

Submission of the Annual Report

A year has passed and once again it is an honour to me to present the Annual Report of the Department of Finance and Economic Development for the financial year ending the 31 March 2005, as provided for under section 133(b) of the Constitution, Chapter 1 Part(j) of the Public Service Regulation of 1999 and Section 40(e) of the Public Finance Management Act, Act 1 of 1999.



M. B. Mphahlele

Head of Department

Department of Finance and Economic Development

Foreword by the MEC

This is the first annual report of the Department after the reconfiguration of the Departments in 2005. We are proud to report that since then we have been able to execute the mandate of this new Department to the fullest. We will continue to bank on the support and the co-operation of all our stakeholders who proved beyond reasonable doubt that economic growth is everybody's business.

Together with our officials in the Department and our Parastatals we commit ourselves to go an extra mile in realizing the expectations of our people in terms of service delivery. A call is therefore made to all our people to utilize our offices in the Districts and Head Office to have access information on the services we offer and suggestions on how best we can improve in delivering them.

We would also hold regular road shows to afford you the opportunity to interact with me and our management. The Tourism and industry plays a very critical role in terms of economic growth. More efforts will have to be made to expose the potential it offers in line with the growth and development strategy. We are impressed about the transformation which has taken place in the industry for the past ten years; however a lot still need to be done.

MEC Happy Joyce Mashamba

Contents

Part 1 : INTRODUCTORY INFORMATION

Overview	2
Vision	14
Mission	14
Values	14
Legislative Mandate	15

Part 2 : PROGRAMME PERFORMANCE

Administration : HR and Management Report	16
---	----

BRANCH : ECONOMIC DEVELOPMENT

Programme : Economic Development Planning, Research and Information Management	21
Programme : SMME and Commerce	23

BRANCH : ENVIRONMENT AND TOURISM

Programme : Regulatory and Environmental Impact Management	35
Programme : Tourism, Protected Areas and Community Environment Development	53

BRANCH : FINANCE

Annual Financial Statements	74
Report of the Auditor-General	75
Report of the Audit Committee	77
Statement of Accounting Policies	84





OVERVIEW

1. SOCIO ECONOMIC OUTLOOK

1.1. Demographic Profile

The Population Pyramid of Limpopo

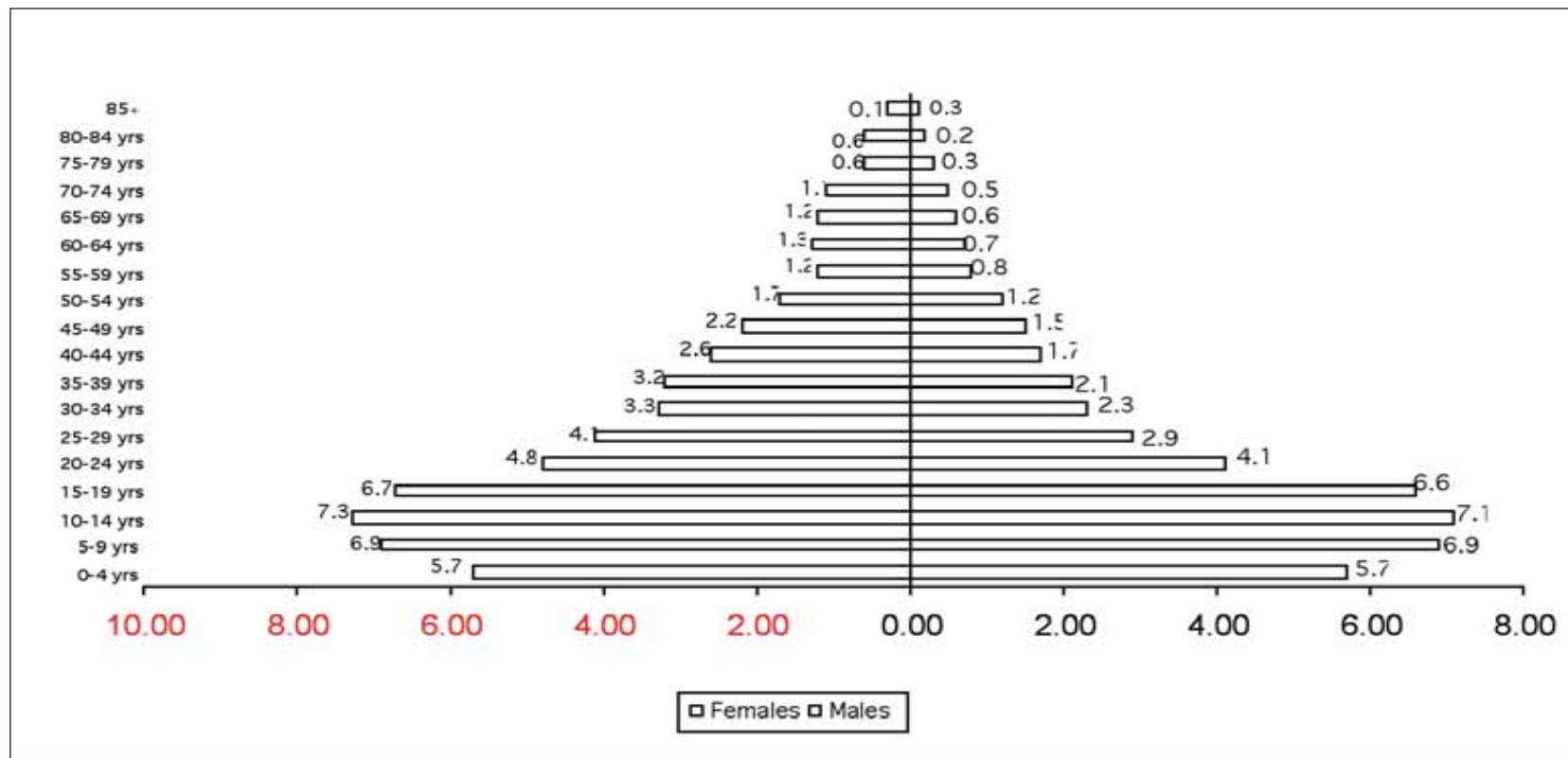
The age distribution of the population in Limpopo resembles the typical broad-base pyramid of developing countries, with a large portion of the population in the younger age groups and a steadily decreasing proportion in the older age groups (Chart 1)

The population of the Limpopo province is, however, younger than that of the country as a whole. The population ratio declines from the 20 – 24 years age group. It would appear that the productive age groups migrate to other provinces. The young population offers an opportunity for growth and long term sustainable competitiveness while, on the other hand, brings about high demand for the development of required skills for economic progress and health services. Therefore, large investment in education and training should be matched by large investment in a fight against HIV/Aids as well as against poverty and hunger.

The Population Pyramid shows that Limpopo has the highest female/male ratio in the country. Females account for 54,6% of the population in the province while the national average is 52.2%. The PGDS and the implementation thereof take cognisance of these demographic features and attempt to use these attributes as an asset.

Chart1: Percentage (%) of population of Limpopo by Age Group and Gender:

Source: Statistics South Africa: Census 2001

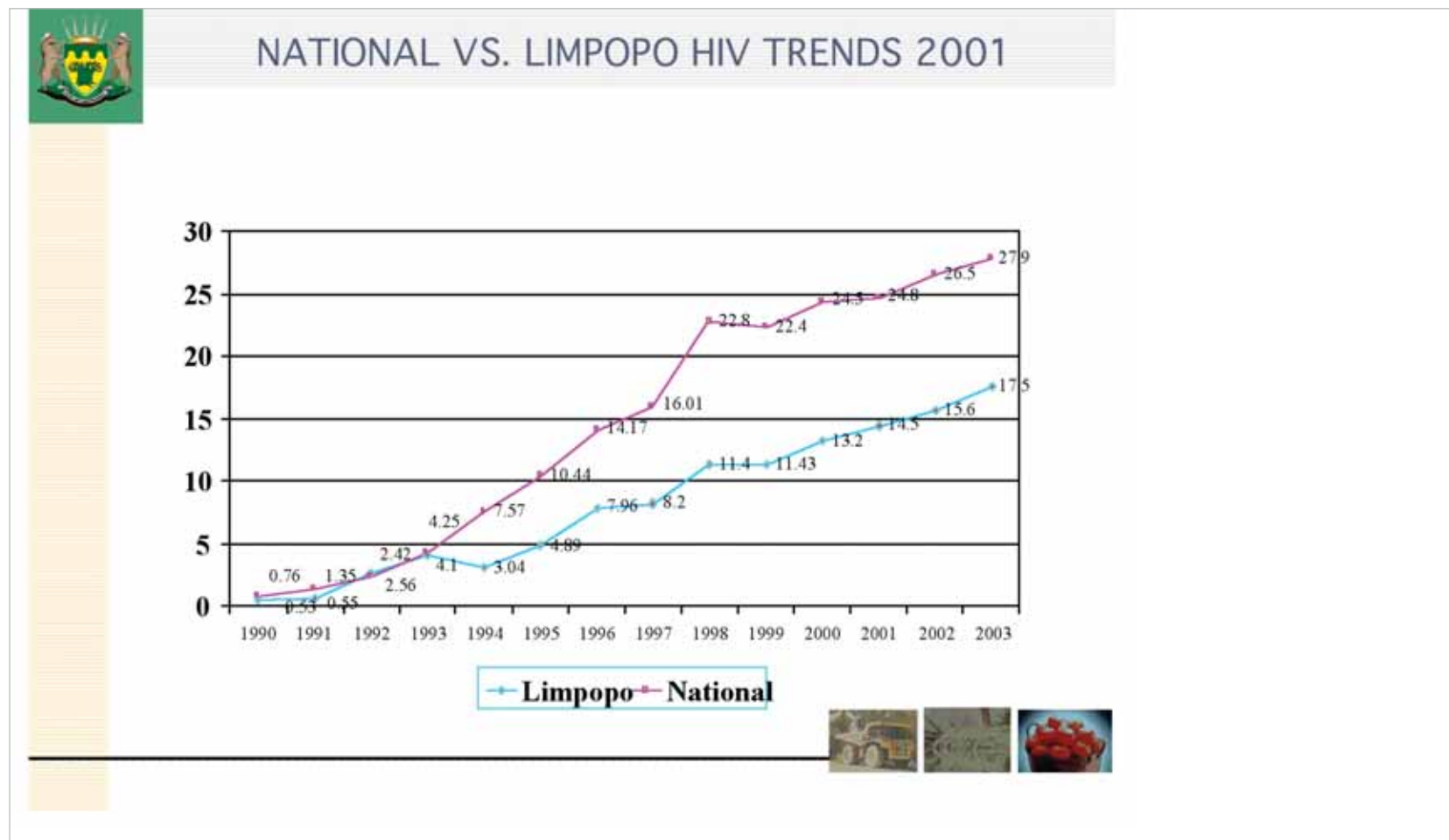


HIV/Aids Prevalence

The period 1990 to 1993 the provincial HIV had similar trend as the National average. Since 1994 there has been a consistent widening of the gap between the national and the provincial prevalence rates. Limpopo's prevalence has consistently remained below the national rate for a period of seven years to. Chart 2 below shows that as at 2001 the prevalence rate stood at 17.5% in Limpopo as against the national rate of 27.9%.

The need to intensify the fight against the HIV and Aids cannot be over emphasised. The province, through the Human Resources Development Strategy invests substantially in the skills development. One of the major risks against the Human Resources Development Strategy of the province, and indeed the Provincial Growth and Development Strategy itself, is the inability of this young population of the province to mature into a high economic productive life due to illness caused by HIV/Aids.

Chart 2: Hiv Prevalance In Limpopo



The Skill Level

The averages for the Unskilled, Semi – Skilled, Skilled and Highly Skilled labour force in Limpopo in 2001 are 22.82%, 53.12%, 20.35% and 3.71% respectively. Eleven municipalities register significantly above average percentage in the unskilled category and fourteen municipalities have above average ratio in the semi skilled category. Only seven municipalities have above average percentage in the skilled category and five municipalities have a significantly above average percentage in the highly skilled category. See Chart 3 bellow.

Chart 3: Municipality labour Skill Index

EM2 Municipal Labour Skill Index (MLS1) - 2001
Economic Indicator

Legend: Best
 Medium
 Worst

Municipality	Unskilled	Semi-Skilled	Skilled	Highly-Skilled	Total
Ratio (out of 100) within Municipality					
CBLC3: Greater Marble Hall (Limpopo)	24.71	54.07	19.11	2.11	=100
CBLC4: Greater Groblersdal (Limpopo)	30.13	48.78	18.44	2.68	=100
CBLC5: Greater Tlokweng (Limpopo)	26.38	54.11	17.61	1.93	=100
NP03A2: Makhuduthamaga	28.52	52.51	18.36	2.61	=100
NP03A3: Ficksburg	27.07	52.57	17.35	3.02	=100
CBDMA4: Kruger Park (Limpopo)	18.65	37.73	32.86	10.73	=100
CBLC6: Bushbuckridge (Limpopo)	24.93	54.53	17.37	3.07	=100
NP04A1: Maruleng	23.60	54.64	16.97	2.79	=100
NP331: Greater Giyani	25.92	54.69	15.73	3.66	=100
NP332: Greater Letaba	25.73	54.17	14.79	2.31	=100
NP333: Greater Tzaneen	24.51	52.22	19.53	3.73	=100
NP334: Be-Phalaborwa	22.91	46.02	25.99	5.08	=100
NP341: Musina	22.06	53.27	21.36	3.32	=100
NP342: Mutale	22.21	58.99	15.96	2.84	=100
NP343: Thulamela	19.39	59.89	20.48	4.25	=100
NP344: Makhado	22.78	53.04	20.30	3.88	=100
NP351: Bloubaerg	27.05	55.78	14.51	2.25	=100
NP352: Aganang	19.16	58.00	19.13	2.71	=100
NP353: Molemole	23.94	52.92	19.77	3.36	=100
NP354: Polokwane	12.66	61.85	29.22	6.56	=100
NP355: Lepale-Nkumpi	22.05	53.62	20.39	3.94	=100
NP361: Thabazimbi	17.90	52.99	25.92	3.20	=100
NP362: Lephalela	20.92	55.83	19.64	3.56	=100
NP364: Mookgopong	22.54	50.24	23.37	3.74	=100
NP365 - Madimole	20.46	54.53	20.85	4.16	=100
NP366 - Bela-Bela	15.35	55.92	22.70	5.04	=100
NP367: Mogalakwena	21.42	53.54	21.37	3.66	=100
Average	22.82	53.12	20.35	3.71	=100

Dependency Index and level of unemployment

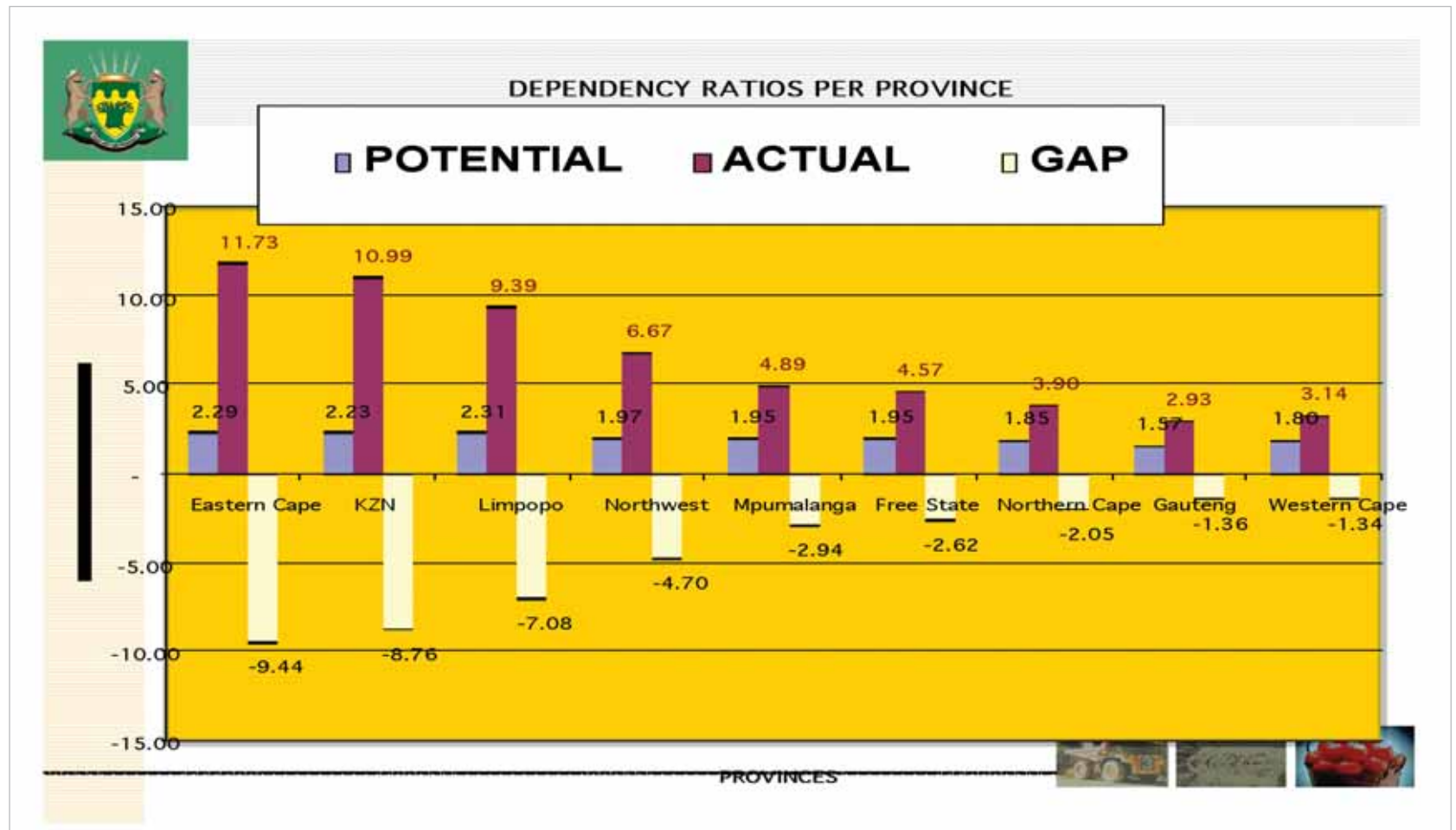
The Dependency Index measures the average number of persons that are dependent on one income earner. The potential dependency index is the ratio between the population and the economically active persons within an area, if all of the latter were employed. The actual dependency index refers to the number of people that are dependent on one person who is actually employed at the time.

Chart 4 below shows the dependency index in all provinces as at 2001. In the Eastern Cape there are approximately 12 dependencies to every one employed person. If all economically active people were employed the dependency ratio will drop to 2. The actual situation therefore leaves a gap of around 10 (i.e. 11.73 less 2.25 = 9.44).

In Limpopo the dependency index of 9.39 against potential dependency index of 2.31 leaving a gap of 7.06. Gauteng and Western Cape provinces have the lowest dependency indices that are very close to the potential figures thus the gaps to be filled are also narrow.

Chart 4: Provincial Dependency Index

Source: Development Index Framework – Stats SA



In 1996 – see table 1 below – the actual dependency index in Limpopo was 9.44 against the potential index of 2.39. In 2001 the situation slightly improved. The Dependency index reduced to 9.39 against a potential index of 2.31.

Table 1

LIMPOPO DEPENDENCY RATIO TRENDS		
Year	1996	2001
Potential Dependency	2.39	2.31
Actual Dependency	9.44	9.39
Gap	-7.05	-7.08

Source: Source Annual Report 2003/04, Department of Finance
And Economic Development

The above Table 1 shows average dependency ratios for the Province of Limpopo. The Limpopo Province has six District Municipalities. These are: -

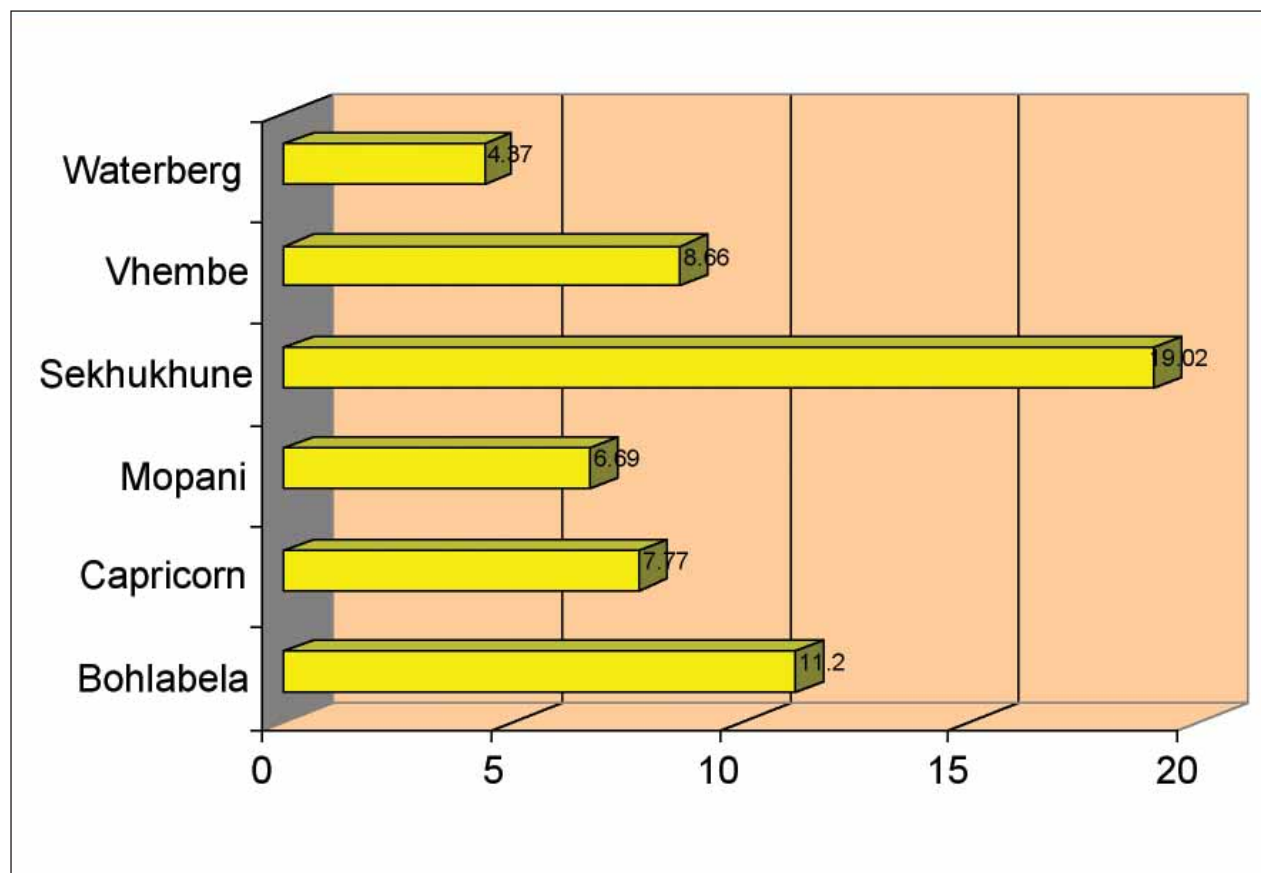
- Mopani District Municipality
- Vhembe District Municipality
- Capricorn District Municipality
- Bohlabela District Municipality
- Waterberg District Municipality
- Sekhukhune District Municipality

The dependency ratios of these municipalities are shown in Chart 5 below. Sekhukhune District Municipality has the highest actual dependency ratio of 19.02 followed by Bohlabela and Vhembe District Municipalities at 11.2 and 8.66 respectively. These ratios point out serious levels of poverty within districts. Waterberg, Mopani and Capricorn districts with actual dependency ratios of 4.87, 6.59 and 7.77 respectively are better off than the other three districts.





Chart 5
DEPENDENCY RATIO PER DISTRICT MUNICIPALITIES

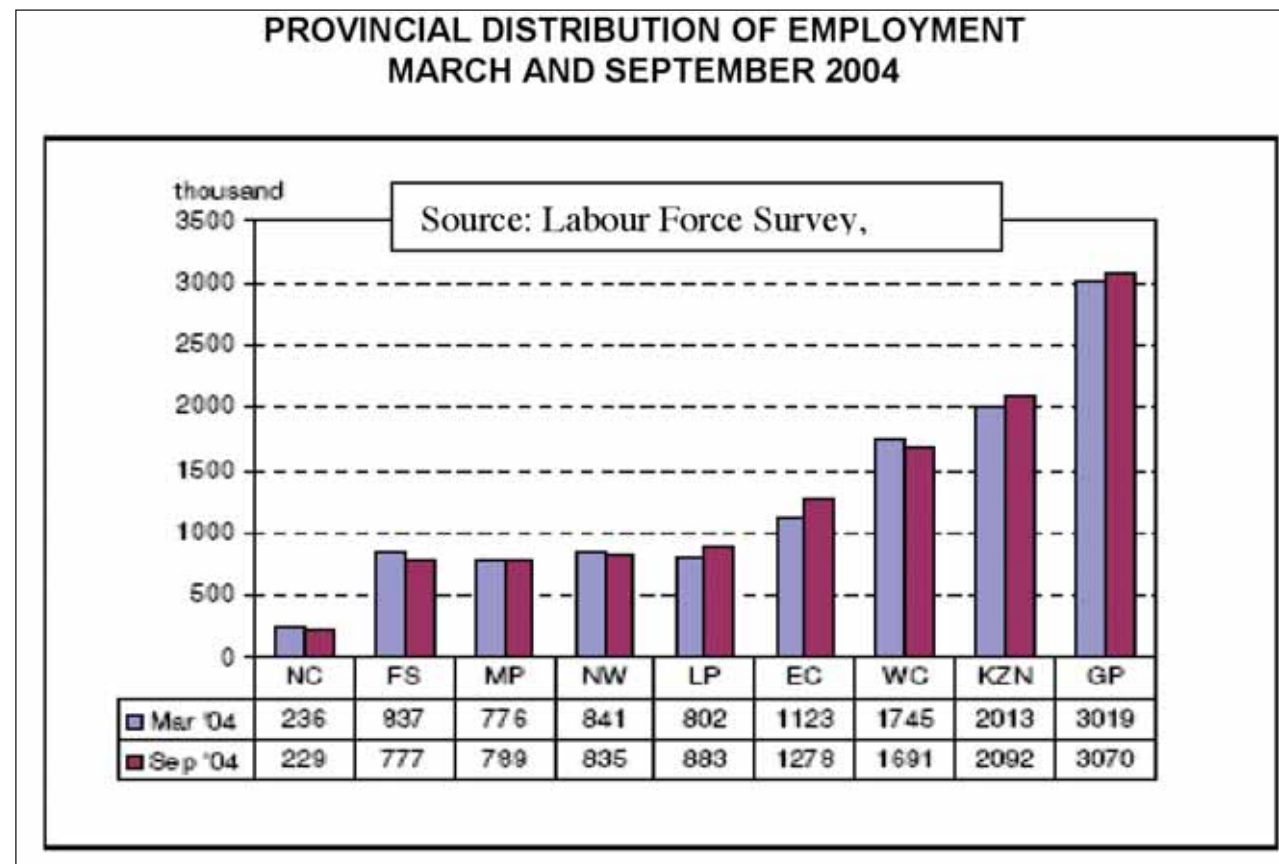


Source: Source Annual Report 2003/04, Department of Finance and Economic Development

The observation in Table 1 is not inconsistent with the Labour Force Survey publication that shows that the level of unemployment in the Province is reducing. Chart 6 below shows that the number of unemployed people in Northern Cape, Mpumalanga and North West provinces remained unchanged between March and September 2004. In the same period there was 10% and 14% increase in employment in the Eastern Cape and Northern Cape respectively. There were job losses in the Free State and Western Cape. Notwithstanding this seemingly improving status, the situation as reflected in Chart 4 above is less than satisfactory. There are those of the district in the province that are under siege of poverty.

Chart 6

Source: Labour Force Survey, Statssa

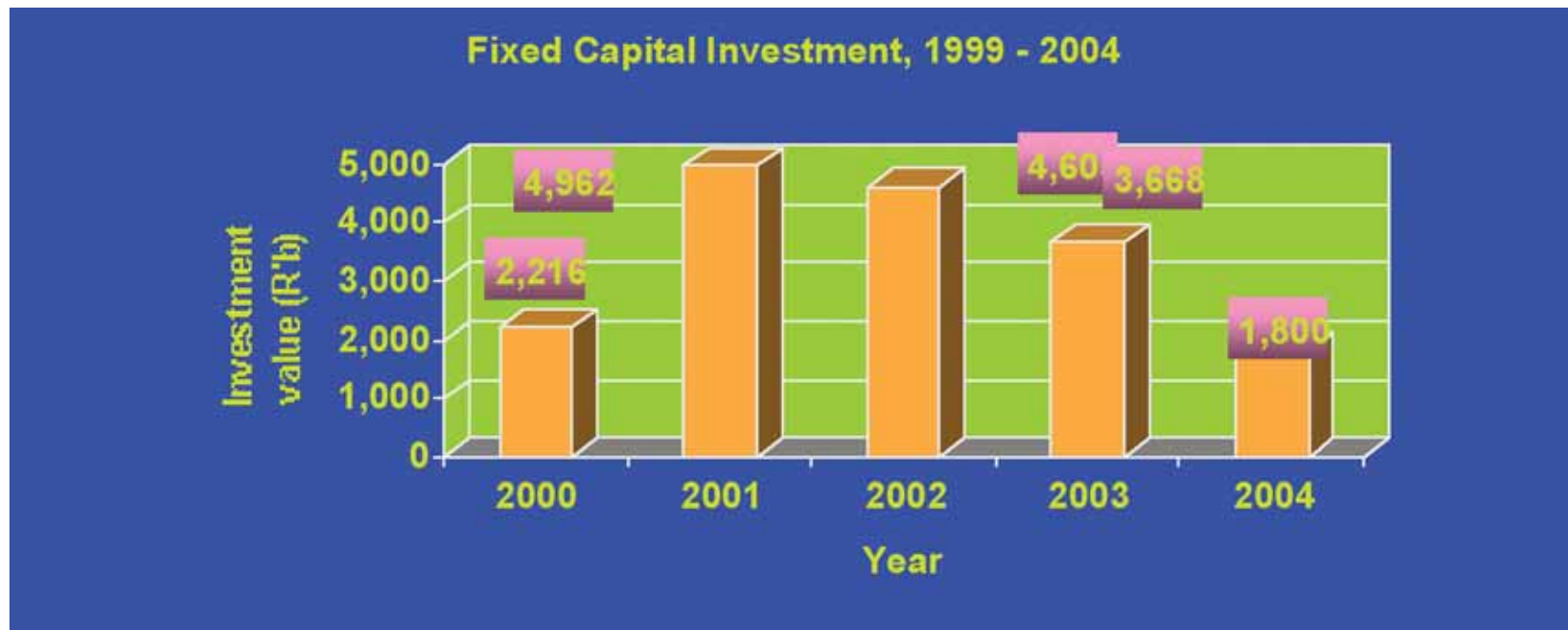


2.2. Socio Economic Indicators

The economy of the Limpopo province constituted 6.5% of the total economy of the country in 2002, compared to 5.7% in 1995. For the period 1996 to 2002 the economy of the province has been growing at an annual average rate of 4%, which is higher than national average. However, the 2003 Gross Domestic Product Per Region shows that the economic growth rate has dropped to below national average.

The strengthening of the Rand has the effect of the reduction of commodity prices in rand terms. This development led to the slowing down of the pace of investment in the mining sector in the province, especially in the Dilokong area where major investments in the platinum mines are taking place.

Chart 7
Investment in Limpopo – Trade and Investment Limpopo



Investments in Limpopo – see Chart 6 above – increased from R2.2 billion in 2001 to R4.9 billion in 2001 before starting to reduce to R4.6 billion, R3.7 billion and R1.8 billion in 2002, 2003 and 2004 respectively.

However, the platinum dollar price served so minimise an impact that could have been serious in the short term. The following chart shows the price of platinum in dollar terms. The platinum price spiked at the level of \$940 an ounce during the first quarter of 2004 and thereafter declined to \$780 an ounce in the middle of 2004 and improved gradually to \$840 an ounce during the month of October 2004.

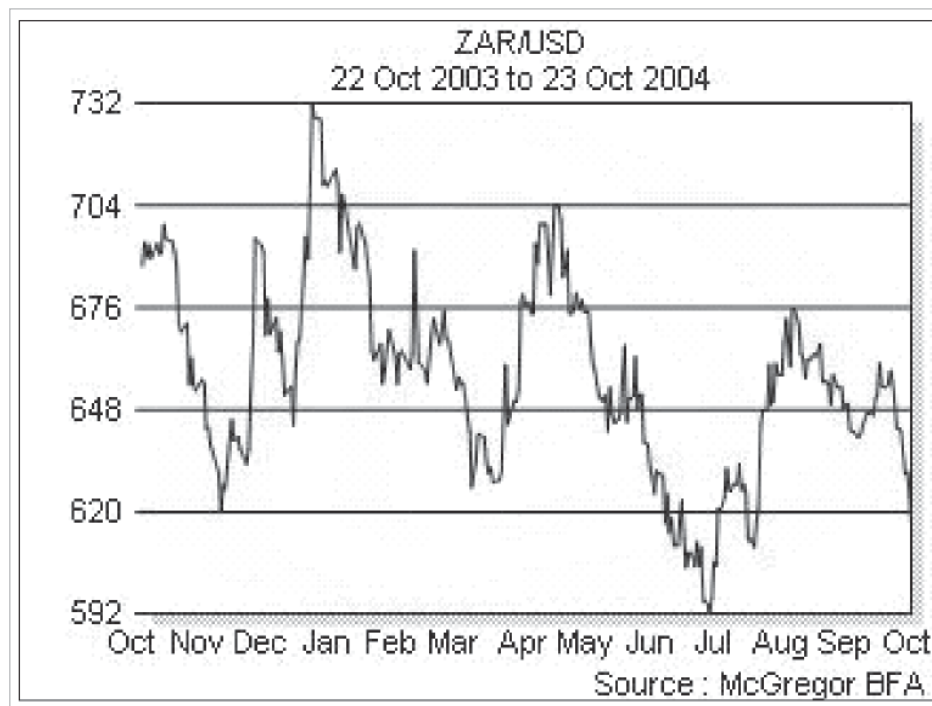
Chart 8



During the first quarter of 2004 the Rand/Dollar exchange rate peaked at the level of R7.32 per USD and subsequently dropped to bottom up at R5.92 and then rose slightly to around R6.30 in October this year. The strengthening of the South African Currency against the USD minimised the profitability of the commodity driven sectors such as mining. The low level of the gold price in the bullion market affected the gold mining companies in South Africa resulting in the realisation of negative growth.



Chart 9



The improved price performance in the platinum markets served as a natural hedge of the losses that would have been realised due to the strengthening of the rand. Notwithstanding this hedge, there has been a suspension of some of the expansion programmes by the platinum producing corporations, especially in Limpopo and more specifically in the Dilokong Corridor. This latter development has the potential to retard the provincial economic growth rate.

In order to correct the structural challenges of the provincial economy, the Provincial Growth and Development Strategy seeks to grow the economy out of the factor driven stage through the increase of investment in the manufacturing and tertiary industries. The Provincial Growth and Development Strategy establish seven industrial clusters that are anchored on the primary sector. The industrial clusters follow a value chain approach and will improve the capacity of the economy to create employment opportunities, raise the competitiveness and investment rating of the province, integrate all of government's spheres to focus on areas that hold potential for optimum impact, enhance partnership of the public and the private sector for development and align the interventions of various public development institutions.

The clusters being established by the Provincial Growth and Development Strategy are the following: -

- Platinum mining cluster on the Dilokong Corridor between Polokwane and Burgersfort (Sekhukhune district) and also in the Waterberg district
- Coal mining and petrochemical cluster at Lephalale on the East-West Corridor (Waterberg district)
- Fruit and Vegetable (horticulture) cluster in Vhembe, Mopani and Bohlabela
- Logistics cluster in Polokwane (Capricorn district)
- Red and White meat cluster on all the corridors (all districts)
- Eight tourism sub-clusters at a number of high-potential destinations
- Forestry cluster in the Mopani and Vhembe districts.

2. Administrative Issues

During the year under review the Department of Finance and Economic Development embarked on administrative and performance improvement project with the objective of planting the seeds for excellence in the department.

In view, however, of the need to reconfigure the departments in the province a moratorium was declared in terms of which further reorganisation and review of structures within provincial departments were precluded. The administration and performance improvement project was consequently halted.

The subsequent reconfiguration resulted in the splitting of the department into two new departments: the Provincial Treasury and the Department of Economic Development, Environment and Tourism. This report is, therefore, the last annual report of the Department of Finance and Economic Development.

3. Budget Outcomes

The provincial expenditure for the year under review amounted to R24.97 billion against a budget of R25.62 billion leaving a balance of R647.13 million. The under spent amount equals 2.53% of total budget.

Last year the province spent R21.78 billion or 97.60% of the R22.31 billion budget. This year province increased spending by R3.2 billion or 14.6% over last year spending level. However, spending as a percentage of total budgets there appears to be a slight deterioration this year as province spent only 97.47% of its total budget.

On the financial reporting site, two votes have received qualified audit reports. Effort will be made this coming year to obtain 100% unqualified audit and also to substantially reduce matters of emphasis.

4. Conclusion

It has been very challenging year and one is really grateful to management and staff that have toiled under very trying circumstances to separate the department into its new two departments.

No doubt the Department of Finance and Economic Development will be remembered as a training ground for multi-skilling due to its complexity. We have been privileged to be given an opportunity to serve in such a challenging and complex environment. In our separate ways we shall remain friends determined even harder to serve better in our newly focused departments.

Success !!!





1. VISION

To be the major contributor to National Wealth by 2020"

2. MISSION

To stimulate and maintain an enabling environment conducive to sustainable economic growth, social justice and a decent quality of life for all"

3. CORE VALUES

We pledge that our dealings with internal and external clients will be guided by Ubuntu and the principles of Batho Pele that will ensure our commitment to the delivery of services, which entails a work ethos that encompasses:

Honesty

Integrity

Transparency

Services Excellence and

Responsiveness

4. STRATEGIC OBJECTIVES

The mission shall be accomplished through the pursuit of the following strategic goals:

Above average economic growth rate

Increase in investments

Thriving SMME's in all sectors

Equitable distribution of resources

Sound provincial fiscal policies in line with National Macro-economic strategies

Healthy and fair trade

Positioning Limpopo as a preferred eco-tourism destination

Sustainable development through sound environmental management

Job creation

5. LEGISLATIVE AND OTHER MANDATES

As part of a developmental public services we will be regulated and guided by the following legislation and mandates.

- Constitution of the Republic of South Africa
- The Co-operatives Act
- Provincial Growth and Development Strategy
- National Macro-economic Strategy
- Executive Council Resolutions
- Black Economic Empowerment
- National Small Business Act
- Business License Act
- Liquor Act
- Credit Agreement Act
- Sales and Services Matters Act
- Usury Act
- Northern Province Development Corporation Act
- Harmful Business Act
- Preferential Procurement Framework Act
- Job Summit Resolutions
- Tender Board Act
- Tourism White Paper
- National Environment Act
- Public Finance Management Act
- Intergovernmental Fiscal Relations Act
- Auditor-General's Act
- Appropriation Act
- Provincial Revenue Process Act
- The borrowing powers of the Provinces Act
- Basic Conditions of Employment Act, 1997
- Batho Pele White Paper, 1997
- Employment Equity Act, 1998
- HIV/AIDS Strategic Plan for South Africa 2000-2005
- Labour Relations Act, 1995
- Public Service Act, 1994
- Public Service Regulations, 2001
- Skills Development Act, 1998
- National Skills Development Strategy for South Africa, 2001
- Affirmative Action in the Public Service, 1998
- New Employment Policy for the Public Service, 1997
- Human Resources Management in the Public Service, 1997
- Public Service Training and Training and Education, 1998
- Transformation of the Public Service, 1995
- Occupational Health and Safety Act
- Control of Access to Public Premises Act 53, 1985
- Protection of Information Act 84, 1982
- Corruption Act 94, 1992
- Criminal Procedure Act 51, 1977
- Electronic Communications and Transactions Act 25, 2002
- Fire Brigade Services Act 99, 1987
- Firearm Control Act 60, 2002
- Justices of the Peace and Commissioners of Oath Act 16, 1963



PROGRAMME 1

Administration Human Resource Management Report

Employment and vacancies

The total number of post on the Departmental establishment was 2619, number of employees was 2068, and the total vacancy rate was 21% whilst the filled post rate was 79%. There were no additional personnel to the Departmental establishment. The above-mentioned information is hereunder presented in terms of two key variables i.e. per programme, and salary band.

Table 1 Employment and Vacancies per Approved Organisational Structure.

Programmes	Number of posts	Number of Filled posts	Vacancies
MEC and HOD	12	8	4
Provincial Treasury	194	129	65
Economic Development	101	57	44
Environmental Affairs and Tourism	152	75	77
Nature Reserves	912	912	0
Financial Management	65	43	22
Corporate Services	191	136	55
Security and Risk Management	39	12	27
Communication Services	9	3	6
Strategic Operations	7	1	6
Districts	937	692	245
Total	2619	2068	551

Table 2 Employment And Vacancies By Salary Band, 31/03/05

Salary Band	Number of Posts	Number of Posts filled	Vacancies
Lower skilled (Levels 1-2)	1082	994	88
Skilled (Levels 3-5)	321	281	40
Highly skilled Production (Levels 6-8)	690	397	293
Highly skilled Supervision (Levels 9-12)	458	340	118
Senior Management (Levels 13-16)	67	55	12
Total	2618	2067	551

Personnel Expenditure

The final audited personnel expenditure for all the programmes within the department was R233 644,00. This expenditure is summarised hereunder by programmes to provide an indication of the amount spent on personnel costs in terms of each programme within the department.

The overall personnel cost as a percentage of total expenditure is 27% for the whole department.

Table 3: Personnel Costs By Programme, 31/03/05

Programmes	Total Expenditure (R'000)
Administration	26,556,000,00
Provincial Accountant General	15,466,000,00
Budget & Expenditure	14,683,000,000
Commerce & SMME	7,473,000,00
Industry & Economic Planning	5,234,000,00
Tourism and Gaming	57,175,000,00
Environmental Affairs	19,466,000,00
Financial Management	8,988,000,00
Procurement Administration	5,983,000,00
Districts	72,640,000
Total	R233,644,000,00

Employment changes

The Departmental employment turnover rate which indicates trends in the employment profile of the Department is reflected in the following table 4 by salary band. Table 5 indicate reasons why staff members left the Department as well as the percentage of the total employment, as 17% for the year under review.

Table 4 Annual Turnover Rates By Salary Band By 31/03/2005

Programmes	Number of employees per band	Appointments and transfers into Department	Terminations and transfers out of Department	Turnover rate
Lower skilled (Levels 1-2)	994	58	46	5%
Skilled (Levels 3-5)	300	37	*280	93%
Highly skilled Production (Levels 6-8)	397	70	8	2%
Highly skilled Supervision (Levels 9-12)	340	49	14	4%
Senior Management service Band A.	42	10	4	10%
Senior Management service Band B.	8	0	0	0%
Senior Management service Band C.	4	0	0	0%
Senior Management service Band D.	1	0	0	0%
Total	2086	224	352	17%

* The high turnover rate at salary level 3-5 is caused by contract employees in the Asset and Liability whose contract expired at the end of September 2004.

Table 5 Reasons Why Staff Leaves The Department (As At 31/03/2005)

Termination type	Number	Percentage of total
Death	27	1.30%
Resignation	11	0.50%
Expiry of contract, Temporary	271	13%
Dismissal-misconduct	1	0.05%
Discharged due to ill-health	2	0.10%
Retirement	20	0.96%
Transfers to other Public Service Departments.	20	0.96%
Total	352	17%

Employment Equity

In order to address imbalances of the past through meaningful interventions to achieve equity in the workplace, the Department had to implement Resolution 28/2001 taken by the Executive Council in line with the Employment Equity Act.

The targets were to reach 50% of Black management, 30% of women in top, senior and middle management as well as having a total of 2% of work force as people with disabilities within the Department. The following table 6 depicts statistical data of employment equity patterns / trends from level 9 to level 16 (management levels). With regard to disability trends the department had only a total of 7 employees in this regard, or 0, 35% of total employment.

Table 6 depicts Gender distribution at top or Executive management of the Department as 63.6% male and 36.4% female and of overall management (i.e. top, middle and lower management) as 74.2% male and 25.8% female.

Table 6 Employment Equity Trends For Management Levels As At 31/03/2005

Occupational Category	Approved posts	Vacant posts	Male (Filled)	Female (Filled)	Total (Filled)
Top Management (level 15-16)	5	0	5	0	5
Senior Management (level 13-14)	62	12	30	20	50
Professionally qualified and experienced specialists and mid-management (level 9-12)	458	118	258	82	340
Total	525	130	293	102	395

% Gender at Top Management male: 63.6 % female: 36.4 %

% Gender at overall management male: 74.5 % female: 25.8%

Leave Utilisation:

As the Public Service Commission identified the need for careful monitoring of sick leave within the Public Service, the following tables 7 and 8 provide an indication of the use of sick leave and disability leave. In both cases the estimated costs is also provided.

Table 9 summarises the utilization of annual leave as per wage agreement concluded with trade unions in the PSCBC in 2000, whereby it is required that management of annual leave be done to prevent high levels of accrued leave to be paid at the time of termination of service. Table 9 also depicts the leave payouts for the year under review as a result of delivery of service.

Table 7: Sick Leave (1 Jan 2004- 31 Dec.2004)

Occupational Category	Total Days	% of days with medical Certification	No. of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'0.00)
Lower skilled (Levels 1-2)	1818	94.1	282	42.2	6	251
Skilled (Levels 3-5)	604	96.4	109	16.3	6	105
Highly skilled Production (Levels 6-8)	1024	92.5	161	24.1	6	363
Highly skilled Supervision (Levels 9-12)	679	92.9	104	15.6	7	435
Senior Management (Levels 13-16)	73	91.8	12	1.8	6	106
Total	4198	93.8	668	100	6	1260

Table 8: Disability Leave, 1 Jan 2004 To 31 Dec 2004

Occupational Category	Total Days	% of days with medical	No. of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'0.00)
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
Total	0	0	0	0	0	0

Table 9 Leave Payouts For Period 1/4/2004-31/3/2005

Reason	Total amount (R'000)	Number of employees	Average payment per employee
Leave payout for 2004/2005 due to non-utilisation of leave for the previous cycle.	169	14	12 071
Capped leave payouts on termination of service for 2004/2005-03-24.	674	135	4993
Current leave payout on termination of service for 2004/2005.	15	2	7500
Total	858	151	5682

Branch:
Economic
Development



PROGRAMME:

Economic Development Planning, Research And Information Management

PURPOSE:

To facilitate the promotion of economic development and growth

MEASURABLE OBJECTIVE:

Enhancement of economic development through integrated economic development plans, timeous macro-economic indicators and accurate up to date development planning information.

The programme is divided into three sub programmes:

1. Economic development planning
2. Economic development Research
3. Economic development information management

Economic development planning sub programme

Purpose:

To consolidate and coordinate economic development plans

Functions

1. Develop and monitor economic development strategies
2. facilitate the drawing of economic development plans

Economic Development Research sub - programme

Purpose:

To manage economic development research

Functions:

1. Conduct economic research and economic development
2. Produce economic bulletin

Economic Development Information management sub programme

Purpose:

To manage economic development information

Functions:

1. Provision of socio-economic performance information
2. facilitate the establishment and maintenance of provincial economic development database at District and Local level municipalities Determine the statistical needs of the department and the province

Sub-programme	Output	Output performance measure/Service Delivery Indicators	Actual Performance against Target	
			Target	Actual
Macro economic planning indicators	List of economic development drivers	Macroeconomic Indicator reports/data	List of economic development drivers	Data up to date
Poverty reduction strategy (R & I)	Consultation with stakeholders	Reports on provincial poverty dynamics	Consultation with stakeholders	Village banks launched and co-operatives established.
Sector development strategy (P, R & I)	Record on areas of success and lack within sectors	User friendly database on areas of success and lack	Record on areas of success and lack within sectors	Industrial Cluster Based growth strategy was adopted at various sector summits held. Provincial growth and development strategy based on sector strategy also approved at provincial level.
A reliable Development Information Project Database (P & I)	Analysis of projects per sector	Projects database	Analysis of projects per sector	Database on key projects available.
A reliable Development Information database (P & I)	Liaison with research institutions	Development Information Database	Liaison with research institutions	Partnership with Stats SA on developed framework established.
Cost Benefit Analysis (CBA) (P & R)	Record of viable projects		Record of viable projects	CBA for critical economic development projects complete. Preparing project development guidelines
Provincial Broadbased Black Economic Empowerment (BBBEE) (P, R & I)	A working group on BBBEE	Guidelines on BBBEE	A working group on BBBEE	Provided input in the development of sectoral charters. Established co-operatives as vehicles for BBBEE. Agreement with mining sector in place over Procurement Preference System in favour of BBBEE.
Provincial Growth and Development Strategy (P,R & I)	PGDS Analysis	Economic sector development strategic guidelines	PGDS Analysis	PGDS approved on the 15/10/2004
Expanded Public Works Programme	List of community economic development projects and required support	Business Plans implemented on EPWP	List of community economic development projects and required support	Consultation on EPWP programme for Economic Sector
Geographic Spread Development (SDI, IDP, ISRDP, LED)	Integrated Development Plan records	Coordinated economic development initiatives within the geographic spread	Integrated Development Plan records	Developed 7 industrial Cluster strategies
Capacity building and training for municipalities	Economic literacy workshops	Consistency in planning and project data	Economic literacy workshops	Municipalities have been consulted on the development of the PGDS

PROGRAMME

SMME AND COMMERCE

PURPOSE AND AIM:

Develop thriving Cooperatives in all sectors

Develop thriving SMMES in all sectors

MEASURABLE OBJECTIVES:

To create an enabling environment for co-operatives to succeed in order to improve the quality of life of the Limpopo Province with emphasis on value addition.

To create an enabling environment for small, medium and micro enterprises to succeed in order to improve the quality of life of the Limpopo Province with emphasis on manufacturing.

The programme is divided into two (2) sub-programmes:

1. Co-operatives
2. SMME

Functions: Co-operatives

Intervention framework strategies and trade missions

Cooperatives monitoring and evaluating and Apex Structure formation

To provide support for the establishment and/or resuscitation of co-operatives

Functions: SMME

To develop policies and strategies for SMME Development

To develop and implement targeted programs

To develop and coordinate the implementation of SMME support programs

Sub-Programme : Co-operatives

MEASURABLE OBJECTIVE : THRIVING COOPERATIVES IN ALL SECTORS				
SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE TARGET	AGAINST TARGET ACTUAL
Framework for government intervention on cooperatives	Facilitate for government intervention framework for cooperatives in mining and agro-processing	Intervention framework for cooperatives in tourism, mining and agro-processing in place	Framework and intervention strategy for cooperatives in three sectors of tourism, mining and agro-processing facilitated.	Supported co-operatives in the mining and agro-processing sectors through financing the infrastructure, revamping the business plans, co-operative training and providing "soft loans" for working capital expenses. Investment is R24,5m broken down as follows: Agro / Agro-processing R15,05m Mining R4 m Services R5,45m
Growing and Sustainable cooperatives in all sectors	Establishment and resuscitation of 06 cooperatives in the province	06 cooperatives established or resuscitated in the province	06 cooperatives established or resuscitated and creation of 120 jobs through co-operatives.	12 Cooperatives established / resuscitated and 219 jobs created Champaigne Chicken Abattoir - 13 jobs - R4,3m Bohlabela Chicken Broilers –28 – R1,5m Kitlano Waste Management – 26 jobs R0,95m Ipopeng Fishery – 10 RR1,5m Putukwane Goat Milk Cooperative – 31 jobs R2,5m Giyani Plastic Cooperative 20 jobs R3,5m Sasavona Guest House – 15 jobs R3,5m Glen Cowie Agro-Processing Cooperative 7 jobs R2,25m Mukula Stone Crushers Cooperative – 24 jobs R2,5m Thohoyandou Producers Cooperative - 15 jobs R2,5m Tshabang Tlala Pebbles Cooperative – 15 jobs R1,5m
Identify Import and Export opportunities for cooperatives	Visits to SADC countries for market linkages with cooperatives in Limpopo Province	Linkages with SADC countries for markets	Linkages with provincial, national government and with 3 SADC countries facilitated for our supported co-operatives.	Bakone Bakopane Goat Breeding Meat Cooperative – 15 jobs R1m Linkages for Mukula, Thoho ya ndou and Kitlano finalized with provincial government departments. Linkage with Swaziland has been facilitated for exporting fish from Ipopeng Fisheries Co-operative to the value of R35 000 for 20 000 fingerlings

Office of the Deputy Registrar	Facilitate for the establishment of the Office of the Deputy Registrar in the Province	Office of the Deputy Registrar in the Province	1 Provincial Office of the Deputy Registrar of Co-operatives	Target not met as the Co-operatives Bill was going through parliament.
Cooperatives Curriculum	Facilitate the offering of a curriculum on cooperatives development by one institution within the Province	Curriculum on cooperatives development offered by one institution	Identify and negotiate with at least two institutions to offer a Certificate and or Diploma in Cooperatives Development	Identified and negotiated with Tompie Seleka and the University of Limpopo (TGSL). TGSL is to pilot the certificate and Diploma from 2005/06 and 2006/07 respectively.

Sub-Programme : SMME

Measurable objective: Thriving SMMEs in all sectors.					
Sub-Programme	Output	Output Performance Measure/ Services Delivery Indicators	Actual Performance against target		
			Target	Actual	
1. Review of the Provincial SMME Policy and Strategy	Revised SMME Policy Framework and strategy	One Provincial SMME Strategy aligned to the Provincial Growth, Development and Strategy [PDGS].	One Provincial SMME Strategy	Consultations done within government, parastatals and business done and the revised Strategy to be in place end of June 2005.	
2. Facilitate Entrepreneurial Awareness Campaign	Increased participation of the informal sector into the mainstream of the economy.	Consolidated Provincial database of SMMEs in various sectors of the economy	One Database of Provincial SMMEs.	Business Registration Act passed. Embarked on outreach programme through LIMDEV and TIL	
	Facilitated and linked SMMEs to procurement opportunities in all sectors	Increased number of SMMEs obtaining tenders.	1 person with Disability. 50 women	Tenders to the value of R199m were awarded to 255 Historically Disadvantaged Individuals by the Provincial Tender Board. 2 people with Disability were awarded tenders to the value of R300 500. 170 Women were awarded tenders to the value of R101m.	
	Information brochure	Informed communities regarding SMME activities	Publish information brochures annually.	Service provider has been appointed and the design of the information brochure has been approved.	



	Recognition of outstanding performance by entrepreneurs.	Two Pilot Learner entrepreneurship programmes in identified schools. Increased participation in entrepreneurship and informed communities regarding SMME activities	One Provincial annual event.	<p>Sponsored 20 SMMEs to the value of R245 000, 00 from all the districts for accommodation , exhibition stall and facilitated the transportation to and from Gauteng to market and sell their products at the Rand Easter Show. Turnover realized from the Rand Easter Show amounted to R36 263.</p> <p>Sponsored other 8 SMMEs to exhibit their products at Polokwane Show. Turnover realized over the two days show amounted to R3 800,00.</p> <p>SMMEs from Sekhukhune district exhibited their products at the Provincial Budget Day at the Legislature and sales to the value of R1 175,00 were realized.</p> <p>8 Business owners trained on bookkeeping, costing and pricing at Bohlabela District and facilitated the development of promotional brochures through the Mac programme</p> <p>Facilitated a workshop through CIPRO with specific reference to Intellectual Property rights on grassroots innovation.</p>
3. Targeted Assistance	Coordinated programmes in various economic sectors	Economically empowered women, youth and disabled persons in all Districts.	4 annual events coordinated.	<p>Facilitated an outreach programme for 110 people at Vhembe District in conjunction with VHEDA, LIMAC, LIBSA and Marang Financial Services.</p> <p>Sponsored SMMEs to exhibit their products at the Annual Rand Easter Show , where some of them secured business linkages with big business. This intervention enabled:</p> <p>A female-owned SMME from Mopani district to secure an order from a Canadian tourist, a business contract with a Gauteng based retailer for traditional clothes, and a business linkage with a white-owned lodge.</p> <p>Products from Bosele School for the Blind from Sekhukhune District raise R2 700 in sales.</p>

4. Facilitate access to finance for SMME	Outsourced funding	Coverage of the survivalist sector and grant funding	4 Annual events	A female incubate from Sekhukhune District received an award for job creation in the manufacturing sector at the International Council for Small Business (ICSB) conference in Gauteng.
				Promoted entrepreneurship to people with disability by disseminating business information as follows:-
				Sekhukhune: 33 people from 3 villages (Tafelkop, Mphanama and Hau) Waterberg: 72 people from Mokopane Capricorn: 9 people.
				Participated at SAWEN Open Day with 170 attendants and facilitated registration of new members. Conducted SAWEN information dissemination workshop at Lephalele.
				Facilitated a workshop for 65 women from Vaalwater (Waterberg) on how to start your business a business plan development workshop to 37 women from Senwabarwana, Thohoyandou, Ga-Phaahla and Namakgale.
				Conducted a need analysis in conjunction with the Office of Disabled People in order to develop an entrepreneurship programme for people with disability.
4. Facilitate access to finance for SMME	Outsourced funding	Coverage of the survivalist sector and grant funding	1 Annual event	Promotion of the SMME products as well as the services of the SMME Directorate and its parastatals, was done through an exhibition during Bathopele Day at Vhembe District and Open Day at Bohlabela District. Hosted and sponsored the provincial Technology for Women in business(TWIB) mining conference.
			5 Funding programmes	Draft funding policy in place.
			New RFIs facilitated and old ones revived	Coverage of the survivalist sector and grant funding. Quarterly payments per parastatal





Transfer payments to LIMDEV	More funded SMMEs than previous year	R90 million transferred to LIMDEV for SMME funding.	410 Loans R6,8million per month on SMME financing 2343 Jobs created	LIMDEV approved 147 loan applications to the value of R25,3 million , resulting in the creation of 506 jobs and maintenance of 1 266 jobs. LIMDEV issued 19 Performance Guarantees to the value of R6,2 million, creating 122 jobs and maintaining 306 jobs.
6. Transfer payments to LIMAC	Skilled manufacturing SMMEs	R1,6m transferred to LIMAC	138 manufacturing enterprises and the creation of 275 jobs and sustenance of 3438 jobs.	LIMAC contacted 179 SMMEs , worked with 98, awarded 138 projects to the value of R1,3 million. Success stories recorded are 35. As a result of LIMAC's intervention, 3 407 jobs were sustained and 154 new jobs were created.
7. Transfer payments to LIBSA	Training and capacity building	R5,0m transferred to LIBSA	1200 SMMEs receive non-financial support: 1 000 jobs sustained, 200 new jobs. 4 BEE transactions: 500 jobs sustained, 100 new jobs. 180 business incubated: 540 new jobs created.	900 SMMEs were assisted to access finance from various financial institutions by LIBSA . Loans to the value of R15,0m were granted, resulting in the creation of 30 jobs and maintenance of 600 jobs. 145 SMMEs were incubated through LIBSA in the four districts as follows: Vhembe – 30 Sekhukhune – 45 Waterberg – 50 Capricorn – 20
8. Transfer payments to Phalaborwa ESC	Business linkage system. Mentorship programme.	R1,5m transferred to the ESC	10 SMMEs for mentorship. 75 Technically trained SMMEs Increased market share by PDIs.	The institution has since been merged with LIBSA in order to streamline the non-financial services in the province.
9. Monitoring and Evaluation of Performance and implementation by Parastatals	Compliance by parastatals in the following: Manufacturing Training and capacity building Business linkages Funding	4 Performance Agreements with Parastatals. Quarterly performance reviews. Impact measuring tool. Ongoing monitoring.	Quarterly progress reports.	Performance agreements with parastatals not concluded. Draft service level agreements done and not finalized. Quarterly reports from all parastatals received. Compliance by parastatals checked, issues of concerns raised and are being dealt with.

SUB- PROGRAMME

TRADE REGULATIONS

PURPOSE AND AIM:

Create a Healthy and Fair Trading environment.

MEASURABLE OBJECTIVES:

To create a regulated trade environment.

To create a protected consumer environment

The programme is divided into two (2) sub-programmes:

1. Consumer Affairs
2. Business Regulations

Functions: Consumer Affairs

Monitor compliance to Consumer Protection Laws

Functions: Business Regulations

To administer the Liquor Act, Limpopo Business Registration Act and the Petrol Rationalization Plan.

Formulation, monitoring and evaluation of trading policies



Programme: Consumer Affairs

Sub-programme	Output	Output performance measure/ services delivery indicators	Actual performance against target	
			Target	Actual
Consumer Advice	Establishment of the consumer court and the launch	Adjudication of consumer complaints	3 Consumer Court meetings	No consumer court hearings held. Court members not yet appointed, No infrastructure.
	Receive and handle consumer complaints	Consumer complaints resolved	The office target 60% of the complaints resolution 22 workshops will be conducted	Seven hundred and seventy one complaints received, and 70,3% of the complaints received were resolved successfully.
	Conduct consumer education and awareness	Create consumer awareness		36 workshops were conducted and eleven radio talk shows were presented at two radio stations, that is, Munghana-Ionene fm and Thobela fm.
	Celebration of the World Consumer Rights Day	Creation of consumer awareness	2000 consumers were targeted for the event, that is, Youths – school going and non-school going; Disabled; Men and women.	More than two thousands consumers from all sectors attended the event.
Consumer Protection	30 consumer Complaints received for investigation	Reports on statistics	Resolve 80%	20% Resolved
	Establish Consumer Court	Advertisement of position of consumer court members	Appointment of Court members	Nominees received
Inspectorate	Compliance 6447 businesses were inspected by 8 inspectors.	Compliance.	9800 businesses to be inspected.	6447 inspected Insufficient personnel

Sub-Programme: Business Regulations

Sub-Programme	Output	Output Performance Measure/Service Delivery Indicators	Actual Performance Against Target	
			Target	Actual
Liquor Affairs	Develop Provincial Liquor Policy.	Liquor Policy in place.	Provincial Liquor Policy developed by end of the year.	Policy framework finalised, awaiting MEC's approval.
	Consider applications for Liquor outlets.	Regulated Liquor Industry.	90% of Liquor applications received considered by the Liquor Board.	1499 Applications were received. 33 Liquor Board meetings were held 1870 Applicants were considered (124%) 655 Applications pending because of outstanding documents. 962 Applications approved. 338 Applications refused. 2 Cases referred to the high court for hearing. 2995 Jobs were created on approved Liquor Licenses. R 201095900 Revenue generated out of liquor licenses.
	Conduct Inspections in loco	Regulated Liquor Industry.	100% of all cases referred for inspection in loco verified.	101 Cases were referred to the secretariat for inspections in loco and they were verified.
Petrol Rationalization	Consultative meetings and workshops	Create awareness on Liquor matters.	Six Regional and Provincial workshops held.	Four Regional workshops and one provincial workshop held.
	Consider applications for petrol outlets.	Regulated development of petrol stations within the Province.	90% of petrol stations applications considered by the Petrol Rationalization Committee.	35 Petrol Station Applications were received. 5 Provincial Petrol Rationalisation Committee meetings were held. 35 Applications were considered (100%). 12 Applications were approved. 19 Applications were refused. 4 Applications were pending further investigation. 5 Service Stations were developed. R 5mil Capital investment was injected. 40 Permanent jobs were created on developed stations (8 jobs per station)
	Co-ordinate Petrol Rationalization activities within the Province	Co-ordinated Petrol Rationalization activities within the Province.	80% of co-ordination done.	All six districts were assisted on how to conduct feasibility studies and report writing on new service station applications and also how to make presentations to the committee. A constant uniform application of Rationalisation Plan is Maintained throughout the province.
Business Licensing	Promulgate the Limpopo Business Registration Act.	Regulated trading environment within the Province.	Promulgation of the Act.	The Act has been assented by the Premier, Regulations and roll out programme in place. Final inputs from SALGA on Regulations and roll out programme to be accommodated before promulgation. R785 000 was generated out of trading licenses.

SUB PROGRAMME: INDUSTRY

PURPOSE:

To facilitate an increase in capital investment, job creation and out in manufacturing sector.

Measurable objective :

The stimulation of industrial development in the province

The programme is divided into the following sub-programme:

1. The promotion of industrial development
2. The promotion of mining development
3. The promotion of Agro and Forestry processing

MEASURABLE OBJECTIVE: STIMULATION OF INDUSTRIAL DEVELOPMENT IN THE PROVINCE

SUB-PROGRAMME	OUTPUT	OUTPUT PERFORMANCE MEASURE/SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
1.Establishment of Industrial Development Zone/Park	One (1) vibrant Industrial Development Zone/Park	<ul style="list-style-type: none"> Creation of industrial complex having strategic economic advantages. Location for establishment of strategic investment. 	Completion of pre-feasibility studies and undertaking of high level feasibility studies.	Completion of pre-feasibility studies and appointment of service providers for undertaking high level feasibility studies.
2.International Convention Centre	Economic benefits, social benefits and International exposure as well as recognition	Exploitation of resource intensive industries <ul style="list-style-type: none"> Creation of global communication arena Generation of wealth and economic growth Hosting meetings, conventions, exhibitions, etc. 	Completion of feasibility studies	Completion of feasibility studies
3.Platinum cluster	Cluster mapping and completion of value chain analysis	<ul style="list-style-type: none"> Mapped platinum cluster and developed value chain framework for the cluster 	Cluster mapping and completion of value chain analysis	Mapped platinum cluster, value chain framework developed for the cluster and available in GIS format

4. Coal mining and petrochemical cluster	Identification of investors	<ul style="list-style-type: none"> Identified investors 	Identification of investors	Identified SASOL, ANGLO COAL and Khumba Resources as potential investors
5. Horticulture cluster	Cluster mapping and completion of value chain analysis	<ul style="list-style-type: none"> Mapped horticulture cluster and developed value chain framework for the cluster 	Cluster mapping and completion of value chain analysis	Mapped horticulture cluster, value chain framework developed for the cluster and available in GIS format
6. Logistics cluster	Cluster mapping and completion of value chain analysis	Mapped logistics cluster and developed value chain framework for the cluster	Cluster mapping and completion of value chain analysis	Mapped logistics cluster, value chain framework developed for the cluster and available in GIS format
7. Red and white meat cluster	Cluster mapping and completion of value chain analysis	Mapped red and white meat cluster and developed value chain framework for the cluster	Cluster mapping and completion of value chain analysis	Mapped red and white meat cluster, value chain framework developed for the cluster and available in GIS format
8. Small scale mining	Job creation and economic growth	<ul style="list-style-type: none"> Skills development and legalizing the projects Sorting the purples into different grades at qa designated mining areas 	Creation of 500 jobs	Created 300 jobs



BRANCH:
ENVIROMENT
AND TOURISM



PROGRAMME: REGULATORY AND ENVIRONMENTAL IMPACT MANAGEMENT

1. Purpose

Regulatory and Environmental Impact Management (R&EIM) is responsible for the protection and enhancement of the quality and safety of the environment through sustainable and equitable use of natural resources.

2. Measurable Objective

The programme ensures protection and regulation of the quality and safety of the environment, provision of accessible environmental information for sound planning and decision making, and promotion of the conservation and development of natural resources for sustainable use

3. Service Delivery Objectives And Indicators

- A sustainable trade in endangered wild fauna and flora
- Increased sustainability of development in Limpopo
- A well managed and developed environmental management sector in Limpopo
- Regulate hunting, translocation of game and establishment of sanctuaries and rehabilitation



4. SERVICE DELIVERY ACHIEVEMENT

4.1 SUB PROGRAMME: CITES AND PERMIT MANAGEMENT

MEASURABLE OBJECTIVE	Promotion of conservation and development of natural resources			
KEY PERFORMANCE AREA	OUTPUTS	OUTPUT PERFORMANCE MEASURES	ACTUAL PERFORMANCE	PERFORMANCE AGAINST TARGET
FINANCIAL MANAGEMENT	Requisitions for purchases were prepared.	Purchases could not be accomplished due to orders not generated.	Outstanding/pending purchases.	About 35% utilization of the budget through salaries and traveling expenses.
	Budget proposal was prepared for 2005/6	Estimates were forwarded to the Budget Directorate.	Approved budget has not yet been made available.	99% completed.
POLICY AND LEGISLATION	The CITES and Permit Management has fully enacted the new legislation.	The CITES and Permit Management office made several copies available to Head Office and Districts. will continue playing a role in the rolling out of LEMA to both internal and external clients.	Limpopo Environmental Management Act was enacted with effect from 1 May 2005.	100% of the job has been completed.
	Approval of delegations: A document for permit delegations was produced.	Permit delegation document was submitted for approval.	An approval obtained in August 2004.	100% of the job has been completed.
	Identification of required regulations and relevant policies	The draft policy document is in place (4 policies -- large predator, translocation, rehabilitation centres, problem animal control)	A draft document is waiting for public participation process.	95% of the job has been completed.
	The Directorate participated in the formulation of the Wildlife rehabilitation draft policy.			
	Amend Directive number CPM 2/2003 [Management of elephant ivory and rhino horn]: To implement a directive to be utilized by Environmental Compliance Officers guiding them in the management of elephant ivory and rhino horn stocks.	This directive together with the developed register and receipt book will allow for a quick and uniform approach towards elephant ivory and rhino horn stock management. It will allow for the registration of private stocks, stocks forthcoming from trophy hunting and government stocks.	The directive was completed in full in time	100% completed.

	Draft new exemption directive: To implement a directive on processing and granting permits for exemptions in terms of Section 102 of the Limpopo Environmental Management Act 2003, Act 7 of 2003, guiding Environmental Compliance Officers in processing and granting exemption permits.	This directive will ensure that variables such as species composition, area size of introduction, wildlife management, categories of exemption, natural borders, etc. are clearly addressed. This will in turn ensure a more effective form of granting of exemptions.	The directive is developed together with inputs from identified district Environmental Compliance Officers. Parts of the directive to be done by this office were completed. Fence specifications to be completed by Modimolle Service Centre are still outstanding. This office are constantly be reminded to complete the outstanding issues	The directive is 80% finalized.
CITES	*1157 CITES permits were processed by the Limpopo CITES Management Authority	Data on CITES permits issued is collated in the CITES Annual Report destined for the CITES Secretariat in Geneva via the national Ministry of Environmental Affairs and Tourism (DEAT)	CITES permit applications was processed in terms of the published Service Level Standards.	All CITES applications that complied to the Limpopo Environmental Management Act and the CITES Regulations, were processed successfully.
	The Hoedspruit Breeding Centre was selected for registration and will upon finalization be registered by the CITES Secretariat.	A user-friendly version of a registration form in terms of Res. Conf. 12.10 was obtained from the Canadian CITES Management Authority. This form was amended to comply with South African Standards. The form was used to do the registration of Hoedspruit Centre and was also forwarded to DEAT for comments.	The registration will be for cheetah which is an Appendix I listed species. The progress of the project was hampered by the lack of practical criteria and the complexity of the Hoedspruit Breeding Centre. It is anticipated that the registration project be finalized by June 2007 in time for the Conference of Parties.	This project is 85% finalized.
	Attendance of the Animals and Plants Committee meeting: Contributed towards international trade issues in terms of CITES listed wild animals. Also contribute towards any applicable matter aimed at increasing the effectiveness of the CITES Convention.	Attended the Animals Committee meeting during March/April 2004	Inputs were provided on issues such as the listing criteria, criteria for non-detriment findings, criteria for registration of projects. It became evident that Limpopo could play an important role at this committee due to our experiences in wildlife management.	Attendance report submitted to General Manager. 100% completed.
	Upgrading of CITES Permit issuing system from a handwritten system to a computerized system : To utilize a computer-based CITES permit issuing system that also collect the applicable data on species, importers, exporters etc. on a database.-	Permits are issued on the new developed permit program. Data [in accordance with DEAT's annual report format] are collected on a database on a server.	The program was developed between the Limpopo CITES Management Authority and the Database-Manager.	100% completed.
	CITES Annual Report: Submitted data on CITES permits issued to DEAT for submission to the CITES Secretariat.	Compiled data on species exported, imported and re-exported for the year starting from 1 January 2004 to 31 December 2004.	The annual report was finalized but it was found that the typist made a mistake on the cancelled permits. This was rectified by Ms von Well	100% completed.





CITES	Attend CITES Conference of the Parties meeting: Contributed towards the evaluation of CITES proposals.	Attend MINTECH: working group meetings for contributions and information.	Two officials from the Directorate attended the CoP 13 during September and October 2004.	100% completed.
	Preparation of the motivation for leopard and black rhino quota.	Motivate to DEAT for leopard and elephant annual quota. A full directive on leopard hunting in Limpopo was drafted for implementation. No feedback was received on draft directive.	Complete motivation was compiled and was submitted to DEAT for CITES Leopard Quota. A number of 35 leopard and 1 black rhino quota was allocated to Limpopo. The motivation for elephant quota is still outstanding.	90% completed.
PERMIT PROCESSING AND OTHER ADMINISTRATIVE PROCEDURES	New marking system for rhino horns from sport hunted rhino trophies: Micro-chipping of rhino horns	Limpopo commenced with a new system whereby all rhino horns to be exported to other countries where such rhino horn were forthcoming from hunting trophies, are micro-chipped with Destron microchips.	118 rhino horns were marked of which 22 with microchips.	All request completed 100%
	Improvement of Permit and Environmental Information Management Systems: Some draft electronic permit application teleforms were produced.	Some draft permit application teleforms are in place. The tender document was advertised.	Some of the teleforms have been produced but can not be implemented before the whole electronic system is in place. The tender was cancelled due to the fact that the prospective bidder did not attach the tax clearance certificate.	50% of the job has been completed. 0% of the job has been completed.
	A tender document for Phase II of the Permit Processing improvement was developed.			
	Revision of tariffs	A document containing revised tariffs was submitted for approval by Treasury in February 2005.	Revised tariffs were recommended by the Senior General Manager.	90% completed, awaiting Treasury approval for 2005/2006
	Tagging of scarce and endangered species hunted in Limpopo: Tagging of identified scare and endangered species with Limpopo hunting tag.	Green tags were purchased from the company Alluvion. These tags must be appended to identify wild animal species within two working days after the hunt. No registered Taxidermist may accept any of the identified animal trophies if it is not tagged. This will provide a control mechanism over the utilization of scares and endangered species through hunting.	A memo with the intended use for the tags was forwarded to Hunting Regulation together with the tags. They need to develop the tagging system and manual to be utilized by the Environmental Compliance Officers in the districts.	The handover of the tags is 99% completed.

NON-CITES export permit book for curios and products: Issuing of export permits for Non-CITES species and

A Permit book was developed for this purpose.

The book was approved.

Some Taxidermist already uses the books as requested.

A fee for the permit book was proposed and was approved.

A mandate to issue permits for this purpose was drafted and has been signed by the Senior General Manager

Development of brochures on permit processing: Printing of brochures for the public in order to inform them on permit processing procedures.

A brochure was compiled for Non-CITES and CITES permit processing procedure.

The brochures were printed in a booklet to be distributed at the environmental conference at Meropa.

100% completed.



4.2 ENVIRONMENTAL IMPACT MANAGEMENT SERVICES

MEASURABLE OBJECTIVE	Minimize negative environmental impact through environmental impact management			
KEY PERFORMANCE AREA	OUTPUTS	OUTPUT PERFORMANCE MEASURES	ACTUAL PERFORMANCE	PERFORMANCE AGAINST TARGET.
PLANNING AND FINANCIAL MANAGEMENT	- Strategic Plan for 2005/2006 with the budget	- Strategic plan available with Annual Programme - Budget for 2005/2006 prepared	- Strategic plan prepared for 2005/2006 with Annual Programme - Budget for 2005/2006 roughly estimated	Strategic Plan prepared for both two sub-directorates Budgets allocations for directorates not available for accurate financial planning
INFORMATION MANAGEMENT SYSTEMS	NEAS Implementation	Progress on reports captured in the system	Training conducted for 10 out of 13 officials, in June 2004 and February 2005	92 % personnel trained in NEAS
INFORMATION MANAGEMENT SYSTEMS	Development of the Limpopo State of Environment Report (SoER)	% of report completed	- Tender has been awarded to CES and Naledzi Environmental Consultants - The order has been issued by Procurement Services - The contract between CES, Naledzi and DEDET has been drafted and signed by the two parties on 22 March 2005 - Project Committee established - Project Steering Committee established	Drafting of the SoER has just started and will be completed in 2005/2006
	Management of infrastructure to able the collection & dissemination of environment specific data	Server Maintenance - PC Maintenance - Network Maintenance - Role out of CITRIX clients on desktop computers. - Developing of Teleform forms. (Hunting Register, Leopard Hunt Register.)	Implementing of Environmental Domain. ISDN line and RightFax installation.	Challenge is the connection of the ISDN line to implement the fax solutions on all desktop computers. (RightFax).

INFORMATION MANAGEMENT SYSTEMS	Ensure the maintenance of priority databases for environment	Permit Database - Permit Registry Database - BIOBASE	Continues Maintenance on existing databases. - Developing Permit Registry Database for roll out to districts. - Meeting with SITA on connectivity and support. - BIOBASE (Installed on all Biodiversity officials and Scientist at Dorp str.)	- Network infrastructure at Dorp Office and in districts. - Software solutions cannot be used to capacity due to the Domain issue. - Districts cannot be connected to Dorp str. Office due to connectivity problem. Solution for connection of these computers must be investigated. - BIOBASE – Database is not been populated by the users. (0 % Under utilized.) - Permit Registry Database (100 % utilized.) Permit Registry Database will also be used by Mpumalanga Parks Board. - Permit Database (100 % utilized.)
	Development of priority databases for environment	Development: Special Investigations Database with PDA compatibility. Authorization enquiry database (Biodiversity Database) Supporting Database for the Permit Processing Database for additional information.	CITES Database - Operational and 100 % utilized.) Ethno Botany Database – Operational and 30 % utilized.)	Systems developed and being used
	Data Management	Data Collection in Districts: Reporting (Permit Processing Database.)	Data Collection in Districts: January 2005 Reporting (Permit Processing Database)	Challenge is to connect districts with Head Office
INFORMATION MANAGEMENT SYSTEMS	Population of the Environmental Impact Assessment (EIA) Database	% of reports captured	The entire EIA database for roads and associated structures that were reviewed during the 2004/2005 financial year were captured and mapped.	Not all EIA authorizations were captured as the process only just started.
STRATEGIC ENVIRONMENTAL MANAGEMENT (SEM)	SEM documents	Provincial areas & stakeholders covered by SEM	Reviewed EMPs from RAL, Sekhukhune District Municipality, Waterberg District Municipality & Capricorn District Municipality & feedback provided for stakeholders	The Limpopo Environmental Implementation Plan not implemented fully





ENVIRONMENTAL IMPACT MANAGEMENT - MINIMIZATION OF NEGATIVE IMPACTS (478 Applications received for new Environmental Authorizations in 2004/2005)	Site Visits conducted	Number of site visits undertaken	512 conducted, including 2003/2004 projects 23.4 % for Mopani District; 26.8 % for Capricorn District; 7.3 % for Waterberg District; 12.2 % for Bohlabela District; 26.8 % for Vhembe District; & 2.4 % for Sekhukhune District.	More Site Inspections were supposed to be conducted, but only few were conducted because of the backlog on office work
	Reviewed Plans of Study for Scoping	Number and % of studies reviewed	74 plan of study for scoping were approved. 15.6 % for Capricorn District; 20.3 % for Mopani District; 35.9 % for Waterberg District; 10.9 % for Bohlabela District; 17.2 % for Vhembe District; & 4.7 % for Sekhukhune District.	Lack of Office Resources and too much new projects with less reviewing officers adversely affected the number of studies reviewed.
ENVIRONMENTAL IMPACT MANAGEMENT - MINIMIZATION OF NEGATIVE IMPACTS (478 Applications received for new Environmental Authorizations in 2004/2005)	Reviewed Scoping Reports	Number and % of scoping reports reviewed	37 were reviewed; 14.3 % for Capricorn District; 16.7 % for Mopani District; 35.7 % for Waterberg District; 4.1 % for Bohlabela District; 9.5 % for Vhembe District; 16.7 % for Sekhukhune District.	Outstanding Information from other stakeholders & Consultants; Imbalanced between the amount of reports, time available and the work load adversely affected progress.
	Issued Exemptions	Number and % of Exemptions issued	143 issued; 0 % for Capricorn District; 0 % for Mopani District; 80% for Waterberg District, 5 % for Bohlabela District; 10 % for Vhembe District; 5 % for Sekhukhune District.	Lack of enough information on the exemption checklist. Affected progress adversely.

ENVIRONMENTAL IMPACT MANAGEMENT - MINIMIZATION OF NEGATIVE IMPACTS (478 Applications received for new Environmental Authorizations in 2004/2005)	Records of Decision		172 was issued; 10 % issued from Mopani District; 10 % issued from Capricorn District; 0 % issued for Bohlabela District, 50 % issued for Waterberg District; 0 Issued for Bohlabela District, 30 % Issued for Vhembe District; 0 issued for Sekhukhune District.	Outstanding Information in the Scoping Reports; Comments from other Stakeholders; Including comments from the District office; Biodiversity Comments; Information from the consultants and other projects still waiting for site visits delayed the progress.
	Issued Letters	Number and % of acknowledgement letters	50 Acknowledgement letters. 5.6 % for Mopani District; 11.1 % for Capricorn District, 4.4 % for Bohlabela District, 33.3 % for Waterberg District; 28.9 % for Vhembe District, 16.7 % for Sekhukhune District.	Limited office resources restrict ed the output from officers.
	Appeals on Records of Decision (RODs)	% of appeals received	Two appeals for the Marakele Bush Lodge and the Thabazimbi Filling Station	Less than 2% appeals on RODs which is a relatively improved performance.
ENVIRONMENTAL IMPACT MANAGEMENT - MINIMIZATION OF NEGATIVE IMPACTS	Comments on Environmental Management Programme Reports (EMPRs) for mining activities	% Comments submitted within the time frame legislated by the Minerals and Petroleum Chemicals Act of 2002	68 EMPRs reviewed. 7.2 % for Bohlabela District; 0 % for Waterberg District, 0 % for Mopani District, 0 % for Capricorn District, 42.4 % for Vhembe District, 42.4 % for Sekhukhune District.	Comments submitted for all EMPRs received.
COMPLIANCE AND MONITORING	Issued Directives	Number and % of Directives issued on non-complying activities	5 Directives issued for Capricorn District nothing for the other Districts	Time and unavailable of direct responsible officers. Insufficient information from district officers. Unavailability of resources and understaffed Regulatory Enforcement division adversely affected progress.



4.3 SUB-PROGRAMME HUNTING REGULATION

MEASURABLE OBJECTIVE	Compliance with hunting, translocation of game and establishment of sanctuaries and rehabilitation regulations			
KEY PERFORMANCE AREA	OUTPUTS	OUTPUTS PERFORMANCE MEASURES	ACTUAL PERFORMANCE	PERFORMANCE AGAINST TARGET
POLICY AND LEGISLATION	Transformation of the Game Industry	Agreement on a BEE Scorecard for the Industry	Meetings held with the Northern Game Farmers Organization, Department of Land Affairs and Limpopo Tourism and Parks Board Taxidermy norms and standards draft document developed Draft policy on rehabilitation of wildlife ready	30%
	Liaison with the professional hunting industry and other provincial/national conservation agency	Participatory management	Inter-provincial and stakeholder meetings	50%
HUNTING	Monitoring and evaluation of professional hunting schools	Ensure compliance with norms and standards Camp inspection farm format was developed	Four schools were evaluated during the year under review total number of students passed: 167 Rewrite: 43 Failed: 27 Authorization Professional Hunters: 322 Hunting Outfitters: 191	100%
	Inspection of hunting facilities and services by Hunting Outfitters Camp Inspections		A total number of 64 facilities were inspected	90%
	Issuing of Professional Hunters and Outfitters permits	Control of LEMA listed activities per service standard	A total number of 1099 Professional Hunters were issued and 453 for Hunting Outfitters were issued files without permits inactive 113	100%
	Hunting Regulations	Approval of Regulations by the MEC	The document was approved by the MEC and gazetted	
	Foreign Hunting	Database entry, export permits processed according to norms and standards	A total number of 1132 clients visited the Province. Total number of days 8 713 Total number of animals hunted 18 296 Impala 3773 Warthog 3458 Kudu 3047 Waterbuck 1015 Gemsbok 967	100%

HUNTING	Leopard CITES allocation	Sustainable utilization of natural resource	The directorate developed a system to manage on the basis of tag availability. The leopard allocation was divided into three categories: <ul style="list-style-type: none"> • Previously Disadvantaged Individuals • Large properties (+8 000ha) • Small properties A total number of 67 permits were issued 33 of the 35 allocated leopards were hunted	100% An amount of R67 000 was generated for Provincial Revenue
DAMAGE CAUSING ANIMALS	Out sourcing the service		PDI entered into a joint venture on a Damage Causing Animals Tender no NTP 9001 The appointed company managed to put down 1 elephant, 2 Male Lions, 1 Female Lions, 4 Hippos and 2 Buffalos Preparations for the 2005/2006 financial year are on-going	90% The money generated by this tender by this tender was R392.000
	Facilitate the relocation of problem leopards	Species distribution	6 animals relocated	80%
TAXIDERMY		Compliance	Inspections were carried out in all taxidermists. Taxidermist's register has been developed.	100%
WILDLIFE REHABILITATION	Inspection of wild life Rehabilitation Centres	Compliance to permit establishment conditions	A decision was made to permit centres for a period of twelve months until such time that the policy is approved	30%
COOPERATIVE GOVERNANCE	Attendance of Professional Hunting convention and related conferences and seminars	Liaison and strengthening networks	Safari Club International Convention was attended by the Senior Manager: Hunting Regulation	80%





COOPERATIVE GOVERNANCE		Regulation of hunting	Attend and participate in the Pre-Season Marketing Strategy Meeting of the Wildlife Translocation Association. Represent the Department at the NCCF Cheetah Relocation Committee Meetings	80%
			Represent the Department at the NCCF Cheetah Relocation Committee Meeting	
GAME CAPTURE AND TRANSLOCATION	Develop and maintain a Game Translocator's Register and a Game Reductions Register (13 reserves)	Regulation of translocation	Two registers developed WTA and Independent Operators Conducted monitoring of field operations by several game capture operators and pre-game reduction operations planning by LTPB Conducted inspections on capture equipment of Limpopo based operators in conjunction with WTA. A comprehensive report on translocations from LTBP is available Issued conveyance and translocation permits Pre-auction capture of 63 buffalo at Percy Fyfe for veterinary testing Participated in Roan capture operations on Nyilsvey and Percy Fyfe Nature Reserves	100%
	Advocacy	Articles and news accessible	Copies of LEMA were Distributed to PHASA, WTA and SA Hunters Highlighted Limpopo Environment al programs with registered game capture operators by submitting articles in WTA newsletter.	90%

4.4 REGULATORY ENFORCEMENT

MEASURABLE OBJECTIVE	Ensure development and compliance to minimum norms and standards			
KEY PERFORMANCE AREA	OUTPUT	OUTPUT PERFORMANCE MEASURES	ACTUAL PERFORMANCE	PERFORMANCE AGAINST TARGET
FINANCIAL MANAGEMENT, ADMINISTRATION AND PLANNING	Strategic Plan for 2005/2006 with the budget	Strategic plan available with Annual Programme Estimate Budget for 2005/2006 prepared	Strategic plan prepared for 2005/2006 with Annual Programme	Expenditure in the past year was impeded by administrative procedures that do not support the essence of enforcement and compliance as well as low staffing levels
POLICY AND LEGISLATION	Development of Uniform Investigation Guidelines	The draft of the document available for comment	The document was finalized in December 2004	96%
COMPLIANCE AND ENFORCEMENT	Ensuring effective environmental law compliance and enforcement:	A list of successful and pending cases is available Dealt with mind set of dissident crop of current environmental compliance officers	Established an effective management intervention: successful prosecution of cases, Increased compliance with legislation, Environmental cases Investigated efficiently and effectively by Environmental Compliance Officers	60% of the job done
COMPLIANCE AND ENFORCEMENT	Establishment of data base on Environmental crime include in 2005/2006 plan.	Post included in the newly developed structure	Submission (structure) referred to the directorate	90% of job done. Approval of new structure by MEC pending
COOPERATIVE GOVERNANCE	Greening the Judiciary	Effective collaboration with the Justice system	Prosecutors are gradually becoming sensitized to environmental issues Had several meetings with prosecutors i.e. Mr Boroto – Senior Prosecutor to Polokwane Mr Ngwana – Naphuno Mr Munyai – Kgapane Mr Mgumeti – Tzaneen Mokopane Estimates costs for the establishment of an Environmental Court., discussions are underway with Legal Services, the Eastern and the Western Cape	40%
	Strengthening of ties with other specialized investigation units such as SANPB and SAPS and internal directorates	Joint and collaborative operations	Several Joint Operations undertaken with other units e.g. Confiscation of wild animals at Modimolle, Pienaarsrivier etc. and entrapments A number of meetings and information exchange Arrests of suspects Provision of technical support	50%



ANNEXES

STATISTICS ON PERMITS ISSUED AND REVENUE COLLECTED

REVENUE DESCRIPTION	AMOUNT	%
PH PERMIT	87600	20.56
HO PERMIT	148500	34.85
LEOPARD HUNT	32250	7.57
LION PERMIT	1600	0.38
EXPORT LIVE	3800	0.89
EXEMPTION	2600	0.61
EXPORT TROPHIES	116560	27.36
COLLECT PLANT	250	0.06
BIRD RINGING	600	0.14
FALCONERY	200	0.05
PH REGISTER	11210	2.63
RHINO TUSKS	1400	0.33
ELEPHANT TUSKS	5700	1.34
ELEPHANT HUNTING	10000	2.35
RHINO REGISTER	200	0.05
ELEPHANT TRAINING	500	0.12
IMPORT LIVE GAME	200	0.05
TO DO AQUACULTURE	1500	0.35
PERMIT TO CATCH (SNAKES)	1000	0.23
PERMIT TO COLLECT (MOUSE)	100	0.02
EXPORT INDIGENOUS PLANT	50	0.01
INVERTEBRATES PERMIT	50	0.01
REPTILE AND FROG PERMIT	50	0.01
POSSESS ELEPHANT	100	0.02
COLLECT W/BUGS	50	0.01
TOTAL AMOUNT COLLECTED	R426 070	100.00

Export of trophies which amounted to R116 560.00

Permit Name	Total	%
Act as a professional hunter	3	0.04
Act as a school director	1	0.01
Act as a Hunting Outfitter	2	0.03
Angling license	1	0.01
Bow hunting exemption	2	0.03
Catch a wild animal	26	0.34
Catch fish otherwise than by angling	6	0.08
CITES export permit	879	11.38
CITES import permit	61	0.79
CITES re-export permits	25	0.32
Collect aquatic biota for scientific purposes	3	0.04
Collect invertebrates for scientific purposes	6	0.08
Collect mammals for scientific purposes	6	0.08
Collect plants for scientific purposes	6	0.08
Collect reptiles for scientific purposes	2	0.03
Collecting falcons from the wild	1	0.01
Convey a live wild animal within the province	27	0.35
Convey an exotic wild animal	1	0.01
Cull wild animals	4	0.05
Do aquaculture	3	0.04
Do crocodile farming	6	0.08
Do research on a provincial nature reserve	2	0.03
Establish and operate a bird park	3	0.04
Establish and operate a butterfly farm	2	0.03
Establish and operate a elephant -back safari	2	0.03
Establish and operate a rehabilitation centre	2	0.03
Establish and operate a reptile park	6	0.08
Establish and operate a venom extraction facility	1	0.01
Establish and operate a wild animal park [Q-Permit]	4	0.05
Establish and operate a wild animal sanctuary	3	0.04





Exhibit live wild animals	1	0.01
Export a live wild animal to another province	60	0.78
Export a protected plant	3	0.04
Permit Name	Total	%
Export a specially protected plant to another province	3	0.04
Export NON-CITES wild animal trophies	6002	77.74
Falconry keeping permit	25	0.32
Hunt a wild animal	143	1.85
Hunt a wild animal in a certain way	2	0.03
Hunt a wild animal under certain circumstances	1	0.01
Hunt damage causing wild animal	14	0.18
Hunt game in a closed season	10	0.13
Hunt game in an open season	1	0.01
Hunt in a nature reserve	1	0.01
Hunt with certain weapons	4	0.05
Import a live wild animal from another country	14	0.18
Import a live wild animal from another province	26	0.34
Import live freshwater fish	6	0.08
Import NON-CITES wild animal trophies	123	1.59
Import specially protected plant	1	0.01
Import wild animal derivatives	1	0.01
Introduction of wild animal	22	0.28
Keep birds in captivity	7	0.09
Lion exemption	22	0.28
Permanently keep a wild animal in captivity	45	0.58
Pick a protected plant	1	0.01
Pick an indigenous plant on or near a public road	1	0.01
Possess a specially protected plant	2	0.03
Possess a wild animal	2	0.03
Possess elephant ivory	8	0.10
Possess rhino horn	4	0.05
Release into waters live fresh water fish	4	0.05

Ring Birds	43	0.56
Sell live aquarium fish	1	0.01
Sell live freshwater fish	1	0.01
Sell live wild animals	3	0.04
Temporary keep a wild animal in captivity	18	0.23
Total	7721	100.0

on the permit database.(see the issued permits report)

Database allows duplications.

CITES MANAGEMENT STATISTICS				
Permits processed	Import	Export	Re-export	
	65	1040	30	
Marking of CITES species	Leopard skins	Crocodile skins	Elephant tusks	Rhino horns
	31	11	123	118

PERMITS ISSUED

PERMIT NAME	Total	%
Act as a Hunting Outfitter	184	2.69
Act as a professional hunter	525	7.66
Catch a wild animal	16	0.23
Collect aquatic biota for scientific purposes	5	0.07
Collect invertebrates for scientific purposes	7	0.10
Collect mammals for scientific purposes	3	0.04
Collect plants for scientific purposes	3	0.04
Collect reptiles for scientific purposes	2	0.03
Convey a live wild animal	19	0.28
Convey an indigenous plant	1	0.01
Cull wild animals	1	0.01
Do aquaculture	1	0.01
Do crocodile farming	1	0.01
Do research in a protected area	5	0.07
Establish and operate a rehabilitation centre	2	0.03
Establish and operate a reptile park	1	0.01
Establish and operate an elephant training centre	1	0.01





Export a live wild animal	54	0.79
Export an indigenous plant	1	0.01
Export wild animal derivatives	1	0.01
Export wild animal trophies	5672	82.80
Falconry keeping permit	22	0.32
Hunt a wild animal[non-land owner]	71	1.04
Hunt damage causing wild animals	2	0.03
Hunt game in a closed season[non-land owner]	1	0.01
Hunt with certain weapons	13	0.19
Import a live wild animal	40	0.58
Import an alien wild animal	1	0.01
Import live freshwater fish	1	0.01
Import specially protected plant	1	0.01
Import wild animal derivatives	1	0.01
Import wild animal trophies	90	1.31
Keep birds in captivity	2	0.03
Lion exemption	2	0.03
Permanently keep a wild animal in captivity	5	0.07
Possess a wild animal	2	0.03
Possess elephant ivory	17	0.25
Possess rhino horn	20	0.29
Release into waters live fresh water fish	4	0.06
Ring Birds[A-Permit]	32	0.47
Ring Birds[C-Permit]	5	0.07
Sell live wild animals by public auction	1	0.01
Temporary keep a wild animal in captivity	12	0.18
Total	6 850	100.00

PROGRAMME: TOURISM, PROTECTED AREAS AND COMMUNITY ENVIRONMENT DEVELOPMENT

1. PURPOSE/AIM

This programme's main purpose is to ensure the development and promotion of tourism, management and development of protected areas, regulating the gambling industry as well as the provision of community environmental development services.

2. Programme

The programme is managed through three (3) sub programmes:

- A) Tourism Development And Planning
- B) Protected Areas
- C) Community Environment Development

3. MEASURABLE OBJECTIVE

The programme ensures that the province be promoted and developed as a tourism destination, provincial protected areas be conserved, managed and developed within a sustainable way and communities are environmentally empowered to become involved with natural resource utilization and management.

4. SERVICE DELIVERY OBJECTIVES

Tourism Development And Planning:

In order to realize the Tourism vision of the province – “To make the Limpopo Province the preferred ecotourism destination in southern Africa” the department set an objective to develop a tourism growth strategy that will increase tourism's contribution to the provincial GGP from 4% to 8% by 2008. An integral part of this objective is the establishment of transformation programmes to ensure the participation of previously disadvantaged communities in this growing industry.

Protected Areas:

The Limpopo Province faces challenges in fulfilling its conservation obligations whilst budget priorities have understandably changed towards socio-economic investment. The provincial nature reserves nonetheless represent an asset base that need to be managed in such a manner that the conservation responsibilities of the province can be fulfilled. The creation of commercial tourism opportunities on nature reserves has also been identified as an objective to ensure that the economic potential of these nature reserves be enhanced while ensuring community participation and beneficiation in the process.

Community Environment Development

The department embarks on various capacity building processes to enhance the knowledge and skills of communities and local government structures on environmental issues. The main objective of this programme is to empower these stakeholders to become environmentally aware and to enable them to make informed decisions when they become involved in sustainable natural resource management and development.



5. SERVICE DELIVERY ACHIEVEMENT

Measurable objective:	Increase tourism contribution to the provincial GGP from 4% to 8%.			
Sub-programme	Output	Output performance measure/services delivery indicators	Actual performance against target	
	Community Eco-Tourism development Tourism promotion and marketing Research & Statistics Tour Guide registration and transformation	Finalize Tourism Growth Strategy (TGS) Roll out of TGS. Tourism infrastructure support to twenty projects. Development of a tourism growth monitoring mechanism. Develop and implement Marketing strategy Develop tourism training and capacity building strategy for tourism SMME's. Manage the African Ivory Route (AIR). Ongoing management of tourism information offices. Register tour guides. Regulation of all Casino and gambling activities in the province.	Finalise TGS roll out plan. Business plan development for six clusters and icons. Tourism Route development for six clusters. Ongoing management of tourism information offices. Ongoing management of the African Ivory Route. Implement community tourism training and capacity building programme for twenty SMME's. Implement Marketing strategy to increase tourism visits and spend. Training and Registering tour guides. Regulation of all Casino and gambling activities in the province.	Completed roll out of strategy to all stakeholders in August 2004. The identification and description of six tourism clusters, value chain development per cluster and the planning of priority intervention projects that forms the bases of the implementation strategy have been completed. 6 Tourism icon feasibility studies completed. Hosted a provincial tourism summit on the 7th September 2004 where the following 6 tourism growth clusters were adopted by all stakeholders. These clusters are: the Family & recreation, Golf & Game, Special Interest, Mega conservation and Gaming (safari) clusters. Tourism development plans drafted for the two transfrontier conservation areas. The cultural and heritage icon Mapungubwe re-launched officially in September 2004 ever since receiving world heritage status in 2003. 100% increase in revenue from the operations of the African Ivory Route during a special launch of the project. Training on entrepreneurship skills for the 36 operators of the African Ivory Route is ongoing. Increased international arrivals from 5,5% in 2003 to 6% in the second quarter of 2004. Increased number of tourists from Africa & Middle East from 76,2% in 2003 to 84,5% in 2004. Tourists to Limpopo for business and shopping doubled since 2003. Experienced a decrease in bed nights spend. 483 tourist guides registered in the Province. 40 tour guides in partnership with the INTAC project was trained. Assisted 15 emerging tourism enterprises in marketing their products at Indaba 2004. 41 emerging tourism SMME products already registered on database. Ongoing regulation of gambling activities in the province.

Measurable Objective:	Conservation and sustainable utilization on protected areas			
Sub-programme	Output	Output performance measure/services delivery indicators	Actual performance against target	Actual
			Target	Actual
PROTECTED AREAS	Protected area strategy developed. Commercial and Infrastructural development in twenty parks. Sustainable natural resource management in all provincial parks. Human Resource management plan for staff on provincial parks.	Legislation and policy formulation A Protected Area Register Framework for a Protected Area Strategy in place. Proclamation and vesting of provincial nature reserves. Management and Development of provincial parks. Commercialization of tourism opportunities in 15 nature reserves.	Align provincial and national legislation pertaining protected areas. Develop a database of all protected areas on state, private and communal land. Develop a vesting strategy of state land pertaining protected area development. Develop management plans for fifteen protected areas. Development of a Human Resource management programme for provincial parks.	<p>New National & Provincial Legislation in regards to protected areas reviewed and analyzed.</p> <p>Participated in a National Workshop to draft regulations for the National Protected Areas Act.</p> <p>Review ISO 14000 standards and environmental management systems (EMS) to introduce into provincial parks management.</p> <p>Developed management guidelines for Roan Antelope.</p> <p>Conducted training for personnel involved in managing Roan Antelope.</p> <p>Facilitate the development of monitoring guidelines for Black Rhinos</p> <p>Developed a framework to register all provincial protected areas.</p> <p>Planning Framework to develop a provincial protected area strategy in place.</p> <p>Verification of legal status of provincial parks has been completed. Boundaries of the priority parks for commercialization have been surveyed</p> <p>A training programme for 25 reserve managers, rangers and 40 frontline officers involved in roan monitoring and hospitality services were conducted.</p> <p>A game census was conducted on 22 nature reserves.</p> <p>A catalogue game auction was conducted on the 17th of July 2004 which generated R16 mil.</p> <p>Maintenance and upgrading of infrastructure on the following nature reserves were completed</p> <p>Doorndraai Dam, Nysvley, Andover, Mangwazi, Masebe, Wonderkop, Makuya, Manyeleti and Letaba Ranch.</p> <p>Ecological management plans for 21 nature reserves were drafted.</p> <p>The commercialization process of 15 nature reserves are still in progress</p> <p>Human Resource and Legal due diligence reports for each site were completed.</p> <p>A development options report for various tourism development opportunities in the identified reserves has been finalised.</p> <p>A draft Request for Proposal (RFP) document was completed for the dam (4) reserves.</p>





Measurable Objective:	Environmentally empowered community involved with natural resource utilization and management.			
Sub-programme	Output	Output performance measure/services delivery indicators	Actual performance against target	
			Target	Actual
3. COMMUNITY ENVIRONMENT DEVELOPMENT	Community Environment Development (CED) policy and implementation Strategy for Limpopo province in place.	Develop a Community Environment Development policy. Planning and implementation of provincial environmental fair and conference. Implement Capacity building programmes with Municipalities.	Plan and conducted an Environment conference Awareness days planned and conducted Participation in National Poverty alleviation program	<p>Conducted the first Environment Conference which 300 stakeholders attended and gained information on the latest environmental legislation.</p> <p>Eight (8) municipalities took part in the Cleanest Town Competition. BaPhalaborwawas announced theprovincial winner</p> <p>Wetlands Day events were conducted in all districts with Mopani hosting the provincial event.</p> <p>Schools State of the Environment competitions were conducted with 118 schools participating.</p> <p>Feasibility studies conduded of 16 poverty alleviation projects with DEAT's assistance.</p> <p>CBNRM workshops were heldin Vhembe, Mopani, Bohlabela and Sekhukhuni districts with tribal and municipal leaders.</p>
		<p>Develop a Community Based natural resource management strategy. (CBNRM)</p> <p>Conduct environmental awareness and education programmes.</p> <p>Participate in UNESCO'S Man and BiosphereReserve programme</p>	<p>Conduct Community Based Natural Resource Management policy workshops.</p> <p>Environment Education programmes in place</p> <p>Resource Centre and Material development.</p> <p>Implementation of the Man and Biosphere programme</p>	<p>Working group established with DEAT CSIR and DST to form a development strategy for community benefit sharing.</p> <p>Environmental Education workshops for Schools conducted in partnership with the Dept. of Education .</p> <p>A total of 33 books and 55 copies of environment policy documents were distributed</p> <p>25 environmental awareness posters were developed and distributed to the districts.</p> <p>837 data references are recorded in the resource centre.</p> <p>A Waterberg Biosphere open day washeld on 16 October 2004.</p> <p>Nomination of the Soutpansberg Biosphere reserve initiative in progress.</p> <p>Concept document developed for the launch of Kruger to Canyons Biosphere.</p>

ANNUAL PERFORMANCE PLAN

Programme 10: Biodiversity And Integrated Waste Management

Sub-program	Output	Output performance measure/ services delivery indicators	Actual performance against target	
Biodiversity			Target	Actual
Biodiversity Management	Scientific review of applications for legal authorizations and conduct field investigations where necessary	Reports	No target	22 applications for research permits on plants
	Expert witness for prosecutions	Court documents		(6), invertebrates (5), wetlands (1) and others (10)
				99 others for game capture, release, translocation, breeding, bioprospecting, collection, plant propagation, stocking fish, breeding facilities, etc Increased percentage of applications for intensive breeding, esp for lion
	Review of LEMA	Reports of reviews	All scientists develop reports	2 cases All scientists produced inputs, working strategy for cooperation and collaboration with other sections and directorates was developed (Workshop) Guidelines for Biodiversity input into Permits were developed Workshop on NEMA, NEMBA and NEMPAA Representation on Scientific and Technical Committee of Working Group 1 on National Biodiversity Legislation and Policies Participated in developing National Biodiversity and Protected Areas Legislation and Policies through WG 1
	To develop policy guidelines	Policy documents	Policy documents	Draft guidelines were developed for the following: List of protected trees, Conservation of riparian vegetation, breeding of game in confined structures, SANS Wildlife rehabilitation documents (comments provided)
Sub-program	Output	Output performance measure/ services delivery indicators	Actual performance against target	





Biodiversity		Target	Actual
			<p>National Herbivore Translocation Standards, stakeholders workshop, etc. (as part of Steering Committee)</p> <p>Herpetological reporting in EIA's</p> <p>Translocation and utilization of reptiles, amphibians and crocodiles</p> <p>EIA for intensive breeding of game – Biodiversity information requirements</p> <p>All environmental assessments</p> <p>Habitat suitability analysis for game</p>
To provide scientific comments on EIA reports	Records of applications and comments	Records of applications and comments	22 related to mining, resort development, building of earthen dams, etc
To identify and develop appropriate biodiversity indicators	Reports on indicators	Reports on indicators	Indicator concept for plants developed and some indicators identified. Ongoing. Sampling still being done 13 surveys in two different geographic areas completed.
To develop an ecological state of the crocodile river	State of crocodile river report	State of crocodile river report	
To determine conservation status of Limpopo riparian forest			
To implement a program to detect changes in grass species composition	Documentary evidence	Documentary evidence	Data entered into database. Reports have been compiled. Problems and shortcomings identified
	Database and maps. Final report	Database and maps. Final report	
To document, map and classify wetlands in Limpopo	Maps and records on Wetlands	Maps and records on Wetlands	<p>Mapping and classifications of wetlands: 22 wetlands in Sekhukhune (22 mapped), Vhembe, Capricorn (underway).</p> <p>The data on mapping and classification of wetlands in Sekhukhune district were captured into GIS</p>

Sub-program	Output	Output performance measure/ services delivery indicators	Actual performance against target	
Biodiversity			Target	Actual
	Involve communities around wetlands	Records of community participation, Maps and records on Wetlands	Records of community participation	World Wetlands celebrations staged throughout the Province, Several presentations were made, Lots of people participated, Several projects initiated around wetlands
	Nature and extent on the use of medicinal plants	Documented information	Data on nature and extent of use	1. Documented the trade and use of medicinal plants around Ga-Chuenie village. 2. Investigated the indigenous use of <i>Schlerochiton illicifolius</i> commonly known as "molomo monate" in Limpopo Province.
	Provide support for Community based natural resource management projects.			1. Bathlologa Moletjie Botanical Garden: Business plan was drafted and submitted for funds from EPWP. 2. Penge and Modjadji cycad nursery: Business plan is on the final draft. Meetings held with communities in Vhembe District
	To develop a metadatabase on research and information	Functional and accessible metadatabase	Functional and accessible metadatabase	Design completed List completed and 61 entries done Wetlands (150 entries), Botany (120 entries), Entomology (150 entries), Ethnobiology (150 entries) and Herpetology (78182 entries on literature, 1468 on physical references and 36 on research projects).
	To develop a stakeholder database	A functional database	A functional database	Ongoing 700 entries were made for all areas mentioned above combined.
	To develop a provincial biobase	Functional cybertracker program populated biobase	Functional cybertracker program populated biobase	Training on use of cybertracker in progress. Some members completed training Software for biobase being developed. Consultancy in progress





Sub-program	Output	Output performance measure/ services delivery indicators	Actual performance against target	Actual
Biodiversity	To complete second phase of state of environment report (SOER)	Report highlighting responsibilities with respect to plant community management	Report highlighting responsibilities with respect to plant community management	Evaluation meeting on phase two of Limpopo State of Environment Report conducted with all relevant stakeholders.
	To provide specialist assistance to University Students and community	Proceeding of the forum	Proceeding of the forum	Guidelines for tender for phase 2 developed. Poster & brochure on Indian mynah in Excellent Quality Presentation: vultures & alien birds to Roedtan game study group, 2 bird clubs & Friends of Nylsvley
	To participate in the Environment fair	Records of attendance	Records of attendance	Students consulted on request. Joint research was initiated with UNIN on distribution of Blue Crane and screening of medicinal plants
	Transfer/share biodiversity information to/with research institutions.			High Quality Presentation & practical given to 19 wildlife management university students. 2 technical guideline documents were produced Brochure on grass monitoring First two editions of Biodiversity News to inform stakeholders in department and outside 9 meetings held with stakeholders (communities, Traditional healers, government officials and NGO's) Staff participated in a total of 6 workshops on medicinal plants, local and national 72 cases of extension to public and government departments Representation of department DOD Adjudication Panel and other Environmental Management Committees. Compiled report on joint management between DOD and LTP board for using their terrains for rare game breeding.

Sub-program	Output	Output performance measure/ services delivery indicators	Actual performance against target	
Biodiversity			Target	Actual
				<p>Gave ecological advice on biodiversity management and game reduction proposals for DOD.</p> <p>Developed 8 brochures, 5 posters, 2 news letters, 2 departmental training courses, and several reports for SOE report</p> <p>Establishment of the Limpopo Herpetological and Wetlands For a</p> <p>Support to specialist groups including Rhino Management group, Wild Dog Action Group, Cheetah Management Program, Elephant Managers and Owners Association, Leopard Study Group, Yellow Fish Working Group, Hippos Management, Traditional Healers Associations, IPUF (2 papers presented), Cycad Working Group, Platjan Wildlife Management Group, Mokolapetse Wetland Rehabilitation Supporting Team, etc</p> <p>Several talks were given to the public, research and government groups</p> <p>Comments on Olifants River Water Resources development project meeting</p> <p>Limpopo / Mpumalanga aquatic weed strategy meeting</p> <p>Zoutpansberg Biosphere Initiative meetings</p> <p>Members of directorate also participated in extra departmental workshops, round-tables and meetings such as Freedom Park Project (a legacy project), Medicinal Plants (DST, DEDET and others), Indigenous Knowledge Systems, Benefit-sharing issues (DST, DEAT, DTI, CSIR, etc)</p>





Sub-program	Output	Output performance measure/ services delivery indicators	Actual performance against target	
Biodiversity			Target	Actual
	To conduct a review of the Convention on desertification	Reports	Reports	Ongoing
	Officials to attend at least one conference/get training in their respective fields of expertise	Records of training / attendance	All identified staff trained /exposed	Members attended IPUF in 2nd quarter of 2004 Conferences/Symposia/Specialist Workshops: The following were attended: 2 Mini Workshops on the basic knowledge of wetlands, lecture on National Land Coverage 2000, Herpetological Association of Africa Symposium, NBSAP workshop on Sustainable Development, Arid Zone Ecology Forum, Biodiversity Conference, International Pollinator workshop and Lepidoptera Society Conference. Training/ Study: GIS course (Introduction to GIS) – wetlands scientist, 3 more attended in last quarter. Cybertracker course, M.Sc – Ethnobiologist, MBA – manager: Planning and Development, M.Sc –manager:Biomonitoring
	Provide scientific support for CITES To fill all vacant posts All vacant posts filled All vacant posts filled 1 Senior Manager	Staff to be trained	All identified staff trained	No report yet as staff are still waiting for CITES training 1 Manager and 3 Nature Conservation Scientists filled. 5 specialist Scientists posts not filled because they were not evaluated. Efforts being made to speed up the process of evaluation of posts

Asset, Liability and Supply Chain Management Branch:

Annual Report to Citizens: Financial Year 2004/2005

Sub-Sub programme 1 : PROVINCIAL SUPPLY CHAIN MANAGEMENT

Activity	Targets	Actual performance / Achievement
1. Amendment of the Northern Transvaal Tender Board Act 2 of 1994.	a) The amendment has been published in the Government Gazette No. 1015 dated 09 June 2004	a) Devolution of procurement powers to all the provincial Departments.
2. Repeal of the Northern Transvaal Tender Board Act, Act 02 of 1994	The Limpopo Tender Board Repeal Act 01 of 2005 has been promulgated and published in Government Gazette No 1169 dated 21 July 2005 Tender Board has been dissolved	a) Dissolution of the Tender Board and the establishment of the Central Procurement Committee (CPC) to adjudicate on transversal contracts .
3. Development of Supply Chain Management (SCM) policies and tools	Provincial Treasury Instructions on SCM has been developed and issued in July 2004. The following 7 Practice Notes were developed to guide departments in SCM implementation; Tax clearance requirements – issued in Feb 2004. Reporting format-Issued in Sep 2004. Bidding process-Issued in January 2005. Legal and ethical context of SCM- issued in January 2005. Contract administration-issued in January 2005 Reporting of deviations on procurement Matters- issued in January 2005. Cession of contracts and contract payments- issued in March 2005 Oath of secrecy template-issued in February 2005 Bidding documents were simplified and issued to departments on the 21st June 2004. d) Stores/Inventory management templates were developed and issued in February 2005.	a) Uniformity in the application of SCM policies. b) Improved SCM efficiency. Improved SCM system. Improved buying decisions, low cost through less obsolete stock, lower storage and distribution costs .
4. Monitoring of SCM policy application and outcomes	a) Reporting template has been developed to enable treasury to monitor supply chain performance in the province. b) Deviation reporting forms have been developed and issued. c) Provincial Departments commenced with the implementation of SCM with effect from the 1st September 2004 d) SCM units were created within CFOs offices	a) Increased participation of Historical Disadvantaged Individual into the economy mainstream. b) Decrease in number of deviations from procurement procedures by departments c-d) Improved Accountability by Accounting Officers and realization of value for money.

5. Capacity building

- a) All Accounting Officers/Authorities were trained on SCM
b) By end of financial year 2004/05, 315 Officials from both the provincial departments and public entities were training on SCM 144 workshops were held in all the provincial districts for prospective suppliers

Capacitated Supply Chain Management practitioners and members of the public Continuous improvement to develop the operational skills which exist in supply chain into a more strategic skill. 250 more officials to be trained for the coming financial year 05/06 Increased participation of blacks in the bidding process.

6. Dissemination of Information

Brochure on basic bidding process has been developed and translated into Braille.
Provincial Treasury Website contains information on procurement processes, developed policies, practice notes, bills, Acts etc.
Provincial Treasury Instructions on SCM were printed and distributed.

a-c) Informed members of the public

7. Statistical report on bids awarded during the Financial Year 2004/2005

- a) A total number of 506 contracts to the value of R430,7m were awarded.
Out of 506 contracts, 457 contracts to the value of R364,8m were awarded to individuals who had no franchise prior 1994 elections 322 contracts to the value of R178,5m were awarded to women 5 contracts to the value of R398,500 were awarded to disabled persons
Statistics in terms of percentages :
• 5% - non franchise.
42% - Women
0.10% - Disabled

a) Broad Based Black Economic Empowerment.
Statistics to increase to 80% in the next financial year

PROGRAMME ACCOUNTANT GENERAL

Sub - programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target
		Target	Actual
Governance and compliance	Co-ordination of the preparation of annual financial statements for provincial departments	11 departments to submit Annual Financial Statements to Auditor General by the 31st of May 2004.	All 11 departments complied with the requirements.
	Preparation of annual financial statements	Provincial Revenue Fund Statement and Consolidated Annual Financial Statement	Provincial Revenue Fund Statement submitted to Auditor General
	Consolidation of Infrastructure reports	To submit four quarterly consolidated infrastructure reports to National Treasury	Complied with all four quarterly requirements
	Facilitation and co – ordination of the clearance of suspense accounts in the departments	Provincial departments to clear 80% of the suspense accounts	95% of the suspense account balances were cleared
	Support the Standing Committee on Public Accounts (SCOPA) during its public hearing	Rendered SCOPA support during the public hearings of provincial departments	Assisted the provincial departments with the implementation of SCOPA resolutions
Provincial Financial Training	Reconstruction of Tribal Levies and Trust Accounts	To address the Tribal Levies and Trust Accounts, accounting backlog	Prepared annual financial statements until financial year 2003
	Guidelines and standards on accounting policies and reporting requirements	Develop and implement accounting policies, guidelines and standards	Implemented Annual Financial Statement guidelines
	Co-ordinate financial management training to provincial departments.	Facilitate training on: a) Public Finance Management Act (PFMA): 120 officials; b) Standard Chart of Accounts (SCOA): 240 officials; c) Supply Change Management (SCM): 180 officials; d) Financial Efficiency Strategic Planning System (FINEST): 360 officials; e) Basic Accounting Systems (BAS): 180 officials	a) PFMA: 139 official trained; b) SCOA: 275 officials trained; c) SCM: 205 officials trained; d) FINEST: 453 officials trained; e) BAS: 185 officials trained
	Co-ordination of Qualification and Learnerships programs and projects	Registration with:	Students registered:
		a) CIMA	a) 13 officials
		b) IPFA / FASSET	b) 4 officials
		b) IPFA / CBET	c) 2 officials

Banking and cash flow management	To facilitate provision of banking services.	Facilitate banking municipal needs with ABSA Bank	ABSA bank is in progress with the implementation of facilitates in target rural areas
	To manage and monitor the Service Level Agreement with the Bank.	Participation of Bank in BEE initiatives	ABSA Bank partnered with Public Works in the Extended Public Works Program (EPWP) in building of schools and roads.
		ABSA to increase the number of loans given to disadvantaged students	Statistics of student loans for disadvantage students reflect marginal growth
	Cash flow management	To invest surplus funds to increase revenue	R29 million interest generated
Provincial Asset Management	Asset Management Strategy	Develop the Asset Recording and Capturing Project Strategy.	Developed and implemented the asset and recording capturing strategy
		Develop the Finest System Procedures and Guidelines	Developed and implemented the systems procedures
	Asset Registers in all Provincial Departments.	Completed the Asset Recording and Capturing process throughout the Province.	Provincial assets are bar coded and recorded in the system
Financial Systems	Upgrade the FINEST System from version 4 to version 5	Conversion of Accounts Payable, Procurement, User Profiles and FINEST system upgraded to version 5.	Upgraded the FINEST System to version 5.
	Implementation of remaining modules of FINEST	Implement Revenue Management module	90% of the revenue module implemented.
		Design and develop debt management	Developed and tested the debt management module
		Design and develop Travel Module	Business requirements completed.
	Ensure implementation of PERSAL & BAS policies and procedures	Develop policies & procedures	Implemented policies and procedures on PERSAL and BAS.
			State guarantee policy completed.

Budget Services And Inter Governmental Fiscal Relations Branch

Sub-programme: Fiscal Development

ACTIVITY	TARGET	ACTUAL PERFORMANCE																																							
1. Collection of R351m annual Provincial Revenue budget.	Collected R416m in 2004/05 financial year.	<p>The target was R351m. R416m was collected for the year as follows:-</p> <table> <tr> <td>Office of the Premier</td><td>R</td><td>0.434m</td></tr> <tr> <td>Education</td><td>R</td><td>29,949m</td></tr> <tr> <td>Agriculture</td><td>R</td><td>12,235m</td></tr> <tr> <td>Health</td><td>R</td><td>83,248m</td></tr> <tr> <td>Transport</td><td>R</td><td>139,073m</td></tr> <tr> <td>Works</td><td>R</td><td>22,946m</td></tr> <tr> <td>Safety and Security</td><td>R</td><td>0.017m</td></tr> <tr> <td>Welfare</td><td>R</td><td>1,116m</td></tr> <tr> <td>Legislature</td><td>R</td><td>0,328m</td></tr> <tr> <td>Local Government</td><td>R</td><td>1,791m</td></tr> <tr> <td>Finance and Economic Development</td><td>R</td><td>124,734m</td></tr> <tr> <td>Sports and Culture</td><td>R</td><td>0,619m</td></tr> <tr> <td>TOTAL</td><td></td><td>R 416,490m</td></tr> </table>	Office of the Premier	R	0.434m	Education	R	29,949m	Agriculture	R	12,235m	Health	R	83,248m	Transport	R	139,073m	Works	R	22,946m	Safety and Security	R	0.017m	Welfare	R	1,116m	Legislature	R	0,328m	Local Government	R	1,791m	Finance and Economic Development	R	124,734m	Sports and Culture	R	0,619m	TOTAL		R 416,490m
Office of the Premier	R	0.434m																																							
Education	R	29,949m																																							
Agriculture	R	12,235m																																							
Health	R	83,248m																																							
Transport	R	139,073m																																							
Works	R	22,946m																																							
Safety and Security	R	0.017m																																							
Welfare	R	1,116m																																							
Legislature	R	0,328m																																							
Local Government	R	1,791m																																							
Finance and Economic Development	R	124,734m																																							
Sports and Culture	R	0,619m																																							
TOTAL		R 416,490m																																							
2. Coordinate sound revenue management information system.	<p>Implementation of the Finest account receivable module. Implementation includes the following:-</p> <ul style="list-style-type: none"> Appointment of module champion Hold regular information sharing meetings with departments. Disseminate all information relating to the project with all stake holders. Arrange training with department's revenue officers Identification of departmental procurement requirements. 	Ensure and maintain the effective and efficient Provincial Revenue control system.																																							

Arrangement of workshop on the creation of revenue workgroups.

The implementation of the second phase Finest revenue module (Debt management).

Coordination of the information to address the issue of global tariffs and related rates

3. Review the Provincial Revenue Collection Policy and Strategy.

To have the Provincial Revenue Strategy reviewed.

The adoption of the Strategy.

The review include the following:-

The formation of the Provincial Revenue Forum.

Information gathering through bilateral discussions with departments.

Compilation of the draft reviewed Revenue Strategy.

Sub-Programme: Budget Allocation

To ensure efficient and equitable allocations in line with Provincial and National priorities.

ACTIVITY	TARGET	ACTUAL PERFORMANCE
Issue budget circular to departments for the next cycle.	Circular issued.	To analyse departmental budget inputs
To align provincial budget schedule with that of National Treasury as well as Provincial and National priorities.	Prepared the Provincial Budget process schedule 2004/05 and prepared memorandum to EXCO for the ratification thereof.	To discuss budget formats at PTCF. To hold w/shops with departments on the 2005 budget formats To hold provincial benchmarking exercise prior to that of national.
To introduce uniform budget structures across provinces as required by National Treasury.	Implemented uniform budget structures for specific sectors in the 2004/05 printed budget e.g. Agriculture, Public Works, Transport and Sport.	To introduce uniform budget structures for the remaining sectors in the 2005/06 budget.
Attend strategic planning evaluation for 2004.	Strategic plans submitted to National Treasury.	To table five strategic plans to the Provincial Legislature for the 2005/06 budget.
Attend strategic planning w/shops for the introduction of five year plan.	Recommendations to TCF and Budget Council	Align strategic plans with the budget.
Provincial MTEF budget in line with Provincial and National priorities.	Completed the allocation of roll-overs from 2003/04 and allocated funds for the purchase of offices as well as funding some of the pressures for 2004/05.	To recommended the allocation of the R140m to cover departmental pressures for 2004/05.
Bi-annually performance evaluation of departmental budgets.	Conducted two quarterly reviews on the 2004/05 budget and reported accordingly.	Allocate programme analysts to major departments.
	Held bilateral meetings with key departments on their current pressures.	To finalise the allocation of the Adjustments Estimate.
	Two meetings with Health & Welfare, Education and Transport held.	Facilitate and tabling of the Adjustments Estimate in the Legislature.
Evaluate budget inputs and strategic plan	Finalized the allocation of adjustments estimate template.	Further bilaterals with departments on the budget reforms and strategic planning process.
	Evaluated budget inputs and strategic plans and submitted the preliminary printers proof to National Treasury.	
	Prepared presentation to Lekgotla on the budget process and the Equitable share formula.	
To table the Adjustment Estimates	Adjustments Estimate Tabled November	Prepare allocations for 2005/06
	Rollover and additional allocations made to departments.	Budget structures to be aligned to Sector Specific Norms and Standards.
	Provincial Printers Proofs submitted in time to National Treasury in December	
	Final Achievability Exercise held in November	
Evaluate budget inputs and strategic plans for December Printer's Proofs.	Budget Structures in line with National Treasury's Norms and Standards. i.e Generic Sector Specific programs.	Further budget reforms
	Strategic plans evaluated	

SUB-PROGRAMME: EXPENDITURE MANAGEMENT

To ensure efficient expenditure management and budget implementation, monitoring and control

ACTIVITY	TARGET	ACTUAL PERFORMANCE
Monitor budget implementation	Twelve In Year Monitoring reports submitted to National Treasury	Ensure departments spend within budget.
	Four Sections 32 quarterly reports submitted to National Treasury	
	Treasury approvals were granted	

SUB-PROGRAMME: CAPITAL PROJECTS APPRAISAL

Ensuring the effective allocation and utilisation of the provincial capital budget.

ACTIVITY	TARGET	ACTUAL PERFORMANCE
Development of capital appraisal policy framework for the province.	The following were developed: simplified manual on investment appraisal, sectoral investment appraisal manuals and Excel-based models for the roads, education and health sectors.	The development of a simplified manual on investment appraisal, sectoral investment appraisal manuals and Excel-based models for the roads, education and health sectors. This framework will ensure that funds for capital projects in these sectors are prioritised in line with set criteria.
Capacity-building within provincial departments on investment appraisal.	28 officials from various provincial departments were trained on investment appraisal and risk analysis.	Building investment appraisal and risk analysis capabilities within departments in order to support the infrastructure planning and prioritisation processes.
Implementation of infrastructure delivery reforms, i.e. the Infrastructure Delivery Improvement Programme (IDIP) Toolkit.	Project roll out initiated as planned on August 2004. Some of the deliverables were project inception reports (highlighting areas for improvement in the participating departments) and capacitation plans detailing proposed interventions to close capacity gaps.	Roll out of the Infrastructure Delivery Improvement Programme (IDIP) in the departments of Education and Health & Social Development.
Establishment of a Centre of Excellence on Investment Appraisal, Policy Analysis, Project Management and Public Finance.	Negotiations between the stakeholders were facilitated and verbal agreements have been made to establish the centre. Legal issues around the partnership have almost been finalised (which will clear the way for the establishment of the centre).	Establishment of a Centre of Excellence on Investment Appraisal, Policy Analysis, Project Management and Public Finance that will train primarily government officials from all spheres of government in these four areas. Partnership will be between the Provincial Treasury, University of Limpopo and Queen's University (Canada). The centre will be based at the University of Limpopo.

SUB-PROGRAMME: PROVINCIAL ASSET RESTRUCUTRING UNIT

ACTIVITY	TARGET	ACTUAL PERFORMANCE
Restructuring of provincial assets and services	Established the unit with initial capacity building	Unit to be fully capacitated in the next financial year
Restructuring framework	Completed an approved restructuring framework for the province	To review and revise the framework to cover challenges and obstacles experienced in this first two years of operations as well as to enhance and improve restructuring programme
	Development of capacity building strategy for the unit and the province	To be completed by next financial year
Progress of the projects		
Great north Transport	Completed feasibility studies with various options	Awaiting final approval from steering committee and executive council for implementation The project to be complete by next financial year end
Provincial Fleet	Completed feasibility study for the three sub projects;	To proceed with restructuring of emergency fleet within next financial year.
General fleet	A need exist to review current structure of general fleet as it has few challenges	Do develop a strategy for provincial general fleet by next financial year
Emergency Vehicle Services		
Traffic Vehicles		
Limpopo Traffic College	Project halted until further notice	
Laundry Supply and Management Services	Feasibility study completed with request for shortlisting done	Awaiting the department to make final approval
Renal Dialyses	Feasibility study completed with request for shortlisting done	Awaiting the department to make final approval
Penge Hospital	Completed initial high level feasibility study To complete detail feasibility study as well as procurement	To be completed by next financial year end
Thohayandou Hospital	Completed initial high level feasibility study To complete detail feasibility study as well as procurement	To be completed by next financial year end
Consessioning of Duiwelskloof,Phalaborwa and Ellisrus Hospitals	Feasibility study completed with request for shortlisting done	Awaiting the department to make final approval for request for proposal; The project to be completed by next financial year

Commercialization of parks and game reserves	Completed feasibility studies for the selected game reserves Still to finalize land claims, vesting and other community issues for few game reserves To proceed with the first six game reserves with procurement which are free from problems above	To complete the project by next financial year
Contract management for the breeding of rare species	Developed appropriate contract with the department of defense To initiate BEE participation for this rare species	The implementation to be in the next financial year National Forum to be organized to develop a policy on how the DOD land will be utilized.
Restructuring of Research Stations Hans Hohesian	Business plan has been completed, the MOU signed with PPF.	Business plan is being implemented.
Facilities Management	Development of high level feasibility studies to cater for accommodation, stores management, and others	To fully develop a detailed feasibility study for the province on facilities management
Accommodation Facilities of Clinical Staff	Completed feasibility study for the project with department taking decision to cancel the project as it is not feasible.	To cancel the project
Review of Maintenance and Lease agreement for hospital equipment	The project halted	To be initiated in the next financial year
Restructuring of FET institutions	Project not progressed as department of Education still has to make final decision of way forward in regard to dealing with infrastructure requirement and sources	To be initiated in the next financial year
All Agricultural Projects	Mandate to start with Agricultural projects is pending.	PARU service on hold until mandate is issued.
Corporate Governance Framework	Developed high level discussion document for implementation and awaiting approval with head of department	To be completed by next financial year with the review of corporate governance status of all public entities in the province
District Strategy	Complete preliminary study	To be completed in the next financial year
Polokwane International Airport	High level feasibility study with different options completed.	To be completed in the next financial year
Legal Services	Developed high level review of Provincial legal service.	To complete implementation plan. To be implemented in the next financial year.

SUB-PROGRAMME: INTERGOVERNMENTAL AND FISCAL RELATIONS

ACTIVITY	TARGET	ACTUAL PERFORMANCE
Training of Provincial Treasury personnel on MFMA.	3 Provincial Treasury staff members attended three weeks training at National Treasury.	To capacitate Provincial Treasury personnel with the necessary skills to be able to implement and monitor adherence to the MFMA.
Appointment of staff for the Inter-Governmental Fiscal Relations Directorate.	1 Senior Manager was appointed in March 2005 and 2 admin officers were seconded from the Provincial Revenue Management Directorate.	To fill all the vacancies in the directorate so that there can be dedicated resources for municipalities.
Establishment of a municipal CFO forum.	A CFO forum comprising of CFO's from all 32 municipalities has been established.	To establish a forum where financial matters - especially requirements and challenges on the implementation of the MFMA- can be discussed.
Conduct MFMA implementation workshops.	6 district workshops conducted during Jan and Feb 2005. 30 municipalities out of a total of 32 municipalities attended the workshop.	<p>To capacitate key municipal councilors and officials with the necessary knowledge and skills pertaining to the MFMA in order to ensure compliance and qualitative improvements in financial management and service delivery within their respective municipalities.</p> <p>To develop a better understanding of the MFMA and the roles and responsibilities of different role players.</p> <p>To engage with the contents of the Act and certain key requirements regarding budgeting, SDBIP and financial reporting.</p> <p>To develop a roll-out strategy for the respective municipalities.</p>
Facilitate development and implementation of MFMA implementation plans by municipalities	Assisted municipalities in completing implementation plans. 80% of municipalities have completed and submitted implementation plans to National Treasury.	Municipalities to develop MFMA plans against which progress on implementation can be measured.
Facilitate the recovery of outstanding debts due to municipalities by Provincial Departments.	Convened and facilitated meetings between Provincial Departments and municipalities. Progress made in terms of arrangements made for settlement of arrear debts. Provincial Departments are servicing their current debts.	To reduce debts due by Provincial Departments to municipalities in order to improve municipalities' financial positions and avoid costly and unnecessary legal battles between organs of state.

Annual Financial Statements For Limpopo

Department Of Finance & Economic Development

For The Year Ended 31 March 2005

Internal Audit Report (to be sent in a moment)		Annexure 1D	1D
Management report and approval		Annexure 1E	1E
Report of the Auditor General		Annexure 1F	1F
Statement of Accounting Policies and related matters		Annexure 1G	1G
Appropriation Statement	AS	Annexure 1H	1H
Notes to the Appropriation Statement	NAS	Annexure 1I	1I
Statement of Financial Performance	Per	Annexure 1J	1J
Statement of Financial Position	Pos	Annexure 1K	1K
Statement of Changes in Net Assets	NA	Annexure 1L	1L
Cash Flow Statement	CF	Annexure 2A	2A
Notes to the Annual Financial Statements	N	Annexure 2B	2B
Disclosure Notes to the Annual Financial Statements	D	Annexure 3	3
		Annexure 4	4
		Annexure 5	5
		Annexure 6	6
		Annexure 7	7
Annexures			
Annexure 1A	1A		
Annexure 1B	1B		
Annexure 1C	1C		



AUDITOR - GENERAL

Report of the Auditor-General to The Limpopo Provincial Legislature On The Financial Statements Of Vote 20 – Department Of Finance And Economic Development For The Year Ended 31 March 2005

1. AUDIT ASSIGNMENT

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

2. NATURE AND SCOPE

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

An audit includes:

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

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

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

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

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Limpopo Provincial Department of Finance and Economic Development 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).

4. EMPHASIS OF MATTER

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

4.1 Internal control – procedures

The accounting officer of an institution must manage and ensure that internal procedures and processes are in place to ensure proper control over, inter alia, revenue, expenditure and asset management. During the course of the audit a number of concerns arose which can be attributed to such procedures and processes either not being in place or not being properly approved and implemented.

Of particular concern is the control over assets and the asset registers which are a work in progress and not yet complete.



4.2 Internal control – interface reconciliation

Due to the non-performance of reconciliations between the financial accounting system (BAS) and the personnel expenditure system (PERSAL) differences amounting to R119,002 were identified for which explanations were not supplied by the department.

4.3 Interdepartmental debtors

Documentation could not be provided to substantiate inter-departmental debtors amounting to R262,176 which are included in the total amount reflected as receivable on the Statement of Financial Position and in note 11 to the financial statements

4.4 Internal control – follow-up of debtors

The control over and recovery of debts owed to the department by current and former employees is a source of concern with a number of cases being observed where debts had been outstanding for longer than two years with little or no movement.

4.5 Misstatement – Accruals/Contingent liabilities

It was observed that an amount of R1,5 million in respect of promotion dispute cases within the department was included as part of the total accruals in note 19 while this amount should have been included under contingent liabilities in note 17 to the financial statements.

4.6 Finest financial system

A follow up information systems audit of the general controls surrounding the Finest Financial System was completed in February 2005 and the findings reported to the accounting officer.

The root causes of the weaknesses in the finding below are the lack of key IT policies, standards and procedures as well as the ineffective functioning of implemented controls.

The most significant weaknesses identified were the following:

- Physical access to the computer room was inadequate due to the lack of an adequate access control system.
- Access to the system and programs were inadequate and operating system activity and violation logs were not reviewed on a regular basis. The system allowed one-character password to be used. No documented

IT security policy also existed as prescribed in chapter 3 of the minimum information security standards. Without a sound and formally approved security policy users did not have any rules and procedures to follow in order to minimise the risk of errors, fraud and the loss of data confidentiality, integrity and availability.

- The program change control process was not properly documented, and the changes made to the system not managed in such a manner that it could be ensured that only authorised and appropriately tested program changes were made.
- No backups were kept off-site and the backups made were kept in the computer room. Formal backup procedures also did not exist.
- A documented and tested disaster recovery plan did not exist.

The above-mentioned weaknesses indicate that management has not implemented the required level of controls over key IT processes and are subjected to significant control risks.

4.7 Environmental issues

During 2004 and 2005 environmental audits were conducted at four auditees in the Limpopo province. Problems were encountered with regard to the following three auditees while solid waste removal at Greater Tzaneen Municipality was found to be done in accordance with applicable legislation:

- follow-up of medical waste at the Limpopo Department of Health and Social Welfare,
- Polokwane solid waste, and
- Bushbuckridge solid waste.

The specific concerns emanating from these investigations have been reported in detail at the entities concerned.

5. APPRECIATION

The assistance rendered by management and the staff of the Limpopo Provincial Department of Finance and Economic Development during the audit is sincerely appreciated.

A.N Dzuguda

for Auditor-General Polokwane

Report Of The Audit Committee

On Department Of Finance And Economic Development

Report of the Audit Committee required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999

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

Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and meets 4 times per annum as per its approved terms of reference. During the current year 4 meetings were held.


Name of Member	Number of meeting attended
RS Moku	4
AN Tshikovhi	3
AH Masikhwa	1
DM Poopedi	4

Audit Committee Responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matters of emphasis of the Auditor-General (2004/5).



Accordingly, we can report that the systems of internal control was not effective for the year under review as compliance with prescribed policies and procedures were lacking in certain instances. During the year under review internal and external auditors that resulted from a breakdown in the functioning of controls reported several instances of non-compliance. Significant control weaknesses have been reported by the Auditor General (external auditors) under emphasis of matters.

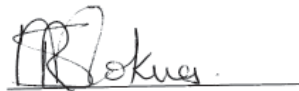
In certain instances, the weaknesses reported previously have not been fully and satisfactorily addressed.

Evaluation of Annual Financial Statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be included in the annual report of the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and management's response thereto; and
- Reviewed significant adjustments resulting from the audit.

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



R.S. Mokue

Chairperson of the Audit Committee

Progress Report in Response to the Findings of the Auditor General's Report for the 2003/2004 Financial Year as Contained in the Annual Report

General review of the state of financial affairs

The Department of Finance and Economic Development has been performing the following functions from 1999 to November 2004.

- Provincial Treasury;
- Economic Development; and
- Environment and Tourism

A reconfiguration has been made that the two departments namely, Provincial Treasury and Economic Development, Environment and Tourism function separately from 01 December 2004. This resulted in Treasury being a stand alone Department in line with the recommendations of the PCC.

The challenge which accompanied this decision was the division of the budget between the two departments as the announcement was made after the tabling of the Adjustments Estimates. After extensive deliberations it was deemed convenient for the two departments to use one budget until 31 March 2005.

It is because of the reason mentioned above that the Annual Financial Statements are still presented under Vote 20.

Services rendered by the department

The services rendered by the department have been divided by programmes as reported in the financial statements in order to enable management to measure its performance. The department has also established the Public

Entities some which are fully and others partly funded through the transfer payments. The corporate performance of the department is assessed quarterly at the Joint Executive Committee meeting with the Public Entities. Amounts transferred to Public Entities are listed in Annexure 1C.

Tariff policy

The policy on tariffs is that they need to be revised once every year. This does not have to be increased or decreased, but to be in line with the market rates that would be able to attract tourists or achieve a specific objective of the department.

Free services

It is hoOer Advice Services

The Consumer Advice Service has made is making his mark on the following aspects:-

- Raising consumer awareness
- Advising consumers about unfair business practices
- Intervening and negotiating on behalf of aggrieved consumers
- Environmental Education

Whilst embarking on the Economic Strategy, the department is in the same





breath awakening the public not to destroy its natural heritage. The following projects have been launched in order to fulfil this objective:-

- The waste Management Plans for Vhembe and Mopani districts
- The Hazardous Waste Management Plan Limpopo Province
- The rehabilitation and reforestation Plan Limpopo Province

Inventories

Due to the cash basis of accounting, we do not have a policy on the valuation of inventory, like the Last In First Out; First In First Out or Weighted Average. All consumables that are acquired during the year are expensed in the same year.

Capacity constraints

The department's capacity has been overstretched for the past four months starting 01 December 2004 as preparations for the new two departments namely, Provincial Treasury and Economic Development, Environment and Tourism were made. Service delivery to the public has however not been acutely compromised.

Utilisation of donor funds

An amount of R100 000 was received from ABSA as sponsorship for the Budget Day celebrations.

A donor service to the value of R2 997 510 was received from British International Development for the payment of consultants appointed in the Asset Restructuring Unit in the Province.

Trading entities and public entities

The brief summary of the activities in the trading and public entities will be done in the Programme performance of the respective programmes which fund these entities.

Organisations to who transfer payments have been made

Refer to Annexure 1C of the Annual Financial Statements. Please note that as a requirement by National Treasury, and the template provided, we are also disclosing here the information in transfers to Municipalities for Regional Services Council Levies.

Public private partnerships (PPP)

The department did not enter into any PPPs during the year under review.

Corporate governance arrangements

The risk management policy, policy on fraud and corruption control and policy on whistle blowing have been drafted. These will be finalized to include the assessment of specific risks in various programmes and also the risk management and fraud prevention plan. The decision was made by the Executive Council to have a centralized internal audit function and this is housed in the office of the Premier.

The department has implemented a system to manage the conflict of interests of employees by ensuring that if these employees are involved in the evaluations or adjudication of tenders, they declare their interest in those tenders or any relationships that might affect their decision making. Also tenders are requested to disclose in the tender documents if they have any relatives in the department, or individuals who work for the department and own shares in the company. There are also two codes of conduct. One affects all employees in general and is issued by the Public Service Commission and the other one is for individuals involved with tendering procedures.

Corporate Governance arrangements

2004/05 marks an end to the operation of the Department of Finance and Economic Development in the form it currently has. With effect from the 1 December 2004, an announcements by the Honourable Premier, Mr. Sello Moloto was made which resulted in the Department being divided into the

Department of Finance (Provincial Treasury) and the Department of Economic Development, Environment and Tourism. However, due to the impracticality of separating the budgets with effect from December, a decision was made to continue to have a combined budget until the end of the financial year.

With effect from the 1 April 2005, the two departments will be operating independently of each other as two separate votes. This change will improve the service delivery of the two departments due to a more focused approach on either Treasury or Economic issues by the two respective departments. Except for the increase in administrative need by two departments as compared to one department, there has not been any major financial implication.

New/proposed activities

There are not new or proposed activities, other than increasing the focus that will result in the improved delivery on political mandates and priorities of government.

Events after the reporting date

We are not aware of any events after the 31 March 2005 that have a material effect on the financial statements.

Performance information

This will form part of the Annual report under the heading "Programme Performance".



Scopa Resolutions

PROGRESS REPORT IN RESPONSE TO THE FINDINGS OF THE AUDITOR GENERAL'S REPORT FOR THE 2003/2004 FINANCIAL YEAR AS CONTAINED IN THE ANNUAL REPORT

Matters of Emphasis	Strategy	Timeframe
5.1(a) Leave Register	- Issue Directive to all Directorates to keep Leave Registers.	- Done
	- Monitor the implementation of Leave Registers in all Directorates.	- On going
	- A bulk optimizer filing system has been installed.	
5.1(b) Availability of personnel files	- All personnel files have been collected from the five office buildings in town for storage and safekeeping in the optimizer.	- Done
	- A manual record management system is been developed and this has improved record keeping in the department.	- Done
	- The office of the Premier has taken the responsibility of introducing common electronic record management in the Province	- Done
5.1(c) Files in respect of Motor Finance Scheme	- The department is in the process of updating all the files of subsidized vehicles.	- 30 November 2005
5.1(d) Payroll Certificates	- Payroll certificates are now being followed up, and a policy is envisaged that will enable us to withhold payments for the following month against employees who have either not returned their certificates, or have not signed the certificate personally for no good reason.	- Ongoing
	- Process of reconfiguring the structure of the pay points	
5.1(e) Reconciliation of BAS and Persal	- Re-align functions to include time to work on this function. And also hire personnel to undertake this.	- October 2005

5.1(f) Private business interests	- inform all Directorates in connection with section 30 of the Public Service Act, 1994	- Done
	- Ensure that all personnel involved declare their business interest.	- Done
	- Incorporate the Directives into the Inductions and Orientation manual.	- Jan 2005
	- Hold interval workshops on policies relating to HR	- On going
5.2 Deposit Account	Closed	
5.3 Tribal levies and trust account	Financial Statements for 2003/04 finalised and submitted for audit	
5.4.1 Record keeping of equipment, furniture, and other capital assets.	A Fixed Asset Register in place.	
5.4.2 Disposal of unusable assets	Formation of Disposal Committee and development of the disposal strategy	End of September 2005
5.5 Stocks of old cheques	Destroyed.	
5.6 Roll over of funds	Compliance with relevant regulations and statutes is being enforced.	Ongoing
5.7 Virement improperly applied	Compliance with relevant regulations and statutes is being enforced.	Ongoing
5.8 Suspense accounts	Suspense accounts balances are being cleared and reported on monthly.	Ongoing
5.9 Purchases at inflated prices: Tender Feat 003/2003	The Province is in the process of developing benchmark prices that will serve as a guide towards overpricing of goods and services.	On a case by case basis as we acquire goods and services

APPROVAL

The Financial Statements set out on page to have been approved by the Accounting Officer.



MR. M.B. MPHAHLELE
HEAD OF DEPARTMENT



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 National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/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 National/Provincial Revenue Fund.

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

Sale of capital assets

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

Financial transactions in assets and liabilities

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

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

Local and foreign aid assistance

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

3. Expenditure

Compensation of employees

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

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

Short-term employee benefits

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

Long-term employee benefits and other post employment benefits

Termination benefits

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

Medical benefits

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

Post employment retirement benefits

The department provides retirement benefits for certain of its employees through a defined benefit plan for 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 to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.





Other employee benefits

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

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was 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 underspending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised expenditure, is defined as:

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

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

Irregular expenditure

Irregular expenditure, is defined as :

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

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

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

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as:

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

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

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

4. 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) is recognised as revenue in the Statement of Financial Performance.

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/ National 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.

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.

Limpopo Department of Finance & Economic Development
Appropriation Statement
for the year ended 31 March 2005

Appropriation per Programme	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration							
Current payment	86,621	86,621	85,784	837	99.0%	103,828	81,331
Transfers and subsidies	112	112	78	34	69.6%		
Expenditure for capital assets	63,203	63,203	58,749	4,454	93.0%	14,937	9,059
2. Provincial Accountant General							
Current payment	139,041	139,041	138,137	904	99.3%	323,794	327,814
Transfers and subsidies	52	52	44	8	84.6%		
Expenditure for capital assets	12,918	12,918	12,476	442	96.6%	3,647	1,142
3. Budgets and Expenditure							
Current payment	33,552	33,552	20,511	13,041	61.1%	38,450	20,676
Transfers and subsidies	50	50	40	10	80.0%		
Expenditure for capital assets	558	558	216	342	38.7%	345	59
4. SMME and Commerce							
Current payment	12,345	12,345	10,650	1,695	86.3%	18,669	14,889
Transfers and subsidies	159,122	159,122	59,623	(501)	100.3%	127,000	124,325
Expenditure for capital assets	150	150		150	0.0%	390	14
5. Industry and Economic Planning							
Current payment	40,814	40,814	32,021	8,793	78.5%	15,378	13,812
Transfers and subsidies	40,060	40,060	40,018	42	99.9%	35,000	35,000
Expenditure for capital assets	85	85	3	82	3.5%	285	40
6. Tourism, Parks and Gaming							
Current payment	55,154	55,154	62,931	(7,777)	114.1%	70,479	61,346
Transfers and subsidies	68,140	68,140	68,167	(27)	100.0%	63,000	62,723
Expenditure for capital assets	300	300		300	0.0%	540	404





7. Financial Management

Current payment	12,374	12,374	10,103	2,271	81.6%	16,784	15,957
Transfers and subsidies	37	37	26	11	70.3%		
Expenditure for capital assets	62	62		62	0.0%	195	85

8. Procurement Administration

Current payment	11,491	11,491	5,091	6,400	44.3%	11,829	10,569
Transfers and subsidies	14	14	17	(3)	121.4%		
Expenditure for capital assets	360	360		360	0.0%	460	119

9. Environment

Current payment	35,699	35,699	25,410	10,289	71.2%	45,600	44,451
Transfers and subsidies	100	100	51	49	51.0%		
Expenditure for capital assets	17,749	17,749	6,274	11,475	35.3%	2,410	1,782

10. District Offices

Current payment	61,204	61,204	82,234	(21,030)	134.4%		
Transfers and subsidies	240	240	204	36	85.0%		
Expenditure for capital assets					0.0%		
Subtotal	851,607	851,607	818,858	32,749	96.2%	893,020	825,597

Statutory Appropriation

Current payments	643	643	643		100.0%	607	607
Transfers and subsidies					0.0%		
Payment for capital assets					0.0%		

Total	852,250	852,250	819,501	32,749	96.2%	893,627	826,204
--------------	----------------	----------------	----------------	---------------	--------------	----------------	----------------

Reconciliation with statement of Financial Performance

Departmental receipts		28,634					
-----------------------	--	--------	--	--	--	--	--

Actual amounts per statement of
Financial Performance

880,884	819,501		893,627	826,204
---------	---------	--	---------	---------

Appropriation per Economic classification

Current payments	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Compensation to employees	207,203	207,203	232,634	(25,431)	112.3%	241,594	195,585
Goods and services	281,092	281,092	240,236	40,856	85.5%	403,217	395,260
Interest and rent on land					0.0%		
Financial transactions in assets and liabilities					0.0%		
Transfers & subsidies							
Provinces & municipalities	267,927	267,927	268,269	(342)	100.1%	225,000	222,048
Departmental agencies & accounts					0.0%		
Universities & technikons					0.0%		
Foreign governments & international organisations					0.0%		
Public corporations & private enterprises					0.0%		
Nonprofit institutions					0.0%		
Households					0.0%		
Gifts and donations					0.0%		
Payment on capital assets							
Buildings & other fixed structures	63,039	63,039	52,926	10,113	84.0%		
Machinery & equipment	32,346	32,346	23,728	8,618	73.4%	23,209	12,704
Biological or cultivated assets					0.0%		
Software & other intangible assets			1,065	(1,065)	100.0%		
Land & subsoil assets					0.0%		
Total	851,607	851,607	818,858	32,749	96.2%	893,020	825,597



Statutory Appropriation

Direct charge against Provincial Revenue Fund	2004/05				2003/04		
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
List all direct charges against the Revenue Fund					0.0%		
President and Deputy President salaries					0.0%		
Minister and deputy ministers salaries					0.0%		
Member of executive committee/ parliamentary officers	643	643	643		100.0%	607	607
Judges salaries					0.0%		
Sector education and training authorities SETA					0.0%		
National skills fund					0.0%		
Total	643	643	643		100.0%	607	607

Detail per programme 1 – Administration
For the year ended 31 March 2005

Programme per subprogramme	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
1.1 Statutory payments							
Current payment					0.0%		
Transfer and subsidies					0.0%		
Expenditure for capital assets					0.0%		
1.2 Corporate Services							
Current payment	84,270	84,270	84,376	(106)	100.1%	95,004	79,607
Transfer and subsidies	112	112	74	38	66.1%		
Expenditure for capital assets	63,203	63,203	58,749	4,454	93.0%	13,197	9,013
1.3 Transformation Services							
Current payment	2,351	2,351	1,408	943	59.9%	8,824	1,724
Transfer and subsidies			4	(4)	100.0%		
Expenditure for capital assets					0.0%	1,740	46
Total	149,936	149,936	144,611	5,325	96.4%	118,765	90,390

Economic classification	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	30,122	30,122	25,759	4,363	0.0%	52,301	34,503
Goods and services	56,499	56,499	60,025	(3,526)	0.0%	51,527	46,828
Transfers and subsidies							
Provinces & municipalities	112	112	78	34	100.1%		
Payment for capital assets							
Building & other fixed structures	48,000	48,000	47,880	120	59.9%		
Machinery & equipment	15,203	15,203	9,804	5,399	100.0%	14,937	9,059
Software & other intangible assets			1,065	(1,065)	(100.0)%		
Total	149,936	149,936	144,611	5,325	96.4%	118,765	90,390



Detail per programme 2 – Provincial Accountant General
For the year ended 31 March 2005

Programme per subprogramme	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
2.1 Provincial Revenue							
Current payment	4,588	4,588	4,884	(296)	106.5%	11,511	9,778
Transfer and subsidies			13	(13)	(100.0)%		
Expenditure for capital assets						65	6
2.2 Accounting Control							
Current payment	43,218	43,218	46,607	(3,389)	107.8%	42,489	37,864
Transfer and subsidies	37	37	28	9	75.7%		
Expenditure for capital assets	410	410		410	0.0%	40	
2.3 Macro Financial Management							
Current payment	91,235	91,235	86,646	4,589	95.0%	269,794	280,172
Transfer and subsidies	15	15	3	12	20.0%		
Expenditure for capital assets	12,508	12,508	12,476	32	99.7%	3,542	1,136
Total	152,011	152,011	150,657	1,354	99.1%	327,441	328,956

Economic classification	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	14,959	14,959	15,423	(464)	103.1%	41,303	17,735
Goods and services	124,082	124,082	122,714	1,368	98.9%	282,491	310,079
Transfers and subsidies							
Provinces & municipalities	52	52	44	8	84.6%		
Payment for capital assets							
Building & other fixed structures							
Machinery & equipment	12,918	12,918	12,476	442	96.6%	3,647	1,142
Software & other intangible assets							
Total	152,011	152,011	150,657	1,354	99.1%	327,441	328,956

Detail per programme 3 – Budgets and Expenditure
For the year ended 31 March 2005

		2004/05				2003/04	
Programme per subprogramme	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
3.1 Budget Policy and Planning							
Current payment	23,561	23,561	15,009	8,552	63.7%	15,158	5,273
Transfer and subsidies	50	50	31	19	62.0%		
Expenditure for capital assets	500	500	88	412	17.6%	165	28
3.2 Provincial Expenditure Control							
Current payment	9,991	9,991	3,825	6,166	38.3%	23,292	15,403
Transfer and subsidies			9	(9)	100.0%		
Expenditure for capital assets	58	58	128	(70)	220.7%	180	31
3.3 Procurement Administration							
Current payment			1,677	(1,677)	100.0%		
Transfer and subsidies							
Expenditure for capital assets							
Total	34,160	34,160	20,767	13,393	60.8%	38,795	20,735

		2004/total				2003/04	
Economic classification	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	14,425	14,425	16,195	(1,770)	112.3%	30,896	16,573
Goods and services	19,127	19,127	4,316	14,811	22.6%	7,554	4,103
Transfers and subsidies							
Provinces & municipalities	50	50	40	10	80.0%		
Payment for capital assets							
Building & other fixed structures							
Machinery & equipment	558	558	216	342	38.7%	345	59
Software & other intangible assets							
Total	34,160	34,160	20,767	13,393	60.8%	38,795	20,735

Detail per programme 4 – SMME and Commerce
For the year ended 31 March 2005

		2004/05				2003/04	
Programme per subprogramme	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
4.1 SMME							
Current payment	2,828	2,828	3,955	(1,127)	139.9%	5,789	6,090
Transfer and subsidies	159,107	159,107	159,610	(503)	100.3%	127,000	124,435
Expenditure for capital assets	24	24		24	0.0%	300	14
4.2 Commerce							
Current payment	9,517	9,517	6,695	2,822	70.3%	12,880	8,799
Transfer and subsidies	15	15	13	2	86.7%		
Expenditure for capital assets	126	126		126	0.0%	90	
Total	171,617	171,617	170,273	1,344	99,2%	146,059	139,228

		2004/05				2003/04	
Economic classification	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	7,295	7,295	7,436	(141)	101.9%	11,645	10,074
Goods and services	5,050	5,050	3,214	1,836	63.6%	7,024	4,815
Transfers and subsidies							
Provinces & municipalities	159,122	159,122	159,623	(501)	100.35	127,000	124,325
Payment for capital assets							
Building & other fixed structures							
Machinery & equipment	150	150		150	0.0%	390	14
Software & other intangible assets							
Total	171,617	171,617	170,273	1,344	99,2%	146,059	139,228

Detail per programme 5 – Industry and Economic Planning
for the year ended 31 March 2005

		2004/05				2003/04	
Programme per subprogramme	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
5.1 Industry							
Current payment	26,324	26,324	27,383	(1,059)	104,0%	8,266	7,290
Transfer and subsidies	40,030	40,030	40,009	21	99,9%	35,000	35,000
Expenditure for capital assets	85	85	3	82	3,5%	230	34
5.2 Economic Planning							
Current payment	14,490	14,490	4,638	9,852	32,0%	7,112	6,522
Transfer and subsidies	30	30	9	21	30,0%		
Expenditure for capital assets					0,0%	55	6
Total	80,959	80,959	72,042	8,917	89,0%	50,663	48,852

		2004/05				2003/04	
Economic classification	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	5,496	5,496	5,229	267	95,1%	7,237	6,666
Goods and services	35,318	35,318	26,792	8,526	75,9%	8,141	7,146
Transfers and subsidies							
Provinces & municipalities	40,060	40,060	40,017	43	99,9%	35,000	35,000
Payment for capital assets							
Building & other fixed structures							
Machinery & equipment	85	85	4	81	4,7%	285	40
Software & other intangible assets							
Total	80,959	80,959	72,042	8,917	89,0%	50,663	48,852

Detail per programme 6 – Tourism, Parks and Gaming
for the year ended 31 March 2005

Programme per subprogramme		2004/05				2003/04		
		Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
6.1	Tourism							
	Current payment	4,948	4,948	3,652	1,296	73,8%	20,684	21,044
	Transfer and subsidies	3,023	3,023	21,626	(18,603)	715,4%	10,000	10,000
	Expenditure for capital assets	104	104				410	234
6.2	Parks and Gaming							
	Current payment	50,206	50,206	59,279	(9,073)	118,1%	49,795	40,302
	Transfer and subsidies	65,117	65,117	46,541	18,576	71,5%	53,000	52,723
	Expenditure for capital assets	196	196		196	0,0%	130	170
Total		123,594	123,594	131,098	(7,504)	106,1%	134,019	124,473

Economic classification	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	48,147	48,147	57,165	(9,018)	118,7%	52,379	56,096
Goods and services	7,007	7,007	5,766	1,241	82,3%	18,100	5,250
Transfers and subsidies							
Provinces & municipalities	68,140	68,140	68,167	(27)	100,0%	63,000	62,723
Payment for capital assets							
Building & other fixed structures							
Machinery & equipment	300	300		300	0,0%	540	404
Software & other intangible assets							
Total	123,594	123,594	131,098	(7,504)	106,1%	134,019	124,473

Detail per programme 7 – Financial Management
for the year ended 31 March 2005

Programme per subprogramme	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
7.1 Budget Management							
Current payment	3,841	3,841	2,536	1,305	66,0%	8,324	8,064
Transfer and subsidies	10	10	7	3	70,0%		
Expenditure for capital assets						70	47
7.2 Expenditure Management							
Current payment	3,976	3,976	4,515	(539)	113,6%	2,152	1,850
Transfer and subsidies	12	12	12				
Expenditure for capital assets						55	19
7.3 Departmental Procurement							
Current payment	4,557	4,557	3,052	1,505	67,0%	6,308	6,043
Transfer and subsidies	15	15	7	8	46,7%		
Expenditure for capital assets	62	62		62	0,0%	70	19
Total	12,473	12,473	10,129	2,344	81,2%	16,979	16,042

Economic classification	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	10,479	10,479	8,982	1,497	85,7%	15,600	14,856
Goods and services	1,895	1,895	1,120	775	70,0%	1,184	1,101
Transfers and subsidies							
Provinces & municipalities	37	37	27	10	73,0%		
Payment for capital assets							
Building & other fixed structures							
Machinery & equipment	62	62		62	0,0%	195	85
Software & other intangible assets							
Total	12,473	12,473	10,129	2,344	81,2%	16,979	16,042

Detail per programme 8 – Procurement Administration
for the year ended 31 March 2005

Programme per subprogramme		2004/05				2003/04		
		Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
8.1	Coordination							
	Current payment					0,0%		
	Transfer and subsidies					0,0%		
	Expenditure for capital assets					0,0%		
8.2	Tender and Contract Administration							
	Current payment	11,491	11,491	5,091	6,400	44,3%	11,829	10,569
	Transfer and subsidies	14	14	17	(3)	121,4%		
	Expenditure for capital assets	360	360		360	0,0%	460	119
8.3	Tender Advice Centre							
	Current payment					0,0%		
	Transfer and subsidies					0,0%		
	Expenditure for capital assets					0,0%		
Total		11,865	11,865	5,108	6,757	43,1%	12,289	10,688

Economic classification	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	6,257	6,257	4,364	1,893	69,7%	8,231	8,194
Goods and services	5,234	5,234	727	4,507	13,9%	3,598	2,375
Transfers and subsidies							
Provinces & municipalities	14	14	17	(3)	121,4%		
Payment for capital assets							
Building & other fixed structures							
Machinery & equipment	360	360		360	0,0%	460	119
Software & other intangible assets							
Total	11,865	11,865	5,108	6,757	43,1%	12,289	10,688

Detail per programme 9 – Environment
for the year ended 31 March 2005

		2004/05				2003/04	
Programme per subprogramme	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
9.1 Scientific Services							
Current payment			3,558	(3,558)	100,0%	6,980	9,735
Transfer and subsidies			5	(5)	100,0%		
Expenditure for capital assets			2,717	(2,717)	100,0%	1,210	775
9.2 Resource Management							
Current payment			5,520	(5,520)	100,0%	26,628	11,334
Transfer and subsidies			6	(6)	100,0%		
Expenditure for capital assets			263	(263)	100,0%	1,200	607
9.3 Environment Management							
Current payment	35,699	35,699	16,332	19,367	45,7%	11,992	23,382
Transfer and subsidies	100	100	40	60	40,0%		
Expenditure for capital assets	17,749	17,749	3,294	14,455	18,6%		
Total	53,548	53,548	31,735	21,813	59,3%	48,010	46,233

		2004/05				2003/04	
Economic classification	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	19,279	19,279	19,464	(185)	101,0%	22,002	30,888
Goods and services	16,420	16,420	5,946	10,474	36,2%	23,598	13,563
Transfers and subsidies							
Provinces & municipalities	100	100	51	49	51%		
Payment for capital assets							
Building & other fixed structures	15,039	15,039	5,046	9,993	33,6%		
Machinery & equipment	2,710	2,710	1,228	1,482	45,3%	2,410	1,782
Software & other intangible assets							
Total	53,548	53,548	31,735	21,813	59,3%	48,010	46,233

Detail per programme 10 – Districts
for the year ended 31 March 2005

Programme per subprogramme	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
10.1 Mopani							
Current payment	15,451	15,451	19,421	(3,970)	125,7%		
Transfer and subsidies	40	40	49	(9)	122,5%		
Expenditure for capital assets							
10.2 Vhembe							
Current payment	14,183	14,183	20,798	(6,615)	146,6%		
Transfer and subsidies	50	50	52	(2)	104,0%		
Expenditure for capital assets							
10.3 Bohlabela							
Current payment	5,225	5,225	7,119	(1,894)	136,2%		
Transfer and subsidies	30	30	18	12	60,0%		
Expenditure for capital assets							
10.4 Capricorn							
Current payment	7,804	7,804	11,988	(4,184)	153,6%		
Transfer and subsidies	40	40	30	10	75,0%		
Expenditure for capital assets							
10.5 Sekhkhune							
Current payment	10,284	10,284	11,347	(1,063)	110,3%		
Transfer and subsidies	40	40	31	9	77,5%		
Expenditure for capital assets							
10.6 Waterberg							
Current payment	8,257	8,257	11,561	(3,304)	140,0%		
Transfer and subsidies	40	40	24	16	60,0%		
Expenditure for capital assets							
Total	61,444	61,444	82,438	(20,994)	134,2%		

Economic classification	2004/05					2003/04	
	Adjusted Appropriation R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current payments							
Compensation of employees	50,744	50,744	72,617	(21,873)	143,1%		
Goods and services	10,460	10,460	9,616	844	91,9%		
Transfers and subsidies							
Provinces & municipalities	240	240	205	35	85,4%		
Payment for capital assets							
Building & other fixed structures							
Machinery & equipment							
Total	61,444	61,444	82,438	(20,994)	134,2%		





Limpopo – Department of Finance & Economic Development

Notes to the Appropriation Statement
for the year ended 31 March 2005

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

Detail of these transactions can be viewed in note 11 (Transfers and subsidies) and Annexure 1 (AK) 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 8 (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	%	
Administration					
	87,264	85,784	842	99.0%	Capital Expenditure, of telecommunication system was not utilised as expected.
	112	78	34	69.6%	
	63,203	58,748	4,455	93.0%	furniture, cabling and installation telecommunication system not completed
Provincial Accountant General					
	139,041	138,137	904	99.3%	Less than 2%
	52	44	8	84.6%	
	12,918	12,476	442	96.6%	
Budgets and Expenditure					
	33,552	20,511	13,041	61.1%	Rollover funds earmarked for capital appraisal project and PARU projects
	50	40	10	80.0%	
	558	216	342	38.7%	
SMME and Commerce					
	12,345	10,650	1,695	86.3%	Less than 2%
	159,122	159,623	501	100.3%	
	150	0	150	0.0%	
Industry and Economic Planning					
	40,814	32,021	8,793	78.5%	Earmarked for Provincial Exhibition (Expenditure will take place in 2005/06)
	40,060	40,018	42	99.9%	
	85	3	82	3.5%	
Tourism, Parks and Gaming					
	55,154	62,931	7,777	114.1%	Underfunding on compensation of employees on the nature reserves
	68,140	68,167	27	100.0%	
	300	0	300	0.0%	
Financial Management					





	12,374	10,103	2,271	81.6%	Misallocation of salary costs of employees on the district to Financial Management
	37	26	11	70.3%	
Procurement Administration	62	0	62	0.0%	
	11,491	5,091	6,400	44.3%	Supply Chain Management not completed by end of the year after receiving rollover
	14	17	3	121.4%	
Environment	360	0	360	0.0%	
	356,999	25,410	10,289	71.2%	Rollovers not spent on the construction of office bldings and consultancy fees
	100	51	49	51.0%	
District Offices	17,749	6,275	11,474	35.4%	
	61,204	82,234	21,030	134.4%	Underfunding on personnel Expenditure for all districts and related costs
	240	204	36	85.0%	
	0	0	0	0.0%	

(In the case of surpluses on programmes, a detailed explanation must be given as to whether it is as a result of a saving or underspending.)

4.2 Per economic classification:

R'000

Current expenditure

Compensation of employees	233,276	The funds for employees working in the parks were erroneously provided for under Programme 9, thus the underexpenditure on Programme 9 and overexpenditure .This expenditure was not provided for in Programme 10.
---------------------------	---------	--

Goods and services	240,233	The rest of underexpenditure is due to commitments for goods & services which could not be delivered by 31 March05. Applications for rollovers for the abovementioned items have been lodged with the Provincial Treasury.
--------------------	---------	--

Interest and rent on land Financial transactions in assets and liabilities Unauthorised expenditure approved

Transfers and subsidies

Provinces and municipalities Departmental agencies and accounts
Universities and technikons Public corporations and private enterprises Foreign governments and international organisations
Nonprofit institutions Households

268,269

Payments for capital assets

Buildings and other fixed structures

52,926

The building which is to be occupied by the Environmental Programme could not be completed.

Machinery and equipment

23,729

Commitment on furniture which could not be delivered by 31 March 05

Heritage assets Biological assets Software and other intangible assets Land and sub soil assets

1,065



Limpopo Department of Finance & Economic Development
Statement of Financial Performance
for the year ended 31 March 2005

	Final Appropriation R'000	Actual Funds Received R'000	Variance over/(under) R'000	Total Appropriation 2003/04 R'000
Administration	149,936	149,936		11,765
Provincial Accountant General	152,011	152,011		327,441
Budgets and Expenditure	34,160	34,160		38,795
SMME and Commerce	171,617	171,617		146,059
Industry and Economic Planning	80,959	80,959		50,663
Tourism, Parks and Gaming	123,594	123,594		134,019
Financial Management	12,473	12,473		16,979
Procurement Administration	11,865	11,865		12,289
Environment	53,548	53,548		48,010
District Offices	61,444	61,444		
Total	851,607	851,607		893,020
Local and foreign aid assistance	4.			
Unauthorised expenditure approved	6.			
Total current expenditure		473,513		591,452
Transfers and subsidies	7.	268,269		222,048
Expenditure for capital assets				
Buildings and other fixed structures	8.	52,926		
Machinery and Equipment	8.	23,728		12,704
Biological or cultivated assets	8.			
Software and other intangible assets	8.	1,065		
Land and subsoil assets	8.			
Local and foreign aid assistance	4.			

Unauthorised expenditure approved	6.		
Total expenditure for capital assets		77,719	12,704
TOTAL EXPENDITURE		819,501	826,204
NET SUPPLUS/(DEFICIT)		61,383	67,423
Add back unauthorized expenditure	6.	28,498	1,515
Add back fruitless and wasteful expenditure	7.		
NET SUPPLUS/ (DEFICIT) FOR THE YEAR		89,881	68,938
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to Revenue Fund	12.	61,247	68,938
Departmental revenue to be surrendered to revenue fund	13.	28,634	
Local and foreign aid assistance	4.		
NET SURPLUS/(DEFICIT) FOR THE YEAR\		89,881	68,938



Limpopo – Department of Finance & Economic Development
Statement of Financial Position
as at 31 March 2005

REVENUE	Note	2004/05 R'000	2003/04 R'000
Annual appropriation	1.	851,607	893,020
Statutory appropriation	2.	643	607
Appropriation for unauthorized expenditure approved			
Departmental revenue	3.	28,634	
Local and foreign aid assistance	4.		
TOTAL REVENUE		880,884	893,627
EXPENDITURE			
Current Expenditure			
Compensation of employees	4.	233,277	196,192
Goods and services	5.	240,236	395,260
Interest and rent on land	6.		
Financial transactions in assets and liabilities	6.		
Local and foreign aid assistance	4.		
Unauthorised expenditure approved	6.		
Total current expenditure		473,513	591,452
Transfers and subsidies	7.	268,269	222,048

Expenditure for capital assets

Buildings and other fixed structures	8.	52,926	
Machinery and Equipment	8.	23,728	12,704
Biological or cultivated assets	8.		
Software and other intangible assets	8.	1,065	
Land and subsoil assets	8.		
Local and foreign aid assistance	4.		
Unauthorised expenditure approved	6.		
Total expenditure for capital assets		77,719	12,704
TOTAL EXPENDITURE		819,501	826,204
NET SUPLUS/(DEFICIT)		61,383	67,423
Add back unauthorized expenditure	6.	28,498	1,515
Add back fruitless and wasteful expenditure	7.		
NET SUPLUS/ (DEFICIT) FOR THE YEAR		89,881	68,938
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to Revenue Fund	12.	61,247	68,938
Departmental revenue to be surrendered to revenue fund	13.	28,634	
Local and foreign aid assistance	4.		
NET SURPLUS/(DEFICIT) FOR THE YEAR\		89,881	68,938



Limpopo – Department of Finance & Economic Development
Statement of Financial Position
as at 31 March 2005

ASSETS	Note	2004/05 R'000	2003/04 R'000
Current assets		305,307	291,087
Unauthorised expenditure	6.	233,591	205,093
Fruitless and wasteful expenditure	7.	-	-
Cash and cash equivalents	9.	64,906	80,413
Loans		-	-
Other financial assets	10.	-	-
Prepayments and advances	10.	4	7
Receivables	11.	6,806	5,574
Local and foreign aid assistance receivable	4.	-	-
Non-current assets		-	-
Investments	12.	-	-
Loans		-	-
Other financial assets	10.	-	-
TOTAL ASSETS		305,307	291,087
LIABILITIES			
Current liabilities		103,267	88,820
Voted funds to be surrendered to the Revenue Fund	12.	61,235	68,938
Departmental revenue to be surrendered to the Revenue Fund	13.	13,393	-3,021
Bank overdraft	14.	-	-
Payables	14.	28,639	22,903
Local and foreign aid assistance repayable	4.	-	-
Local and foreign aid assistances unutilised	4.	-	-
Non-current liabilities			
Payables	15.	200,160	200,160

TOTAL LIABILITIES	303,427	288,980
-------------------	---------	---------

NET ASSETS	1,880	2,107
------------	-------	-------

Represented by:

Capitalisation reserve	-	-
------------------------	---	---

Recoverable revenue	1,880	2,107
---------------------	-------	-------

TOTAL	1,880	2,107
-------	-------	-------



Limpopo Department of Finance & Economic Development
Statement of Changes in Net Assets
for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
Capitalisation reserve			
Opening balance			
Transfers			
Closing balance			
Recoverable revenue			
Opening balance		2,107	1,196
Debts written off	6.6		
Debts recovered (included in the departmental receipts)		227	3,021
Debts raised			288
Prior year adjustment			2,398
Closing balance		1,880	2,107
TOTAL		1,880	2,107

Limpopo Department of Finance & Economic Development
Cash Flow Statement
for the year ended 31 March 2005

Cash Flow Statement for the year ended 31 March 2005	Note	2004/05 R'000
Cash Flows From Operating Activities		
Receipts		973,741
Annual appropriated funds received		851,607
Statutory appropriated funds received		643
Appropriation for unauthorized expenditure received	6	
Departmental revenue received		122,720
Local (increase)/decrease in working capital	4	
Net (increase)/decrease in working capital		1,229
Surrendered to Revenue Fund		(180,292)
Current payments		(66,754)
Transfers and subsidies paid		(268,269)
Net cash flow available from operating activities	16	58,426
Cash Flows From Investing Activities		
Payments for capital assets		(77,719)
Proceeds from sale of capital assets	3	2,013
Proceeds from sale of investments	16	2,000
Proceeds from sale of other financial assets		
(Increase)/ decrease in loans granted		
Net cash flows from investing activities		(73,706)
Cash Flows From Financing Activities		
Distribution/divided to government		
Increase/(decrease) in loans received		(227)
Net cash flows from financing activities		(227)
Net increase/(decrease) in cash and cash equivalents		(15,507)
Cash and cash equivalents at beginning of period		80,413
Cash and cash equivalents at end of period		64,906

1. Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Variance over/ (under)	Total Appropriation 2003/04
	R'000	R'000	R'000	R'000
Administration	149,936	149,936		11,765
Provincial Accountant General	152,011	152,011		327,441
Budgets and Expenditure	34,160	34,160		38,795
SMME and Commerce	171,617	171,617		146,059
Industry and Economic Planning	80,959	80,959		50,663
Tourism, Parks and Gaming	123,594	123,594		134,019
Financial Management	12,473	12,473		16,979
Procurement Administration	11,865	11,865		12,289
Environment	53,548	53,548		48,010
District Offices	61,444	61,444		
Total	851,607	851,607		893,020

2. Statutory Appropriation

	2004/05 R'000	2003/04 R'000
Member of Executive Council	643	607
	643	607

Appropriation for remunerations and other payments from the revenue fund to the Executive Member of the Legislature not under the control of the Department

3. Departmental revenue to be surrendered to revenue fund Description

Description	Note	2004/05	2003/04
		R'000	R'000
Tax revenue		14,262	14,325
Sales of goods and services other than capital assets		4,903	5,315
Fines, penalties and forfeits		7,837	10,805
Interest, dividends and rent on land		89,167	88,475
Sales of capital assets		2,013	105,497
Recovered revenue received			290
Financial transactions assets and liabilities	3.1	6,451	965
Transfers received consist of:		100	70
Gifts, donations and sponsorships received	ANNEXURE 1J	100	70
Other transfers			
Total revenue collected		124,733	225,742
Less: Departmental revenue budgets		96,099	225,742
Departmental revenue collected		28,634	

3.1 Financial transactions in assets and liabilities

Nature of loss recovered

Cheques written back	97	965
Material losses recovered		
Other	6,354	
	6,451	965

4. Foreign aid assistance received in kind

Department of Foreign Affairs International Development for Asset Restructuring in the Province. R2, 997,510 used for 2004/05. Balance is R3, 496,570. No money was received

2,997,510

Total foreign aid assistance received in kind

2,997,510

R5, 994,120 donated by Dept of Foreign Affairs International Development for Asset restructuring. Only claims are submitted. No funds have been received.

Compensation of employees

4.1 Salaries and wages

Note	2004/05	2003/04
	R'000	R'000
Basic salary	161,397	132,784
Performance award	6,980	5,723
Service Based	1,732	11,705
Periodic payments	1	4,037
Other nonpensionable allowances	26,128	12,581
	202,256	168,238

4.2 Social contributions – short term employment benefits

Pension	23,740	19,281
Medical	7,217	7,261
UIF		1
Bargain council	63	30
Official unions and associations		16
Insurance	1	1,365
	31,021	27,954
Total compensation of employees	233,277	196,192
Average number of employees	2,161	2,474

R25,431m of the R28,498m is registered as irregular expenditure which resulted in the excess expenditure for compensation of employees in the 2004/05 financial year

5. Goods and services

	2004/05 R'000	2003/04 R'000
Advertising	2,767	1,083
Attendance fees (including registration Fees)	2,699	47
Bank charges and card fees	5,896	3,900
Bursaries (employees)	2,946	749
Communication	8,502	13,164
Computer services	80,342	93,054
Consultants contractors and special services	32,820	18,609
Courier and delivery services	2	
Entertainment	1,126	5,107
External audit fees	27,304	24,452
Equipment less than R5 000	17,133	
Honoraria (Voluntary workers)	598	
Inventory	10,784	9,260
Land reform/restitution		
Learnerships		402
Legal fees		70
License agency fees	6	2,656
Housing		10,463
Maintenance, repair and running costs	1,845	14,982
Medical services		2
Operating leases	8,610	1,238
Personnel agency fees	800	553
Photographic services	9	
Plant flowers and other decorations	4	
Printing and publications	1,003	
Professional bodies and membership fees	70	
Resettlement costs	983	365
Subscriptions	14	
Taking over of contractual obligations		1,690
Travel and subsistence	30,285	5,522
Venues	1,094	
Protective, special clothing & uniforms	2,483	
Training & staff development	88	4,234
Water research/testing	23	2,558
Witness and related fees		11
Previous years unallocated items		181,089
	240,236	395,260

5.1 External audit fees

	Note	2004/05 R'000	2003/04 R'000
Regulatory audit			
Performance audit		27,304	24,452
Other audits			
Total external audit fees		27,304	24,452

5.2 Inventory

Other inventory		1,419
Domestic Consumables	344	
Learning and teaching support material		111
Food and Food supplies	70	
Fuel, oil and gas	4,846	70
Laboratory consumables	27	
Other consumables	12	1,174
Parts and other maintenance material	1,517	408
Stationery and Printing	3,968	6,074
Medical Supplies		4
Total Inventory	10,784	9,260

5.3 Travel and subsistence

Local	29,626	4,842
Foreign	659	680
Total travel and subsistence	30,285	5,522

6. Unauthorised expenditure

6.1 Reconciliation of unauthorized expenditure

Opening balance	205,093	203,578
Unauthorised expenditure – currently	28,498	1,515
Unauthorised expenditure awaiting authorisation	233,591	205,093

6.2 Unauthorised expenditure

Incident	Total
Resulted from activities during the period 1995/6 to 1998/9 financial year	203,578
Overexpenditure for programme 2 (2003/04)	1,515
	205,093

7. Transfer and subsidies

		2004/05	2003/04
	Note	R'000	R'000
Provincial and municipalities	ANNEXURE 1B & 1C	268,269	222,048
		268,269	222,048

8. Expenditure for capital assets

Building and other fixed structures	ANNEXURE 4	52,926	
Machinery and equipment	ANNEXURE 4	23,728	12,704
Software and other intangible assets	ANNEXURE 5	1,065	
Total		77,719	12,704

9. Cash and cash equivalents

Consolidated Paymaster General Account	64,820	102,535
Fund requisition account		
Cash receipts	86	
Disbursements		22,173
Cash with commercial banks		
Cash in transit		
	64,906	80,413

10. Prepayments and advances

Description		
Staff advances		5
Travel and subsistence	1	2
Claims recoverable	5	
	4	7

11. Receivables

	Note	Less than one year	One to three years	Older than three years	2004/05 Total	2003/04 Total
Amounts owing by						
other entities	Annexure 6					1,219
Staff debtors	11.1	916	1,605	873	3,394	435
Clearing accounts	11.2			3,316	3,316	
Other debtors	11.3			96	96	3,920
		916	1,605	4,285	6,806	5,574

Amounts of R5,113 included above may not be recoverable, but has not been written off in the Statement of financial performance

11.1. Staff debtors

Note	2004/05 R'000	2003/04 R'000
(Group major categories, but list material items)		
Debt Accounts	3,394	435
	3,394	435

11.2. Clearing accounts

Miscellaneous Accounts	3,316
	3,316

11.3. Other debtors

Nature of advances		
(Group major categories, but list material items)		
Overpayment to Revenue Account		3,021
Motor Financial Scheme 1997/1998		821
Receipt Deposit Control	86	(33)
Dishonoured Cheques	10	56
Persal payments to be recovered from third parties		55
	96	3,920

12. Voted Funds to be surrendered to the Revenue Fund

Opening balance	68,938	19,232
Transfer from Statement of Financial Performance	61,247	68,938
Voted funds not requested/not received		
Paid during the year	(68,950)	(19,232)
	61,235	68,938

13. Departmental revenue to be surrendered to revenue fund

Opening balance	(3,021)	15,628
Transfer from Statement of Financial Performance	124,735	225,742
Transfer from local and foreign aid assistance **	3,021	
Paid during the year	(111,342)	(244,391)
Closing balance	13,393	(3,021)

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

14. Payable – current

Description	Note	30 Days	30+ Days	2004/05 Total	2003/04 Total
Advance received	14.1				2,909
Clearing accounts	14.2				
Other payables	14.3		28,639	28,639	19,994
			28,639	28,639	22,903

14.1. Advance received

Identify major categories but list material items

Claims to other Instances (Miscellaneous) 2003/04 AFS	2,909
	2,909

14.2. Other payables

Description		
Outstanding Payments	28,639	19,994
Unpaid Revenue	13,393	
	42,032	19,994

15 Payables – Non – current

Description		One to two years	Two to three years	More than three years	2004/05 Total	2003/04 Total
Other payables	15.2			200,160	200,160	200,160
				200,160	200,160	200,160

15.2 Other payables

Description		
Exchequer Grants – FCS	200,160	200,160
	200,160	200,160

16 Reconciliation of net cash flow from operating activities

	2004/05 R'000
Net surplus/ (deficit) as per Statement of Financial Performance	89,881
Non-cash movements	
(Increase)/decrease in receivables current	(1,232)
(Increase) decrease in prepayments and advances	3
(Increase) decrease in other current assets	(28,498)
Increase) decrease in other current assets	
Increase / (decrease) in payable current	5,736
Increase/ (decrease) in current liabilities	
Increase/ (decrease) in noncurrent liabilities	
Proceeds from sale of equipment	
Surrenders	(180,292)
Proceeds from sale of land and buildings	
Proceeds on sale of investments	2,000
Capital expenditure	77,719
Voted funds not requested/not received	
Proceeds on sale of financial assets	
Other non cash items	
Departmental revenue budgeted	96,099
Net cash flow general by operating activities	61,416



17 Appropriated funds and departmental revenue surrendered

	2004/05 R'000	2003/04 R'000
Appropriated funds surrendered	68,950	19,232
Departmental revenue surrendered	(3,021)	15,628
	=	
	65,929	34,860

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2005

These amounts are not recognized in the financial statements and are disclosed to enhance the usefulness of the financial statements.

18. Contingent liabilities

		Note	2004/05 R'000	2003/04 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	ANNEXURE 3		
Housing loan guarantees	Employees	ANNEXURE 3	2,552	2,536
Other guarantees		ANNEXURE 3		
Claim				
Other departments (unconfirmed balances)		ANNEXURE 7	394	394
Capped Leave Commitments			63,649	
Other				
			66,595	2,930

19. Commitments

Current expenditure		
Approved and contracted	6,497	8,194
Approved but not yet contracted		
	6,497	8,194
Capital expenditure		
Approved and contracted	18,208	1,339
Approved but not yet contracted		
	18,208	1,339
	24,705	9,533

20. Accruals

By economic classification	30 Days	30+ Days	2004/05 Total	2003/04 Total
Compensation of employees		15,478	15,478	2,000
Goods and services		231	231	
			15,709	2,000

Listed by programme level

Programme 1	15,700	2,000
Programme 2	3	
Programme 4	6	
	15,709	2,000

21. Employee benefits

	2004/05 R'000	2003/04 R'000
Leave entitlement	10,101	57,255
Thirteenth cheque		1,440
Performance awards	2,000	2,035
	12,101	60,730

22. Leases

	Buildings & other fixed structures	Machinery and equipment	2004/05 Total	2003/04 Total
Not later than 1 year	155		155	
Later than 1 year and not later than 3 years	20	2,506	2,526	2,651
Later	7,437	898	8,335	11,158
	7,612	3,404	11,016	13,809





23. Senior management personnel

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

	2004/05 R'000	2003/04 R'000
Member of Executive Council	643	607
Deputy Director Generals	1,062	9,444
	1,705	10,051

Department of Finance and Economic Development

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
	DORA	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transf'd	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	DORA
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Gateway International Airport	10,000			10,000	10,000	100.0%			0.0%	10,000
LIMDEV	121,000			121,000	121,000	100.0%			0.0%	86,225
SMME for Africa Ivory Route						0.0%			0.0%	3,000
EST20032004						0.0%			0.0%	30,000
Manufacturing Advice Centre						0.0%			0.0%	1,600
Contractual AmountSMME,NPSA						0.0%			0.0%	5,000
Contractual AmountESM						0.0%			0.0%	1,500
LP: Investment Initiative	30,000			30,000	30,000	100.0%			0.0%	35,000
LP: Casino & Gaming B	13,000			13,000	13,000	100.0%			0.0%	12,723
LP: Tourism & Parks Board	52,000			52,000	52,000	100.0%			0.0%	37,000
LP: Local Business Centre	41,100			41,100	41,606	101.2%			0.0%	
Waterberg Dist Municipality	35			3	35	100.0%	35		3500.0%	
Capricorn District Municipality	454			454	454	100.0%	454		45400.0%	
Vhembe District Municipality	65			65	6	100.0%	65		6500.0%	
Sekhukhune Dist Municipality	36			36	36	100.0%	36		3600.0%	
Mopani District Municipality	73			73	73	100.0%	73		7300.0%	
	267,763			267,763	268,269		663			222,048

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 cash			
ABSA Bank	MEC budget Speech Gala Dinner	100	50
Standard Corporate & Merchant Bank	MEC Gala Dinner		20
Subtotal		100	70
Received in kind			
Received Services from British International Development		2,998	
Subtotal		2,998	
Total		2,998	70

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2004

Name Of Organisation	Nature Of Gift, Donation Or Sponsorship	2004/05 R'000	2003/04 R'000
Received in cash			
ABSA Bank	MEC budget Speech Gala Function	100	50
Standard Corporate & Merchant Bank	MEC Gala Dinner		20
Subtotal		100	70
Total		100	70

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

NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000
Paid in cash	
ABSA Bank for MEC Speech Gala Dinner	100
Subtotal	100
Made in kind	
Subtotal	
Remissions, refunds, and payments made as an act of grace	
Subtotal	
Total	100



ANNEXURE 3

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 LOCAL

Guarantor institution	Guarantee in respect of Housing	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
Nedbank	Housing	78	263	25			288	13
FNB	Housing	134	184	92	21		255	
ABSA	Housing	1,725	1,211	42	133		1,120	
VBS	Housing	148	122				122	
NPDC	Housing	214	209	48			257	
Standard Bank	Housing	237	179				179	
Old Mutual	Housing	482	245		63		182	
Peoples Bank	Housing	142	102				102	
Company Unique Finance	Housing	21	21		7		14	
Mpumalanga	Housing			33			33	
Total		3,181	2,536	240	224		2,552	13

ANNEXURE 4

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES		52,926				52,926
Nonresidential buildings		52,926				52,926
MACHINERY AND EQUIPMENT	12,704	23,728				36,432
Computer equipment	5,586	15,435				21,021
Furniture and office equipment	640	3,828				4,468
Other machinery and equipment	6,258	845				7,103
Transport assets	220	3,620				3,840
	12,704	76,654				89,358





ANNEXURE 4 (continued)

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES						
Nonresidential buildings						
MACHINERY AND EQUIPMENT		12,704				12,704
Computer equipment		5,586				5,586
Furniture and office equipment		640				640
Other machinery and equipment		6,258				6,258
Transport assets		220				220
		12,704				12,704

ANNEXURE 5

SOFTWARE AND OTHER INTANGIBLE ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software		1,065				1,065
		1,065				1,065



ANNEXURE 6

INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
Premier's Office			17	313
Local Government and Housing				100
Provincial Legislature			5	516
Department of Agriculture			221	172
Department of Health Bloemfontein			11	11
Department of Land Affairs			33	33
Department of Transport			19	19
Department of Works			4	4
Department of Water Affairs			20	
Department of Health Limpopo			34	
Department of Trade & Industry			18	
National Department of labour			11	
			393	1,168
Other Government Entities				
Central District Municipality			51	51
			51	51
TOTAL			444	1,219

ANNEXURE 7

INTER-DEPARTMENTAL PAYABLES – CURRENT

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
Amounts not included in Statement of financial position				
Current				
Department of Agriculture			394	394
Total			394	394



