



NORTHERN CAPE PROVINCIAL TREASURY

Annual Report 2004/2005

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PART I: GENERAL INFORMATION

Mr. O.P Dikgetsi MEC – Finance & Economic Affairs

Submission of the Annual Report to the Executing Authority.

The Accounting Officer of the Northern Cape Provincial Treasury Department have the honour of submitting the 2004/05 Annual Report of the Department in terms of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) to the Executing Authority, Mr O.P. Dikgetsi.

A handwritten signature in black ink, appearing to read 'S.E. Mokoko', written over a light pink rectangular stamp area.

S.E. MOKOKO

Accounting Officer: Northern Cape Provincial Treasury

Date: 7 November 2005

Introduction by the Head of Department

The 2004/05 financial year saw the change in the Executing Authority as well as the change in the head of the department. Mr. O.P. Dikgetsi became the Executive Council member responsible for Finance after the 2004 general elections. The employment contract of the former Head of Department came to an end at the end of June 2004. Mr. Gerald Mentoer, the former accounting officer for the department acted as the head of the department from 1 July 2004 to 30 October 2004. The new Head of Department was appointed effective from 1 November 2004. The duties, powers and responsibilities of the head of department and accounting officer were vested into the new head of department and accounting officer.



At the beginning of May 2004, the then Department of Finance was merged with the department of Economic Affairs and became the Department of Finance and Economic Affairs. This merger lasted until 30 October 2004 when the new head for Economic Affairs as well as the new head for Provincial Treasury were appointed. The split came as the result of the President expressing his desire to see Provincial Treasuries being independent and not been referees and players at the same time.

This split is in line with the requirements of the Public Finance Management Act (PFMA) which requires Provincial Treasury to prepare the provincial budget, exercise control over the implementation of the provincial budget, to promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial entities and lastly to ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.

The name of the department was officially changed from Finance to Provincial Treasury during December 2004.

As a Provincial Treasury, we are expected to ensure that public funds are well managed and that the key priorities are funded from the limited resources, and that we strive to achieve allocative efficiency. The Public Finance Management Act (PFMA) that established provincial treasuries brought reforms that ushered in a renewed focus on accountability for the resources of the state, and our responsibility is to ensure that the spirit of the Act is fully implemented by all provincial departments.

Provincial Treasury is working tirelessly to ensure that departmental strategic plans are aligned with the Provincial Growth and Development Strategy which seeks to halve the unemployment rate by 2014, reduce the number of households living in absolute poverty and to improve the lives of the provincial inhabitants for the better.

The introduction of the Municipal Finance Management Act (Act 56 of 2003) requires Provincial Treasury to provide capacity and support to district and local municipalities to ensure proper implementation of the Act. The current sub-directorate dealing with municipal budgets will be strengthened in the 2005/06 financial year to be able to respond appropriately to the challenges facing Provincial Treasury in terms of the Municipal Finance Management Act.

The excellent relationship that Provincial Treasury has with other national and provincial departments remains of critical importance in achieving our objectives and indeed enabling our stakeholders in achieving theirs. With ever increasing responsibilities being added to the role played by Provincial Treasury, it is essential that a broader top management team is created to provide the required strategic direction for the Provincial Treasury.

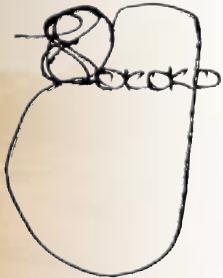
To this effect a new structure with a broad based top and senior management structure will be implemented during the 2005/06 financial year.

Provincial Treasury is ably led by a visionary, a hard working and a dedicated servant of the poorest of the poor. We feel blessed with this kind of leadership which has already contributed to the changed approach to the work of the Provincial Treasury.

Northern Cape Provincial Treasury Vote 8

Of the many challenges facing the Provincial Treasury is the disparities in the income levels of the staff compliment of the Provincial Treasury, as well as labour relations issues. However, these challenges have not prevented our staff to ensure that we achieve the targets we have set for ourselves. The senior management of the department would like to take this opportunity to thank them for their contribution in the achievement of our goals.

It is our pleasure to submit to the Provincial Legislature and the broader stakeholders and readership the Annual Report of the Provincial Treasury.



S. E Mokoko

Accounting Officer – Northern Cape Provincial Treasury

Date: 7 November 2005

VISION

We strive to promote efficient, effective and transparent economic use of provincial resources.

MISSION

Render timeous and responsive service delivery to clients through:-

- Enforcing the implementation of the Public Finance Management Act and Municipal Finance Management Act;
- Preparation of sound, sustainable and developmental provincial budgets;
- Promotion and monitoring of the sustainability of local government budgets;
- Sound management of provincial government's financial assets and liabilities;
- Promotion of sound supply chain management practices at provincial and local government level;
- Optimisation of provincially collected own revenue;
- Enhancement of sound cash management, accounting practices, policies and systems;
- Ensure alignment of strategic plans and budgets to Provincial Growth and Development strategy.

Legislative and other mandates

The Department in its operations, is guided by the following legislative mandates:

Constitution Act No.108 of 1996	The supreme law of the Republic, law or conduct inconsistent with it is invalid and the obligations imposed by it must be fulfilled.
Public Finance Management Act (Act 1 of 1999) as amended (PFMA)	To regulate financial management in the National Government and Provincial Governments, to ensure that all revenue, expenditure, assets and liabilities of the Governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those Governments and to provide for matters connected therewith.
Division of Revenue Act as annually enacted	To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government and the reporting requirements for allocation pursuant to such division; to permit the withholding and the delaying of payments in certain circumstances; to provide for liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations and to provide for matters connected therewith.
Treasury Regulations, March 2002 (as amended)	To regulate for the requirements for strategic planning as the basis for the preparation of budgets; To set minimum standards for financial management, clarification of roles; to instilling a culture of output measurement; to regulates and provides guidelines for the handling of property, disposal of state assets, disposal of immovable state assets and procurement.
Preferential Procurement Policy Framework Act (Act 5 of 2000)	To provide regulatory framework enabling and assisting departments and potentially disadvantaged Individuals (HDI's) in the sustainable development and implementation of preferential procurement system.
Preferential Procurement Regulations 2000	To promote the introduction of practical measures pertaining to application of the points system referred to in the Act; the call for evaluation and allocation of tenders in accordance with the preference policy.
Public Service Act (Act 103 of 1994) as amended	To provide for the organization and administration of human resources management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff and matters connected therewith.

Northern Cape Provincial Treasury Vote 8

Occupational Health and Safety Act	To provide for the Health and Safety of persons at work and for the health and safety of persons connected with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; to provide for matters connected therewith.
Promotion of Access to Information Act, 2000 (Act 2 of 2000)	To give effect to constitutional right of access to any information held by the state and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
Employment Equity Act, 1998 (Act 55 of 1998)	To regulate the process and procedures in achieving a diverse and competent workforce broadly representative of demographics of the country and eliminating unfair discrimination in employment towards implementing equity.
Labour Relations Act, 1995 (Act 66 of 1995)	To regulate and guide organisations in recognizing and fulfilling their roles in effecting labour harmony and democratization of the workplace.
Municipal Financed Management Act, 2003 (Act 56 of 2003) (MFMA)	To secure sound and sustainable management of the financial affairs of the municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith.
Skills Development Act 1998 (Act 97 of 1998)	To provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to provide for the financing of skills development by means of a levy-grant scheme and a national skills fund, to provide for and regulate employment services; and to provide for matters connected therewith.
Skills Development Levies Act (Act 9 of 1999)	To impose the payment of a skills development levy on employers; establishment of a system for the recovery and disbursement of levies for purpose of funding skills development training in accordance with approved skills development strategy.
Qualification Authority Act, 1995	To provide for learnership that lead to recognized occupational qualification; provide for matters connected therewith.

Other relevant legislation and important documents:

Revenue Act 12 of 1998

SITA Act

Provincial Appropriation Act

Provincial Adjustment Appropriation Act

Public Service Regulations, 2001

Public Service Co-ordinating Bargaining Council Collective Agreements

Basic Conditions of Employment Act

Medium Term Budget Policy Statement.

Intergovernmental Fiscal Review

Report of the Auditor-General on the accounts of Government

Budget review documents

Financial and Fiscal Commission's recommendations.

Northern cape Tender Board Act (2:1994) and regulations

Northern Cape Provincial Supply Chain management Policy

Provincial Growth and Development Strategy

Information on the Ministry

The mandate of the Department of Provincial Treasury is to plan, prepare, implement, monitor and report on the provincial budget and to enforce uniform norms and standards as prescribed by National Treasury in terms of the Public Finance Management Act (Act 1 of 1999) as amended by Act 29 of 1999. The main aim of the Ministry is to set priorities and political directives in order to meet the broad provincial and departmental objectives and to facilitate inter action between the department and the Provincial Legislature by tabling bills proposed by the department.

During the period under review the, the following bills relating to finances of the province were tabled.

Finance Act 2005.

Adjustment Appropriation Act 2004.

Appropriation Act 2005.

PART 2: PROGRAMME PERFORMANCE**VOTED FUNDS**

To be appropriated by Vote	R67 492 000
Statutory Appropriation	R 796 000
Responsible Executive Authority	MEC for Finance and Economic Affairs
Administering department	Department of Provincial Treasury
Accounting Officer	Head of Department of Provincial Treasury

AIM OF THE VOTE

The aim of the vote is to prepare the provincial budget, exercise control over the implementation of the provincial budget, promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial entities and lastly to ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.

KEY STRATEGIC GOALS

- To render effective management and administrative support to the department and to effectively implement and monitor departmental policies.
- To provide sound financial management for the department to enable management to make informed decisions
- To provide fiscal policy advice and determine the Medium Term Fiscal Framework
- To ensure the provincial allocation process is aligned with provincial policies and provincial growth and development strategy
- To promote and support financial management and systems for local authorities.
- To enforce and promote sound supply chain management practice in the Province
- To facilitate the effective and efficient management of physical assets.
- To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System to enhance compliance with the PFMA and other relevant legislation
- To support the department in the effective and efficient utilization of information and information technology as strategic resources enabling the department to effectively execute its functions.

STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS: PERIOD COVERED BY THE ANNUAL REPORT (2004/05)

SUMMARY OF PROGRAMMES

The activities of the department of Provincial Treasury are organized within the following five programmes:

Programme 1: Administration

Programme 2: Financial Planning and Resource Management

Programme 3: Provincial Accounting

Programme 4: Corporate Support Services

Programme 5: Departmental Accounting

Programme 1: Administration

Aim:

To provide leadership, strategic management in accordance with legislation, regulations, and policies and ensure appropriate support service to other programmes:

Programme policy development:

This programme consists of the following two sub-programmes:

Office of the MEC

Office of the HOD

The sub-programme Office of the MEC sets policy priorities and political directives in order to meet the objectives of the department. In addition it also ensures that the Provincial Government's policy priorities as set out in the Provincial Growth and Development Strategy are embedded in the workings of the departments.

The sub-programme Office of the HOD translates policies and priorities into strategies for effective service delivery and to manage, monitor and control performance of the department.

Programme 2: Financial Planning and Resource Management

Aim

This programme's aim is to manage and provide an effective and efficient financial planning and resource management function within the Northern Cape Provincial Government to ensure sound management of public finances.

Programme policy development:

This programme consists of the following four sub-programmes:

Budget management which is responsible for the planning, analysis, evaluation, consolidation and monitoring of the revenue and expenditure of the Province.

Resource Management which is responsible for the management and administration of the provincial bank accounts, investments and short-term loans as well as the recommendation of policy with regard to cash flow management and investment and the disbursement of available funds;

Municipalities Management which is responsible for the monitoring local government budgets in accordance with the provisions of the Municipal Government Finance Management Act;

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Supply Chain Management which is responsible for assisting provincial departments to implement procurement system that is fair, transparent, economical and efficient.

Sub-programme I: Budget Management

Measurable Objective	Output	Performance Measures/ Indicator	Target	Actual Performance
Preparing and compiling Annual Provincial Fiscal Framework and Division of Revenue	Annual Fiscal Framework document Expenditure priorities guided by Provincial Policy Priorities	Provincial Treasury Guidelines in line with National Guidelines	June	Guidelines issues in June
Determine and make recommendations on allocations per function to ensure the realization of policy priorities	Memorandum to Treasury Committee Memorandum to EXCO	Allocations in line with Provincial policy priorities. Acceptance of allocation by EXCO and Provincial Legislature	Preliminary Allocations in October Final Allocation in January	2005 Budget tabled
Preparation and consolidation of budget document.	Budget Statements No 1 and 2	Documentation in line with prescribed formats Accurate Credible	Adjustment Estimates: November Annual Budget: February	November 2004 February 2005
Compile and consolidate In-year monitoring reports and ensure that in-year spending monitoring is effective and of good quality.	In-Year Monitoring Reports	Reports in line with prescribed sections 32 and 40 of the PFMA Published IYM figures by National Treasury	Monthly Quarterly Annual	22nd of each month IYM Published by National Treasury
Ensure Debt Redemption Strategy implementation is effective.	Debt Redemption document and implementation strategy	Debt reduced in line with Debt Reduction Strategy	Finance Act to Authorised Unauthorised Expenditure in 2004/05	2 Finance Acts passed in 2004/05 financial year

Sub-programme 2: Resources Management

Measurable Objectives	Output	Performance Measures/Indicator	Target	Actual Performance
To manage the Provincial Revenue Fund and Maintain a sound cash management system.	Establish appropriate and effective cash flow management using new technology.	Effective management of bank accounts by the departments.	Daily	Achieved. All departments have access to own bank accounts.
	Maintain a safe and secure system that hold and transfer provincial monies.	All transactions processed at minimal risk.	Continuous	Achieved
	Productively invest cash assets in order to maintain a high level of safety, essential liquidity and yield that translate to achieving profits on investments.	Investment of surplus funds invested in term of the Act. Annual return on investment.	Compliance with PFMA and Treasury Regulations. Monthly	Not achieved. No surplus funds to invest. Achieved. An amount of R587 0000 received on net balance
	Cost effectively finance provincial Government's daily operations through proper management of short term loans.	Reduce cost of borrowing.	Monthly	Achieved. Interest on overdraft R4 million less as compared to the previous financial year.

Sub-programme 3: Municipalities Management

Measurable Objective	Output	Performance Measures/Indicator	Target	Actual Performance
Approval of balanced budgets in line with municipalities' IDP's	31	Submission of approved budgets by municipalities	31	None, as National Treasury assumed the responsibilities.
Municipalities remain within their budgets	31	Periodic submission of budget reports to municipal council and Provincial Treasury. Approval of adjustment budget were necessary.	31	None, same as above

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Sub-programme 4: Supply Chain Management

Measurable Objectives	Output	Performance Measures/Indicator	Target	Actual Performance
Development and implementation of policies for the effective management of assets	Compilation of SCM circulars to support implementation	Credible policies developed and implemented for SCM and PPP consistent with National policies and frameworks	Delegations to departments further increased to support independent procurement SCM circulars issued in preparation of the implementation of SCM	Delegations to departments increased in general up to R1 million plus special delegations up to R10 million SCM practice notes 1 – 5 issued.
Promote access to government procurement processes and maintain a provincial suppliers database.	Quarterly and annual statistics on entrepreneurs trained monthly reported statistics on procurements	Provide basic training courses for entrepreneurs in procurement processes Maintain and update a provincial suppliers database Collate and analyse monthly procurement statistics	Total of 420 entrepreneurs to be trained. Database was re-configured Collect monthly procurement statistics of all departments	Total of 429 entrepreneurs trained. Database re-configured Collection of statistics a problem
Provide training and support to SCM practitioners	Arrange SCM I training courses on demand Provincial SCM forum to meet bi-monthly	Co-ordinate training courses on a needs basis Establish a SCM provincial forum with a view of providing assistance and mentorship	Present four SCM I courses Establish a provincial SCM forum	Present four SCM I courses Establish a provincial SCM forum, meet bi-monthly

Ensure compliance with SCM policies, procedures and processes	<p>Minutes of DTC meetings of departments</p> <p>Keep a complaints register</p> <p>Keep a register</p> <p>Keep complaints register and monitor submissions for compliance</p>	<p>Attend all departmental specifications and adjudication committee meetings</p> <p>Monitor vendor performance</p> <p>Manage restriction of suppliers – compliance committee</p> <p>Monitor departmental compliance</p>	<p>Attend all Departmental Tender Committee (DTC) meetings</p> <p>Investigate complaints</p> <p>Prepare proposals to restrict suppliers</p> <p>Monitor implementation of SCM and compliance</p>	<p>Attend all DTC meetings</p> <p>Investigate all complaints lodged</p> <p>Prepare proposals for restriction</p> <p>Monitor SCM implementation monthly per department through reporting</p>
Manage transversal contracts	<p>Ensure each contract is considered for participation</p> <p>Participate in all applicable strategic sourcing exercises</p>	<p>Co-ordinate provincial participation</p> <p>Co-ordinate strategic sourcing projects to maximize cost effectiveness within BEE policy framework</p>	<p>Liaise with provincial departments to maximize participation.</p> <p>Participate in national level interventions</p>	<p>I. Participated in applicable contracts</p> <p>Participate in two strategic sourcing exercises applicable</p>
Implement a provincial logistics management system	Identify IFMS preferred system, plan roll-out and implementation	To utilize proposed system by National Treasury in line with IFMS	To roll-out logistics management system as soon as it has been approved	Awaiting National Treasury's resolution in terms of IFMS

Northern Cape Provincial Treasury Vote 8

Programme 3: Financial Accounting

Aim:

The programme renders specialized financial management service to the Province with regard to expenditure, revenue and financial systems.

Programme policy development:

This programme consists of the following four sub-programmes:

Provincial Financial Accounting

Salaries Management

Financial Systems Management

Provincial Asset Management

The sub-programme of Provincial Financial Accounting provides a financial and management accounting services to the Provincial Government.

The sub-programme of Salaries Management ensures that all matters relating to the remuneration of employees of the Provincial Government are attended to and has oversight role over the personnel management system.

The sub-programme of Financial Systems Management maintains and manages the main Basic Accounting System (BAS) and Vulindlela Management System.

The sub-programme of Provincial Asset Management facilitates and promotes systems of effective monitoring and management over all Provincial property and other moveable and fixed assets.

Sub-programme I: Provincial Accounting Services

Measurable Objectives	Output	Performance Measures/ Indicator	Target	Actual Performance
To guide and monitor implementation of phased Accrual Accounting in line with Generally Recognised Accounting Practice	Compliance by all departments with approved financial guidelines and internationally accepted practices.	Trained departmental finance units Compliance with GRAP	All departments will be compliant	Partially achieved
To monitor effectiveness of accounting functions of Provincial departments	Preparing reconciled balances with regard to the Accounts that form the Consolidated Payment Group at financial month/year end.	Acceptable balances. No audit queries Cleared suspense accounts Amounts to balance with General Account of the Vote	Reconciled and credible balances at month/year end Unqualified annual financial statements Minimize audit queries Reliable financial data for financial reporting	Partially achieved Achieved Partially achieved
	Ensuring all appropriated funds has been allocated correctly to the respective Vote's accounts	Reconciled and credible balances at month/year- end	Minimise Audit queries Reliable financial data for financial reporting	Achieved
	Reconciling balances in those accounts that are affected by system interfaces	Reconciled Bank statements	Allocation in accordance with legislation	Achieved
	Submitting reconciled Bank Reconciliation Statements at month-end.	Effective regional monitoring Service	Reconciled and credible balances at month/year- end	Achieved
			Reconciled balances Credible and reliable data for financial reporting	Achieved

Northern Cape Provincial Treasury Vote 8

To consolidate Annual Financial Statements		Consolidated Provincial annual financial statements within prescribed deadlines	Compliance with prescribed legislation – PFMA	Partially achieved
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Sub-programme 2: Provincial Salaries

Measurable Objectives	Output	Performance Measures/ Indicator	Target	Actual Performance
Fully decentralisation of salary functions to provincial departments.	Efficient management of salaries	Well trained staff	All departments to perform their salary functions by 31 March 2005.	Some of departments took over their salary function in July 2005
Management of the salary system (Persal) and rendering of relevant training.	Well trained staff	Minimum queries	Efficient management of salaries.	Efficient management of salaries
Monitoring reconciliation of salary suspense accounts in the Provincial departments.	Acceptable balances in salary accounts	Minimum queries	Minimum queries	There are still old balances in the books.

Sub-programme 3: Financial Systems

Measurable Objectives	Output	Performance Measures/ Indicator	Target	Actual Performance
Effectively, efficiently and economically implemented, managed Financial Systems	Assessment of 80% of BAS-users	Optimal use of financial systems	Quarterly visits to departments/ regional offices	Not achieved
	100% distribution of BAS-Circulars; Provincial BAS-Forum Meetings	Informed users	Continuously/ Monthly	Achieved
Fully skilled and capacitated Financial System users	80% of BAS-users trained	Percentage BAS-users appropriately trained	Trained users	Not achieved
	80% of problems reported resolved	Fully operational helpdesk	Credible financial information	Partially achieved

Ensuring the availability, stability and accessibility of Financial Systems	Ensuring an uptime of at least 95%	Technically monitoring of stability of financial systems	Accessibility of financial systems	Achieved
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Sub-programme 4: Provincial Assets Management

Measurable Objective	Output	Performance Measures/ Indicator	Target	Actual Performance
Inform line departments with regard to Asset Management Policies	Ongoing	Obtain Policies from National Treasury. Analyse and inform departments	Informed departments	Conducted one-on-one information sessions with all departments on future initiatives w.r.t asset management
Assist departments with day-to-day implementation of asset management policies and guidelines	Ongoing	Basic asset management records in place	Departments complying with asset management policies and guidelines	Continue to assist departments to identify, verify and capture assets in the spreadsheet introduced during the 3rd quarter of the year under review
Develop training courses and provide training to departments	Ongoing	Completed course evaluation forms	Trained staff in departments	Trained staff in all departments to use and capture assets in the asset register
Conduct and report on compliance and regulatory inspections	Annually	Inspection reports	Compliance to the PFMA, Treasury Regulations, and asset management guidelines	No inspections was performed as the importance of capturing assets in the register was focused on
Scrutinise stocktaking reports for compliance to prescribed procedures in departments	Annually	Accurate and correct stocktaking reports	Correct stocktaking and disposal procedures followed	Departments were instructed and guided on completion of stocktaking.
Perform physical asset verification, performance evaluation and report to departments	Annually	Reports on results of verifications and performance evaluations	Senior management assisted to make effective, efficient and economical decisions in terms of asset investments	All departments were verified and reported on

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Programme 4: Corporate Support Services

Aim:

The aim of this programme is to render human resource management and human resource development services to the department, including record management and auxiliary services

Programme policy development:

This programme consists of the following four divisions:

Human Resource Management

Human Resource Development

Facilities Management

Legal Services and Labour Relations

The sub-programme Human Resource Management renders services to the Department that includes staffing services, HR administration and the effective implementation of all relevant regulations.

The sub-programme Human Resource Development facilitates and manages the training and development of staff within the Department.

The sub-programme Facilities Management manages all departmental assets and ensuring that they are in good working condition. Manage all contracts of the department and manage the records keeping and transport services for the department.

The sub-programme Legal Services and Labour Relations provide legal and labour advice to the Department. This sub directorate was started during the year.

Sub-programme I: Human Resources Management

Measurable Objective	Output	Performance Measures/ Indicator	Target	Actual Performance
Recruitment, process appointments	Full staff compliment	Vacancy rate (of budgeted posts)	100% filled posts	98% of all advertised posts filled
Condition of Service	Satisfied clients	Satisfied clients. Audit Report	100% satisfied clients Zero Audit Queries	35% Achieved
Develop & Implementation of HR policies and objectives	Level of Compliance	Ensure all statutory appointments	Reviewing of existing structures	Draft policies completed
Employment Equity (EE)	Full Compliance	Submission of the EE plan to Department of Labour	Full compliance to the EE plan	Submitted EE report to labour by 1st October 2004
Job Evaluation	Number of evaluated posts	Evaluation of all posts that need to be evaluated.	100% achievement	10% Achieved

Sub-programme 2: Human Resources Development

Measurable Objectives	Output	Performance Measures/ Indicator	Target	Actual Performance
Promoting Human Resources Development	Skilled workforce	All officials be developed as per the DPMS and according to the Skills Development Act	All officials	50%
	Coordination of training (Performance Management, computer, Assessor, etc)	The Annual Training Report	Training given as per the Skills Audit and prioritized needs. 1% of the departments salary budget be spend on training	50%
	Meetings/ seminars/ conferences	Represent the department at different forums	Report given on the resolutions of the meetings	100%
Improved performance management	An approved Departmental Performance Management System (DPMS)	Rewards given to good performers, and performance improvement plans be developed for under-performers.	All officials to be evaluated	0%
Workplace Skills Development plan(WSP)	Establish a WSP that links to the National Skills Development Strategy	A signed WSP was submitted to FASSET and PSETA on 27/ 08/ 2005		100%
	Identifying training needs	A Skills Audit was conducted	All officials	80%
Assisting new entrants to the workplace	Internships and Learnerships were appointed	Mentor's / Supervisor's reports	All interns and Learners to successfully complete the programme	50%
Develop and implement an Induction and Re-orientation programme	An informed workforce	Attendance registers	All staff to be inducted and re-orientated	30%
Pre-evaluation of training programmes to be undertaken	All training given to employees be accredited	Quality Assurance of all training courses	100 % of pre-evaluation programmes	100%
Develop policies	Draft policies were developed (Bursary, DPMS, Succession planning and fast-tracking, and mentorship)	Approved policies	The department should implement policies	0%

Northern Cape Provincial Treasury Vote 8

General	Handling general enquiries from service providers, colleagues and the public, regarding HRD matters	Satisfied clients	Handle all client's enquiries	100%
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Sub-programme 3: Facilities Management

Measurable Objectives	Output	Performance Measures/ Indicator	Target	Actual Performance
Managing Transport	Accurate following of transport procedures	Zero audit queries	No overspending	60%
Managing Registry	Accurate filing of documents	Easy accessible documents	No documents should be lost	60%
Managing of Building and refreshments	Ensure that contractual law and labour laws are constantly observed	Well maintained building and adequate refreshments at departmental meetings	Efficient and effective use of all resources	60%
Managing Switchboard	Ensure switchboard is mended at all times	Satisfied clients	Calls are answered timeously	60%

Programme 5: Departmental Accountant

Aim:

To provide timeous, materially accurate accounting information to managers.

Compilation of credible departmental budgets

Payment of creditors within 30 days

Enhancement of supply chain management and inventory management.

Institution of sound systems of internal controls

Programme policy development:

This programme consists of the following three sub-programmes:

Financial Accounting

Management Accounting

Supply Chain Management

The sub-programme Financial Accounting provides financial and bookkeeping services to the department including payments to creditors and salary management functions.

The sub-programme Management Accounting monitors the implementation of the departmental budget, monthly expenditure reporting and the compilation and consolidation of the annual report.

The sub-programme Supply Chain Management is responsible to ensure that the department maintains a procurement system that is fair, transparent, economical and cost effective.

Sub-programme 1: Financial Accounting

Measurable Objectives	Output	Performance Measures/ Indicator	Target	Actual Performance
Compiling of primary books of account.	Credible and accurate expenditure.	Submission of credible and accurate expenditure and management reports.	Daily	Achieved
Payments to creditors.	As required by the PFMA and Treasury Regulations.	Timeous payments of creditors.	Within 30 days of receipt of invoice.	Achieved
Reconciling various ledgers against control accounts.	Reconciling and clearing of ledger accounts	Correct and timeous reports of departmental expenditure.	Daily	Achieved
Compiling and processing bank reconciliation statements.	Credible bank reconciliation.	Timeously submission of bank reconciliation.	Monthly	Achieved
Preparing and compiling annual and interim financial statements.	Credible financial statements according to the guidelines.	Presentation of complete Financial Statements.	As per PFMA and Treasury Regulations.	Achieved
Attending to Audit queries and implementing of corrective measures.	Credible responses to the Auditor General.	Timeous response and compilation of Audit queries.	When requested	Achieved

Sub-programme 2: Management Accounting

Measurable Objective	Output	Performance Measures/ Indicator	Target	Actual Performance
Monthly Early Warning System.	Accurate Financial Reporting.	Accurate Monthly In Year Monitoring.	Monthly before 10th.	Achieved
Capturing of the approved Budget on BAS.	Accurate budget loaded onto BAS.	Budget Loaded on BAS.	Before 30th April annually.	Achieved
Compilation and submission of the Budget Statement.	Credible budget compiled.	Budget Statement 2 compiled and printed.	As per requirements of Provincial Treasury.	Achieved
Compilation and submission of the Adjustment Estimate.	Accurate Adjusted Budget as per the guidelines.	Adjustment Estimate compiled and printed.	As per requirements of Provincial Treasury.	Achieved
Compilation and submission of the Annual Report.	Timely and complete Annual Report as per guidelines.	Annual Report timely compiled as per guidelines.	As per Legislated guidelines.	Achieved

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Compilation and submission of the Quarterly Reports.	Quarterly Reports compiled.	Complete quarterly reports.	As per Provincial Treasury requirements and guidelines.	Achieved
Training, supervising and development of junior staff.	Motivated, disciplined and developed staff.	Motivated and informed staff members. Labor relations and Mutual Respect maintained.	As per the requirements of Public Service Regulations and relevant Labor Legislation.	Achieved
Provide guidance and initiate the departmental Budget process.	Informed Responsibility Managers.	Credible Departmental Budget compiled.	As per Provincial Treasury requirements and guidelines.	Achieved
Compilation and submission of the Strategic Plan and related Database figures.	Timely and complete Strategic Plan as per guidelines.	Achievable and credible Strategic Plan compiled, linked to the MTEF Budget.	As per Provincial Treasury requirements and guidelines.	Achieved
Perform the requisite Roll Overs, Virements and budget shifts.	Credible financial Reporting.	Credible Budgets Loaded on the Financial System.	As per the legislated requirements.	Achieved
Cash Flow projection and Cash Flow Requisition.	Credible financial Reporting.	Complete and credible cash flow projection and requisitions.	Annual cash flow projection compiled and submitted, Monthly cash flow requisitions timely submitted.	Achieved
Respond to the Audit Queries and develop corrective activities for budget risks identified.	Financially credible responses to the AG and Internal Controls Implemented.	Departmental Financial Resources secured and safe guided.	Theft and loss of departmental financial resources avoided and averted.	Achieved
Prepare and present Budget presentations to the relevant authorities and stakeholders.	Accurate Budget information presented.	Informed stakeholders.	As required by the relevant authorities and stakeholders.	Achieved

Sub-programme 3: Departmental Supply Chain Management

Measurable Objective	Output	Performance Measures/ Indicator	Target	Actual Performance
Procurement	Implementation of a PPPFA and other prescripts relevant to procurement.	Procurement of stationery, equipment and furniture. Utilization of PDI's and SMME's.	Daily	Achieved
Provision of travelling and bookings services..	Timeous arrangement of flights and accommodation.	Satisfied clients..	Daily.	Achieved
Establish the Departmental Tender Committee.	Purchases exceeding R20 000.00.	Procurement of services exceeding R20 000.00.	As requests	Achieved
Maintaining and reconciling inventory list.	Credible and accurate records.	Limited or no Audit queries.	Regularly	Achieved
Compiling and reconciling the Asset register.	Acquire, record and promote effective and efficient use of assets in accordance with the requirements of the PFMA and Treasury Regulations.	Developed and updated asset register.	Daily	Achieved

AUDIT COMMITTEE REPORT

The Northern Cape Provincial Administration constituted a Shared Audit Committee in January 2005. The Provincial Treasury in the Northern Cape makes use of this Shared Audit Committee. We are pleased to present our report for the financial year ended 31 March 2005.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The table below shows persons who served as members of the Provincial Audit Committee from January 2005 to March 2005 and their attendance record at formal Audit Committee meetings:

Member	Meetings attended
Independent members:	
Prof. JE Kleynhans (Chair)	2 of 2
Ms KM Mogotsi (Member)	2 of 2
Mr G Oberholster (Member)	1 of 2
Mr H Ramage (Member)	1 of 2
Internal members:	
Adv. H Botha (Member)	2 of 2
Mr T Moraladi (Member)	2 of 2

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has adopted appropriate terms of reference as its Audit Committee Charter. The Charter complies with principles of good governance and with the requirements of the PFMA and Treasury Regulations. The Audit Committee is accountable to the Provincial Executive Committee and has an oversight function with regard to:

- Financial management;
- Risk management;
- Compliance with laws, regulations and good ethics; and
- Reporting practices

As a newly constituted Audit Committee we were unable to satisfy all our responsibilities for the year in compliance with our terms of reference.

REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

Internal Audit

The Audit Committee has considered reports tabled by the Shared Internal Audit Services of the Province. The Internal Audit service provided to the Provincial Treasury during the year under review was ineffective. The Audit Committee could not satisfy itself that:

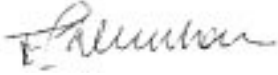
- A risk managing process is in place and that the major risks under the control of the Provincial Treasury are properly managed;
- The internal control systems are effective and the internal auditors are operating objectively and independently;
- Matters requiring Management attention have been adequately addressed.

Evaluation of financial statements

The Audit Committee has:

- Reviewed and discussed with the External Auditor and Management representatives the audited Annual Financial Statements to be included in the Annual Report;
- Reviewed the External Auditor's management letter and Management's response thereto.

The Audit Committee concurs and accepts the conclusions of the External Auditor on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the auditors. The Audit Committee wishes to draw attention to the audit qualification in paragraph 3, the disclaimer of an audit opinion in paragraph 4 and the matters raised in paragraph 5 of the audit report.



Prof. JE Kleynhans

Chairperson: Shared Provincial Audit Committee

PART 4: ANNUAL FINANCIAL STATEMENTS

REPORT BY THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2005.

I. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS.

The period under review saw the end of the five year contract period of the former head of the department which came to the end at the end of June 2004 and the appointment of the new head official of treasury and the department from November 2004.

An important aspect of this appointment was that the duties of both the accounting officer in terms of the Public Service Act and the duties of the head official of treasury in terms of the Public Finance Management Act were delegated to the same person. This new arrangement has contributed in the decision making process in that there is no longer conflict of interest between head official of treasury on the one hand and the accounting officer on the other hand.

The change in the leadership has also brought about the change in the manner in which Provincial Treasury is organized and managed. The 2005/06 financial year will see the department implementing the new organizational structure that is intended to ensure that Provincial Treasury builds the required capacity in order to provide the required support on financial management matters in the Province.

The department received an adjusted budget of R67, 492 million and spent R44, 467 million which resulted in a saving of R23, 025 million or 34, 2%. The reasons for the major variances are the following.

Programme 1: Administration.

Included in the R23, 059 million above is an amount of R8,5 million of which R7,7 million is in respect of contingency reserve which was not allocated to departments but to be used to reduce the bank overdraft caused by previous unauthorised expenditure by various departments. The remainder of R0, 8 million is a saving attributable to compensation of employees for the funded vacant posts that were not filled during the financial year due to the amalgamation of the department with the Department of Economic Affairs. This amalgamation did not last and the two departments were separated.

Programme 2: Financial Planning and Resource Management.

A total saving of R7, 2 million under this programme resulted from the decision taken to use a cheaper money market instrument when raising the bridging finance. A decision was taken to opt for bridging finance from the Corporation for Public Deposits at the South Africa Reserve Bank instead of using commercial bank facilities. This decision resulted into a saving of R6,2 million that could have been used to pay for interest on bank overdraft had commercial bank credit facilities being used, the remainder of R1 million was for compensation of employees as explained above.

Programme 3: Provincial Accounting.

The main reason for a saving of R2, 109 million from this programme is attributable to the reduced SITA costs on the maintenance of the Basic Accounting System R0,562 million and the termination of a contract of Basic Accounting System consultants which amounted to R1 million and the remainder of R0,547 million is due to compensation of employees for the reasons outlined above.

Programme 5: Departmental Accounting.

Total savings under this programme amounted to R3 million of which R1, 4 million represents funds earmarked for the filling of vacant funded posts that could not be filled due to reasons outlines above.

These savings will have no negative impact on services delivery as the money not used will be surrendered to the Provincial Revenue Fund.

During the coming financial year there will be no such savings as no provision for contingency reserve has been made, the process of filling of vacant posts including the new posts of senior managers, managers and other posts have been approved by the year end.

2. SERVICES RENDERED BY THE DEPARTMENT.

Provincial Treasury does not render services directly to the general public within the province but ensures that the use of financial and other resources of the provincial government by those departments that have a direct contact with the communities do so in an effective, efficient, transparent and economic manner and it does that by providing support to the other departments mainly in the form of financial management.

3. CAPACITY CONSTRAINTS

Our analysis of the service delivery environment indicates that Provincial Treasury is not strong enough and is lacking in certain areas and that it has not adequately assumed its rightful position as a catalyst of change with regard to provincial financial management matters and is not easily adapting to the changing financial management environment.

The main constraint has been inadequate senior management leadership in that there were only two senior managers supporting the head of the department. A new organizational structure has been developed to increase managerial capacity and capability and these added posts will ensure that Provincial Treasury assumes its rightful position as a catalyst of change with regard to financial management matters and to respond and adapt easily and quickly to the changing financial management environment.

4. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE.

Provincial Treasury makes transfer payments only to the five district municipalities in the Province. There are no accountability arrangements as these are in the form of establishment and regional levies.

5. CORPORATE GOVERNANCE ARRANGEMENTS.

During the year under review and the year before, no risk assessment was performed and as a result there was no definite policy on risk management approach. Generic fraud prevention policies have been developed centrally by the Office of the Premier.

Risk assessment will be performed in the 2005/06 financial year and will inform the policies to be adopted to prevent fraud and corruption. The internal audit unit is centralized in the Office of the Premier, it has not been effective as the Executive Head of the internal audit unit was only appointed in during the last month of the third quarter of the financial year.

The audit committee was reconstituted during the financial year and has been able to sit for all the scheduled meeting during the last two months of the financial year. However, without an effective internal audit unit, there is not much that the audit committee can do as it is dependent on the work of the internal audit unit. There are, however, encouraging signs that the unit will be fully functional in the 2005/06 financial year.

Senior managers were required to report quarterly their financial and other interest to ensure that where possible conflict of interest is prevented and minimised. The code of conduct as prescribed in the Public Service Regulations is implemented and promoted within Provincial Treasury. The current office building that Provincial Treasury is renting does not comply satisfactorily in the opinion of the accounting officer with the safety regulations as there is no outside escape routes. Discussions have been entered into with the department responsible for the management of the service level agreement to improve the safety measures.

6. APPROVAL

The Annual Financial Statements set out on pages 32 to 60 have been approved by the accounting officer.

**S. E. MOKOKO**

ACCOUNTING OFFICER

DATE: 19 August 2005

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REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE ON THE ANNUAL FINANCIAL STATEMENTS OF

VOTE 8 – NORTHERN CAPE PROVINCIAL TREASURY

FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 32 to 60, 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 32 and 60 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

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

An audit includes:

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

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

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

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

3. QUALIFICATION

3.1 Ledger accounts

- Debit suspense accounts, included in the provincial receivables group and amounting to R40 518 333, showed no movement for three financial years. These balances were reported on in paragraph 3.1 of the 2003-04 audit report.
- Credit suspense accounts, included in the provincial receivables group and amounting to R302 901, showed no movement since the prior financial year.

The validity and accuracy of these balances could, not even through alternative procedures, be verified due to a lack of supporting documentation.

The following were noted relating to the provincial group of accounts:

- Payments made amounting to R1 238 896 were debited to accounts included in the R40,5 million stated above, without being set off against existing credit balances. No explanation or documentation could be provided to indicate whether the debit balance represents expenditure, receivables or whether it should have been netted off against an existing credit balance.
- Payments made amounting to R558 831 were debited to a suspense account included in the provincial receivables. The original credit balance of the claims recoverable SA citizens: pension account of R302 122 changed to R256 708 debit. No explanation or documentation could be provided to indicate whether the debit balance represents expenditure, receivables or whether it should have been allocated to a different sub-account with a credit balance.

In addition to the findings mentioned above, the general control and usage of suspense accounts are of concern.

Various instances were noted where the following occurred:

- Insufficient documentation was attached to transactions.
- Transactions allocated to an existing suspense account only increased the existing balance, with no movement in the opening balance.
- Accounts could not be cleared as a result of insufficient supporting documentation being available.
- System suspense accounts are not managed and cleared on a monthly basis.
- Transactions are allocated via various accounts before finally being cleared to the correct/relevant account.

3.2 Supporting documentation for journals processed

As a result of the fact that no formal policy framework has been implemented, journals amounting to R2 917 915 did not contain valid supporting documentation to verify the correctness of the transactions allocated. In addition, various journals were also found with no or insufficient descriptions for the reason for the journal being passed.

4. DISCLAIMER OF AUDIT OPINION

Because of the significance of the matters referred to in subparagraph 3, I do not express an opinion on the financial statements.

5. EMPHASIS OF MATTER

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

5.1 Weaknesses in internal control

The responsibility to institute and maintain a system of internal control is clearly defined in section 38 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). The Northern Cape Provincial Treasury did not document and approve policies for all their processes and several policies were outdated. A risk assessment for the 2004-05 year was also not done. The officials did not implement the prescriptions of section 38(1)(a)(i) of the PFMA dealing with internal control measures, systems and risk management, including the fraud prevention plan.

In addition, the following weaknesses in internal control were identified:

5.1.1 Departmental specific policies and procedures

The department did not implement policies and procedures specific to the departmental structure. The following specific areas were found not to have any approved and implemented policies and procedures:

- Supplier payment policy regulating the authorisation of orders, assignment of responsibilities, reviewing of documents and terms of payment of invoices.
- Personnel policies regulating employee-related cost systems.
- Budgetary process and related matters such as the authorisation of shifting/virement, capturing of budget on BAS, management and supervision of the budget.
- Management and safeguarding of assets and inventory.
- Recovery of private telephone call costs.
- Processing, approval and review of journals.

5.1.2 Assets and intangible assets

The department did not have adequate policies and procedures in place for the safeguarding, management and maintenance of assets and intangible assets. As a result the following was noted:

- The asset register was not adequately maintained.

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- Differences were found between the physical asset register and the actual items selected for audit purposes.
- No register was in place for the control, management and safeguarding of intangible assets held by the department.

5.1.3 Inventory and stores

The department did not have adequate policies and procedures in place for the safeguarding, management and maintenance of inventory. As a result the following were noted:

- Purchasing, receipt and issuing of inventory were not updated on the bin cards.
- Differences were found between the theoretical stock figure and the actual stock count performed.
- Bin cards were not closed off at the end of the financial year.

5.1.4 Private telephone call costs

As a result of no policy being in place, private telephone call costs were not monitored and recovered from employees. This matter was also reported in the prior financial year.

5.1.5 Payroll certification

As a result of departmental policies not being approved and implemented various payrolls were found to be not certified. In addition, payrolls were requested and could not be provided for audit purposes.

5.1.6 BAS and Persal interface reconciliation

The BAS and Persal reconciliation was not reviewed or checked by a senior official.

5.1.7 Authorised signatories on the bank account

Three previous employees of the department were still included on the list of authorised signatories of the banking institution used by the department.

5.2 Non-compliance with laws and regulations

5.2.1 Financial statements

Section 40(1)(c) of the PFMA requires financial statements to be submitted for auditing by 31 May. Financial statements were submitted on 31 May 2005, but the accounting officer withdrew the original financial statements and resubmitted the adjusted financial statements on 19 August 2005. The submission after 31 May 2005 resulted in non-compliance with section 40(1)(c) of the PFMA.

5.2.2 Strategic plan

The department did not have an approved strategic plan, as contemplated in paragraph 5 of the Treasury Regulations, in place for the year under review.

5.3 Financial management

5.3.1 Internal audit

The internal audit function is performed by a centralised internal audit department, which resorts under the Office of the Premier.

An overview was performed on the functionality of the internal audit department and it revealed that various shortcomings rendered the functionality of the internal audit department inefficient and ineffective during the year under review.

- No internal audit charter, as required by Treasury Regulation 3.2.5 and Institute of Internal Auditors (IIA) 1000-1, has been approved.
- The current staffing component as well as the available funds seems to be inadequate to efficiently and effectively service all the provincial departments of the Northern Cape Province. No formal training and development plan was in place to ensure continuous training and development of existing staff.
- No approved annual internal audit plan and three-year strategic plan existed for the internal audit

department.

- The audit committee did not evaluate the performance of internal audit during the year.
- Internal audit did not report functionally directly to the audit committee during the year.
- Internal audit did not submit quarterly reports to the audit committee detailing its performance against the annual internal audit plan.
- No follow-up audits were performed by the internal audit division.
- No quality reviews (internal or external) were performed on the work performed by internal audit for the year under review.

Some of the above findings were also highlighted in the audit report of the 2003-04 financial year.

For external audit purposes, no reliance could be placed on the work performed by internal audit.

Note is taken of the fact that a director was appointed for the internal audit section and that the audit charter and annual plan were in the process of being completed and approved.

5.3.2 Audit committee

During the year under review the audit committee met only during February and March 2005. Due to the non-functioning of the audit committee they could not discharge their functions adequately throughout the year: the audit committee resorted under the Office of the MEC for Finance, and the latter is responsible for its functioning.

6. APPRECIATION

The assistance rendered by the staff of the Northern Cape Department of Finance during the audit is sincerely appreciated.



A L Kimmie for Auditor-General

Kimberley

27 September 2005



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

ACCOUNTING POLICIES

For the year ended 31 March 2005.

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

1. Basis of preparation .

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

2. Revenue

Appropriated funds

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

Departmental revenue

Tax revenue

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

Sale of goods and services other than capital assets

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

Fines, penalties and forfeits

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

Interest, dividends and rent on land

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

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

Sale of capital assets

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

Financial transactions in assets and liabilities.

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

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

Local and foreign aid assistance

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

3. Expenditure

Compensation of employees

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

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

Short-term employee benefits

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

Long-term employee benefits and other post employment benefits

Termination benefits

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

Medical benefits

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

Post employment retirement benefits

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

Other employee benefits

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

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Goods and services

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

Interest and rent on land

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

Financial transactions in assets and liabilities

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

Unauthorised expenditure

Unauthorised expenditure, is defined as:

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

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

Irregular expenditure

Irregular expenditure, is defined as:

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

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

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

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as:

- expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore
- it must be recovered from a responsible official, or
- the vote.

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

4. Transfers and subsidies

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

5. Expenditure for capital assets

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

6. Investments

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

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

7. Receivables

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

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

8. Cash and cash equivalents

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

9. Payables

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

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department; or

- a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

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

13. Commitments

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

14. Capitalisation reserve

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

15. Recoverable revenue

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

16. Comparative figures

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

APPROPRIATION STATEMENT for the year ended 31 March 2005

Appropriation per programme

		2004/05					2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Expenditure	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration								
Current payment	14,323		14,323	5,063	9,260	35.0%	13617	10,752
Transfers and subsidies	20		20	9	11	45.0%		
Expenditure for capital assets	653		653	636	17	97.4%	430	113
2. Financial Planning and Resource Management								
Current payment	25,580		25,580	17,262	8,318	67%	5,954	4,472
Transfers and subsidies	16		16	16		100.0%		
Expenditure for capital assets	99		99	55	44	56%		
3. Provincial Accounting								
Current payment	13,834		13,834	11,735	2,099	85%	25,345	21,967
Transfers and subsidies	36		36	26	10	72%		
Expenditure for capital assets	17		17	17		100%		
4. Corporate Services								
Current payment	4,660		4,660	4,567	93	98%		
Transfers and subsidies	12		12	7	5	58%		
Expenditure for capital assets	200		200	119	81	60%		
5. Departmental Accounting								
Current payment	7,883		7,883	4,933	2,950	63%		
Transfers and subsidies	11		11	10	1	91%		
Expenditure for capital assets	148		148	12	136	8%		
.6. Auxiliary Services								
Current payment							40,339	29,641
Subtotal	67,492		67,492	44,467	23,025	66%	85,676	66,945
Statutory Appropriation								
Current payment	796		796	762	34	96%	783	732
TOTAL	68,288	-	68,288	45,229	23,059	66%	86,459	67,677
Reconciliation with Statement of Financial Performance								
Prior year unauthorised expenditure approved with funding			1,567					
Actual amounts per Statements of Financial Performance (Total revenue)			69,855				86,459	
Prior year unauthorised expenditure approved				1,567				
Actual amounts per Statements of Financial Performance (Total expenditure)				46,796			67,677	

Northern Cape Provincial Treasury Vote 8

APPRROPRIATION STATEMENT

for the year ended 31 March 2005

Appropriation per economic classification

		2004/05					2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments								
Compensation of employees	24,672		24,672	20,850	3,822	84.5%	22,685	17,581
Goods and services	41,608		41,608	22,686	18,922	54.4%	62,561	49,251
Transfers and subsidies to:								
Provinces and municipalities	95		95	68	27	71.6%		
Expenditure for capital assets								
Machinery and equipment	1,117		1,117	828	289	74.1%	430	113
Software & other intangible assets				11	-11	0.0%		
Land & subsoil assets								
Total	67,492		67,492	44,467	23,025	65.8%	85,676	66,945

Statutory Appropriation

		2004/05					2003/04	
Details of direct changes against the Provincial Revenue Fund	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Member of Executive Council	796		796	762	34	95.7%	783	732
Total	796		796	762	34	95.7%	783	732

Detail per programme I – Administration for the year ended 31 March 2005								
Programme per sub programme	Adjusted Appropriation	Virement	Final Appropriation	2004/05			2003/04	
				Actual Payment	Variance	Payment as % Offinal appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
I.1 Office of the Head of Department								
Current payments	10,168		10,168	1,281	8,887	12.6%		
Transfers and subsidies	6		6	2	4	33.3%		
Expenditure for capital assets	31		31	31		100.0%		
I.2 MEC Support								
Current payments	4,155		4,155	3,782	373	91.0%	4,114	2,319
Transfers and subsidies	14		14	7	7	50.0%		
Expenditure for capital assets	622		622	605	17	97.3%	10	
I.3 Management								
Current payments						0.0%	2,482	1,848
I.4 Departmental Support								
Current payments						0.0%	7,021	6,585
Expenditure for capital assets						0.0%	420	113
TOTAL	14,996	-	14,996	5,708	9,288	38.1%	14,047	10,865

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments								
Compensation of employees	3,030		3,030	2,275	755	75.1%	6,948	6,128
Goods and services	11,293		11,293	2,788	8,505	24.7%	6,669	4,624
Transfers and subsidies to:								
Provinces and municipalities	20		20	9	11	45.0%		
Payment for capital assets								
Building & other fixed structures	653		653	636	17	97.4%	430	113
Machinery and equipment								
Total	14,996	-	14,996	5,708	9,288	38.1%	14,047	10,865

Northern Cape Provincial Treasury Vote 8

Detail per programme 2 – Financial Planning and Resources Management for the year ended 31 March 2005								
Programme per sub programme	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Budget Management								
Current payments	2,492		2,492	2,468	24	99.0%	1,844	1,813
Transfers and subsidies	6		6	7	-1	116.7%		
Expenditure for capital assets	90		90	49	41	54.4%		
Resource Management								
Current payments	20,176		20,176	12,585	7,591	62.4%	760	561
Transfers and subsidies	3		3	3	-	100.0%		
Municipality Management								
Current payments	1,333		1,333	885	448	66.4%	1,049	535
Transfers and subsidies	3		3	2	1	66.7%		
Expenditure for capital assets	9		9	6	3	66.7%		
Supply Chain Management								
Current payments	1,579		1,579	1,324	255	83.9%	2,292	1,563
Transfers and subsidies	4		4	4		100.0%		
Total	25,695		25,695	17,333	8,362	67.5%	5,945	4,472

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	6,207		6,207	5,113	1,094	82.4%	4,971	3,882
Goods and services	19,373		19,373	12,149	7,224	62.7%	974	590
Transfers and subsidies								
Provinces and municipalities	16		16	16		100.0%		
Payment for capital assets								
Machinery and equipment	99		99	44	55	44.4%		
Software & other intangible assets				11	-11			
Total	25,695	-	25,695	17,333	8,362	67.5%	5,945	4,472

Detail per programme 3 – Provincial Accounting For the year ended 31 March 2005

Programme per sub programme	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Provincial Financial Accounting								
Current payments	5,171		5,171	4,525	646	87.5%	5,455	3,664
Transfers and subsidies	14		14	13	1	92.9%		
Expenditure for capital assets	17		17	17	-	100.0%		
3.2 Salaries Management								
Current payments	1,815		1,815	1,198	617	66.0%	3,126	1,704
Transfers and subsidies	6		6	4	2	66.7%		
3.3 Financial Systems Management								
Current payments	4,345		4,345	3,982	363	91.6%	15,126	14,963
Transfers and subsidies	4		4	3	1	75.0%		
3.4 Provincial Asset Management								
Current payments	2,503		2,503	2,030	473	81.1%	1,638	1,636
Transfers and subsidies	12		12	6	6	50.0%		
TOTAL	13,887	-	13,887	11,778	2,109	84.8%	25,345	21,967

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	8,760		8,760	8,213	547	93.8%	10,766	7,571
Goods and services	5,074		5,074	3,522	1,552	69.4%	14,579	14,396
Transfers and subsidies to:								
Provinces and municipalities	36		36	26	10	72.2%		
Capital								
Machinery and equipment	17		17	17		100.0%		
Total	13,887	-	13,887	11,778	2,109	84.8%	25,345	21,967

Northern Cape Provincial Treasury Vote 8

Detail per programme 4 – Corporate Services for the year ended 31 March 2005

Programme per sub programme	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Human Resource Management								
Current payments	1,320		1,320	1,248	72	94.5%		
Transfers and subsidies	4		4	3	1	75.0%		
Payment for capital assets	40		40	30	10	75.0%		
4.2 Human Resource Development								
Current payments	607		607	450	157	74.1%		
Transfers and subsidies	2		2	1	1	50.0%		
Payment for capital assets	20		20		20	0.0%		
4.3 Facilities Management								
Current payments	2,318		2,318	2,534	-216	109.3%		
Transfers and subsidies	6		6	2	4	33.3%		
Payment for capital assets	50		50		50	0.0%		
4.4 Legal Services and Labour Relations								
Current payments	415		415	335	80	80.7%		
Transfers and subsidies			-	1	-1			
Payment for capital assets	90		90	89	1	98.9%		
TOTAL	4,872	-	4,872	4,693	179	96.3%	-	-

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	2,516		2,516	2,210	306	87.8%		
Goods and services	2,144		2,144	2,357	-213	109.9%		
Transfers and subsidies to:								
Provinces and municipalities	12		12	7	5	58.3%		
Capital								
Machinery and equipment	200		200	119	81	59.5%		
Total	4,872	-	4,872	4,693	179	96.3%	-	-

Detail per programme 5 – Departmental Accounting for the year ended 31 March 2005								
Programme per sub programme	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Financial Accounting								
Current payments	5,319		5,319	4,006	1,313	75.3%		
Transfers and subsidies	8		8	7	1	87.5%		
Payment for capital assets	74		74	12	62	16.2%		
5.2 Management Accounting								
Current payments	1,378		1,378	648	730	47.0%		
Transfers and subsidies	2		2	2	-	100.0%		
Payment for capital assets	37		37		37	0.0%		
5.3 Financial Inspectorate								
Current payments	1,186		1,186	279	907	23.5%		
Transfers and subsidies	1		1	1		100.0%		
Payments for capital assets	37		37		37	0.0		
TOTAL	8,042	-	8,042	4,955	3,087	61.6%	-	-

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	4,159		4,159	3,039	1,120	73.1%		
Goods and services	3,724		3,724	1,894	1,830	50.9%		
Transfers and subsidies to:								
Provinces and municipalities	11		11	10	1	90.9		
Capital								
Machinery and equipment	148		148	12	136	8.1%		
Total	8,042	-	8,042	4,955	3,087	61.6%	-	-

Northern Cape Provincial Treasury Vote 8

Detail per programme 6 – Auxilliary Services for the year ended 31 March 2005

Programme per sub programme	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Finance Reserves								
Current payments						0.0%	21,000	16,608
6.2 Bank Charges								
Current payments						0.0%	1,606	1,605
6.3 Audit Fees								
Current payments						0.0%	921	922
6.4 Contingency Reserve								
Current payments						0.0%	16,812	10,506
TOTAL	-	-	-	-	-	0.0%	40,339	29,641

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Goods and services						0.0%	40,339	29,641
Total	-	-	-	-	-	0.0%	40,339	29,641

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

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

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

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

2.1 Per programme

Programme	Voted Funds after virement R'000	Actual Expenditure R'000	Variance R'000	%	Explanation of Material Variance
Administration	14,996	5,708	9,288	38%	Included in the R9.3 million is an amount of R7.7 million in respect of Contingency reserve which was not allocated to departments but to be used to reduce the bank overdraft caused by previous unauthorised expenditure by various departments
Financial Planning and Resource Management	25,695	17,333	8,362	68%	R8.3 million under this program resulted from decision taken to use a cheaper money market instrument when raising the bridging finance A decision was taken to opt for bridging finance from the Corporation for Public Deposits at the South African Reserve Bank instead of using commercial bank facilities.
Provincial Accounting	13,887	11,778	2,109	85%	The main reason for a saving of R2,1 million from this programme is attributable to the reduced SITA cost on the maintenance of Basic Accounting System R0.562 million and the termination of a contract of Basic Accounting System consultant which amounted to R1 million and the remainder of R0,547 is due to compensation of employees.
Corporate Services	4,872	4,693	179	96%	The non-filling of vacancies, due to the restructuring process, resulted in a saving under this Programme.
Departmental Accounting	8,042	4,955	3,087	62%	Total savings under this programme amounted to R3,087 million of which R1,4 million represents funds earmarked for the filling of vacant posts but could not be filled due to cost containment measures introduced during the current financial year. R1,6 million can be attributed directly to general cost containment measures.

Northern Cape Provincial Treasury Vote 8**2.2 Per Economic classification****R'000****Current expenditure:**

Compensation of employees

3,822

Goods and services

18,921

Transfers and subsidies:

Provinces and municipalities

27

Payments for capital assets:

Machinery and equipment

289

23,059

Statement of Financial Performance for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	67,492	85,676
Statutory appropriation	2	796	783
Appropriation for unauthorised expenditure approved		1,567	
TOTAL REVENUE		69,855	86,459
EXPENDITURE			
Current expenditure			
Compensation of employees	4	21,612	18,313
Goods and services	5	22,710	49,251
Unauthorised expenditure approved	6	1,567	
Total current expenditure		45,889	67,564
Transfers and subsidies	7	68	-
Expenditure for capital assets			
Machinery and Equipment	8	807	113
Software and other intangible assets	8	32	
Total expenditure for capital assets		839	113
TOTAL EXPENDITURE		46,796	67,677
NET SURPLUS/(DEFICIT)		23,059	18,782
NET SURPLUS/(DEFICIT) FOR THE YEAR		23,059	18,782
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund	11	23,059	18,782
NET SURPLUS/(DEFICIT) FOR THE YEAR		23,059	18,782

Northern Cape Provincial Treasury Vote 8

Statement of Financial Position as at 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		42,727	62,987
Unauthorised expenditure	6	-	1,567
Cash and cash equivalents	9	-	15,663
Receivables	10	42,727	45,757
Local and foreign aid assistance receivable		-	
TOTAL ASSETS		42,727	62,987
LIABILITIES			
Current liabilities		42,727	62,987
Voted funds to be surrendered to the Revenue Fund	11	23,059	18,782
Departmental revenue to be surrendered to the Revenue Fund	12	161	-
Bank overdraft	13	19,050	41,744
Payables	14	457	2,461
TOTAL LIABILITIES		42,727	62,987

Cash Flow Statement for the year ended 31 March 2005

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		71,512
Annual appropriated funds received		67,492
Statutory appropriated funds received		796
Appropriation for unauthorised expenditure received	6	1,567
Departmental revenue received	3	631
Net (increase)/decrease in working capital		1,026
Surrendered to Revenue Fund		-19,411
Current payments		-44,322
Transfers and subsidies paid		-68
Net cash flow available from operating activities	15	<u>7,711</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		-839
Proceeds from sale of capital assets	3	159
Net cash flows from investing activities		<u>-680</u>
Net increase/(decrease) in cash and cash equivalents		7,031
Cash and cash equivalents at the beginning of the period		-26,081
Cash and cash equivalents at end of period		<u>-19,050</u>

Northern Cape Provincial Treasury Vote 8

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

1. Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000	Variance over/(under) R'000	Total Appropriation 2003/04 R'000
Administration	14,996	14,996	-	14,047
Financial Planning and Resource Management	25,695	25,695	-	5,945
Provincial Accounting	13,887	13,887	-	25,345
Corporate Services	4,872	4,872	-	-
Departmental Accounting	8,042	8,042	-	-
Auxiliary Service	-	-	-	40,339
Total	67,492	67,492		85,676

2. Statutory Appropriation

	2004/05 R'000	2003/04 R'000
Member of executive committee/parliamentary officers	<u>762</u>	<u>783</u>
	762	783

3. Departmental revenue to be surrendered to revenue fund

Description

	2004/05 R'000	2003/04 R'000
Sales of goods and services other than capital assets	37	56
Interest, dividends and rent on land	587	987
Sales of capital assets	159	
Recoverable revenue received	<u>7</u>	<u>663</u>
Total revenue collected	790	1,706
Less: Departmental Revenue Budgeted	<u>5,985</u>	<u>12,358</u>
Departmental revenue collected	<u>-</u>	<u>-</u>

4. Compensation of employees

	2004/05 R'000	2003/04 R'000
4.1 Salaries and Wages		
Basic salary	15,468	13,454
Performance award	45	
Service Based	12	
Compensative/circumstantial	226	
Periodic payments	194	
Other non-pensionable allowances	<u>2,487</u>	<u>2,194</u>
	18,432	15,648

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

	2004/05 R'000	2003/04 R'000
4.2 Social contributions		
4.2.1 Short-term employee benefits		
Pension	2,292	1,903
Medical	884	762
Bargaining council	4	
	<u>3,180</u>	<u>2,665</u>
Total compensation of employees	<u>21,612</u>	<u>18,313</u>
Average number of employees	<u>127</u>	<u>137</u>

5. Goods and services

	Note	2004/05 R'000	2003/04 R'000
Advertising		235	198
Attendance fees (including registration fees)		4	
Bank charges and card fees		87	18,213
Communication		1,260	1,095
Computer services		1,566	5,536
Consultants, contractors and special services		14,954	19,306
Courier and delivery services		33	
Entertainment		195	124
External audit fees	5.1	864	921
Equipment less than R5000		82	12
Inventory	5.2	724	579
Legal fees		2	
Maintenance, repairs and running cost		131	41
Operating leases		407	165
Photographic services		5	
Plant flowers and other decorations		46	
Printing and publications		25	
Resettlement cost		75	
Subscriptions		1	
Transport provided as part of the departmental activities		295	987
Travel and subsistence	5.3	1,125	-
Venues and facilities		59	
Protective, special clothing & uniforms		14	
Training & staff development		521	
Previous years unallocated items			2,074
		<u>22,710</u>	<u>49,251</u>

5.1 External audit fees

Regularity audits	<u>864</u>	<u>921</u>
Total external audit fees	<u>864</u>	<u>921</u>

Northern Cape Provincial Treasury Vote 8

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

5.2 Inventory (purchased during the year)

Other inventory	-	8
Domestic consumables	4	
Food and Food supplies	44	23
Other consumables	-	136
Parts and other maintenance material	2	41
Stationery and printing	674	412
Total Inventory	724	620

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

5.3 Travel and subsistence

Local	1,125	
Total travel and subsistence	1,125	-

6 Unauthorised expenditure

6.1. Reconciliation of unauthorised expenditure

Opening balance	1,567	1,567
Unauthorised expenditure approved by Parliament/Legislature – current expenditure	-1,567	
Unauthorised expenditure awaiting authorisation	-	1,567

6.2 Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	Total
Over Expenditure	None	1,567
		1,567

7. Transfer and subsidies

Provinces and municipalities	Annexure I	68	
		68	-

8. Expenditure for capital assets

Machinery and equipment	Annex 4	807	113
Software and other intangible assets	Annex 5	32	-
Total		839	113

9. Cash and cash equivalents

Consolidated Paymaster General Account	-2	15,660
Disbursements	-1	
Cash on hand	3	3
	-	15,663

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

10. Receivables				2004/05 R'000	2003/04 R'000
		Less than one year	One to three years	Older than three years	Total
Staff debtors	10.1	7	14		21
Clearing accounts	10.2	27	-		27
Other debtors	10.3	-	-	42,679	42,679
		34	14	42,679	42,727
					45,757

10.1 Staff Debtors

Sal: Tax Debt	7	
Debt Account	18	65
Debt Receivable Interest	-4	
	21	65

10.2 Clearing accounts

Sal: Deduction Disallowance Acc	14	-
Sal: Disallowance	13	-
	27	-

10.3 Other debtors

Advances	7	19
Claims Recoverable	42,672	45,673
	42,679	45,692

Notes

11. Voted funds to be surrendered to the Revenue Fund

Opening balance	18,782	64,362
Transfer from Statement of Financial Performance	23,059	18,782
Voted funds not requested/not received		
Paid during the year	-18,782	-64,362
Closing balance	23,059	18,782

12. Departmental revenue to be surrendered to the Revenue Fund

Opening balance	-	4492
Departmental revenue budgeted	3 790	-
Paid during the year	-629	4492
Closing balance	161	-

13. Bank overdraft

Paymaster General Account	19,050	41,744
	19,050	41,744

Northern Cape Provincial Treasury Vote 8

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

14 Payables – current

Description

		2004/05 R'000			2003/04 R'000
		30 Days	30+ Days	Total	Total
Clearing accounts	14.2	-	59	59	
Other payables	14.3	-	398	398	2,461
			457	457	2,461

14.1 Clearing accounts

Sal: Medical Aid	-4	-
Sal: Income Tax	-10	-
Sal: ACB Recalls	73	-
	59	-

14.2 Other payables

Claims Rec: CL: SA Citizen	398	-
Provincial Payables	-	2,425
Other	-	36
	398	2,461

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

	2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance	23,059
Non-cash movements	
(Increase)/decrease in receivables – current	3,030
(Increase)/decrease in prepayments and advances	1,567
(Increase)/decrease in other current assets	-2,004
Increase/(decrease) in payables – current	-
Increase/(decrease) in current liabilities	
Surrenders	-19,411
Departmental revenue received	790
Capital expenditure	839
Net cash flow generated by operating activities	7,870

16. Appropriated funds and departmental revenue surrendered

Appropriated funds surrendered	23,059
Departmental revenue surrendered	161
	23,220

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

17. Contingent liabilities	2004/05 R'000	2003/04 R'000
Liable to	Nature	
Housing loan guarantees	Employees <i>Annexure 3</i>	887
Other departments (unconfirmed balances)	<i>Annexure 7</i>	18
Capped leave commitments		2,453
	<u>1,897</u>	<u>2,453</u>
	<u>3,308</u>	<u>3,358</u>

18. Commitments

Current expenditure		
Approved and contracted	<u>403</u>	<u>159</u>
Capital expenditure		
Total Commitments	<u>403</u>	<u>159</u>

19 Accruals

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	162	8	<u>170</u>	<u>942</u>
			<u>170</u>	<u>942</u>

Listed by programme level

Administration	30	<u>117</u>
Financial Planning and Resource Management	9	
Provincial Accounting	111	808
Corporate Services	19	
Departmental Accounting	1	
Auxiliary Services		17
	<u>170</u>	<u>942</u>

Confirmed balances with other departments	<i>Annexure 7</i>	8	70
		<u>8</u>	<u>70</u>

20. Employee benefits

Leave entitlement	458	419
Thirteenth cheque	667	1,017
	<u>1,125</u>	<u>1 436</u>

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

21. Lease Commitments 21.1 Operating leases	Buildings and other fixed structures	2004/05		2003/04	
		Machinery and equip- ment	Total	Total	
Not later than 1 year		210	210	11	
Later than 1 year and not later than 3 years		217	217		
Later than three years			-	143	
Total present value of lease liabilities	-	427	427	154	

22. Senior management personnel

• Members of Executive Committee	762	783
• Deputy Director General	376	-
• Chief Director	560	536
• Director	730	1,099
	2,428	2,418

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

ANNEXURE 1**STATEMENT OF RSC LEVIES PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2003/04 Division of Revenue Act
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
Pixley Ka Seme Dist. Mun			4	4	2	50.0%			0.0%
Frances Baard Dist. Mun			87	87	61	70,1%			0.0%
Siyanda Dist. Council			2	2	3	150.0%			0.0%
Namakwa Dist. Mun			2	2	2	100.0%			0.0%
	-	-	95	95	68		-	-	

ANNEXURE 2

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

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05	2003/04
		R'000	R'000
Paid in cash			
Kimberley Golf club		4	-
Masibonane Project		19	-
Dora Tamana Multi-Purpose Cooperative		90	
TOTAL		113	-

ANNEXURE 3

Northern Cape Provincial Treasury Vote 8

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

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

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2004 R'000	Guarantees issued during the year R'000	Guarantees released during the year R'000	Guaranteed interest for year ended 31 March 2005 R'000	Closing balance 31 March 2005 R'000	Realised losses i.r.o. claims paid out R'000
Absa	Housing	549	204	46			250	
Nedbank		241	613	84			697	
First Rand		92	48				48	
Standard Bank		120	22	44			66	
Old Mutual		73					-	
Peoples Bank		24					-	
Total		1,099	887	174	-	-	1,061	-

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

ANNEXURE 4

PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
MACHINERY AND EQUIPMENT		807				
Computer equipment		116				
Furniture and office equipment		298				
Other machinery and equipment						
Transport assets		393				
		807				
MACHINERY AND EQUIPMENT		113				
Computer equipment		43				
Furniture and office equipment		70				
		113				

ANNEXURE 5

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

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	-	32				
	-	32	-	-	-	

ANNEXURE 6

INTER-GOVERNMENT RECEIVABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Departments				
Office of the Premier			15	184
Dept. Public Works, Roads and Transport				
			54	621
Dept. Education			1,434	
Dept. Health			270	25
Dept. Social Services			15	
Dept. Agriculture		200	14	
Dept. Housing and Local Government			61	2
Dept. Economic Affairs	18			
Dept. Safety and Liaison		1		
TOTAL	18	201	1,863	832

Northern Cape Provincial Treasury Vote 8

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

ANNEXURE 7

INTER-DEPARTMENTAL PAYABLES - CURRENT

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Department Amounts not included in Statement of financial position Current Samdi Office of the Premier Dept. Housing and Local Government		54		17
National Dept. of Agriculture		16		1
National Treasury	8		350	
Total	8	70	350	18

PART 5: HUMAN RESOURCES MANAGEMENT

I. EXPENDITURE

TABLE I.1 - Personnel costs by programme

Programme	Total Voted Expenditure (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 Compensation of Employees Cost per Employee (R'000)	Employment
Administration	6,424	3,037	0	1,539	47.3	337	9
Financial Planning & Resources Management	18,900	5,113	0	10	27.1	189	27
Provincial Accounting	11,778	8,213	0	1,655	69.7	144	57
Corporate Services	4,693	2,210	0	93	47.1	111	20
Departmental Accountant	4,955	3,039	0	1,00	61.3	152	20
Total	46,750	21,612	0	3,397	46.2	162	133

TABLE I.2 - Personnel costs by salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R'000)	Number of Employees
Lower skilled (Levels 1-2)	506	2,34	56,222	9
Skilled (Levels 3-5)	1,450	6,71	63,043	23
Highly skilled production (Levels 6-8)	7,782	36,01	138,964	56
Highly skilled supervision (Levels 9-12)	8,458	39,14	211,450	40
Senior management (Levels 13-16)	3,416	15,80	683,200	5
TOTAL	21,612	100,00	162,496	133

TABLE I.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

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 Cost	Total Personnel Cost (R'000)
Administration	1,797	59,17	-	-	7	0,23	109	3,58	3,037
Financial Planning & Resources Management	3,761	73,56	36	0,70	35	0,68	217	4,24	5,113
Provincial Accounting	6,080	74,03	3	0,30	117	1,42	350	4,26	8,213
Corporate Services	1,511	68,37	-	-	12	0,54	102	4,62	2,210
Departmental Accounting	2,303	75,78	13	0,43	48	1,58	102	3,36	3,039
TOTAL	15,452	71,50	52	0,24	219	1,01	880	4,07	21,612

TABLE I.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 Personnel Cost (R'000)
Lower skilled (Levels 1-2)	384	72,71	-	-	6	1	42	9	506
Skilled (Levels 3-5)	1,051	72,48	1	0	16	1	79	6	1,450
Highly skilled production (Levels 6-8)	5,850	75,17	14	0	104	1	412	5	7,782
Highly skilled supervision (Levels 9-12)	6,475	76,55	36	0	92	1	232	3	8,458
Senior management (Levels 13-16)	1,708	50,00	-	-	-	-	115	4	3,416
TOTAL	15,452	71,50	51	0	218	1	880	-	21,612

2. EMPLOYMENT AND VACANCIES

TABLE 2.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	12	9	25	0
Financial Planning & Resources Management	54	27	50	0
Provincial Accounting	86	57	33.7	0
Corporate Services	32	20	37.5	0
Departmental Accountant	45	20	55.6	0
TOTAL	229	133	41.9	0

TABLE 2.2 - 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	20	9	61.1	0
Skilled (Levels 3-5), Permanent	41	23	43.9	0
Highly skilled production (Levels 6-8), Permanent	102	56	45.1	0
Highly skilled supervision (Levels 9-12), Permanent	60	40	33.3	0
Senior management (Levels 13-16), Permanent	6	5	16.7	0
TOTAL	229	133	41.9	0

TABLE 2.3 - 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 Additional to the Establishment
Administrative related, Permanent	43	27	37.2	0
Cleaners in offices workshops hospitals etc., Permanent	2	2	0	0
Client inform clerks(switchb receipt inform clerks), Permanent	1	1	0	0
Finance and economics related, Permanent	37	17	54.1	0
Financial and related professionals, Permanent	22	11	50	0
Financial clerks and credit controllers, Permanent	78	48	38.5	0
Food services aids and waiters, Permanent	1	0	100	0
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources & organisat developm & relate prof, Permanent	1	1	0	0
Human resources clerks, Permanent	3	3	0	0
Human resources related, Permanent	5	4	20	0
Information technology related, Permanent	6	2	66.7	0
Legal related, Permanent	4	1	75	0
Library mail and related clerks, Permanent	9	6	33.3	0
Messengers porters and deliverers, Permanent	3	2	33.3	0
Other administrat & related clerks and organisers, Permanent	3	0	100	0
Other occupations, Permanent	1	1	0	0
Secretaries & other keyboard operating clerks, Permanent	5	3	40	0
Senior managers, Permanent	4	3	25	0
TOTAL	229	133	41.9	0

3. JOB EVALUATION

TABLE 3.1 - 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)	18	0	0	0	0	0	0
Contract (Levels 1-2)	2	0	0	0	0	0	0
Contract (Levels 3-5)	1	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	40	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	102	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	59	0	0	0	0	0	0
Senior Management Service Band A	5	0	0	0	0	0	0
Senior Management Service Band B	1	0	0	0	0	0	0
TOTAL	229	0	0	0	0	0	0

TABLE 3.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

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

TABLE 3.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR I.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
N/A	N/A	N/A	N/A	N/A	N/A
Total	0				
Percentage of Total Employment	0				0

TABLE 3.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR I.V.C.3]

Beneficiaries		African	Asian	Coloured	White	Total
Female		N/A	N/A	N/A	N/A	N/A
Male		N/A	N/A	N/A	N/A	N/A
Total		0	0	0	0	0
Employees with a Disability		0	0	0	0	0

4. EMPLOYMENT CHANGES

TABLE 4.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2004)	Appointments	Terminations	Rate
Lower skilled (Levels 1-2), Permanent	7	4	0	0
Skilled (Levels 3-5), Permanent	20	0	0	0
Highly skilled production (Levels 6-8), Permanent	66	2	3	4.5
Highly skilled supervision (Levels 9-12), Permanent	30	5	2	3.3
Senior Management Service Band A, Permanent	4	0	0	0
Senior Management Service Band B, Permanent	1	0	1	100
TOTAL	128	11	6	4.7

TABLE 4.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	28	2	0	0
Cleaners in offices workshops hospitals etc., Permanent	2	0	0	0
Finance and economics related, Permanent	15	3	1	6.7
Financial and related professionals, Permanent	12	0	0	0
Financial clerks and credit controllers, Permanent	50	1	3	6
Human resources clerks, Permanent	3	0	0	0
Human resources related, Permanent	3	0	0	0
Information technology related, Permanent	0	2	0	0
Legal related, Permanent	0	1	1	0
Library mail and related clerks, Permanent	4	2	0	0
Messengers porters and deliverers, Permanent	1	0	0	0
Other occupations, Permanent	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	5	0	0	0
Senior managers, Permanent	4	0	1	25
TOTAL	128	11	6	4.7

TABLE 4.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Resignation, Permanent	5	83.3	3.9	6	128
Expiry of contract, Permanent	1	16.7	0.8	6	128
TOTAL	6	100	4.7	6	128
Resignations as % of Employment	4.7				

TABLE 4.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2004)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	28	0	0	12	42.9
Cleaners in offices workshops hospitals etc.	2	0	0	2	100
Finance and economics related	15	3	20	4	26.7
Financial and related professionals	12	0	0	2	16.7
Financial clerks and credit controllers	50	0	0	29	58
Human resources clerks	3	0	0	3	100
Human resources related	3	1	33.3	0	0
Library mail and related clerks	4	0	0	4	100
Messengers porters and deliverers	1	0	0	1	100
Other occupations	1	1	100	0	0
Secretaries & other keyboard operating clerks	5	0	0	3	60
Senior managers	4	0	0	0	0
TOTAL	128	5	3.9	60	46.9

TABLE 4.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2004)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	7	0	0	13	185.7
Skilled (Levels 3-5), Permanent	20	0	0	13	65
Highly skilled production (Levels 6-8), Permanent	66	4	6.1	25	37.9
Highly skilled supervision (Levels 9-12), Permanent	30	1	3.3	8	26.7
Senior management (Levels 13-16), Permanent	5	0	0	1	20
TOTAL	128	5	3.9	60	46.9

5. EMPLOYMENT EQUITY

TABLE 5.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (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	4	1	0	5	0	0	0	0	0	0	5
Professionals, Permanent	17	12	2	31	1	20	7	0	27	4	63
Clerks, Permanent	3	11	0	14	1	13	23	0	36	9	60
Elementary occupations, Permanent	2	0	0	2	0	2	1	0	3	0	5
TOTAL	26	24	2	52	2	35	31	0	66	13	133

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	1	0	1	0	0	0	0	0	0	1

TABLE 5.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

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	3	1	0	4	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management, Permanent	14	8	1	23	1	11	3	0	14	6	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	10	0	14	1	15	16	0	31	5	51
Semi-skilled and discretionary decision making, Permanent	3	3	1	7	0	7	12	0	19	1	27
Unskilled and defined decision making, Permanent	0	1	0	1	0	1	0	0	1	0	2
Contract (Professionally qualified), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	0	1	0	1	0	1	0	0	1	1	3
TOTAL	26	24	2	52	2	35	31	0	66	13	133

TABLE 5.3 - 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 experienced specialists and mid-management, Permanent	2	0	0	2	0	1	0	0	1	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	1	0	1	0	0	1	0	1	0	2
Unskilled and defined decision making, Permanent	0	0	1	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Unskilled), Permanent	0	1	0	1	0	1	0	0	1	1	3
TOTAL	4	2	1	7	0	2	1	0	3	1	11

TABLE 5.4 - 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	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	2	0	4	1	1	1	0	2	2	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	4	0	6	0	9	6	0	15	8	29
Semi-skilled and discretionary decision making, Permanent	1	2	0	3	0	2	8	0	10	0	13
Unskilled and defined decision making, Permanent	1	2	0	3	0	5	4	0	9	1	13
TOTAL	7	10	0	17	1	17	19	0	36	11	65

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	1	0	1	0	0	0	0	0	0	1

TABLE 5.5 - 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
Senior Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	0	0	2	0	2	1	3
Contract (Professionally qualified), Permanent	1	0	0	1	0	0	0	0	0	0	1
TOTAL	2	0	0	2	0	1	2	0	3	1	6

TABLE 5.6 - 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	Not Available
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0

6. PERFORMANCE REWARDS

TABLE 6.1 - Performance Rewards by Race, Gender and Disability

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	1	35	2.9	4	4,488
African, Male	1	26	3.8	20	20,070
Asian, Male	0	2	0	0	0
Coloured, Female	0	31	0	0	0
Coloured, Male	1	23	4.3	20	20,070
Total Blacks, Female	1	66	1.5	4	4,488
Total Blacks, Male	2	51	3.9	40	20,070
White, Female	0	13	0	0	0
White, Male	0	2	0	0	0
Employees with a disability	0	1	0	0	0
TOTAL	3	133	2.3	45	14,876

TABLE 6.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	0	9	0	0	0
Skilled (Levels 3-5)	0	23	0	0	0
Highly skilled production (Levels 6-8)	0	56	0	0	0
Highly skilled supervision (Levels 9-12)	1	40	2.5	4	4,000
TOTAL	1	128	0.8	4	4,000

TABLE 6.3 - 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	26	0	0	0
Cleaners in offices workshops hospitals etc.	0	2	0	0	0
Finance and economics related	1	18	5.6	4	4,000
Financial and related professionals	0	11	0	0	0
Financial clerks and credit controllers	0	46	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Human resources clerks	0	3	0	0	0
Human resources related	0	4	0	0	0
Information technology related	0	3	0	0	0
Legal related	0	1	0	0	0
Library mail and related clerks	0	7	0	0	0
Messengers porters and deliverers	0	2	0	0	0
Other occupations	0	2	0	0	0
Secretaries & other keyboard operating clerks	0	4	0	0	0
Senior managers	2	3	66.7	40	20,000
TOTAL	3	133	2.3	44	14,667

TABLE 6.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	2	2	100	40	20,000	2.1	1,891
Band B	0	2	0	0	0	0	0
Band C	0	1	0	0	0	0	0
TOTAL	2	5	40	40	20,000	2.1	1,891

7. LEAVE UTILISATION

TABLE 7.1 - Sick Leave for Jan 2004 to Dec 2004

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	42	52.4	6	6	7	6	100	22
Skilled (Levels 3-5)	162	87.7	17	17	10	28	100	142
Highly skilled production (Levels 6-8)	436	76.4	51	51	9	162	100	333
Highly skilled supervision (Levels 9-12)	141	74.5	23	23	6	92	100	105
Contract (Levels 3-5)	15	93.3	3	3	5	2	100	14
TOTAL	796	77.4	100	100	8	290	100	616

TABLE 7.2 - Disability Leave (Temporary and Permanent) for Jan 2004 to Dec 2004

Salary Band	Total Days	% Days with Medical Certification	Number of Employees 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 Disability Leave
	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0

TABLE 7.3 - Annual Leave for Jan 2004 to Dec 2004

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took Leave
Lower skilled (Levels 1-2)	151	22	7
Skilled (Levels 3-5)	427	20	21
Highly skilled production (Levels 6-8)	1,471	23	65
Highly skilled supervision (Levels 9-12)	779	19	42
Senior management (Levels 13-16)	111	19	6
Contract (Levels 3-5)	31	10	3
TOTAL	2,970	21	144

TABLE 7.4 - Capped Leave for Jan 2004 to Dec 2004

	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 who took Capped Leave	Total number of capped leave available at 31 December 2004	Number of Employees as at 31 December 2004
Lower skilled (Levels 1-2)	1	1	32	1	193	6
Skilled (Levels 3-5)	8	3	18	3	214	12
Highly skilled production (Levels 6-8)	55	6	27	9	1177	43
Highly skilled supervision (Levels 9-12)	28	9	54	3	1197	22
Senior management (Levels 13-16)	3	3	99	1	394	4
TOTAL	95	6	36	17	3,175	87

TABLE 7.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2004/05	9	2	4,500
TOTAL	9	2	4,500

8. HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

TABLE 8.1 - 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	N/A
N/A	N/A

TABLE 8.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	
2. Does the department 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.		X	
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.		X	
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	
5. Has the department 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.		X	
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		X	
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		X	
8. Has the department developed <input type="checkbox"/>		X	

9. LABOUR RELATIONS

TABLE 9.1 - Collective Agreements

Subject Matter	Date
N/A	N/A
N/A	N/A

TABLE 9.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
N/A	Nil	Nil	Nil

TABLE 9.3 - Types of Misconduct Addressed and Disciplinary Hearings

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

TABLE 9.4 - Grievances Lodged

Number of grievances addressed	Number	% of total
Resolved	0	0
Not resolved	63	100 %
Total	63	

TABLE 9.4 - Grievances Lodged

Number of grievances addressed	Number	% of total
Resolved	0	0
Not resolved	0	100 %
Total	0	

TABLE 9.5 - Disputes Lodged

	Number of disputes addressed	Number	% of total
Upheld		Nil	Nil
Dismissed		Nil	Nil
Total		Nil	Nil
TABLE 9.5 - Disputes Lodged			
	Number of disputes addressed	Number	% of total
Upheld		Nil	Nil
Dismissed		Nil	Nil
Total		Nil	Nil

TABLE 9.6 - Strike Actions

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

TABLE 9.6 - Strike Actions

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

TABLE 9.7 - Precautionary Suspensions

Precautionary Suspensions	
Number of people suspended	N/A
Number of people whose suspension exceeded 30 days	N/A
Average number of days suspended	N/A
Cost (R'000) of suspensions	N/A

10. SKILLS DEVELOPMENT

TABLE 10.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	27	0	27
	Male	0	0	37	0	37
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	9	0	9
	Male	0	0	5	0	5
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	2	0	2
	Male	0	0	1	0	1
Gender sub totals	Female	0	0	38	0	38
	Male	0	0	43	0	43
Total		0	0	81	0	81

TABLE 10.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	11	0	0
	Male	0	0	17	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	23	0	0
	Male	0	0	15	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	2	1	0	4
	Male	0	1	3	0	3
Gender sub totals	Female	0	2	35	0	37
	Male	0	1	35	0	36
Total		0	3	70	0	73

TABLE 10.1 - Injury on Duty

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

ISBN : 0-000-00000-0

PR: 00/2005

Annual Report 2004/2005

**Published by the
Northern Cape Provincial Treasury**

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8300
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