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FOREWORD BY THE HONOURABLE MEC FOR FINANCE AND ECONOMIC DEVELOPMENT

The Department of Finance and Economic Development came into being after the 2004 elections. This annual report is therefore the first for the department.

The report outlines our achievement for the year and I hope that the benefits of our achievements have been extended to the people of the North West who are the direct beneficiaries of our services.

I firmly believe that this first year was used to consolidate delivery efforts for the future. A strong base has been established to address our economic challenges.

The base is supported by the Provincial Growth and Development efforts which the province consolidated during the year under review. The province has developed a Programme of Action on key sectors which have the potential to promote growth in the North West economy. These key identified sectors will form the nucleus of the Provincial Growth and Development Strategy.

During the year under review important milestones have already been realised, key of which is the implementation of the Mafikeng Industrial Development Zone. The province hosted a successful Imbizo month for SMME's and important lessons were learnt. Of significance is the fact that SMMEs learnt a lot from one another and established contacts and networks.

On the financial management side the department ensured that service delivery in the various departments take place by prudently managing the provincial resources.

This year serves as a good spring board for the future. I believe that the people of the North West will gauge our future performance based on this annual report.

Hon. MEC Darkey Africa
MEC for Finance and Economic Development

INTRODUCTION BY HEAD OF DEPARTMENT

The year under review has been a challenging one particularly in the light of the merger of two critical Departments of Finance and Economic Development.

Normally, in a merger of this nature, there are various policies and strategies which require to be harmonized.

It is exactly the same in our case and the better part of the financial year was spent harmonizing our strategies and policies to one through which the new department execute its mandate efficiently.

Important issues to note were among others, the hosting of the Provincial Growth and Development summit and the setting up of the municipal support unit to provide support to the Municipalities in their quest to implement the Municipal Finance Management Act.

One big challenge which requires attention, is to enhance financial management capacity in departments so that quality financial statements are prepared and submitted to the Auditor General.

Mr. Phineas Tjie
Superintendent General

PART 1 GENERAL INFORMATION

CORPORATE PROFILE

Vision

Prudent management of Public Resources and a sustained, diversified and prosperous economy for the Province.

Mission

To provide leadership in the efficient management of public resources for effective service delivery and facilitate a well co ordinated, vibrant, diversified and sustainable economy for the North West Province.

Legislative Mandate

The mandate of the department, which is derived from the legislative framework, is that of the provincial resource controller and promoter of economic development in the province. This means that the department is the custodian of public resources and therefore has the responsibility of managing such resources in accordance with the prescribed legislation.

Our key instrument in this regard is the Public Finance Management Act (PFMA), which gives overall prescription of how public resources are to be managed. Derived from this mandate is our role, which is to support delivery of services by other government departments and parastatals.

This, the department does through systematic management of the provincial budget and advice to EXCO on all finance related matters. From this outline it is clear that our role is strategic and should therefore be fulfilled professionally so that other departments are in a position to execute their mandates without hindrance. In the past years this mandate has been fulfilled satisfactorily and the department is committed to continue providing that strategic support to create an appropriate climate for effective service delivery by other departments.

The department values all its clients as their success promotes quality of life of the people of the North West Province.

On the Economic Development side significant strides were made to support SMME development.

The implementation of the Mafikeng Industrial Development Zone (MIDZ) programme has shown sign of progress despite legislative challenges encountered during the course of the year.

The biggest milestone is the commencement of the process of preparing a Provincial Growth and Development Strategy. The strategy will be finalized in the next financial year and it will serve as a frame work for developmental initiative in the Province.

The mandate of the Department arises from the myriad of Legislative Framework and policies, which include the following, amongst others:

- The RDP White Paper;
- The Constitution of South Africa, 1996;
- The North West Development and Industrialization Strategy;
- The Rural Development Strategy (Poverty alleviation);
- The National GEAR Strategy;
- The "National Small Business Act (no. 102 of 1996);
- The Consumer Affairs Practices (Harmful Business Practices) Act 4 of 1996;

- Sale and Services Matters Act 25 of 1996, Credit Agreement Act 75 of 1980, Usury Act 73 of 1968;
- Trade Meteorology Act 77 of 1973;
- Liquor Act, 1989;
- The North West Gambling Act of 2002;
- The Public Service Act 1994;
- The Public Finance and Management Act, 2000;
- The Public Service Regulations 2001;
- The E-Government: A Public Service IT Policy Framework and the Internet and Electronic-mail Use Policy of the NW Provincial Government;
- The North West Provincial Integrated Disability Strategy mandates the Department to provide Life Skills Training for people with disabilities;
- The Promotion of Access to Information Act 2 of 2000;
- National Minimum Information Security Standard Policy of 1996 and the Protection of Information Act.

Values

The following values, which are derived from the Constitution, underpin activities of the Department of Finance and Economic Development.

- Fairness
- Equity
- Accessibility
- Transparency
- Accountability
- Participation, and
- Professionalism

Operating Principles

In achieving the Vision and Mission, the Department is guided by the following principles:

- Impartiality and independence;
- Acting without favour or prejudice in discharging its powers and functions;
- Integrity in working closely with other departments;
- Leadership and innovation in financial and resource management;
- A good working relationship of trust and respect with all clients and stakeholders through consultation, assessment and feedback;
- Commitment to and protection of the principle of merit, equity and fairness in employment in the Department.

DEPARTMENTAL STRUCTURE



Hon. Darkey Africa
MEC for Finance and
Economic Development



Ms D. Seshabela
Senior Manager
MEC Support



Mr. Phineas Tjje
Head of Department
Finance



Mr. K. Sehularo
Acting Head of
Department
Economic
Development



Mr E Van Wyk
General Manager
Treasury



Mr J Husselman
General Manager
Information Technology



Mr G. Paul
General Manager
Accountant General



Mr A. Kyereh
General Manager
Internal Audit



Ms D. Mafulako
Senior Manager
Human Resource &
Support Services



Ms N. Sephoti
Acting Chief Director:
Corporate and
Regulatory Services



Mr M. M. Nale
Chief Director: Economic
Empowerment Services



Mr A. Tlaletsi
General Manager:
Economic Sector



Ms J. Hanna
Senior Manager
Budget Planning



Mr. S. Koen
Senior Manager
Information Technology



Mr R. Rantao
senior Manager
Accountant



Mr N. Dutton
Senior Manager
Internal Audit



Mr B. Morkel
Senior Manager
Communications



Mr S. Moutiana
Senior Manager
SMMME Support



Mr E. Abrahams
Senior Manager
Resource



Mr. S. Hendricks
Senior Manager
Information Technology



Ms H. Kasirivu
Chief Financial Officer



Ms. M. Wilson
Senior Manager
Internal Audit



Mr C. Moller
Senior Manager
Revenue



Mr L. Gopane
Senior Manager
Procurement



Mr E. Kgosiemang
Senior Manager
Forensic



Ms K. Tsobane
Senior Manager
Social Cluster

PART 2: PROGRAMME PERFORMANCE

2.1 DEPARTMENTAL PERFORMANCE

2.1.1 Voted Funds

The programmes and budget allocation are highlighted in the following table:

	Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
	R '000	R '000	R '000	R '000	R '000
	311 877	311 877	311 877	261 169	(50 708)
Responsible Executive Member	MEC: Hon. D.E Africa				
Administering Dept	Department of Finance and Economic Development				
Accounting Officer	Mr. Geo Paul				

2.1.2 Key measurable objectives, Programmes and Achievements

Key measurable objectives

- Provide effective and efficient budgeting and resource control services to the North West Provincial Administration;
- Provide professional accounting and financial management services for the North West Provincial Administration, coupled with an effective resource control management service in the Department of Finance;
- Provide effective and efficient internal audit services to the North West Provincial Administration;
- Provide IT strategic direction, leadership and advisory services to the North West Provincial Administration;
- Provide an effective Human Resource and administrative support services to the Department of Finance and Economic Development;
- Foster working relations and promote departmental services to stakeholders;
- Build financial management capacity in the Province;
- Support wealth, job creation and poverty alleviation by expanding economic development, trade and investment promotions in the Province;
- Consumer protection and regulation of Liquor and Gambling industries in the Province.

Programmes

The following programmes were identified to execute above key objectives of the department:

- Human Resource and Support Services
- Provincial Treasury
- Accountant General
- Provincial Internal Audit
- Information Technology
- SMME Support
- Economic Promotions
- Regulatory services
- Project Development
- Planning and Coordination

Achievements

Implementation of the PMDS is taking place in the Department as employee performance assessments are in line with the Performance tool designed. There is however, still a lot of teething problems that have to be dealt with. The significant number of positions filled in the financial year was made possible by an additional appointment as well as a concerted effort to staff the establishment.

Implementation of Learnerships has taken place 68 Learners in three Learnerships (Project Management, Human Resources and Public Sector Accounting) were placed in the Department by 01 April 2005. The induction programme was also implemented in this financial year.

Visible HIV/AIDS and other Employee wellness programs were developed and implemented informed by the studies undertaken, for example, KAP and EAP Analysis studies during this financial year. The Employee Wellness programmes were successfully marketed and acceptance and trust in the programmes is evidenced in the number of counselling sessions handled during the financial year.

Arranged coverage in both print and electronic media for all the departmental events for the past financial year and these includes amongst others, Provincial Growth and Development Strategy (PGDS), North West Trade Expo, MFMA etc. and facilitated the participation of the department on the Provincial exhibitions to disseminate information on the services offered by the Department, these included: Gender Road shows, Provincial Imbizos, Youth month activities and the Mega Expo. These activities has undoubtedly taken the Province further in ensuring that our people are aware of the economic development services offered by Government.

2.1.3 Overview of the service delivery environment for 2004/05

The Department of Finance and Economic Development provides treasury, accounting and economic development services to the North West Province. The main challenge was to deliver on the new mandate of the merged department.

The main challenges faced by the Department in this environment were:

- The need to provide extensive training to departmental officials to ensure smooth implementation of PFMA;
- Securing full co-operation of accounting officers in budgeting and effective budgetary controls;
- Ensuring effective and meaningful in-year reporting by departments in accordance with the PFMA and Treasury Regulations;
- Ensuring the establishment of effective internal controls in the departments to safeguard assets and secure adherence to policies and regulations;
- Curbing procurement irregularities by balancing procurement controls and in-time quality service delivery;
- Implementation of management information systems to support the reporting and control requirements of departments;
- Capacity building and skills development is an area that remains crucial to the department's job creation and economic empowerment efforts in the Province;
- Merging entrepreneurial support centres into single structure that will have the capacity to empower existing and new SMME's to accelerate Black Economic Empowerment initiatives;
- The turnaround of the North West Development Corporation to support growth and economic development
- Linking the local SMME Centres of Excellence with the Multi-Purpose Community Centres, (MPCC)
- The implementation of the North West Economic and Industrialization Strategy (NWEDIS)
- The integration and linkages of all Local Economic Development, (LEDs) and Integrated Development Plans (IDP's) of local government spheres into the Provincial macro-economic development plan

2.1.4 Overview of the organisational environment for 2004/05

In April 2004, we bid farewell to Mr. Martin Kuscus the previous MEC for Finance who had been heading the Department of Finance for the previous ten years.

The third term of the democratic government ushered in a change in executive authority with the Department being headed by MEC Darkey Africa.

During July 2004, the Department of Finance was merged with the Department of Economic Development and Tourism into the new Department of Finance and Economic Development. This culminated into the consolidation of strategic plans and MTEF Budgets in order to forge ahead with the implementation of the new mandate.

The new department of Finance and Economic Development was structured to deliver its mandate under ten (10) main programmes and four public entities as follows:

1. Administration;
2. Provincial Treasury;
3. Accountant General;
4. Provincial Internal Audit;
5. Information Technology;
6. SMME Support;
7. Economic Promotions;
8. Regulatory Services;
9. Project Development;
10. Planning and coordination.

The public entities are:

1. Invest North West
2. North West Gambling Board
3. Mafikeng Industrial Development Zone
4. Entrepreneurial Support centres (ESC's) .

The organisation structure comprises of one (1) Head of Department, Eight (8) General Managers and Fifteen (15) Senior Managers.

2.1.5 Strategic Overview and Key Policy Developments for the 2004/05 Financial Year

The Department of Finance and Economic Development focused mainly on the following key strategic issues as outlined below:

- Implementation of the provisions of the Public Finance Management Act;
- Build financial management capacity in the Province;
- Roll out of procurement reforms (Supply Chain Management);
- Implementation of Asset Management;
- Providing effective and efficient internal audit services to the Province;
- Building appropriate institutional capacity to address the vexing question of Economic Development;
- Provide Information Technology (IT) strategic direction;
- Consumer protection and regulation of liquor and gambling industries in the Province.

Key policy developments and legislative changes for the 2004-05 year are as follows:

- Repealing of the North West Tender Board Act by 31 March 2005;
- Delegation of Tender Board powers to Departments;

- Implementation Supply Chain Management;
- Implementation of Accrual accounting on a phased in approach;
- Implementation of the Municipal Finance Management Act from 01 July 2004;
- Manage the transition of moving all Information Technology related procurement in line with the SITA Act.

2.1.6 Departmental Revenue, Expenditure, and other specific topics

Departmental Revenue

The department set out in its 2004-05 budget to collect revenue targets of R84.4 million from three broad revenue sources as follows; gambling taxes and levies, sale of goods and services and interest received.

Revenue collection targets are monitored during the year by adequately setting reasonable targets and ensuring that they are adhered to. Revenue collected is also reported in the in year monitoring reports (IYM) which are submitted to Provincial and National Treasury on monthly and quarterly basis.

Actual revenue amounting to R99.8 million was collected resulting which is 18% above the budgeted target. Measures are being implemented in conjunction with the Provincial treasury to identify new sources of revenue each year in order to broaden the base.

A brief summary of revenue collected is outlined below:

	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	% deviation from target
Tax revenue	29 494	30 381	43 789	28 508	39 633	+39%
Casino taxes	29 494	30 381	43 789	21 840	39 633	
Bookmaker taxes			1 040			
Totalisator taxes			4 680			
Route operator taxes			468			
Site operator taxes			468			
Bingo taxes			12			
Non-tax revenue	44 202	54 159	54 012	55 870	60 160	+7.6%
Administrative fees	9 191	10 170	11 991	23 000	20 063	
Liquor licences	1 356	1 436	1 436			
Interest		24 549	36 045	42 021	29 000	38 366
Other		9 106	6 508	2 434	1 731	
TOTAL DEPARTMENTAL RECEIPTS	73 696	84 540	97 801	84 378	99 793	+18.3%

Departmental Expenditure

A brief summary of expenditure incurred per programme is outlined below:

Programmes	Voted for 2004/05	Rollovers and adjustments	Virement	Total Voted	Actual Expenditure	Variance
Human Resources	17 472		1 260	18 732	17 250	(1 482)
Accountant General	42 087		2 740	44 827	43 651	(1 176)
Provincial Treasury	34 467		2 300	36 767	33 563	(3 204)
Internal Audit	26 976			26 976	24 261	(2 715)
Information Technology	82 977		(6 300)	76 677	68 930	(7 747)
SMME Support	10 216			10 216	8 222	(1 994)
Economic Promotions	34 014		40	34 054	8 277	(25 777)
Regulatory Services	8 551			8 551	7 379	(1 172)
Project Development	7 583			7 583	5 962	(1 621)
Planning & Coordination	1 825		(40)	1 785	1 028	(757)
Invest North West	9 482			9 482	9 482	0
Gambling Board	6 477			6 477	6 477	0
MIDZ Board	5 208			5 208	2 145	(3 063)
Statutory Payments	24 542			24 542	24 542	0
Total	311 877		0.00	311 877	261 169	(50 708)

Transfer Payments

The core functions of the Public Entities are as follows:

Invest North West

Invest North West is the official investment promotion agency for the NWPG and its founding purpose is to create employment for the people of the North West Province, through the attraction of new and sustainable businesses and the development of grant-in-aid funds from public sector and others.

MIDZ

The MIDZ Board is mandated to secure an IDZ operator license, facilitate and coordinate the industrial development of Mafikeng and its surrounding area's by establishing, operating and managing a world class industrial development zone or industrial park and to attract strategic private sector investments within the identified industrial clusters such as the minerals beneficiation cluster, the aviation cluster, the zone wide skills development cluster, agricultural beneficiation cluster, high tech electronic components cluster to facilitate trade between South Africa and the rest of Africa through the common custom secure area, the Electronic Order board and the diamond exchange.

Gambling Board

To regulate the gambling industry in the province, and to collect revenue for the provincial administration.

NAME OF INSTITUTION	AMOUNT TRANSFERRED	ESTIMATED EXPENDITURE
Invest North West	9 482	9 482
MIDZ	5 208	2 145
Gambling Board	6 477	6 477

Maintenance and Asset management plan

Maintenance

The department does not own any property hence no property maintenance expenses were incurred for the period under review.

Asset management

The Department of Finance and Economic Development is tasked with overseeing the Information Technology infrastructure of the whole North West Provincial Government.

Therefore significant fixed and movable assets held under the control of the Department are relating to the Information Technology network infrastructure.

The other assets possessed by the department are computers and furniture used as working tools.

The implementation of the electronic asset register started in November 2002 with the exercise of taking on all assets purchased in previous years. Subsequently assets purchased are now accounted fully in the electronic asset register. Asset management is implemented on a phased approach over a period of time with the overall implementation of Accrual Accounting.

A Draft Provincial Asset management has been drafted for use in conjunction with Guidelines from National Treasury by Departments pending full implementation. Disposal, scrapping and losses of assets are done through compilation of boards of surveys which are authorised by the chief financial officer and the Accounting Officer.

Records of these boards of survey reports are filed adequately.

The electronic assets register is reconciled with the expenditure report on a monthly basis to resolve differences that might occur. This ensures that the register remains up to date at any given time.

The subsequent sections of the report will attempt to provide the reader with an outline of each programme's performance for the reporting period April 2004-March 2005:

2.2 DETAILED PROGRAMME PERFORMANCE

PROGRAMME 1: HUMAN RESOURCES AND SUPPORT SERVICES

PURPOSE

The programme is mainly dealing with Human Resource administration and support services of the entire Department. These activities are provided to other Directorates within the Department to assist in the delivery of effective services throughout the North West Province.

MEASURABLE OBJECTIVES

- To render an effective, efficient Human Resource and Administrative Support services,
- To promote Labour relations and peace in the workplace,
- To coordinate and/or provide training and the development of staff,
- To implement Transformation initiatives,
- Development of visible HIV/AIDS and other Employee Wellness Programmes,
- To enhance effective communication services(internally and externally) and promote the Departmental image,
- To provide effective Transport and Registry Support Services ,
- To propagate a campaign of awareness for the services provided by the Department and
- To promote the image of the Department.

Service Delivery Objectives and Indicators:

Significant Achievements

Implementation of the PMDS is taking place in the Department as employee performance assessments are in line with the Performance tool designed. There is however, still a lot of teething problems that have to be dealt with. The significant number of positions filled in the financial year was made possible by an additional appointment as well as a concerted effort to staff the establishment.

Implementation of Learnerships has taken place 68 Learners in three Learnerships (Project Management, Human Resources and Public Sector Accounting) were placed in the Department by 01 April 2005. The induction programme was also implemented in this financial year.

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Arranged coverage in both print and electronic media for all the departmental events for the past financial year and these includes amongst others, Provincial Growth and Development Strategy (PGDS), North West Trade Expo, MFMA etc. and facilitated the participation of the department on the Provincial exhibitions to disseminate information on the services offered by the Department, these included: Gender Road shows, Provincial Imbizos, Youth month activities and the Mega Expo. These activities has undoubtedly taken the Province further in ensuring that our people are aware of the economic development services offered by Government.

Explanation for the Deviations

The target for job evaluation was not achieved due to non availability of experienced job evaluators and the fact that the officers trained during the financial year had a huge load of recruitment to handle. Finalisation of labour cases not always completed as anticipated due to the nature of investigations.

Submission of the work skill plan was delayed by late submission of performance assessment reports and lack of capacity in the unit responsible. Establishment of the departmental wellness clinic not achieved because the assistance with provision of a Nurse for 2 hours a week to man the Clinic did not materialize. We were advised at a very late stage that we should appoint our own nurse.

The multiple activities brought about by the merger and lack of capacity impacted negatively on the production of the Departmental bulletin.



Service Delivery Achievements

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Human Resource Management	Provide an effective, efficient Human resource as well as administrative support service to the Department	Developed/Reviewed policies.	10 Policies developed / reviewed by 31 March 2005	70% (2 approved 5 awaiting finalization of consultation
		Fully functional PMDS system	PMDS fully implemented in the department by June 2005	PMDS operational
			All Affected employees informed of the outcome of the Moderating Committee 2 weeks after approval	Performance rewards correctly implemented
Training and Transformation	Promote Labor peace in the workplace	Staffing vacant positions	At least 30% (56 posts) of vacant critical posts to be filled by 31 March 2005	97 posts filled
		Job Evaluation	25 posts to be evaluated by 31 March 2005	18 posts evaluated
		Reliable and accurate HR statistics	Ongoing	ongoing
		Informed Supervisors informed on how to handle disciplinary and grievance cases	30% 123 (37) Supervisory staff to be trained by 30 June '04	Achieved
		Cleared suspension cases	Cases to be cleared within 2 months of suspension	One case finalized after 5 months
	Coordinate provision of training and development of staff	PMDS advocacy information sessions held to assist supervisors in completing Performance evaluation forms	30% of 123 (37) supervisors attended the sessions by 31 March 2005	Achieved Held 4 PMDS Information sessions
		Completed WSP submitted to	To be Submitted to relevant institutions by 31 July 2004	Submitted in October
		No. of 1 Learnership to be coordinated	1 Learnership to be coordinated by 31 March 2005	Learners commenced work in three Learnerships on 01 April 2005
	Implement Transformation initiatives	Achieved annual skills target	40% of target to be achieved	Target of women representation at SMS achieved
		Workshop to coordinate Departmental service delivery standards	1 Workshop to be held by 31 March 2005	80% of work done to review standards
		Conducted Gender Awareness programmes/activities	3 Gender awareness activities to be held by 31 March 2005	Achieved
		Implement Resolution 7 of 2002	Completed by June 2004	Achieved Reduced excess and placed 4 officers from other Department

	Employee Wellness	Managed Employee wellness issue that would Improved Performance due	3 HIV/AIDS awareness activities/campaigns informed by needs held by 31 March 2005	Achieved
			Conduct HIV/AIDS KAP study by Sept. '04	Achieved
			Conduct baseline measurements for later impact assessments by June '04	Achieved
			Establish Dept. EAP/ HIV/AIDS Committee by June '04	Achieved
			Conduct EAP needs analysis by Dec. '04 and provide EAP services	Achieved. Counseling sessions provides =124 & Man. consultations = 13
			Establish a Dept. Wellness Clinic by March 2005	Not established
			Hold 1 Wellness marketing Programme by March 2005	5 Marketing Programmes held
	Provision of Transport, Logistics and Registry services	Facilitate replacement of pool vehicles	6 Pool Vehicles acquired by March '05	Nil
		Workshops on Transport policies and rules held	4 Workshops to be held by 31 March '05	3
		Provision of Logistics, Registry and messenger services	On going	On going
	Communications	Design the Departmental Communication Strategy in line with the Provincial one.	Approved Departmental Communication Strategy by May 2004	Tabled at the Departmental Lekgotla, September 2004
			Facilitation of media interviews.	Facilitated all media interviews as per departmental activities.
			Facilitation of Departmental events.	Facilitate all the Departmental events accordingly
				Drafted all Speeches delivered by the MEC.
			Development of the corporate identity.	Achieved
		Create mechanisms of promoting intra and inter communication.	Approved Departmental Communication Policy by May 2004	Policy was developed and finalized, Jan. '05.
				Monitored the media activities relevant to the department.
				Provided guidance to the department on issues relating to the Provincial Communication Policy.
				Produce Quarterly Departmental Newsletter.

PROGRAMME 2: PROVINCIAL TREASURY

Purpose:

- To ensure that fiscal policies and strategies are implemented in accordance with National Treasury and to efficiently control and monitor the provincial budget;
- To monitor and control provincial departments' expenditure and revenue and report to National Treasury and to monitor and control all assets in the North West Provincial Administration;
- To manage and control existing sources of revenue, and to ensure that provincial debts are recovered as well as to manage provincial cash flow.
- To provide supply chain management services to the North West Provincial Administration;
- To conduct investigations on all alleged cases of fraud and corruption in the North West Provincial Administration; and
- To offer municipal support in compliance with the Municipal Finance Management Act (MFMA).

This programme comprises of the following sub-programmes: Budget Planning & Implementation, Resource Control, Revenue & Cash Management, Forensic Division, Provincial Procurement (Supply Chain Management Office), Municipal Support (this is a new sub-programme, which was introduced during the department's Adjustment Budget).

Measurable objectives:

- To consolidate provincial budgets in terms of the Public Finance Management Act (PFMA).
- To sustain good governance in the province through proper integration of planning and budgeting.
- Develop financial policy guidelines.
- Adjust and implement the National Standard Chart of Accounts for the provincial financial system.
- Effective control in respect of revenue and expenditure of provincial departments and provincial public entities.
- To provide effective support services to departments regarding asset management.
- To identify and implement new sources of provincial revenue.
- To ensure that all departments and revenue collection points adhere to the revenue prescripts.
- Ensure prudent cash management policies and procedures are observed.
- Introduce fraud prevention and awareness in the province.
- Implement a multi-disciplinary approach to fraud and corruption investigations.
- Develop a policy and system for the recovery of proceeds of crime.
- Successfully positioning of the provincial Supply Chain Management Office to support departments
- Ensure that the members of the departmental procurement committees are qualified and trained to adhere to public procurement legislation, policies and regulations.



Service delivery objectives and indicators

Significant Achievements

- The Provincial Budget was only approved after the elections and that delayed the implementation of the provincial budget. Furthermore, due to the many new Members of the Legislature, much time was spent on assisting the Members to understand their mandate.
- The Executive Council introduced a Budget Oversight Committee (BOC) consisting of four Members of the Executive Council. This assisted the directorate with compiling the Provincial Budget but it also resulted in more responsibilities and work for the directorate.
- With the consent of National Treasury, the directorate adopted a semi-zero based budget approach for the 2005/06 MTEF budget, whereby fixed and non-fixed costs were identified, quantified and verified. The directorate developed templates that requested additional information as well as benchmark figures to assist us in determining the credibility of the budget inputs. The Executive Council approved the new budget approach and guidelines were developed to be used by departments. The end objective, and result, was to cut the controllable costs so that more funds could be allocated to priorities and policy imperatives. Furthermore, all such allocated funds were earmarked in order to facilitate the monitoring process.
- For the first time the Peoples' Budget was also issued in a third language, namely Afrikaans.
- Due to the importance placed on infrastructure delivery, the Provincial Treasury was tasked with the monitoring and reporting on the Infrastructure Delivery Improvement Programme (IDIP) initiated by National Treasury for implementation within the province. The Department of Education was earmarked for the implementation of the IDIP within our province and commenced on the 23 August 2004. The IDIP is a capacity building programme designed to provide provincial departments, and the individuals within these departments, with increased and enhanced capacity. This will enable them to develop and manage their own Infrastructure Delivery Management System in a more effective and efficient manner and in so doing to improve the spending of, and reporting on infrastructure budgets. This involved, amongst others, the rollout of the Infrastructure Delivery Management Toolkit in the department of Education. The Provincial Treasury has in principle designated a sub-directorate to commence with this programme as the rollout of the IDIP will become more intense in future when more provincial departments are incorporated.
- More time was spent on drawing public entities into the provincial control and reporting structures. The response from most public entities was poor as was expected. With the introduction of the PFMA in 2000, the same trend was experienced with departments. However, communication with public entities is continuing and reporting by public entities will improve.
- The Revenue and Cash flow directorate continued to explore new sources of revenue and assisted departments with their revenue collection responsibilities in terms of the PFMA and other relevant acts. The main objective was to increase revenue collection for the province and therefore ultimately assist with the continuous quest for additional funds, which could be allocated to the various priorities and policy imperatives. Due to the fact that the Department of Transport and Roads generates approximately 57% of the provincial revenue, assistance and support were given to the establishment of their revenue directorate. Emphasis was placed on debt collection, the upgrading of some of the revenue collection facilities as well as improving on procedures relating to the monitoring and control of the subsequent collection.
- The cash flow management sub-directorate generated interest totaling R31,9 million, which was 10% above the budget estimate. Although the under-spending of departments results in having surplus funds, the directorate can be credited with the fact that they generated additional funds for the province as a direct result of their sound cash management and initiative with investment practices.

- The final phase of procurement reform was completed when full procurement powers were devolved to accounting officers and the Tender Board was dissolved. To assist in ensuring a smooth transition, Provincial Treasury Instructions were issued to create an enabling environment so that the relevant provision of the Public Finance Management Act takes full effect.
- An electronic tendering and quotation system was procured and is being installed to move the supply chain management system to an electronic platform.
- With the roll-out on prevention and awareness, six departments have been visited, focusing on the implementation and significance of the Prevention & Combating of Corrupt Activities Act 27, 2004.
- Six forensic investigations were completed and 198 criminal case dockets with alleged fraud/corruption/theft to the potential value of R5 million were registered with the SAPS. A total of five disciplinary hearings were conducted and two dismissals took place. Twenty four suspects were arrested and 6 accused were sentenced. The courts finalized 56 cases while 72 cases are still pending (at the court & DPP).
- The Municipal Support directorate was established mid way through the financial year with the purpose of offering support to municipalities in compliance with the Municipal Finance Management Act No 56 of 2003 (MFMA). Although the directorate operated with minimal staff throughout the year the following was achieved:
 - A successful MFMA roundtable was held in Potchestroom with the attendance of all Mayors and Municipal Managers.
 - The directorate produced MFMA support material in the form of a booklet explaining the responsibilities of Mayors, Municipal Managers, CFO's and other role-players in implementing the MFMA.
 - At the behest of the National Treasury, the unit has been able to increase the level of compliance by Municipalities with regard to submitting the required documentation to National Treasury.

Service delivery achievements:

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Budget Planning & Implementation	Consolidated provincial budgets in terms of the PFMA	Accurately consolidated provincial budgets with-in deadlines	January 2005	Submitted to National Treasury in January 2005
		Budget declared credible by National Treasury	January 2005	Budget declared credible on 26 January 2005
		Acceptance of provincial budgets by the Executive Council and Provincial Legislature	March 2005	Adjustment budget tabled 25 Nov. 2004 MTEF on 8 March 2005
		Successfully linked budgets and strategic plans within the deadlines	March 2005	Budget tabled on 8 March 2005. Strategic plans tabled within deadlines
	Good governance in the Province through proper integration of planning & budgeting Strategic plan guidelines	Annual report guidelines	June/July 2004	Annual report guidelines issued by the national treasury
		Strategic plan guidelines	June/July 2004	Due to interference by National Treasury. Sent only in mid January '05

	Develop policy guidelines	MTEF budget guidelines	July 2004	Guidelines and templates issued 21 July '04
		Adjustments budget guidelines	September 2004	Early October 2004
	Standard chart of accounts (SCOA) aligned to National Treasury & implemented in the province	Adjust and implement the SCOA	March 2005	Aligned by March 2005 although process remains ongoing
Resource Control	Effective control in respect of revenue and expenditure of provincial departments and public entities	Monthly in-year monitoring reports for the provincial departments on expenditure and revenue	22nd of each month	Submitted monthly by the 22nd to National Treasury
		Quarterly reporting on departments progress with the implementation of strategic goals	One per quarter by the 22nd	Submitted quarterly by the 22nd to National Treasury
		Public Entities incorporation in financial reporting	50%	Compliance by some public entities. Communication ongoing
	Provide effective support services to departments regarding asset management	Well-maintained and accurate provincial assets and losses register.	50%	Target of 50% reached although more was planned but could not be executed due to a shortage of staff and the volume of work.
		Accurate and up to date departmental asset registers.	50%	50% target reached. Also see note above
		Fully trained asset control staff in departments	70%	Function overlaps with Supply Chain Management. Training courses still under development by SAMDI.
Revenue and Cash Management	New sources of provincial revenue identified	Collection of debt	25%	A task team developed a provincial system on Walker
		Improved collection of budgeted revenue	10% above budget	Achieved set target
		Improved reconciliation of revenue collection records	90% reconciliation of revenue collection records	Achieved set target
	All departments adhere to the revenue pre-scripts.	Train all staff engaged in revenue collection	80% trained staff	Achieved set target. Revenue collection staff turnover makes assessment difficult
		Develop and implement cash management policy (CMP)	September 2004	Not completed - New CMS introduced by NT & yet to be incorporated in CMP
	Ensure prudent cash management policies and procedures are observed.	Regular meetings with CFOs iro cash flow management	3 meetings	Achieved set target
Forensic Division	Fraud prevention and awareness introduced	Number of departments participating	4	6
		Percentage of officials aware	20%	20%

	Fraud prevention & awareness updated	Number of departments participating	4	Six departments visited
	Capacitated directorate	Fully filled structure	70%	New departmental structure not yet approved
	Multi-disciplinary approach to fraud and corruption investigations	All stakeholders participate fully	70%	70%
	Developed policy and system for the recovery of proceeds of crime	Policy developed and implemented	100%	Not a provincial competency
Tender Board	New programme positioned to support departments	All staff recruited and fully trained to provide support to departments	80%	New departmental structure not yet approved. Existing staff trained
		Departments fully complying with procurement policies, legislation and regulations	60%	All departmental Procurement Committees trained, established and functioning.
		Provincial Suppliers Database established	70%	Software and hardware sourcing of an electronic tendering and quotation system completed.
		Departments requesting support	50%	50%
	Ensure that the members of the departmental procurement committees are qualified and trained to adhere to public procurement legislation, policies and regulations.	All departmental procurement committee members fully trained	80%	Trained 100 SCM practitioners and 80 DPC/senior line managers on SCM practices. Training depends on cooperation of departments
		Provincial departments adhere to provincial procurement policy and procedures	70%	Cannot be measured. New provincial policies and procedures still being developed.
		Procurement cooperation between departments and Provincial Supply Chain management Office	50%	Cooperation achieved – Tender Board was still present.

PROGRAMME 3: ACCOUNTANT GENERAL

Purpose

Office of the Accountant General's aim is to provide quality professional accounting service to the departments in the North West Province. It also serves as a knowledge base that provides accounting direction to the twelve departments in the North West Province.

This programme comprises of the following sub-programmes:

- Provincial Accounting
 - Centralised Creditor Payments
 - Financial Management Support
 - Revenue and Exchequer
 - Expenditure - PMG

- Macro Financial Management
- Departmental Financial Management

Measurable Objectives

- To provide quality accounting services in the province;
- To establish a dynamic and well functioning supplier payments system;
- To implement effective financial reporting in the province in line with PFMA and Generally Recognised Accounting Practice (GRAP);
- To maintain reliable, accurate and effective financial accounting systems in line with GRAP;
- To provide financial management capacity in the twelve (12) provincial departments;
- To facilitate research and development of accounting systems and processes in line with GRAP and PFMA;
- Develop and implement effective financial management system in the department.

Service delivery objectives and indicators

Significant Achievements

The following significant outputs were achieved during the year under review:

- Electronic payments for all creditors irrespective of amount is fully implemented and operational;
- All books of accounts were closed on time as prescribed;
- Financial statements were prepaid by the 13 departments and submitted to Audit by 31 May;
- Number departments achieved unqualified audit opinion increased;
- Resource development under the CFO's unit has reached in the last phase;
- Rollout out asset management in the provincial departments is completed and final training programme is in progress;
- Inventory Management implementation plan has been signed off to rollout in four provincial departments;
- E2 migration was completed successfully;
- Interest on Tribal and Trust accounts was distributed until 31/03/2004.
- Financial statements for Tribal and Trust accounts were completed until 2002/3 (but not yet audited).



Service delivery achievements

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Provincial Accounting	To provide quality accounting services	Accurately accounted revenue and expenditure of departments	Achieve 62% (ie 8 out of 13 depts) unqualified audit opinion	70% (9 out of 13 depts) unqualified
		Completed books of Accounts by 15th of each month	All books of accounts finalized, closed every month on the 15th	Achieved
			Year end closed by April 2005	Achieved
			Non-governmental account books closed on 15th of each month	Achieved
	To ensure effective financial reporting in the province through implementation of norms and standards in accordance with Public Finance Management Act (Generally Recognised Accounting Practice and Accounting Standards)	Reporting requirements per Public Finance Management Act (Generally Recognised Practice and Accounting Standards)	Community (Tribal & Trust) Funds interest distributed to individual accounts monthly	Achieved
			Annual financial statements prepared by 31 May 2005	Yes, prepared and submitted for audit.
			Consolidated annual financial statements for Provincial Departments and Public Entities	Yes, both departments and Public entities were prepared and audited.
		Consistently achieved unqualified audited financial statements for the provincial departments	7 Departments	9 Departments
	To provide and maintain reliable, accurate and effective financial administration systems in compliance with Public Finance Management Act	Reliable information system by upgrading, maintaining complete, valid and accurate data: in Walker Financial System	Upgrade to e2	E2 migration is completed
			Asset management module customized and implemented in 12 Departments	Yes, fully implemented in the departments
		PERSAL – Walker interface	Interface between PERSAL and Walker for 13 Departments verified and corrected	60% progress achieved
			Tribal & Trust accounting system	Yes, completed
			Vehicle Management System (VMS)	Yes, completed
Centralised Creditor Payments	To establish a dynamic and well functioning supplier payments system	Centralise creditor payments for all departments	Suppliers' payments of 11 departments centralised	11 Departments' creditor payments centralised
		Establish Electronic Fund Transfer System	Payments above R250 000 paid electronically	Achieved
Macro Financial Management	To provide financial management capacity in the provincial departments through financial training	Enhanced and capacitated provincial finance and accounting officials	Phase-in 60% preparation and presentation of annual financial statements according to accrual basis of accounting	Yes, 60% AFS presentation is in line with accrual basis

	To ensure effective financial reporting in the province through implementation of norms and standards in accordance with the Public Finance Management Act	Develop norms and standards in accordance with the Public Finance Management Act, Generally Recognised Accounting Practice	Implement accounting standards as set by ASB (Accounting Standards Board)	Still waiting for final implementation strategy from ASB
			Provincial departments reporting annually fully in compliance with the PFMA	Yes, Achieved
		Reliable financial systems in compliance with Public Finance Management Act	Upgrade Walker to e2	Walker upgrade completed
Departmental Financial Management	To effectively manage the departmental budget, cash flow procurement and assets	Accurately consolidate and compile the departmental budget (MTEF and Adjustments) Accurately compile and consolidate the departmental strategic plan and annual report	3 days before due date	Achieved
			Strategic Plan prepared and submitted	Achieved
			Annual Report prepared and submitted within the prescribed time	Achieved
			Prepare and present annual financial statements in line with GRAP and PFMA	Yes, submitted in line with GRAP and PFMA
			Conduct training program for different programme managers and establish monitoring and evaluation unit	3 training sections were conducted. Also continuous education on budget issues is going on.
	IYM Reports	Submit IYM on time	15th of every month	Yes, achieved
	Monthly and quarterly reports	Prepare monthly and quarterly reports and submit on time	15th of every month	Yes, achieved
	Annual financial statements	Prepare annual financial statements in accordance with GRAP and PFMA deadlines	31 May	31 May 2005

PROGRAMME 4: PROVINCIAL INTERNAL AUDIT

Purpose

The programme is aimed at providing internal audit services to provincial departments.

Measurable objective

To provide effective and efficient internal audit services to the North West Provincial Administration

Service delivery objectives and indicators

Significant achievements

Provincial Internal Audit issued 82 audit reports on assignments completed during the year compared to 44 in the previous year. The close to 100% increase in output can largely be attributed to improvement in systems, training of staff and the co-sourced tender which provided access to additional staff from audit firms to complement internal staff.

Service delivery achievements



Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
Internal Audit	Risk review	Risk review in 11 provincial departments	11 departments reviewed	11 departments reviewed
	Top 10 risks audited	Number of audit reports	60 audit report	82 audit reports
	IT systems audit	Audit of 2 major IT systems used by the Province	Audit of 2 of the major IT systems	4 major IT systems audited
	Salaries audit	Salaries audit report	Salaries audit of Education Department	Nil - audit suspended in favour of warehouse audit

PROGRAMME 5: INFORMATION TECHNOLOGY

Purpose:

The Information Technology Directorate is responsible for the provision of efficient and effective integrated Information and Communication Technologies to the NWPG

Measurable objective:

- Provide ICT leadership, support and advisory services to strengthen the strategic, tactical and operational decision making in NWPG
- Facilitate the standardisation and integration of technologies in NWPG
- Facilitate NWPG's transformation process of moving towards integrated service delivery by ensuring that key Government services will be accessible electronically in ways that make sense to its customers
- Fortify ICT management and technical skills within NWPG

Service delivery objectives and indicators

Significant Achievements

- Provincial Enterprise Architecture Process developed and to be rolled out to Provincial Government Information Technology Council (pGITOC) members
- Master Systems Plan(MSP) and Strategic Information Systems Plans(SISP) updated. SISP's reflect the mergers of Provincial Departments
- Service Handbook and Services Catalogue completed
- Computer Hardware / Software Policy for NWPG completed
- Project Management Methodology successfully updated to accommodate the pGITOC Investment Process
- Proposal for the Department of Education i.r.o Schools Connectivity completed.
- Walker Inventory Management Pilot Project completed.
- Storage Area Network (SAN)- All documentation on the procurement of the SAN has been completed.
- Financial Overview System (cash flow) implemented.
- Tribal and Trust Financial System reengineered



Service delivery achievements:

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Information Technology	To ensure that the Master Systems Plan(MSP) is in continual support and alignment with the corporate goals of NWPG	MSP aligned with the corporate goals of the NWPG	Rollout of MSP	Completed
			Education to establish an IT Directorate	Stopped by Education
	To provide Business Intelligence (BI) information to enhance structured decision making in NWPG	Business Intelligence Information compiled and available	Provide Enterprise Architecture advisory services	BI Business Case for NWPG completed.
				Assist Detp. Safety & Liaison in rollout of Departmental MIS. Enterprise Arch. Process internalised
	To provide enterprise-wide solutions to the NWPG	At least one system implemented	Business case required for the Development of an MIS for Department of Social Services	Cancelled by Social Services

			Education Management Information System – Business Case compiled	Task cancelled by Dept
			Asset Management System rollout – in Health	Completed
			Implementation of Content Management. Business case required followed by implementation	Solution presented to Comm. Forum
			Walker IM implementation	Phase 1 successfully implemented
			Application Portfolio Management. User Requirements definition and maintenance	Central IT Business Application Portfolio completed
	To understand the needs and expectations of the customer through Service Level Management	Service Level Agreement with the Department of Health	SLA with Health Department	SLA completed approval
			Establish user groups for applications and services provided	SAS and Walker User Group established
			Develop SLAs with Provincial Departments	Postponed to 2005/6
	Provide an enterprise project management central repository, standardised methodology and training support to the NWPG	MS Project software implemented	MS Project Software rollout	In the process to rollout in Agriculture and Public Works. Central IT completed
			Provide Project Management advisory services	Managing Safety & Liaison's project. Assist Premier's office in Project Register Project
				Manage Tender Board Project
	To provide end-to-end Networks solutions based on legislated standards	Storage Area Network Implemented	Implement the Storage Area Network (SAN)	Tender Evaluation completed.
			Implement Remote Desktop Management tools	Tender Evaluation completed
	To provide standardised collaboration services	Groupwise rolled out to at least 3 departments	Groupwise standardisation – Business Case required	Completed.
			Group Wise rollout (Installation and Training)	Collaboration services about to be rolled out into NWPG
	To provide the means to integrate all Government information systems	Middleware implemented	Implement Middleware for application integration	Business Case completed
	To identify and maintain data common to all Departments as means to create normalised data	Business case for Document Management completed	Document Management System for NWPG	Business Case completed
			Archive mainframe backup tapes	In progress

			Compile Provincial Data Management policy, procedures and standards and the establishment of Data Management and control structures	Task made part of the Middleware Application Integration Task (Refer above)
	To provide generic policies and standards for the procurement of desktop hardware and software	IT Procurement standards compiled	Develop IT Procurement standards	Completed for PCs, Laptops. Standards now set by SITA
			Review the Internet and Email Use Policy	Completed.
	To provide and maintain Enterprise Application Integration solutions to facilitate the rollout of e-Gateway	Integrated Service Delivery Plan compiled	Compile an Integrated Service Delivery Improvement Plan	Postponed to Aug'05
			Develop Coordination Strategy to facilitate coordination between Departments	Postponed to Aug'05
	To ensure the preservation of confidentiality, integrity and availability of Government information assets	Provision of backup services and the implementation of Single Sign-on	Provide Systems – backup services	On going
			Password management (Implement Single sign-on)	Business Case for Central IT completed
			Develop and Implement and Information Security Strategy	Strategy development scheduled for 2005/6
			Manage access to Applications (IT Products e.g. Walker, etc)	Ongoing
	To develop, implement and maintain a comprehensive Human Resource and Management and Development Plan	HR Plan	Develop an HR Plan	New Org. Structure developed. Skills Audit Complete.
			Update and training of IT personnel on already developed procedures and standards	Done. The task is also ongoing
	To facilitate User Training for products and services provided by the IT Directorate	Desktop training provided	Desktop training for users in consultation with OTP HR Section	Training Proposal to use all funds allocated as per Microsoft EA Agreement forwarded to EXTECH for approval

PROGRAMME 6: SMME SUPPORT

Purpose

To facilitate the creation of an enabling environment wherein Small, Medium and Micro Enterprises have access to all information they need to start up, grow or commercialize their business operations.

Measurable objective:

Facilitate access to markets through procurement reform and business linkages through partnerships and to facilitate capacity building of institutions that provide services to SMMEs in the province and management of database.

Service delivery objectives and indicators

Significant Achievements

- Review of the ESC strategic objectives and packaging of services rendered was successfully done, to ensure that targeted clients receive the necessary support that they require to grow their businesses. Amalgamation of individual ESC boards was also completed.
- A partnership was established with Umsobomvu Youth Fund whereby all ESC's and other SMME service provider institutions received accreditation to facilitate the business development service voucher programme to provide business support services to youth entrepreneurs.
- A large number of SMMEs against the set target received training as a result of participation at the provincial skills development forum and linkages established with other national institutions to provide training as per the needs of the SMME's.
- The directorate spearheaded the provincial consultation for the development of a co-operatives strategy.



Deviations

- Entrepreneur award programme was not held for the period under review as a result of the merger of all awards programmes within the province since coordination is done from the office of the premier.
- A woman in business conference was also not held.
- As a result of limited resources 3 access to finance workshops as against 5 were held, to provide information on access to business finance.

Service delivery achievements:

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
SMME institutional linkages	Facilitate access to markets through procurement reform and business linkages	Number of Small businesses enquiries handled.	200	654
		Number of SMME Trained	1370	1413
		Site visits reports	4 quarterly reports.	4
	To facilitate access to business finance	Number of finance workshops to reach SMME's.	5	3

	To facilitate the reform, ongoing assessment and regulations which hamper entrepreneurial development.	Integrated SMME Provincial strategy	One SMME Provincial strategy One Integrated Plan	Done
		SMME strategy impact assessment report with recommendations	One impact assessment report	Done
	To build partnerships between different spheres of government and the private sector.	Established partnership	Established partnership	One established partnership.
		Establish a Provincial Board for all ESC's including the Center of Excellence.	One Board	One Board established
	To facilitate Targeted Assistance Programme for youth, women, disabled and crafters	Provide support to other National and Provincial focusing on Women, Youth and Disabled Entrepreneurs. Partnership with youth programmes.		20 women entrepreneurs attended TWIB.
		Women In Business Conference	One conference held annually	Conference not held.
Skills Development	To facilitate and provide support for high quality training and advisory services for small businesses	Training needs analysis report Training schedule developed	One report	One report completed
		Premier's SMME Entrepreneur Award	Annual event	Event not held

PROGRAMME 7: ECONOMIC PROMOTION SERVICES

Purpose:

The Programme is designed to formulate and implement an economic and industrialization strategy for the province. This entails:

- Facilitating industrial diversification and regeneration of industrial parks.
- Promotion of the regional economies through the formulation of the regional economic implementation plans.
- Support to Black Economic Empowerment through the formulation of Black Economic Empowerment strategy for the province.
- Support for the development of cooperatives.
- Support for Women participation in small mining industry.

Measurable Objectives

To develop Framework for Trade and Intergrated Development, creating linkages with Local Economic Development and provide support to industry.

Service delivery objectives and indicators achievements

Significant achievements

The agency, which is financially supported by the department to implement such a service, Wesmac, has delivered to above expectation levels. The set target was exceeded by 62%. This was achieved to efficient systems put to place and the high staff morale within this agency.

The establishment and nurturing of a sound working relationship with the National Departments of Trade and Industry (the DTI), has culminated in a positive performance of above expectation achievement.

One local expo was organized at one of the previously neglected areas; Ventersdorp. This has aroused interest amongst the local emerging entrepreneurs.

The second expo was a Mega event, which was part of the North West Province's Celebration of the 10 Years Democracy in South Africa. The event was highly successful. All Districts and Local Municipalities were represented. The National Department of Trade and Industry was interviewing one hundred people per day on average.

A two days workshop with the Municipalities' Local Economic Development Units (LEDS) was hosted by the department. The aim of this caucus, which was dubbed "SAAMTREK", was to integrate the national, provincial, district and local governments' economic activities for a significant visible impact. The relationship is ever improving with additional initiatives such as joint participation in the 2005 Botswana International Trade Fair.



Deviations

The implementation of the North West Economic Development and Industrialisation strategy (NWEDIS).

The development of the Provincial Growth and Development Strategy (PGDS) necessitated a review of the above objectives in order to have well-aligned strategies and well informed programmes. The prime focus for the period was then on the urgent realization of the PGDS development.

Service delivery achievements

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Economic Promotions	The Implementation of the North West Economic Development and Industrialization Strategy.	An Institution established Branding completed.	2 Anchor events	2 Anchor events
	Support to Black Economic Empowerment through the implementation of Black Economic Empowerment action plan for the Province.	BEE Projects facilitated through meetings, interviews and work-shops.	4 BEE projects initiated through meetings, interviews and work-shops	nil
		Quarterly Monitoring report	4 Quarterly Monitoring report	4 Quarterly Monitoring report

	Integration of Provincial Strategies through the formulation of integrated implementation plans.	Provincial integrated implementation plan drawn.	1 Implementation plan	1 implementation plan: Saamtrek
	Provide Advisory services to manufacturing sector.	Number of manufacturers provided with Services.	40	65
	Support participation of manufacturers in Export Marketing and Investment Assistance Scheme (EMIA)	Manufacturers assisted to participate in the process.	4	17
	Regeneration of Industrial Parks.	Regenerated industrial sites.	2 packaged and marketed	nil
	Organisation of Trade Exhibitions	Trade Expo held.	2 Exhibitions	1 Mega Trade Expo 1 Local Expo
	Creation of business awareness.	Number of training workshops held.	4 Workshops	
	Support local economic Development.	Local economic implementation programmes/project plan designed.	4 LED Programmes	5 Workshops 1: Saamtrek
	Support Women participation in small mining industry and energy.	Women groups formed and registered.	4 mining or energy groups formed	nil

PROGRAMME 8: REGULATORY SERVICES

Purpose

The programme focuses on the enforcement of governance and compliance with regulatory requirements on legislation entrusted/delegated/subordinated to the department. The programme is made up of the following sub-programmes:

- **Consumer Affairs**

The **Education and Research** unit is responsible for conducting consumer education lectures, research and information dissemination on any consumer related matter;

The **Legal and Investigation unit** is responsible for the receipt, investigation and resolution of consumer complaints. They are also responsible for providing/giving legal advice to consumers on consumer related matters;

The **Trade Inspectorate** is responsible for the administration of the following Acts:

- Credit Agreements Act;
- Sale and Service Matters Act;
- Trade Meteorology Act; and
- Liquor Act.

- **Liquor Trade administration**

The sub-directorate administers the Liquor Act, Act 27 of 1989; the Liquor Act 2003 and other related legislation. Particular focus is paid to ensuring that minimum norms and standards set are being

observed. We also strive to reduce the socio economic effect of alcohol and other causes of excessive alcohol consumption.

- **Legal Services and the Consumer Court**

Provides professional legal services to the whole department by writing legal opinions, drafting legislation, drafting contracts, to name but a few.

Measurable objective:

- to educate consumers about their basic consumer rights;
- ensure fair trade and to eradicate unfair business practices;
- to respond to consumer complaints;
- to maintain economic unity and essential national standards in the liquor trade and industry;
- to manage and reduce the socio economic and other costs of excessive consumption;
- to regulate the micro manufacturing, distribution and sale of liquor;
- to monitor and evaluate the effectiveness and implementation of the Liquor Act in the province;
- provision of professional and accurate legal and regulatory services to the department; and
- provision of Consumer Court services.

Service delivery objectives and indicators

Significant Achievements

- We set out to aggressively campaign and ensure that consumers were aware of their rights and obligations as it has been realised that we are indebted to the brink of insolvency;
- We enhanced our participation in radio talk shows and have seen an increase in the number of telephonic enquiries and walk ins in our offices. It should be noted that our talk shows are for free since SABC Education radio is paying for the series. We have made inroads into Radio Lesedi in Bloemfontein, community radio stations in the province and are regular on Radio Motsweding;
- Our Education & Research unit has targeted school going children as it is easier to disseminate information to them and for them to pass on to their parents. This was in recognition of the fact that the majority of our people are illiterate;
- Our trade inspections have ensured that businesses comply with set legislation. Inspections have been carried on monthly without fail;
- We have improved our relations with our social partners in that most establishments are now easier to approach in our quest to ensure consumer protection and satisfaction. This has made the investigation of cases more efficient and we are solving more cases as a result of these improved relations;
- We have conducted workshops, seminars, price basket comparisons, conferences and held a debate all in the quest of empowering our communities and sharing with them what we do to ensure their protection;
- We have provided professional legal support to the department as and when it was required;
- We have attended inter provincial meetings, took part in debates on national legislation and ensured that the aspirations of the province were taken further;
- Staff has been empowered through various workshops, courses and interactions with other stakeholders in the industry;
- We have distributed pamphlets,; did live presentations; did door to door visits to educate consumers in the province. This has yielded very positive results for our education campaign as the more informed consumers are the more they can assert their rights.

Deviations

Effective and efficient functioning of the Consumer Court. The amendments to the Consumer affairs (Harmful Business Practices) Act, Act 4 of 1996 were drawn up and submitted to the Chief Directorate Legal Services and to date they have not been finalized. The legislation was sought to be amended to bring it in line with national legislation as well as to accommodate the regulations of the Consumer Court. A workshop was held with the Chairperson, The Honorable Judge Khumalo expressed his satisfaction with what was being sought to be achieved.

Service delivery achievements

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Consumer education & research	To educate consumers about their basic consumer rights	Radio Education programmes hosted/staged	24	32
		Identification of consumer target groups	Four consumer target groups per annum	Six advice centres identified and empowered
		Collect and collate information on consumer rights	Databank on consumer information (ongoing)	Databank on consumer information (ongoing)
		Conduct consumer education lectures	50 Consumer education lectures per region	280 consumer education lectures presented
	To advise and inform consumers on matters affecting their daily lives	Design and produce news-letters/information leaflets per region per annum	4 news-letters/information leaflets per region per annum	4 news-letters/information leaflets produced
			50 000 brochures designed and produced	400 000 brochures designed and produced; 400 000 brochures from social partners distributed
			4 information workshops organized and held per region per annum	13 information workshops organized and held
		Annual celebration of the World Consumer Rights Day	WCRD celebrated	WCRD celebrated
			5 road shows held per annum	5 road shows held per annum
			15 March (one)	15 March (one)
			Reduce the level of consumer exploitation in the market place	Monthly basic product basket- price comparisons done
			Establish community structures and empower them	Six advice centres empowered
Trade inspectorate	To ensure fair trade and to eradicate business practices	Trade inspections at various suppliers to ensure that set standards are adhered to in terms of legislation.	Monthly	Monthly – 2444 inspections conducted.

	To administer the Trade Metrology Act, Sales and Services Matters Act and the Liquor Act.	Compliance with legislation	Monthly	Monthly - 90% compliance
		Staff training	Ongoing	Ongoing
Legal & investigation	To respond to consumer complaints	Decrease in investigated cases at the rate of 45% per annum	Annually	Annually
	To encourage business associations to develop their own business code of conduct	Business code of conduct for business associations	14 day response period on lodged cases	14 day response period on lodged cases
		To give technical advice and hold Consumer Advice Clinics	As and when the need arises	As and when the need arises
		To ensure the effective and efficient functioning of the Consumer Court	12 Consumer advice clinics per annum	12 Consumer advice clinics per annum
Liquor Trade	To maintain economic unity and essential national standards in the liquor trade industry	Compliance with national standards	Ongoing	Ongoing
	To regulate the manufacturing, distribution and sale of liquor	Liquor license application adjudicated new liquor licenses issued	Monthly	Monthly
	To manage and reduce the socio economic and other costs of excessive alcohol consumption	Renewed liquor licenses	Ongoing	Ongoing
		Average response time for liquor license renewals (days)	1 day	1 day
		Compliance with the Liquor Act	Ongoing	Ongoing
	To monitor and evaluate the effectiveness and implementation of the Liquor Act in the province	Number of liquor licenses issued to disadvantaged persons vs the remainder (ratio)	10:8	10:8
		Reduced socio-economic and other costs of excessive alcohol consumption	Ongoing	Ongoing
		Successful implementation of the Liquor Act in the province	Ongoing	Ongoing
		Number of reports on the activities of the Board and sub-directorate	12	12

PROGRAMME 9: PROJECT DEVELOPMENT

Purpose

To implement strategies that boost partnership initiatives , innovation, productivity and job creation through well targeted Spatial Development Initiatives, Industrial development Zones, Integrated Sustainable Rural development Strategy, Community Job Creating Projects and leverage funding for projects implementation

Measurable Objectives

Coordinate, manage and facilitate the implementation of the North West Spatial Development Initiative (NW-SDI) Program and the anchor projects as well as other supporting projects; Manage, implement and monitor community based projects and leverage funding for their implementation and; administer department project register

Service delivery objectives and indicators

Significant Achievements

- The number of poverty alleviation stakeholders workshops arranged and meetings attended exceeded the set target because poverty alleviation initiative had been prioritised in the province and four workshops were arranged where poverty alleviation beneficiaries interacted directly with the senior management and the MEC in one of the workshops. The inputs from SMME's in terms of the constraints and challenges inhibiting the growth of SMME's had been documented and would inform the PGDS SMME's Financial & Non-Financial Support Strategy that is evolving.
- Initiatives to pursue the Department of Labour to fund skills development for beneficiaries of approved Departmental funded projects yielded a recommendation by the DoL to fund training while the department fund business development initiatives for 5 funded projects.
- The target on the identification of new projects and development of project plans had not been achieved because a decision was taken to drill into existing projects data pool that were identified in the years 1999- 2002 through the NWSDI / MIDZ Research and scope documents and appraise existing identified projects, prepare due-diligence reports and update existing business plan.
- The target for appraised projects reports is incorrect. A total of 22 projects were appraised against a target of 24 and two projects appraisal reports for both Departmental initiated projects and community projects were prepared and submitted for approval.
- The initiative to leverage additional funding for selected and approved projects did not yield the desired results. The Department of Labour approved R 2 million for training for projects beneficiaries. The gaps in our projects business proposals which are either old or they are no longer relevant or they lack information required by sponsors may have resulted in our initiatives to leverage funding not positive.

Service delivery achievements:

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Project Development	Implement the North West Spatial Development Initiative (SDI) Programme.	6 strategic partnership agreements with the private sector stakeholders for the roll out of anchor projects.	2	2
		Promote localized partnerships with Sectoral departments and agencies	10	2
		Identification of new projects and development of project plans	10	-
	To facilitate training and skills development	Commercialized Wild Silk and Sisal projects	2	2

	Alignment of the SDI Programme with other local, national and regional socio-economic development initiatives	Ensure integration in the implementation and programmes and projects by ensuring that new identified projects are part of municipal IDP planning processes through quarterly meetings with District Municipalities	6	6
	To collaborate with other stakeholders in ensuring sustainability of funded community projects.	Number of Poverty Alleviation stakeholders workshops and meetings attended	16	25
	Facilitation of the appraisal poverty alleviation business proposals received	Number of business proposals received	60	34
		Number of business proposals referred to relevant Departments	24	22
	To facilitate funding of poverty alleviation projects	Number of business proposals appraised	16	22
		Number of bankable Community projects to be funded	10	7
	Provide technical support and after care support and advice to funded Poverty alleviation projects Monitoring and evaluation of poverty alleviation projects	Number of existing poverty alleviation projects to be capacitated	30	29
		Number of quarterly reports	12	12
		Number of poverty alleviation projects progress assessment reports per District Municipality		
	To manage the appraisal of project proposals formulated,	Number of projects proposals appraised.	24	22
		Number of projects proposals appraisal reports	24	2
	To facilitate and coordinate project selection and approval,	Number of selected projects to be funded	14	10
	To manage the Departmental Project Register and ensure that departmental projects are registered in the provincial project register	No. of registered Departmental Projects	30	23
	To leverage funding for selected and approved projects	Number of projects proposals to be funded by a partnership by Government in three spheres	2	7
		Number of projects proposals to be funded by traditional authorities	2	-

		Number of projects proposals to be funded through donor funding	3	-
		Number of projects proposals to be funded through PCDF	2	-
		Number of projects proposals to be funded by Private Sector	6	-
		Number of projects proposals to be funded through PPP	1	1
	To monitor and support the implementation of the Mafikeng IDZ Programme	Number of MIDZ Board meetings attended	7	4
		Number of MIDZ Board reports received	7	6

PROGRAMME 10: POLICY DEVELOPMENT

Purpose:

To manage information, information systems, research, monitoring, and evaluation programmes that will assist the Department in stimulating economic growth for the province as well as monitoring and evaluation.

Measurable objective

To conduct research, monitor and evaluate all the departmental projects and programmes as well the effectiveness of Economic Policies that support Economic development.

Service delivery objectives and indicators

The pending finalisation of the departmental structure has adversely affected the delivery of the set goals. The programme was managed with a very low staff complement. The position of a Senior Manager could not be filled due to reconfiguration processes. This matter has now received attention as Organizational Design Consultants have completed the task of aligning the department.

Service delivery achievements:

Sub-programmes	Outputs	Outputs performance measures/service delivery indicators	Actual Performance against target	
			Target	Actual
Policy Development	To initiate research programmes that will ensure the existence of information required facilitating the execution of the mandate of the Department.	Number of needs analysis reports	1 needs analysis report	2 needs analysis report
		Departmental research programme	1 comprehensive research programme	1 comprehensive research programme
		Departmental research reports	1 comprehensive report	1 comprehensive report
	To co-ordinate, monitor and evaluate the effectiveness of economic policies that support economic development	Number of departmental task teams	1 working group	1 working group
		Number of public participation forums	2 public participatory forums	2 public participatory forums

		Number of departmental economic policies	2 departmental economic policies	nil
		Number of monitoring and evaluation reports and recommendations to management	2 monitoring and evaluation reports	2 monitoring and evaluation reports
		Number of survey reports on the evaluation of the effectiveness of economic development policies	1 survey report	1 survey report
	To review and interpret all policies and legislation on economic development and advice management	Number of departmental reports	4 quarterly departmental reports	4 quarterly departmental reports
		No of data banks on economic development policies and legislation	1 data bank	1 data bank
		No of management reports with recommendations on policy reform	1 report	nil
	To conduct monitoring and evaluation of all departmental projects and programmes	No of departmental projects visited	120 projects visited	30 projects visited
		No of monitoring reports and recommendations to the relevant stakeholders	12 monthly monitoring reports	2 monthly monitoring reports
		No of impact assessment reports No of departmental evaluation reports	1 impact assessment reports 2 half yearly reports	1 impact assessment reports nil
		No of comprehensive and current project databases	1 project database	1 project database
		No of updated provincial project registers	1 updated project register	1 updated project register
		No of Provincial and Departmental Project Management Team meetings attended	1 monthly Departmental Project Management Team meeting	nil
		No of Departmental Management reports	2 half yearly Departmental reports	nil

PART 3: REPORT OF THE AUDIT COMMITTEE

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

Audit Committee Members and Attendances

NAME	ROLE	SCHEDULED MEETINGS	
		HELD	ATTENDED
Mr J van Rooyen	Chairperson	5	4
Prof S Visser	Member	5	5
Prof A Bootha	Member	5	5
Mr R Moyo	Member	5	4
Ms M Mokuena	Member	5	4
Mr BMM Madliwa	Auditor General - NW Ex-officio member	5	3
Mr P Tjie	SG-Dept of Finance & Economic Development Ex-officio member	5	1

Audit Committee Responsibility

The Audit Committee is pleased to report that it is properly constituted as required by section 77 of the PFMA and has complied with its responsibilities arising from section 38(1)(a) of the PFMA and paragraph 3.1.13 of the Treasury Regulations. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter which is reviewed annually, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

For the Committee to competently discharge its responsibilities, the Committee is supported by the Provincial Internal Audit which is under its control and direction. The Committee reports that the Provincial Internal Audit, whilst having been under-resourced, continues to enhance its resources so as to adequately discharge its responsibilities in terms of the Internal Audit Charter approved by the Audit Committee.

The effectiveness of internal control

The effectiveness of the system of internal controls is satisfactory as highlighted by the internal and external Auditors' reports. However, during the year under review, weaknesses in internal controls in relation to information systems were noted and reported to the Committee by the Auditors.

The Committee is not entirely satisfied that adequate mechanisms are being put in place to address these weaknesses. The Committee continues to monitor progress by the Department in addressing the weaknesses reported.

The quality of in year management and monthly / quarterly reports submitted in terms of the Act and the Division of Revenue Act

The Committee is unable to comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year as it did not review such reports.

The Committee is however, satisfied that the in-year management reports were duly prepared and submitted to the Provincial Treasury.

Evaluation of Financial Statements

The Audit Committee has

- reviewed and discussed with the Auditor-General the audited annual financial statements to be included in the annual report;
- reviewed the Auditor-General's management letter and management response.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and recommends that the audited annual financial statements be approved.



Chairperson of the Audit Committee

Date: 12 August 2005

PART 4: FINANCIAL STATEMENTS, AUDIT REPORT AND OTHER FINANCIAL INFORMATIONS

MANAGEMENT REPORT

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

1. General review of the state of financial affairs

1.1 Important policy decisions and strategic issues facing the department

- Pursuant to the April 2004 Elections, a political decision was taken to merge the Department of Finance with the Economic Development arm of the erstwhile Department of Economic Development and Tourism into the now Department of Finance and Economic Development with effect from 01 July 2004. The result of this merger culminated into a reconfiguration of the individual strategic plans and budgets into one. Hence the Assets, Liabilities, Expenditure and Revenue from April 2004 to June 2004 had to be inherited by the new Department.
- The roll out of procurement reform proceeded on a peace meal basis with no new departments being awarded pilot status except the three originally awarded in 2003-04. This was due to the delay in finalising the launching of the Supply Chain Management Act and regulations, which only took place in December 2004. This necessitated the extension of the term of the North West Provincial Tender Board for a further six months until March 2005. However, limited delegations were awarded to departments on a phased in approach.
- The term of the North West Tender Board came to an end on 31 March 2005.
- The Municipal Finance Management Act was launched on 1 July 2004, which resulted in the introduction of a new Sub Programme called MFMA into being implemented within the Provincial Treasury.
- The strategic issues facing the Department are:
 - Harmonisation of finance and economic development mandates into one poses enormous challenges.
 - The implementation of Accrual accounting still remains a challenge given the lack of technical capacity within the Chief Financial Officers divisions throughout the NWPG.
 - Implementation of Supply Chain Management poses an enormous challenge to the Provincial Treasury due to absence of clear benchmarks provided from National Treasury as well as lack of capacity within the CFO divisions in the NWPG.
 - Securing registration of all Public entities that fall under the Department with the National Treasury still poses problems.

1.2 Significant events that have taken place during the year

- A Provincial Growth and Development Summit was held in August to align the economic Development mandate of the Department with the national strategy on Growth and Economic Development.
- A ten-year celebration EXPO was held in October to mark Ten years of democracy and pave the way forward to improve service delivery in the nurturing and promotions of SMME's. This EXPO focused on promotion of SMME's in the North West Province.

- The Financial management Training Programme came to an end during the year followed by a graduation ceremony for all successful candidates throughout the NWPg.
- Performance management and Development system of evaluation for staff was implemented during the year.
- HIV/AIDS and EAP programmes have been implemented in the Department.
- Asset management was extended to Health and Education Departments that had previously not been on board.
- The co-sourcing of private firms to the Internal Audit boosted the lack of capacity that had faced this unit and enabled a large number of Audit assignments to be completed.
- A new chart of accounts was implemented from 01 April 2004.
- The liquor Bill was tabled in Parliament.

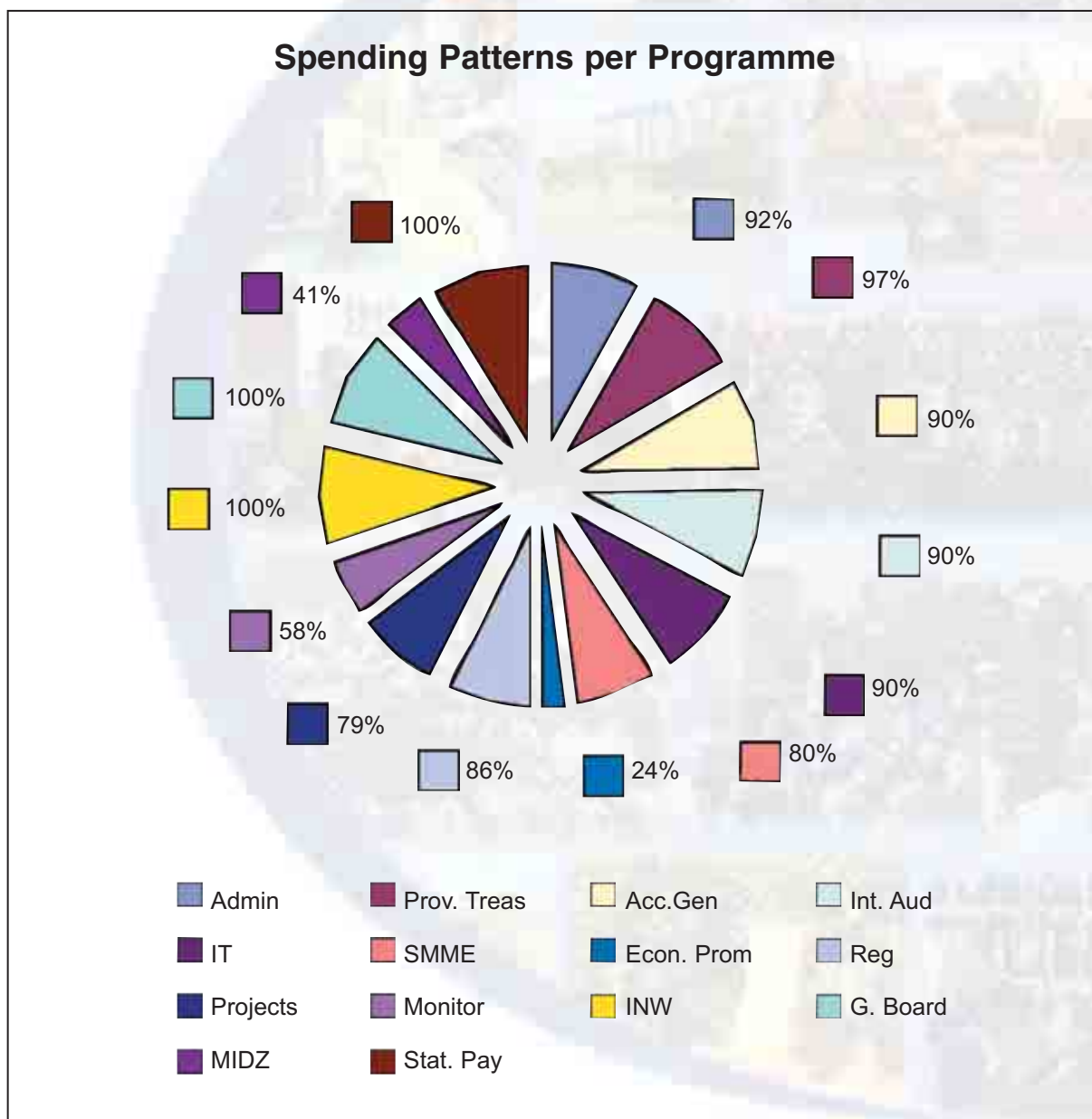
1.3 Major projects undertaken or completed during the year

- The Master Systems Plan (MSP) was completed during the year.

1.4 Spending trends per Programme and Economic Classification

Programme	Final appropriation R'000	Actual Expenditure R'000	Variance R'000	Actual Expenditure as % of final appropriation	Variance as %
Administration	18 732	17 250	1 482	92.1	7.9
Provincial Treasury	36 767	33 563	3 204	91.3	8.7
Accountant General	44 827	43 561	1 176	97.4	2.6
Internal audit	26 976	24 261	2 715	89.9	10.1
Information Technology	76 677	68 930	7 747	89.9	10.1
SMME Support	10 216	8 222	1 994	80.4	19.6
Economic Promotion	34 054	8 277	25 777	24.3	75.7
Regulatory Services	8 551	7 379	1 172	86.3	13.7
Project Development	7 583	5 962	1 621	78.6	21.4
Planning & Co-ord.	1 785	1 028	757	57.6	42.4
Invest North West	9 482	9 482	0	100	0
Gambling Board	6 477	6 477	0	100	0
MIDZ	5 208	2 145	3 063	41.2	58.8
Statutory Payments	24 542	24 542	0	100	0
TOTAL	311 877	261 169	50 708	83.7	16.3

Economic Classification	Final appropriation R'000	Actual Expenditure R'000	Variance R'000	Actual Expenditure as % of final appropriation	Variance as %
Compensation of Employees	97 636	85 161	12 475	87.2	12.8
Goods and Services	142 914	136 644	6 270	95.6	4.4
Transfers & subsidies	57 356	29 627	27 729	51.6	48.4
Payment for Capital Assets	13 971	9 737	4 234	69.7	30.3
TOTAL	311 877	261 169	50 708	83.7	16.3



1.4.1 Reasons for under/over spending.

The department achieved an overall spending of 83.7% during the year under review, which translates to an overall saving of 16.3%. Under expenditure on the Economic Promotions and MIDZ programmes was a result of the following reasons:

- o NWEDIS funds to the value of R 24m could not be spent due to a realignment of the previous strategy and plans of the Department of Economic Development and Tourism to the new mandate of the merged Department of Finance and Economic Development and the outcomes of the Provincial Growth and Development summit. An application for the roll over of these funds has been submitted to Provincial Treasury.
- o An amount of R 3m could not be transferred to Mafikeng Industrial Development Zone (MIDZ) pending finalisation of the registration process as a Provincial schedule 3 Public Entity with National Treasury. An application for the roll over of these funds has been submitted to Provincial Treasury.

1.4.2 Discuss the impact on programmes and service delivery

There was no adverse impact on any programmes and service delivery as than matters reported in sub paragraph 1.1 to 1.3.

1.4.3 Actions taken or planned to avoid recurrence.

A roll over of funds on sub programmes where all funds could not be spend but are envisaged to be spent in 2005-06 has been submitted to Provincial Treasury with motivations of the planned spending thereof.

1.5 Any other material matter

No other material matters could be reported for the year under review.

2. Service rendered by the department

2.1 The following services are rendered in the Department.

- Provide effective Human Resource and administrative support to the Department
- Design a communication strategy that will promote work done by the department and build working relation with clients and the media
- Provide effective and efficient budgeting and resource control services to the North West Provincial Government.
- Provide professional accounting and financial management services for the North West Provincial Administration, coupled with an effective resource control management service in the Department of Finance.
- Build financial management capacity in the Province
- Provide effective and efficient internal audit services to the North West Provincial Administration.
- Utilise Information and Communication Technologies (ICT) as one of the main enablers to achieve all Provincial and Departmental goals as well as an enabler for the successful execution and implementation of all programmes

- To facilitate the creation of an enabling environment wherein Small, Medium and Micro Enterprises have access to all the information they need to start up, grow their business.
- Facilitate access to market through procurement reform and business linkages through partnerships.
- To facilitate capacity building of institutions that provide services to SMME's in the province and the management of the provincial SMME database.
- To plan, develop, promote and coordinate the diversification of a sustainable economy towards job and wealth creation, redistribution and economic empowerment
- Development of frameworks for trade and integrated Economic Development, creating linkages with local economic development and provide support to industry.
- To ensure consumer protection and the regulation of the liquor industry

3. Capacity constraints

The department is still faced with a challenge of attracting staff with requisite skills in Financial management, Supply chain management, Internal auditing, Information Technology, Economics, Entrepreneurship and Legal experts in Consumer affairs which cannot be acquired within a short time. In the case of Internal Audit, Consultants have been co-sourced from private Audit firms to assist with skills transfer and on the Job training after they experiencing massive resignations.

Information Technology utilises services of consultants in areas that require highly specialised areas. Other programmes survive by overstressing available staff to cover for the deficit in areas where requisite staff have not been identified or appointed.

4. Public entities

The Public Entities now falling under this department were inherited through the merger process from the former Department of Economic Development and Tourism. Therefore there is no comparative information as this is the first time these entities are reported on.

The following Public Entities are reported on in the year under review.

• Entrepreneurial Support Centres

There are four centres located in each district of the North West Province. The eastern ESC is registered as a schedule B public entity. A decision to consolidate all ESC's into one entity will be taken in 2005-06. They were established to provide support services to SMME's at a regional level.

• Gambling Board

Is an institution that operates under the North West Gambling Act of 2001 as promulgated. It is empowered to regulate all gambling activities in the North west province.

• Invest North West

Invest North west is a section 21 company which was established to act as an official Investment Promotion Agency (IPA) for the North West Provincial Government. Its main purpose is to attract new and sustainable investments in the Province.

• Mafikeng Industrial Development Zone (MIDZ)

MIDZ was formed in 2002 to manage one of the Province's nodal development programmes with a link to other Spatial Development initiatives (SDI's) in the Province. Registration as a Provincial schedule C Public Entity has been lodged with National Treasury via the Provincial Treasury.

- **Westmac**

Westmac is a section 21 company governed by a board of directors, which was established in 2002 as a North West chapter of the National Coordinating Office of the Manufacturing Advisory Centres Trust (the NAMAC Trust). It was set up to provide high quality advisory services to existing small and medium manufacturers (SME's) to improve their competitiveness and growth as well as upgrade those managed by previously disadvantaged entrepreneurs. Its funding is reviewed on an annual basis.

5. Organisations to whom transfer payments have been made

Name of Entity	Type	Reason for transfer	Amount R'000
Central District Municipality	Local Govt - RSC Levies	RSC levies	570
North West Gambling Board	Public Entity -	Operational Expenditure	6 477
Invest North West	Public Entity	Operational Expenditure	9 482
MIDZ	Section 21 Company Pending registration as schedule C public entity	Operational Expenditure	2 145
ESC'S	Public entity	Operational Expenditure	5 796
Southern ESC	Projects	Community Projects	1 420
Central ESC	Projects	Community Projects	1 459
Madikwe Sisal	Projects	Community Projects	179
Eastern Region ESC	Projects	Community Projects	430
Westmac	Section 21 - Company	Operational Expenditure	1 669
TOTAL			29 627

6. Corporate governance arrangements

6.1 Risk management and fraud prevention

Effective risk management is integral to the department's objective of consistently adding value to the services the Department provides.

Management is continuously enhancing control procedures to improve the mechanisms for identifying and managing risks. The basic principle underlying the plan is 'zero tolerance' for fraud and corruption in the Department in particular and the North West Province in general.

The fraud prevention plan has been developed and implemented as part of the Department's total fraud strategy, which encompasses:

- Fraud prevention
- Fraud detection
- Investigation, and
- Response

The Department's fraud prevention plan also takes into account facilities and measures already established centrally by the Provincial Government such as Internal Audit, Centralised Creditor Payment, Cheque Clearing Centre and Forensic Audit to prevent, detect, investigate and report fraud in the province.

7. Events after the reporting date

We are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the Department or the results of its operations.

8. Progress with financial management improvements

The Department has already achieved visible milestones in the implementation of Public Finance Management Act (PFMA).

As reported previously, the department was faced with a challenge of financial management skills gap in the junior levels and responded by appointing two consortia of consultants to assist the Department in the training of the Chief Financial Officers' units in the Provincial Departments.

The second phase of financial management training, which targeted middle management staff, also got completed during the year. A graduation ceremony was held for all successful candidates.

National Accountant General performed an assessment on the state of readiness of Provinces on the implementation of Financial Management Improvement Programme to assist with the implementation of accrual accounting. Several challenges were identified which will require different interventions at various levels.

Staff from the Chief financial officer's division was offered training on Supply Chain Management to prepare them for assumption of duties from 01 April 2005.

The department has developed critical procedural plans such as Employment Equity Plan, Skills Development Plan and Human Resource plan for the effective management of the service of the department.

9. Performance information

Systems are in place to prepare measurable objectives as specified by section 27(4) of PFMA in line with the strategic goals of the department. An effort was made to identify the objectives, strategies, outputs and timeframes for each programme in the strategic plan of the department. A detail comparison between the actual and forecast results was made in the Annual Report.

10. Other

No material factors or circumstances, which may have an effect on the understanding of the financial state of affairs, can be reported other than those reported above.

Approval

The Annual Financial Statements set out on pages 52 to 80 have been approved by the Accounting Officer.



Geo Paul
ACCOUNTING OFFICER

28 July 2005

REPORT OF THE AUDITOR-GENERAL TO THE MEMBERS OF THE NORTH WEST PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 7 - DEPARTMENT OF FINANCE AND ECONOMIC DEVELOPMENT FOR THE YEAR ENDED 31 MARCH 2005.

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 52 to 80, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

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

An audit includes:

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

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

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

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

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Finance and Economic Development at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice.

4. EMPHASIS OF MATTER

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

4.1 Restatement of financial statements

A material adjustment to the original financial statements was made and these were signed and resubmitted on 28 July 2005.

4.2 Information systems audit

A follow-up information systems (IS) audit of the general controls surrounding the E2 financial system was completed in March 2005 and the findings reported to the accounting officer.

The root causes of the weaknesses were the lack of IT policies, standards and procedures as well as the ineffective functioning of implemented controls due to manpower shortages.

The most significant weaknesses identified were the following:

The processes of providing access to new users and identifying their training needs were not defined. This could result in inappropriate systems access being granted and inadequate training for new users.

Program change control procedures did not exist. Programmers still had access to change data in the processing environment, and supporting documentation of changes was not kept. Unauthorised changes could therefore be effected to programs and data.

Formal operating system security standards and procedures did not exist. This resulted in 45% of the system's users not having been required to change their passwords. Users no longer in the employ of the department were still on the system. Furthermore, the activities of users were not independently monitored.

4.3 Fruitless expenditure

Disclosed in note 5.1 to the financial statements was an amount of R440 000 relating to fruitless expenditure incurred by the former Department of Economic Development and Tourism that had not been resolved at year-end. The amount pertains to arbitration payments made on behalf of the North West Gambling Board.

4.4 Risk management

The department did not perform a risk assessment as required in terms of Treasury Regulation 3.2.1.

5. APPRECIATION

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



BMM Madliwa for Auditor-General

Rustenburg

31 July 2005



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

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.

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.

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.

Other employee benefits

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

Goods and services

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

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 the relevant authority approves it.

Irregular expenditure

Irregular expenditure, is defined as:

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

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

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

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as:

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

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

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

4. Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

5. Expenditure for capital assets

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

6. Receivables

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

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

7. 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.

8. 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.

9. 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.

10. 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.

11. Contingent liability

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

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

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

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

12. 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.

13. 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.

14. Recoverable revenue

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

15. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts and the merger between the erstwhile Department of Economic Development and Tourism and Finance. 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-ends.

Appropriation Statement
for the year ended 31 March 2005

Appropriation per Programme									
	Adjusted Appropriation R'000	Shifting of Funds R'000	2004/05					2003/04	
			Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
1. Administration									
Current payment	15 136	226	1 265	16 627	15 515	1 112	87,3%	16 134	9 343
Transfers and subsidies	128	-	-	128	60	68	47,1%	-	-
Expenditure for capital assets	737	-226	-	511	554	43	94,7%	526	797
2. Provincial Treasury									
Current payment	21 708	1 038	2 336	25 082	22 315	2 767	90,9%	27 386	23 457
Transfers and subsidies	26	36	-	62	65	3	85,3%	-	-
Expenditure for capital assets	5 261	-1 074	-	4 187	622	3 565	85,2%	746	773
3. Accountant General									
Current payment	42 354	301	1 006	43 661	42 209	1 452	96,6%	49 012	41 544
Transfers and subsidies	134	-	-	134	83	51	62,1%	-	-
Expenditure for capital assets	1 160	530	1 245	2 935	1 283	1 652	43,7%	1 512	1 384
4. Internal Audit									
Current payment	8 231	700	-	8 931	22 349	13 418	250,9%	23 376	20 117
Transfers and subsidies	160	-	-	160	63	97	39,4%	-	-
Expenditure for capital assets	670	700	-	1 370	1 324	46	96,0%	5 697	3 451
5. Information Technology									
Current payment	26 204	610	6 300	33 114	62 231	29 117	187,6%	20 456	63 513
Transfers and subsidies	30	-	-	30	27	3	90,0%	-	-
Expenditure for capital assets	7 740	210	-	7 950	6 672	1 278	83,9%	19 120	18 636
6. SPME Support									
Current payment	2 311	-	-	2 311	2 219	92	96,0%	6 605	6 305
Transfers and subsidies	6 060	-	-	6 060	6 024	36	99,4%	-	-
Expenditure for capital assets	8	-	-	8	-	8	0,0%	13	-
7. Economic Promotions									
Current payment	7 294	1 000	-	8 294	6 570	1 724	79,3%	2 045	3 056
Transfers and subsidies	26 572	-1 603	-	24 969	1 658	23 311	6,6%	22 535	23 191
Expenditure for capital assets	50	-	40	90	30	60	33,3%	5	-
8. Regulatory Services									
Current payment	6 325	-23	-	6 302	7 178	876	113,9%	7 341	6 720
Transfers and subsidies	64	-	-	64	13	51	20,3%	-	-
Expenditure for capital assets	222	24	-	246	188	58	76,4%	157	52
9. Project Development									
Current payment	4 073	-	-	4 073	2 481	1 592	61,0%	10 106	5 693
Transfers and subsidies	5 493	-	-	5 493	5 494	1	100,0%	-	-
Expenditure for capital assets	400	-	-	400	60	340	15,0%	145	120
10. Planning & Coordination									
Current payment	1 791	-	-	1 791	1 025	766	57,2%	3 263	2 400
Transfers and subsidies	4	-	-	4	3	1	75,0%	-	-
Expenditure for capital assets	48	-	40	88	-	88	0,0%	56	51
11. Integrated North West									
Transfers and subsidies	4 493	-	-	4 493	3 492	1 001	77,7%	8 746	8 890
12. Gambling Board									
Transfers and subsidies	6 407	-	-	6 407	6 407	-	100,0%	5 698	6 730
13. WIDZ Board									
Transfers and subsidies	1 205	-	-	1 205	2 145	940	178,1%	5 208	5 208
14. Statutory Payments									
Quoted amount	24 542	-	-	24 542	24 542	-	100,0%	10 450	63 460
Subtotal	211 877	-	-	311 877	251 169	60 708	80,5%	334 724	211 841
Statutory Appropriation									
Current payments	-	-	-	-	-	-	0,0%	-	-
Transfers and subsidies	-	-	-	-	-	-	0,0%	-	-
Payments for capital assets	-	-	-	-	-	-	0,0%	-	-
Total	211 877	-	-	311 877	251 169	60 708	80,5%	334 724	211 841
Reconciliation with Statement of Financial Performance									
Pro-year's authorised expenditure approved with funding								178 523	
Departmental allocations				16 410				25 013	
Local and foreign aid assistance									
Actual amounts per Statement of Financial Performance (Total)				327 392				203 536	
Investments incurred and capitalised during the current financial year									
Other payments in Appropriation Statement, not accounted for in the local and foreign aid assistance									
Pro-year's authorised expenditure approved									178 523
Pro-year's funds and capital expenditure confirmed									
Actual amounts per Statement of Financial Performance				261 169				490 434	

North West - Department of Finance and Economic Development

Appropriation Statement
for the year ended 31 March 2005

Appropriation per Economic classification								
	2004/05							2003/04
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final Appropriation	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Current payments								
Compensation to employees	51,590	-	-	51,590	55,151	12,479	87.2%	53,218
Goods and services	141,454	2,354	1,434	142,014	135,644	6,070	56.8%	167,764
Transfers & subsidies								
Revenues & municipalities	934	79	4	947	970	277	67.3%	150
Public works, roads & private enterprises	57,505	1,560	-	58,500	29,857	27,452	51.4%	55,729
Payment on capital assets								
Machinery & equipment	15,404	1,563	1,400	15,977	9,737	6,234	59.7%	28,263
Total	311,577	-	-	311,577	285,159	50,738	83.7%	334,724
								311,841

Detail per programme 1 - Administration
for the year ended 31 March 2005

2004/05									2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation		Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000	R'000
1.1 Communication - F70										
Current payment	1,340	314	200	1,854	1,360	500	73.3%		1,222	1,040
Transfers and subsidies	2	1	-	3	3	-	100.0%		-	45
Expenditure for capital assets	55	55	-	110	-	-	-		-	-
1.2 Human Resources - F71										
Current payment	2,217	183	-	3,057	2,539	454	83.1%		2,252	2,409
Transfers and subsidies	51	-	-	57	28	29	49.1%		-	-
Expenditure for capital assets	245	179	-	424	300	124	70.5%		105	13
1.3 Logistics - F72										
Current payment	3,655	25	900	4,580	4,414	166	96.4%		3,233	2,856
Transfers and subsidies	55	-	-	55	34	21	62.5%		-	-
Expenditure for capital assets	87	50	-	137	123	14	89.8%		147	101
1.4 OOG Support - F73										
Current payment	1,550	71	-	1,575	1,281	294	81.4%		1,100	1,154
Transfers and subsidies	5	-	-	5	4	1	80.0%		-	-
Expenditure for capital assets	100	25	-	125	78	47	62.4%		5	0
1.5 MEC Support - F74										
Current payment	2,575	25	-	2,700	2,210	490	81.9%		1,373	1,325
Transfers and subsidies	5	-	-	5	6	-1	120.0%		-	-
Expenditure for capital assets	190	-	-	190	190	-	100.0%		4	4
1.6 Training - F75										
Current payment	1,345	-	160	1,345	1,170	175	87.1%		831	727
1.7 HIV Aids - F76										
Current payment	178	-	-	178	79	99	44.4%		150	120
1.8 Transformation - F77										
Current payment	180	-	-	180	121	59	67.2%		20	16
1.9 Chief Dir. Enterp. Dev. - F78										
Current payment	840	-	-	840	518	322	61.7%		-	-
Transfers and subsidies	7	-	-	7	2	5	28.6%		-	-
Expenditure for capital assets	27	-	-	27	10	17	37.0%		-	-
1.10 Chief Dir. Econ. sector - F79										
Current payment	1,020	17	-	1,020	1,408	388	138.0%		-	-
Transfers and subsidies	3	-	-	3	3	-	100.0%		-	-
Expenditure for capital assets	15	21	-	36	17	19	47.2%		-	-
Total	12,472	-	1,260	16,732	17,250	1,452	92.1%		10,440	10,340

2004/05									2003/04	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation		Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000	R'000
Current payments										
Compensation to employees	51,590	-	-	51,590	55,151	145	107.7%		6,252	6,544
Goods and services	1,217	230	1,760	6,679	5,437	1,242	81.4%		3,122	2,253
Transfers & subsidies										
Revenues & municipalities	170	1	-	140	83	60	59.3%		-	-
Payments for capital assets										
Buildings & other fixed structures	190	238	-	519	554	35	106.7%		178	150
Machinery & equipment	-	-	-	-	-	-	-		-	-
Total	12,472	-	1,260	16,732	17,250	1,452	92.1%		10,440	10,340

North West - Department of Finance and Economic Development

Appropriation Statement
for the year ended 31 March 2005

Details of programme 2 - Payment of Treasury
for the year ended 31 March 2005

Programme or sub-programme	2004/05							2003/04	
	Approved Appropriation R 000	Spending of Funds R 000	Virement R 000	Final Appropriation R 000	Actual Payment R 000	Variance R 000	Payment as % of final appropriation	Final Appropriation R 000	Actual Payment R 000
21 Budgetary support									
Current payment	1 400	50	2 000	6 000	6 700	700	112%	5 400	4 300
Transfers and subsidies	10	0		10	10	0	100%	10	10
Capital expenditure	150	10		150	120	30	80%	80	50
22 Resource Centre - F1									
Current payment	5 300	100		2 000	4 100	1 200	105%	2 000	2 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	50		50	50	0	100%	50	50
23 Resource Centre - F12									
Current payment	4 700	10		3 100	3 100	0	60%	5 100	2 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	200		300	300	0	100%	300	300
24 Resource Centre - F22									
Current payment	5 100	100		11 000	11 000	0	100%	11 000	6 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	100		100	100	0	100%	100	100
25 Free Resource Centre - F23									
Current payment	1 000	50	200	3 400	2 100	1 300	62%	3 000	2 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	1 000	100		1 000	1 000	0	100%	1 000	1 000
26 Free Resource Centre - F25									
Current payment	1 000	100		1 000	1 000	0	100%	1 000	1 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	1 000	100		1 000	1 000	0	100%	1 000	1 000
Total	14 450	500	2 200	28 100	23 900	4 200	85%	23 900	14 300

Programme or sub-programme	2004/05							2003/04	
	Approved Appropriation R 000	Spending of Funds R 000	Virement R 000	Final Appropriation R 000	Actual Payment R 000	Variance R 000	Payment as % of final appropriation	Final Appropriation R 000	Actual Payment R 000
Current	14 450	500	2 200	28 100	23 900	4 200	85%	23 900	14 300
Transfers and subsidies	10	0		10	10	0	100%	10	10
Capital expenditure	150	100		150	120	30	80%	80	50
Total	14 610	600	2 200	28 260	24 030	4 230	85%	24 030	14 360

Details of programme 3 - Accountant General
for the year ended 31 March 2005

Programme or sub-programme	2004/05							2003/04	
	Approved Appropriation R 000	Spending of Funds R 000	Virement R 000	Final Appropriation R 000	Actual Payment R 000	Variance R 000	Payment as % of final appropriation	Final Appropriation R 000	Actual Payment R 000
31 Department of Finance and Economic Development									
Current payment	11 500	50	200	12 200	11 200	1 000	92%	12 200	11 200
Transfers and subsidies	10	0		10	10	0	100%	10	10
Capital expenditure	500	100		600	500	100	83%	600	500
32 Free Management Support - F40									
Current payment	5 000	100		5 000	5 000	0	100%	5 000	5 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	100		100	100	0	100%	100	100
33 Management - F41									
Current payment	1 000	100	100	1 200	1 200	0	100%	1 200	1 200
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	100		100	100	0	100%	100	100
34 Revenue & Expenditure - F42									
Current payment	1 000	100		1 000	1 000	0	100%	1 000	1 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	100		100	100	0	100%	100	100
35 Expenditure - F43									
Current payment	1 000	100		1 000	1 000	0	100%	1 000	1 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	100		100	100	0	100%	100	100
36 Free Finance - F45									
Current payment	1 000	100		1 000	1 000	0	100%	1 000	1 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	100		100	100	0	100%	100	100
37 Department of Finance and Economic Development - F46									
Current payment	1 000	100		1 000	1 000	0	100%	1 000	1 000
Transfers and subsidies	0	0		0	0	0	100%	0	0
Capital expenditure	100	100		100	100	0	100%	100	100
Total	14 610	600	2 200	28 260	24 030	4 230	85%	28 260	24 030

Programme or sub-programme	2004/05							2003/04	
	Approved Appropriation R 000	Spending of Funds R 000	Virement R 000	Final Appropriation R 000	Actual Payment R 000	Variance R 000	Payment as % of final appropriation	Final Appropriation R 000	Actual Payment R 000
Current	14 610	600	2 200	28 260	24 030	4 230	85%	28 260	24 030
Transfers and subsidies	10	0		10	10	0	100%	10	10
Capital expenditure	150	100		150	120	30	80%	80	50
Total	14 770	700	2 200	28 410	24 160	4 250	85%	28 410	24 190

North West - Department of Finance and Economic Development

Appropriation Statement
for the year ended 31 March 2005

Detail per programme 4 - Internal Audit
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
4.1 Internal Audit - F34									
Current payment	25 201	700		25 901	22 540	2 652	86.9%	20 296	22 177
Transfers and subsidies	105			105	38	17	33.8%		
Expenditure for capital assets	676	700		1 376	1 324	45	95.8%	5 037	3 451
Total	25 976	-	-	25 976	24 261	2 715	89.9%	25 003	23 628

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current									
Compensation to employees	15 523			15 523	13 253	2 533	84.9%	17 155	12 201
Goods and services	10 373	700		9 678	5 561	117	56.8%	5 111	7 975
Transfers & subsidies				105	38	17	33.8%		
Provisiones & municipalities	105			1 370	1 324	45	96.6%	5 651	3 451
Machinery & equipment	500	700							
Total	26 501	-	-	26 501	24 261	2 715	89.9%	25 003	23 628

Detail per programme 5 - Information Technology
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
5.1 Management - F80									
Current payment	7 067		-5 900	1 167	2 707	450	23.5%	4 997	4 103
Transfers and subsidies	3			3	3		100.0%		
Expenditure for capital assets	15			15	14	1	92.3%	40	40
5.2 Data Technology - F81									
Current payment	13 524	510		14 064	10 517	517	66.2%	25 547	13 199
Transfers and subsidies	5			5	10	1	111.1%		
Expenditure for capital assets	79	-10		68	55	14	79.7%	290	290
5.3 Development - F82									
Current payment	2 754		-700	2 054	2 407	167	93.1%	4 588	4 450
Transfers and subsidies	3			3	3		100.0%		
Expenditure for capital assets	306			306	56	310	15.0%	376	576
5.4 Networks - F83									
Current payment	20 163		-1 000	20 558	27 272	2 229	92.2%	25 571	25 458
Transfers and subsidies	7			7	8	1	114.3%		
Expenditure for capital assets	4 050	-500		3 550	5 392	853	84.5%	16 242	18 317
5.5 Quality Assurance - F84									
Current payment	3 227			3 227	2 859	360	89.4%	1 507	1 507
Transfers and subsidies	2			2	1	1	50.0%		
Expenditure for capital assets	48			48	48		100.0%	120	120
5.6 Operations - F85									
Current payment	1 710			1 710	1 037	573	60.6%	3 267	2 032
Transfers and subsidies	2			2	2		100.0%		
Expenditure for capital assets	56			56	22	44	39.3%	1 197	1 160
5.7 Customer Care Centre - F86									
Current payment	2 251			2 251	1 679	572	74.6%	2 582	2 551
Transfers and subsidies	2			2	2		100.0%		
Expenditure for capital assets	210			212	81	127	40.1%	160	160
5.8 Transversal Systems - F87									
Current payment	13 914		-1 200	12 714	11 540	1 171	90.8%	2 329	4 052
Transfers and subsidies	2			2	2		100.0%		
Expenditure for capital assets							0.0%	153	154
Total	82 577	-	-6 300	76 677	68 930	7 747	89.9%	89 710	82 764

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current									
Compensation to employees	14 934			14 934	10 885	4 049	72.9%	17 183	10 348
Goods and services	80 293	510	-6 194	54 603	52 345	2 268	95.9%	57 833	53 287
Transfers & subsidies									
Provisiones & municipalities	50			34	28	6	82.4%		
Capital									
Machinery & equipment	1 718	-510	-130	708	5 672	1 424	79.3%	13 504	18 507
Total	82 577	-	-6 300	76 677	68 930	7 747	89.9%	89 710	82 764

North West - Department of Finance and Economic Development

Appropriation Statement
for the year ended 31 March 2005

Detail per programme 8 - Regulatory Services
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
8.1 Dir Regulatory Services - F55									
Current payment	1 150	70		1 170	997	173	86,22%	981	831
Transfers and subsidies	7			2	1	1	50,00%		
Expenditure for capital assets	23			20	17	3	85,00%	23	3
8.2 Liquor Trade - F56									
Current payment	2 420	27		2 447	2 035	372	84,62%	2 258	2 014
Transfers and subsidies	4			4	4		100,00%		
Expenditure for capital assets	37	22		59	56	4	93,22%	16	5
8.3 Consumer Affairs - F57									
Current payment	3 759	1		3 758	3 266	472	87,45%	3 706	3 755
Transfers and subsidies	6	1		7	6	1	85,71%		
Expenditure for capital assets	12			70	57	2	81,43%	90	41
8.4 Legal Services & Consumer Court - F58									
Current payment	747	132		977	860	117	88,02%	291	140
Transfers and subsidies	2			2	2		100,00%		
Expenditure for capital assets	15			75	54	21	72,00%	22	
Total	8 551			8 551	7 379	1 172	85,35%	7 468	6 772

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current	8 294			8 295	6 295	2 000	76,47%	6 432	5 248
Goods and services	2 057	24		2 056	1 822	174	89,54%	1 878	1 672
Transfers & subsidies	14	7		16	14	2	87,50%		
Provinces & municipalities	232	22		224	188	36	83,93%	157	52
Machinery & equipment									
Total	8 551			8 551	7 379	1 172	86,34%	7 468	6 772

Detail per programme 9 - Project Development
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
9.1 Dir Project Development - F05									
Current payment	878			878	497	381	56,61%	756	669
Transfers and subsidies	2			2	1	1	50,00%		
Expenditure for capital assets	10			13	15	-6	100,00%	15	135
9.2 Project Planning & evaluation - F06									
Current payment	925			925	562	373	60,11%	1 100	1 120
Transfers and subsidies	3 459			3 468	3 400	68	100,00%		
Expenditure for capital assets	15			15	9	6	60,00%		
9.3 Project Development - F07									
Current payment	1 058			1 058	927	131	87,71%	2 448	2 260
Transfers and subsidies	3			3	2	1	66,67%		
Expenditure for capital assets	25			23		23	0,00%		
9.4 Project SDRs - F08									
Current payment							0,00%	5 375	5 378
Transfers and subsidies							0,00%		
Expenditure for capital assets							0,00%		
9.5 Project Financing - F09									
Current payment	1 137			1 137	165	972	14,55%	557	496
Transfers and subsidies	2			2	1	1	50,00%		
Expenditure for capital assets	40			40		40	0,00%		
Total	7 583			7 583	5 962	1 621	78,64%	10 251	9 718

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current	3 106			3 106	2 054	1 052	66,13%	2 439	2 295
Goods and services	802	7		805	298	497	44,55%	193	616
Transfers & subsidies	7			7	5	2	71,43%		
Provinces & municipalities									
Public corporations & private enterprises	3 443			3 463	3 400	63	100,00%	5 894	5 639
Machinery & equipment	3	7		17	17	70	100,00%	145	135
Total	7 583			7 583	5 962	1 621	78,64%	10 251	9 718

Appropriation Statement for the year ended 31 March 2005

Detail per programme 10 - Planning & Co-ordination
for the year ended 31 March 2005

Programme per subprogramme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	2004/05			2003/04		
				Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
10.1 Monitor - g - 189									
Current payment	1,761			1,761	1,026	751	57.8%	3,117	2,470
Transfers and subsidies	4			4	3	1	75.0%	56	51
Expenditure on capital assets	40		40	40	0	0	0.0%	56	51
Total	1,805		40	1,805	1,029	777	57.8%	3,117	2,541
Economic classification									
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
Current	1,765			1,765	537	1,228	30.5%	2,277	1,761
Compensation to employees	200			222	110	112	49.5%	530	176
Transfers & subsidies	4			4	3	1	75.0%	56	51
Expenditure on capital assets	40		40	40	0	0	0.0%	56	51
Total	1,809		40	1,809	1,029	780	30.5%	3,117	2,541

Detail per programme 11 - Invest North West
for the year ended 31 March 2005

Programme per subprogramme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	2004/05			2003/04		
				Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
11.1 Invest North West - F&D									
Transfers and subsidies	3,482			3,482	3,482	0	100.0%	3,482	3,482
Total	3,482			3,482	3,482	0	100.0%	3,482	3,482
Economic classification									
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
Public corporations & private enterprises	3,482			3,482	3,482	0	100.0%	3,482	3,482
Total	3,482			3,482	3,482	0	100.0%	3,482	3,482

Detail per programme 12 - Gambling Board
for the year ended 31 March 2005

Programme per subprogramme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	2004/05			2003/04		
				Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
12.1 Gambling Board - F&D									
Transfers and subsidies	6,477			6,477	6,477	0	100.0%	6,200	6,200
Total	6,477			6,477	6,477	0	100.0%	6,200	6,200
Economic classification									
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
Public corporations & private enterprises	6,477			6,477	6,477	0	100.0%	6,200	6,200
Total	6,477			6,477	6,477	0	100.0%	6,200	6,200

Detail per programme 13 - MBZ Board
for the year ended 31 March 2005

Programme per subprogramme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	2004/05			2003/04		
				Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
13.1 MBZ Board - F&D									
Transfers and subsidies	5,208			5,208	2,145	3,063	41.2%	5,208	5,208
Total	5,208			5,208	2,145	3,063	41.2%	5,208	5,208
Economic classification									
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
Public corporations & private enterprises	5,208			5,208	2,145	3,063	41.2%	5,208	5,208
Total	5,208			5,208	2,145	3,063	41.2%	5,208	5,208

North West - Department of Finance and Economic Development

Appropriation Statement
for the year ended 31 March 2005

Detail per programme 14 - Statutory Payments
for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
14.1 Statutory Payments - F31									
Current payment	24 542			24 542	24 542	-	100.0%	50 460	50 460
Total	24 542	-	-	24 542	24 542	-	100.0%	50 460	50 460

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Payment R'000
Current									
Government services	24 542			24 542	24 542	-	100.0%	50 460	50 460
Total	24 542	-	-	24 542	24 542	-	100.0%	50 460	50 460

North West - Department of Finance and Economic Development

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

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

Detail of these transactions can be viewed in note 11 (Transfers and subsidies) and Annexure 1 (A-K) to the annual financial statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3 Detail on financial transactions in assets and liabilities:

Detail of these transactions per programme can be viewed in note 8 (Details of special functions (theft and losses)) to the annual financial statements.

4 Explanations of material variances from Amounts Voted (after virement):

4.1 Per programme:

	Voted Funds after virement	Actual Expenditure	R'000	%
Administration	18,732	19,250	1,518	8%

A saving of 8% was a result of some vacant posts could not be filled. Consultants to assist with PMDS (personnel management development system) could not be appointed.

Provincial Treasury	36,749	33,563	3,186	9%
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Hardware for the implementation of Supply chain management could not be finalised hence an application for rollover has been submitted to treasury. Funds for a new sub programme (S/MMA) implemented during the year could not be exhausted.

Accountant-General	44,822	43,651	1,171	3%
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A saving of 3% was a result of the Financial management Training Programme that was completed during the year.

Internal Audit	26,076	24,291	1,785	7%
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The saving is as a result of a significant number of staff that resigned during the year and replacements could only be done in the new year.

Information Technology	76,077	68,930	7,147	10%
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Certain projects could not be completed during the year due to timing differences.

S/MME Support	10,216	8,222	1,994	20%
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A saving was as a result of vacant posts that could not be filled. Reduced activity in S/MME mobilisation during period of reconfiguration of the department.

Economic Development	34,154	5,277	28,877	76%
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Under expenditure was due to reconfiguration of the Department after the merger NWFFDS funds could not be spent due to change in focus towards the outcomes of the Provincial growth and development summit. A rollover has been submitted. The position of director could not be filled during the year.

Regulatory Services	8,551	7,379	1,172	14%
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A saving was a result of resignations and vacant positions that were not filled.

Project Development	7,583	5,962	1,621	21%
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A saving was a result of the position of Director who resigned in August 2004 and was not filled.

North West - Department of Finance and Economic Development

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

Planning & Coordination	1,785	1,028	757	42%
A saving was a result of the position of Director and other staff that resigned. Efforts were directed in to realigning the activities of the Directorate towards the Provincial Growth and Development activities hence more planning than implementation.				
Invest North west	9,482	9,482	-	0%
Gambling Board	6,477	6,477	-	0%
MIDZ	5,208	2,145	3,063	59%
A saving was realised because the Entity is pending registration by National Treasury. Balance of Funds was rolled over.				
Statutory Payments	24,542	24,542	-	0%
Per economic classification:				R'000
Current expenditure				
Compensation of employees				85,161
Goods and services				136,644
Transfers and subsidies				
Provinces and municipalities				570
Public corporations and private enterprises				29,057
Payments for capital assets				
Machinery and equipment				9,737

North West - Department of Finance and Economic Development

Statement of Financial Performance for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	311,877	334,724
Appropriation for unauthorised expenditure approved		-	178,623
Departmental revenue	2	15,415	25,015
TOTAL REVENUE		327,292	538,362
EXPENDITURE			
Current expenditure			
Compensation of employees	3	85,161	76,309
Goods and services	4	136,644	154,103
Unauthorised expenditure approved	5	-	178,623
Total current expenditure		221,805	409,035
Transfers and subsidies	6	29,627	55,277
Expenditure for capital assets			
Machinery and Equipment	7	9,737	26,152
Total expenditure for capital assets		9,737	26,152
TOTAL EXPENDITURE		261,169	490,464
NET SURPLUS/(DEFICIT)		66,123	47,898
NET SURPLUS/(DEFICIT) FOR THE YEAR		66,123	47,898
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund	10	50,708	22,883
Departmental revenue to be surrendered to revenue fund	13	15,415	25,015
NET SURPLUS/(DEFICIT) FOR THE YEAR		66,123	47,898

North West - Department of Finance and Economic Development

Statement of Financial Position as at 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		50,820	22,918
Unauthorised expenditure	5	440	-
Cash and cash equivalents	8	50,265	22,726
Receivables	9	115	192
TOTAL ASSETS		50,820	22,918
LIABILITIES			
Current liabilities		50,820	22,918
Voted funds to be surrendered to the Revenue Fund	10	50,708	22,883
Payables	11	112	35
TOTAL LIABILITIES		50,820	22,918

North West - Department of Finance and Economic Development

Cash Flow Statement for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		326,929
Annual appropriated funds received		311,877
Departmental revenue received		15,415
Net (increase)/decrease in working capital		-363
Surrendered to Revenue Fund		-38,298
Current payments		-221,728
Transfers and subsidies paid		-29,627
Net cash flow available from operating activities	12	37,276
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		-9,737
		-9,737
Net increase/(decrease) in cash and cash equivalents		27,539
Cash and cash equivalents at beginning of period		22,726
Cash and cash equivalents at end of period	8	50,265

North - West Department of Finance and Economic Development

Notes to the Annual Financial Statements for the year ended 31 March 2005

1 Annual Appropriation

1.1 Annual Appropriation

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

	Final	Actual Funds	Variance	Total
	Appropriation	Received	over/(under)	Appropriation
	R'000	R'000	R'000	2003/04
				R'000
Administration	18,732	17,250	1,482	10,440
Provincial Treasury	36,767	33,563	3,204	26,930
Accountant General	44,827	43,651	1,176	50,884
Internal Audit	26,976	24,261	2,715	26,003
Information Technology	76,677	68,930	7,747	89,710
SMME Support	10,216	8,222	1,994	9,618
Economic Promotions	34,054	8,277	25,777	27,555
Regulatory Services	8,551	7,379	1,172	7,468
Project Development	7,583	5,962	1,621	10,251
Planning & Coordination	1,785	1,028	757	3,117
Invest North West	9,482	9,482	-	8,860
Gambling Board	6,477	6,477	-	6,200
MIDZ Board	5,208	2,145	3,063	5,208
Statutory Payments	24,542	24,542	-	50,460
Total	311,877	261,169	50,708	334,724

2 Departmental revenue to be surrendered to revenue fund

Description		
Tax revenue	39,633	43,789
Sales of goods and services other than capital assets	20,063	11,991
Fines, penalties and forfeits	1,067	-
Interest, dividends and rent on land	38,366	42,021
Recoverable revenue received	664	-
Total revenue collected	99,793	97,801
Less: Departmental revenue budgeted *	84,378	72,786
Departmental revenue collected	15,415	25,015

	Note	2004/05	2003/04
		R'000	R'000
3 Compensation of employees			
3.1 Salaries and wages			
Basic salary		56,083	76,309
Performance award		5,858	-
Periodic payments		4	-
Other non-pensionable allowances		10,405	-
		72,350	76,309
3.2 Social contributions			
3.2.1 Short term employee benefits			
Pension		8,531	-
Medical		4,280	-
		12,811	-
Total compensation of employees		85,161	76,309
Average number of employees		521	521

North - West Department of Finance and Economic Development

Notes to the Annual Financial Statements for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
4. Goods and services			
Advertising		1,282	1,016
Bank charges and card fees		83	100
Communication		3,685	3,254
Computer services		26,513	27,360
Consultants, contractors and special services		34,524	34,895
Courier and delivery services		-	50
Tracing agents & debt collections		7,294	-
Entertainment		6,177	6,353
External audit fees	4.1	5,663	10,560
Equipment less than R5 000		1	-
Freight service		33	-
Government motor transport		23	259
Inventory	4.2	7,037	17,170
Legal fees		384	-
Licence agency fees		-	7,500
Medical services		8	-
Maintenance, repair and running costs		8,037	8,000
Operating leases		7,527	7,638
Personnel agency fees		19	-
Printing and publications		-	2,500
Professional bodies and membership fees		141	12
Resettlement costs		133	-
Taking over of contractual obligations		17,771	15,000
Transport provided as part of the departmental activities		491	2,632
Travel and subsistence	4.3	5,394	5,719
Training & staff development		4,424	4,085
		136,644	154,103

	<i>Note</i>	2004/05 R'000	2003/04 R'000
4.1 External audit fees			
Regulatory audits		5,663	5,397
Performance audits		-	495
Other audits		-	4,668
Total external audit fees		5,663	10,560
4.2 Inventory			
Other inventory		9	-
Domestic Consumables		3,891	-
Agricultural		10	-
Learning and teaching support material		104	-
Parts and other maint mat		2,102	-
Stationery and Printing		836	17,170
Medical Supplies		85	-
Total Inventory		7,037	17,170
4.3 Travel and subsistence			
Local		5,394	5,719
Total travel and subsistence		5,394	5,719

5. Unauthorised expenditure

5.1 Reconciliation of unauthorised expenditure			
Opening balance		-	178,623
Unauthorised expenditure approved by Parliament/Legislature – current expenditure		-	-178,623
Transfer to receivables for recovery		440	-
Unauthorised expenditure awaiting authorisation		440	-

North - West Department of Finance and Economic Development

Notes to the Annual Financial Statements for the year ended 31 March 2005

6 Transfers and subsidies	Note	2004/05 R'000	2003/04 R'000
Provinces and municipalities	ANNEXURE 1C	570	250
Public corporations and private enterprises	ANNEXURE 1F	29,057	55,027
		<u>29,627</u>	<u>55,277</u>

7 Expenditure for capital assets			
Machinery and equipment	ANNEXURE 4	9,737	26,152
Total		<u>9,737</u>	<u>26,152</u>

8 Cash and cash equivalents			
Consolidated Paymaster General Account		50,265	22,726
		<u>50,265</u>	<u>22,726</u>

9 Receivables						
		Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	9.1	111			111	192
Other debtors		4			4	-
		<u>115</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>192</u>

9.1 Staff debtors			
(Group major categories, but list material items)			
Subsistence & Travel Advances		62	122
Salary Advance		40	34
Tax debt		9	17
Other		4	19
		<u>115</u>	<u>192</u>

10 Voted Funds to be surrendered to the Revenue Fund			
Opening balance		22,883	-
Transfer from Statement of Financial Performance		50,708	22,883
Paid during the year		-22,883	-
Closing balance		<u>50,708</u>	<u>22,883</u>

11 Payables – current					
Description			2004/05 Total	2003/04 Total	
		30 Days	30+ Days		
Clearing accounts	111	-	24	24	-
Other payables	112	-	88	88	35
		<u>-</u>	<u>112</u>	<u>112</u>	<u>35</u>

North - West Department of Finance and Economic Development

Notes to the Annual Financial Statements for the year ended 31 March 2005

11.1 Clearing accounts

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Description (Identify major categories, but list material amounts)			
Salary reversal		18	-
Salary Movement		6	-
		<u>24</u>	<u>-</u>

11.2 Other payables

Description (Identify major categories, but list material amounts)			
Other payables		-	9
		<u>88</u>	<u>26</u>
		<u>88</u>	<u>35</u>

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

	<i>Note</i>	2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance		66,123
Non-cash movements		
(Increase)/decrease in receivables – current		77
(Increase)/decrease in other current assets		-440
Increase/(decrease) in payables – current		77
Increase/(decrease) in current liabilities		27,825
Capital expenditure		9,737
Voted funds not requested/not received		-66,123
Net cash flow generated by operating activities		<u>37,276</u>

13 Appropriated funds and departmental revenue surrendered

Appropriated funds surrendered	22,883	20,340
Departmental revenue surrendered	<u>15,415</u>	<u>25,015</u>
	<u>38,298</u>	<u>45,355</u>

North West - Department of Finance and Economic Development

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

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

			2004/05 R'000	2003/04 R'000
1. Contingent liabilities	Note			
Liable to	Nature			
Housing loan guarantees	Employees	ANNEXURE 3	1,250	1,058
Capped Leave Commitments			14,132	-
Other				13,047
			<u>15,382</u>	<u>14,105</u>
2. Current expenditure				
Approved and contracted			4,290	8
Approved but not yet contracted			-	7,820
			<u>4,290</u>	<u>7,828</u>
Capital expenditure				
Total Commitments			<u>4,290</u>	<u>7,828</u>
3. Accruals				
By economic classification	30 Days	30+ Days	Total	Total
Goods and services	3,516	-	3,516	7,828
Machinery and Equipment	20	-	20	-
			<u>3,536</u>	<u>7,828</u>
Listed by programme level				
Administration			37	20
Provincial accounting			443	600
Provincial Treasury			114	98
Internal Audit			738	-
Information Technology			2,045	-
Statutory Payments			-	7,110
Regulatory Services			52	-
SMME Support			82	-
Economic Research & Planning			25	-
			<u>3,536</u>	<u>7,828</u>
4. Employee benefits				
Leave entitlement			2,607	15,644
Thirteenth cheque			2,312	1,700
Performance awards			1,457	612
			<u>6,376</u>	<u>17,956</u>

North West - Department of Finance and Economic Development

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

5 Leases

5.1 Operating leases	Buildings & other fixed structures	Machinery and equipment	Total	Total
Type of financial institution				
Not later than 1 year	3,194	773	3,967	3,675
Later than 1 year and not later than 3	1,890	450	2,340	3,717
Later than three years	604	145	749	246
Total present value of lease liabilities	<u>5,688</u>	<u>1,368</u>	<u>7,056</u>	<u>7,638</u>
Total present value of lease liability	<u>5,688</u>	<u>1,368</u>	<u>7,056</u>	<u>7,638</u>

6 Senior management personnel

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

- The Minister, Deputy Ministers, Director-General	767	-
- Deputy Director Generals	1,836	1,271
- Superintendent General	998	924
- Chief Director	3,018	1,113
- Director	8,607	5,944
	<u>15,223</u>	<u>9,252</u>

North West - Department of Finance and Economic Development

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1F

STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

(NAME OF PUBLIC CORPORATION /PRIVATE ENTERPRISE)	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Capital R'000	Current R'000
Public Corporations								
North West Gambling Board	6,477	-	-	6,477	6,477	100.0%	-	-
Invest North West	9,482	-	-	9,482	9,482	100.0%	-	-
MIDZ	5,208	-	-	5,208	2,145	41.2%	-	-
ESC's	6,188	-	-	6,188	5,796	93.7%	-	-
Southern ESC	1,420	-	-	1,420	1,420	100.0%	-	-
Central ESC	1,459	-	-	1,459	1,459	100.0%	-	-
Madikwe Sisal	179	-	-	179	179	100.0%	-	-
	430	-	-	430	430	100.0%	-	-
NWEDIS / Westmac	25,666	-	-	25,666	1,669	6.5%	-	-
	-	-	-	-	-	0.0%	-	-
Subtotal	56,509	-	-	56,509	29,057			55,027
Total	56,509	-	-	56,509	29,057			55,027

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1C
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
Moretele municipality	-	-	-	-	-	0.0%	-	-	0.0%	250
RSC Levies	570	-	-	570	570	100.0%	-	-	0.0%	-
	570	-	-	570	570		-	-		250

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North West - Department of Finance and Economic Development

Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 4 PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	38,367	9,737	-	-	-	48,104
Computer equipment	9,609	1,703	-	-	-	11,312
Furniture and office equipment	11,515	1,787	-	-	-	13,302
Other machinery and equipment	15,183	6,247	-	-	-	21,430
Transport assets	2,060	-	-	-	-	2,060
	38,367	9,737	-	-	-	48,104

ANNEXURE 4 (continued)
PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Opening Balance	Additions	Disposals	Transfers in	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	12,215	26,152	-	-	-	38,367
Computer equipment	6,797	2,812	-	-	-	9,609
Furniture and office equipment	1,870	9,645	-	-	-	11,515
Other machinery and equipment	3,548	11,635	-	-	-	15,183
Transport assets	-	2,060	-	-	-	2,060
	12,215	26,152	-	-	-	38,367

This is a movement schedule as at 1 March 2003

PART 5: HUMAN RESOURCE MANAGEMENT

It is important to note that the statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister of Public Service and Administration for all government departments within the Public Service.

These statistical tables provide high-level information on key human resource, financial and service delivery issues. The information aims to empower the legislature, the media, the public and other stakeholders to monitor whether the department has exercised the powers granted under the Public Service and Public Financial Legislation in a responsible manner. This statistical information also seeks to give the parties mentioned above an opportunity to establish whether the department has met the target set for itself in terms of estimated expenditure, and if it has achieved the national transformation priorities established by the National Government, for example, Affirmative Action, Skills Development etc.

The Department is confident that these tables reflect an ongoing commitment to quality service in the public sector, an objective which can only be attained through a highly skilled, motivated and representative staff. These tables also illustrate the emphasis placed on transformation in the department.

The challenges during the year under review have been;

- Implementation of PMDS in the department;
- Employee wellness programme;
- Skills deficiency which curtailed progress to an extent;
- Attracting disabled people for employment in the department;
- Incompatibility of HR information system to support training and development.

As an organization, we have realized that the transformation process of skilling and re-skilling staff in the department is a non-negotiable priority, as is the need to develop a department which not only reflects the demography of the Province but one which is responsive to their needs and those of other departments of government.

TABLE 5.2.1 – Personnel costs by programme, 2004/05

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Administration	17 250	11 179	242	0	65%	157
Provincial Treasury	33 553	13 009	245	8 097	39%	113
Accountant General	43 551	25 721	797	6 709	59%	154
Internal Audit	24 261	13 288	1284	3 994	55%	166
Inform. Technology	68 930	10 885	1155	14 688	16%	157
SMME Support	8 222	1 816	89	0	22%	227
Economic Promotions	8 277	1 027	158	0	12%	101
Regulatory services	7 379	5 295	322	0	71%	135
Project Development	5 982	2 054	102	15	34%	146
Planning & co-ordin.	1 028	887	50	0	86%	147
Total	261 169	85 161	4 424	33 488		163

TABLE 5.2.2 – Personnel costs by salary bands, 2004/05

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	1 400	2%	38
Skilled (Levels 3-5)	4 322	22%	122
Highly skilled production (Levels 6-8)	34 064	40%	117
Highly skilled supervision (Levels 9-12)	30 032	20%	245
Senior management (Levels 13-16)	13 576	16%	468
Other	767	1%	767
Total	85 161	100%	163

TABLE 5.2.3 - Salaries, Overtime, Home Owners Allowance and Medical Assistance by Programme, 2004/05

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HCA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Administration	1 355	2	0	0	3	0	87	0
Provincial Treasury	16 756	20	2	0	115	1	1 166	1
Accountant General	14 960	18	42	0	176	1	1 905	1
Internal Audit	5 916	7	0	0	27	0	14	0
Inform. Technology	7 047	8	226	1	94	1	561	1
SMME Support	1 797	2	0	0	13	0	59	0
Economic Promotions	1 418	2	0	0	3	0	27	0
Regulatory services	2 416	3	0	0	41	1	192	1
Project Development	979	1	0	0	9	0	53	0
Planning & co-ordin.	319	0	0	0	3	0	24	0
Total	52 963	62%	270	1%	484	1%	4 088	5%

TABLE 5.2.4 - Salaries, Overtime, Home Owners Allowance and Medical Assistance by Salary Bands 2004/05

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	1 235	1	13	0	18	0	203	0
Skilled (Levels 3-5)	3 546	4	92	0	51	0	493	0
Highly skilled production (Levels 6-8)	24 215	28	110	1	262	1	2 158	2
Highly skilled supervision (Levels 9-12)	16 036	19	55	0	153	0	829	1
Senior management (Levels 13-16)	7 578	8	0	0	0	0	379	0
Other	353	0	0	0	0	0	29	0
Total	52 963	62	270	1	484	1	4 088	5

TABLE 5.3.1 - Employment and Vacancies by Programme, 31 March 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	59	60	13%	0
Provincial Treasury	115	75	35%	0
Accountant General	222	153	31%	0
Internal Audit	176	80	55%	0
Inform. Technology	113	69	39%	0
SMME Support	13	12	7%	0
Economic Promotions	20	8	60%	0
Regulatory services	52	43	17%	0
Project Development	20	15	25%	0
Planning & co-ordin.	37	6	84%	0
Total	837	521	38%	0

TABLE 5.3.2 - Employment and Vacancies by Salary Bands, 31 March 2005

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	39	25	33%	0
Skilled (Levels 3-5)	127	68	42%	0
Highly skilled production (Levels 6-8)	483	300	38%	0
Highly skilled supervision (Levels 9-12)	152	97	36%	0
Senior management (Levels 13-16)	35	29	17%	0
Other	1	1	0	0
TOTAL	837	521	38%	0

TABLE 5.3.3 - Employment and Vacancies by Critical Occupation, 31 March 2005

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	27	19	29%	0
Cleaners in offices	29	21	28%	0
Communication and information related, Permanent	5	4	20%	0
Computer programmers, Permanent	20	5	75%	0
Computer system designers and analysts	1	0	100	0
Economists, Permanent	4	4	0	0
Finance and Economics related, Permanent	123	75	39%	0
Financial and related professionals, Permanent	244	150	39%	0
Financial clerks and credit controllers, Permanent	80	41	49%	0
Fire fighting and related, Permanent	1	1	0	0
Gen. legal admin. and rel. professionals, Permanent	1	1	0	0
Household and laundry workers, Permanent	1	1	0	0
Human resources & org. development, Permanent	10	8	20%	0
Human resources clerks, Permanent	12	9	25%	0
Human resource related, Permanent	3	1	67%	0
Information technology related, Permanent	3	3	0	0
Library mail and related workers, Permanent	15	11	27%	0
Light vehicle drivers, Permanent	9	7	22%	0
Logistical support personnel, Permanent	20	14	30%	0
Material recording and transport clerks, Permanent	4	3	25%	0
Messengers porters and deliveries, Permanent	10	5	50%	0
Other administrative, clerks & organisers, Permanent	24	13	46%	0
Other Administrative policy & related officers, Permanent	19	13	32%	0
Other information related personnel, Permanent	84	51	39%	0
Other occupations, Permanent	1	1	0	0
Printing and machine related operators, Permanent	11	11	0	0
Regulatory inspectors, Permanent	8	4	50%	0
Secretaries & other keyboard operators, Permanent	33	17	48%	0
Security officers, Permanent	2	2	0	0
Senior managers, Permanent	19	15	21%	0
Trade & industry advisers and related, Permanent	14	11	21%	0
Total	837	521	38%	0

TABLE 5.4.1 - Job Evaluation, 1 April 2004 to 31 March 2005

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	39	0	0	0	0	0	0
Skilled (Levels 3-5)	127	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	483	10		5		0	0
Highly skilled supervision (Levels 9-12)	152	6	3	3	2	0	0
Senior Management Service Band A	19	2	9	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	1	0	0	0	0	0	0
Total	837	18	2	8	9	0	0

TABLE 5.5.1 Annual Turnover Rates by Salary Band for the period 1 April 2004 to 31 March 2005

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	23	13	2	8.7
Skilled (Levels 3-5)	68	13	4	5.9
Highly skilled production (Levels 6-8)	256	66	28	10.9
Highly skilled supervision (Levels 9-12)	77	34	19	24.7
Senior Management Service Band A	15	4	3	20
Senior Management Service Band B	3	4	0	0
Senior Management Service Band C	2	0	0	0
Senior Management Service Band D	1	1	1	100
Other	0	1	1	50
Total	447	136	58	13

TABLE 5.5.2 - Annual Turnover rates by Critical Occupation for the period 1 April 2004 to 31 March 2005

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	7	11	3	42.9
Cleaners in offices	5	5	1	100
Client inform clerk (switchb. receipt inform clerks)	2	0	0	0
Communication and information related, Permanent	4	0	0	0
Compositors typesetters	5	0	0	0
Computer programmers, Permanent	3	0	1	0
Computer system designers and analysts	4	0	0	0
Economists, Permanent	0	3	0	0
Finance and Economics related, Permanent	33	16	4	12.1
Financial and related professionals, Permanent	140	30	23	16.4
Financial clerks and credit controllers, Permanent	63	1	2	3.2
Fire fighting and related, Permanent	0	1	0	0
Household and laundry workers, Permanent	1	0	0	0
Human resources & org. development, Permanent	4	1	1	25.0
Human resources clerks, Permanent	16	2	1	6.3
Information technology related, Permanent	4	0	1	25.0
Library mail and related workers, Permanent	7	2	1	14.3
Light vehicle drivers, Permanent	5	0	0	0
Logistical support personnel, Permanent	10	0	0	0
Material recording and transport clerks, Permanent	18	1	1	5.6
Messengers porters and deliveries, Permanent	3	0	0	0
Other administrative, clerks & organisers, Permanent	12	0	0	0
Natural sciences	0	1	2	0
Other Administrative policy & related officers, Permanent	13	5	2	16.7
Other information related personnel, Permanent	52	1	1	7.7
Other occupations, Permanent	8	30	8	14.3
Printing and machine related operators, Permanent	2	0		0
Regulatory inspectors, Permanent	0	0		0
Secretaries & other keyboard operators, Permanent	21	10	4	19.0
Senior managers, Permanent	5	8	2	40.0
Trade & industry advisers and related, Permanent	0	7		0
TOTAL	447	136	58	13.0

TABLE 5.5.3 - Reasons why Staff are Leaving th Department

Termination Type	Number	% of total
Death	2	0.4
Resignation	11	2.5
Expiry of contract	5	1.1
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	8	1.8
Transfers to other Public Service Departments	1	0.2
Other	1	0.2
Total	28	
Total number of employees who left as a % of the total employment		3

TABLE 5.5.4 - Promotions by Critical Occupation

Occupation	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative	7	6	85.7	7	100
Building and other caretakers	1	0	0	3	300
Cleaners in offices	4	0	0	7	125
Client information clerks	2	0	0	5	125
Communication and inform. related	1	0	0	0	0
Compositors typesetters	5	0	0	5	100
Computer programmers	3	0	0	0	0
Computer system designers & analysts	4	3	75	0	0
Finance and economic related	33	12	36.4	12	36.4
Financial & related professionals	140	28	20	45	32.1
Financial clerks & credit controllers	63	1	1.6	37	58.7
Household & laundry workers	1	0	0	1	100
Human resources & org. develop.	4	0	0	3	75
Human resources clerks	16	3	18.8	9	56.3
Information technology related	4	1	25	2	50
Library mail & related clerks	7	0	0	5	71.4
Light vehicle drivers	5	0	0	4	80
Logistical support personnel	10	0	0	7	70
Material recording & transport clerks	18	0	0	10	55.6
Messengers porters and others	3	0	0	2	66.7
Other admin & related clerks	12	1	8.3	11	91.7
Other admin. Policy and related off.	1	1	100	19	1900
Other information technology	52	8	15.4	33	63.5
Other occupations	7	0	0	5	71.4
Photographic & lithographic	1	0	0	0	0
Printing & related machine operators	1	0	0	1	100
Printing management	0	0	0	0	0
Road workers	14	0	0	18	128.6
Secretaries and others	21	3	14.3	17	81
Senior managers	5	1	20	0	0
Trade labourers	1	0	0	2	200
Trade/industry advisers	1	0	0	5	0
Total	447	68	15.2	268	60

TABLE 5.5.5 - Promotions by Salary Band

Salary Band	Employees 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	23	0	0.0	29	126.1
Skilled (Levels 3-5)	68	4	5.9	46	67.6
Highly skilled production (Levels 6-8)	256	25	9.8	143	55.9
Highly skilled supervision (Levels 9-12)	77	32	41.6	50	64.9
Senior management (Levels 13-16)	21	7	33.3	0	0
Other	2	0	0.0	0	0
Total	447	68	15.2	268	60

TABLE 5.6.1 - Total Number of Employees (including employees with disabilities) in each of the following Occupational Categories as on 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	2	0	1	4	0	0	1	15
Professionals	110	3	8	7	124	2	1	7	262
Technicians and associate professionals	24	0	0	0	19	2	0	0	45
Clerks	31	1	0	2	105	3	2	2	146
Service and sales workers	1	0	0	0	0	0	0	0	1
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	2	0	0	0	4	0	0	0	6
Plant and machine operators and assemblers	6	0	0	0	1	0	0	0	7
Elementary occupations	4	0	0	0	35	0	0	0	39
Total	185	6	8	10	292	7	3	10	521
Employees with disabilities	4				0				4

TABLE 5.6.2 - Total Number of Employees (including employees with disabilities) in each of the following Occupational Bands as on 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	1	1	0	0	0	0	3
Senior Management	9	3	1	4	5	0	1	1	24
Professionally qualified and experienced specialists and mid-management	62	2	4	4	34	5	0	4	115
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	77	1	2	1	184	0	2	4	271
Semi-skilled and discretionary decision making	30	0	0	0	39	2	0	0	71
Unskilled and defined decision making	5	0	0	0	30	0	0	0	35
Other	1	0	0	0	0	0	0	0	1
Total	185	6	8	10	292	7	3	10	521

TABLE 5.6.3 - Recruitment for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	4	1	0	1	3	4	0	1	14
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	0	0	0	18	0	1	0	29
Semi-skilled and discretionary decision making	1	0	0	0	1	1	0	0	3
Unskilled and defined decision making	0	0	0	0	3	0	0	0	3
Total	16	1	0	1	25	5	1	1	50

TABLE 5.6.4 - Promotions for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	2	0	1	1		0	1	7
Professionally qualified and experienced specialists and mid-management	15	0	6	0	10	0	0	1	32
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	0	0	0	15	0	0	0	25
Semi-skilled and discretionary decision making	1	0	0	0	2	1	0		4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	28	2	6	1	28	1	0	2	63

TABLE 5.6.5 - Terminations for the Period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	5	1	0	1	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	6	0	0	0	12
Semi-skilled and discretionary decision making	2	0	1	0	0	0	0	0	3
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Other	1	0	0	0	0	0	0	0	1
Total	13	0	1	0	12	1	0	1	28

TABLE 5.6.6 - Disciplinary Action for the Period 1 April 2004 to 31 March 2005

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	5	0	0	0	1	0	0	0	6

TABLE 5.6.7 - Skills Development for the Period 1 April 2004 to 31 March 2005

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	3	2	4	5			1	21
Professionals	19	1	3	1	13	1		1	39
Technicians and associate professionals	103	1	3	3	173	1	1	7	291
Clerks	33				54	1			89
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations	5								40
Total	165	5	8	8	280	3	2	9	480
Employees with disabilities	3								3

TABLE 5.7.1 - Performance Rewards by Race, Gender, and Disability, 1 April 2004 to 31 March 2005

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	82	191	37.3	688	R6202.40
Female	150	280	48.5	930	R8399.00
Asian					
Male	6	9	66.7	112	R18697.30
Female	1	3	33.3	4	R4270.40
Coloured					
Male	3	6	50.0	64	R21238.50
Female	3	8	37.5	45	15056.20
White					
Male	7	10	60.0	75	R21711.10
Female	6	10	70.0	151	R12627.50
Employees with a disability	1	4	25.0	3	R3428.40
Total	258	521	44.6	2 072	R8031.60

TABLE 5.7.2 - Performance Rewards by Salary Bands for Personnel Below Senior Management Service, 1 April 2004 to 31 March 2005

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	24	36	66.7	58	2425.50	0.1
Skilled (Levels 3-5)	42	84	50.0	133	3155.10	0.2
Highly skilled production (Levels 6-8)	125	245	39.2	755	6044.60	0.9
Highly skilled supervision (Levels 9-12)	53	127	41.7	709	13377.90	0.9
Total	244	492	43.1	1 655	6784.10	2.1

TABLE 5.7.3 - Performance Related Rewards (Cash bonus) by Salary Band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	10	19	52.6	250	25015.60	0.3
Band B	2	7	28.6	67	33338.90	0.1
Band C	2	2	100.0	100	50001.20	0.1
Band D	0	1	0	0	0	0
Total	14	29	48.3	417	29774.00	.50

TABLE 5.8.1 - Foreign Workers, 1 april 2004 to 31 March 2005, by Salary Band

Salary Band	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	2	40	-2	40
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	3	60	-3	60
Total	0	0	5	100	-5	100

TABLE 5.8.2 - Foreign worker, 1 april 2004 to 31 March 2005, by Major Occupation

Major Occupation	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
80055 Economic Advisory SR7	0	0	1	20	-1	20
80061 Economic Advisory SR13	0	0	2	40	-2	40
80063 Economic Advisory SR15	0	0	1	20	-1	20
80088 Management & General Support SR8	0	0	1	20	-1	20
Total	0	0	5	100	-5	100

TABLE 5.9.1 - Sic Leave, 1 January 2004 to 31 December 2004

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	149	89.3	21	5.9	7	21
Skilled (Levels 3-5)	432	84.3	56	18.4	8	77
Highly skilled production (Levels 6-8)	1250	76.6	177	58	7	403
Highly skilled supervision (Levels 9-12)	273	75.5	43	14.1	6	168
Senior management (Levels 13-16)	39	89.7	8	2.6	5	38
Total	2143	79.1	305	100	7	707

TABLE 5.9.2 - Annual Leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	664	20
Skilled Levels 3-5)	1639	21
Highly skilled production (Levels 6-8)	5708.16	20
Highly skilled supervision (Levels 9-12)	1905	19
Senior management (Levels 13-16)	433	17
Total	10349.16	20

TABLE 5.9.3 - Capped Leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004
Lower skilled (Levels 1-2)	21	7	98
Skilled Levels 3-5)	188	31	54
Highly skilled production (Levels 6-8)	242.32	10	65
Highly skilled supervision (Levels 9-12)	77	10	53
Senior management (Levels 13-16)	57	10	89
Total	585.32	13	65

TABLE 5.9.4 - Leave Payouts for the Period 1 April 2004 to 31 March 2005

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2004/05	56115.12	3	18705.00
Current leave payout on termination of service for 2004/05	59947.14	4	7487.00
Total	86062.26	7	12295.00

TABLE 5.10.1 - Steps Taken to Reduce the Risk of Occupational Exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
	<p>Universal precautions</p> <ul style="list-style-type: none"> All sections have access to well stocked first aid kits which have sterile gloves in them. 33 staff members were trained in first aid.

TABLE 5.10.2 - Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the 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 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	X		<ul style="list-style-type: none"> D. Mafulako - Director - HR
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		<ul style="list-style-type: none"> 3 Staff (EWP officials) Cost of staff R376 974.00 Annual budget R178 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<ul style="list-style-type: none"> Counselling (individual, family, marital group), trauma debriefing, crisis interventions, management consultations, workshops & training, presentations (prevention, care & support, curative), problem identification & assessments, diagnosis, treatment referrals, promote wellness & events like wellness day & provision of supplements Integrated wellness programme that covers HIV, EAP & OHS.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (c) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		<ul style="list-style-type: none"> Steven Koen Linchon Povey O Legete (Int.Aud) Tebogo Makofane Thabo Nthoba Gladys Ngakane Lasma Christopher Kagiso Modisa Madiqo Mathapula Shirley Ann Williams
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		<ul style="list-style-type: none"> HIV Policy Supplements distributed on request upon disclosure to EWP manager Confidentiality is observed.
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		<ul style="list-style-type: none"> HIV Policy Supplements distributed on request upon disclosure to EWP manager
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		<ul style="list-style-type: none"> At all HIV/AIDS events and programmes staff are encouraged to "know their status" in order to go for VCT counselling. 2 results disclosed
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list those measures/indicators	X		<ul style="list-style-type: none"> Impact survey & report for EWP (HIV, EAP & OHS) is done annually

TABLE 5.11.1 - Collective agreements, 1 April 2004 to 31 March 2005

Total collective agreements None

TABLE 5.11.2 - Misconduct and Disciplinary Hearings finalised, 1 April 2004 to 31 March 2005

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	20
Verbal warning	0	0
Written warning	0	0
Final written warning	3	60
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	20
Not guilty	0	0
Case withdrawn	0	0
Total	5	100

TABLE 5.11.3 - Types of Misconduct Addressed at Disciplinary Hearings

Type of misconduct	Number	% of total
Absenteeism	2	33
Misuse of state vehicles	3	50
Theft	1	17
Total	6	100

TABLE 5.11.4 - Grievances Lodged for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of grievances resolved	2	66.67
Number of grievances not resolved	1	33.33
Total number of grievances lodged	3	100

TABLE 5.11.5 - Disputes Lodged with Councils for the Period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes unresolved	3	75
Number of disputes dismissed	1	25
Total number of disputes lodged	4	100

TABLE 5.11.6 - Strike Actions for the Period 1 April 2004 to 31 March 2005

Total number of person working days lost	15
Total cost (R'000) of working days lost	3731.54
Amount (R'000) recovered as a result of no work no pay	3731.54

TABLE 5.11.7 - Precautionary Suspensions for the period 1 April 2004 to 31 March 2005

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	166
Cost (R'000) of suspensions	

TABLE 5.12.1 - Training Needs Identified 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7		2	22	24
	Male	14		2	39	41
Professionals	Female	15		11	65	76
	Male	24		15	59	74
Technicians and associate professionals	Female	182		116	96	212
	Male	112		37	138	175
Clerks	Female	55				
	Male	34				
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female	35		14	14	14
	Male	5		7	7	7
Sub Total	Female	294				
	Male	189				
Total		483		183	440	623