	8	(264)	5,397	4,373	1,024
8. Planning & Research	1,273	(1,700)	2101	1,674	1,669	5
9. SMME Promotion	5,215	5	(5)	5,215	4,996	219
10. Liquor & Consumer Affairs	5,791	6	774	6,571	7,731	-1,160
11. Environmental Affairs	14,308	17	(13)	14,312	14,251	61
12. Conservation	58,067	40	553	58,660	58,351	309
13. Transversal Functions	112,699	46,855	(53,062)	106,492	103,564	2,928
Special Function : Unauthorised expenditure funded	1,335	1,335	(1,335)	1,335	2,274	-939
TOTAL	250,385	46,631	(46,631)	250,385	242,391	7,994

Transfer payments

The department is responsible for transfer of funds to the Free State Development Corporation and the Free State Gaming and Racing Board.

Compliance that governs transfer of funds is prescribed in Part 2, Section 38(1) (i), (j) of the PFMA where transfers of funds must comply with terms and conditions of Division of Revenue Act, and the entity to which funds are being transferred must submit, to the transferring department, written assurance that the entity implements effective, efficient and transparent financial management and internal control systems.

In the financial year 2004/2005, the following transfers were made:

NAME OF INSTITUTION	AMOUNT TRANSFERRED	ESTIMATE EXPENDITURE
Free State Development Corporation	86,855	86,355
Free State Gaming And Racing Board	15,500	15,500
TOTAL	102,355	102,355

Capital investment, maintenance and asset management plan

Section 1: Executive Summary

Tourism is one of the fastest growing industries in the world today. South Africa has seen a massive growth in foreign visitors since 1994. This Department is a major role-player in this industry in the Province as we provide visitor accommodation in most of the Provincial Nature reserves. A few Reserves, with enormous tourism potential, have no visitor infrastructure.

1.1 The Purpose of the Plan

- ❖ To show the importance of receiving funds through the conditional grant for the next MTEF period.
- ❖ Maintenance and development on infrastructure is not financed from the budget of Public Works as was the past norm.

1.2 Infrastructure delivery goals and Objectives (refer to legislation)

- ❖ To develop Nature reserves in order to meet National and International standards.
- ❖ To supply tourist infrastructure to meet demands.
- ❖ To lure visitors into the poor rural areas.
- ❖ To create jobs and ultimately eradicate poverty.
- ❖ To conform to the EPWP program.

Section 2: Routine Maintenance Plan

Routine maintenance is the regular ongoing day-to-day work that is necessary to keep Infrastructures operating, including instances where portions of the infrastructure fail and need immediate repair to in order to ensure that such infrastructure is once again operational.

Maintenance Plan

A maintenance plan only exists for larger maintenance projects and targets the busiest Resorts first. When the maintenance team are on site they address problems associated with all structures at that Reserve /Resort and not only the visitor facilities. Day to day maintenance is done when as required and is not part of a plan. Own staff and private contractors, from the neighbouring towns, are used to affect these urgent repairs.

Standards and Specifications

The standard of materials used during maintenance projects is normally higher than that of the materials originally used during the construction of the buildings.

Summary of Future Costs

Planned maintenance projects utilise casual/contract workers from neighbouring communities and is thereby a key element in job creation. R1 million per year is allocated to this, half of which being spent on salaries and the other half on materials. Day to day maintenance is derived from the operational budget of the Reserve/Resort. R1 million per year is allocated to fence maintenance. 60% will be spent on job creation and 40% on material. R3 million per year from the conditional grant is used for maintenance and is broken down as follows; R1 m to maintenance, R1 m to refurbishment, R1m to fences.

Section 3: Renewal / Replacement Plan

Renewal Plan

The older Resorts must be renovated. Places with the highest visitor pressures are afforded priority. Generally, two places enjoy attention annually, with R2 m allocated from the conditional grant; R1 million from the maintenance allocation and R1million from the refurbishment allocation.

Section 4: Creation / Acquisition Plan

New works are considered those that create new infrastructure that did not previously exist, or works which upgrade or improve an existing infrastructure beyond its existing capacity. They may result from growth, social or environmental needs. Infrastructures may be acquired at no direct cost to the department (i.e. sub-divisional development for local authorities).

Section 5: Disposal Plan

None of the buildings are currently decommissioned. If this should materialise, it will be handled directly by Public Works.

Programme performance

1. PROGRAMME 1: ADMINISTRATION

PURPOSE OF PROGRAMME

To provide strategic direction and administrative support to the department, by giving political and managerial leadership essential for service delivery.

To help the department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

To ensure a relatively safe, and a loss free external and internal environment

2. PROGRAMME 2: CORPORATE SERVICES

PURPOSE OF PROGRAMME

Strategic leadership in ensuring internal departmental business excellence through supportive provision and management of a dedicated enabled and empowered workforce within the provisions of applicable legislative frameworks governing the Public Service.

MEASURABLE OBJECTIVE:

To give human development and legal services advice to the Department in line with the mandate of the Public Service Act and other agreements as legislated.

SERVICES DELIVERY OBJECTIVE INDICATORS:

1. Human Resource management and development

The sub-programme is tasked with providing a professional PERSAL system and HRM policy guidelines including development of an HR plan that monitors HR functions.

2. Labour Relations and Employee Assistance Programme.

The legal mandate is based from the BCEA and labour Relation Act to promote labour peace within. PDMS was also affected.

The sub-programme trained supervisors and managers on Basic Labour Relations in relation to handling grievances and disciplines. I programme to train employees on the Public Service Code of Conduct. Interventions on HIV/ AIDS training awareness was done including substance abuse handling.

3. Communication and Information Technology

The section aims to develop an IT policy and strategy including a Communication strategy for the Department, promoting effective and professional communication with all stakeholders.

The Sub-Directorate coordinated all departmental events to profile our delivery activities and also put in a SERVE to manage IT communication and thus control viruses and offer a better network system.

4. Efficiency Studies

The delivery mandate is based on Public Service Regulations to offer a professional, costed structure; in line with the Strategic Plan effective job evaluations.

The Sub-Programme did the departmental structure per the restructuring exercise and conducted job evaluations after job descriptions were analysed and submitted to the job Panel Evaluation Committee.

5. Auxiliary Services and Transport

The legal mandate is based on the Public Service Regulations to provide a supportive maintenance system through cleaning, recommendation facilities and overall transport management.

The Sub-Programme created a conducive work environment through the above process so that service delivery could not be compromised.

Sub-programmes	Output	Output performance measures / delivery indicators	Actual performance against target	
			Target	Actual
Employee Assistance Programme	Introduction of EAP to reserves and Resorts	Employees understand what the programme is all about.	100% of employees at resorts and reserves.	40% of the employees at resorts and reserves.
	Development of policies.(EAP, Bereavement and HIV)	Implementation of the policies in the Department.	100% of the employees in the Department.	Pending Approval
	Resolution of day-to-day employee problems	Increased employee satisfaction.	Speedy resolution of referred cases to EAP unit (Three completed cases per month).	One referred case has been closed and solved.
	Implementation of HIV/Aids in the workplace programme	Increased numbers of people trained on HIV/Aids.	100% of the employees in the Department	0% of the employees at resorts and reserves
	EAP Expansion and Development	Programme introduced to all resorts and reserves / Information sessions conducted for Resort and Reserve Managers	Launching EHWP in the Department	
	Productivity and Performance Objectives	Awards ceremony done for resorts and reserve employees	Recognition and Merits for employees during Employee Appreciation Day	Done
Labour Relations	Improved labour relations climate	♦ Speedy resolution of employee's grievances and misconduct cases	♦ Training of all departmental staff on the grievance rules and disciplinary code and procedure for the Public	♦ 85 % of staff trained

			Service ♦ All grievances resolved at the lowest level of management	♦ 65 % achieved
	Improve the level of employee's good conduct in the workplace	♦ Knowledge of the code of conduct which is applicable to the public service	Train all staff on the code of conduct for the public service	95 % of staff trained
	Ensure departmental compliance to collective agreements	♦ Decreased number of referrals to council for non compliance.	100% compliance	80% achieved.
Communication	Consultation with customers	<ul style="list-style-type: none"> Public participation meetings MEC cluster meetings Road shows 	<ul style="list-style-type: none"> All activities All Provincial Municipal Districts All Provincial Municipal Districts 	<ul style="list-style-type: none"> Low scale FS Northern District None
	Access strategy	<ul style="list-style-type: none"> Participation at MPCC Centralized departmental services in one building 	<ul style="list-style-type: none"> All Centers All Chief Directorates 	<ul style="list-style-type: none"> None Done
	Information tools	<ul style="list-style-type: none"> Website Exhibitions Brochures, leaflets, advertisements, advertorials, media statements Newspaper / newsletter Notice boards 	<ul style="list-style-type: none"> Active All activities All activities Bi-monthly All buildings 	<ul style="list-style-type: none"> Not well serviced Monthly Daily, Weekly monthly None None
	Complaints mechanism	<ul style="list-style-type: none"> Suggestion box and questioner form Customer care centre 	<ul style="list-style-type: none"> All building regional offices and institutions offices 	<ul style="list-style-type: none"> None <p>Operational</p>
Information Technology	Access strategy	<ul style="list-style-type: none"> Establishment of website Establishment of intranet 		
	IT security IT Policy	<ul style="list-style-type: none"> Anti-virus SMTP gateway Policy document 	All networked PCs Department Department	operational operational pending approval
	Infrastructure	<ul style="list-style-type: none"> Mail server 	All networked PCs	operational

	development LAN linkages Remote offices linkages helpdesk	<ul style="list-style-type: none"> Active directory services Sediba / Agr &Fount LANs merged into one Link resorts & Reserves and remote offices to head office Helpdesk system 	All networked PCs Sediba / Agr &Fount buildings All remote offices Department	operational operational none none
	In-house web development and maintenance (intranet and internet website)	<ul style="list-style-type: none"> Well maintained websites 	Intranet – internal Internet – public	None
	Computerized Systems	<ul style="list-style-type: none"> Establishment of various systems for various functions 	Various functions in the department	None
Human Resources Development	Internship Programme	5% recruitment of potential interns / trainees Curriculum Development for Internship programme Capacity Building for Mentor / Coachers Testimonial and Certificate ceremony for Interns	5% based on Departmental Establishment Available approved curriculum development Trained departmental officials on desired skills March 2005	5% recruited interns / trainees achieved Document available by March 2005 Officials not yet trained Done
	Learnership Programme	Announce a detailed plan for the intake of learners on learnership programme by 30 November 2004	Available Departmental Plan on Learnership Implementation	Preparations on track
	Develop skills database of unemployed graduates within the sector	Available information on skills database by 30 October 2004	Available skills database	Preparations on track

	Workplace skills plan	<p>Establishment of Functional Training and Development Committee</p> <p>Approved work place skills plan</p> <p>Available Annual Training Report</p> <p>Implementation of skills short course programme</p>	<p>Functional Training and Development Committee</p> <p>Approved workplace skills plan</p> <p>Available Annual Training Report</p> <p>100% compliance on workplace skills plan</p>	<p>Proposal awaits approval</p> <p>Available</p> <p>Available</p> <p>40% implementation</p>
	Bursaries	<p>Contribution and participation in the Premier Bursary Award</p> <p>Ensure funding for current Bursary Holders</p> <p>Administer Bursary Breach of contracts cases</p> <p>Advert on the intention to award bursaries for 2005</p> <p>Awarding of Bursaries to prospective learners for 2005</p>	<p>Physical and financial support to the Premier Bursary Awards</p> <p>Processed Bursary Payments to tertiary institutions</p> <p>Reduced bursary breach of contracts by 5%</p> <p>Annual placing of advert by 30 August 2004</p> <p>Recommended list of names by the selection committee by 30 October 2004</p>	<p>Done</p> <p>Ongoing</p> <p>Submission pending for approval by 30 October 2004</p> <p>Done</p> <p>In process</p>
	Implementation of PDMS	Monitoring report on PDMS quarterly reviews	100% compliance to PDMS prescripts	70% successful compliance
	Fire arms accreditation	<p>Obtain accreditation for the department as authorised institution</p> <p>Registration of shooting ranges in terms of SABS and SAPS prescripts</p> <p>Registration of firearms in accordance with Firearms Control Act</p>	<p>Competency Certificate</p> <p>100% compliance to registration of shooting ranges</p> <p>Develop firearms register</p>	<p>Available</p> <p>In process</p> <p>Done</p>

Efficiency studies	Delegations of Authority as Prescribed by Public Service Act	Approved set of delegations by the MEC	To be submitted in may 2004	Deadline met – feedback not received yet
	Powers and functions of the executing authority as stipulated in various pieces of legislation and other prescripts	Detailed document prepared and presented to MEC	To be completed by 15 June 2004	Deadline met – feedback not received yet
	Job evaluation	Posts submitted appropriately recommended by the provincial j/e panel	All SMS posts to be evaluated before end of august 2004	<p>The following posts were evaluated and presented for a recommendation:</p> <p>Director: BEE Director: Tourism Marketing Director: Resorts and Eco-tourism Director: Organization and Human resources development</p> <p>Director: HRM and Labour Relations Director: Supply Chain Management Director: Budget and Risk Management</p> <p>All above posts were withdrawn by the panel</p>
Special Programmes	<p>Policy compliance</p> <p>Awareness programmes</p> <p>Promote Provincial BEE structures targeting women</p>	<p>Departmental policies compliance to all special programmes issues</p> <p>Arranged relevant Workshops</p> <p>Arranged Women Imbizos / dialogues / forums</p> <p>Mobilise women participation for SAWEN, TWIB & SAWIMA</p>	<p>100% policies sensitive to gender</p> <p>One campaigns to 5 districts</p> <p>Quarterly per district</p> <p>Promotion of National / Provincial days of activism</p> <p>Established forums in 5 regions</p> <p>Facilitate districts nominations for National TWIB awards</p>	<p>60% already achieved</p> <p>3 campaigns already achieved</p> <p>2 relevant sessions already conducted</p> <p>Successfully in process</p> <p>3 provincial participants were finalists (Tourism, Construction & textile, arts & crafts), whilst 1 participant was a sector winner (textile, arts & crafts)</p>

	Take girl child to work programme	Facilitate exposure to annual Provincial entrepreneurship skills	10 girls schools from disadvantaged communities	6 girls from Vulamasango Community school were allocated to most departmental branches on 27 th May 2004
Human Resource Management	<p>Maintenance of Persal Controller Functions</p> <p>Human Resource and Persal Delegations Maintenance of Personnel conditions of service</p> <p>Human Resource Policy Development</p>	<p>Continued recordkeeping of personnel information on persal</p> <p>Increase levels of service delivery</p> <p>Appropriate personnel appointment up to termination services</p> <p>Set appropriate guidelines that conform to Human Resources norms and standards</p>	<p>100% compliance to persal rules and regulations</p> <p>2 sets of delegations to expedite service delivery</p> <p>100% compliance to Public Service Legislation and Regulations</p> <p>100% compliance to Public Service Legislation and Regulations</p>	<p>100% current quality service</p> <p>1 set of delegations already obtained approval, 1 is awaiting approval</p> <p>80% compliance</p> <p>85% Human Resource policies in place</p>
Transport and Auxiliary Services	Total management of departmental and subsidized vehicles	<p>Increased satisfied service delivery</p> <p>Allocating new vehicle to Executing Authority</p> <p>Retrieval of stolen vehicle GDB 204 FS</p>	<p>100% satisfaction</p> <p>Purchased Vehicle</p> <p>Vehicle recovered in Mozambique</p> <p>300 trained officials</p>	<p>70% satisfaction</p> <p>Done</p> <p>Done</p>

	Capacity Building on the usage of departmental vehicles	Trained Officials	100% perfect clean working environment	146 already trained
	Hygienic working environment	Acceptable Healthy working environment, by contracting a Private Cleaning Company until end March 2005	All offices within Bojanala Complex	100 % maintenance of healthy environment
		Fumigation of Offices	100% perfect conditions of working environment	Done
	Liaison with Buildings Owners and Department of Public Works	Safe and Healthy conditions of working environment	100% functionality of the telephone system	75% acceptable conditions
	Maintenance of telephone communication system	Enhance quality voice communication in the working environment		85% current functionality

3. PROGRAMME 3: FINANCIAL MANAGEMENT

Purpose

The Chief Directorate has been charged with the responsibility to ensure:

- ❖ Proper administration of departmental finances through monitoring of expenditure and revenue collections.
- ❖ Adherence to financial prescripts, management of assets and losses, and maintenance of appropriate procurement and provisioning procedures.

Measurable objectives

- ❖ Production of MTEF budget proposal
- ❖ Capturing of the budget on to the BAS.
- ❖ Production of Annual financial statements
- ❖ Updating asset register
- ❖ Implementation and maintenance of effective internal control systems
- ❖ Implementation of adequate procurement and provisioning systems
- ❖ Production of In-year-monitoring (expenditure and revenue report)
- ❖ Monitoring of debt and preparation of Debt analysis report
- ❖ Compiling of Status of loss of government property report
- ❖ Payment of salaries
- ❖ Procurement and provisioning of goods and services
- ❖ Payment of creditors

Service delivery objectives and indicators

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Financial Administration	Production of MTEF budget proposal	Departmental document on budget for MTEF period submitted to the Legislature	As per Provincial Treasury deadlines	MTEF budget proposals were submitted to Treasury on time
	Capturing of the budget on Basic Accounting system	Budget allocated correctly captured on the system	Budget captured by 1 st of April, 2004 as in the provincial budget book	Budget was only captured by mid-April 2004 but not linked to the budget book
	Production of annual financial statements	Submission of correct statements	Submission of the statements on the 31 st May 2005	Submission was made on the 31 st May 2005
	Implementation of internal control systems	Implementation of policies, directives, manuals and Treasury/departmental circulars	An ongoing activities	Treasury circulars have been implemented
	Collection and management of departmental revenue	banking of revenue collections and capturing of receipts on BAS	Banking done on a daily basis and all receipts captured daily or at least by the end of month	Revenue collections could not, always, be banked daily, Due to systems problems, capturing of receipts could not all be captured for the month of April May and June

4. PROGRAMME 4: BUDGETING AND RISK MANAGEMENT

Purpose

The programme was aimed at ensuring sound processes of budgeting and strategic planning. It also facilitates proper linking of strategic objectives and annual performance plans of the department to available financial resources.

In the financial year under report, no personnel were recruited to this component. Functions linked to the directorate had been allocated to other components.

5. PROGRAMME 5: SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT	Updating asset register	Capturing of assets purchased prior to April 2004	June 2004	Capturing still in process
	Implementation of adequate procurement and provisioning	Supply Chain Management policies developed and implemented	March 2005	Draft policies developed and ready for approval

	systems			
	Compile Departmental Data base.	Departmental Data base is in place.	June 2004	March 2005
	Establishment of Bid Adjudication Committee.	Bid adjudication committee is in place and fully functional. All its members are appointed in writing.	June 2004.	March 2005.
	Implementation of LOGIS.	LOGIS has been successfully implemented.	25 March 2004	25 March 2004
	Complete annual stock taking exercise	Report submitted to Provincial Treasury by April 2005	Complete Report by 30 April 2005.	Completed report by 30 April 2005.

6. PROGRAMME 6: TOURISM

Purpose

The programme is aimed at the management, development, implementation, evaluation and maintenance of national as well as provincial policies, programmes and systems of tourism development, promotion and marketing.

Measurable objectives:

The Chief Directorate set the following service delivery achievements and indicators;

- ❖ The development of provincial tourism policies and strategies to position the Free State as a preferred tourism destination.
- ❖ The development of human resource capacity building programmes to boost the implementation of provincial tourism policies and strategies.
- ❖ The establishment of the Free State Tourism Authority to intensify provincial tourism marketing and promotional programmes.
- ❖ To intensify tourism partnership programmes inter alia international, national, provincial, district municipalities, local municipalities as well as interdepartmental, departmental and other institutional bodies.

Service delivery achievements:

Sub-programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Development	Development of Provincial Tourism Plan	Development of Provincial Tourism Plan	Develop Provincial Tourism Plan	First draft was submitted and workshopped. Second draft has been submitted with only a few points of consolidation still outstanding

	Development of Provincial Tourism Strategy	Development of Provincial Tourism Strategy	Development of Provincial Tourism Strategy	This will be completed and submitted in May 2005. Due to the postponement of this project last financial year, they have had to update information which they supplied in 2003
	Development of an integrated directory of tourism mandates	Development of an integrated directory of tourism mandates	Development of an integrated directory of tourism mandates	First draft submitted. Second draft awaiting inputs from relevant institutions and District Municipalities
	Development of Provincial Tourism Policy	Development of Provincial Tourism Policy	Development of Provincial Tourism Policy	This will be implemented in May 2005
	B&B Development Programme	a) Concept document prepared b) Advertisement placements calling for business proposals c) Selection of review panel d) Announcement of selected business proposals		A major problem is being experienced with the finalization of this project as the Budget Speech made by the MEC indicated that the Department will fund the establishment of this programme. All the outputs were completed except the selection and announcement of the winning business proposals due to lack of funds.
	100 % Tour Operator Company	a) Concept document prepared b) Advertisement placements calling for business proposals c) Selection of review panel of proposals d) Announcement of selected business proposals		A major problem is being experienced with the finalization of this project as the Budget Speech made by the MEC indicated that the Department will fund the establishment of this programme. All the outputs were completed except the selection and announcement of the winning business proposals due to lack of funds.
	Tourism Investment	Tourism Investment Study	Tourism Investment Study	The third phase has been

	Strategy			completed. The fourth and last phase is in the process of being finalized
	Tourism Grading Awareness programme	Develop a rapid communication strategy on grading	Concept document developed and implemented	The rapid communication strategy on grading was done and
Marketing	The establishment of the provincial tourism authority		Table Bill in the legislature And develop Implementation Plan	The Bill was tabled in the legislature and implementation is complete
			Bloemfontein Show	ITB – Berlin
	Develop and implement an effective distribution channel and marketing platform (consumer shows, exhibitions and events)			Bloemshow, Indaba Tourism Show-Durban, Getaway Show ITB_Berlin, WTM (World Travel Market)
	Develop and implement an effective marketing and promotional programme	Launch of Sho't Left Campaign Production of brochures, Banners and CD-Rom	Sho't Left Campaign	Successfully launched the Sho't Left Campaign together with South African Tourism Successfully produced brochures, banners and a CD-Rom
	Tourism Month Celebrations	Participate in Tourism Month Celebration	Participate in Tourism Month Celebration	The Province successfully co-ordinated the Tourism Month Celebrations and is on schedule with preparations for the Tourism Day Celebrations to be held in the Free State in Bloemfontein on 27 th September 2005
		Participation in the Two Nations Marathon, MACUFE	Participate and promote events tourism	Successfully participated in Two Nations Marathon and MACUFE
	Develop		Develop Concept Document on 2010 World Cup	Successfully development of concept document

7. PROGRAMME: 7 INVESTMENT PROMOTION

PURPOSE OF THE PROGRAMME

To provide an economic developmental governance system towards a better life for all in the Free State Province.

MEASURABLE OBJECTIVES

- ❖ Industry / sector development
- ❖ Investment promotion
- ❖ Trade promotion

8. PROGRAMME 8: PLANNING AND RESEARCH

The programme aimed to conduct overall research on policy planning in the department. This programme was moved to the office of the Premier in September 2004.

9. PROGRAMME 9: SMME

PURPOSE OF THE PROGRAMME

To promote a vibrant economic activity in the province.

MEASURABLE OBJECTIVES

- ❖ Poverty alleviation.
- ❖ Job Creation.
- ❖ Economic development.
- ❖ Infrastructure development.
- ❖ Ensure a safe and secure business environment.
- ❖ People development.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

- ❖ Provide technical and entrepreneurial training.
- ❖ Provide business opportunities.
- ❖ Capacity building.
- ❖ Develop business infrastructure.
- ❖ Establishment of cooperatives.

SERVICE DELIVERY ACHIEVEMENTS

Sub Program	OUTPUT	Output performance measures / service delivery indicators	Target Performance	Actual Performance
To establish one craft centre per region	<ul style="list-style-type: none">• Thaba Nchu Craft centre• Relocated the Fouriesburg Crafts Centre	<ul style="list-style-type: none">• Held meeting with the tribal authority• Got approval and agreement on the identified land• Held meetings with the local municipalities• Identified land	<ul style="list-style-type: none">• Have an agreement with the tribal authority• Refurbish and a well resource craft centre	<ul style="list-style-type: none">• Identified the land• Held meetings with stakeholders• Crafters cooperative in the pipeline• To be relocated due to being misplaced

To provide Technical and entrepreneurial training for institutional development	<ul style="list-style-type: none"> • NPI - Productivity Capacity Building Programme 	<ul style="list-style-type: none"> • Select and train 20 service providers (10 of which are women) 	<ul style="list-style-type: none"> • Improve level of productivity of SMME's 	<ul style="list-style-type: none"> • 200 SMME's were assessed and chosen for consultancy
Provision of business opportunities	<ul style="list-style-type: none"> • 1 presentation per region • 2 radio interviews conducted • 300 000 copies of SMME's magazine were distributed • Developed and distributed 5000 copies of SMME show case • 2 co-ops workshops • 300 walk-ins per month 	<ul style="list-style-type: none"> • Stakeholders meetings • Policy workshops • Distribution of marketing material 	<ul style="list-style-type: none"> • Dissemination of information 	<ul style="list-style-type: none"> • 600 people attended • 160 people attended
Focus intervention on sectors	<ul style="list-style-type: none"> • Women empowerment • Youth employment 	<ul style="list-style-type: none"> • Training • Exposure to exhibitions • Access of youth to business opportunities 	<ul style="list-style-type: none"> • SAWEN functional in the province • Identifying of service providers – Umsobovu 	<ul style="list-style-type: none"> • 3 exhibitions attended • 1 allocating agent and 13 service providers • Participation in the economic youth summit
Capacity building	<ul style="list-style-type: none"> • Human Resource development 	<ul style="list-style-type: none"> • 2 officials attended JAICA for 2 months • 2 officials attended National Small Business Conference • 2 officials attended 49 International Small Business Conference • 1 official attended the cooperative workshop • 2 officials attended the Project 	<ul style="list-style-type: none"> • More knowledgeable on business development • Alignment with national strategies / initiatives on small business development 	<ul style="list-style-type: none"> • Skilled and resourceful team

		management workshop <ul style="list-style-type: none"> • 2 officials attended the SEDA Conference 		
Develop business Infrastructure including SMME data base	<ul style="list-style-type: none"> • Comprehensive data base on all sectors of the economy 	<ul style="list-style-type: none"> • Training of data capturers, • Use of special software 	<ul style="list-style-type: none"> • Keeping of an updated SMME database • Controlled and managed database 	Trained <ul style="list-style-type: none"> • 5 district LED officers • 5 service providers • 10 staff
Establishment of Cooperatives	<ul style="list-style-type: none"> • Established 2 co-ops • 1 registration workshop conducted 	<ul style="list-style-type: none"> • 2 registered and functional co-ops 	<ul style="list-style-type: none"> • On-going assistance to registered co-ops 	<ul style="list-style-type: none"> • 1 co-op officially launched

10. PROGRAMME 10: LIQUOR AND CONSUMER AFFAIRS

PURPOSE OF PROGRAMME

The programme aims to create a well regarded internal trade that will enable proper management of the distribution of liquor and protection of consumer against unfair business practices in the Province.

MEASURABLE OBJECTIVES

- ❖ Create an environment conducive to advancement of consumer rights.
- ❖ Encourage high levels of ethical conduct for those involved in production and distribution of goods and services to consumer.
- ❖ Promote and protect the interest of consumer.
- ❖ Facilitate establishment of consumer groups and other associative bodies.
- ❖ Eliminate unfair business practices in the market place.
- ❖ Furnishing timely information to clients on status application Facilitating access into the liquor industry.
- ❖ Proper regulation over sale of liquor outlets in the Province.
- ❖ Formulation of strategies for execution of Trade Inspection in terms of affected legislation.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

CONSUMER PROTECTION OFFICE

Resolution of complaints by the Complaints Handling Division has not been at the level required primarily as a result of complexity of complaints lodged, protraction of the mediation process and recalcitrance of respondents. The functionality of the Consumer Court impacted positively on the outputs of the Division as all cases that could not be resolved through mediation could now be channelled to the Consumer Court for decision making and resolution.

The Consumer Education Division performed well in line of targets to drive Consumer Awareness Programmes and ensuring advocacy of consumerism which resulted in the formation of regional Consumer Forum and Provincial Consumer Forum. The distribution of Consumer information leaflets impacted positively on comprehension of Consumer rights and responsibilities by communities. All this, *albeit*, budgetary constraints.

LIQUOR ADVICE AND SUPPORT SERVICES

The Sub-Directorate including the Liquor Board attained strategic objective identified in the strategic plan. Effective advisory help-desks and interactive workshops with stakeholders and interest groups ensured a better comprehension of the liquor trade thereby expanding pool of licensed liquor outlets and uphold of public interest.

TRADE INSPECTION AND INVESTIGATIONS

Purpose

The Sub-Directorate in spite its limitations in human resources given the size of the liquor trade in the Province continued to effect compliance with the Liquor Act. Major success of trade inspection conducted were as a result of joint efforts with Designated Police Officers in the SAPS. The licence renewal process went smoothly as a result of inputs of the Sub-Directorate.

SERVICE DELIVERY ACHIEVEMENTS

CONSUMER COMPLAINTS HANDLING DIVISION

STRATEGIC ACTIVITY	OUTPUT	ACTUAL PERFORMANCE	PROBLEMS EXPERIENCED
Accelerated redress mechanism for Complaint Handling.	<ul style="list-style-type: none">Consumer Complaints trends.Paralegal training.	<ul style="list-style-type: none">1259 cases resolved and 48 of them went to Consumer Court.Not yet in place as a result of legislative constrainsPoor co-ordination by D.T.I.12 NGO's trained in management and consumer resolution	<ul style="list-style-type: none">Refusal of respondents to abide with mediation process.Complexity of complaintsThe Consumer Court not meeting monthly.CAFCOM address complaints that have national impact

Elimination of unfair business practices in the market place.	<ul style="list-style-type: none"> Consumer columns in the print media. 	<ul style="list-style-type: none"> 2 media columns produced 	<ul style="list-style-type: none"> Budgetary constraints hamper progress.
Improvement of service delivery standards	<ul style="list-style-type: none"> Establishment of client help-desks. 	<ul style="list-style-type: none"> Business plans developed to implement complaints help-desks 	<ul style="list-style-type: none"> Progress slow as result of lack of capacity.
Provision of Topical Consumer Education items regularly.	<ul style="list-style-type: none"> Regular radio talk shows 	<ul style="list-style-type: none"> 1 talk show on topical consumer issue bi weekly. 	<ul style="list-style-type: none"> Radio talkshows were conducted during the 2004/2005 financial year at Lesedi, RSG Naledi Community Station and Moshupatsel a on a regular bases. 24 radio talk shows produced during financial year Budgetary constraints restrict project.
	<ul style="list-style-type: none"> Regular seminars with consumer advocacy groups. 	<ul style="list-style-type: none"> 1 consumer seminar bi monthly. 	<ul style="list-style-type: none"> Various associate bodies conducted workshops on a monthly bases in the Industry institutions do not visit provinces extensively.

			Province. <ul style="list-style-type: none"> Reserve Bank education unit, MFRC and other institutions visited the province during financial 2004/5. 	
Enhancement of consumers awareness of their rights in relation to certain transactions	Consumer Education posters and leaflets.	<ul style="list-style-type: none"> Visitations to 10 NGO offices, municipalities and public libraries per month to distribute Consumer Education materials. 	<ul style="list-style-type: none"> Information leaflets were distributed weekly to municipal premises and libraries. 	<ul style="list-style-type: none"> Budgetary constraints hamper progress.

PROVINCIAL LIQUOR AUTHORITY SUPPORT SERVICES SUBDIRECTORATE

STRATEGIC ACTIVITIES	OUTPUT	IMPACT INDICATORS	ACTUAL PERFORMANCE	PROBLEMS EXPERIENCED
Better informed stakeholders in the liquor trade.	<ul style="list-style-type: none"> Advisory help-desk. 	<ul style="list-style-type: none"> Handling 200 walk in enquiries per month. 	<ul style="list-style-type: none"> 3600 walk-in enquiries handled during financial year. 	<ul style="list-style-type: none"> Staff shortage was a major problem. Staff training in understanding of legislation is necessary.
Expansion of pool of licensed liquor outlets.	<ul style="list-style-type: none"> Liquor Board meetings. 	<ul style="list-style-type: none"> 10 Liquor Board meetings per month. 	<ul style="list-style-type: none"> 120 Liquor Board meetings held during 2004/5 Liquor Board currently reviewing Liquor Report 	<ul style="list-style-type: none"> Liquor Board members require further training in legislation

Facilitating access in the liquor trade	<ul style="list-style-type: none"> Draft Provincial Liquor Legislation and Policy developed. 	<ul style="list-style-type: none"> Increased rate of new applications per month. ❖ Increase d pool of licensed outlets 	<ul style="list-style-type: none"> First Draft Provincial Liquor Policy produced. ❖ First Draft Provincial Liquor Bill produced 	<ul style="list-style-type: none"> Delay in formulation of legislation
Regulation of distribution of liquor in the Province.	<ul style="list-style-type: none"> Reliable database. 	<ul style="list-style-type: none"> Monthly reports on status of liquor trade. 	<ul style="list-style-type: none"> Liquor Board annual report produced for 2004. 	<ul style="list-style-type: none"> Lack of capacity and skills hampers production of reports

TRADE INSPECTORATE SUB-DIRECTORATE

STRATEGIC ACTIVITIES	OUTPUT	IMPACT INDICATORS	ACTUAL PERFORMANCE	PROBLEMS EXPERIENCED
Information dispensation in respect of the Liquor Act.	<ul style="list-style-type: none"> Regular workshops and seminars. 	<ul style="list-style-type: none"> Five workshop or seminars per month 	<ul style="list-style-type: none"> 600 workshops were held in the regions. Provincial Liquor Summit was held jointly with the Dept. of Safety & Security 	<ul style="list-style-type: none"> Human resources lacking to cover regions extensively.
1. Well regulated liquor trade.	<ul style="list-style-type: none"> Ensuring compliance with the Liquor Act. 	<ul style="list-style-type: none"> 120 inspections and reports per person per month. 	<ul style="list-style-type: none"> 3200 inspections done and compliance notices issued. 	<ul style="list-style-type: none"> Training of staff necessary to enhance performance.

11. PROGRAMME 11: ENVIRONMENTAL AFFAIRS

PURPOSE OF THE PROGRAMME

The purpose of this programme is the coordination of numerous programme that will assist in the protection of human health and the environment.

MEASURABLE OBJECTIVES

- Promote environmental quality in the Free State province.
- Promote the conservation of biodiversity.
- Ensure an effective regulatory frame-work for environmental management.
- Provide sustainable development support.

- Create environmental awareness in the province.
- Conform to international treaties.
- Compliance with national acts and policies.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

- Waste Management and Pollution Control.
- Environmental Awareness and Capacity building.
- Provide scientific support for the branch.
- Develop environmentally related policies.
- Participate in national and international initiatives.
- Ensure sustainable development through the Environmental Impact assessment systems.

SERVICE DELIVERY ACHIEVEMENTS

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Sub-program-Waste management and Pollution Control	Coordination of the Cleanest Town Competition	17 municipalities entered the competition (out of a total of 20 with Mantsopa, Moqhaka, Kopanong municipalities not participating) and the winners in descending order are as follows: 1. Naledi municipality (R90, 000), 2. Mangaung Municipality (R55, 000) and 3. Mafube municipality (R35,000) An award ceremony will be held on 31March 2005 where trophies and certificates of participation will be presented.	20 Municipalities	17 Municipalities
Sub-program-Waste management and Pollution Control	Awareness raising on potential impacts of persistent organic pollutants:	The African Stockpile program on obsolete pesticides was launched in December 200, in the Warden district. Harzadous material found on the farm included arsenic, organophosphates (Monocrotophos, Diozinone, Parathion), herbicides (2,4D, Atrazien) and unknown pesticides whose labels were not legible. A total of 38kg and 35 litres of solid and liquid obsolete persistent organic and inorganic pollutants, respectively, as well as numerous empty containers were found and will be disposed of appropriately.	All persistent organic pollutants	Funds for the clean-up have not been made available by the World Bank yet

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Sub-program- Waste management and Pollution Control	Air Quality Seminar	An air Quality Seminar to promote cleaner burning fuels was held on the 30 November 2004 where valuable inputs were given for an air quality management strategy for the Free State. The strategy is being developed.	Clean Air and a healthy environment.	There is a challenge to drive air quality management in Free State to the extent of issuing air emission licences because of capacity constraints at municipality level.
Sub-program: Environmental Awareness and Capacity Building	Greening of the Free State	Over 60 000 plants were cultivated for the conservation of indigenous plants and about 1000 succulents cultivated for water-wise gardening purposes.	60 000 indigenous plants and 1000 succulents.	Targets were exceeded for indigenous plants but only 20% success was achieved for succulents
Sub-program: Environmental Awareness and Capacity Building	Environmental awareness programs at schools, ENVIRO clubs	Present Environmental awareness programs at schools. Establish ENVIRO clubs.		EE and Awareness programmes were presented as part of the Library project in Springfontein, and Marquard, Moemaneng library. A total 769 learners and 22 teachers were reached. A total of 116 Enviro Clubs have been established in the Free State.
Sub-program: Environmental Awareness and Capacity Building	Environmental Resource material	Produce resource material for Environmental Education	Ongoing	Resource Materials produced to assist schools.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Biodiversity conservation	Declaration of the Vredefort Dome as a World Heritage site	<p>Memo to EXCO explaining about Vredefort progress to List the Vredefort dome as world heritage site has been submitted.</p> <p>A second supplementary document has been sent to the IUCN for submission to UNESCO in March 2005. The cultural heritage management plan that was drafted by BKHS consultants that were appointed by SAHRA has been completed, presented and letters to inform adopted by the Heritage Council/Board. Landowners are being informed about the intention of SAHRA list the site as a National Heritage site. The listing of the area as a National Heritage site will be finalised in June 2005.</p> <p>The Vredefort Dome Conservancy was established.</p>	Listing of the Vredefort Dome as a World Heritage Site.	All documentation submitted. Awaiting decisions by UNESCO.
Scientific Support Services	Listing of species of Threatened and Protected Species for the National Environmental Management: Biodiversity Act (Act No. 10 of 2004) (NEMBA) by April 2005.	Mammal species list were compiled for the FS and presented the draft list of species for all Free State Protected Areas to Reserve Management sub-directorate at the annual Game Reduction Meeting (2-4/11/2004).	Game species outside of their natural distribution range (extra-limital species) need to be removed from nature reserves,	The removal of the alien species will cause logistical problems and need careful planning.
Scientific Support Services	Develop a policy for the translocation of game in the Free State	<p>No policy document in place to guide the issuing of permits.</p> <p>A serious dispute exists with regards to the importation of alien species into the country and into the province. This dispute also exists within the Department</p>	A policy for the translocation of game in the Free State	A draft document of norms and standards for the translocation of game species in the Free State Province was developed.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Scientific Support Services	Veterinary ecology	Develop a vaccine for, and treat sarcoid infected animals.	Healthy zebra populations.	<p>Sarcoid MSc protocol was completed. No sarcoids found were found in 144/220 examined zebra at TDR.</p> <p>No sarcoids were found in 0/46 zebra examined at Gariep.</p> <p>In comparison there is 0.9% sarcoid prevalence in 219/305 CMZ examined at Mountain Zebra National Park .</p>
Scientific Support Services	Fulfillment of international obligations	<p>CITES</p> <p>RAMSAR</p> <p>Maluti Drakensburg, Transfrontier Programme [MDTP]</p>	Ongoing participation.	<p>Issue CITES permits</p> <p>Initiate and developed a business plan for the wetland rehabilitation pilot project in Phuthaditjhaba</p> <p>Participation in Maluti Drakensburg, Transfrontier Programme (MDTP) between Lesotho and South Africa</p>
Environmental Management	Review of Environmental Impact Assessment applications	All development in province subject to Environmental Impact Assessment.	Ongoing Assessments	<p>About 242 EIA applications and exemptions were received and registered in the department for evaluation.</p> <p>Approximately 113 records of decisions were authorised by the department.</p>

Environmental Management	Coordination of Provincial Environmental Implementation Plan	3 rd Annual EIP Compliance Report	3 rd Annual EIP Compliance Report	Submission was forwarded to the Acting Head of Department to request Heads of Department and Mayors through EXCO to fully commit their departments to ensuring the effective implementation of the EIP.
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12. PROGRAMME 12: CONSERVATION

PURPOSE OF THE PROGRAMME

To conserve biodiversity, in accordance with national and international prescripts, and the promotion and maintenance of eco-tourism within the Free State province.

MEASURABLE OBJECTIVES

- Implementation of the Protected Areas Act, 2003.
- Transformation of the game industry.
- Game and pasture management in protected areas.
- Development and maintenance of infrastructure in protected areas.
- Provide affordable and accessible recreational and accommodation facilities in the protected areas.
- Regulate the control of wild animals causing damage.
- Regulate the professional hunting industry in the Free State province.
- To promote the sustainable utilisation of natural resources in the province, in accordance with stringent guidelines.
- Promote private conservation initiatives in the province.
- Maintain the CITES scientific authority.
- Regulate biodiversity in accordance with the Nature Conservation Ordinance.
- Monitor compliance to regulatory services and law enforcement.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

- Human resources development.
- Hospitality management in resorts and reserves.
- The maintenance of visitor facilities.
- Game and pasture management in protected areas.
- Development of infrastructure in protected areas.
- Transforming of the game industry in order to include PDI's.
- Implementation of the Biodiversity Act, 2004 and the Protected Areas Act, 2003.
- Participate in conservation and environmentally related projects.
- CITES implementation.
- Litigation of crimes against the environment.
- Regulation of biodiversity compliance.
- Review the Free State nature Conservation Ordinance, Ord. 8 of 1969.
- Create jobs through conservation related projects.

SERVICE DELIVERY ACHIEVEMENTS

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Conservation	Human Resource Development Strategy.	<ul style="list-style-type: none"> • Job Descriptions for all directorate personnel in place. Supervisors and all personnel trained in relation to the PDMS. • Filling of critically vacant posts. • Staff training 	450 employees. 67 funded 50	450 employees. 33 filled 119 people in 18 different courses.
Resort Management	Tourism facilities maintenance	<ul style="list-style-type: none"> • To provide Eco-Tourism facilities and services at Resorts. • Minor repairs to all tourism facilities. • Render a continuous cleaning service at tourism facilities and offices. • Maintain gardens, entrance gates and offices facilities. • Maintain all water sport facilities that are provided. 	100% success rate expected.	90% current rate achievement.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Law Enforcement	Legislative and Policy Framework	<ul style="list-style-type: none"> The Provincial Conservation Ordinance is being rewritten and under review by State Attorneys office. Various policies have been developed, amongst others the Large Predators, Permit Evaluation and Game Industry policies such as Bontebok policy. 	Nov. 2005	Ordinance in review process.
Resource Management	Game and Pasture Management	<ul style="list-style-type: none"> All Reserves have management plans in operation. The new Integrated management plans as stipulated by the Protected Areas act are in process. Public participation process completed. Caring capacity of Reserves pastures is done in line with the Game Reduction Strategy. Very successful game auction was held in April 2004. Predators Implementation Plan being introduced with the Cheetah introduction during 2004 for Provincial Emblem significance. Eradication of alien plant and animal species is continuously done in all Resorts and Reserves. Control of animals causing damage in Reserves is monitored per management plans. Extra game has been put aside for transformation and empowerment initiatives of the game industry for 2005. Hunting packages as well as live game. 	100% performance in all Reserves.	100% in Game management and 100% in pasture management.

Resource Management	Infrastructure Development.	<ul style="list-style-type: none"> • Service Level Agreement signed with Department of Roads, Public Works and Transport signed for the Conditional Grant. • R10million Conditional Grant utilised in Resorts and Reserves to upgrade and refurbish facilities including maintenance work such as new fencing, building of chalets, construction of ablution facilities. Including new equipment for Resort facilities. • 80% of the R10million Conditional Grant has been allocated to affirmable BEE entrepreneurs and contractors. • 164 temporary jobs have been created with R1.2million as salaries to support poverty stricken families from previously disadvantaged communities. 	80% success rate expectancy.	All big projects for the year such as Gariep, TDR and Soetdoring completed. 2005 will start on second phase of Gariep and Koppies.
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Resource Management	Beneficiation Process.	<ul style="list-style-type: none"> • The Game Industry meetings was held to assist in streamlining and transforming the industry. • Five potential HDI Game Farmers have been identified and are currently being assessed and assisted for game donation as per the Game Reduction Plan. • 8 HDI Professional Hunters have been trained and were receiving extensive practical experience/training. Will receive hunting packages in 2005 to establish themselves in the hunting industry and a Safari company is being formed for them. • A further 10 people were trained which makes 18 HDI Professional Hunters to have been trained this year. • CBNRM principles are practiced in beneficiation and resource utilisation for communities. • A Black Game Farmer has been identified and is ready for game farming. • A Game Reduction Strategy has been completed to effect change in the game industry. 	<p>50% Success rate expected.</p> <p>Target is 20 by 2005.</p>	<p>80% success rate.</p> <p>90% achievement.</p>
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Conservation	Provincial Conservation Strategy	<ul style="list-style-type: none"> • In line with NBSAP, the Directorate has started the Conservation Strategy to promote conservation and bio-diversity management. • Protected Areas Management Plans are being developed per schedule and are now 60% complete. • All Action Plans informing the Conservation Strategy have been completed. • The resolutions of WPC will be realised through this process e.g. 1% of provincial geographic land to be set for conservation purposes within the next 10 years and also promote CBNRM initiatives. 	<p>To be complete by end of 2005.</p> <p>To be complete by Oct. / Nov. 2005.</p> <p>Nov. 2004</p>	<p>Desktop analysis being done.</p> <p>60% complete.</p> <p>100% by Nov. 2005</p>
Law Enforcement	Protection of Scarce Species	<ul style="list-style-type: none"> • Database of scarce species for legislative / policy purposes has been developed and submission completed for MEC approval. 	All affected species monitored at 100%.	85% success rate as process is largely dependent on Scientific Support Section.

Conservation	Conservation Projects	<ul style="list-style-type: none"> • The MDTP is on course with the process being at the Implementation Phase. • The Greater Xhariep Initiative is on course with the Department having completed its Project Implementation Plan for presentation to the Eastern Cape Province counterparts. Await funding in order to proceed with this project. • The Eco-Park Development at Soetdoring Nature Reserve has been put for implementation and project funding valued at R40million currently. New business plans completed and are currently marketed to look for investors. • The Memel/ Zamani Restcamp development in the Seekoeivlei N/R kicked off and construction phase has started. 	<p>Project run by PCU in KZN.</p> <p>R8 million sourced from Poverty Relief and waiting approval 10% complete.</p>	Directorate well on course in Implementation Plan.
Resource Management	Control of alien invasive plants in Nature Reserves and soil erosion.	<ul style="list-style-type: none"> • Control alien invasive plant species on an ongoing basis by using mechanical and chemical methods or biological control agents. • Monitoring of soil erosion on Nature Reserves continuously to avoid erosion and desertification. • Wild fire control on a continues basis especially during winter months. 	80% success rate expectancy level.	80% success rate.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Law Enforcement	CITES Strategy Implementation.	<ul style="list-style-type: none"> Establishment of a provincial Data Base and Registry has been started during 2003. 	End 2005	40% current success rate.
	Enforcement and Compliance.	<ul style="list-style-type: none"> Regulatory frameworks are continuously implemented with 3166 permits approved in 2004 and .55 litigation cases successfully handled. Income through litigation cases R79 600. 	100% annual target achievement.	100% achievement.
	Species Proclamation.	<ul style="list-style-type: none"> Proclamation of certain animals and fish to schedules for more protection within the Province per CITES regulations. 	Submission to be signed by end Aug. 2004.	Submission completed.
	Traditional Healers Training assistance.	<ul style="list-style-type: none"> Monitoring of Traditional Healers in medicinal plants usage in protected areas through permits evaluations and regular meetings with the role-players. 	Ongoing	Ongoing
	Litigation	<ul style="list-style-type: none"> Processing of litigation issues contravening environmental and conservation management. 3800 permits given and 60 litigation cases won. 	Ongoing	100% success rate for 2004.
Conservation	Eco-Tourism Strategy	<ul style="list-style-type: none"> Document for Provincial Eco-tourism Strategy completed. 	Mar. 2005	100% by Mar. 2005
Resource Management	Game Industry Transformation	<ul style="list-style-type: none"> Game Reduction Plan completed by Oct. 2005 with empowerment clauses for HDIs. 	Oct. 2005	100% by Oct. 2005

Conservation	Training / HR Development	<ul style="list-style-type: none"> Human Resource Development done per PDMS Regulations. All supervisors trained in basic labour relations procedures. All senior supervisors trained at least on two courses this financial year (Finance For Non-Financial Managers and Project Management). At least 60% of the Directorate staff have attend formal training of one way or the other. To achieve employment equity all new posts are filled by HDIs and women. 	<p>For all Directorate employees. All supervisors.</p> <p>20 officials target.</p> <p>Target is all employees.</p> <p>100% compliance.</p>	<p>100% by Mar. 2005</p> <p>100% at 48 officials trained. 100% achieved for 20 officials.</p> <p>60% success rate achieved.</p> <p>100% achieved.</p>
Resource Management	Game Auction and Game Reduction	<ul style="list-style-type: none"> Game Reduction Strategy and Plan completed with submissions approved. Affirmable entrepreneurs have been offered the tenders to do these two tenders which will generate about R10 million to Provincial Treasury. 	Expectancy is 100% systems and operational planning.	100% achieved and Game Auction ready for 8 – 9 Apr. 2005
Conservation	Labour Relations	<ul style="list-style-type: none"> All labour relations matters to be fully and decisively handled. 	100% compliance expected.	90% achievement rate.

Overview of the service delivery environment for 2004/2005

Services delivered directly to the public, via the department are manifested through three key components, namely those services related to environmental, tourism and economic issues.

The Environmental Affairs component of the department reports a satisfactory performance for the year in review. In upholding section 24 of the constitution, whereby all citizens have the right to a clean and healthy environment, numerous key environmental issues were addressed;

- ❖ Waste Management - with a provincial search for, and award to, the cleanest Free State town.
- ❖ Assistance was provided for the establishment of a waste management company in Qwa Qwa, which not only contributes to the cleaning of the environment but has created a number of jobs in the process.
- ❖ A toolkit, known as the IDP Toolkit, was finalised which assists municipalities with reporting on matters relating to the environment.
- ❖ Issues, such as air pollution and obsolete chemicals were intensively addressed.
- ❖ The Vrededfort Dome was listed as a World Heritage Site.

Further to this, the component responsible for conservation in the province were instrumental in revising the provincial Nature Conservation Ordinance and implementing the National Environmental Management: Protected Areas Act. The reserves and resorts enjoyed attention, with the refurbishment of many facilities.

Although largely successful, the component faced many challenges, particularly with regards to the constraints imposed by budgetary allocations and limited personnel resources. Unfortunately, initiatives, such as the Xhariep Complex, have enjoyed only limited attention.

Numerous successes were achieved by the component responsible for tourism, with highlights in key areas such as;

- ❖ Contributing to the eradication of poverty through job creation and economic development.
- ❖ The development of infrastructure.
- ❖ Contributing towards ensuring a safe and secure environment.
- ❖ The develop of people and capacity building.
- ❖ Effective governance and administration.

The establishment of a Tourism Authority, which has been delayed, poses a great many problems, particularly with regards to the marketing of the Free State Province as a tourist destination. This is primarily due to the fact that a breach in the marketing of any product has serious consequences, which has manifested itself in the latest tourism figures.

Notwithstanding the numerous challenges, the component of the department responsible for economic affairs, achieved many successes in terms of their mandate. Unfortunately, the protraction in the development of;

- ❖ A province specific liquor legislation and policy;
- ❖ An integrated strategy for SMME development, including the establishment of SEDA, effected service delivery.

Further challenges were experienced in relation to human resources capacity and budgetary constraints.

Successes by the component are realised in their participation in trade fairs and exhibitions which profiled creativity and entrepreneurship available, in the province, to both national and international markets.

In providing the services, as detailed, the department as a whole was challenged by the failure of numerous internal systems, key to which were;

- ❖ Poor or ineffective control systems,
- ❖ The general lack of supporting documentation and storage systems for such,
- ❖ Serious limitations with regards Information Technology systems - particularly in relation to the reserves/resorts and other satellite offices.

Measures taken to improve the situation involved, *inter alia*, both internal and external audits with the adoption of fundamental issues and resolutions proposed, by the office of the Auditor General as control mechanisms, etc.

Overview of the organisational environment for 2004/2005

During the review period, the department underwent a restructuring process, but due, mostly, to limits in personnel capacity, and the suspension of key senior staff, the restructuring initiatives were not implemented.

The lack of personnel capacity is realised, particularly, in key programmes within the department; namely Finances, Human Resources and Information Technology.

PART THREE – REPORT OF THE AUDIT COMMITTEE

The Audit Committee did not hold any meetings in the financial year under report.

PART FOUR – AUDITED ANNUAL FINANCIAL STATEMENTS

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

1. General review of the state of financial affairs

1.1 Highlights

- 54.4% Increase in Transfers and Subsidies paid to Public Corporations
- 74.2% Increase in annual Game Auction revenue generated

1.2 Important policy decisions and strategic issues facing the department

In support of the Free State Growth and Development Strategy, policies are developed around the following:

- ❖ Enhancing economic development and job creation
- ❖ Providing and facilitating sustainable infrastructure development
- ❖ Investing in the people of the province
- ❖ Promoting good governance
- ❖ Investing in the economy of the province
- ❖ Broadening the tourism product.

1.3 Significant events and projects that have taken place during the year

The department was able to take part in, and host, several major events. These include the following:

- ❖ Participating in Indaba which is the largest tourism travel exhibition in Africa
- ❖ Together with South African Tourism, the screening of several television programmes
- ❖ Training of township Bed & Breakfast (B&B) aspirants
- ❖ Establishment of an informal aquatic conservation area of 680km along the Vaal River
- ❖ Willem Pretorius game auction
- ❖ Proposal of Vredefort Dome as a World Heritage Site
- ❖ Assisting in the Swaziland National Trust Commission within the spirit of NEPAD
- ❖ Establishment of the Provincial Consumer Forum
- ❖ Opening of 5 regional offices to improve access by communities
- ❖ Hosting of the Broad Based Black Economic Empowerment conference.

2. Services rendered by the Department

The department came up with the following three strategic goals that will be focused upon in the medium term:

- ❖ To promote sustainable economic activity within the province
- ❖ To promote sustainable environmental conservation within the province
- ❖ To ensure internal departmental business process excellence.

The following service programme categories were identified that will enable the department to achieve its mission:

- ❖ Investment promotion
- ❖ Business support services
- ❖ Regulatory services
- ❖ Tourism Promotion
- ❖ Economic sector development (non Tourism)
- ❖ Bio-diversity conservation
- ❖ Environmental quality management services
- ❖ Sustainable development support service.

To accomplish these various functions, the department is structured into thirteen directorates. Two public entities, Free State Development Corporation and Free State Racing and Gambling Board, also fall under the administration of the department.

Tariff Policy

The tariffs for the financial year 2004/5 were prepared in accordance with the Public Finance Management Act, Part2, Chapter 5, Section 38(1) (c) (i), and Treasury Regulation 7.3.

A tariff policy was also drafted, and approved on 19 May 2005.

Departmental tariffs are reviewed annually. The determining factors are:

- ❖ Market values of services rendered
- ❖ Inflation rate
- ❖ Public demand for each type of service
- ❖ Historical information
- ❖ Strategic objectives
- ❖ Environmental impact

Free Services

The Department issued permits, authorising free entrance into various reserves and resorts, in the past financial year. The total rand value amounts to R91 670.

Game to the value of R43 560 was also donated to several social welfare institutions.

Inventory

The department does not have stores for keeping any stock, be it at headquarters or in its regional offices.

3. Capacity constraints

The capacity constraints that faced the Department centralised around the filling of strategic vacant positions. Amendments are going to be made to the structure and finalised within the first five months of the 2005/6 financial year where after the vacant positions will be filled.

A shortage of technical skills is also experienced within the department, in specific financial and information technology skills. To rectify this situation over the short term the department utilised consulting firms with the necessary skills. The filling of vacant positions with persons in possession of the necessary skills will be a priority in the coming financial year.

4. Utilisation of donor funds

The department does not receive direct donor funding from, but participates in the Maloti Drakensberg Transfrontier Project (MDTP), which is currently funded by the World Bank.

5. Public Entities

Free State Development Corporation

The purpose of the Free State Development Corporation (FDC) is to develop business enterprises to promote urban and rural economic development in line with the Free State Development Corporation Amendment Act No 9 of 1999. Transfer payments to the value of R86 855 000 were made to the FDC during the financial year (2003/4: R50 720 000).

The Chief Executive Officer of FDC submits to the Department projected cash flow statements indicating the proposed flow of funds into the projects, monthly disbursement reports and the annual audited financial statements.

Free State Racing and Gambling Board

The purpose of the Free State Racing and Gambling Board (FSRGB) is to promote the economy of the Free State through gambling and racing. Transfer payments to the value of R15 500 000 were made to the FSRGB during the financial year (2003/4: R15 563 000).

The Chief Executive Officer of FSRGB submits to the Department monthly expenditure and revenue reports, the annual audited financial statements and projected cash flow statements indicating the proposed cash flow projection for the financial year.

6. Organisations to whom transfer payments have been made

There were no transfer payments made to the World Bank in 2004/2005.

7. Public private partnerships (PPP)

There were no PPP formed in the last financial year.

8. Corporate Governance Arrangements

A risk committee was established in the financial year. A detail risk assessment of the entire department was completed and a fraud prevention plan drafted and approved as part of the Department's Risk Strategy.

The Internal Audit Charter and Audit Committee Charter was also presented to and approved by the Audit Committee. The Audit Committee and Internal Audit Function have been fully functional since March 2005.

The Department has implemented a system to manage the conflict of interest of employees by annually requesting senior managers to declare their business interests.

9. Discontinued Activities

There are no discontinued activities.

10. New / proposed Activities

There are no new/proposed activities.

11. Events after the reporting date

A Tourism Indaba was held on the 10th of May 2005. This Indaba was budgeted for in the financial year 2004/5 and an application for roll-over was made.

Damages and losses to the amount of R100 899.40 were approved for write-off on 23rd of May 2005. This amount is included under Receivables in the Statement of Financial Position on 31 March 2005.

A payment amounting to R503 541.00 is in the process of being processed in terms of a Labour Court Judgement. This amount is payable to an official for 12 months compensation at the salary scale of Chief Director in terms of section 194(4) of Labour Relations Act, 1995. This expenditure will be regarded as fruitless and wasteful expenditure.

12. Performance Information

The department of Tourism, Environmental and Economic Affairs has adopted a quarterly evaluation approach as required by the PFMA. Programme Managers are evaluated in terms of the strategic objectives as defined in the strategic plan of the department.

13. PROPAC Resolutions

Resolution Number	Subject	Findings
As per audit report 5.2 (G)	Establishment of Audit Committee	The Audit Committee became operational and two meetings have been held since March 2005.
6/2004	Unauthorised Expenditure	An amount of R 2 273 565 was cleared from Unauthorised Expenditure Account after approval was granted by PROPAC. An amount of R324,210.00 was not approved for write off but is not recoverable due to the fact that the debtors cannot be traced.
2/2004	Late payment of creditors	Creditors for whom official orders have been placed are paid within the stipulated thirty (30) day period as set out in the prescripts. The problem usually arises where managers have placed verbal orders.
20/2004 paragraph 4	Annual financial statements – late	The financial statements for 2004/05 of the department were submitted on time.
38/2003	Performance contract between the HOD and the MEC of the department.	The performance contract between the HOD and the MEC will be finalised in the financial year 2005/06.
7/2003	Internal Audit Unit	The Internal Audit Unit charter and the internal audit plan have been approved and the unit will become fully operational in the financial year 2005/06.

Approval

The Accounting Officer has approved the annual financial statements as set out on page 58 to 96.

TB KHUNYELI
ACCOUNTING OFFICER



AUDITOR - GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 3 – DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 58 to 96 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 authority. 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 the Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

3. QUALIFICATION

3.1 Appropriation, statement of financial performance and financial statements

Due to the following shortcomings I could not verify the correctness of the appropriation statement and the statement of financial performance.

(a) Journals amounting to R1 008 933 were not authorised in terms of delegated authority. The validity and accuracy of these journals could therefore not be verified.

(b) Supporting documentation for several payments totalling R5 695 046 could not be submitted. The accuracy, classification and regularity of these payments could thus not be verified.

(c) Several differences totalling R2 207 000 which could not be explained exist between the appropriation report and BAS for expenditure as disclosed in the financial statements.

(d) A reconciliation of all liquor licence fees receivable with the fees actually received from the South African Revenue Service (SARS) could not be submitted for audit purposes. The completeness of revenue amounting to R2 453 139 as received from SARS in respect of liquor licences could therefore not be verified.

(e) Petrol card slips for the financial year were not available and no reconciliations between the petrol card slips and the expenditure reports were done by the department. The accuracy of the total petrol card expenditure totalling R2 533 725 could therefore not be confirmed.

(f) Supporting documentation could not be submitted for the operating leases of R3 796 000 in respect of buildings and other fixed structures as disclosed in disclosure note 23 to the financial statements. The accuracy of operating leases could thus also not be verified.

3.2 Capital expenditure

Contrary to the accounting policy expenses totalling R1 171 683 were incorrectly recorded as current expenditure instead of capital expenditure. Expenditure for capital assets was therefore understated by this amount and current expenditure was overstated by the same amount at year end.

3.3 Unauthorised expenditure

(a) The previous year's unauthorised expenditure of R2 274 000 was approved. This was however not correctly disclosed in the financial statements. Only R1 335 000 was reflected in the statement of financial performance. The balance of R939 000 is disclosed in note 5 as financial transactions in assets and liabilities.

(b) An overspending on current payments amounting to R1 406 000 occurred under program 10 for liquor and consumer affairs. Only R1 160 000 was however disclosed as unauthorised expenditure in the financial statements. Unauthorised expenditure is thus understated by R246 000.

3.4 Fruitless, wasteful and irregular expenditure

(a) A payment of R685 392 was made during the financial year to a former Chief Director who was suspended during September 1999. Based on the lack of evidence of steps taken to resolve the matter as required in terms of section 38(1)(h) of the PFMA and the fact that the expenditure could have been avoided had reasonable care been taken, the expenditure of R685 392 (18 months outstanding salary and benefits as from August 2000 in terms of section 195 of the Labour Relations Act, 1995) incurred during the year under review is regarded as fruitless and wasteful expenditure.

A further payment amounting to R503 541 is in the process of being paid in terms of the same Labour Court Judgement. This expenditure is also regarded as fruitless and wasteful expenditure.

(b) Salaries and allowances amounting to R40 190 that were paid to employees after termination of their services and which were not recovered are regarded as fruitless and wasteful expenditure.

(c) Salaries totalling R83 511 that were paid to two officials who were not employed by the department are regarded as fruitless and wasteful expenditure.

(d) Contrary to Treasury Regulation 13.2.3 a finance lease agreement amounting to R568 447 was entered into by the department in respect of a vehicle. Read in conjunction with section 66 of the PFMA which stipulates that a department may not borrow money or enter into any other transaction that binds or may bind the institution to any future financial commitment the expenditure to the amount of R47 371 (R9 474 for five monthly instalments) incurred during the financial year is regarded as irregular expenditure.

The fruitless, wasteful and irregular expenditure amounting to R856 464, as indicated above, was not disclosed in the financial statements.

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 Department of Tourism, Environmental and Economic Affairs – Vote 3 at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

5. EMPHASIS OF MATTER

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

5.1 Unauthorised expenditure

Contrary to sections 39(1) (a) and 39(1) (b) of the PFMA unauthorised expenditure to the amount of R2 210 000 (program 2 and 10) was incurred during the year under review. No proof could be submitted that the unauthorised expenditure to the amount of R2 210 000 was reported to the executive authority in terms of section 38(1) (g) of the PFMA.

5.2 Irregularities and losses

5.2.1 Log sheets

Policies and procedures were not followed resulting in the following irregularities in respect of log sheets:

- (a) In several cases trips travelled according to the log sheets appear to be abnormally high.
- (b) The fuel consumption of certain vehicles appears to be abnormally high.

5.2.2 Liquor Board applications and licence certificates

Application for the transfer of liquor licences and licence certificates were not available in the application files of certain businesses. This leaves the possibility for irregularities as it cannot be ascertained whether these applications had been approved for the year under review.

5.2.3 Thefts and losses

Cases of damages and losses totalling R76 299 were carried over from the FMS from the previous financial year. Evidence that steps were taken to recover these losses could not be obtained nor could the files and supporting documentation be submitted for audit purposes.

5.3 Financial management

5.3.1 Transfer payments

The following shortcomings in respect of transfer payments that were noted resulted from management policies and procedures that were not followed:

- (a) An amount of R2 584 796 was paid to the Free State Gambling Board (FSGB) at year end, for which no cash flow projections were completed and submitted to the department. Evidence that this amount was included in the budget of the Free State Gambling Board for the financial year or that the Free State Gambling Board actually require these funds, could not be submitted.
- (b) Evidence could not be obtained that monthly cash flow projections were submitted by the institutions which received transfer payments from the Department as required by the transfer payment agreements.
- (c) No proof could be submitted that surplus funds in relation to transfer funds and/or interest on these funds, after completion of the projects, were paid back to the department as is required in terms of the agreement between the department and the institution.

5.3.2 Bursary administration

Management controls were not followed, with the result that the following control weaknesses with regard to bursaries were identified:

- (a)** Evidence that the academic results for the 2004 academic year were obtained in respect of several bursary holders could not be submitted for audit purposes.
- (b)** Instances were identified where no proof of registration at an educational institution in respect of studies undertaken by bursary holders was available.

5.3.3 Financial statements

The following disclosure errors resulting from policies and procedures not being followed, were identified:

- (a)** The operating lease in respect of a Call centre that commenced on 14 May 2003 amounting to R546 605 was incorrectly disclosed as a finance lease in disclosure note 23 to the financial statements.
- (b)** A difference of R214 894 exists between records and disclosure note 19 to the financial statements for housing loan guarantees.

5.3.4 Supporting documents and records

Supporting documents and records were not available to verify the occurrence, completeness, accuracy and classification of transactions and existence, completeness and valuation of account balances in the following instances:

- (a)** The completeness of staff debtors balances totalling R335 012 at year-end could not be verified as take-on forms and supporting documentation could not be submitted.
- (b)** Supporting documents to verify the assets transferred to the department in respect of Economic Affairs during the 2002-03 financial year could still not be obtained. It was thus not possible to establish the accuracy of this department's records in this regard.
- (c)** Supporting documentation or approval in terms of Treasury Regulation 21.2.1 could not be submitted for the gifts, donations and sponsorships of R52 000 received during the year under review as disclosed in annexure 1J to the financial statements.

5.3.5 Reconciliation and monitoring

As a result of management policies and procedures that were not adequately followed the following shortcomings were identified:

- (a)** Payments totalling R305 005 were made on copied invoices which increase the risk for possible duplicate payments.
- (b)** Several differences between the budgeted amounts on BAS and the budget statements occurred that indicate a lack of proper controls with regard to the capturing and reviewing of approved budgeted amounts on BAS.
- (c)** Effective budgetary control as required in terms of section 39 of the PFMA was not implemented given that 76,41% of the actual expenses for goods and services of R47 245 315 were allocated as sundry payments.
- (d)** Adequate general controls surrounding the information systems of the department to ensure the effective and continuous data processing function were not in place. This includes the lack of a business continuity and disaster recovery plan.
- (e)** Monthly and year-end reconciliations were not performed for accounts receivable.
- (f)** Several differences between the IRP5 certificates and the Persal system were noted.

(g) Several shortcomings regarding leave and the capturing of the different types of leave were noted.

(h) Certain personnel files could not be submitted for audit purposes. Several shortcomings were also noted with regard to the advertising and filling of vacant posts, providing employees with written employment contracts and paying of overtime to employees.

(i) Several shortcomings regarding the administration of termination of staff were noted.

(j) A reconciliation between the asset counts at the resorts and the asset register (head office) for the financial year was not done. The asset register was also not fully maintained, while certain asset items could not be physically verified. A similar situation was reported during the previous financial year.

5.3.6 Policies and procedures

Due to policies and procedures not followed in certain instances as well as the lack of adequate policies and procedures several internal control shortcomings and weaknesses were identified at resorts and reserves.

As indicated below the department also did not have adequate policies and procedures in place:

(a) The department's revenue policy was still in draft format and was not approved for the year under review.

(b) An approved credit control policy was not yet available. This is contrary to section 38 (1)(c)(i) of the PFMA which requires the accounting officer to take effective and appropriate steps to collect all money due to the department.

(c) Several Human Resources policies were still in draft format and not yet approved, while an approved organogram could not be submitted for audit purposes. As a result, the number of vacant posts could not be verified and the steps taken to fill the 343 posts, which according to the department were vacant, could not be obtained.

(d) A procurement policy was not drafted, approved and implemented. It could therefore not be established whether processes for the acquisition of goods and services were adhered to.

(e) No asset maintenance policy was implemented.

5.4 Matters in the public interest

Supporting documents to verify purchases amounting to R61 589 on a credit card during the year under review could not be submitted.

5.5 Non-compliance with laws and regulations

5.5.1 Suspense accounts

Contrary to Treasury Regulation 17.1.2 suspense accounts amounting to R460 765 were not cleared at year-end.

5.5.2 Transfer payments

Written assurance from entities, confirming that the institutions had implemented effective, efficient and transparent financial management in accordance with the transfer payments agreements, was not obtained as required in terms of section 38(1)(j) of the PFMA.

5.5.3 Virement

The virement of R738 000 applied at programme 3 for financial management exceeds the limit of R212 208 as determined in terms of section 43(2) of the PFMA. Proof that a report was submitted to the executive authority, as required in terms of section 43(3) of the PFMA, could also not be submitted for auditing purposes.

5.5.4 Invoices

Contrary to Treasury Regulation 8.2.3 not all invoices were paid within 30 days from receipt of invoice.

5.5.5 Salary payrolls

Contrary to Treasury Regulation 8.3.4 salary payrolls were in certain instances not approved by senior officials.

5.5.6 Revenue banking

Contrary to Treasury Regulation 15.5.1 revenue was in certain instances not banked daily or, for amounts less than R500, as soon as practicable.

5.5.7 In-year monitoring

Evidence that in-year monitoring reports were submitted to the executive authority and Provincial Treasury as required in terms of Section 40(4) of the PFMA could not be submitted.

5.5.8 Performance agreements

Performance agreements for the accounting officer and other members of senior management in terms of Section 12 of the Public Services Act, 1998 and Chapter 4, Part III of the Public Services Regulations, 2001 could not be submitted.

5.5.9 Performance reporting

No evidence that the accounting officer reported quarterly to the executive authority of his performance and that of his department as required in terms of Section 27(4) read with section 36(5), 38 to 42 of the PFMA and paragraph 5.3.1, chapter 5, part 3 of the Treasury Regulations could be submitted.

5.5.10 Fraud risk

Contrary to Treasury Regulation 3.2.1 a fraud prevention plan could not be submitted.

5.5.11 Transport circular

The requirements of Transport circular No. 4 of 2000 relating to maintaining of a record for the purchasing of tyres and batteries, and trip authorisation of vehicles, were not complied with (GG transport vehicles).

5.5.12 Gifts and donations

Approval in terms of Treasury Regulation 21.1.1 could not be submitted for a contribution of R250 000 made towards a tourism unit as disclosed in annexure 1K to the financial statements:

5.6 Provincial Public Accounts Committee resolutions

The information reported in note 13 of the management report on SCOPA resolutions does not accurately reflect the actual resolutions taken or the progress made in respect thereof.

5.7 Late submission of supporting documents

Since supporting documents needed to finalise the audit were only submitted on 27 July 2005 the audit could not be finalised by 31 July 2005. The financial statements that were submitted on 31 May 2005 also required material changes. The amended financial statements were only received on 21 July 2005.

6. APPRECIATION

The assistance rendered by the staff of Department of Tourism, Environmental and Economic Affairs during the audit is sincerely appreciated.

BJK van Niekerk *for* Auditor-General
Bloemfontein,
12 August 2005



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

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL
LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 3 –
DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC
AFFAIRS NATURE CONSERVATION TRUST FUND FOR THE YEAR
ENDED 31 MARCH 2005**

3. AUDIT ASSIGNMENT

The financial statements as set out on pages 97 to 102 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 authority. My responsibility is to express an opinion on these financial statements, based on the audit.

4. 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 the Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Free State Department of Tourism, Environmental and Economic Affairs Nature Conservation Trust Fund at 31 March 2005 and the results of its operations and cash flows for the year then ended in accordance

with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

4. APPRECIATION

The assistance rendered by the staff of the Free State Department of Tourism, Environmental and Economic Affairs during the audit is sincerely appreciated.

B.J.K. van Niekerk *for* Auditor-General

Bloemfontein

12 August 2005

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL & ECONOMIC AFFAIRS
VOTE 3**

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

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1. Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Appropriated funds

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

Departmental revenue

Tax revenue

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

Sale of goods and services other than capital assets

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

Fines, penalties and forfeits

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

Interest, dividends and rent on land

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

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

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

Sale of capital assets

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

Financial transactions in assets and liabilities

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

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

Local and foreign aid assistance

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

3. Expenditure

Compensation of employees

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

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

Short-term employee benefits

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

Long-term employee benefits and other post employment benefits

Termination benefits

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

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL & ECONOMIC AFFAIRS
VOTE 3**

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

Medical benefits

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

Post employment retirement benefits

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

Other employee benefits

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

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services were used on a capital project.

Interest and rent on land

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

Financial transactions in assets and liabilities

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

Unauthorised expenditure

Unauthorised expenditure is defined as:

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

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

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL & ECONOMIC AFFAIRS
VOTE 3**

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

Irregular expenditure

Irregular expenditure is defined as:

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

- the Public Finance Management Act
- any provincial legislation providing for procurement procedures in that provincial government.

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

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined as:

Expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

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

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

4. 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.

5. Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

6. Investments

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

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

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL & ECONOMIC AFFAIRS
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**STATEMENT OF ACCOUNTING POLICIES
for the year ended 31 March 2005**

7. Receivables

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

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

8. Cash and cash equivalents

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

9. Payables

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

10. Lease commitments

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

Operating lease expenditure is expensed when the payment is made.

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

11. Accruals

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

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL & ECONOMIC AFFAIRS
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**STATEMENT OF ACCOUNTING POLICIES
for the year ended 31 March 2005**

12. Contingent liability

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

a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

13. Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

14. Capitalisation reserve

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

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

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

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

Appropriation per Programme									
	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	12 570	-	5 558	18 128	17 784	344	98.1%	18 131	18 150
Transfers and subsidies	-	-	24	24	24	-	0.0%	-	-
Expenditure for capital assets	206	-	-	206	337	(131)	163.6%	802	756
2. Corporate Services									
Current payment	9 177	-	100	9 277	10 326	(1 049)	111.3%	11 613	12 927
Transfers and subsidies	19	-	7	26	26	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	1 342	28
3. Financial Management									
Current payment	9 186	-	(738)	8 448	6 497	1 951	76.9%	4 203	4 338
Transfers and subsidies	1	-	14	15	15	-	100.0%	-	-
Expenditure for capital assets	72	-	-	72	-	72	0.0%	210	238
4. Budgeting & Risk Management									
Current payment	740	-	-	740	2	738	0.3%	-	-
Expenditure for capital assets	60	-	-	60	-	60	0.0%	-	-
5. Supply Chain Management									
Current payment	3 477	-	(280)	3 197	2 532	665	79.2%	1 171	799
Transfers and subsidies	19	-	-	19	-	19	0.0%	-	-
Expenditure for capital assets	24	-	-	24	-	24	0.0%	-	34
6. Tourism									
Current payment	10 428	-	-	10 428	7 623	2 805	73.1%	10 335	9 927
Transfers and subsidies	17	-	-	17	11	6	64.7%	-	-
Expenditure for capital assets	48	-	-	48	5	43	10.4%	8	6
7. Investment Promotion									
Current payment	5 651	-	(260)	5 391	4 367	1 024	81.0%	7 653	7 386
Transfers and subsidies	2	-	4	6	6	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	370	240
8. Planning & Research									
Current payment	1 273	-	398	1 671	1 666	5	99.7%	2 135	1 706
Transfers and subsidies	-	-	3	3	3	-	0.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	83
9. SMME Promotion									
Current payment	5 137	-	-	5 137	4 984	153	97.0%	5 298	4 989
Transfers and subsidies	10	-	-	10	9	1	90.0%	1 651	-
Expenditure for capital assets	68	-	-	68	3	65	4.4%	364	357
10. Liquor & Consumer Affairs									
Current payment	5 533	-	770	6 303	7 709	(1 406)	122.3%	18 187	18 186
Transfers and subsidies	12	-	10	22	22	-	100.0%	-	-
Expenditure for capital assets	246	-	-	246	-	246	0.0%	464	65
11. Environmental Affairs									
Current payment	14 192	-	-	14 192	14 216	(24)	100.2%	15 010	14 510
Transfers and subsidies	31	-	4	35	35	-	100.0%	-	-
Expenditure for capital assets	85	-	-	85	-	85	0.0%	351	392
12. Conservation									
Current payment	48 035	-	540	48 575	49 637	(1 062)	102.2%	58 239	41 034
Transfers and subsidies	58	-	53	111	111	-	100.0%	-	-
Expenditure for capital assets	9 974	-	-	9 974	8 603	1 371	86.3%	1 516	18 731
13. Transversal Functions									
Current payment	10 344	-	(6 207)	4 137	1 209	2 928	29.2%	826	487
Transfers and subsidies	102 355	-	-	102 355	102 355	-	100.0%	50 720	50 720
14. Special Functions									
Current payment	-	-	-	-	939	(939)	(100.0%)	-	-
Total	249 050	-	-	249 050	241 056	7 994	96.8%	210 599	206 089
Prior year unauthorised expenditure approved with funding				1 335				16 424	
Departmental receipts				-				-	
Actual amounts per Statement of Financial Performance (Total Revenue)				250 385				227 023	
Prior year unauthorised expenditure approved					1 335				-
Actual amounts per Statement of Financial Performance Expenditure					242 391				206 089

Appropriation per Economic Classification									
	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	76 942	-	(710)	76 232	79 060	(2 828)	103.7%	68 678	65 275
Goods and services	58 793	-	591	59 384	49 494	9 890	83.3%	80 663	64 702
Financial transactions in assets and liabilities	-	-	-	-	939	(939)	(100.0%)	-	487
Transfers & subsidies									
Provinces & municipalities	177	-	119	296	258	38	87.2%	-	-
Public corporations & private enterprises	102 355	-	-	102 355	102 355	-	100.0%	53 197	50 720
Payment on capital assets									
Buildings & other fixed structures	9 974	-	-	9 974	8 571	1 403	85.9%	2 564	19 779
Machinery & equipment	809	-	-	809	379	430	46.8%	5 477	5 106
Land & subsoil assets	-	-	-	-	-	-	0.0%	20	20
Total	249 050	-	-	249 050	241 056	7 994	96.8%	210 599	206 089
The prior year comparative figures could not be restated due to an incorrect Appropriation Statement in the prior year and an unavailability of reports to enable restating.									

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

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

Detail per programme 1 – Administration for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Management									
Current payment	-	-	-	-	-	-	0.0%	16 856	17 463
Expenditure for capital assets	-	-	-	-	-	-	0.0%	687	658
1.2 MEC & Personnel									
Current payment	600	-	-	600	1 528	(928)	254.7%	-	-
1.3 CD: Corporate Services									
Current payment	450	-	-	450	211	239	46.9%	-	-
1.4 HOD & Personnel									
Current payment	8 359	-	5 558	13 917	13 428	489	96.5%	-	-
Transfers and subsidies	-	-	22	22	22	-	100.0%	-	-
Expenditure for capital assets	31	-	-	31	180	(149)	580.6%	-	-
1.5 CFO & Personnel									
Current payment	450	-	-	450	403	47	89.6%	1 275	687
Expenditure for capital assets	-	-	-	-	-	-	0.0%	115	98
1.6 Internal Audit									
Current payment	1 361	-	-	1 361	883	478	64.9%	-	-
Transfers and subsidies	-	-	2	2	2	-	100.0%	-	-
Expenditure for capital assets	175	-	-	175	157	18	89.7%	-	-
1.7 CD: Tourism & SMME Promotion									
Current payment	450	-	-	450	807	(357)	179.3%	-	-
1.8 CD: Econ Aff & Invest Promotion									
Current payment	450	-	-	450	76	374	16.9%	-	-
1.9 CD: Conservation & Environmental Arrairs									
Current payment	450	-	-	450	448	2	99.6%	-	-
Total	12 776	-	5 582	18 358	18 145	213	98.8%	18 933	18 906

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments									
Compensation to employees	6 522	-	-	6 522	7 458	(936)	114.4%	5 441	6 757
Goods and services	6 048	-	5 558	11 606	10 325	1 281	89.0%	11 744	11 096
Transfers & subsidies									
Provinces & municipalities	-	-	24	24	24	-	100.0%	-	-
Payment on capital assets									
Machinery & equipment	206	-	-	206	338	(132)	164.1%	1 748	1 053
Total	12 776	-	5 582	18 358	18 145	213	98.8%	18 933	18 906

Detail per programme 2 – Corporate Services for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
2.1 Management									
Current payment	634	-	-	634	1 278	(644)	201.6%	-	-
2.2 Human Resource Management									
Current payment	4 938	-	-	4 938	3 918	1 020	79.3%	7 015	10 458
Transfers and subsidies	8	-	-	8	8	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	1 342	28
2.3 Org. & HR Development									
Current payment	1 438	-	10	1 448	2 485	(1 037)	171.6%	2 614	863
Transfers and subsidies	8	-	-	8	8	-	100.0%	-	-
2.4 Legal Administration									
Current payment	309	-	-	309	172	137	55.7%	83	3
Transfers and subsidies	1	-	-	1	1	-	100.0%	-	-
2.5 Communication									
Current payment	939	-	90	1 029	2 172	(1 143)	211.1%	893	891
Transfers and subsidies	1	-	7	8	8	-	100.0%	-	-
2.6 Information Technology									
Current payment	919	-	-	919	301	618	32.8%	1 008	712
Transfers and subsidies	1	-	-	1	1	-	100.0%	-	-
Total	9 196	-	107	9 303	10 352	(1 049)	111.3%	12 955	12 955

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	5 428	-	-	5 428	6 717	(1 289)	123.4%	5 104	4 970
Goods and services	3 748	-	100	3 848	3 612	236	93.9%	4 827	4 961
Transfers & subsidies									
Provinces & municipalities	20	-	7	27	23	4	85.2%	-	-
Capital									
Buildings & other fixed structures	-	-	-	-	-	-	0.0%	1 048	1 048
Machinery & equipment	-	-	-	-	-	-	0.0%	1 976	1 976
Total	9 196	-	107	9 303	10 352	(1 049)	111.3%	12 955	12 955

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

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

Detail per programme 3 – Financial Management for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
3.1 Financial Management									
Current payment	6 496	-	(568)	5 928	5 131	797	86.6%	4 203	4 338
Transfers and subsidies	-	-	7	7	7	-	100.0%	-	-
Expenditure for capital assets	72	-	-	72	-	72	0.0%	210	238
3.2 Revenue Management									
Current payment	2 141	-	(170)	1 971	850	1 121	43.1%	-	-
Transfers and subsidies	-	-	6	6	6	-	100.0%	-	-
3.3 Management									
Current payment	549	-	-	549	516	33	94.0%	-	-
Transfers and subsidies	1	-	1	2	2	-	100.0%	-	-
Total	9 259	-	(724)	8 535	6 512	2 023	76.3%	4 413	4 576

Economic classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	4 962	-	(738)	4 224	2 662	1 562	63.0%	2 214	2 371
Goods and services	4 224	-	-	4 224	3 835	389	90.8%	1 989	1 967
Transfers & subsidies									
Provinces & municipalities	1	-	14	15	15	-	100.0%	-	-
Capital									
Machinery & equipment	72	-	-	72	-	72	0.0%	210	238
Total	9 259	-	(724)	8 535	6 512	2 023	76.3%	4 413	4 576

Detail per programme 4 – Budgeting & Risk Management for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
4.1 Management									
Current payment	340	-	-	340	-	340	0.0%	-	-
Expenditure for capital assets	60	-	-	60	-	60	0.0%	-	-
4.2 Budgeting									
Current payment	400	-	-	400	2	398	0.5%	-	-
Total	800	-	-	800	2	798	0.3%	-	-

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	658	-	-	658	-	658	0.0%	-	-
Goods and services	82	-	-	82	2	80	2.4%	-	-
Capital									
Machinery & equipment	60	-	-	60	-	60	0.0%	-	-
Total	800	-	-	800	-	798	0.3	-	-

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Detail per programme 5 – Supply Chain Management for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
5.1 Management									
Current payment	584	-	(226)	358	321	37	89.7%	-	-
Transfers and subsidies	18	-	-	18	-	18	0.0%	-	-
Expenditure for capital assets	17	-	-	17	-	17	0.0%	-	-
5.2 Procurement									
Current payment	2 344	-	-	2 344	1 826	518	77.9%	1 171	799
Expenditure for capital assets	7	-	-	7	-	7	0.0%	-	34
5.3 Asset Management									
Current payment	549	-	(54)	495	385	110	77.8%	-	-
Transfers and subsidies	1	-	-	1	-	1	0.0%	-	-
Total	3 520	-	(280)	3 240	2 532	708	78.1%	1 171	833

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	2 381	-	(280)	2 101	1 535	566	73.1%	617	437
Goods and services	1 089	-	-	1 089	997	92	91.6%	554	362
Transfers & subsidies									
Provinces & municipalities	26	-	-	26	-	26	0.0%	-	-
Capital									
Machinery & equipment	24	-	-	24	-	24	0.0%	-	34
Total	3 520	-	(280)	3 240	2 532	708	78.1%	1 171	833

Detail per programme 6 – Tourism for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
6.1 Marketing									
Current payment	7 317	-	-	7 317	6 101	1 216	83.4%	-	-
Expenditure for capital assets	24	-	-	24	4	20	16.7%	-	-
6.2 Tourism Development									
Current payment	3 111	-	-	3 111	1 522	1 589	48.9%	7 635	7 446
Transfers and subsidies	17	-	-	17	11	6	64.7%	-	-
Expenditure for capital assets	24	-	-	24	1	23	4.2%	-	-
6.3 Management									
Current payment	-	-	-	-	-	-	0.0%	2 700	2 481
Expenditure for capital assets	-	-	-	-	-	-	0.0%	8	6
Total	10 493	-	-	10 493	7 639	2 854	72.8%	10 343	9 933

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	3 294	-	-	3 294	2 597	697	78.8%	2 592	2 215
Goods and services	7 134	-	-	7 134	5 025	2 109	70.4%	7 743	7 712
Transfers & subsidies									
Provinces & municipalities	17	-	-	17	11	6	64.7%	-	-
Capital									
Machinery & equipment	48	-	-	48	6	42	12.5%	8	6
Total	10 493	-	-	10 493	7 639	2 854	72.8%	10 343	9 933

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Detail per programme 7 – Investment Promotion for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Management									
Current payment	548	-	-	548	370	178	67.5%	-	-
Transfers and subsidies	2	-	-	2	2	-	100.0%	-	-
7.2 Investment Promotion									
Current payment	-	-	-	-	-	-	0.0%	4 881	5 253
Expenditure for capital assets	-	-	-	-	-	-	0.0%	105	207
7.3 Trade & Industrial Promotion									
Current payment	5 103	-	(260)	4 843	3 997	846	82.5%	2 772	2 133
Transfers and subsidies	-	-	4	4	4	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	265	33
Total	5 653	-	(256)	5 397	4 373	1 024	81.0%	8 023	7 626

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	2 952	-	(260)	2 692	1 700	992	63.2%	3 702	1 942
Goods and services	2 699	-	-	2 699	2 667	32	98.8%	4 244	5 444
Transfers & subsidies									
Provinces & municipalities	2	-	4	6	6	-	100.0%	-	-
Capital									
Machinery & equipment	-	-	-	-	-	-	0.0%	77	240
Total	5 653	-	(256)	5 397	4 373	1 024	81.0%	8 023	7 626

Detail per programme 8 – Planning & Research for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Management									
Current payment	450	-	-	450	439	11	97.6%	-	-
Transfers and subsidies	-	-	1	1	1	-	100.0%	-	-
8.2 Planning & Policy Development									
Current payment	-	-	-	-	-	-	0.0%	1 543	1 120
Transfers and subsidies	-	-	2	2	2	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	83
8.3 Planning & Research									
Current payment	823	-	398	1 221	1 227	(6)	100.5%	592	586
Total	1 273	-	401	1 674	1 669	5	99.7%	2 135	1 789

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	967	-	138	1 105	1 105	-	100.0%	1 236	1 067
Goods and services	306	-	260	566	561	5	99.1%	822	639
Transfers & subsidies									
Provinces & municipalities	-	-	3	3	3	-	100.0%	-	-
Capital									
Machinery & equipment	-	-	-	-	-	-	0.0%	77	83
Total	1 273	-	401	1 674	1 669	5	99.7%	2 135	1 789

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Detail per programme 9 – SMME Promotion for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
9.1 Management									
Current payment	550	-	-	550	820	(270)	149.1%	-	-
9.2 Business Linkage									
Current payment	1 371	-	-	1 371	1 361	10	99.3%	2 220	2 480
Expenditure for capital assets	15	-	-	15	-	15	0.0%	9	-
9.3 Micro Enterprises & Local Dev									
Current payment	2 367	-	-	2 367	1 857	510	78.5%	2 312	1 975
Transfers and subsidies	8	-	-	8	5	3	62.5%	-	-
Expenditure for capital assets	50	-	-	50	3	47	6.0%	355	357
9.4 Institutional Development									
Current payment	849	-	-	849	946	(97)	111.4%	766	534
Transfers and subsidies	2	-	-	2	3	(1)	150.0%	1 651	-
Expenditure for capital assets	3	-	-	3	-	3	0.0%	-	-
Total	5 215	-	-	5 215	4 996	219	95.8%	7 313	5 346

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	2 037	-	-	2 037	2 247	(210)	110.3%	3 475	3 044
Goods and services	3 100	-	-	3 100	2 737	363	88.3%	1 823	1 411
Transfers & subsidies									
Provinces & municipalities	10	-	-	10	9	1	90.0%	-	-
Public corporations & private enterprises	-	-	-	-	-	-	0.0%	1 651	-
Capital									
Machinery & equipment	68	-	-	68	3	65	4.4%	364	891
Total	5 215	-	-	5 215	4 996	219	95.8%	7 313	5 346

Detail per programme 10 – Liquor & Consumer Affairs for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
10.1 Management									
Current payment	545	-	40	585	621	(36)	106.2%	-	-
Transfers and subsidies	5	-	-	5	5	-	100.0%	-	-
10.2 Provincial Liquor Authority Support									
Current payment	1 934	-	101	2 035	1 971	64	96.9%	2 050	2 136
Transfers and subsidies	5	-	-	5	1	4	20.0%	-	-
Expenditure for capital assets	232	-	-	232	-	232	0.0%	105	44
10.3 Trade Inspection									
Current payment	1 244	-	60	1 304	1 739	(435)	133.4%	9 839	14 515
Transfers and subsidies	1	-	3	4	5	(1)	125.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	200	-
10.4 Consumer Affairs									
Current payment	1 810	-	569	2 379	3 378	(999)	142.2%	6 298	1 535
Transfers and subsidies	1	-	7	8	11	(3)	137.5%	-	-
Expenditure for capital assets	14	-	-	14	-	14	0.0%	159	21
Total	5 791	-	780	6 571	7 731	(1 160)	117.7%	18 651	18 251

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	4 096	-	430	4 526	6 018	(1 492)	133.0%	1 383	1 383
Goods and services	1 437	-	340	1 777	1 691	86	95.2%	16 804	16 803
Transfers & subsidies									
Provinces & municipalities	12	-	10	22	22	-	100.0%	-	-
Capital									
Machinery & equipment	246	-	-	246	-	246	0.0%	464	65
Total	5 791	-	780	6 571	7 731	(1 160)	117.7%	18 651	18 251

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Detail per programme 11 – Environmental Affairs for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
11.1 Management									
Current payment	685	-	-	685	687	(2)	100.3%	2 246	1 640
Expenditure for capital assets	1	-	-	-	-	-	0.0%	7	14
11.2 Pollution Control									
Current payment	1 376	-	-	1 376	890	486	64.7%	-	-
Transfers and subsidies	4	-	-	4	3	1	75.0%	-	-
Expenditure for capital assets	85	-	-	85	-	85	0.0%	-	-
11.3 Scientific Support									
Current payment	4 141	-	-	4 141	4 270	(129)	103.1%	4 951	4 448
Transfers and subsidies	5	-	4	9	11	(2)	122.2%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	54	51
11.4 Environmental Management									
Current payment	3 987	-	-	3 987	2 331	1 656	58.5%	1 932	2 245
Transfers and subsidies	4	-	-	4	4	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	88	94
11.5 Environmental Awareness									
Current payment	4 003	-	-	4 003	6 038	(2 035)	150.8%	5 881	6 177
Transfers and subsidies	18	-	-	18	17	1	94.4%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	202	233
Total	14 308	-	4	14 312	14 251	61	99.6%	15 361	14 902

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	9 483	-	-	9 483	10 628	(1 145)	112.1%	9 923	9 763
Goods and services	4 709	-	-	4 709	3 588	1 121	76.2%	4 865	4 599
Transfers & subsidies									
Provinces & municipalities	31	-	4	35	35	-	100.0%	-	-
Capital									
Machinery & equipment	85	-	-	85	-	85	0.0%	553	520
Land & subsoil assets	-	-	-	-	-	-	0.0%	20	20
Total	14 308	-	4	14 312	14 251	61	99.6%	15 361	14 902

Detail per programme 12 – Conservation for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
12.1 Management									
Current payment	639	-	-	639	522	117	81.7%	-	-
Transfers and subsidies	1	-	-	1	1	-	100.0%	-	-
12.2 Resource Management									
Current payment	43 009	-	470	43 479	45 237	(1 758)	104.0%	27 144	11 928
Transfers and subsidies	53	-	53	106	106	-	100.0%	-	-
Expenditure for capital assets	9 974	-	-	9 974	8 603	1 371	86.3%	-	17 131
12.3 Law Enforcement									
Current payment	4 387	-	70	4 457	3 878	579	87.0%	28 175	26 056
Transfers and subsidies	4	-	-	4	4	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	1 500	1 438
12.4 Resorts & Eco Tourism									
Current payment	-	-	-	-	-	-	0.0%	2 920	3 050
Expenditure for capital assets	-	-	-	-	-	-	0.0%	16	162
Total	58 067	-	593	58 660	58 351	309	99.5%	59 755	59 765

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current									
Compensation to employees	34 162	-	-	34 162	36 393	(2 231)	106.5%	32 991	31 326
Goods and services	13 873	-	540	14 413	13 245	1 168	91.9%	25 248	9 708
Transfers & subsidies									
Provinces & municipalities	58	-	53	111	110	1	99.1%	-	-
Capital									
Buildings & other fixed structures	9 974	-	-	9 974	8 571	1 403	85.9%	1 516	18 731
Total	58 067	-	593	58 660	58 351	309	99.5%	59 755	59 765

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Detail per programme 13 – Transversal Functions for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
14.1 FS Development Corporation	86 855	-	-	86 855	86 855	-	100.0%	50 720	50 720
Transfers and subsidies									
14.2 FS Gambling & Racing Board	15 500	-	-	15 500	15 500	-	100.0%	-	-
Transfers and subsidies									
14.3 Skills Levy	634	-	-	634	305	329	48.1%	-	-
Current payment									
14.4 HIV/Aids	190	-	-	190	2	188	1.1%	-	-
Current payment									
14.5 Internship Program	60	-	-	60	20	40	33.3%	-	-
Current payment									
14.6 Bursaries	647	-	-	647	691	(44)	106.8%	-	-
Current payment									
14.7 Special Projects	8 813	-	(6 207)	2 606	191	2 415	7.3%	-	487
Current payment									
14.8 Economic Advisory Council	-	-	-	-	-	-	0.0%	826	-
Current payment									
Total	112 699	-	(6 207)	106 492	103 564	2 928	97.3%	51 546	51 207

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current	10 344	-	(6 207)	4 137	1 209	2 928	29.2%	-	-
Goods and services									
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	-	487
Transfers & subsidies	102 355	-	-	102 355	102 355	-	100.0%	51 546	50 720
Public corporations & private Enterprises									
Total	112 699	-	(6 207)	106 492	103 564	2 928	97.3%	51 546	51 207

Detail per programme 14 – Special Functions for the year ended 31 March 2005									
Programme per sub programme	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
14.1 Special Functions: Thefts & Losses	-	-	-	-	939	(939)	0.0%	-	-
Current payment									
Total	-	-	-	-	939	(939)	0.0%	-	-

Economic Classification	2004/2005							2003/2004	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Financial transactions in assets and liabilities	-	-	-	-	939	(939)	0.0%	-	-
Total	-	-	-	-	939	(939)	0.0%	-	-

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**NOTES TO THE APPROPRIATION STATEMENT
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- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 to the Annual Financial Statements.
- 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
- 3. Detail on financial transactions in assets and liabilities**
Detail of these transactions per programme can be viewed in note 5 (Details of special functions (theft and losses)) to the Annual Financial Statements.
- 4. Explanations of material variances from Amounts Voted (after Virement):**

4.1 Per Programme	Voted Funds after virement	Actual Expenditure	R'000	%
Corporate Services	9 303	10 352	(1 049)	(11.28)
The personnel expenditure was inadvertently under estimated. The over spending was accounted for as unauthorised expenditure.				
Financial Management	8 535	6 512	2 023	23.70
The under spending on compensation of employees was due to the vacant positions that was not filled during the financial year. These positions could not be filled because the organisational structure had not been finalised.				
Budgeting & Risk Management	800	2	798	99.75
Again, the under spending was realised because the organisational structure had not been finalised. Although this sub-program was established, it did not become operational.				
Supply Chain Management	3 240	2 532	708	21.85
The under spending on compensation of employees was due to vacant positions that was not filled during the financial year. These positions could not be filled because the organisational structure had not been finalised.				
Tourism	10 493	7 639	2 854	27.20
The reason for the surplus is two-fold. Firstly, the under spending on compensation of employees was due to the vacant positions that was not filled during the financial year. These positions could not be filled because the organisational structure had not been finalised. Secondly, although funds for the Tourism Indaba had been budgeted for in the financial year under review, expenditure was only incurred subsequent to financial year-end. An application for a roll-over has been submitted to Provincial Treasury.				

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 MARCH 2005**

	Voted Funds after virement	Actual Expenditure	R'000	%
Investment Promotion	5 397	4 373	1 024	18.97
The under spending on compensation of employees was due to vacant positions that was not filled during the financial year. These positions could not be filled because the organisational structure had not been finalised.				
Liquor & Consumer	6 571	7 731	(1 160)	(17.65)
The personnel expenditure was inadvertently under estimated. The over spending was accounted for as unauthorised expenditure				

4.2 Per Economic classification: R'000

Current expenditure

Compensation of employees (2 828)

Over expenditure on this item resulted from inadvertent under estimate on Liquor and Consumer Affairs remuneration of employee's budget. Also, provision for Corporate Services budget had been for a director component. During the year under report, the directorate was upgraded to chief director level and staff recruited to unfounded positions.

Goods and services 9 890

The saving was a result of Tourism Indaba funds, which had been provided for in the financial year 2004/05, but could only be incurred, in the subsequent financial year.

Payments for capital assets

Buildings and other fixed structures 1 403

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 MARCH 2005**

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	249 050	210 599
Appropriation for unauthorised expenditure approved		1 335	-
Departmental revenue	2	-	16 424
		<u>250 385</u>	<u>227 023</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	3	79 060	67 675
Goods and services	4	49 494	48 110
Financial transactions in assets and liabilities	5	939	511
Unauthorised expenditure approved	6	1 335	-
		<u>130 828</u>	<u>116 296</u>
Transfers and subsidies	8	102 613	66 283
Expenditure for capital assets			
Buildings and other fixed structures	9	8 571	16 505
Machinery and Equipment	9	379	6 985
Land and subsoil assets	9	-	20
		<u>8 950</u>	<u>23 510</u>
TOTAL EXPENDITURE		<u>242 391</u>	<u>206 089</u>
NET SURPLUS/(DEFICIT)		7 994	20 934
Add back unauthorised expenditure	6	2 210	9 440
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>10 204</u>	<u>30 374</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund	13	10 204	13 950
Departmental revenue to be surrendered to revenue fund	14	-	16 424
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>10 204</u>	<u>30 374</u>

FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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STATEMENT OF FINANCIAL POSITION
at 31 MARCH 2005

	Note	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		14 740	13 987
Unauthorised expenditure	6	11 967	12 031
Fruitless and wasteful expenditure	7	-	9
Cash and cash equivalents	10	24	23
Prepayments and advances	11	243	17
Receivables	12	2 506	1 907
TOTAL ASSETS		<u>14 740</u>	<u>13 987</u>
LIABILITIES			
Current liabilities		14 215	13 910
Voted funds to be surrendered to the Revenue Fund	13	12 888	13 328
Departmental revenue to be surrendered to the Revenue Fund	14	(3 772)	-
Bank overdraft	15	5 099	32
Payables	16	-	550
Non-current liabilities			
TOTAL LIABILITIES		<u>14 215</u>	<u>13 910</u>
NET ASSETS		<u>525</u>	<u>77</u>
Represented by:			
Recoverable revenue		<u>525</u>	<u>77</u>
TOTAL		<u><u>525</u></u>	<u><u>77</u></u>

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 MARCH 2005**

	Note	2004/05 R'000	2003/04 R'000
Recoverable revenue			
Opening balance		77	98
Debts recovered (included in departmental receipts)		(128)	(21)
Debts raised		576	-
Closing balance		525	77
TOTAL		525	77

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**CASH FLOW STATEMENT
for the year ended 31 MARCH 2005**

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		268 290
Annual appropriated funds received		238 376
Appropriation for unauthorised expenditure received	6	1 335
Departmental revenue received		29 433
Net (increase)/decrease in working capital		(854)
Surrendered to Revenue Fund		(30 965)
Current payments		(130 828)
Transfers and subsidies paid		(102 613)
Net cash flow available from operating activities	17	<u>3 884</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		(8 950)
Net cash flows from investing activities		<u>(8 950)</u>
Net increase/(decrease) in cash and cash equivalents		(5 066)
Cash and cash equivalents at beginning of period		(9)
Cash and cash equivalents at end of period		<u><u>(5 075)</u></u>

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2005**

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)

	Final Appropriation 2004/05 R'000	Actual Funds Received 2004/05 R'000	Variance over/(under) 2004/05 R'000	Total Appropriation 2003/04 R'000
Administration	18 358		18 358	18 933
Corporate Services	9 303		9 303	12 955
Financial Management	8 535		8 535	4 413
Budgeting & Risk Man.	800		800	-
Supply Chain Man.	3 240		3 240	1 171
Tourism	10 493		10 493	10 343
Investment Promotion	5 397		5 397	8 023
Planning & Research	1 674		1 674	2 135
SMME Promotion	5 215		5 215	7 313
Liquor & Consumer Affairs	6 571		6 571	18 651
Environmental Affairs	14 312		14 312	15 361
Conservation	58 660		58 660	59 755
Transversal Functions	106 492		106 492	51 546
All programs	-	238 376	(238 376)	-
Total	249 050	238 376	10 674	210 599

An amount of R722 000 (2003/04: R734 000) for statutory appropriation is included under the Final Appropriation amount.
 Roll-over: An application for a roll-over was made, but it was declined.
 Explanations of variances: Refer to Notes to the Appropriation Statement for explanations of material variances.

1.2 Conditional Grants

	Note	2004/05 R'000	2003/04 R'000
Total grants received	Annex 1A	10 000	-

The provincial conditional grant of R10 million is included in the amounts per the Total Appropriation in Note 1.1

2. Departmental revenue to be surrendered to revenue fund Description

Tax revenue		16 203	17 698
Sales of goods and services other than capital assets		12 408	11 578
Interest, dividends and rent on land		20	99
Recoverable revenue received		-	10 068
Transfers received consist of:		802	2 257
Other transfers		802	2 257
Total revenue collected		29 433	41 700
Less: Departmental revenue budgeted*	19	29 433	25 276
Departmental revenue collected		-	16 424

3. Compensation of employees

3.1 Salaries and wages

Basic salary	50 731	42 607
Performance award	1 647	650
Service Based	108	82
Compensative/circumstantial	2 167	2 661
Periodic payments	5 273	3 909
Other non-pensionable allowances	8 681	8 036
	68 607	57 945

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

	Note	2004/05 R'000	2003/04 R'000
3.2 Social contributions			
3.2.1 Short term employee benefits			
Pension		7 509	6 980
Medical		2 923	2 735
Bargain council		21	15
		<u>10 453</u>	<u>9 730</u>
Total compensation of employees		<u>79 060</u>	<u>67 675</u>
 Average number of employees		<u>688</u>	<u>683</u>
 4. Goods and services			
Advertising		1 238	2 868
Attendance fees (including registration fees)		174	552
Bank charges and card fees		54	20
Bursaries (employees)		935	603
Communication		5 189	5 402
Computer services		276	-
Consultants, contractors and special services		18 871	14 494
Courier and delivery services		401	57
Drivers licences and permits		99	54
Entertainment		1 301	2 328
External audit fees	4.1	2 505	1 492
Equipment less than R5 000		1 617	-
Inventory	4.2	6 092	8 764
Legal fees		574	-
Medical services		-	18
Operating leases		1 000	1 000
Professional bodies and membership fees		-	37
Resettlement costs		19	84
Subscriptions		-	229
Translations and transcriptions		24	-
Travel and subsistence	4.3	6 748	8 769
Venues and facilities		2 363	1 134
Protective, special clothing & uniforms		14	-
Previous year's unallocated items		-	205
		<u>49 494</u>	<u>48 110</u>
 4.1 External audit fees			
Regulatory audits		1 868	1 492
Other audits		637	-
Total external audit fees		<u>2 505</u>	<u>1 492</u>
 4.2 Inventory			
Other inventory		-	638
Domestic Consumables		443	565
Agricultural		20	221
Food and Food supplies		-	99
Fuel, oil and gas		2 574	2 651
Other consumables		98	208
Parts and other maintenance material		1 333	1 389
Stationery and Printing		1 507	2 344
Veterinary supplies		117	243
Restoration and fittings		-	406
Total Inventory		<u>6 092</u>	<u>8 764</u>

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

	Note	2004/05 R'000	2003/04 R'000
4.3 Travel and subsistence			
Local		5 991	7 372
Foreign		757	1 397
Total travel and subsistence		6 748	8 769
5. Financial transactions in assets and liabilities			
Material losses through criminal conduct	5.1	-	350
Other material losses written off	5.2	939	13
Debts written off	5.3	-	148
		939	511
5.1 Material losses through criminal conduct			
Nature of losses			
Other		-	350
		-	350
5.2 Other material losses written off			
Nature of losses			
Vehicle Accidents – Own Damage		-	13
Unauthorised Expenditure Written-Off		939	-
		939	13
5.3 Bad debts written off			
Nature of debts written off			
Various Debtors		-	148
		-	148
5.4 Details of theft and losses			
Programme 6 : Tourism		-	148
Programme 12 : Conservation		-	363
		-	511
6. Unauthorised expenditure			
6.1 Reconciliation of unauthorised expenditure			
Opening balance		12 031	2 591
Unauthorised expenditure – current year		2 210	9 440
Unauthorised expenditure approved by legislature – current expenditure		(2 274)	-
Unauthorised expenditure awaiting authorisation		11 967	12 031
6.2 Unauthorised expenditure			
Incident	Disciplinary steps taken/criminal proceedings		
Economic Affairs	None	317	2 591
Overspending 2003/04	None	9 440	9 440
Overspending 2004/05	None	2 210	-
		11 967	12 031

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

		Note	2004/05 R'000	2003/04 R'000		
7. Fruitless and wasteful expenditure						
7.1 Reconciliation of fruitless and wasteful expenditure						
Opening balance			9	9		
Transfer to receivables for recovery			(9)	-		
Fruitless and wasteful expenditure awaiting condonement			<u>-</u>	<u>9</u>		
7.2 Fruitless and wasteful expenditure						
	Disciplinary steps taken/criminal proceedings					
Incident			-	9		
Economic Affairs	None		<u>-</u>	<u>9</u>		
8. Transfers and subsidies						
Provinces and municipalities	ANNEXURE 1C		258	-		
Public corporations and private enterprises	ANNEXURE 1F		102 355	66 283		
			<u>102 613</u>	<u>66 283</u>		
9. Expenditure for capital assets						
Buildings and other fixed structures	ANNEXURE 4		8 571	16 505		
Machinery and equipment	ANNEXURE 4		379	6 985		
Land and subsoil assets	ANNEXURE 4		-	20		
Total			<u>8 950</u>	<u>23 510</u>		
10. Cash and cash equivalents						
Cash receipts			9	-		
Cash on hand			15	23		
			<u>24</u>	<u>23</u>		
11. Prepayments and advances						
Description						
Travel and subsistence			21	17		
Advances paid to other entities			222	-		
			<u>243</u>	<u>17</u>		
12. Receivables						
		Less than One year	One to three years	Older than three years	2004/05 R'000 Total	2003/04 R'000 Total
Amounts owing by						
Other entities	Annexure 6	-	-	-	-	82
Staff debtors	12.1	426	985	621	2 032	1 366
Other debtors	12.2	17	446	11	474	459
Total		<u>443</u>	<u>1 431</u>	<u>632</u>	<u>2 506</u>	<u>1 907</u>

Amounts of R2,063 million (2004: R1,924 million) included above may not be recoverable, but has not been written off in the Statement of financial performance.

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

	Note	2004/05 R'000	2003/04 R'000
12.1 Staff debtors			
S&T Debt		827	714
Tel/Cell phone debt		362	201
Bursaries		258	-
Other		585	451
		<u>2 032</u>	<u>1 366</u>
12.2 Other debtors			
Nature of advances:			
Dishonoured Cheques		77	69
Thefts & Losses		373	385
Other		24	5
		<u>474</u>	<u>459</u>
13. Voted funds to be surrendered to the Revenue Fund			
Opening balance		13 328	34 012
Transfer from Statement of Financial Performance		10 204	13 950
Voted funds not requested/not received		(12 884)	-
Paid during the year		2 240	(34 634)
Closing balance		<u>12 888</u>	<u>13 328</u>
14. Departmental receipts to be surrendered to Revenue Fund			
Opening balance		-	-
Transfer from Statement of Financial Performance		-	16 424
Departmental revenue budgeted*	3	29 433	-
Paid during the year		<u>(33 205)</u>	<u>(16 424)</u>
Closing balance		<u>(3 772)</u>	<u>-</u>
15. Bank overdraft			
Paymaster General Account		<u>5 099</u>	<u>32</u>

This amount represents payments processed on Basic Accounting System for which the actual transfer of funds is outstanding.

16. Payables – current					
Description				2004/05 R'000 Total	2003/04 R'000 Total
		30 Days	30+ Days		
Amounts owing to					
Other payables	16.3	-	-	-	550
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>550</u>

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

	Note	2004/05 R'000	2003/04 R'000
16.1 Other payables			
Description:			
Salary Deductions		-	5
Transfer Debt Department 77		-	123
General Suspense		-	20
Other		-	402
		<u>-</u>	<u>550</u>
17. Reconciliation of net cash flow from operating activities to surplus/(deficit)			
Net surplus as per Statement of Financial Performance		10 204	
(Increase)/decrease in receivables – current		(599)	
(Increase)/decrease in prepayments and advances		(226)	
(Increase)/decrease in other current assets		73	
(Increase)/decrease in payables – current		(550)	
(Increase)/decrease in Recoverable Revenue		448	
Departmental Revenue Budgeted		29 433	
Surrenders		(30 965)	
Capital expenditure		8 950	
Voted funds not requested/not received		(10 674)	
Other non cash items		(2 210)	
Net cash flow generated by operating activities		<u>3 884</u>	
18. Appropriated funds and departmental revenue surrendered			
Appropriated funds surrendered		12 453	34 634
Departmental revenue surrendered		18 512	16 424
		<u>30 965</u>	<u>51 058</u>

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

			Note	2004/05 R'000	2003/04 R'000
19. Contingent liabilities					
Liable to	Nature				
Housing loan guarantees	Employees	ANNEXURE 3		639	859
Other departments (unconfirmed balances)		ANNEXURE 7		164	-
Capped Leave Commitments				-	-
				803	859
20. Commitments					
Current expenditure					
Approved and contracted				2 855	1 901
Approved but not yet contracted				614	-
				3 469	1 901
Capital expenditure					
Approved and contracted				41	2 709
Approved but not yet contracted				50	-
				91	2 709
Total Commitments				3 560	4 610
21. Accruals					
	30 Days	30+ Days		2004/05 R'000 Total	2003/04 R'000 Total
By economic classification					
Compensation of employees	-	-		-	295
Goods and services	224	650		874	927
Buildings and other fixed structure	-	-		-	1 827
Machinery and equipment	29	88		117	238
				991	3 287
Listed by programme level					
Administration				193	321
Tourism				44	431
Corporate Services				44	3
Liquor & Consumer Affairs				28	-
Environmental Affairs				132	-
Supply Chain Management				3	-
SMME Promotion				34	-
Financial Management				13	131
Conservation				500	2 401
				991	3 287
22. Employee benefits					
Leave Entitlement				11 341	8 337
Thirteenth cheque				2 143	2 005
				13 484	10 342

The leave liability has been moved back to note number 22 from note 19.

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2005**

23. Lease Commitments

	Buildings & other fixed structures	Machinery and equipment	2004/05 R'000 Total	2003/04 R'000 Total
23.1 Operating leases				
Not later than 1 year	3 796	477	4 273	1 691
Later than 1 year and not later than 3 years	-	653	653	18
Later than three years	-	119	119	1 319
Total present value of lease liabilities	<u>3 796</u>	<u>1 249</u>	<u>5 045</u>	<u>3 028</u>
23.2 Finance leases				
Not later than 1 year	-	238	238	125
Later than 1 year and not later than 3 years	-	611	611	374
Later than three years	-	76	76	21
	-	925	925	520
Future finance charges		(201)	(201)	(131)
Present value of lease liabilities	<u>-</u>	<u>724</u>	<u>724</u>	<u>389</u>
Total present value of lease liabilities	<u>3 796</u>	<u>1 973</u>	<u>5 769</u>	<u>3 417</u>

These finance leases consist of a lease for a Call Centre and a lease for the MEC vehicle.

	Note	2004/05 R'000 Total	2003/04 R'000 Total
24. Irregular expenditure			
24.1 Reconciliation of irregular expenditure			
Irregular expenditure – current year		4 522	-
Irregular expenditure awaiting condonement		<u>4 522</u>	<u>-</u>
Analysis			
Current Year		<u>4 522</u>	<u>-</u>
24.2 Irregular expenditure			
Incident	Disciplinary steps taken/ criminal proceedings		
Compensation: Program 1	None	936	-
Compensation: Program 11	None	1 145	-
Compensation: Program 12	None	2 231	-
Compensation: Program 9	None	210	-
		<u>4 522</u>	<u>-</u>

25. Senior management personnel

Member of the Executive Council	669	610
Superintendent General	791	681
Chief Financial Officer	509	437
Chief Directors (2)	1 204	1 125
	<u>3 173</u>	<u>2 853</u>

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2005**

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED
- PROVINCIAL CONDITIONAL GRANT**

NAME DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act/Provincial Infrastructure Grants R'000	Roll Over R'000	Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department %	Division of Revenue Act/ Provincial Infrastructure Grants R'000	Amount spent by department R'000
F/State Provincial Treasury	10 000	-	-	10 000	10 000	8 603	86.0%	-	-
	10 000	-	-	10 000	10 000	8 603	86.0%	-	-

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

**ANNEXURE 1C
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04
	Division of Revenue Act R'000	Roll Overs R'000	Adjustment s R'000	Total Available R'000	Actual Transfer R'000	% of available funds transfere d %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spend by municipality %	Division of Revenue Act R'000
Motheo (RSC Levies)	-	-	-	-	202	0.0%	-	-	0.0%	-
Northern Free State (RSCL)	-	-	-	-	5	0.0%	-	-	0.0%	-
East Free State (RSCL)	-	-	-	-	19	0.0%	-	-	0.0%	-
Lejweleputswa (RSCL)	-	-	-	-	16	0.0%	-	-	0.0%	-
Xhariep (RSCL)	-	-	-	-	16	0.0%	-	-	0.0%	-
	-	-	-	-	258		-	-		-

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

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

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISES	TRANSFER ALLOCATION				EXPENDITURE				2003/04
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of available funds transferred %	Capital R'000	Current R'000	Total Available R'000
Public Corporations									
Transfers:									
Free State Developing Corporation	86 855	-	-	86 855	86 855	100.0%	-	86 855	50 720
Free State Racing & Gambling Board	15 500	-	-	15 500	15 500	100.0%	-	15 500	15 563
TOTAL	102 355	-	-	102 355	102 355		-	102 355	66 283

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
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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 FOR THE YEAR ENDED
31 MARCH 2005**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05 R'000	2003/04 R'000
Received in kind			
Rotocraft	Veterinary treatment	25	-
Rotocraft	Office furniture for Reserves	24	-
Brian Earle	X-rays for game	3	-
		52	-

- Totals do not form part of the totals as on the face of the Statement of Financial Performance.

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**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 R'000	2003/04 R'000
Made in kind			
Mangaung Local Council-Bloemfontein Zoo	White Rhino	50	-
Various Social Welfare Institutions	Game – Butchery meat	44	-
Various	Permits issued for free entry at Resorts and Reserves	92	-
Nedcor Foundation	Contribution towards a tourism unit	250	
Total		436	-

- Totals do not form part of the totals as on the face of the Statement of Financial Performance.

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

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

ANNEXURE 2A

**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO CONTROLLED/PUBLIC ENTITIES AS AT 31 MARCH 2005
(Only Public and Private Entities)**

NAME OF PUBLIC ENTITY	Nature of business	Relevant Act	State Entity's PFMA Schedule type	% Held 03/04	% Held 04/05	Number of shares held		Cost of investment R'000		Profit/(Loss) for the year R'000		Are the losses guaranteed
						2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	Yes/No
Controlled entities												
Free State Development Corp	Develops business enterprises	Free State Development Corporation Amendment Act 9 of 1999	3	100.0%	100.0%	100	100	-	-	-	994	No
Total								-	-	-	994	

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**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 R'000	Opening Balance 01/04/2004 R'000	Guarantees Issued during the year R'000	Guarantees Released during the year R'000	Guaranteed Interest outstanding As at 31 March 2005 R'000	Closing Balance 31/03/2005 R'000	Realised losses i.r.o. claims paid out R'000
Housing								
Standard Bank		49	49	-	-	-	49	-
Firststrand FNB		185	185	-	12	-	173	-
ABSA		229	229	50	222	-	57	-
People's Bank		30	30	-	6	-	24	-
First National Bank		63	63	-	-	-	63	-
Old Mutual		240	240	-	37	-	203	-
Free State Development Corp		46	46	7	-	-	53	-
Nedbank		17	17	-	-	-	17	-
Total		859	859	57	277	-	639	-

Original Guarantee capital prior year figures have been restated from R898 thousand to R859 thousand, to correct prior disclosure error.

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

**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

**BUILDINGS AND OTHER
FIXED STRUCTURES** **8 570**

Other structures (Infrastructure assets)	8 571
---	--------------

MACHINERY AND EQUIPMENT **379**

Computer equipment	361
Furniture and office equipment	18
Other machinery and equipment	-
Transport assets	-

LAND AND SUBSOIL ASSETS **-**

Land	-
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Total	<u>8 950</u>
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 MARCH 2005**

ANNEXURE 4 (continued)
PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004

	Additions
	R'000

**BUILDINGS AND OTHER
FIXED STRUCTURES**

16 505

Other structures
(Infrastructure assets)

16 505

MACHINERY AND EQUIPMENT

6 958

Computer equipment
Furniture and office equipment
Other machinery and equipment
Transport assets

1 428

2 418

1 014

2 125

LAND AND SUBSOIL ASSETS

20

Land

20

Total

23 510

The balance as at 31 March 2005 only reflects asset additions since 1 April 2003.

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

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

**ANNEXURE 6
INTER-GOVERNMENTAL RECEIVABLES**

Government Entity	Confirmed Balance		Unconfirmed Balance	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Department				
FSPG Health	-	-	30	24
FSPG Premier's Office	-	-	69	-
FSPG Finance	-	-	-	13
Mineral & Energy Affairs	-	-	-	1
	-	-	99	38
Other Government Entities				
Provincial Government North West	-	-	-	2
Other	-	-	-	42
	-	-	-	44
Total	-	-	99	82

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

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

**ANNEXURE 7
INTER-DEPARTMENTAL PAYABLES - CURRENT**

Government Entity	Confirmed Balance		Unconfirmed Balance	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Department				
National Department of Environmental Affairs & Tourism	-	-	5	-
National Department of Justice & Constitutional Develop	-	-	114	-
Free State Department of Education	-	-	12	-
Free State Department of the Premier	-	-	33	-
Total	-	-	164	-

**FREE STATE - DEPARTMENT OF TOURISM, ENVIRONMENTAL AND ECONOMIC AFFAIRS
VOTE 3**

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

PART FIVE HUMAN RESOURCE INFORMATION

1. HUMAN RESOURCE MANAGEMENT

PUBLIC SERVICE REGULATIONS

The statistics and information published in this section of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002 and have been prescribed by the Minister for the Public Service and Administration, for all departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether departments:-

- ❖ Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- ❖ Are achieving national transformation priorities established by the Cabinet, for example, affirmative action?

Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders.

SERVICE DELIVERY

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

TABLE 1.1 MAIN SERVICES PROVIDED AND STANDARDS

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
SMME promotion package	Product owners & service providers	Public	Develop an investment promotion package for SMME	At facilitation level
Tourism route development and awareness campaign	Tourists	Public	Human resource development & capacity building	Few Training projects
Promote environmental quality for the province	Stakeholders	General Public	Monitor compliance with conditions stipulated	Same as what?
Promote sustainable economic activities within the province	Product owners & service providers	Public	Develop, implement and monitor strategies that develop different economic sectors	At facilitation level
Ensure regulatory framework for economic activities	Industry, consumers	Public	Integrated legislative mandates to enhance compliance	Standards are at development stage.

TABLE 1.2 – CONSULTATION ARRANGEMENTS WITH CUSTOMERS

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Meetings, workshops, correspondence,	Product owners and service providers	Empowerment groups	Procurement data available
Surveys, interviews, workshops	Accommodation owners, Adventure	Public	Tourism has data on accommodation facilities
Site visits, seminars, public participation meetings	Industry, Local Government, Parastatals	Public, Government departments	EXCO meets the people programme attended by Communication Unit
Meetings, trade missions	Product owners & service providers	Emerging entrepreneurs	Investment opportunities identified in specific sectors
Workshop, seminars, site visits	Industry	Entrepreneurs	Tourism and SMME Units

TABLE 1.3 – SERVICE DELIVERY ACCESS STRATEGY

Access Strategy	Actual achievements
Participation at MPCC	Department has no MPCC but has an internal call centre
Establishment of website	Active
Centralise departmental services in one building	Completed in 2003

TABLE 1.4 – SERVICE INFORMATION TOOL

Types of information tool	Actual achievements
Exhibitions	Done as per departmental calendar of events
Brochures, Leaflets, advertorials, advertisements	SMME, Investment Promotion and Environmental Education Brochures and leaflets are available

TABLE 1.5 – COMPLAINTS MECHANISM

Complaints Mechanism	Actual achievements
Suggestion box	Will be initialised by end September 2005
Customer care centre	Operational through Call Centre
Departmental	Chief Directorates required to respond within seven days to one month depending on information required

EXPENDITURE**TABLE 2.1 – PERSONNEL COSTS BY PROGRAMME, 2004/05**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
1. Administration	18,145	7,458	32	0	41,1	11
2. Corporate Services	10,352	6,717	35	0	64,9	10
3. Financial Management	6,512	2,662		0	40,9	6
4. Budgeting & Risk Mgmt	2	0	0	0	0	0

5. Supply Chain Management	2,532	1,535		0	60,6	0
6. Tourism	7,639	2,597	41	0	34,0	4
7. Investment Promotion	4,373	1,700	24	0	38,9	2
8. Planning & Research	1,669	1,105	22	0	66,2	2
9. SMME Promotion	4,996	2,247	21	0	45,0	3
10. Liquor and Consumer Affairs	7,731	6,018	33	0	77,8	9
11. Environmental Affairs	14,251	10,628	43	0	74,6	15
12. Conservation	58,351	36,393	36	0	66,4	56
13. Transversal Functions	103,564	0	0	0	0	0
14. Special Function	2,274	0	0	0	0	0
Total	242,391	79,060	311	0	33	117

TABLE 2.2 – PERSONNEL COSTS BY SALARY BANDS, 2004/05

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	24,548	31	69
Skilled (Levels 3-5)	7,278	9	69
Highly skilled production (Levels 6-8)	23,884	30	152
Highly skilled supervision (Levels 9-12)	15,964	20	253
Senior management (Levels 13-16)	7,386	10	616
Total	79,060	100	114

TABLE 2.3 – SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL ASSISTANCE BY PROGRAMME, 2004/05

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1. Administration	3,952	53,7	0	0	17	0,2	166	2,3
2. Corporate Services	4,056	60,9	3	0	45	0,7	219	3,3
3. Financial Management	3,029	71,6	17	0,4	51	1,2	224	5,3
4. Budgeting and Risk Management	0	0	0	0	0	0	0	0
5. Supply Chain Management	0	0	0	0	0	0	0	0
6. Tourism	1,643	59	4	0,2	9	0,3	91	3,3
7. Investment Promotion	1,005	50,7	0	0	14	0,7	70	3,5

8. Planning & Research	754	64,4	0	0	4	0,3	43	3,7
9. SMME Promotion	1,470	64,4	0	0	13	0,6	113	5
10. Liquor and Consumer Affairs	4,238	67,6	0	0	41	0,7	249	4
11. Environmental Affairs	6,010	59,6	182	1,8	98	1	418	4,1
12. Conservation	24,557	61	1,430	3,6	251	0,6	1,307	3,2
13. Transversal Functions	0	0	0	0	0	0	0	0
Total	50,745	61	1,638	2	543	0,7	2,900	3,5

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2004/05

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	14,089	58,9	693	2,9	126	0,5	522	2,2
Skilled (Levels 3-5)	5,267	69,7	251	3,3	28	0,4	329	4,4
Highly skilled production (Levels 6-8)	15,788	59,1	675	2,5	226	0,8	1,275	4,8
Highly skilled supervision (Levels 9-12)	11,160	64,5	18	0,1	163	0,9	601	3,5
Senior management (Levels 13-16)	4,441	57,9	0	0	0	0	173	2,3
Total	50,745	61,0	1,637	2	543	0,7	2,900	3,5

3. EMPLOYMENT AND VACANCIES

TABLE 3.1 – EMPLOYMENT AND VACANCIES BY PROGRAMME, 31 MARCH 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate	Supernumerary
P1: Administration, Permanent	1,034	683	34	0
Total	1,034	683	34	0

TABLE 3.2 – EMPLOYMENT AND VACANCIES BY SALARY BANDS, 31 MARCH 2005

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	547	348	36	0
Skilled (Levels 3-5)	159	101	36	0
Highly skilled production (Levels 6-8)	227	153	33	0
Highly skilled supervision (Levels 9-12)	86	68	21	0
Senior management (Levels 13-16)	15	9	40	0
Total	1,034	683	34	0

TABLE 3.3 – EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION, 31 MARCH 2005

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	17	11	35,3	0
Agriculture animal oceanography forestry & other scientific, Permanent	20	8	60	0
Agriculture related, Permanent	16	14	12,5	0
All artisans in the building metal machinery etc., Permanent	4	1	75	0
Artisan project and related superintendents, Permanent	1	1	0	0
Auxiliary and related workers, Permanent	36	25	30,6	0
Biochemistry pharmacology. zoology & life science .technical, Permanent	8	5	37,5	0
Building and other property caretakers, Permanent	73	49	32,9	0
Bus and heavy vehicle drivers, Permanent	1	1	0	0
Cleaners in offices workshops hospitals etc., Permanent	67	56	16,4	0
Communication and information related, Permanent	3	2	33,3	0
Conservation labourers, Permanent	346	215	34,4	0
Farming forestry advisors and farm managers, Permanent	2	0	100	0
Finance and economics related, Permanent	21	12	42,9	0
Financial and related professionals, Permanent	3	3	0	0
Financial clerks and credit controllers, Permanent	25	22	12	0
Food services aids and waiters, Permanent	10	6	40	0
Head of department/chief executive officer, Permanent	1	0	100	0
Horticulturists foresters agriculturists & forestry technicians, Permanent	5	5	0	0
Human resources & organisation development & related profession, Permanent	9	8	11,1	0
Human resources clerks, Permanent	9	6	33,3	0
Human resources related, Permanent	4	3	25	0

Language practitioners interpreters & other communication, Permanent	2	1	50	0
Legal related, Permanent	1	0	100	0
Librarians and related professionals, Permanent	1	1	0	0
Library mail and related clerks, Permanent	4	4	0	0
Light vehicle drivers, Permanent	8	3	62,5	0
Messengers porters and deliverers, Permanent	4	2	50	0
Nature conservation and oceanographically related technician, Permanent	76	61	19,7	0
Other administrative & related clerks and organisers, Permanent	83	47	43,4	0
Other information technology personnel., Permanent	2	2	0	0
Other occupations, Permanent	1	1	0	0
Photographic lithographic and related workers, Permanent	1	0	100	0
Printing management and supervisory personnel, Permanent	2	2	0	0
Regulatory inspectors, Permanent	12	9	25	0
Secretaries & other keyboard operating clerks, Permanent	21	15	28,6	0
Security guards, Permanent	82	49	40,2	0
Security officers, Permanent	5	1	80	0
Senior managers, Permanent	13	11	15,4	0
Trade labourers, Permanent	2	1	50	0
Trade/industry advisers & other related profession, Permanent	32	19	40,6	0
Veterinarians, Permanent	1	1	0	0
TOTAL	1,034	683	34	0

4 JOB EVALUATION

TABLE 4.1 – JOB EVALUATION, 1 APRIL 2004 TO 31 MARCH 2005

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	547	0	0	0	0	0	0
Skilled (Levels 3-5)	159	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	227	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	86	0	0	0	0	0	0
Senior Management Service Band A	9	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	1	0	0	0
Total	1,034	0	0	1	0	0	0

TABLE 4.2 – PROFILE OF EMPLOYEES WHOSE SALARY POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED, 1 APRIL 2004 TO 31 MARCH 2005

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	2	0	0	0	2
Total	3	0	0	0	3
Employees with a disability					0

TABLE 4.3 – EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION, 1 APRIL 2004 TO 31 MARCH 2005 (IN TERMS OF PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	N/A
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2003/04				0
Percentage of total employment				0

TABLE 4.4 – PROFILE OF EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION, 1 APRIL 2004 TO 31 MARCH 2005 (IN TERMS OF PSR 1.V.C.3)

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

5. EMPLOYMENT CHANGES

TABLE 5.1 – ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	348	22	14	4
Skilled (Levels 3-5)	101	6	1	1
Highly skilled production(Levels 6-8)	153	2	1	0,7
Highly skilled supervision(Levels 9-12)	68	3	4	5,9
Senior Management Service Band A	9	1	0	0
Senior Management Service Band B	3	0	0	0
Senior Management Service Band C	1	0	0	0
Senior Management Service Band D	0	0	1	0
Total	683	34	21	3,1

TABLE 5.2 – ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Cleaners, General Workers	348	22	18	11,5
Clerks	101	6	3	9
Personnel and Financial Officers. Nature Conservators	153	2	9	7
Assistant Directors, Deputy Directors and Reserve Managers.	68	3	9	17,6
Directors, Chief Directors and HOD's	13	1	3	44
Total	683	34	42	89,1

TABLE 5.3 – REASONS WHY STAFF ARE LEAVING THE DEPARTMENT

Termination Type	Number	% of total
Death	10	23.8 %
Resignation	8	19.04 %
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	3	7.14 %
Transfers to other Public Service Departments	21	50 %
Other	0	0
Total	42	100
Total number of employees who left as a % of the total employment	6	

TABLE 5.4 – PROMOTIONS BY CRITICAL OCCUPATION

Occupation	Employees as at 1 April 2003	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative related	16	0	0	8	50
Agricultural animal oceanography forestry & other science	9	0		8	88.9
Agriculture related, Permanent	11	0	0	9	81.8
All artisans in the building metal machinery etc., Permanent	2	0	0	2	100
Auxiliary and related workers, Permanent	27	0	0	24	88.9
Biochemistry pharmacology Zoology & life science technicians	4	2	50	3	75
Building and other property caretakers, Permanent	51	0	0	49	96.1
Bus and heavy vehicle drivers, Permanent	1	0	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	52	0	0	45	86.5
Communication and information related, Permanent	2		0	0	0
Conservation labourers, Permanent	35	0	0	35	100
Farm hands and labourers, Permanent	190	0	0	185	97.4

Finance and economics related, Permanent	16	1	6.3	10	62.5
Financial and related professionals, Permanent	2	2	100	2	100
Financial clerks and credit controllers, Permanent	17	1	5.9	8	47.1
Food service aids and waiters, Permanent	6	0	0	6	100
Head of department/chief executive officer, Permanent	1	0	0	0	0
Horticulturists foresters agriculture & forestry technicians, Permanent	6	0	0	6	100
Human resources & organisation development & related p	9	0	0	2	22.2
Human resources clerks, Permanent	6	0	0	5	83.3
Human resources related, Permanent	3	0	0	0	33.3
Language practitioners interpreters & other communication	1	0	0	0	0
Librarians and related professionals, Permanent	1	0	0	0	0
Library mail and related clerks, Permanent	5	0	0	4	80
Light vehicle drivers, Permanent	2	0	0	2	100
Messenger porters and deliverers, Permanent	3		0	2	66.7
Nature conservation and oceanographically related technicians	55	0	0	52	94.5
Other administration & related clerks and organisers	37	0	0	32	86.5
Other administrative policy and related officers, Permanent	6	0	0	4	66.7
Other information technology personnel., Permanent	2	0	0	0	0
Other occupations, Permanent	1	0	0	0	0
Printing management and supervisory personnel,	1	0	0	0	0
Printing planners and production controllers, Permanent	1	0	0	0	0
Rank: Unknown, Permanent	1	0	0	1	100
Regulatory inspectors, Permanent	1	0	0	0	0
Secretaries & other keyboard operating clerks, Permanent	9	2	22.2	9	100
Security guards, Permanent	14	0	0	12	85.7
Security officers, Permanent	43	0	0	41	95.3
Senior managers, Permanent	1	0	0	1	100
Trade labourers, Permanent	9	1	11.1	2	22.2
Trade/industry advisers & other related profession	1	0	0	1	100
Veterinarians, Permanent	22	0	0	15	68.2
Work planners, Permanent	1	0	0	0	0
Work planners	1	0	0	1	100
Total	683	9	1.3	587	85.9

TABLE 5.5 – PROMOTIONS BY SALARY BAND

Salary Band	Employees 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	348	0	0	348	100
Skilled (Levels 3-5)	101	0	0	77	76,2
Highly skilled production (Levels 6-8)	153	3	2	120	78,4
Highly skilled supervision (Levels 9-12)	68	5	7,4	35	51,5
Senior management (Levels 13-16)	13	1	7,7	4	30,8
Total	683	9	1,3	587	85,9

6. EMPLOYMENT EQUITY

TABLE 6.1 – TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS ON 31 MARCH 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6	0	0	0	3	0	0	1	10
Professionals	93	4	0	59	29	0	0	14	199
Technicians and associate professionals									
Clerks	21	2	0	1	40	2	0	22	88
Service and sales workers	41	1	0	2	5	0	0	0	49
Skilled agriculture and fishery workers									
Craft and related trades workers	1	1	0	1	0	0	0	0	3
Plant and machine operators and assemblers	3	0	0	0	0	0	0	0	3
Elementary occupations	251	4	0	1	70	4	0	0	330
Total	405	12	0	64	148	6	0	38	683
Employees with disabilities	1	0	0	0	1	0	0	0	2

TABLE 6.2 – TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	8	0	0	0	3	0	0	1	12
Professionally qualified and experienced specialists and mid-management	33	1	0	49	14	0	0	12	109
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	43	6	0	9	31	2	0	20	111
Semi-skilled and discretionary decision making	140	4	0	5	43	0	0	5	197
Unskilled and defined decision making	203	1	0	1	57	4	0	0	266
Total	427	12	0	64	148	6	0	38	695

TABLE 6.3 – RECRUITMENT FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	2	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	0	0	0	1	2
Semi-skilled and discretionary decision making	2	0	0	0	4	0	0	0	6
Unskilled and defined decision making	15	0	0	1	4	2	0	0	22
Total	20	0	0	1	10	2	0	1	34

TABLE 6.4 – PROMOTIONS FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	3	0	0	0	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management	15	1	0	17	2	0	0	5	40
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	37	2	0	38	24	1	0	21	123
Semi-skilled and discretionary decision making	53	4	0	2	13	0	0	5	77
Unskilled and defined decision making	272	3	0	2	71	2	0	1	351
Total	381	10	0	59	111	3	0	32	596
Employees with disabilities	0	0	0	0	1	0	0	0	1

TABLE 6.5 – TERMINATIONS FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	0	0	0	0	3
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	4	1	0	2	1	0	0	1	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	1	5	0	0	0	9
Semi-skilled and discretionary decision making	2	0	0	0	1	0	0	0	3
Unskilled and defined decision making	10	0	0	0	8	0	0	0	18
Total	22	1	0	3	15	0	0	1	42

Employees with disabilities	0	0	0	0	0	0	0	0	0
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TABLE 6.6 – DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	7	0	0	1	0	0	0	0	8

TABLE 6.7 – SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	0	0	0	4	0	0	1	8
Professionals	6	1	0	3	6	0	0	0	16
Technicians and associated professionals	8	0	0	13	3	0	0	5	29
Clerks	20	0	0	6	3	1	0	4	34
Service and sales workers	7	0	0	4	3	0	0	7	21
Skilled agriculture and fishery workers	11	0	0	7	6	0	0	0	24
Craft and related trades workers	38	1	0	0	8	0	0	0	47
Plant and machine operators and assemblers	55	0	0	0	0	0	0	0	55
Elementary occupations	0	1	0	0	15	0	0	0	16
Total	148	3	0	33	48	1	0	17	250
Employees with disabilities	0	0	0	0	0	0	0	0	0

7. PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review.

TABLE 7.1 – PERFORMANCE REWARDS BY RACE, GENDER, AND DISABILITY, 1 APRIL 2004 TO 31 MARCH 2005

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	109	420	25,9	554	5
Female	42	142	29,5	312	7
Asian					
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured					
Male	3	12	25	44	15
Female	1	6	16,7	6	6
White					
Male	40	64	62,5	479	12
Female	22	37	59,5	237	11
Employees with a disability	1	2	50	16	16
Total	218	683	31,9	1,647	8

TABLE 7.2 – PERFORMANCE REWARDS BY SALARY BANDS FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE, 1 APRIL 2004 TO 31 MARCH 2005

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	75	358	20,9	212	3	0,86
Skilled (Levels 3-5)	39	105	37,1	154	4	2,12
Highly skilled production (Levels 6-8)	68	157	43,3	683	10	2,86
Highly skilled supervision (Levels 9-16)	36	63	57,1	597	17	2,57
Total	218	683	31,9	1,646	8	2,08

TABLE 7.3 – PERFORMANCE REWARDS BY CRITICAL OCCUPATIONS, 1 APRIL 2004 TO 31 MARCH 2005

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Administrative related.	5	12	41,7	104	21
Agricultural animal oceanography forestry & other science.	7	8	87,5	88	13
Agriculture related.	7	14	50	137	20
All artisans in the building metal machinery etc.	2	2	100	31	16
Auxiliary and related workers.	8	27	29,6	25	3
Biochemistry pharmacology, zoology & life science technical.	3	5	60	27	9
Building and other property caretakers.	8	45	17,8	25	3
Bus and heavy vehicle drivers.	0	1	0	0	0
Cleaners in offices workshops hospitals etc.	3	50	5,4	8	3
Communication and information related.	0	2	0	0	0
Conservation labourers.	11	45	24,4	27	2
Farm hands and labourers.	51	180	27,4	161	3
Finance and economics related.	6	11	54,5	119	20
Financial and related professionals.	1	5	20	9	9
Financial clerks and credit controllers.	4	23	17,4	26	7
Food services aids and waiters	1	6	16,7	3	3
Horticulturists, foresters, agriculturists & forestry technicians.	1	6	16,7	6	6
Human resources & organisation development & related professions.	2	9	22,2	40	20
Human resources clerks .	2	7	28,6	38	19
Human resources related.	1	2	50	25	25
Language practitioners interpreters & other communication.	0	1	0	0	0
Librarians and related professionals.	0	1	0	0	0
Library mail and related clerks.	3	5	60	14	5
Light vehicle drivers.	0	2	0	0	0
Messengers porters and deliverers.	1	3	33,3	3	3
Nature conservation and oceanographically related technicians.	20	58	34,5	187	9
Other administration & related clerks & organisers.	23	38	60,5	151	7
Other administrative policy and related officers.	4	6	66,7	34	9
Other information technology personnel.	0	2	0	0	0
Other occupations.	0	1	0	0	0
Printing management and supervisory personnel.	0	1	0	0	0
Printing planners and production controllers.	1	1	100	14	14
Regulatory inspectors.	9	9	100	67	7
Secretaries & other keyboard operating clerks.	9	15	60	45	5
Security guards.	10	48	20,8	28	3
Security officers.	0	1	0	0	0

Senior managers.	0	9	0	0	0
Trade labourers.	0	1	0	0	0
Trade/industry advisers & other related profession	14	20	70	186	13
Veterinarians.	1	1	100	17	17
TOTAL	218	683	31,9	1,647	8

TABLE 7.4 – PERFORMANCE RELATED REWARDS (CASH BONUS), BY SALARY BAND, FOR SENIOR MANAGEMENT SERVICE

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	8	0	0	0	0
Band B	0	4	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
Total	0	12	0	0	0	0

8. FOREIGN WORKERS

TABLE 8.1 – FOREIGN WORKERS, 1 APRIL 2004 TO 31 MARCH 2005, BY SALARY BAND

Salary Band	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

TABLE 8.2 – FOREIGN WORKER, 1 APRIL 2004 TO 31 MARCH 2005, BY MAJOR OCCUPATION

Major Occupation	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
Total	0	0	0	0	0	0

9. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2004 TO 31 DECEMBER 2004

TABLE 9.1 – SICK LEAVE, 1 JANUARY 2004 TO 31 DECEMBER 2004

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	1,636	95,6	199	55,9	8	224
Skilled (Levels 3-5)	405	93,1	59	16,6	7	76
Highly skilled production (Levels 6-8)	520	87,1	70	19,7	7	183
Highly skilled supervision (Levels 9-12)	162	89,5	22	6,2	7	107
Senior management (Levels 13-16)	42	90,5	6	1,7	7	67

16)						
Total	2,765	93,2	356	100	8	657

TABLE 9.2 – DISABILITY LEAVE (TEMPORARY AND PERMANENT), 1 JANUARY 2004 TO 31 DECEMBER 2004

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	4	100	1	50	4	0
Skilled (Levels 3-5)						
Highly skilled production (Levels 6-8)	86	100	1	50	86	41
Highly skilled supervision (Levels 9-12)						
Senior management (Levels 13-16)						
Total	90	100	2	100	45	41

TABLE 9.3 – ANNUAL LEAVE, 1 JANUARY 2004 TO 31 DECEMBER 2004

Salary Band	Total days taken	Average per employee
Lower skilled (Levels 1-2)	8,577	24
Skilled Levels 3-5)	2,364	23
Highly skilled production (Levels 6-8)	3,114	21
Highly skilled supervision (Levels 9-12)	1,432	22
Senior management (Levels 13-16)	178	15
Total	15,665	23

TABLE 9.4 – CAPPED LEAVE, 1 JANUARY 2004 TO 31 DECEMBER 2004

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004
Lower skilled (Levels 1-2)	166	4	29
Skilled Levels 3-5)	82	6	41
Highly skilled production (Levels 6-8)	76	6	47
Highly skilled supervision (Levels 9-12)	72	9	56
Senior management (Levels 13-16)	4	4	36
Total	400	5	38

TABLE 9.5 – LEAVE PAYOUTS FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	0	1	0
Capped leave payouts on termination of service for 2003/04	80	34	2,35
Current leave payout on termination of service for 2004/05	5	2	2,50
Total	85	37	2,30

10. HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

TABLE 10.1 – STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees at Reserves and Resorts are at high risk	An EAP manager appointed.
	Employee Wellness Programme is being rolled out across the department.

TABLE 10.2 – DETAILS OF HEALTH PROMOTION AND HIV AND AIDS PROGRAMMES

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr. Walaza as Acting Chief Director
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		1 Official with a budget of R500 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		HIV and Aids Management in the workplace. Solving and counselling of related problems
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	Busy to re-establish the committee
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Policy is in draft form
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Policy and strategy will be ready by September 2005
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Very few respond to this requests.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		The Employee Health and Wellness Implementation plan for 2005/6 serves as an indicator

11. LABOUR RELATIONS

TABLE 11.1-COLLECTIVE AGREEMENTS, 1 APRIL 2004 TO 31 MARCH 2005

There were no collective agreements.

TABLE 11.2 – MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED, 1 APRIL 2004 TO 31 MARCH 2005

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	8,3
Verbal warning	0	0
Written warning	0	0
Final written warning	3	25
Suspended without pay	3	25
Fine	0	0

Demotion	0	0
Dismissal	4	33,3
Not guilty	0	0
Case withdrawn	1	8,3
Total	12	100

TABLE 11.3 – TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS

Type of misconduct	Number	% of total
Assault	1	12.5
Forgery	1	12.5
Misuse of Petrol Card	1	12.5
Misappropriation of Funds	1	12.5
Unauthorised use of vehicle	2	25
Poaching	2	25
Total	8	100

TABLE 11.4 – GRIEVANCES LODGED FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

	Number	% of Total
Number of grievances resolved	23	82
Number of grievances not resolved	5	18
Total number of grievances lodged	28	100

TABLE 11.5 – DISPUTES LODGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	4	100
Total number of disputes lodged	4	100

TABLE 11.6 – STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

Total number of person working days lost	189
Total cost (R'000) of working days lost	22
Amount (R'000) recovered as a result of no work no pay	22

TABLE 11.7 – PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2005

Number of people suspended	7
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	66
Cost (R'000) of suspensions	308

12. SKILLS DEVELOPMENT

12.1 – TRAINING NEEDS IDENTIFIED 1 APRIL 2004 TO 31 MARCH 2005

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	0	0	0	35
	Male	172	0	0	0	172
Professionals	Female	2	0	0	0	2
	Male	35	0	0	0	35
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0

Clerks	Female	40	0	0	0	40
	Male	41	0	0	0	41
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	25	0	0	0	25
	Male	187	0	0	0	187
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	18	0	0	0	18
	Male	133	0	0	0	133
Sub Total	Female	120	0	0	0	120
	Male	563	0	0	0	563
Total		683	0	0	0	683

12.2 TRAINING PROVIDED 1 APRIL 2004 TO 31 MARCH 2005

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	0	37	0	37
	Male	172	0	64	0	64
Professionals	Female	2	0	0	0	0
	Male	35	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	40	0	21	0	21
	Male	41	0	29	0	29
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	25	0	0	0	0
	Male	187	0	16	0	16
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	18	0	12	0	12
	Male	133	0	105	0	105
Sub Total	Female	120	0	70	0	70
	Male	563	0	214	0	214
Total		683	0	284	0	284

13. INJURY DUTY

TABLE 13.1 – INJURY ON DUTY, 1 APRIL 2004 TO 31 MARCH 2005

Nature of injury on duty	Number	% of total
Required basic medical attention only	13	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	13	100

14. UTILISATION OF CONSULTANTS

TABLE 14.1 – REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in R'000
Exp. Africa	C2		800
Tourism	C2		100
Develop Policies	Ernst & Young		197
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
5			1,097

TABLE 14.2 – ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Tourism Summit	100%	100%	An investigation being made

Annual Financial Statements of
NATURE CONSERVATION FUND
for the year ended 31 March 2005

NATURE CONSERVATION FUND

FINANCIAL STATEMENTS **for the year ended 31 March 2005**

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NATURE CONSERVATION FUND
ACCOUNTING POLICIES
for the period ended 31 March 2005

The financial statements have been, unless otherwise indicated, prepared in accordance with the following policies, which have been applied consistently in all material respects. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements. The framework requires that the statements conform to Generally Accepted Accounting Practice (GAAP) unless deficiencies within the accounting system prohibit the entity from compliance. Deviances from GAAP must be clearly stated and if possible the effect of non-compliance should be disclosed in the notes to the financial statements.

1. Basis of preparation

The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid. The accounting system used by the entity was primarily designed to record transactions on the cash basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. The accounting system used is in the transition from a cash basis of accounting to an accrual basis of accounting.

2. Revenue

Revenue is the gross inflow of economic benefits for services delivered during the period arising in the course of the ordinary activities of the entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Revenue comprises all interest and dividend revenue received for the period under review.

3. Equity

Equity is the net difference between assets and liabilities. It is represented by Trust Fund Capital Account.

The Capital Account represents the net carrying value of assets. As such all decreases or increases with regard to assets, are to be debited or credited to this account, with a contra entry to the relevant asset accounts.

4. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in 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 reasonable expected to be available.

NATURE CONSERVATION FUND

INCOME STATEMENT
for the period ended 31 March 2005

	NOTE	31 MARCH 2005 R'000	31 MARCH 2004 R'000
REVENUE	1	24	28
OTHER OPERATING INCOME		-	-
OPERATING EXPENDITURE		-	-
▪ Personnel		-	-
▪ Administrative		-	-
▪ Inventories		-	-
▪ Machinery and Equipment		-	-
▪ Professional and special services		-	-
PROFIT/(LOSS) FROM OPERATIONS		24	28
FINANCE COSTS		-	-
NET PROFIT/(LOSS) FOR THE YEAR		<u>24</u>	<u>28</u>

NATURE CONSERVATION FUND

BALANCE SHEET
for the period ended 31 March 2005

	NOTE	31 MARCH 2005 R'000	31 MARCH 2004 R'000
ASSETS			
Non-current assets		338	314
Accounts Receivable: Department of Tourism, Environmental and Economic Affairs		338	314
TOTAL ASSETS		338	314
EQUITY AND LIABILITIES			
Funds and Reserves		338	314
Trust Fund Capital		338	314
TOTAL EQUITY AND LIABILITIES		338	314

NATURE CONSERVATION FUND

STATEMENT OF CHANGES IN FUNDS AND RESERVES for the year ended 31 MARCH 2005

	TRUST FUND CAPITAL R'000	TOTAL FUNDS AND RESERVES R'000
Balance as at 31 March 2003	286	286
Current year's growth	28	28
Balance as at 31 March 2004	314	314
Current year's growth	24	24
Balance as at 31 March 2005	338	338

NATURE CONSERVATION FUND

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

	31 MARCH 2005 R'000	31 MARCH 2004 R'000
1 REVENUE		
Revenue comprises:		
Interest Received	<u>24</u>	<u>28</u>
	<u>24</u>	<u>28</u>