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FOREWORD BY THE SPEAKER

During the 2004/2005 financial year, we at the Mpumalanga Provincial Legislature set ourselves a formidable agenda premised on our constitutional mandate and policy priorities of our government.



Hon Speaker Y.N. Phosa

We were motivated by our profound commitment not only to build a democratic, responsible and responsive Legislature but also to ensure the realization of the aspirations articulated in our vision. We were also guided in our efforts by the noble values of accountability and transparency, which we consider as necessary attributes of good governance.

We have made significant progress in terms of the goals and objectives that we prioritised. Simultaneously, we also learnt valuable lessons emanating from the challenges that we had to contend with during the year under review. We have long realised that the Legislature does not exist in a vacuum. It is an essential link in the chain of accountability between the people and the government. It was therefore of political significance that we continue to contribute in the transformation of our society and consequently make a meaningful impact in the improvement of the lives of our people.

During the year under review, resources and energies were deliberately channelled towards effective oversight, enhanced public participation and involvement in the legislative processes and other activities of the Legislature and its Committees. We have made good progress in this regard through the House and our Committees. However, we do acknowledge that there is room for improvement. In the next financial year, we will therefore have to further consolidate these areas of our constitutional mandate.

Over the years, the Legislature has passed numerous pieces of legislation at its disposal. One of the observations we have made in the process, is that there is a need for us to determine the extent to which the passed legislation has made a difference in the lives of the people of our province. We believe that this new engagement will bring about discernible advantages to the Legislature and ultimately to our people.

In the last financial year, we worked and collaborated on a number of projects with provincial Departments, municipalities, civil society and the Parliament. "The People's Assembly" and, "Taking the Legislature to the People" are some of projects that were successfully completed with our partners. We believe that our efforts in this regard contributed to the promotion of the principles and practice of co-operative governance and good inter-governmental relations.

Further achievements are articulated in this report and we believe that they have collectively brought us closer to the realisation of our vision. We want to continue building on the progress we have made in the last financial year. We also want to inculcate a strong culture of monitoring and evaluation to ensure that we are able to assess the impact of our projects and programmes.

In conclusion, I would like to acknowledge the invaluable contribution of Members of the Legislature, the Secretary to the Legislature, his management team and staff in general.

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SPEAKER: MPUMALANGA PROVINCIAL LEGISLATURE

OVERVIEW BY THE SECRETARY TO THE LEGISLATURE

The financial year under review coincided with the third term of the Legislature. A new Speaker, Deputy Speaker, Chair of Chairs, Deputy Chair of Chairs, Chairpersons of Committees, Chief Whips and Whips were elected. The term started with the reconstitution of the Legislature. It also started with the restructuring of the Legislature's Committees, and Members attended to their parliamentary duties and mandate with renewed vigour.

When the Legislature resumed its programme after elections, both new and returning Members attended an orientation programme which ensured that experiences and information was shared. The returning Members played a pivotal role in assisting new Members to get settled. New Members were also advised to share their experiences and views of the induction sessions with the purpose of identifying areas of improvement.

During the period under review the Legislature organized many important events, such as the swearing in of Members of the Legislature, the State of the Province Address by the Premier, the conference of the Association of Public Accounts Committees, Taking Parliament and the Legislature to the People and the Peoples Assembly. The successful organization of these events exceeded our expectations. The events could not have been successful without the selfless dedication and commitment of staff members.

When the third term started, the Portfolio Committees had to deal with the Departmental Annual Reports for the financial year 2003-2004 which was as a result of the Legislature's programme that was suspended in order to allow political parties to focus on the election. The Select Committee on Public Accounts had do deal with a backlog of reports dating back from 2001. With the commitment and dedication displayed by the Members of the Provincial Legislature, all outstanding reports were considered and finalized.

The Legislature intends to implement the following projects in the next financial year:

- The revamping of the Chamber through the installation of touch screens, digital recording, and broadcasting systems.
- The acquisition of a truck and the installation of equipment for public participation and education.
- The establishment of a Parliamentary Village.
- The establishment of the Members' Lounge.
- Contracting a service provider to supply ICT equipment.

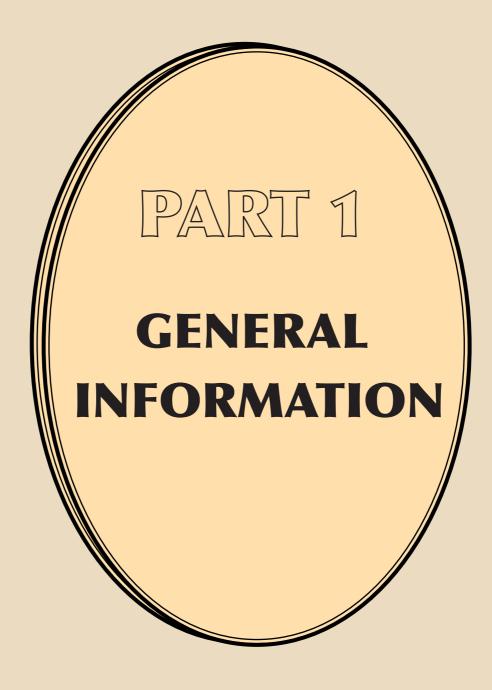
Staff members were recruited and appointed in the vacant, and funded positions. A bulk of the newly appointed staff will assume duties in May 2005, while others will do so in June and July 2005. With the filling of the vacant positions, there is no doubt that the Legislature's record of service delivery will be taken to greater heights.

My sincere appreciation goes to the Speakership for guidance and leadership, the management, Members of the Legislature and staff for their individual and collective contributions and support in shaping and ensuring service delivery by the Legislature.

In conclusion, I hereby submit the annual report and the annual financial statements of the Mpumalanga Provincial Legislature (Vote 2) for the financial year 2004-2005, in terms Section 40(1)(d) of the Public Finance Management Act (PFMA), Act No 1 of 1999 (as amended by Act 29 of 1999).

Mr LJ Mwale

Secretary to the Legislature



PART 1: GENERAL INFORMATION

1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

I hereby submit the 2004/2005 Annual Report of the Mpumalanga Provincial Legislature in terms of the Public Finance Management Act (PFMA), Act 29 of 1999 (as amended by Act 29 of 1999), to the Speaker Hon YN Phosa.

Mr. LJ Mwale.

Secretary to the Legislature

1.2 INTRODUCTION BY THE SECRETARY TO THE LEGISLATURE

The following are some of the highlights and key publications produced for the period under review:

Amendments of the Rules and Orders

The Rules and Orders regulate the functioning of Committees and the House. Because they may not cover all eventualities, they should be updated from time to time. In light of the above, the Rules Committee identified the need to amend the Rules and Orders. The proposed amendments were tabled to the House for consideration and subsequent to that, the House adopted the amendments.

Amendments to the Mpumalanga Legislature Service Act

Amendments were proposed on the Mpumalanga Provincial Legislature Service Act, to deal with shortcomings identified in the current legislation. Workshops were organized to take staff members on board regarding the amendments. The amended legislation will be tabled in the House in the next financial year. The adoption of the amendments will take the Legislature a step further towards de-linking the Legislature from Government, and thus reduce its dependence on Government's legislation and policies.

Organizational structure

The strategic planning sessions and the political vision of the Speaker with more focus in strengthening public participation challenged the current organizational structure. As it is known that structure follows strategy, there was a need to review the organizational structure to ensure the appropriate deployment of human capital.

Organizational rights

The employer represented by senior management and workers represented by NEHAWU finalized and signed the recognition agreement. The signing of the recognition agreement concluded a chapter of a series of negotiations between the two parties.

Development of policies

The Legislature developed policies on the following:

- > Finance and administration;
- Human resource management and development;
- Labour relations;
- > Information and communication.

Staff members and members of the Legislature Service Board were taken through the policies and valuable inputs and contributions were made. It is envisaged that the policies will be adopted in the first quarter of the financial year 2005-2006.

Hansard volumes

In the period under review the Legislature finalized and submitted to the legal deposits Hansard Volume No. 1 of 2004.

1.3 INFORMATION ON THE MPUMALANGA PROVINCIAL LEGISLATURE

The Mpumalanga Provincial Legislature derives its mandate mainly from the Constitution of the Republic of South Africa, which outlines its powers, functions, and responsibilities. To the extent that is applicable, the Public Finance Management Act (PFMA), Act No 1 of 1999 (as amended by Act 29 of 1999) also governs the operations of the Legislature.

n exe	ec	uting its legislative powers, the Legislature may: -
]	Consider, pass, amend or reject any Bill; and
]	Initiate or prepare legislation, except money Bills.
Furth	er	more, the Legislature must provide for mechanisms:
	3	To ensure that all provincial executive organs of state in the province are accountable to it; and
	3	To conduct oversight over the provincial executive authority and any provincial organ of state, including the implementation of legislation.
Γhe L	.eg	islature must also:
	J	Facilitate public involvement in the legislative and other processes of the legislature and its Committees; and
	J	Conduct its business in an open manner, and hold its sittings and those of its Committees in public.
Visit I	by	the Speaker and the Deputy Speaker abroad
		eaker and the Deputy Speaker led delegations from the Legislature to the following ional conferences:
	J	The 35 th CPA Africa Region conference that was held in Swaziland from 07 to 15 August 2004.
	J	The 50 th CPA International conference that was held in Quebec and Toronto, in Canada from 1 to 9 September 2004.
	J	The National Conference of State Legislatures (NCSL) that was held at Salt Lake in the USA, from 19 to 24 July 2004.
Hosti	ng	of foreign delegation
	Ŭ	e Speaker hosted the following delegations:
	_	Hon. Zach Wamp, Member of Congress, United States of America.
	J	Hon. Mike Enzi , USA Senator.
	J	Mr. Cheng Yiju, Vice Chairperson of Chongqing People's Congress of the People's Republic of China.
	J	Ms. Esther Armenteros, Ambassador: Embassy of the Republic of Cuba.
	J	Hon. S Magongo, Speaker to the Swaziland Assembly and his delegation.
		The hosting of the above-mentioned delegations contributed in extending friendship and networks between the Mpumalanga Legislature and other international bodies.

1.4 VISION AND MISSION

The Mpumalanga Provincial Legislature adopted the following vision and mission statement:

VISION

We, the Mpumalanga Provincial Legislature, in partnership with the people, are working for the transformation of the province and society towards improvement of quality of lives of our citizenry and the attainment of democratic and good governance.

MISSION

We will effectively and efficiently:

	Hold the executive and other state organs accountable through intensified oversight;
	Enhance public education and participation;
	Ensure improved service delivery by adhering to the Batho Pele principles; and
	Make laws
Sup	oported by administrative excellence.

ORGANIZATIONAL VALUES

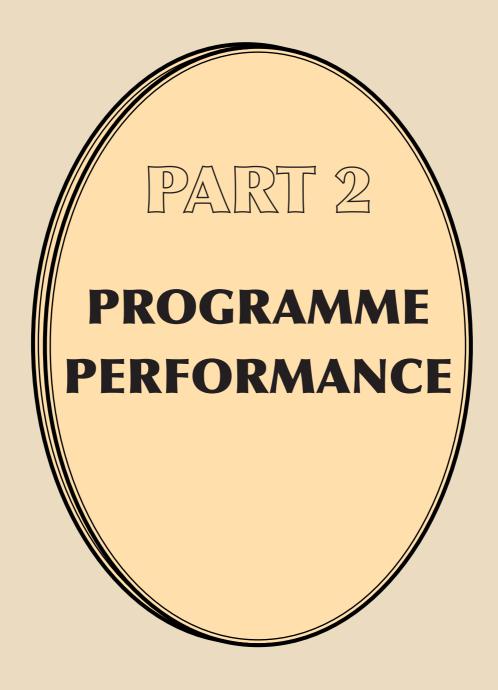
J	Co-operation:	Being co-operative and working well with others;
]	Customer orientation:	Customer satisfaction is always placed first;
3	Excellence:	Continuous improvement in performance and standards;
]	Openness:	Being straightforward, sincere and candid in discussions;
3	Participation:	Involvement of everyone concerned prior to making a decision;
]	Quality orientation:	An obsession to meet product and service standards;
3	Adaptability:	Being flexible and changing in response to new circumstances;
]	Moral integrity:	Being honourable and following ethical principles;
]	Economy:	Being cost effective in spending; and
J	Fairness:	Being fair and to provide just recognition based on merit.

1.5 LEGISLATIVE MANDATE

The Mpumalanga Legislature derives its mandate from Chapter 6 of the Constitution of the Republic of South Africa, Act 108 of 1996. The Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) also plays a key role in the governance of the Legislature.

The Mpumalanga Legislature Service Board resolved to register the Legislature's souvenir shop as a trading entity, and therefore, a trading account was opened. Funds will be transferred to the trading account in the next financial year.





PART 2: PROGRAMME PERFORMANCE

2.1 VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure		
Legislature	50,513	51,984	50,897	1,087		
Responsible	Hon YN Phosa, Speaker to the Mpumalanga Provincial Legislature					
Administering Institution	Mpumalanga Provincial Legislature					
Accounting Officer	Mr LJ Mwale, Secretary to the Mpumalanga Provincial Legislature					

2.2 AIM OF VOTE

The aim of the Mpumalanga Provincial Legislature (Vote 2) is derived from the Constitution of the Republic of South Africa, Act 108 of 1996, its vision and mission as clearly articulated in 1.4 above.

2.2 KEY OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

2.2.1 Key objectives

The following are the strategic goals of the Legislature that inform the operations of the Business Units:

- Excellent Customer Service;
- Effective and Efficient Financial Management;
- Good Internal Business Processes; and
- Good People Management and Development.

2.2.2 Programmes

The Mpumalanga Legislature had the following two programmes:

- Programme one: Support service;
- Programme two: Statutory service.

2.2.3 Achievements

The following are some of the achievements scored by the Legislature:

Installation of plasma screens

The Legislature appointed a service provider to install plasma screens. The screens are used to inform the public about the activities of the Legislature. The plasma screens are now operational and are contributing to the Legislature's attempt to broaden media liaison and public relations. The Legislature will in the next financial year use these screens to advertise activities of other institutions with an aim of generating some income.

Filling of the vacant positions

The Legislature managed to recruit and select candidates for the critical vacant positions. The incumbents will assume duties as from 1 May 2005. The non-filling of the vacant positions impacted negatively on service delivery. In the process of filling these posts the Legislature was also addressing a shortcoming of increasing more women in the management posts, as required by the Employment Equity Act.

* Review of the vision and mission

The Legislature vision and mission was adopted in 1999. With the joining of new Members of the Provincial Legislature and staff it was deemed important to review the vision and mission. Finally, the vision and mission was amended to be in tune with the current environment. The inputs of Members enriched the process of crafting the vision and mission.

* Review of the risk profile of the Legislature and the updating of the risk register

The Legislature contracted the internal auditors to facilitate a process of reviewing the risk profile and to update the risk register.

CCMA matters

All the outstanding CCMA matters except for one, were finalized. The awards were in favour of the Legislature.

2.3 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2004/05

In the past financial years the Legislature programme was forever changing and that impacted on service delivery. Some Committees meetings used to be cancelled or postponed at short notice. As a result, it was difficult to plan. I am pleased to report that in the financial year under review, the Legislature had a stable programme.

The Legislature's record of service delivery will be premised on the core business which is:

Conducting the oversight function

As stated above, the portfolio committees as well as the Select Committee on Public Accounts successfully dealt with all the outstanding Departmental reports. With the adoption of the format of compiling Committee reports, the quality thereof has improved considerably.

Enhance public participation in the activities of the Legislature

By organizing giant screens during the State of the Province Address, more people could view the proceedings from a remote venue.

Through the holding of a sitting at Msukaligwa, outside the seat of the Legislature, ordinary members of the public were, for the first time in their lives, exposed to such an important parliamentary activity.

The increased number of petitions that were received from the public is evidence that the public is aware that they can turn to the Legislature when the Departments and other organs of state do not attend to their concerns.

Passing of legislation

The only Bill that was passed was the Appropriation Bill, 2003-2004. The Departments were encouraged to table legislations that should be considered by the House. The Departments were also requested, for the purpose of planning, to inform the Legislature on the dates on which legislation would be tabled in the Legislature.

Challenges facing the Legislature

The Legislature is faced with the following challenges:

- To ensure that the public attends all sittings and Committee meetings;
- To develop and implement strategies to ensure that the minority groups also attend sittings and committee meetings.

Due to the reshuffling of the Executive Council by the Premier of Mpumalanga Province, expenditure in Vote 2 was exceeded because the Members of the Executive Council who were redeployed to the Legislature earned a higher salary. In order to

correct the situation, the Legislature had to make a virement.

The Legislature had a saving of R1 087 000, for which an application for a rollover was made to the Provincial Treasury. The saving was used to contract a service provider to install the plasma screens.

In celebrating the ten years of freedom and democracy, the National Parliament and the Provincial Legislatures resolved to convene the People's Assembly. It was for the first time in the history of South Africa that all ten legislatures were linked at the same time through satellite. Ordinary citizens of South Africa related stories on how the adoption of the new Constitution in 1996 had made a positive impact in their lives.

Another significant event was the decision by the National Council of Provinces to hold the "Taking of Parliament to the People" in KwaMhlanga. Again ordinary citizens of Mpumalanga could interact with the elected public representatives, commending the good work done by the Government and the Legislatures, as well as constructively criticizing state organs on areas where there were shortcomings.

To strengthen the internal control systems, the Legislature contracted the internal audit service provider to facilitate a session of reviewing its risk profile and updating the risk register.

2.4 OVERVIEW OF THE ORGANIZATIONAL ENVIRONMENT FOR 2004/05

Due to the coming to the end of the second term, the Legislature had to reconstitute committees and appoint new chairpersons. Since there were new members who joined the Legislature, it became necessary to make adjustments in the operations of the institution. At the same time the Legislature suffered a temporary setback as a result of requests for transfer to other Departments by some staff members.

The changes at the political and administrative level should not be viewed negatively, because any change comes with positive dimensions. The change as a result of the new environment brought new opportunities, skills, thinking, culture, experiences, background and perspectives.

2.5 STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS FOR THE 2004/05 FINANCIAL YEAR

The former Premier and the former Speaker, in consultation with the House of Traditional Leaders, decided to relocate the latter to the Office of the Premier. The relocation of the function was followed by the transfer of funds.

The new Speaker outlined the strategic direction of the Legislature in her policy and budget speech that was delivered on 28 June 2004, as "The enhancing of public participation through taking the Legislature to the people". This necessitated the shift of the resources and energies in realizing the strategic direction.

A case was presented to the Provincial Treasury, advocating for a change of the vote of the Legislature from Vote 13 to Vote 2. As a result of the changes, the Legislature's vote numbering is in line with the national norm.

2.6 REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

2.6.1 Collection of revenue

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

	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	% deviation from target
Non-tax revenue	601	579	581	642	574	11%
Sales of capital assets (Capital Revenue)	259		45	264	2	99%
Financial transactions (Recovery of loans and advances)					656	
TOTAL RECEIPTS	860	579	626	906	1,232	136%

2.6.2 Expenditure

The following table is a breakdown of expenditure:

Programmes	Voted for 2004/05	Rollovers and adjustments	Virement	Total voted	Actual Expenditure	Variance
Programme 1.	41,656		(216)	41,440	40,353	1,087
Programme 2.	10,328		216	10,544	10,544	
Etc.						
Total	51,984		0	51,984	50,897	1,087

2.6.3 Transfer payments

As per the Constitution of the Republic of South Africa, Act 108, of 1996, the Legislature was expected to transfer funds to the political parties represented in the Legislature to assist in improving democracy through the establishment and maintenance of the constituency offices. The following table is a breakdown of the transfer.

NAME OF INSTITUTION	AMOUNT TRANSFERRED	ESTIMATE EXPENDITURE
African National Congress (ANC)	R2,430,000	R 2,430,000
Democratic Alliance (DA)	R 180,000	R 180,000
Freedom Front Plus (FF Plus)	R 90,000	R 90,000

Political parties are obliged to submit a certificate of assurance indicating that they implement effective, efficient and transparent financial management systems. The above-mentioned political parties, apart from submitting the certificate of assurance, also had to submit audited financial statements. The transfer payment was effected quarterly, without any delays and these transfers were made directly to the political parties' bank accounts.

2.6.4 Asset Management

The Legislature's assets are categorized as follows:

- Information Communication Technology (ICT) equipment;
- Consumables; and
- Fleet.

The Legislature established the Supply Chain Management (SCM), under the management and leadership of the Chief Financial Officer (CFO). The procurement and safekeeping of the assets were as per the Treasury Guidelines.

The following projects will be implemented in the next financial year:

- The procurement of corporate items for the souvenir shop;
- The establishment of a Parliamentary Village;
- The establishment of a Members' Lounge;
- The procurement of a truck to enhance public participation;
- Revamping of the Chamber;
- The procurement of the Information Communication Technology (ICT) equipment.

The current lease of the desktops, laptops and printers expires in July 2005. Thereafter, a new lease agreement will be concluded.

2.7 PROGRAMME PERFORMANCE

The activities of the Legislature are organized in the following programmes:

Programme 1: Support services Programme 2: Statutory services

2.7.1 Programme 1: Support services

Purpose:

The purpose of this programme is to provide leadership, management and administrative support to the elected public representative of the Mpumalanga Provincial Legislature.

Measurable objective:

To provide quality and professional administrative support to the elected public representatives, so that they can discharge their duties efficiently and effectively.

Service delivery objectives, achievements and indicators relating to the programme.

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Sub-programmes	Outputs	Output performance measures/service		
		delivery indicators	Actual perforn target	nance against
			Target	Actual
1. Office of the Secretary	Improved performance of business units	One-on-one meetings held to assess and review performance	Monthly and quarterly	10 monthly and three quarterly meetings held
2. Office of the Secretary	Improved communication and feedback to staff	Management staff meetings held.	Monthly management and quarterly staff meetings	10 monthly management and two staff meetings were held
3. Office of the Secretary	Improved financial accountability of the Legislature	Expenditure reports prepared and submitted to the Speaker, the Legislature Service Board and the Audit Committee	Monthly expenditure reports submitted	Monthly expenditure reports submitted
4. Human Resource	Recruited, selected, and appointed staff	Attracted and recruited competent staff	Filling of all vacant positions and retention of staff	The outstanding positions to be filled were in the Research Unit. A staff retention policy to be developed and implemented.
5. Chief Financial Officer	Received an unqualified audit report	Ensured compliance and adherence to all relevant legislation, regulations, and control systems and procedures	100 percentage compliance	100 percentage compliance
6. Human Resource	Employed women in senior management positions	Recruited and appointed staff	Appoint staff to meet the employment equity targets	Four women were appointed. Two Executive Managers and two appointed as Senior Managers to assume duties on 1 May 2005
7. Chief Financial Officer	Resolved to continue to outsource the internal audit services	Appointed a reputable audit firm to perform the internal audit services	Date of appointment with effect from 1 April 2005.	Date of appointment with effect from 1 April 2005.

8. Chief Financial Officer	Improved management of resources	Developed and implemented systems	Spent funds prudently and recorded assets in the asset register	Spent funds prudently and recorded asset in the asset register
9. Information Technology	Improved management of records	Record management system	Manual and electronic management system	Manual system developed and implemented
10. Information Technology	Posted information to the website	Improve access to information	Updated website with current information	Some members' profiles and budget speeches were uploaded to the website.
11. Chief Financial Officer	Timeous payment to suppliers and claimants	Processed and paid suppliers on time	30 day period to the suppliers and 7 day to the claimant	Paid suppliers and claimant as soon as all the necessary documentation had been received, refer to Auditor- General's report
12. Chief Financial Officer	Aligned strategic plan with budget	Quantified strategic plan developed	Strategic plan, budget and budget statement number presented.	Strategic plan, budget and budget statement number presented
13. Human Resource	Improved management of personnel record	Safe-keeping and easy retrieval of records	Develop and implement a manual and electronic record management system	Manual system developed and implemented
14. Human Resources	Developed and implemented an orientation programme	Empowered MPLs with corporate knowledge	Successful orientation programme executed	Successful orientation programme executed
15. Human Resource	Improved labour relations	Motivated and productive employees	Work environment that is conducive to high productivity	Work environment that is conducive to high productivity
16. Information Technology	Provided Information Communication Technology (ICT) support services	Enhanced business processes through the utilization of ICT	Functional, secured and stable ICT	Functional and unstable ICT support

17. Communication	Provide library services	Empowered Members and staff with information	Fully equipped library services	Partially equipped library services
18. Office of the Speaker	Developed relationships with various publics	Promoted cooperative governance	Established structural relationships.	Convened meetings with Executive Mayors to execute projects of common interests.
		Advertised the Legislature programme and activities	Media and Publicity campaign through radio and newspapers of all activities	Media and Publicity campaigns through radio and newspapers of all major activities
19. Office of the Speaker	Hosted delegations from in and outside South Africa	Establish relationships and friendships, to share knowledge, information and experience	Established a fully functional protocol function	Rendered protocol function utilizing the services of the current staff members.
20. Office of the Speaker	Provided treasury support function to the Speaker	Analyzed the financial reports and advised the Speaker accordingly	Appointed an official to perform amongst other duties, the treasury support services	Appointed an official to perform amongst other duties, the treasury support services
21. Office of the Speaker	Developed a system for the management of the Speaker's programme	Effective and efficient management of the Speaker's programme	All official engagements honoured	All official engagements honoured
22. Parliamentary Services; Committees	Improved administrative support services to Committees.	Developed a uniform format of compiling committee reports	Professional and quality committee reports compiled and produced	Professional and quality committee reports compiled and produced
23. Parliame- ntary Services; Committ ees	Followed-up the implementation of the House resolutions and committee commendations	Developed and implemented a system to capture and follow the implementation of resolutions and recommendations	Rendered a professional and quality support service at all times	Rendered a professional and quality support service at all times
24. Research, Policy, Planning, Monitoring and Evaluation	Provided a planning framework and a planning cycle.	Improved the quality of planning	Ensured uniformity and adherence to the cycle	Adhered to the cycle

25. Research, Policy, Planning, Monitoring and Evaluation	Provided quality researched information	Improved the quality of decisions based on relevant researched information	Established and appointed competent staff	Established the Research, Policy, Planning and Monitoring and Evaluation Business Unit, and appointed some staff members
26. Information Technology and Security Manager	Provision of a secured environment	Secure records, equipment, information and personnel	Established a security management division and installed security system	Security is rendered by the South African Police Services

2.7.2 Programme 2: Statutory services

Purpose:

The purpose of this programme is to provide remunerative benefits to the members of the Legislature

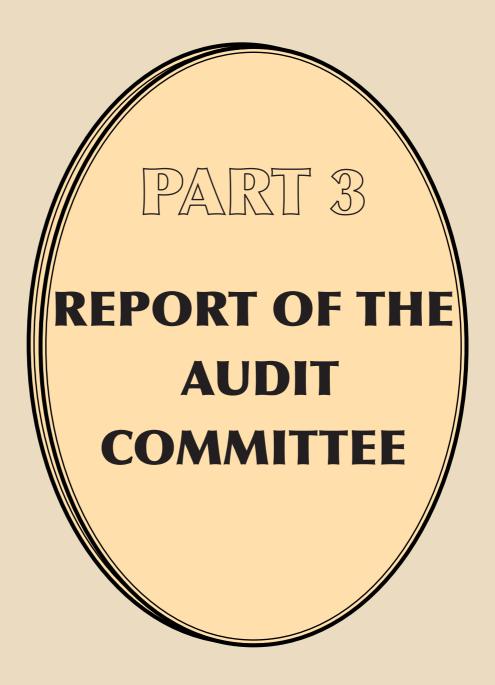
Measurable objective:

To perform the core business of the Legislature, i.e. law making, conduct oversight function and enhance public participation.

Service delivery objectives, achievements and indicators relating to the programme

The remunerative benefits were paid to the Members in accordance with the proclamations issued by the President of the Republic of South Africa and the Premier of the Mpumalanga Province.

Sub-programmes	Outputs	Output performance measures/ service delivery indicators	Actual performance against target	
			Target	Actual
1. Committees	Performed oversight function and passed legislation	Committee reports tabled to the House.	Reports tabled and adopted	Reports tabled and adopted



PART 3: REPORT OF THE AUDIT COMMITTEE

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

3.1 Audit Committee Members and Attendance

The term of the Audit Committee appointed in 2002 came to an end in March 2005. On 29 March 2005, the Legislature appointed the members listed below for a period of three years.

The audit committee (AC) held nine (09) meetings during the period under review. This relates to meetings in the financial year under review.

Name of Committee Member	Number of meetings attended
Mr JM Hargovan	8
Ms GA Deiner	9
Mr AC Keyser	9
Mr SA Patterson	4
Ms B Nkamba	9

The number of meetings that Mr Patterson has attended relates to the period 1 April 2005 to date.

3.2 Audit Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from Section 38 of the Public Finance Management Act and the relevant provisions of the Treasury Regulations.

The Committee has revised and adopted the Audit Charter to guide our operations and discharge our responsibilities.

3.3 The effectiveness of internal control

The Internal Audit function was outsourced by the Legislature to KPMG. The term of this contract also ended in March 2005. To pre-empt any vacuum in the function, the Legislature proactively embarked on a process to appoint an external service provider. Through an open and competitive bidding process, KPMG were appointed as the internal auditors for an additional three years with effect from 1 April 2005.

In general, the system of internal control is effective. However, a number of issues have been raised by the Auditor-General under emphasis of matter and the process leading to the finalisation of the Audit. The weaknesses identified have been or are in the process of being addressed by the Management of the Legislature. While this complies with the prescribed policies and procedures, it is reviewed regularly as part of the internal audit function.

3.4 Quality of in year management and monthly / quarterly reports submitted in terms of the Act and the Division of Revenue Act

The quality of reporting has improved during tenure of the Audit Committee. The Committee is satisfied with the content and quality of the monthly management reports, early warning reports and related supporting documents.

There has been an improvement in management of the debtors in the period under review. However, we do note that there is room for further improvement, considering the age of some of the debt. Further reduction of the outstanding debtors balance requires the support and commitment of both the present and past members of the Mpumalanga Provincial Legislature.

3.5 Evaluation of Financial Statements

The Audit Committee has

- ✓ Reviewed and discussed with the Auditor-General and the Accounting Officer the audited financial statements to be included in the Annual Report;
- ✓ Reviewed the Auditor-General's management letter and the responses from management;
- ✓ Reviewed the changes in accounting policies and practices;
- ✓ Reviewed the adjustments resulting from the audit; and
- ✓ Engaged in a constructive manner with the Office of the Auditor-General to resolve the outstanding queries.

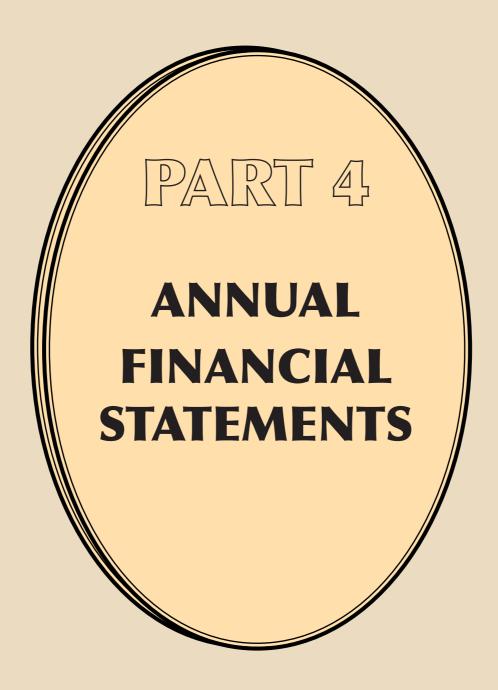
3.6 Conclusion

The Audit Committee accepts the conclusions of the Auditor-General on the Financial Statements and is of the opinion that the financial statements can be accepted when read together with the report of the Auditor-General.

The Chairperson of the Audit Committee would like to thank the Services Board, and staff of the Legislature, our internal auditors, the Auditor-General and his staff, fellow Audit Committee members for their individual and collective co-operation during the 2004-2005 financial year.

J M Hargovan

Chairperson: Internal Audit Committee



MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2 REPORT OF THE ACCOUNTING OFFICER

FOR THE YEAR ENDED 31 MARCH 2005

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

1. General review of the state of financial affairs

The year 2004 has ushered in a new term for the Legislature. It comes at the end of a decade of freedom and democracy. With it comes an emphasis on accelerated service delivery and public sector accountability. It comes in the wake of a new philosophy of developing partnerships.

The Mpumalanga Provincial Legislature has seen a change in the political leadership of the organization with a new Speaker and Deputy Speaker taking office, as well as the appointment of new chairpersons of committees and the chief whip of the majority party and the opposition parties.

The Mpumalanga Provincial Legislature has entered its third term through a successful transition and this term promises to be an exciting and challenging one, judging by the new paradigms as introduced by His Excellency, the President of the Republic of South Africa, Mr. Thabo Mbeki, in his 21st May 2004 State of the Nation Address and his subsequent addresses in a bid to intensify service delivery for the benefit of all the citizens of this country, particularly the previously disadvantaged majority. The State of the Province Address by the Mpumalanga Premier reinforces the thinking of the President.

The Legislature, in keeping with the President's profound policy pronouncements, has to raise the bar in terms of carrying out its Constitutional Mandate and core functions, namely:

- · Law making.
- Conducting oversight over the Provincial Government Departments and other provincial organs of State.
- Enhancing public participation and education in the legislative process and all matters that affect them.

The shift in emphasis towards social and economic development has put tremendous pressure on all public organs in general to do extraordinary things. The functioning of public organs will have to be properly studied within the context of a "social contract" entered into between the government and the citizens of this country. Simply put, this means: while public organs go about their normal public business, they have to significantly contribute towards national priorities of reducing joblessness, shortage of skills and poverty without compromising the quality of expected deliverables.

With the rollout of the national reconstruction and development programme, Government Departments intend to address the infrastructure backlog while attacking poverty and unemployment. The challenge is how to put pressure, not only on the Government Departments and other organs of State, but also on Parliament and the Provincial Legislatures to design new instruments with which Government's performance can be measured.

These instruments will transcend the normal boundaries and begin to look into the impact that the Executive is making in addressing national and provincial priorities. These measures should be able to identify weaknesses in policy implementation and provide guidance on how these can be removed.

For the Legislature to be able to raise the bar and begin to incorporate broader national and provincial agendas, it has to objectively assess its strengths and weaknesses. This can only be done by assessing the past performance and reviewing management and leadership principles and practices to get the right mix of strategies, techniques and tactics in order to respond to new needs.

The Speaker in her policy and budget speech delivered on 28 June 2004, set a direction and strategic focus of the Legislature in the third term and explicitly indicated that the Legislature must increase and sustain public participation and education.

The following significant events and major projects are worth mentioning:

 The Mpumalanga Provincial Legislature was honoured to be chosen, to host the annual conference of the Association of Public Accounts Committee (APAC) from 02nd – 06th October 2004. APAC is constituted by all Members of the Select Committee on Public Accounts (SCOPA) from the National Parliament and Provincial Legislatures.

The conference was attended by more than 250 delegates comprising of Members of SCOPA from the South African Legislatures, Members of the Public Accounts Committees from some of the SADC countries, such as Tanzania, Zambia, and Seychelles. A delegate from Australia also attended the conference.

The staff from the Mpumalanga Provincial Legislature worked extremely hard to ensure the success of the conference. The delegates were highly impressed with the organizational efficiency and the professionalism that was displayed by the staff members to such an extent that for the first time since 1997 and in the history of the existence of APAC, conference delegates took a resolution to officially thank staff members in organizing a conference of such a magnificent standard.

- The Budget Task Team under the chairpersonship of the Deputy Speaker, Hon BJ Nobunga, made recommendations to the Legislature Service Board for the adoption of an equitable funding policy to political parties represented in the Legislature. The Legislature Service Board finally adopted the policy. As a result, the budget allocation for 2005/06 to political parties takes into account the number of seats each political party has in the Legislature.
- In celebrating 10 years of the adoption of the Republic of South Africa's democratic Constitution, the National Parliament, jointly with the Provincial Legislatures, undertook to organize a People's Assembly on 10th – 11th October 2004.

The citizens of the country from diverse stratum attended the sittings, which were held in Parliament and the Provincial Legislatures' chambers to make presentations on how the new constitution impacted on their lives. It was for the first time in the history of South African that technology was used to link the National Parliament with the Provincial Legislatures via satellite. The participants at the National Parliament and the Provincial Legislatures could see each other on the giant screens. The event was a resounding success and the participants appreciated the progress made since 1994. However, they also pointed out the challenges still to be addressed. Mpumalanga excelled in the category of the Youth Sector, which came with an in-depth and relevant presentation.

• The National Council of Provinces (NCOP) chose KwaMhlanga in the Mpumalanga Province as a host for the launch of "Taking Parliament to the People" Programme. The Task Team that planned and organized the events comprised of officials from the NCOP and the Mpumalanga Provincial Legislature led by both the Secretaries of the two institutions.

The event was held from $14^{th} - 18^{th}$ March 2005. The programme included visits to projects such as extended public works programmes, schools, health centres and agriculture. Meetings with sectoral groups, i.e. youth, women, people with disabilities, farmers, etc. and plenary sittings were held in full view of the public.

It was for the first time in the history of South Africa that the NCOP considered and passed the Division of Revenue Bill outside Cape Town. The Deputy President of the Republic of South Africa addressed the plenary sitting on 18th March 2005, in full view of the public.

The officials worked very hard mobilising our people to ensure that on each day not less that 1000 people attended the meetings. With the targeting of stakeholders, the level of inputs and discussions were pitched at a high level, making real the expression of the notion that "the people shall govern".

Those who attended the event at KwaMhlanga can attest to the fact that, in the five days, there was effective participation by the public.

• While the preparations of "Taking Parliament to the People" event by the NCOP were proceeding, the staff of the Mpumalanga Provincial Legislature were also organizing the "Taking the Legislature to the People" Programme.

The Mpumalanga Legislature took a resolution that the sitting of the 22^{nd} March 2005 be held at the Gert Sibande District. The Speaker, Hon YN Phosa, and the Mayors of the municipalities in the Gert Sibande District agreed that the sitting be held at the Msukaligwa Municipality in the town of Ermelo.

Since the sitting was planned for 22nd March 2005, a day after the celebration of Human Rights Day, in line with the historic context for the sitting, the significance of the timing and location, it was resolved that the focus will be on the following issues:

J	Snap debate on Human Rights Day.
J	Snap debates on Consumer Rights.
J	Discussion on the Budget Principles.

The sitting was preceded by visits by Members of the Provincial Legislature and Councillors to farms that were known to violate human rights in the district. There were also visits to housing projects and police stations. It is quite interesting to note that 10 years into the new dispensation, one farmer refused Members of the Provincial Legislature access to his farm. One of the Members of the Provincial Legislature commented as follows "if a farmer cannot grant Members of the Provincial Legislature access to his farm, what happens to the poor employees."

• The Hon TSP Makwetla, the Premier of the Mpumalanga Province, requested Hon YN Phosa, Speaker to the Legislature, to convene a sitting of the Legislature on 18 February 2005 to enable him to present the State of the Province Address.

The staff members of the Legislature, the Office of the Premier, and the Department of Culture, Sports and Recreation were given the responsibility to plan and organize the event.

For the first time in the history of Mpumalanga, the address by the Premier was shown live through the giant screens that were put up at Umjindi, Msukaligwa, Grobersdal, Thaba Chweu, Mbombela and Dr JS Moroka Municipalities. More that 1000 people were invited to attend the main event that was held in building number 10, (underground parking bay). The planning and organizing of the event was of a high standard, although some minor weaknesses were identified regarding catering, which led to management swiftly invoking the penalty clause against the caterer.

The term for the Members of the Audit Committee expired on 31st March 2005.
 A process was started in January 2005 to invite members of the public to apply for consideration as members of the Audit Committee.
 On 29th March 2005, the Legislature appointed the following persons as members of the Audit Committee:

	Mr JM Hargovan - Chairperson
	Mr AC Keyser - member
	Ms GA Deiner - member
	Mr SA Patterson - member
	Ms B Nkamba - Government representative
The	term for the new Audit Committee is from 1st April 2005 to 31st March 2008.

The Legislature Service Board, after considering the cost and benefit analysis of auditing, decided once more to outsource the provision of the internal audit function. A process was started in December 2004 to invite audit firms to tender for the provision of internal audit function. The Legislature finally appointed KPMG as the Internal Auditors. The appointment is with effect from 01st April 2005 - 31st March 2008.

• There were a number of critical vacant posts, in the approved organogram, however, the institution continued to perform at the level referred to above. The recruitment and selection processes started in November 2004 and has since been finalized. The newly appointed staff will assume duties in May 2005. Hopefully, once the appointed staff has joined the Legislature there will be further improvement in the delivery of services, as the focus of the administration in the third term is to take the Legislature to greater heights.

The financial results for the financial year 2004/2005 indicate that the Legislature continued to spend prudently within its budget allocation. The Legislature showed a savings of R1 087 000, which represents 2% of the voted budget of R51 984 000.

The under-spending is as a result of vacant and funded posts, which were not filled in the financial year under review. In order to avoid the recurrence of such, management has deliberately taken a decision that all the vacant and funded posts be filled as from the beginning of the financial year 2005/2006.

The Legislature was able to deliver on its mandate; however, there is still room for improvement in the support service to committees. The administrative support service still has to improve its support, particularly, in pro-active research services.

2. Service rendered by the department

Inventories

The Legislature had the following inventories on hand at the end of the financial year 2004-2005:

Domestic consumables R 12 000
Food supplies R 12 000
Stationery and printing R433 000

The costing method used was weighted average.

3. Capacity constraints

The Legislature could not provide quality support services to committees mainly in as far as research service is concerned. For committees to conduct effective oversight, the need to provide real time quality information is an imperative. The Legislature had initiated a process of recruiting the Executive Manager for the Research, Policy Planning Monitoring and Evaluation and other key positions in the Research and Policy Division. It is envisaged that the recruitment and selection will be completed in the first month of the financial year 2005/2006.

4. Utilization of donor funds

The Legislature Support Programme, which is a programme by the European Union, to support the building of capacity to the Parliament and the Provincial Legislature, made funding available for the following result areas:

- Law making systems, and processes, policy development, assessment of implementation capacity, oversight and accountability.
- Public Participation in decision-making and education in democracy.
- Improve equality on gender and disability in the Legislature.
- Improve skills in the Legislature.

Out of the R370 000 committed by the Legislature Support Programme, only R77 000 was spent during the period under review. Refer to Annexure 1.

5. Organizations to whom transfer payments have been made

The Legislature transferred funds to the following political parties that are represented in the institution:

•	African National Congress (ANC)	R 2	430 000
•	Democratic Alliance (DA)	R	180 000
•	Freedom Front Plus (FF Plus)	R	90 000

The transfer was meant to support the above-mentioned political parties to conduct constituency work. The political parties account on the funding allocated to them by submitting the audited financial statements, and written confirmation that they implement sound effective, efficient and transparent, financial systems and controls.

6. Corporate governance arrangements

The Legislature Service Board resolved that the Legislature should continue with the outsourcing of the internal audit services to one of the reputable audit firms. The Internal Auditors conducted audit reviews on Information Technology, committees, oversight and legislation, human resources, and finance. The Internal Auditors also facilitated a process of risk assessment. The fact that internal audit services is provided by the people who are not staff members of the Legislature give them a degree of autonomy and they can report on any weaknesses without fear or favour. The findings of the audit review session showed remarkable improvements in the control systems and procedures that are employed by the Legislature.

The Legislature had drafted a number of policies, including the fraud prevention policy and strategies. Even though this policy has not yet been adopted, the Legislature fully implements the provisions of such a crucial policy.

Experienced and skilled people in the auditing environment constitute the Audit Committee of the Legislature. The commitment and dedication displayed by the Members of the Audit Committee is immeasurable. The Audit Charter stipulates that the minimum number of meetings to be held by the Audit Committee is four,

however, the number of meetings held exceeded the minimum number of meetings because members resolved that there should be a review of all audits conducted. In order to set an example, the members of the audit committee resolved that there should be a standing item on the agenda whereby members would declare their interest on any matter that was on the agenda.

The following were the governance structures of the Legislature:

- Legislature Service Board.
- · The Speakership.
- Office of the Auditor-General.
- The Budget Task Team.
- The Select Committee on Public Accounts.

All Senior Managers employed by the Legislature annually complete and submit declaration form to disclose financial interests, gifts received and properties. This good practice is meant to minimize potential conflict of interest. The Legislature adopted and implemented the code of conduct as approved by the Department of Public Service and Administration.

The Legislature had created a position of a Security Manager whose duties will be to deal with physical security of the building, personnel, assets, records and any information whether in a soft or hard format. The position will be filled in the next financial year.

The management takes seriously the recommendations made by the Audit Committee and is acting on them judiciously. It is worth mentioning that even though the Legislatures Services Board is made up of members from various political parties, this did not compromise its work as members always rose above party politics. The content and discussions of the Board meetings focused on matters of policy and public interest.

7. Discontinued activities/activities to be discontinued

The Legislature and the Office of the Premier resolved that the House of Traditional Leaders (HTL) be transferred to the latter, with effect from 1 April 2004. The budget allocated to the HTL was only transferred when the appropriation adjustment was passed. The transfer was influenced by the fact that it was only in the Mpumalanga Province where the House of Traditional Leaders is located in the Legislature.

8. New/proposed activities

The Legislature and the Department of Public Works resolved that the following projects be undertaken in the 2005/2006 financial year:

- The installation of digital screens in the chamber.
- The installation of the broadcasting equipment.
- The installation of the digital recording system.
- The establishment of the parliamentary village.
- The building of a Members' Lounge.

The financial implications of the above-mentioned projects will be determined after the technical specifications have been designed.

The Legislature will acquire a truck that will be equipped with the modern technology to enhance public participation and education.

9. Events after the reporting date

There are no favorable and/or unfavorable events to be reported that occurred after the reporting date and the date of approval of the Annual Financial Statements.

10. Performance information

The Legislature adopted the balance scorecard, which is based on the following strategic goals:

- Excellent customer satisfaction.
- Effective and efficient financial management
- Sound internal business processes.
- Good people management and development

The Legislature, through using internal expertise, facilitated the strategic planning sessions to all the business units and all staff members were invited to participate in the sessions. The purpose of inviting all the staff members was to ensure that there was a shared vision and to gain ownership of the strategic focus and direction. This consultative and transparent culture that the Legislature management is forging, will facilitate an atmosphere that is conducive to a high performing labour force.

11. SCOPA resolutions

The following were SCOPA's resolutions relating to the Legislature:

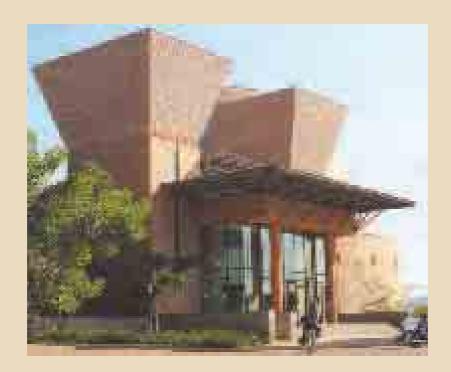
REFERENCE TO PREVIOUS AUDIT REPORT AND SCOPA RESOLUTIONS	SUBJECT	FINDINGS ON PROGRESS
1. 2001/02 Report	Gender balance on the composition of the Audit Committee	The matter has been resolved.
	Format of Financial Statement	There is adherence to the format.
2. 2001/02 Report	Salary fraud	Where possible the Legislature should recoup the amount from the future estate
3. 2002/03 Report	Asset Management recommendation for training.	Plans are in place and training is going to take place in the 2005/2006 financial year.
4. 2002/03 Report	Unauthorized expenditure R304 000/ as a result of an increase in the allowance of the members of the Traditional Leaders.	Done.
5. 2002/03 Report	Vehicle Fleet Management.	Organized training for Transport Managers and drivers.

The Annual Financial Statements set out on pages 36 to 64 have been approved by the Accounting Officer.



LJ Mwale Secretary to the Legislature

31st May 2005





AUDITOR - GENERAL

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

AUDIT ASSIGNMENT

The financial statements as set out on pages 36 to 64 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 Mpumalanga Provincial Legislature at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice.

4. EMPHASIS OF MATTER

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

4.1 Significant uncertainties

4.1.1 Accounts receivable and doubtful debt

I would like to draw your attention to note 12 of the notes to the financial statements, which states that accounts receivable of R509 564 had not been written off but may not be recoverable.

4.1.2 Fringe benefit: interest-free loans

I would like to draw your attention to note 17 to the financial statements, which shows a contingent liability of possible interest and penalties amounting to R946 000 on estimated employees' tax of R244 392 payable to the South African Revenue Service (SARS). This resulted from interest-free loans, as defined in terms of the income tax act, advanced to Members and previous Members of the Legislature, but employees' tax was not paid on this fringe benefit.

4.2 Weaknesses in internal control

4.2.1 Expenditure

Payments due to creditors amounting to R519 425 were not paid within 30 days of receipt of invoices, as required by Treasury Regulation 8.2.3.

4.2.2 Assets

The Legislature's polices and procedures with regard to assets were not adequately followed in the following instances:

- No evidence was submitted that the asset control officer had provided the section heads with an adjusted report indicating any additions to assets at the sections.
- No evidence was submitted that an asset verification report had been sent to the sections at least once every 12 months for verification.

4.3 Special Audit

A special audit has been conducted at Mpumalanga Provincial Administration on government employees who are directors or spouses to directors of private organisations. This special audit will be reported on separately.

4.4 Late submission

The late submission of adequate audit evidence by the Legislature on accounts receivable, housing guarantees, computerised information systems controls and capped leave, resulted in the delay in the completion of the audit process. The evidence was required to enable the appropriate audit opinion to be expressed. The evidence was submitted on 5 August 2005 and the audit process and submission of the audit report was therefore delayed.

5. APPRECIATION

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

SA FAKIE

Auditor-General

Pretoria

17 August 2005

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2005

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material 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 the Legislature in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure.

Legislature 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 Legislature. 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 Legislature.

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.

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 Legislature 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 Legislature 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 Legislature 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 Legislature.

Any potential liabilities are disclosed in the Annual Financial Statements of the Provincial Revenue Fund and not in the Annual Financial Statements of the employer Legislature.

Other employee benefits

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

Goods and services

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

Financial transactions in assets and liabilities

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

Unauthorized expenditure

Unauthorized 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 the relevant authority, recovered or written off as irrecoverable.

Irregular expenditure

Irregular expenditure, is defined as:

Expenditure, other than unauthorized 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 Legislature. 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. 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. 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.

15. 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.

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2

APPROPRIATION STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	1			10	2004/05		_	200	2/04
	Adjusted Appropri ation R'000	A STATE OF THE PARTY OF THE PAR	Virement R'000	Final Appropri- ation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropri- ation R'000	Actual Payment R'000
1. Support Serv	ices								
Current payr	nent 37,26	4 -	(216)	39,748	36,011	955	97.6%	46,582	44,889
Transfers and subsidies	2,70	0	371	, a	2,782	37)			655
Expenditure capital assets	1.00	2	171	1, 692	1,560	132	92.2%	480	456
2. Statutory Se	rvices								
Current pays	nent 10,32	8 -	216	10,544	10,544	-31	100.0%	9,698	9,691
Subtotal	51,98	4 -	171	51,984	50,897	1,087	97.9%	56,760	55,695
Statutory Appropriation	n								
TOTAL				51,984	50,897	1,087	97.9%	56,760	55,695
Departmenta	I revenue received			1,232				626	
Local and foreign aid assistance received								-	
Actual amounts per Statements of Financial Performance (Total revenue)								57,386	
Local and fo	reign assistance				305				
Actual amou expenditure)	al	51,202				55,695			

		,	Appropriatio	n per econon	nic classifica	ntion			
				2004/05				2003/	······································
	Adjusted Appropri- ation	Shifting of Funds	Virement	Final Appropri- ation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropri- ation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R′000	R'000
Current payment									
Compensation of employees	34,130	-	-	34,130	28,985	5145	85.8%	30.582	28,681
Goods and services	13,463	-	-	13,463	16,610	(3,147)	123.4%	23,178	22,605
Financial transactions in assets and liabilities	-	-	-	-	656	(656)		-	774
Transfers and subsidies to: Provinces and Municipalities		-	-		82	(82)	-		
Non-profit institution	2,700	-	-	2,700	2,700		100%	2 ,520	2.520
Payment on capital assets									
Machinery and equipment	1,691	-	-	1,691	1,524	167	90.1%	480	1,115
Software and other intangible assets					36	(36)			
Unauthorised expenditure approved					304	(-304)			
Total	51,984	-	-	51,984	50,897	1,087	97,9%	56,760	55,695

	Statutory Appropriation										
		2004/05 2003/04									
Direct changes against the	Adjusted	Shifting	Virement	Final	Actual	Variance	Payment	Final			
Provincial Revenue Fund	Appropri-	of Funds		Appropri-	Payment		as % of final	Appropri-	Actual		
	ation			ation			appropriation	ation	payment		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R′000	R'000		
Members of the Executive											
Committee/parliamentary											
officers	10, 328		216	10, 544	10, 544	-	100%	9, 698	9, 691		
Total	10,328	-	216	10,544	10,544	-	100.0%	9,698	9,691		

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2 DETAILS PER PROGRAMME 1 - SUPPORT SERVICES FOR THE YEAR ENDED 31 MARCH 2005

				2004/05				200	3/04
Programme per sub- programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropri- ation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropri- ation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R′000
1.1 Legal Services current payment	1,129			1,129	437	692	38.7%	302	227
1.2 Procedural Service current payment	1,084			1,084	790	294	72.9%	1,106	977
1.3 Committee Section current payment Expenditure for capital assets	2,107			2,107	2,522	(415)	119.7%	1,673	1,956
1.4 Standing Committees current payment	2,745			2,745	803	1,942	29.3%	1,150	1,147
1.5 Hansard current payment	1,957			1,957	1,092	865	55.8%	1,507	1,296
1.6 Executive Manager Parliamentary current payment Expenditure for capital assets	600			600	1,051	(451)	175.2%		
1.7 Risk Management current payment	1,440		(216)	1,224	381	843	31.1%		
1.8 Public Participation Unit current payment	1,730			1,730	1,181	549	68.3%	934	985
1.9 Research, Policy, and Monitoring Evaluation current payment	2,059			2,059	1,037	1,022	50.4%		
1.10 House of Traditional Leaders current payment					(34)	34		2,193	2,272
1.11 Office of the Speaker current payment Unauthorised expenditure	5,565			5,565	7,335	(1,770)	137.3%	9,755	7,655
approved 1.12 Office of the					304	(304)			
Secretary current payment Expenditure for capital assets	2,730			2,730	2,603	127	95.3%	3,700	3,541
1.13 Chief Whip Majority	1,691			1,691	1,196	495	70.7%		
Party current payment Expenditure capital assets	1,633			1,633	1,313	320	80.4%	1,489	1,587

Total	41,656	-	(216)	41,440	40,353	1,087	97.4%	47,062	46,004
1.20 Special Function current payment				-	656	(656)			774
Corporate current payment Expenditure for capital assets				-		-		1,432	1,356 659
1.19 Information & Technology:									
1.18 Executive Manager: Corporate current payment	600			600	751	(151)	125.2%		
1.17 Human Resource Management current payment	1,942			1,942	2,86	(919)	147.3%	2,995	2,816
Expenditure for capital assets					240	(240)			
1.16 Communication and Information current payment	2,250			2,250	2,942	(692)	130.8%	1,501	1,527
Officer current payment Expenditure for capital assets	9,499			9,499	10,228 118	(729)	107.7%	16,024 480	16,105 456
1.15 Chief Financial									
1.14 Chief Whip Opposition Party current payment Expenditure for capital asset	894			894	540 1	354	60.4%	821	668

				2004/05				2003	/04
Economic Classification	Adjusted Appropri- ation	Shifting of Funds	Virement	Final Appropri- ation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropri- ation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	23,802		(216)	23,586	18,441	5,145	79.5%	20,884	19,019
Goods and services	13,463			13,463	16,610	(3,147)	123.4%	23,178	22,576
Financial transactions in assets and liabilities				-	656	(656)			774
Transfers and subsidies to: Provinces and Municipalities					82	(82)	100%		
Non Profit Institutions (Political parties)	2,700			2,700	2,700		90.1%	2,520	2,520
Machinery and equipment Software & other intangible assets Unauthorised expenditure	1,691			1,691	1,524 36	167 (36)		480	1,115
approved					304	(304)			
Total	41,656		(216)	41,440	40,353	1,087	97.4	47,062	46,004

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2 DETAILS PER PROGRAMME 2 - STATUTORY SERVICES FOR THE YEAR ENDED 31 MARCH 2005

				2004/05				2003/04	
Programme	Adjusted	Shifting of	Virement	Final	Actual	Variance	Payment	Final	Actual
per sub	Appropr-	Funds	R'000	Appropri-	Payment	R'000	as % of final	Appropri-	Payment
programme	iation	R'000		ation	R'000		appropriation	ation	R'000
	R'000			R'000			%	R′000	
1.1 Remunerative									
Benefits to the									
Members of the									
Legislature	10,328		216	10,544	10,544	-	100.0%	9,698	9,691
Total	10.328	-	216	10,544	10,544	-	100.0%	9,698	9,691

			2004/05	5					
Economic Classification	Adjusted Appropriation	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation R'000	Final Appropriation R'000	Actual Payment R'000
Current compensation of employees Goods and services	10.328		216		10,544		100.0%	9,698	9,692
Total	10.328	-	216	10.544	10.544	-	100.0%	9,698	9,691

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2 NOTES OF 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 9 (Transfers and subsidies) and Annexure 2 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 7 (Financial transactions in assets and liabilities) 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	%				
Support Services	41,440	40,353	1,087	97				
Variance caused k	Variance caused by outstanding invoices at year-end. Application for rollover will be made							
Statutory Services	10,544	10,544	-	100				

4.2 Per economic classification

Current expenditure	
Compensation of employees	28,985
Goods and services	16,610
Financial transaction in assets and liabilities	656
Local and foreign assistance	305
Transfers and subsidies	
Provinces and municipality	82
Non-profit institutions – (Political parties)	2,700

Payment for capital assets	
Machinery and equipment	1,524
Software and other intangibles	36

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05	2003/04
		R'000	R'000
REVENUE			
Annual appropriation	1.	41, 440	47,062
Statutory appropriation	2.	10,544	9,698
Legislature revenue	3.	1,232	626
Local and foreign aid assistance	4.	305	-
TOTAL REVENUE		53,521	57,386
EXPENDITURE			
Current expenditure			
Compensation of employees	5.	28,985	28,681
Goods and services	6.	16,610	22,605
Financial transactions in assets and liabilities	7.	656	774
Local and foreign aid assistance	4.	305	-
Unauthorised expenditure approved	8	304	
Total current expenditure		46,860	52,060
Transfers and subsidies	9.	2,782	2,520
Expenditure for capital assets			
Machinery and Equipment	10.	1,524	1,115
Software and other intangible assets	10.	36	-
Total expenditure for capital assets		1,560	1,115
TOTAL EXPENDITURE		51,202	55,695
NET SURPLUS		2,319	1,691
NET SURPLUS FOR THE YEAR		2,319	1,691
Reconciliation of Net Surplus for the year			
Voted Funds unutilized	13.	1,087	1,065
Legislature receipts	14.	1,232	626
NET SURPLUS FOR THE YEAR		2,319	1,691

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2 STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2005

	Note	2004/05	2003/04
	Note	R'000	R'000
ASSETS		K 000	K 000
ASSETS			
Current assets		2,999	3,270
Unauthorised expenditure	8.	-	304
Cash and cash equivalents	11.	2,250	1,320
Receivables	12.	749	1,646
TOTAL ASSETS		2,999	3,270
LIABILITIES			
Current liabilities		2,319	1,691
Voted funds unutilized	13.	1,087	1,065
Legislature revenue	14.	1,232	626
Non-current liabilities			
TOTAL LIABILITIES		2,319	1,691
NET ASSETS		680	1,579
2 (11			
Represented by:		663	4.880
Recoverable revenue		680	1,579
TOTAL		680	1,579

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05	2003/04
		R'000	R'000
Capitalisation reserve			
Recoverable revenue			
Opening balance		1,579	148
Debts written off	7.2	(656)	(774)
Debts recovered (included in departmental revenue)		(243)	-
Debts raised			2,205
Closing balance		680	1,579
TOTAL		680	1,579

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05
		R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		54,416
Annual appropriated funds received		41,440
Statutory appropriated funds received		10,544
Legislature revenue received		1,230
Local and foreign assistance received	4.	305
Net decrease in working capital		897
Surrendered to Revenue Fund	16	(1,691)
Current payments		(46,556)
Transfers and subsidies paid		(2,782)
Net cash flow available from operating activities	15	3,387
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		(1,560)
Proceeds from sale of capital assets	3.	2
Net cash flows from investing activities		(1,558)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in loans received		(899)
Net cash flows from financing activities		(899)
Net increase in cash and cash equivalents		930
Cash and cash equivalents at the beginning of the period		1,320
Cash and cash equivalents at end of period		2,250

1. Annual Appropriation

1.1 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
Support Services	41,440	40,353	1,087	47,062
Total	41,440	40,353	1,087	47,062

2. Statutory Appropriation

	Note	2004/05	2003/04
		R'000	R'000
Parliamentary officers		10,544	9,698
		10,544	9,698

This item relates to compensation of Members of Provincial Legislature (MPLs) excluding Members of Executive Council (MECs)

3. Legislature revenue

	Note	2004/05	2003/04
		R'000	R'000
Sales of goods and services other than capital assets		12	501
Interest, dividends and rent on land		221	122
Sales of capital assets		2	3
Recoverable revenue received		341	-
Financial transactions in assets and liabilities	3.1	656	-
Total revenue collected		1,232	626
Legislature revenue collected		1,232	626

Included in revenue collected is R 656,000 irrecoverable debts written off Revenue excludes donor fund of R 305,000.

3.1 Financial transaction in assets and liabilities

Other (Debts written off)	656	-
	656	-

The item relates to irrecoverable debts written off

4. Local and foreign aid assistance

4.1	Assistance received in cash	Opening	Revenue	Expenditure	Closing
	Name of donor and purpose	Balance			Balance
	Local				
	APAC CONFERENCE				-
			305	305	
	Foreign				
		-			-
			305	305	

Analysis of balance

4.2 Assistance Received in kind	Note	2004/05	2003/04
		R'000	R'000
Name of the donor and purpose			
Foreign			
LSP-EU Funding		77	-
Foreign		77	-
Total local and foreign aid assistance received in kind		77	-

Legislature Support Programme funding by European Union

5. Compensation of employees

5.1 Salaries and wages		
Basic salary	19,029	18,980
Service Based	1,044	964
Compensative/circumstantial	225	109
Periodic payments	153	-
Other non-pensionable allowances	3,633	-
	24,084	24,359

5.2 Social contribution

5.2.1 Short- term employee benefits			
Pension	3,121	2,879	
Medical	1,434	1,443	
Bargain council	3	-	
Insurance	343	-	
	4,901	4,322	
Total compensation of employees	28,985	28,681	
Average number of employees	122	132	

6.	Goods and services	Note	2004/05 R'000	2003/04 R'000
	Advertising		703	396
	Bank charges and card fees		19	30
	Communication		1,180	1,581
	Computer services		349	320
	Consultants, contractors and special services		786	3,934
	Courier and delivery services		17	18
	Entertainment		1,127	2,056
	External audit fees	6.1	601	730
	Equipment less than R5 000		446	460
	Government motor transport		236	444
	Inventory	6.2	1,692	2,209
	Legal fees		77	80
	Maintenance, repair and running costs		1,536	1,773
	Operating leases		1,610	2,260
	Personnel agency fees		38	-
	Photographic services		202	43
	Plant flowers and other decorations		43	-
	Printing and publications		194	161
	Professional bodies and membership fees		175	132
	Subscriptions		90	-
	Translation and transcriptions		21	-
	Transport provided as part of the department activities		99	391
	Travel and subsistence	6.3	4,443	4,635
,	Venues and facilities		206	106
	Protective, special clothing & uniforms		172	27
	Training & staff development		548	819
			16,610	22,605

6.1 External audit fees			
Regulatory audit	537	730	
Performance audits	61	-	
Other audits	3	-	
Total external audit fees	601	730	

Note	2004/05	2003/04
	R'000	R′000

6.2 Inventory			
Domestic consumables	95	890	
Food and food supplies	654	739	
Stationary and printing	943	580	
Total Inventory	1,692	2,209	

6.3 Travel and subsistence				
Local		3,922	3,470	
Foreign		521	1,165	
Total travel and subsistence		4,443	4,635	

7.	Financial transactions in assets and liabilities			
	Debts written off	7.1	656	774
			656	774

7.1 Bad debts written off		
Members of the Provincial Legislature (Former)	315	8
Staff	-	65
Others	341	701
	656	774

7.2 Recoverable revenue debts written off			
Members of the Provincial Legislature (Former)	(315)	(8)	
Staff	-	(65)	
Others	(341)	(701)	
	(656)	(774)	

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

8. Unauthorised expenditure

8.1. Reconciliation of unauthorised expenditure		
Opening balance	304	304
Unauthorised expenditure approved by Legislature – current expenditure	(304)	1
Unauthorised expenditure awaiting authorisation	-	304

Unauthorized expenditure of the previous financial year was approved by the SCOPA and charged against current budget.

9. Transfers and subsidies			
Provinces and municipalities	Annex 1	82	-
Non-profit institutions – Political Parties	Annex 2	2,700	2,520
		2,782	2,520

10.	Expenditure for capital assets			
	Machinery and equipment	Annex 5	1,524	1,115
	Software and intangibles asset	Annex 6	36	-
	Total		1,560	1,115
11.	Cash and cash equivalents			
	Consolidated Paymaster General Account		2,250	1,320
			2,250	1,320

12. Receivables						
		Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	12.1	22	584	129	735	1,060
Other debtors	12.3	14			14	386
		36	584	129	749	1,646

Amounts of R 509 564 (2004: R 1,451 444) included above may not be recoverable, but have not been written off in the Statement of financial performance

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

12.1 Sta	aff debtors		
Sta	aff, MPLs	735	1,060
		735	1,060

12.2	Clearing of accounts		
	SARS - Income tax	14	-
		14	-

12.3	Other debtors		
	Nature of advances		
	Other	-	586
		-	586
13.	Voted Funds unutilized		
13.	Voted Funds unutilized Opening balance	1,065	4,738
13.	Opening balance Transfer from Statement of Financial	1,065 1,087	4,738 1,065
13.	Opening balance	· ·	·
13.	Opening balance Transfer from Statement of Financial	· ·	·

14.	Legislature receipts		
	Opening balance	626	579
	Transfer from Statement of Financial Performance	1,232	626
	Paid during the year	(626)	(579)
	Closing Balance	1,232	626

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

15.	Reconciliation of net cash flow from operating activities to surplus			
	Net surplus as per Statement of Financial Performance	2,319		
	Decrease in receivables – current assets	897		
	Decrease in other current assets	304		
	Increase in payables – current liabilities	(2)		
	Surrenders	(1,691)		
	Capital expenditure	1,560		
	Net cash flow generated by operating activities	3,387		

16. Appropriated funds and Departmental revenue surrendered			
Appropriated funds surrendered	1,065	4,738	
Departmental revenue surrendered	626	579	
	1,691	5,371	

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2

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

17. Contingent liabilities				
	Notes	2004/05	2003/04	
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annexure 4	262	1,091
SARS			946	-
Capped Leave			1,922	
			3,130	1,091

There is a contingent liability in respect to cancellation of interest on some debt, which gives rise to penalty and interest estimated at R946 000,00.

Capped leave for the period between July 2000 and November 2002 were not recognized by Persal System. Therefore, capped leave balances used to calculate capped leave entitlement will be overstated. Corrections will be made in the 2005/6 period

18. Commitments per programme		
Current expenditure		
Capital expenditure		
Approved but yet contracted	-	1,800
	-	1,800
Total Commitments	-	1,800

19.	Accruals				
	By economic classification	30 Days	30+ Days	Total	Total
	Compensation of employees			1	
	Goods and services		1,521	1,521	206
			1,521	1,521	206
	Listed by programme level				
	Support services			1,521	206
				1,521	206

MPUMALANGA PROVINCIAL LEGISLATURE VOTE 2

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

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

Confirmed by other Departments

Cupport convices	Annexure 7	102	
Support services	Annexure /	102	-
		102	-
20. Employee benefits			
Leave entitlement	667		3,506
Thirteenth cheque	586		-
	1,253		3,506

21. Lease Commitments

21.1 Operating leases Building and Machinery Total Total Other fixed equipment structures Not later than 1 year 489 489 0 Later than 1 year and not Later than 3 years 0 830 830 1,586 Later than three years 0 0 0 624 Total present value of 0 1,319 1,319 2,210 Lease liabilities

22. Senior management personnel		
- The Speaker and Deputy Speaker	1,104	1,038
- Deputy Director-Generals	657	574
- 2 X Executive Managers	994	-
- 5 X Senior Managers	2,652	3,201
	5,020	4,813

ANNEXURE 1 STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

	GRANT ALLOCATION			TRA	NSFER	SPENT			2003/04	
NAME OF MUNICIPALITY	Division of Revenue Act	Rollovers	DORA Adjust- ments	Total Available	Actual Transfer	% of available funds transferred	Amount received by municipa- lity	Amount Spent by municipal- ity	% of available funds spent by municipal- ity	Division Of Revenue Act
	R'000	R'000	R'000	R'000	R′000	%	R'000	R′000	%	R'000

Ehlanzeni District Municipality

82

	-	82			

ANNEXURE 2 STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTION (POLITICAL PARTIES)

					EXPEN	NDITURE	
NON PROFIT ORGANISATION	Appropriation Act	Rollovers	Adjustments	Total Available	Actual Transfer	% Of available funds transferred	Appropriation Act
	R'000		R'000	R'000	R'000	%	R'000
Transfers							
African National Congress	2,430			2,430	2,430	100%	2,184
Freedom Front Plus	90			90	90	100%	84
Democratic Alliance	180			180	180	100%	84
United Democratic Movement							84
New National Party							84
Total	2,700			2,700	2,700		2,520

ANNEXURE 3 STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

	NATURE OF GIFT, DONATION	2004/05	2003/04
NAME OF ORGANIZATION	OR SPONSORSHIP	R'000	R'000
First National Bank	Donation for APAC Conference	90	-
Standard Bank	Donation for APAC Conference	163	-
Deloitte & Touche	Donation for APAC Conference	5	-
PriceWaterHouseCoopers	Donation for APAC Conference	5	-
Sanlam	Donation for APAC Conference	20	-
Multichoice	Donation for APAC Conference	5	-
KPMG	Donation for APAC Conference	17	-
Donor funds utilised		(305)	-
Received in kind			
European Union Parliament Support Programme	Legislature Support Programme funded by the European Union	77	
First National Bank	Opening of Legislature		100
Eskom	Opening of Legislature		150
Kwanda Finance	Opening of Legislature		3
Vinto Minerals	Opening of Legislature		10
SAB	Opening of Legislature: Catering		1
Subtotal		77	264
		77	264

ANNEXURE 4 STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest for year ended 31 March 2005	Closing Balance 31/ 03/2005	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stannic	Motor Vehicles	190						
		190	-	-	-	-	-	-
ABSA	Housing	99	99		65		34	
First National Bank	Housing	507	383	-	231		152	
Nedbank	Housing	29	71		29		42	
Peoples Bank	Housing	29	46	-	46		-	
Permanent bank	Housing	76	76	-	76		-	
Standard Bank	Housing	416	416		382		34	
NBS/FNB	Housing	26	-				-	
		1,182	1,091	-	829	-	262	-
	Total	1,372	1,091	-	829	-	262	-

ANNEXURE 5 PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Opening			_ , .	_ , _	Closing Balance
	Balance	Additions	Disposals	Transfer in	Transfer Out	
	R'000	R'000	R'000	R'000	R′000	R′000
MACHINERY AND	1,535	1,524				3,059
EQUIPMENT						
Computer equipment	877	349	-	-	-	1,226
Other machinery and equipment	238	1,175				1,413
Transport assets	420					420
	1,535	1,524	-	-	-	3,059

ANNEXURE 5 (CONT.) PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004

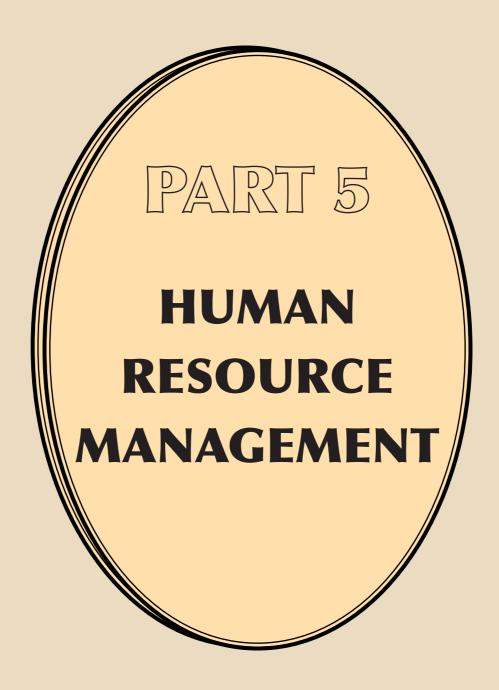
	Opening Balance	Additions	Disposals	Transfers in	Transfers out	Closing balance
	R'000		R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	420	1, 115				1,535
Computer equipment	-	877	-	-	-	
Other machinery and equipment		238				238
Transport asset	420					420
	420	1,115	-	-	-	1,535

ANNEXURE 6 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
Computer software		36		-	-	36
		36		-	-	36

ANNEXURE 7 INTER-DEPARTMENTAL PAYABLES- CURRENT

	Confirmed balance outstanding		Unconfirmed balance outstanding		
GOVERNMENT ENTITY	31/03/2005 R'000	31/03/2004 R′000	31/03/2005 R'000	31/03/2004 R'000	
Department					
Amounts not included in the Statement of Financial position Current					
Department of Public Works	102	0			
	102	0		0	
	102	0	-	0	



	elivery Improvement and Stand	ards		
Main Services	Actual Customers	Potential Cus- tomers	Standard of Service	Actual Achievement against Standards
Law making	Citizens of Mpumalanga Province	Citizens of South Africa and Africa	Conducting site visits	Recommendations made by Committees and Resolutions adopted by the House
Conducting oversight	Government Departments and other Organs of States		Holding public hear- ings	
Enhancing public participation			Committee meetings and Sittings	
TABLE 1.2 - Consultation Arrangements	for Customers			
		Potential	Actual Achievements	
Type of Arrangement	Actual Customer	Customer	Actual Achievements	
Public hearings	Citizens of Mpumalanga	Citizens of South Africa and Africa	Public hearings were conducted & Sectoral Parliaments were held	
Holding of Sectoral Parliaments				
TABLE 1.3 - Service Delivery Access Str	ategy			
Access Strategy	Actual Achievements			
Taking the Legislature to the People	The Legislature held a sitting at Ermelo			
Organized site visits	Site visits were held			
Invite members of the public to attend Legislature events				
TABLE 1.4 - Service Information Tool				
Type of Information Tool	Actual Achievements			
Committees reports	Reports completed			
Hansard records	One hansard volume completed			
Annual report				
TABLE 1.5 - Complaint Mechanism				
TABLE 1.5 - Complaint Mechanism Complaint Mechanism	Actual Achievements			

HR OVERSIGHT - A	PRIL 2004 TO	O MARCH 200	5 - MPUMALA	NGA - PROVIN	NCIAL LEGISLA	TURE			
TABLE 2.1 - Personne	el costs by Pro	ogramme							
Programme	Total Voted Ex- penditure (R'000)	Compensation of Employees (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compen- sation of Employees Cost per Employee (R'000)	Employ- ment		
Prog. 1: support services	39,652	18,745	0	0	47.2	154	122		
Prog. 2: statutory services	10,542	10,544	0	0	99.8	86	122		
Theft and losses	656	0	0	0	0	0	122		
Z=Total as on Financial Systems (BAS)	50,850	29,289	0	0	57.5	240	122		
TABLE 2.2 - Personne	el costs by Sal	ary band							
Salary Bands	Compensation of Employees (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R)	Total Compen- sation of Employees	Number of Employees				
Lower skilled (Levels 1-2)	317	1.1	158,500	29,910	2				
Skilled (Levels 3-5)	2328	7.8	75,097	29,910	31				
Highly skilled production (Levels 6-8)	7673	25.7	178,442	29,910	43				
Highly skilled supervision (Levels 9-12)	6571	22	182,528	29,910	36				
Senior management (Levels 13-16)	12400	41.5	1,24000	29,910	10				
TOTAL	29289	100	240074	27436	122				
TABLE 2.3 - Salaries,	Overtime H	omo Ownors A	llowance and M	lodical Aid by P	rogrammo				
Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel	Total Person- nel Cost (R'000)
Prog. 2: statutory services		0	0	0	0	0		Cost	0
Prog. 1: support services	18745	100	225	1.2	130	0.7	811	4.3	18745
Prog. 2: statutory services	10544	100	0	0	0	0	465	4.4	10544
Unknown			0	0	0	0			
TOTAL	29,289	100	225	0.8	130	0.5	1276	4.4	29289

TABLE 2.4 - Salaries,	TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band											
Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Person- nel Cost (R'000)			
Lower skilled (Levels 1-2)	317	100	5	1,6	2	0,6	10	3,2	317			
Skilled (Levels 3-5)	2,328	100	88	3,8	11	0,5	187	8	2328			
Highly skilled production (Levels 6-8)	7,673	100	120	1.6	79	1	363	4,7	7673			
Highly skilled supervision (Levels 9-12)	6,571	100	13	0.2	39	0,6	262	4	6571			
Senior management (Levels 13-16)	12,400	100	0	0	-1	0	602	4,9	12400			
TOTAL	29289	100	226	0.8	130	0.4	1424	4,9	29289			

HR OVERSIGHT - APRIL 2004 TO MARCH 2005 - MPUMALANGA - PROVINCIAL LEGISLATURE

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

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Addi- tional to the Establishment
Prog. 1: support services, Permanent	15	0	100	0
Prog. 2: statutory services, Permanent	25	3	88	0
Prog. 1: support services, Permanent	124	103	16.9	0
Prog. 2: statutory services, Permanent	20	16	20	0
TOTAL	184	122	33.7	0

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

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	18	15	16.7	0
Skilled (Levels 3-5), Permanent	29	22	24.1	0
Highly skilled production (Levels 6-8), Permanent	60	45	25	0
Highly skilled supervision (Levels 9-12), Permanent	51	32	37.3	0
Senior management (Levels 13-16), Permanent	26	8	69.2	0
TOTAL	184	122	33.7	0

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

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Addi- tional to the Establishment
Administrative related, Permanent	26	21	19.2	0
Cleaners in offices workshops hospitals etc., Permanent	6	6	0	0
Client info. clerks (switchboard, reception, info. clerks), Permanent	1	1	0	0
Communication and information related, Permanent	6	0	100	0
Economists, Permanent	1	1	0	0
Finance and economics related, Permanent	2	2	0	0
Financial clerks and credit controllers, Permanent	6	5	16.7	0
Head of Department/Chief Executive Officer, Permanent	1	1	0	0
Health sciences related, Permanent	3	2	33.3	0
Human resources clerks, Permanent	2	1	50	0
Human resources related, Permanent	4	3	25	0
Librarians and related professionals, Permanent	1	0	100	0
Library, mail and related clerks, Permanent	1	1	0	0
Light vehicle drivers, Permanent	2	2	0	0
Messengers, porters and deliverers, Permanent	2	2	0	0
Other administrative & related clerks & organisers, Permanent	13	11	15.4	0
Other administrative policy and related officers, Permanent	37	29	21.6	0
Other information technology personnel., Permanent	1	1	0	0
Other occupations, Permanent	45	19	57.8	0
Secretaries & other keyboard operating clerks, Permanent	13	9	30.8	0
Senior managers, Permanent	11	5	54.5	0
TOTAL	184	122	33.7	0

HR OVERSIGHT - APRIL 2004 TO MA	RCH 2005 -	MPUMALAN	GA - PROVINC	IAL LEGISLATU	RE		
TABLE 4.1 - Job Evaluation							
Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	20	0	0	0	0	0	0
Skilled (Levels 3-5)	29	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	60	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	49	0	0	0	0	0	0
Senior Management Service Band A	23	0	0	0	0	0	0
Senior Management Service Band B	3	0	0	0	0	0	0
TOTAL	184	0	0	0	0	0	0
TABLE 4.2 - Profile of employees whose	positions we	re upgraded d	ue to their post	s being evaluate	ed		
Beneficiaries	African	Asian	Coloured	White	Total		
Female	0	0	0	0	0		
Male	0	0	0	0	0		
Total	0	0	0	0	0		
Employees with a Disability	0	0	0	0	0		
TABLE 4.3 - Employees whose salary lev	el exceed the	grade determ	ined by Job Eva	luation [i.t.o PS	SR 1.V.C.3]		
Occupation	Number of Employees	Job Evaluation Level	Remunera- tion Level	Reason for Deviation	No of Employees in Dept.		
None	0	None	None	None			
None	0	None	None	None			
Total	0						
Percentage of Total Employment	0				0		
TABLE 4.4 - Profile of employees whose	salary level e	exceeded the g	grade determine	ed by job evalua	tion [i.t.o. PSR 1.	V.C.3]	
Beneficiaries	African	Asian	Coloured	White	Total		
Female	0	0	0	0	0		
Male	0	0	0	0	0		
Total	0	0	0	0	0		
Employees with a Disability	0	0	0	0	0		

HR OVERSIGHT - APRIL 2004 TO MARCH 2005 - MPUMALANGA - PROVINCIAL LEGISLATURE

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate	
Lower skilled (Levels 1-2), Permanent	2	0	0	0	
Skilled (Levels 3-5), Permanent	33	7	10	30.3	
Highly skilled production (Levels 6-8), Permanent	54	4	9	11,4	
Highly skilled supervision (Levels 9-12), Permanent	35	2	4	20	
Senior Management Service Band A, Permanent	8	4	3	37,5	
Senior Management Service Band C, Permanent	1	0	0	0	
TOTAL	133	17	26	19.5	

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate	
Administrative related, Permanent	15	2	0	0	
Cleaners in offices, workshops, hospitals etc., Permanent	4	0	0	0	
Client info. clerks (switchboard, reception, info. clerks), Permanent	1	0	0	0	
Communication and information related, Permanent	1	0	0	0	
Finance and economics related, Permanent	1	0	0	0	
Financial clerks and credit controllers, Permanent	6	0	0	0	
Head of Department/Chief Executive Officer, Permanent	1	0	0	0	
Human resources clerks, Permanent	0	2	1	0	
Human resources related, Permanent	1	1	0	0	
Librarians and related professionals, Permanent	1	0	0	0	
Library, mail and related clerks, Permanent	1	0	0	0	
Light vehicle drivers, Permanent	2	0	0	0	
Messengers, porters and deliverers, Permanent	3	0	0	0	
Other administrative & related clerks and organisers, Permanent	7	0	0	0	
Other administrative policy and related officers, Permanent	42	4	3	7.1	
Other occupations, Permanent	25		8	32	
Rank: Chairperson of Committee of Legislature, Permanent	1	0	0	0	
Rank: Speaker of Provincial Legislature, Deputy, Permanent	1	0	0	0	
Rank: Unknown, Permanent	1	0	0	0	
Rank: Whip of Legislature, Permanent	1	0	0	0	
Secretaries & other keyboard operating clerks, Permanent	12	4	11	91.7	
Senior managers, Permanent	6	4	3	16.7	
TOTAL	133	17	26	19.5	

TABLE 5.3 - Reasons why staff are leaving the department					
Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	1	3.8	0.8	26	133
Resignation, Permanent	3	11.5	2.3	26	133
Expiry of contract, Permanent	21	80.8	15.8	26	133
Retirement, Permanent	1	3.8	0.8	26	133
TOTAL	26	100	19.5	26	133
Resignations as % of Employment	19.5%				
TABLE 5.4 - Promotions by Critical Occupation					
Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employ- ment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	15	4	26.7	10	66.7
Cleaners in offices workshops hospitals etc.	4	0	0	3	75
Client info. clerks (switchboard, reception, info. clerks)	1	0	0	1	100
Communication and information related	1	0	0	0	(
Finance and economics related	1	0	0	1	100
Financial clerks and credit controllers	6	0	0	5	83.3
Head of Department/Chief Executive Officer	1	0	0	0	(
Human resources related	1	0	0	0	(
Librarians and related professionals	1	0	0	1	100
Library, mail and related clerks	1	0	0	1	100
Light vehicle drivers	2	0	0	1	50
Messengers, porters and deliverers	3	0	0	3	100
Other administrative & related clerks and organisers	7	0	0	4	57.1
Other administrative policy and related officers	42	3	7.1	20	47.6
Other occupations	25	0	0	14	56
Rank: Chairperson of Committee of Legislature	1	0	0	0	C
Rank: Speaker of Provincial Legislature, Deputy	1	0	0	0	C
Rank: Unknown	1	0	0	0	C
Rank: Whip of Legislature	1	0	0	0	С
Secretaries & other keyboard operating clerks	12	1	8.3	9	75
Senior managers	6	1	16.7	2	33.3
TOTAL	133	9	6.8	75	56.4
TABLE 5.5 - Promotions by Salary Band					
Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employ- ment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employ- ment
Lower skilled (Levels 1-2), Permanent	2	0	0	4	200
Skilled (Levels 3-5), Permanent	33	0	0	16	48.5
Highly skilled production (Levels 6-8), Permanent	54	5	9.3	37	68.5
Highly skilled supervision (Levels 9-12), Permanent	35	0	0	18	51.4
Senior management (Levels 13-16), Permanent	9	4	44.4	0	C
TOTAL	133	9	6.8	75	56.4

HR OVERSIGHT - APRIL 2004 to MARC											
TABLE 6.1 - Total number of Employees (i	ncl. Empl	Ĺ			ccupation	al Catego	ry (SASCO)				
Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	14	0	1	15	3	6	0	0	6	0	24
Professionals, Permanent	24	1	0	25	2	29	1	1	31	2	60
Clerks, Permanent	8	0	0	8	0	15	0	0	15	1	24
Plant & machine operators and assemblers, Permanent	3	0	0	3	0	0	0	0	0	0	3
Elementary occupations, Permanent	2	0	0	2	0	9	0	0	9	0	11
TOTAL	51	1	1	53	5	59	1	1	61	3	122
TABLE 6.2 - Total number of Employees (i	ncl. Empl	oyees with o	disabilitie	s) per O	cupation	al Bands					
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	7	0	0	7	0	2	0	0	2	0	9
Professionally qualified and experienced specialists and mid-management, Permanent	24	0	1	25	4	21	0	0	21	0	50
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	9	1	0	10	1	13	1	1	15	3	29
Semi-skilled and discretionary decision making, Permanent	10	0	0	10	0	22	0	0	22	0	32
Unskilled and defined decision making, Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	51	1	1	53	5	59	1	1	61	3	122
TABLE 6.3 - Recruitment											
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experi- enced specialists and mid-management, Permanent	4	0	0	4	1	1	0	0	1	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	1	3	0	0	3	0	4
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	7	0	0	7	0	7
TOTAL	4	0	0	4	2	11	0	0	11	0	17

									2004/5 /	Annual R	eport
TABLE 6.4 - Promotions											
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	4	0	0	4	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management, Permanent	9	0	0	9	3	6	0	0	6	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	1	0	14	0	25	1	0	26	3	43
Semi-skilled and discretionary decision making, Permanent	6	0	0	6	0	10	0	0	10	0	16
Unskilled and defined decision making, Permanent	0	0	0	0	0	4	0	0	4	0	4
TOTAL	32	1	0	33	3	45	1	0	46	3	85
TABLE 6.5 - Terminations											
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experienced specialists and mid-management, Permanent	4	0	0	4	1	2	0	0	2	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	2	0	4	0	0	4	3	9
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	10	0	0	10	0	10
TOTAL	6	0	0	6	1	16	0	0	16	3	26
TABLE 6.6 - Disciplinary Action											
Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total

HR OVERSIGHT - APRIL 2004 to MARCH 2005 - MPUMALANGA - PROVINCIAL LEGISLATURE

TABLE 7.1 - Performance Rewards b	y Race	e, Gender and Disabilit	y
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	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	0	59	0	0	0
African, Male	0	51	0	0	0
Asian, Female	0	1	0	0	0
Asian, Male	0	1	0	0	0
Coloured, Female	0	1	0	0	0
Coloured, Male	0	1	0	0	0
Total Blacks, Female	0	61	0	0	0
Total Blacks, Male	0	53	0	0	0
White, Female	0	3	0	0	0
White, Male	0	5	0	0	0
TOTAL	0	122	0	0	0

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

Salary Band	Number of Beneficiaries	Total Employ- ment	Percentage of Total Employ- ment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	0	2	0	0	0
Skilled (Levels 3-5)	0	31	0	0	0
Highly skilled production (Levels 6-8)	0	43	0	0	0
Highly skilled supervision (Levels 9-12)	0	36	0	0	0
TOTAL	0	112	0	0	0

TABLE 7.3 - Performance Rewards by Critical Occupation					
Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	0	18	0	0	0
Cleaners in offices, workshops, hospitals etc.	0	3	0	0	0
Client info. clerks (switchboard, reception, info. clerks)	0	1	0	0	0
Finance and economics related	0	1	0	0	0
Financial clerks and credit controllers	0	5	0	0	0
Head of Department/Chief Executive Officer	0	1	0	0	0
Human resources clerks	0	1	0	0	0
Human resources related	0	1	0	0	0
Librarians and related professionals	0	1	0	0	0
Light vehicle drivers	0	3	0	0	0
Messengers, porters and deliverers	0	3	0	0	0
Other administrative & related clerks and organisers	0	6	0	0	0
Other administrative policy and related officers	0	39	0	0	0
Other occupations	0	24	0	0	0
Secretaries & other keyboard operating clerks	0	11	0	0	0
Senior managers	0	4	0	0	0
TOTAL	0	122	0	0	0

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service										
SMS Band	Number of Beneficiaries	Total Employ- ment	Percentage of Total Employ- ment	Cost (R'000)	Average Cost per Benefici- ary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)			
Band A	0	7	0	0	0	0	0			
Band B	0	2	0	0	0	0	0			
Band C	0	1	0	0	0	0	0			
TOTAL	0	10	0	0	0	0	0			

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TABLE 8.1 - Foreign	Workers by Sal	ary Band							
Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employ- ment	Percentage of Total	Total Employment at Beginning of Period	Total Employ- ment at End of Period	Total Change in Employment
TOTAL	0	0	0	0	0	0	0	0	(
TABLE 8.2 - Foreign	Workers by Ma	jor Occupati	on						
Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employ- ment	Percentage of Total	Total Employment at Beginning of Period	Total Em- ployment at End of Period	Total Change in Employ- ment
TOTAL	0	0	0	0	0	0	0	0	(
Messengers, porters and deliverers	0	3	0	0	0				
Other adminis- trative & related clerks & organisers	0	6	0	0	0				
Other administrative policy and related officers	0	39	0	0	0				
Other occupations	0	24	0	0	0				
Secretaries & other keyboard operating clerks	0	11	0	0	0				
Senior managers	0	4	0	0	0				
TOTAL	0	122	0	0	0				

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Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	8	100	2	4.8	4	1	42	8
Skilled (Levels 3-5)	25	80	10	23.8	3	5	42	20
Highly skilled production (Levels 6-8)	139	96.4	23	54.8	6	58	42	134
Highly skilled supervision (Levels 9-12)	46	82.6	6	14.3	8	33	42	38
Senior management (Levels 13-16)	18	94.4	1	2.4	18	29	42	17
TOTAL	236	91.9	42	100	6	126	42	217
TABLE 9.2 - Disability Leave (Temporar	, and Porm	anont) for lan	2004 to Doc 2	004				
Salary Band	Total Days	% Days with Medical Certification	Number of Employ- ees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Dis- ability Leave
TOTAL	0	0	0	0	0	0	0	0
TABLE 9.3 - Annual Leave for Jan 2004	to Dec 200)4						
Salary Band	Total Days Taken	Average per Employee	Employ- ment					
Lower skilled (Levels 1-2)	42	21	2					
Skilled (Levels 3-5)	399	13	30					
Highly skilled production (Levels 6-8)	664	15	43					
Highly skilled supervision (Levels 9-12)	306	18	17					
Senior management (Levels 13-16)	107	12	9					
TOTAL	1518	15	101					
TABLE 9.4 - Capped Leave for Jan 2004	to Dec 20	04			<u>'</u>			
	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004	Number of Employees	Total number of capped leave available at 31 Decem- ber 2004	Number of Em- ployees as at 31 Decem- ber 2004		
Highly skilled production (Levels 6-8)	5	3	65	2	1290	20		
Highly skilled supervision (Levels 9-12)	3	3	71	1	850	12		
TOTAL	8	3	67	3	2140	32		
TABLE 9.5 - Leave Payouts								
Reason	Total Amount (R'000)	Number of Employees	Average Payment per Em- ployee (R)					
Capped leave payouts on termination of service for 2004/05	5	1	5000					
Current leave payout on termination of service for 2004/05	5	1	5000					
TOTAL	10	2	5000					

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TABLE 10.1 - Steps taken to reduce the risk of occupational exposure			
Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk		
N/A	None		
N/A	None		
TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes		1	
Question	Yes	No	Details, if yes
1. Has the Legislature designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms DN Thulo: Senior Manager
Does the Legislature have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		A committee is established
3. Has the Legislature introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements services of the programme.	Yes		An employee assistant pro- gramme is in place
4. Has the Legislature established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Ms Thulo, Mr Shube and Ms Mthombothi
5. Has the Legislature reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The HIV/AIDS policy and the employee assistant programme
6. Has the Legislature introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		No	
7. Does the Legislature encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		No	
8. Has the Legislature developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		No	

TABLE 11.1 - Collective Agreements			
Subject Matter	Date		
Recognition agreement signed between NEHAWU and the Legislature	31/01/2005		
TABLE 11.2 - Misconduct and Disciplinary Hearings Finalised			
Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	0	0	
TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings			
Type of misconduct	Number	% of total	
None	0	0	
None	0	0	
Total	0		
TABLE 11.4 - Grievances Lodged			
Number of grievances addressed	Number	% of total	
Resolved	None	0%	
Not resolved	None	0%	
Total			
TABLE 11.5 - Disputes Lodged			
Number of disputes addressed	Number	% of total	
Upheld	None	0	
Dismissed	1	100%	
Total			
TABLE 11.6 - Strike Actions			
Strike Actions _			
Total number of person working days lost	None		
Total cost(R'000) of working days lost	None		
Amount (R'000) recovered as a result of no work no pay	None		
TABLE 11.7 - Precautionary Suspensions			
Precautionary Suspensions	_		
Number of people suspended	None		
Number of people whose suspension exceeded 30 days	None		
Average number of days suspended	None		
Cost (R'000) of suspensions	None		

TABLE 12.1 Injury on Duty	0					
TABLE 13.1 - Injury on Duty		N. I			0/ ()	
Nature of injury on duty		Numb			% of total	
Required basic medical attention only			0			
Temporary Total Disablement			0)		
Permanent Disablement		0			0	
Fatal		0			0	
Total			0			
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TABLE 14.1 - Report on consultant appointment	s using app	propriated funds				
Project Title		number of consultants worked on the project	Duration: Work days		Contract value in Rand	
Project Management		1	1		38988,00	
Inter-Governmental relations		1	1		809,56	
Review of Vision and Mission		1	1 2		26472,22	
TABLE 14.2 - Analysis of consultant appointmen	ts using ap	propriated funds, i.t.o. H	DIs			
Project Title	Percer	Percentage ownership by HDI groups Percentage management HDI groups		ment by	Number of Consultants from HDI groups that work on the project	
Project Management		100%		100%		
Inter-Governmental relations		100%		100%		
Review of Vision and Mission		100%		100%		
TABLE 14.3 - Report on consultant appointment	s using Do	nor funds				
Project Title		number of consultants worked on the project	Duration: Work	days	Donor and Contract value in Rand	
Project Management		1		1	9012,00	
Inter-Governmental relations		1		1	38500,00	
Review of Vision and Mission		1		1	7737,18	
TABLE 14.4 - Analysis of consultant appointmen	ts using De	onor funds, i.t.o. HDIs				
Project Title	Percer	ntage ownership by HDI groups	Percentage management by HDI groups		Number of Consultants from HDI groups that work on the project	
Project Management		100%		100%		
Inter-Governmental relations		100%		100%		

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