

Foreword

The Annual Report and enclosed Financial Statements of the Free State Legislature for the 2005/2006 financial year constitutes the manifestation and reflection on the progress made by our institution in pursuit of the vision to entrench, deepen and nourish the core values and principles of our developing state of democracy. In the presentation of the budget speech of the Legislature's Vote to the Free State Legislature, we undertook to; "... ensure that our young democracy continues to develop and evolve to reflect the core values and principles as embodied in the Freedom Charter and incorporated into the Constitution."

The 2005/2006 financial year marked the 50th anniversary of the adoption of the Freedom Charter. The principles and values of the Freedom Charter continued to inform and guide the Free State Legislature's programmes and activities throughout the course of the financial year. Consequently, we aimed to ensure that we not only hear but also listen when our people talked not only about their hopes, dreams and aspirations but also about their pain, suffering and frustrations. We aimed to not only look superficially at the way forward but we must to clearly chart the path that will lead us to the South Africa "that belongs to all who live in it, black and white." It is our belief that the annual report accurately reflects the execution of the Legislature's constitutional mandate and obligation to exercise oversight over government departments and programmes, to hold the Executive Council, individually and collectively, accountable, to facilitate public access, involvement and participation in the legislative processes and to serve the citizens of the Free State in a manner that empowers and educates.

In the pursuit of good corporate governance and to provide for the specific character and nature of the Free State Legislature as an institution of democracy, deviations from the template specimen provided by National Treasury for the annual financial statements for the financial year ended 31 March 2006 was determined by the Speaker in terms of section 3(2)(b) of the Public Finance Management Act No 1 of 1999, read with section 28 of the Powers, Privileges and Immunities Act No 3 of 1996. The determined deviations were published in Provincial Gazette No 52 of 7 July 2006.

M.A. DUKOANA
SPEAKER

Overview by the Secretary to the Legislature

This annual report of the Free State Legislature covers the period April 2005 to March 2006 and contains the financial statements for the year ending 31 March 2006 as well as the Auditor-General's report thereon. The annual report is published in compliance with the spirit and provisions of the Public Finance Management Act. In this regard, the finalization of the Financial Administration of Parliament and Provincial Legislatures Act is still awaited as this will be the parliamentary version of the Public Finance Management Act.

The annual report details the delivered outputs of the Legislature and its Committees in pursuit of the exercise of its constitutional functions and obligations. It also includes key delivery outputs of the procedural and administrative support services rendered in support of the House, its Committees and Members.

E.C. ROCKMAN

SECRETARY TO THE LEGISLATURE

FREE STATE LEGISLATURE (VOTE TWO)

REPORT OF THE AUDIT COMMITTEE for the Financial Year ended 31 March 2006

1. Report of the Audit Committee

I am pleased to present the report of the Audit Committee of the Free State Legislature for the financial year ended 31 March 2006.

2. Audit Committee meetings

The Audit Committee was appointed by the Speaker and Secretary to the Legislature in terms of the terms of reference approved by the Rules and Orders Committee on 15 March 2005. The Audit Committee met on 28 October 2005 and 28 March 2006. Members attended the meetings as indicated below;

Member	No of Meetings Attended
Adv. J. Lubbe	2
Adv. N. van Heerden	2
Mr. J. Besnaar	2

3. Audit Committee Responsibility

Due to the fact that the Audit Committee commenced with its functions late during the financial year under review, the Committee was only able to execute some of its duties and responsibilities as set out in its approved terms of reference.

3.1 Approval of framework documentation

Critical framework documentation that was approved are as follows;

- a) Internal Audit Charter
- b) Internal Audit Methodology
- c) Fraud Prevention Plan

The Committee noted that a risk assessment had been conducted previously and that the identified risks had been updated and incorporated into the Fraud Prevention Plan. The Committee resolved that the identified risks as per the Fraud Prevention Plan must be continuously monitored, reviewed and updated.

3.2 Consideration and approval of Internal Audit Reports

The following Internal Audit Reports were considered and approved by the Audit Committee;

- a) Report on Housing Guarantees.
- b) Report on the investigation on possible contravention of the Leave Policy on Examination by some staff members for the period 1 April 2004 to 31 March 2005.
- c) The Level of Indebtness of the Free State Legislature staff to garnishing orders.
- d) Overtime claims of the Human Resource Directorate for the period 1 April 2005 to 31 January 2006.

3.3 Consideration and approval of report on financial misconduct

The Audit Committee considered and approved a report on financial misconduct compiled in terms of section 39(1)(g) of the PFMA. The report was also filed with the Provincial Treasury and Auditor-General.

4. Effectiveness of Internal Control

The Audit Committee is not aware of any specific material weaknesses in;

- a) the efficiency or effectiveness of the internal audit function; or
- b) the internal controls over the Legislature's financial administration other than those reported by our auditors and that are being addressed by management.

5. In-Year Quality and Monthly / Quarterly Reports

The Audit Committee is not able to express an opinion with regard to the in-year quality and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act as it only became fully operational during the last quarter of the financial year.

6. Evaluation of Annual Financial Statements

The Audit Committee has;

- a) Reviewed and discussed with the Office of the Auditor-General and the Accounting Officer (and/or her representative) the audited annual financial statements to be included in this report;
- b) Reviewed the Auditor-General's management letter and the responses thereto;
- c) Reviewed significant adjustments resulting from the audit and
- d) Reviewed the Auditor-General's report.

7. Appreciation

The Audit Committee wishes to express its appreciation to the officials of the Free State Provincial Legislature and the Office of the Auditor-General for assistance rendered to the Audit Committee.

J. LUBBE

Chairperson of the Audit Committee

Date: 4 July 2006

Photograph of Official Opening 2005

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SECTION ONE

1. Introduction

The Free State Legislature is established in terms of the Constitution of the Republic of South Africa (Act No 108 of 1996), specifically section 104(1) that determines that; “The legislative authority of a province is vested in its provincial legislature.” This section aims to provide a general overview of the Legislature’s constitutional mandate, its powers, functions and responsibilities as well as its regulatory and control environment. Information regarding its strategic review process and the reformulated vision and mission are also provided.

1.1 Constitutional and Legislative Mandate

- a) Section 114(1) and (2) of the Constitution provide for the powers of a Provincial Legislature to include; (a) the consideration, passing, amendment or rejection of bills, (b) to initiate or prepare legislation, except money bills, (c) to ensure that all provincial executive organs of state in the province are accountable to it and (d) to maintain oversight of the exercise of provincial executive authority in the province, including the implementation of legislation and any provincial organ of state.
- b) The constitutional limitations within which a Provincial Legislature must operate is further provided for in section 104(3) as follows; “A provincial legislature is bound only by the Constitution and, if it has passed a constitution for its province, also by that constitution and must act in accordance with and within the limits of the Constitution and that provincial constitution.”
- c) The general and specific powers of the Legislature are set out in Rules 127 to 130 of the Standing Rules and Orders
- d) The Legislature is further required in terms of section 118(1)(a) of the Constitution to; “facilitate public involvement in the legislative and other processes of the legislature and its committees.”
- e) In view of the stated constitutional obligations that the Legislature is required to perform, its core business can therefore be summarized as that of dealing with and focusing on legislation, oversight and public participation.

1.2 Regulatory and Control Environment

- a) Section 116(1) of the Constitution enables the Provincial Legislature to;
 - “(a) determine and control its internal arrangements, proceedings and procedures and
 - (b) make rules and orders concerning its business, with due regard to representative and participatory democracy, accountability, transparency and public involvement.”
- b) In accordance with these constitutional provisions, the Provincial Legislature’s regulatory and control environment is determined by, *inter alia*, the following;
 - (i) Powers, Privileges and Immunities of the Provincial Legislature Act (Act 3 of 1996, specifically the financial arrangements as set out in the Act).
 - (ii) Powers, Privileges and Immunities of Parliament and the Provincial Legislatures Act (Act 4 of 2004 to the extent that it is applicable).
 - (iii) To the extent that it is applicable, the relevant provisions of the Public Finance Management Act (PFMA), Act No 1 of 1999 (as amended by Act 29 of 1999).
 - (iv) Remuneration of Public Office Bearers Act (Act 20 of 1998).
 - (v) Fixing of Remuneration and other conditions of service of staff of the Free State Legislature Act (Act 8 of 1994).
 - (vi) The Financial Code of the Legislature.
 - (vii) Administrative policies of the Legislature.

1.3 Vision and Mission

- a) During the year under review, the Legislature initiated an extensive strategic review and development process. The intention is to develop a strategy that will guide the institution into the future, in a stable and sustainable manner. The strategy will serve as the foundation around which the institution enhances its services, builds the capacity of its people and delivers value to its customers and stakeholders. It will guide the manner in which the Legislature asserts itself as a key institution of democracy in the Free State Province.
- b) Although the review process could not be completed during the 2005/06 financial year, the first draft of the revised Strategic Plan of the Legislature was tabled in the House on 6 March 2006.

1.3.1 Vision

A people-centred Legislature that champions democracy

1.3.2 Mission

A modern institution of democracy that promotes good governance and a culture of human rights through public participation, law-making and oversight that is vigilant, dynamic, proactive and responsive.

1.3.3 Organizational Values

The work of the FSL will be conducted on the platform of a formalized set of values. The values are the set of beliefs that guide the management of the Legislature. It is the foundation of policies that provide guidance in the implementation of services and projects.

- Integrity
- Accountability
- Loyalty (commitment)
- Respect for diversity
- Openness and transparency
- Fairness
- Empowering
- Innovation (creative)

SECTION TWO

2. Presiding Officers

- a) The Presiding Officers of the Free State Legislature comprise of the Speaker, Deputy Speaker and Chairperson of Committees. The Speaker performs the functions and responsibilities assigned by relevant national and provincial legislation as well as the Standing Rules and Orders of the Legislature. This includes executing the responsibilities as Treasury of the Free State Legislature. The Speaker is the chairperson of the Rules and Orders Committee and the Programming Committee of the Legislature.
- b) The Deputy Speaker performs the functions assigned in terms of the Standing Rules and Orders, including acting in the position of Speaker as and when required, as well as specific functions as agreed amongst the Presiding Officers. The Deputy Speaker chairs, *inter alia*, the Internal Arrangements Committee and the Committee on Government Assurances. Political responsibility for gender issues at political level in the Legislature has also been assigned to the Deputy Speaker. The former Deputy Speaker, Ms. G. Mothupi, resigned on 15 March 2006 to take up the position of Executive Mayor: Mangaung Local Municipality. Ms. C. Lobe was elected on 23 March 2006 to the position of Deputy Speaker.
- c) The Chairperson of Committees equally performs specific functions assigned by the Standing Rules and Orders and is the Chairperson of the Chairpersons' Panel. The Chairperson of Committees also serves as the political champion of public participation and education initiatives. There were two changes in the office of the Chairperson of Committees during the 2005/2006 financial year. The former Chairperson of Committees, Ms. S. Mnumzana, was appointed as the MEC: Sport, Arts, Culture, Science & Technology and Ms. C. Lobe was subsequently elected by the House to be Chairperson of Committees on 26 April 2005. Following the election of Ms. C. Lobe as Deputy Speaker, Mr. P.N. Maloka was elected as Chairperson of Committees on 23 March 2006.

2.1 Presiding Officers as at 31 March 2006

- a) The Presiding Officers of the Legislature as at 31 March 2006 were as follows;

Speaker:	Mr. M.A. Dukoana
Deputy Speaker:	Ms. C. Lobe
Chairperson of Committees:	Mr. P.N. Maloka

2.2 Speakers' Forum

The Speaker and Deputy Speaker participate in the Speakers' Forum that is constituted by the Speakers and Deputy Speakers of Parliament and all Provincial Legislatures. Meetings of the Speakers' Forum convened in the Gauteng Province (May 2005), the Limpopo Province (August 2005) and the Western Cape Province (February 2006).

2.3 Gender Programme

Political responsibility for the gender programme of the Legislature is located in the Office of the Presiding Officers, specifically the Deputy Speaker. During the year under review, specific projects were facilitated for the Legislature by GETNET in order to raise general gender awareness and to develop skills of both elected representatives and employees to deal with gender matters. Some of the projects facilitated included the following;

a) Men and Masculinities Training

Training was facilitated for male elected representatives and employees to encourage participation amongst men in working towards transforming gender relations, both in the Legislature as well as within their communities. The purpose of the training was to;

- enable participants to reflect on how their socialization, culture, tradition and religion affect relations between men and women;
- examine the intersections between gender, HIV/AIDS and violence against women;
- promote social relations that contribute towards equity between women and men and
- assist individuals and consequently the institution to formulate plans for change intervention where required and necessary.

b) Gender analysis of budgets

Training was facilitated for elected representatives and employees in the area of gender analysis of budgets. The purpose of the training was to;

- Enable participants to draw the link between policy and budgets, both in relation to gender and in relation to policy frameworks;
- Analyze how different groups might benefit or be disadvantaged by particular revenue or expenditure items and
- Recognize the different interests at play in determining budgets.

2.4 Other relevant national forums

2.4.1 Political Office-Bearers' Pension Fund [POBF]

The Speaker represents the Free State Legislature as trustee of the Political Office-Bearers' Pension Fund. Meetings of the Board convened during March 2005, June 2005, September 2005, November 2005 and March 2006. Governance meetings also convened during June 2005 and March 2006. The Speaker also serves in other structures of the POBF as follows;

i) Management Committee

Meetings of the Management Committee convened during February, June and November 2005.

ii) Investment Sub-Committee

Meetings of the Investment Sub-Committee convened during June and November 2005 as well as January 2006.

2.5 Provincial Speaker and Chief Whips' Forum

The Speaker and Chief Whip of the Legislature have also constituted a provincial Speakers and Chief Whips' Forum. This forum provides a platform where Speakers and Chief Whips of local councils in the Free State Province can consult and engage on matters of mutual interest.

2.6 Support staff

Support staff of the Presiding Officers are contractual appointments linked to the term of office of the respective incumbents in the positions of Speaker, Deputy Speaker, Chairperson of Committees and Leader of Government Business.

2.7 Leader of Government Business

The MEC: Education, Ms. M.A. Tsopo, was appointed by the Premier as Leader of Government Business following the April 2004 general elections and continued to serve in this position at 31 March 2006.

SECTION THREE

3. The Political Landscape of the Free State Legislature

3.1 Political Parties represented in the Legislature

- a) Four political parties are represented in the Legislature and hold the following seats;

Political Party	No of Seats
African National Congress	25
Democratic Alliance	3
Freedom Front Plus	1
African Christian Democratic Party	1

3.2 Elected Representatives

- a) Elected representatives who resigned their seats during the 2005/2006 financial year are as follows;

- i) Ramathebane, G. (Date of resignation: 15 September 2005)
- ii) Marais, A. (Date of resignation: 2 March 2006)
- iii) Mothupi, G (Date of resignation: 15 March 2006)

- b) The filling of vacancies amongst elected representatives is done in accordance with the procedure prescribed in the Electoral Act, 1998. The African National Congress reviewed its list of candidates in accordance with item 21 of Schedule 1A of the said Act. The reviewed lists was published in terms of item 22 of the said Schedule in the Provincial Gazette No 62 of 2005 (25 April 2005) and Provincial Gazette No 19 of 2006 (24 March 2006).

- c) The details of elected representatives as at 31 March 2006 are listed in Annexure One.

3.3 Determination of Whips to Political Parties

- a) The Whips' Committee performs the functions and responsibilities assigned to it by the Standing Rules and Orders. Such functions and responsibilities relate to both administrative and procedural matters. The Whips are also assigned specific functions by the respective political parties that may relate to Members' discipline, constituency offices and the administration of funds allocated to political parties in terms of the Policy on Funding of Political Parties in the Legislature.

- b) The formula for the allocation of Whips to political parties were not reviewed or amended during the 2005/2006 financial year and remained as follows;
 - i) 1 Whip for every 8.69 Members per party;
 - ii) The Chief Whip of the majority party is excluded from the formula of 1 Whip for every 8.69 Members and
 - iii) Chief Whip of the largest minority party (DA – official opposition) is excluded from the formula.
- c) Political parties who are not entitled to a Whip in terms of the formula outlined above, still participate in Whips' meetings for preparation of sittings, etc.
- d) The following Members continued to serve as Whips for their respective political parties as at 31 March 2006;
 - i) Chief Whip (ANC and Legislature): Mr. E.S. Magashule
 - ii) ANC Whip: Ms. M. Thoabala
 - iii) ANC Whip: Mr. I.W. Kotsoane
 - iv) ANC Whip: Mr. T. Mofokeng
 - v) DA Whip: Mr. P. Frewen

3.4 Official Opposition

The Democratic Alliance, holding 3 seats in the Legislature following the 2004-elections, is the largest minority party and continued to be recognized as the Official Opposition.

3.5 Remuneration of elected representatives

The remuneration of political representatives is determined by the Independent Commission on Remuneration that submits its recommendations annually to the President. The remuneration of elected representatives for the 2005/2006 financial year were therefore dealt with in accordance with the Acting Premier's proclamation printed in the Provincial Gazette of 12 September 2005 (No 155) in terms of the proclamation of the President published in the Government Gazette of 7 September 2005. The Legislature determined the remuneration of the Premier by motion in the House on 16 September 2005.

3.6 Policy on Payment of Benefits, Facilities and Allowances to elected representatives

The Policy on Payment of Benefits, Facilities and Allowances provides for and outlines the conditions under which enabling facilities are made available to elected representatives. This policy was amended during January 2006 and addresses enabling facilities such as (i) accommodation and relocation costs, (ii) communication facilities, (iii) travelling facilities, (iv) subsistence allowances, (v) study-aid for elected representatives, (vi) remuneration, (vii) facilities for Members with special needs and (vi) accident insurance.

3.7 Skills Development & Training: Elected Representatives

In addition to the gender training, a skills development initiative focusing on speed-reading and comprehension was also facilitated for elected representatives.

SECTION FOUR

4. Procedural and legislative business of the Legislature

4.1 General

- a) Two key strategic objectives are realized through the procedural and legislative business of the Legislature, namely (i) to conduct a quality legislative programme and (ii) to conduct a quality process of oversight and accountability.
- b) The realization of these strategic objectives necessitate that the procedural and legislative business are incorporated into the Legislature's annual programme. The Programming Committee approves the programme that incorporates sittings of the House, meetings of House of Assembly -, Portfolio – and Select Committees, NCOP-matters, constituency periods and other activities of the Legislature. Specific provision is made for designated constituency days and constituency periods. The Leader of Government Business also ensures that relevant information regarding the Executive Council's programme is incorporated into the Legislature's programme.
- c) During the financial year under review, the programme of the Legislature made specific provision for elected representatives to engage in preparations for the local government elections that took place during March 2006.
- d) Sittings of the House and meetings of Committees are not convened during recess as designated constituency periods allow elected representatives to work in their respective allocated constituency offices during these times.

4.2 Sittings of the House and details of business

- a) Sittings of the Legislature convene as per the approved programme of the Legislature. The Whips' Committee, established in terms of Rule 187(2)(e) and constituted in terms of Rule 193, chaired by the Chief Whip, is responsible for the scheduling of business to be dealt with by the House.
- b) One of the major procedural projects embarked upon during the 2005/06 financial year was the convening of sittings of the House outside the seat of the Legislature, i.e. Bloemfontein. This constituted the provincial "Taking the Legislature to the People"-campaign and involved all divisions of the Legislature. Sittings of the House that considered the respective budget votes of the Appropriation Bill were convened in other

districts of the Province, namely the Thabo Mafutsenyana -, Northern Free State – and the Lejweleputswa districts. The sittings of the House were preceded by public hearings, site visits and meetings of Portfolio Committees that convened in the respective districts of the Province.

- c) The details of sittings of the House that convened during the 2005/2006 financial year are listed in Annexure Two.

4.3 Provincial Legislation

The following provincial legislation was considered and approved by the Legislature during the year under review;

- a) **Centre for Citizenship Education and Conflict Resolution Act Repeal Bill [B4-2004]**
The object of the bill was to repeal the Free State Centre for Citizenship Education and Conflict Resolution Act, 1996 (Act No. 10 of 1996) which established said Centre in order to reach finality with regard to the closing down of the Centre. The bill was tabled in the Legislature on 12 October 2004 and referred to the Committee on Finance, Office of the Premier and Legislature for consideration. The Committee reported the bill to the House on 22 November 2005. The second reading debate and the third reading of the bill were concluded on 22 November 2005.
- b) **Free State Tourism Authority Bill [B8-2004]**
The Bill repealed the Free State Tourism Marketing Board Act, 1997 [Act No 7 of 1997]. It establishes the Free State Tourism Authority and provides for its objectives, powers, functions and other matters related thereto. The bill was referred by the Speaker to the Committee on Tourism, Environmental and Economic Affairs during November 2004. the Committee reported the Bill to the House on 12 August 2005 where-after the second reading debate and the third reading of the bill were also concluded on 12 August 2005.
- c) **Mmabana Cultural Foundation Act Repeal Bill [B9-2004]**
The Mmabana Cultural Foundation Act, 1987 (Act No. 15 of 1987) was assigned to the Free State Province by the State President during 1994. The Premier subsequently designated the MEC responsible for Culture as the MEC responsible for administration of the said Act. The Mmabana Cultural Centre in Thaba Nchu was established in terms of the Act. The Department of Sport, Arts, Culture, Science and Technology has made transfer payments to the Mmabana Cultural Centre. However, since March 2002, the staff members were absorbed into the Department under the Public Service Act as a first step

to integrate the Centre into the Department. It was therefore necessary to repeal the Act in order to fully integrate this institution into the Department. The integration is aimed at improving the level of control that the Department has over the institution.

The bill was tabled in the Legislature on 12 August 2005 and referred to the Committee on Education and Sport, Arts, Culture, Science and Technology for consideration. The Committee reported the bill to the House on 17 September 2005. The second reading debate and third reading of the bill were concluded on 17 September 2005.

d) Free State Public Transport Bill [B10-2004]

The Free State Interim Passenger Transport Act, 1998 (Act No 16 of 1998) was enacted to regulate public transport and matters connected therewith in the Free State Province. The Act, as an interim measure, concentrated mainly on minibus-taxi type of public transport to the exclusion of other modes of land public transport. It became imperative to repeal it. The purpose of the Free State Public Transport Bill is to provide for a public transport system as a part of an integrated land transport for the Free State, compatible with the National Land Transport System and the Land Transport Systems of other provinces, to repeal the Free State Interim Transport Act to bring provincial public transport legislation in line with Chapter 2 of the National Land Transport Transition Act, 2000 (Act No. 22 of 2000) and to replace Chapter 3 of that Act as regards public transport matters that are dealt with in the Free State Public Transport Act and to provide for connected matters.

The bill was tabled in the Legislature was referred by the Speaker to the Committee on Public Works, Roads and Transport. The bill was reported by the Committee to the House on 25 August 2005. The second reading debate and third reading of the bill were also concluded on 25 August 2005.

e) Free State Traditional Leadership and Governance Bill [B12-2004]

The Free State Traditional Leadership and Governance Act No. 8 of 2005 provides for the recognition of traditional communities, recognition and establishment of traditional councils, recognition of traditional leaders, their roles and functions. The Act provides for the removal from office of traditional leaders. The Act also provides for provincial code of conduct of traditional leaders or members of traditional councils.

The bill was tabled in the Legislature on 2 December 2004 and referred to the Committee on Local Government and Housing for consideration. The Committee reported the bill to

the House on 22 November 2005 where-after the second reading debate and third reading of the bill were also concluded on 22 November 2005.

f) General Laws Repeal Bill [B1-2005]

The object of the Bill is to repeal certain laws, to make other laws applicable in the whole Free State Province and to provide for matters connected therewith. The bill was tabled in the Legislature on 17 March 2005 and was referred to the Committee on Finance, Office of the Premier and Legislature for consideration. The Committee reported the bill to the House on 22 November 2005. The second reading debate and third reading of the bill were also concluded on 22 November 2005.

g) Adjustment Appropriation Bill [B4-2005]

The object of the Bill is to appropriate adjusted amounts of money for the requirements of the Province in respect of the financial year ending 31 March 2006. The bill was tabled in the Legislature on 22 November 2005 and referred to the Committee on Finance, Office of the Premier and Legislature for consideration. The Committee reported the bill to the House on 2 December 2005. The second reading debate and third reading of the bill were also concluded on 2 December 2005.

h) Finance Bill [B2-2006]

The Auditor-General's report on accounts of the Free State Provincial Government for the 2003/04 financial year revealed certain unauthorized expenditure. These unauthorized expenditures do not form charges against the Provincial Revenue Fund until the expenditure concerned has been authorized by an Act. The Public Accounts Committee recommended that the unauthorized expenditure be authorized by the Provincial Legislature. Section 34 of the Public Finance Management Act regulates the authorizing of unauthorized expenditure. Section 34(1)(b) states that if expenditure is unauthorized for another reason than overspending, the Provincial Legislature may authorize the relevant unauthorized expenditure as a direct charge against the revenue fund. The bill authorized expenditure of R29 719 035.00 of the Department of Education with regard to expenditure incurred during the 1996/1997 and 1998/1999 financial years as these amounts are reflected in the financial statements for the 2003/04 financial year.

The bill was tabled in the Legislature on 17 March 2005 and referred for consideration to the Committee on Finance, Office of the Premier and Legislature. The Committee reported the bill to the House on 12 August 2005. The second reading debate and third reading of the bill were concluded on 12 August 2005.

i) Appropriation Bill [B1-2006]

The object of the bill is to provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Free State Province in the 2006/07 financial year and to provide for matters incidental thereto.

The Appropriation Bill was tabled in the Legislature on 17 February 2006 and referred for consideration to the Committee on Finance, Office of the Premier and Legislature. The Committee tabled its report and recommendations on the Bill on 14 March 2006. The second reading debate, specifically the consideration of the respective Budget Votes continued during the period 14 – 30 March 2006. The third reading of the bill concluded on 30 March 2006.

4.4 National Council Of Provinces

The National Council of Provinces (NCOP) is one of the two houses of Parliament. It represents the provinces to ensure that provincial interests are taken into account in the national sphere of government. It does this mainly by participating in the national legislative process, and by providing a national forum for public debate of important issues affecting the provinces.

4.4.1 Negotiating and Final mandates

The Standing Rules and Orders prescribes the process through which negotiating mandates and conferral of voting authority is regulated.

a) Negotiating mandates

A negotiating mandate was conferred on the Repeal of Black Administration Act and Amendment of Certain Laws Bill [B25-2005] Voting authority was, however, not conferred.

b) Conferral of Voting Authority

Although negotiating mandates were not extended, voting authority was conferred in respect of the following Bills;

- i) Constitution Twelve Amendment Bill [B33-2005]
- ii) Diamonds Second Amendment Bill [B39-2005]

c) Negotiating mandate and Conferral of Voting Authority

Negotiating mandates and voting authority were conferred in respect of the following Bills;

- i) National Credit Bill [B18-2005]
- ii) Education Laws Amendment Bill [B23-2005]
- iii) Forestry Laws Amendment Bill [B24-2005]
- iv) Division of Revenue Bill [B3-2006]

4.4.2 NCOP Sitings and other business

An overview of NCOP sittings and other business in which the Free State Legislature participated during the 2004/2005 financial year are listed in Annexure Three.

4.5 Procedural Papers of the House

- a) The Procedural Papers of the House are outlined in Rule 28 of the Standing Rules and Orders. All procedural papers are published in the three languages of record used by the Free State Legislature, i.e. English, SeSotho and Afrikaans. The procedural papers include the following;

4.5.1 Order Paper

The Order Paper sets out the agenda of the House on any given sitting day and is approved by the Speaker.

4.5.2 Minutes of Proceedings

The Minutes of Proceedings reflects the business dealt with by the House on any given sitting day and constitutes the journals of the Legislature.

4.5.3 Tablings, Announcement and Committee-Update (TAC)

The TAC is published every Friday, except when the Legislature is in recess and contains information regarding;

- a) Documents tabled and matters referred to Portfolio Committees by the Speaker in terms of Rule 197(1)(a);
- b) General information regarding official business attended to by Members outside the borders of the Province and
- c) Scheduled Committee-meetings, including details of dates, times and venues.

4.5.4 Question Papers

Elected representatives have the opportunity to ask direct questions to the Premier and Members of the Executive Council through the publication of the Question Paper. This is one of the procedural tools directly linked to the realization of the strategic objective regarding oversight and accountability. Question Papers are published every Wednesday, except when the Legislature is in recess. Three categories of questions may be placed on the Question Paper, namely;

- a) Questions for Oral Reply
- b) Questions for Written Reply
- c) Interpellations

Details of Question Papers published during the period under review are listed in Annexure Four.

SECTION FIVE

5. Committee-system of the Legislature

5.1 Introduction

One of the strategic objectives of the Legislature to conduct a quality process of oversight and accountability. The thrust of this strategic objective is to implement an oversight process that is based on a clear strategy and plan. Within this framework, the emphasis is on increasing the use of different oversight mechanisms and enhancing the efficiency of committee functioning. This is geared towards increasing the compliance of the Executive to their accountability obligations and delivering concrete results from the oversight process.

The successful functioning of the Legislature's Committee-system is therefore of vital importance to realize this strategic objective. The Committee-system of the Legislature comprises of three categories of Committees, namely Household -, Portfolio and Select Committees. The functions of these Committees are set out in detail in the Standing Rules and Orders of the Free State Legislature

5.2 Household Committees

Household Committees deal in general with the internal arrangements and activities of the Legislature. During the period under review, the following Household Committees were established in terms of the Standing Rules and Orders;

5.2.1 Committee on Rules and Orders

The Committee is chaired by the Speaker and is the highest decision-making body of the Legislature. The Committee established functional Sub-Committees as follows; (i) Budget and International Visits, (ii) Labour Relations and Human Resource Development and (iii) Review of Standing Rules and Orders.

5.2.2 Internal Arrangements Committee

The Committee is chaired by the Deputy Speaker and deals with facilities and amenities for Members of the Provincial Legislature. During the period under review, the Committee dealt, *inter alia*, with the provision of housing facilities to Members who resides outside the municipal boundaries of the city of Bloemfontein.

5.2.3 Programming Committee

The Programming Committee of the Legislature is a Household Committee established in terms of Rule 194 of the Standing Rules and Orders. The Committee is chaired by the Speaker and key stakeholders in the programme of the Legislature, for example, the Leader of Government Business, the Chairperson of Committees and senior Whips of the Legislature serve on the Committee. The Committee deals essentially with the programme of the Legislature.

5.2.4 Chairpersons' Panel

The Panel is chaired by the Chairperson of Committees and comprises of all Chairpersons of Portfolio Committees. The Panel considers all matters pertaining to the scope and functions of Portfolio Committees and advises on the Rules and Orders pertaining to Portfolio Committees. In addition, it deals with the referral of all NCOP-bills to relevant Portfolio Committees.

5.2.5 Whips' Committee

The Whips' Committee exercises the functions and powers conferred upon it by the Standing Rules and Orders of the Legislature. One of its main functions is to coordinate the arrangements re the procedural business of sittings of the House.

5.2.6 Committee on Ethics and Members' Interests

The Committee on Ethics and Members' Interests is charged with the following functions in terms of the Rule 190(4) of the Standing Rules and Orders with regard to the Code of Conduct and Ethics of Members of the Legislature;

- i) to implement the Code of Conduct for Members of the Legislature set out in the Schedule;
- ii) to develop standards of ethical conduct for Members;
- iii) to serve as an advisory and consultative body, both generally and to Members, concerning the implementation of the Code;
- iv) to regularly review the Code and make recommendations for its amendment; and
- v) to perform the other functions and exercise the powers reasonably assigned to the Committee in the Code and in terms of resolutions adopted in the House.

5.2.7 Women's Multi-Party Caucus

The caucus comprises of all women MPL's from all political parties represented in the Legislature.

5.3 Portfolio Committees

- a) Meetings of Portfolio Committees convene as per the approved programme of the Legislature. It should, however, be noted that only 17 out of the total number of 30 elected representatives are available to serve on Portfolio Committees. This results in a situation where one Member of the Provincial Legislature serves on at least 3 to 4 Portfolio Committees. As a result, the Legislature faces serious constraints in scheduling Committee-meetings to ensure that a quorum of Members is available in each Committee-meeting. This again has a consequential impact on the number of meetings scheduled for each Portfolio Committee.
- b) There are eight Portfolio Committees that are responsible to perform the powers, scope and functions set out in the Standing Rules and Orders, specifically Rules 197 and 198. These Committees are as follows;
- i) Public Accounts Committee
 - ii) Education and Sport, Arts, Culture, Science & Technology Committee
 - iii) Finance, Office of the Premier and Legislature Committee
 - i) Health and Social Development Committee
 - v) Local Government and Housing Committee
 - vi) Public Works, Roads and Transport Committee
 - vii) Safety and Security and Agriculture Committee
 - viii) Tourism, Environmental and Economic Affairs Committee

5.3.1 Public Accounts Committee

5.3.1.1 Composition

- a) The composition of the Committee, as at 31 March 2006, was as follows;

Chairperson:	Mr. Oosthuizen, A.	[FF]
Members:	Ms. Buthelezi, M.A.	[ANC]
	Mr. Magashule, E.S.	[ANC]
	Dr. Malakoane, B.	[ANC]
	Mr. Maloka, P.N.	[ANC]
	Mr. Sesele, K.	[ANC]
	Mr. Frewen, P.	[DA]
	Mr. Nordier, C.	[ACDP]

5.3.1.2 Functions

- a) The main functions of the Committee are as follows;
 - i) to consider Reports of the Auditor-General as tabled in the Legislature and referred to the Public Accounts Committee;
 - ii) to make recommendations to the Free State Legislature;
 - iii) to monitor the implementation of resolutions of the Committee, as adopted by the Legislature and
 - iv) to make further recommendations to the House regarding the implementation of resolutions.

5.3.1.3 Method of Work

An approved method of work for the Committee has been adopted. The work of the Committee necessitates a close working relationship with both the Office of the Auditor-General and the Provincial Treasury.

5.3.1.4 Overview of Activities

The Committee considered and made recommendations to the House regarding, *inter alia*, the following matters;

- a) Replies of the Provincial Treasury to resolutions of the Legislature on the reports of the Auditor-General;
 - Forensic audit investigation into alleged irregularities at the Free State Provincial Treasury;
 - Department of the Premier;
 - Department of Tourism, Environment and Economic Affairs;
 - Department of Education;
 - Department of Agriculture;
 - Free State Youth Commission
 - Phakisa Major Sport Events;
 - Free State Development Corporation;
 - Forensic audit investigation into alleged irregularities at Free State Gambling and Racing Board;
 - Forensic audit investigation into alleged irregularities at Free State Liquor Board regarding forged liquor licenses;
 - Report of the Auditor General on the accounts of the Provincial Revenue Fund for the year ended 31 March 2003.

b) Reports of the Auditor-General on the financial statements and the results of performance measurement of the following Free State Provincial Municipalities for the financial year ended 30 June 2004;

- Masilonyana Local Municipality;
- Motheo District Municipality;
- Ngwathe Local Municipality;
- Mohokare Local Municipality;
- Moqhaka Local Municipality;
- Xhariep District Municipality;
- Naledi Local Municipality;
- Tokologo Local Municipality;
- Metsimaholo Local Municipality;
- Kopanong Local Municipality;
- Matjhabeng Local Municipality;
- Lejweleputswa District Municipality;
- Nala Local Municipality;
- Tswelopele Local Municipality;
- North Free State District Municipality;
- Dihlabeng Local Municipality;
- Setsoto Local Municipality;
- Mafube Local Municipality;
- Maluti-a-Phofung District Municipality;
- Phumelela Local Municipality;
- Thabo Mofutsanyana District Municipality;
- Mantsopa Local Municipality;
- Nketoana Local Municipality;
- Letsemeng Local Municipality; and
- Mangaung Local Municipality.

c) Reports of the Auditor-General on the annual financial statements of Departments of the Free State Provincial Government, Free State Legislature and Public Entities for the financial year ended 31 March 2005 and forensic investigations into alleged irregularities at certain Departments, Public Entities and Municipalities;

- Accounts and Annual Financial Statements of Vote 1 – Office of the Premier of the Free State Provincial Government;
- Accounts and Annual Financial Statements of Vote 2 – Free State Legislature;
- Accounts and Annual Financial Statements of Vote 3 – Tourism, Environmental and Economic Affairs Department of the Free State Provincial Government;
- Accounts and Annual Financial Statements of Vote 4 – Finance and Expenditure Department of the Free State Provincial Government;
- Accounts and Annual Financial Statements of Vote 5 – Health Department of the Free State Provincial Government;
- Accounts and Annual Financial Statements of Vote 6 – Education Department of the Free State Provincial Government;
- Accounts and Annual Financial Statements of Vote 7 – Social Development Department of the Free State Provincial Government;
- Accounts and Annual Financial Statements of Vote 8 – Local Government and Housing Department of the Free State Provincial Government;
- Accounts and Annual Financial Statements of Vote 10 – Safety and Security Department of the Free State Provincial Government;
- Accounts and Annual Financial Statements of Vote 11 – Agriculture Department of the Free State Provincial Government;
- Preliminary Forensic Audit Investigation into alleged irregularities at the Department of Education;
- Forensic Audit Investigation into alleged irregularities at the Matjhabeng Municipality;
- Forensic Audit Investigation into alleged irregularities regarding tenders at the Phumelela Municipality;
- Forensic Audit Investigation into alleged irregularities at the Lejweleputswa District Municipality;
- Financial statements of the Provincial Revenue Fund for the year ended 31 March 2004;
- Performance Audit of the Management of sick leave benefits at the Department of Health;
- Annual Financial Statements of the Free State Development Corporation (FDC);
- Annual Financial Statements of the Free State Housing Fund;
- Annual Financial Statements of the Free State Gambling and Racing Board; and
- Annual Financial Statements of the Phakisa Major Sport Events and Development Corporation;

- d) The Public Accounts Committee also participated in the following conferences and training initiatives;
- i) Mr. A. Marais participated in the South African Development Community Organisation of Public Accounts Committees (SADCOPAC) Conference held in Tanzania from 7 to 13 May 2005.
 - ii) The annual conference of the Association of Public Accounts Committees (APAC) held from 2 to 5 October 2005 in the North West Province.

5.3.2 Education and Sport, Arts, Culture, Science & Technology Committee

5.3.2.1 Composition

- a) The composition of the Committee, as at 31 March 2006, was as follows;

Chairperson:	Mr. Sesele, K.	[ANC]
Members:	Mr. Kotsoane, I.W.	[ANC]
	Mr. Maloka, P.N.	[ANC]
	Mr. Nketu, M.P	[ANC]
	Ms. Thoabala, M.	[ANC]
	Mr. Frewen, P.	[DA – for Education-related matters]
	Mr. Alexander, B.	[DA – for Sport & Arts-related matters]
	Mr. Nordier, C.	[ACDP]

5.3.2.2 Functions

The Committee deals with all functional areas of the Departments of Education and Sport, Arts, Culture, Science and Technology and relevant NCOP-matters.

5.3.2.3 Overview of Activities

The Committee considered, *inter alia*, the following matters;

- a) A public hearing was convened in Senekal to facilitate public input on the budget of the Department of Education.
- b) A meeting was convened in Parys to consider the budget of the Department of Sport, Arts, Culture, Science and Technology.

- c) Consideration of Committee reports on (i) site visits to schools dealing with juveniles in conflict with the law and (ii) the budgets of the Departments of Education and Sport, Arts, Culture, Science & Technology.
- d) Consideration of Mmabana Cultural Foundation Act Repeal Bill.
- e) Briefing on Education Laws Amendment Bill [NCOP].
- f) Public hearing on Education Laws Amendment Bill held during October 2005 in Kroonstad.
- g) Formulation of negotiating mandate on Education Laws Amendment Bill.
- h) Site visit to schools with regard to 2006 enrolment readiness conducted from 26 – 27 October 2005. Schools visited included;
 - i) **Lejweleputswa District**
Aurora Primary School, Gymnasium Secondary School, Nanabolela Secondary School and Tosa (Goldfields FET) College.
 - ii) **Northern Free State District**
Credo Primary School, Kaho Botjha Secondary School, Sasolburg High School and Flavius Mareka FET College.
 - iii) **Thabo Mafutsanyana District**
M.J. Mohlahli Primary School, Marallaneng Secondary School and Masaleng Secondary School.
- i) Conferral of voting authority: Education Laws Amendment Bill
- j) Consideration of report with regard to (i) 2006 enrolment readiness; (ii) strategic plan of the Department of Education and (iii) Visit to Motheo FET Colleges.
- k) Briefing on Strategic Plan of the Department of Sport, Arts, Culture, Science and Technology

5.3.3 Finance, Office of the Premier and Legislature Committee

5.3.3.1 Composition

- a) The composition of the Committee, as at 31 March 2006, was as follows;

Chairperson:	Ms. Mokoenanyana	[ANC]
Members:	Ms. Buthelezi, M.A.	[ANC]
	Dr. Malakoane, B.	[ANC]
	Ms. Mokoenanyana, T.	[ANC]
	Ms. Qabathe, M.	[ANC]
	Mr. Frewen, P.	[DA]
	Mr. Oosthuizen, A.	[FF]
	Mr. Nordier, C.	[ACDP]

5.3.3.2 Functions

The Committee deals with the functional areas of the Free State Legislature, the Office of the Premier and the Provincial Treasury and relevant NCOP-matters.

5.3.3.3 Overview of activities

The Committee considered, *inter alia*, the following matters;

- a) A meeting was convened with Chief Financial Officers of the Northern Free State district as part of the consideration of the Appropriation Bill.
- b) Consideration of draft programme of the Committee and the Short-listing of candidates nominated for Free State Youth Commission.
- c) Consideration of the Finance Bill.
- d) Briefing on Repeal of Black Administration Act and Amendment of Certain Laws Bill; Consideration of report on General Laws Repeal Bill; Consideration of the report on Free State Centre for Citizenship Education and Conflict Resolution Act Repeal Bill.
- e) Formulation of negotiating mandate on Repeal of Black Administration Act and Amendment of Certain Laws Bill.
- f) Consideration of Appropriation Bill and the Committee's report on the Appropriation Bill.

- g) Conferring of negotiation mandate and voting authority in respect of the Division of Revenue bill.

5.3.4 Health and Social Development Committee

5.3.4.1 Composition

The composition of the Committee, as at 31 March 2006, was as follows;

Chairperson:	Dr. Malakoane, B.	[ANC]
Members:	Ms. Buthelezi, M.A.	[ANC]
	Ms. Mokoanyana, T.	[ANC]
	Mr. Nketu, M.P.	[ANC]
	Ms. Qabathe, M.	[ANC]
	Mr. Alexander, B.	[DA]
	Mr. Nordier, C.	[ACDP]

5.3.4.2 Functions

The Committee deals with all functional areas of the Departments of Health and Social Development and relevant NCOP-matters.

5.3.4.3 Overview of activities

The Committee considered, *inter alia*, the following matters;

- a) A meeting convened in Parys and a public hearing convened in Sasolburg to consider the budgets of the Departments of Health and Social Services.
- b) Consideration of Strategic Plan of Committee.
- c) Briefing and consideration of Older Persons' Bill [NCOP]
- d) Departmental briefing and conferring of voting authority on the Older Persons' Bill, consideration of Committee programme and report back on AWEPA.
- e) Performance of the Committee; Consideration of site visit report [17 October '05]
- f) Consideration of Motheo District site visit report

5.3.5 Local Government and Housing Committee

5.3.5.1 Composition

The composition of the Committee, as at 31 March 2006, was as follows;

Chairperson:	Ms. Mokoenyana, T.	[ANC]
Members:	Mr. Magashule, E.S.	[ANC]
	Mr. Matosa, P.Z.	[ANC]
	Ms. Qabathe, M.	[ANC]
	Mr. Sesele, K.	[ANC]
	Ms. Thoabala, M.	[ANC]
	Mr. Frewen, P.	[DA]
	Mr. Oosthuizen, A.	[FF]

5.3.5.2 Functions

The Committee deals with all matters pertaining to the Department of Local Government and Housing and relevant NCOP-matters.

5.3.5.3 Overview of activities

The Committee considered, *inter alia*, the following matters;

- a) A meeting was convened in Qwaqwa to consider the budget of the Department of Local Government and Housing.
- b) Consideration of Free State Traditional Authority Bill.
- c) Consideration of the financial situation in Xhariep district.
- d) Consideration of the draft Committee report on the Free State Traditional Leadership and Governance Bill.
- e) Conferral of voting authority in respect of the Constitution Twelve Amendment Bill [NCOP]
- f) Consideration of the programme and business plan of the Committee.

5.3.6 Public Works, Roads and Transport Committee

5.3.6.1 Composition

The composition of the Committee, as at 31 March 2006, was as follows;

Chairperson:	Mr. Nketu, M.P.	[ANC]
Members:	Mr. Kotsoane, I.W.	[ANC]
	Mr. Mofokeng, T.H.	[ANC]
	Mr. Sesele, B.K.	[ANC]
	Ms. Qabathe, M.	[ANC]
	Mr. Alexander, B.	[DA]
	Mr. Oosthuizen, A.	[FF]

Mr. M.P. Nketu was elected as Chairperson of the Public Works, Roads and Transport Committee on 17 May 2005 following the resignation of the previous Chairperson, Ms. T. Mokoanyana.

5.3.6.2 Functions

The Committee deals with all matters pertaining to the Department of Public Works, Roads and Transport and relevant NCOP-matters.

5.3.6.3 Overview of activities

The Committee considered, *inter alia*, the following matters;

- a) Briefing by MEC: Public Works, Roads and Transport on Extended Public Works Programme.
- b) A meeting was convened in Qwaqwa to consider the budget of the Department of Public Works, Roads and Transport.
- c) Consideration of Free State Public Transport bill.
- d) Presentation of Departmental programme
- e) Site visit to Testing Centers conducted from 4 – 5 November 2005 as follows;

i) Thabo Mafutsanyana District

The Testing Centers at Senekal, Harrismith and Bethlehem were visited.

ii) Lejweleputswa District

The Testing Centers at Welkom, Virginia, Odendaalsrus and Bothaville were visited.

iii) Fezile Dabi District

The Testing Centers at Viljoenskroon, Vredefort, Parys, Sasolburg, Koppies and Kroonstad were visited.

5.3.7 Safety and Security and Agriculture Committee

5.3.7.1 Composition

a) The composition of the Committee, as at 31 March 2006, was as follows;

Chairperson:	Mr. Matosa, P.Z.	[ANC]
Members:	Mr. Kotsoane, I.W.	[ANC]
	Mr. Magashule, E.S.	[ANC]
	Mr. Mofokeng, C.	[ANC]
	Ms. Thoabala, M.	[ANC]
	Mr. Botha, A.	[DA]
	Mr. Nordier, C.	[ACDP]

5.3.7.2 Functions

The Committee deals with all functional areas of the Departments of Public Safety, Security and Liaison and Agriculture as well as NCOP-matters.

5.3.7.3 Overview of activities

The Committee considered, *inter alia*, the following matters;

- a) Public hearings were convened in Viljoenskroon and Welkom to facilitate public input on the budget of the Department of Agriculture and the Department of Public Safety, Security and Liaison.
- .
- b) Visit to NAMPO conducted from 17 – 20 May 2005.

- c) The Committee hosted the National Assembly Committee on Agriculture and Land Affairs to oversee land care and land restitution project and received general briefing.
- d) Visited Fezile Dabi district, namely Parys, Sasolburg and Oranjeville (15 august)
- e) Visited Lejweleputswa district, namely Wesselsbron, Odendaalsrus, Welkom and Henneman (16 August)
- f) Visited Motheo district, namely Bloemfontein, Botshabelo, Thaba 'Nchu and Dewetsdorp (17 August)
- g) Election of new Chairperson of Committee (6 October)
- h) Distribution of Station Monitoring Tool to various police stations in the Free State Province.
- i) Meeting with University Free State, Land Bank and NAFU to discuss matters related to agriculture.
- j) Meeting with SAPS Provincial Commissioner and AGRI-SA.

5.3.8 Tourism, Environmental and Economic Affairs Committee

5.3.8.1. Composition

- a) The composition of the Committee, as at 31 March 2006, was as follows;

Chairperson:	Ms. Buthelezi, M.A.	[ANC]
Members:	Mr. Kotsoane, I.W.	[ANC]
	Dr. Malakoane, B.	[ANC]
	Mr. Matosa, P.Z.	[ANC]
	Mr. Mofokeng, C.	[ANC]
	Mr. Botha, A.	[DA]
	Mr. Alexander, B.	[DA]

5.3.8.2 Functions

The Committee deals with all functional areas pertaining to the Department of Tourism, Environmental and Economic Affairs as well as NCOP-matters.

5.3.8.3 Overview of activities

The Committee considered, *inter alia*, the following matters;

- a) A public hearing was convened in Odendaalsrus to facilitate public input on the budget of the Department of Tourism, Environmental and Economic Affairs.
- b) Consideration of Tourism Authority Bill.
- c) Briefing by Department on Strategic Plan of the Department.
- d) Briefing by the Free State Development Corporation on strategic plan of the Corporation.
- e) Briefing on Forestry Laws Amendment Bill and National Credit Bill [NCOP].
- f) Formulation of negotiating mandates with regard to (i) National Credit Bill and (ii) Forestry Laws Amendment Bill [NCOP].
- g) Consideration of Committee reports on; (i) Strategic Plan of the Department of Tourism, Environmental and Economic Affairs and (ii) Annual Report of the Free State Development Corporation.

5.4 Budget allocations to Portfolio Committees

Provision is made for specific budget allocations to Portfolio Committees. Expenditure with regard to traveling, accommodation, catering and transport (rental vehicles and public transport) arising from Committee-activities, including NCOP-matters, are allocated to the specific Portfolio Committees. The Chairpersons of Portfolio Committees are responsible for consideration and recommendation of relevant service providers to be utilized.

SECTION SIX

6. Procedural and administrative support services

Procedural and administrative support services are rendered to the Legislature through the implementation of the organizational structure approved by the Rules and Orders Committee. The core functions of each of the main functional areas of the administrative and procedural support services as well as of the Legislature are as follows;

6.1 Office of the Secretary to the Legislature

The Office of the Secretary to the Legislature comprises of the Internal Audit Unit, the Public Participation and Education Unit, the Security Unit and an Administrative Unit.

6.1.1 Internal Audit Unit

a) The Internal Audit Unit continued to function with only one staff member being during the financial year under review. During the 2005/2006 financial year, the Unit produced the following internal audit reports;

- i) Report on Housing Guarantees.
- ii) Report on the investigation on possible contravention of the Leave Policy on Examination by some staff members for the period 1 April 2004 to 31 March 2005.
- iii) The Level of Indebtness of the Free State Legislature staff to garnishing orders.
- iv) Overtime claims of the Human Resource Directorate for the period 1 April 2005 to 31 January 2006.

The above-mentioned reports were considered and approved by the Audit Committee.

b) The appointment of the Audit Committee was finalized in compliance with the terms of reference approved by the Rules and Orders Committee during the previous financial year. Although the Audit Committee commenced with its functions late during the financial year under review, critical framework documentation was approved by the Committee. These are as follows;

- i) Internal Audit Charter

- ii) Internal Audit Methodology
 - iii) Fraud Prevention Plan
- c) A report on financial misconduct (as tabled and approved by the Speaker) was also submitted to the Audit Committee who approved the report and action taken. The report was also filed with the Auditor-General and Provincial Treasury as required in terms of the PFMA.
- d) Relevant computerized audit software was acquired for use by the Internal Audit Unit that offers an integrated audit software solution. The purchase of the software was funded through the Legislature Support Programme whilst the Legislature remains responsible for payment of support and maintenance fees.

6.1.2 Public Participation and Education Unit

- a) Section 118(1) of the Constitution requires that the Provincial Legislature must facilitate public involvement in the legislative and other processes of the Legislature and its Committees and to conduct its business in an open manner. This constitutional obligation has been incorporated into the strategic plan of the Legislature as manifested in the one of the strategic objectives as follows; “To develop and implement a public participation programme that further builds a people-centred Legislature that is responsive to the needs of all the people of the Free State Province”.
- b) The Public Participation and Education Unit comprises of two components, namely Public Participation & Education and Public Relations. The Unit is responsible to undertake a programme aimed at the promotion of public education, information and awareness initiatives. Attention was also focused on skills development through the facilitation of exchange programmes with Parliament and the Gauteng Provincial Legislature. A Public Participation Practitioners workshop was also facilitated for the Legislature by the Centre for Public Participation. Participation in this workshop was also extended to the Parliamentary and Media Officers of the Premier and Members of the Executive Council.

6.1.2.1 Key activities

In addition to determining its own priorities and programmes, some priorities are determined and shared amongst the legislative sector at national level. Key activities initiated and/or facilitated by the Unit included the following;

a) “Taking Parliament to the People” campaign

The change in approach to sittings of the Legislature scheduled for the consideration of the Appropriation Bill resulted in the convening of Committee-meetings, public hearings and sittings of the Legislature in various districts of the Free State Province. The programme unfolded as follows;

i) Maluti-a-Phofung

- A public hearing was convened by the Committee on Education & Sport, Arts, Culture in the Setsoto Municipality (specifically in Senekal) to facilitate public input on the budget of the Department of Education.
- The Committee on Local Government and Housing and the Committee on Public Works, Roads and Transport convened Committee meetings in Qwaqwa to consider the budgets of respectively the Department of Local Government and Housing and the Department of Public Works, Roads and Transport.
- The debates on the budget votes of the (i) Department of Education, (ii) Department of Local Government and Housing and (iii) Department of Public Works, Roads and Transport convened in the Maluti-a-Phofung district. The Old Parliament building in Qwaqwa was used for this purpose.

ii) Northern Free State District

- The Committee on Finance, Office of the Premier and Legislature convened a meeting with all Chief Financial Officers (CFO's) of the district in the Moqhaka Municipality (specifically Kroonstad) and another meeting with CFO's in Sasolburg.
- The Committee on Safety and Security and Agriculture convened a public hearing to facilitate public input on the budget of the Department of Agriculture in the Tshephala Community Hall in Viljoenskroon.
- The Committee on Health and Social Services convened a meeting to consider the budgets of the Departments of Health and Social Services in Parys and a public hearing in Sasolburg to facilitate public input on the budget of the two departments.

- The Committee on Education and Sports, Arts, Culture, Science and Technology convened a meeting to consider the budget of the Department of Sport, Arts, Culture, Science and Technology in Parys.
- The debate on the budget vote of the Department of Agriculture convened in the Town Hall of the Metsimaholo Municipality, specifically Sasolburg.
- The debate on the budget votes of the (i) Department of Sport, Arts, Culture, Science and Technology, (ii) Department of Social Services and (iii) Department of Health and (iv) the Free State Legislature convened in the Etienne Rousseau Theatre in Sasolburg.

iii) Lejweleputswa District

- The Committee on Safety and Security and Agriculture convened a public hearing in order to facilitate public input on the budget of the Department of Public Safety, Security and Liaison in the T.S. du Plessis Town Hall in the Matjhabeng Municipality (Welkom).
- The Committee on Tourism, Environmental and Economic Affairs facilitated a public hearing in order to facilitate public input on the budget of the Department of Tourism, Environmental and Economic Affairs in Odendaalsrus.
- The Committee on The Committee on Finance, Office of the Premier and Legislature convened a meeting with all Chief Financial Officers (CFO's) of the district in the Moqhaka Municipality, Welkom.
- The debate on the budget votes of the (i) Department of Tourism, Environmental and Economic Affairs and (ii) Department of Public Safety Security and Liaison convened in the Thabong Community Centre in Welkom. The debate on the budget vote of the Provincial Treasury convened at the Welkom Club.

iv) Motheo District

The debate on the budget vote of the Department of the Premier, as well as the Committee Stage and third reading of the Appropriation Bill convened in the Fourth Raadzaal, Bloemfontein.

b) Free State Legislature / Medihelp National Business Challenge Relay Series

The Legislature is one of the co-sponsors of the Medihelp National Business Challenge Relay Series. This sponsorship was concluded for a period of three years, i.e. 2006 to 2008. The event took place on 18 March 2006 in Bloemfontein and provides a platform for the promotion of a healthy lifestyle and the encouragement of team spirit amongst the various teams that participate in the event. The project comprises of a series of relay events in which participants either enter the walk or run categories. It is staged in five South African cities, namely (i) Bloemfontein, (ii) Port Elizabeth, (iii) Durban, (iv) Pretoria and (v) Cape Town.

c) Africa Day celebrations

A new project facilitated by the Legislature was the Africa Day Celebrations on 23 May 2005. The celebrations comprised of a tree-planting ceremony at the Seisa Ramabodu Stadium, Bloemfontein. Cultural events were performed by Flaxman Qopane and Zolani Mkiva. Following the tree-planting ceremony, a soccer match was played between the teams of the Free State Legislature and the Lesotho Parliament. A gala event was held during the evening at which the internationally acclaimed Ladysmith Black Mambazo and Peter Ntwane performed. The Legislature also published a booklet comprising information about the national flags and capital cities of each country on the African continent, the constitutive act of the African Union and information regarding the New Partnership for Africa's Development (NEPAD).

d) OR Tambo Games

The provincial finals of the OR Tambo Games were held from 17 to 19 June 2005 in Qwaqwa. The OR Tambo Games constituted the main celebrations of Youth Month facilitated by the Free State Legislature. The project involved the participation of schools in various sporting codes, including; (i) soccer, (ii) netball, (iii) basketball, (iv) volleyball, (v) tennis, (vi) table tennis and (vii) athletics. The Provincial Finals were preceded by the finals facilitated in each of the 5 districts of the Province.

e) People's Assembly

- i) The People's Assembly was held on 27 June 2005 at the Motheo FET College in Thaba 'Nchu. A provincial workshop in preparation for the People's Assembly was facilitated for participants on 10 June 2005 in Bloemfontein. The objectives of the People's Assembly were to;

- mark the 50th anniversary of the Congress of the People in Kliptown;

- create an opportunity for the public, particularly the most marginalized of communities, to engage with Parliament, the Provincial Legislatures and local governments;
- build the legacy of active participation by the public which is reflected in the Kliptown gathering of 1955 and the writing of the democratic Constitution and
- provide a vehicle for people's voices to be heard on issues affecting them.

ii) The themes of the 2005 People's Assembly were;

- Eradicating poverty and under-development;
- Safety and Security
- Public participation – communication issues affecting marginalized communities
- Unity in diversity

iii) The People's Assembly enabled participants to interact with the elected representatives of the Free State Legislature. The SABC also facilitated a live satellite-link broadcast with the National Assembly and other Provincial Legislatures through live transmission and cross-overs between the various events.

f) Land Summit

The Legislature, through its Public Participation Unit and the Portfolio Committee on Safety & Security and Agriculture, partnered with the Provincial Department of Agriculture in the Land Summit held during June 2005. The Summit formed part of the national Ministry of Land Affairs and Agriculture's celebration of the 50th anniversary of the adoption of the Freedom Charter. The Summit focused on the following issues;

- Land reform as a vehicle to economic development
- Land use planning
- Access to finance
- Foreign land ownership
- Land use rights

g) Annual South African Schools' Cycling Competition

The Public Participation Unit was invited by the Southern Free State Cycling Association to promote awareness of the role, functions and activities of the Free State Legislature during the annual South African Schools' Cycling competition that took place at the

Xhariep-dam during July 2005. More than 500 cyclists in 5 different age groups participated in the event and the Unit was able achieve its objectives through its exhibition and distribution of information material.

h) Women's Parliament

The Women's Parliament was held on 22 August 2005 at the Fourth Raadzaal, Bloemfontein.

i) Bloemfontein Show

The Legislature facilitated an exhibition at the Bloemfontein Show held from 16 to 25 March 2006 in Bloemfontein. Participation in the Show provides a platform to promote the Legislature's activities and to raise public awareness about the Legislature as a democratic institution.

6.1.3 Administrative Unit

The Administrative Unit is responsible for the rendering of specific and general administrative services to the Secretary to the Legislature, the Manager: Secretary's Office and the Internal Audit and Security Units. The Unit is also responsible for the establishment and maintenance of a procedural archive of sittings of the Legislature.

6.1.4 Security Unit

The Security Unit deals on a continuous basis with all aspects pertaining to matters of security and cooperates with the South African Police Services and/or other organizations, as and when the need arises.

6.2 Office of the Legal Advisor

a) The Office of the Legal Advisor is responsible for the rendering of all legal services to the Presiding Officers, Committees, Members and the Office of the Secretary to the Legislature. The Office cooperates, *inter alia*, on relevant matters with the State Law Advisors, the Office of the State Attorneys and private law firms, if and when necessary. The Office also advises and/or represents the Legislature in labour matters.

b) The Office of the State Attorneys continued to deal with various matters pertaining to outstanding debt to the Legislature. In one of the matters, outstanding debt arising from damage caused to the fence around the Fourth Raadzaal was fully recovered and settled. The recovery of outstanding debt through an emolument order (obtained during the previous financial year) continued during the 2005/2006 financial year. Two new

matters were handed to the Office of the State Attorneys during the year. One of the new matters involving the recovery of study-aid was completed whilst agreement for repayment of debt was reached in the other matter.

- c) There were no major developments regarding the two other units located in the Office of the Legal Advisor, namely (i) the Monitoring and Compliance Unit and (ii) the Members' Interests Unit. The Members' Interests Unit continued to comprise of only one staff member and deals with matters pertaining to the Register of Members' Interests as well as training, development and special interest needs and requirements of elected representatives. No progress could be made with regard to the establishment of the Monitoring and Compliance Unit as a result of budgetary constraints.

6.3 Division: Procedural Services

- a) The Procedural Services Division comprises of the Office of the Deputy Secretary: Procedural Services and the Directorates of Hansard and Legislation and Proceedings. The Table Services Unit deals with the drafting and production of all procedural documentation of the Legislature.
- b) The Directorate: Hansard is responsible for the production of verbatim reports of sittings and/or Committee-meetings as well as the rendering of translation and interpretation services. A terminology development unit is also established in the Directorate. It should be noted that the Hansard is produced in the three languages of record of the Legislature, i.e. English, SeSotho and Afrikaans.
- c) The Directorate Legislation and Oversight comprises of two components, namely Committee and Research Services Section and the NCOP and Library Section. Further additional appointments in the Directorate did not materialize during the 2005/2006 financial year due to financial constraints.

6.4 Division: Corporate Services

- a) The Division Corporate Services comprises of the Office of the Deputy Secretary: Corporate Services (including the Procurement Unit) and two Directorates, namely (i) Human Resource Management and (ii) Institutional Support. Provision was made for an Internal Policy Coordinator in the Office of the Deputy Secretary: Corporate Services.
- b) The Directorate: HR Management is responsible for the rendering of all human resource related functions, including personnel administration, labour relations, skills development

and social responsibility. Provision was also made for the establishment of a Performance Management Unit. The Directorate has been formally structured into units, namely (i) Personnel Administration, (ii) Skills Development, (iii) Employee Assistance Unit, (iv) Labour Relations and (v) Performance Management. The first phase of the review process of existing job descriptions were concluded during the period under review.

- c) The Directorate: Institutional Support comprises of the following units; (i) Information Technology, (ii) Household Services and (iii) Members' Support Services. Some of the key activities of the Directorate included; (i) the further development of the Legislature's website, (ii) the upgrade of key IT-infrastructure, (iii) provision of recording and sound services, (iv) operational management of the vehicle fleet, (v) administration of communication facilities and (vi) technical and general maintenance of offices, furniture and equipment.

6.5 Division: Finance

The Finance Division comprises of the following units; (i) budget section, (ii) payment section, (iii) accounting services and (iv) asset and fleet management. Activities of the Division relate to the core business of each of the units. The Division was also extensively involved in the finalization of the new budget structure of Provincial Legislatures that will be introduced for the 2006/2007 financial year.

SECTION SEVEN

7. Legislature Support Programme (Funded by the European Union)

7.1 Introduction

The Legislatures Support Programme, funded by the European Union, is a three-year programme designed to contribute to the strengthening of democracy and good governance. The specific purpose is to support the South African Legislatures (national and provincial) to fulfill their Constitutional mandates in a citizen-oriented manner.

7.2 Administration of the programme

Funding is allocated to Parliament and each of the Provincial Legislatures. Funding is not directly transferred to the Legislature. The Programme Management Unit is based in Cape Town and applications for funding in accordance with funds allocated to specific result areas are submitted for approval before expenditure can be incurred. Activities undertaken through the programme is agreed-upon and coordinated between the Office of the Presiding Officers and the Secretary to the Legislature. The coordination and implementation of the programme and specific activities are located in the Office of the Accounting Officer and is the direct responsibility of the Manager: Office of the Secretary.

7.3 Funding available in terms of Result Areas

Funding is available for specific purposes in five defined result areas, namely;

- i) Result Area One:
Law-making systems and processes, policy development, assessment of implementation capacity, oversight and accountability improved
- ii) Result Area Two:
Public Participation in decision-making enhanced and education in democracy developed
- iii) Result Area Three:
Improved equality on gender and disability in the Legislature
- iv) Result Area Four:
Skills in Legislatures improved
- v) Result Area Five:
ICT facilities and equipment in Legislatures enhanced

7.4 Projects / Activities undertaken

Approval to incur expenditure was obtained from the Legislature Support Programme in respect of the above-mentioned result areas during the 2005/2006 financial year and activities were consequently undertaken as follows;

a) Result Area One:

[Law-making systems and processes, policy development, assessment of implementation capacity, oversight and accountability improved.] Funded approval for activities was obtained in respect of the following;

- i) Strategic Planning workshop for the Rules and Orders Committee and senior management
- ii) Change management workshop
- iii) Compilation of rulings by Presiding Officers from 1994 to 2004
- iv) Alignment of internal audit methodology to Pro-audit software
- v) Development of system description for leave and overtime
- vi) Review of remuneration structure of senior management
- vii) Printing of Hansard Volume 91

b) Result Area Two:

[Public Participation in decision-making enhanced and education in democracy developed.] Funding approval for activities was obtained in respect of the following;

- i) Production of video / dvd recordings of sittings of the Legislature during the consideration of the Appropriation Bill as part of the "Taking Parliament to the People campaign".
- ii) Printing of booklet on provincial and national symbols.
- iii) Partial funding of catering requirements for Africa Day celebrations.
- iv) Partial funding of catering requirements for preparatory workshop for the People's Assembly
- v) Partial funding of catering requirements for People's Assembly.
- vi) Partial funding for People's Assembly (provision of big screens)
- vii) Partial funding of transport from Motheo and Xhariep districts to People's Assembly.
- viii) Printing of stickers to promote awareness of local government elections
- ix) Partial funding for catering of Women's Parliament.

- x) Partial funding for provision of transport for women's consultative meeting held in Ladybrand.
 - xi) Production of video of official opening (2006)
 - xii) Gifts for official opening (2006)
- c) Result Area Three:
 [Improved equality on gender and disability in the Legislature.] Funding approval for activities was obtained in respect of the following;
- i) Men and Masculinities Training
 - ii) Gender analysis of budgets
 - iii) Training to promote awareness re sexual harassment and the implications thereof for the Free State Legislature
- d) Result Area Four:
 [Skills in Legislatures improved.] Funding approval for activities was obtained in respect of the following;
- i) APAC Skills Training Workshop (July 2005): Members and staff
 - ii) Assertiveness training: Staff
 - iii) Budget management and reporting in the public sector: Staff
 - iv) Payroll manager refresher seminar: Staff
 - v) Facilities Disaster and Emergency Preparedness Conference: Staff
 - vi) Twists and Turns of Leave and Absenteeism Seminar: Staff
 - vii) Training on internal leave and overtime systems and procedures: Staff
 - viii) Public Participation Practitioners Training Workshop: Staff
 - ix) SA Labour Law Reports 21st Biennial Seminar: Staff
 - x) Stock taking and loss control: Staff
 - xi) Effective Writing Skills: Staff
 - xii) Reading laboratory programme: speed reading and comprehension: Members
 - xiii) Exchange programme for Internal Auditor with Limpopo Provincial Legislature: Staff
 - xiv) Exchange programme for Public Participation Unit with Gauteng Provincial Legislature: Staff
 - xv) Exchange programme for Public Relations Unit with Parliament: Staff
 - xvi) Exchange programme for Committee Services Section and support staff of Presiding Officers with Parliament: Staff

e) Result Area Five:

[ICT facilities and equipment in Legislatures enhanced.] It should be noted that available funding under this result area is not accessible for specific projects of the Free State Legislature. The available funding is allocated to the video-conferencing project that will form part of an international tender to be awarded for the provisions of equipment and facilities to Parliament and all Provincial Legislatures.

SECTION EIGHT

8. General overview of programme performance

8.1 Aim of the Vote

The aim of Vote 2: Provincial Legislature is to provide for the procedural and administrative support services required by the Legislature to fulfill its constitutional functions, *inter alia*, the consideration of legislation, the performance of monitoring and oversight functions, ensuring accountability by the Executive Council as well as facilitating and enhancing public participation in the legislative processes. The Vote aims to provide the necessary and required facilities to the House, its Committees and Members and to enable political parties represented in the Legislature to secure administrative support services and to serve constituents. The Vote also provides for the remuneration of elected representatives and employees of the Legislature.

8.2 Voted Funds

The Rules and Orders Committee approved the budget of the Legislature for the 2005/2006 financial year on 15 March 2005 in the total amount of R69.915 million. The Legislature's initial allocation as per the Appropriation Act was R61.196 million. A further amount of R5 million was allocated to the Legislature through the Adjustment Appropriation Act. The total amount appropriated to the Free State Provincial Legislature for the 2005/2006 financial year was therefore R66.196 million.

b) The Legislature's Budget Vote (Vote 2) comprises of only one programme. The programme is sub-divided into the following economic classifications;

- Compensation of Employees
- Goods and services
- Transfer payments
- Capital payments

8.3 Key Policy Developments

Some of the key developments with regard to administrative policies and procedures of the Legislature during the financial year included the following;

a) A Code of Conduct for the Financial Disclosure of Employees was approved during July 2005.

- b) The Policy on Salary Advances for Employees was amended during August 2005.
- c) Delegation of authority to approve expenditure was amended during August 2005.
- d) The Policy on Provision of Uniforms was amended during September 2005.
- e) The Financial Code of the Legislature was amended during January 2006.
- f) The Policy on Facilities, Payments and Benefits to Members of the Legislature was amended during January 2006.
- g) The Internal Audit Charter and Fraud Prevention Plan were approved during March 2006.

8.4 Collection of departmental revenue

The Provincial Legislature's main revenue collection stems from items such as interest accrued on the bank account. Redundant items such as vehicle, furniture and equipment are sold when the need arises. The total revenue collected is retained as income in terms of section 22(1)(a) of the Public Finance Management Act (Act 1 of 1999).

8.5 Departmental expenditure

8.5.1 General overview

The total expenditure of the Free State Legislature for the 2005/2006 financial year amounted to R66.677 million. An amount of R481 000 was overspent during the reported period. The Legislature utilized its own income to fund the over-expenditure in terms of section 22(1) of the Public Finance Management Act (Act 1 of 1999).

8.5.2 Financial Misconduct

a) Fraud case

Criminal charges were lodged against two former employees during the 2002/2003 financial year. The case concluded in the magistrate's court with the issuing of verdict and sentencing of the two former employees during March 2006.

b) Irregular expenditure

A report on identified irregular expenditure was submitted and action to be taken in terms of the report was approved by the Speaker during March 2006. A report was

subsequently filed with the Provincial Treasury in terms of section 39(1)(g) of the PFMA during March 2006. The report was also filed with and approved by the Audit Committee.

8.5.3 International Visits

The following international visits were undertaken;

a) SADCOPAC

Mr. A. Marais participated in the South African Development Community Organisation of Public Accounts Committees (SADCOPAC) Conference held in Tanzania from 7 to 13 May 2005.

b) National Conference of State Legislatures (NCSL), USA

The Speaker, Deputy Speaker and Mr. T.H. Mofokeng attended the National Conference of State Legislatures (NCSL) held from 16 to 20 August 2005 in the USA.

c) CPA Africa Region Conference, Cameroon

The Speaker and Deputy Speaker participated in the CPA Africa Region Conference from 28 July – 6 August 2005 in Cameroon. The Free State Legislature was responsible for the provision of support services to the South African delegation. A staff contingent comprising of 5 staff members attended the Conference to render the required services.

d) CPA International Conference, Fidji

The Speaker and Mr. P.N. Maloka attended the CPA International Conference that was held from 3 – 13 September 2005 in Fidji. The Free State Legislature was responsible for the provision of support services to the South African delegation. A staff contingent comprising of 5 staff members attended the Conference to render the required services.

e) Commonwealth Hansard Editors Association Conference [CHEA]

The Hansard Editor attended the Commonwealth Hansard Editors Association Conference [CHEA] from 7 to 12 August 2005 in Canada.

8.5.4 Professional services

The standard audit fees of the Office of the Auditor-General represented significant expenditure for the reported period. Actual expenditure exceeded budgetary provision by more than one third and additional funding was requested through the Adjustment of Estimates to accommodate the exceeding.

8.5.5 Transfer Payments

The Policy on Funding of Political Parties represented in the Free State Legislature sets out the relevant formulas and conditions according to which transfer payments to political parties are made. Expenditure in this regard constituted 100 % of the budget item “transfer payments” during the 2005/2006 financial year and amounted to R11.439 million. This constitutes 17.16 % of the overall budget of the Legislature.

SECTION NINE

9. Overview of Human Resource-related matters

9.1 Staff establishment

On 1 April 2005, the number of appointed posts reflected a total number of 109 permanent and 9 contract employees. At 31 March 2006, the number of permanent employees was 109 and contract employees were 9. The profile of the staff establishment of the Free State Legislature is set out in Annexure Five.

9.2 Appointments

- a) The 2005/2006 financial year was characterized primarily by a period of consolidation of the organisational structure, approved by the Rules and Orders Committee during January 2004 with the resulting focus on implementation during the 2005/2006 financial year. Budgetary constraints resulted mostly in only the filling of vacancies arising from resignations.
- b) The Rules and Orders Committee finalized the following management appointments during the year under review;
 - i) Assistant Legal Advisor
 - ii) Director: HR Management
 - iii) Director: Institutional Support
 - iv) Deputy Editor: Afrikaans/English
- c) Four contract appointments were made in the Office of the Presiding Officers during the financial year under review. These appointments were necessitated by the changes in the Office of the Presiding Officers as set out in paragraph 2(b) and (c) above.
- d) The following appointments were made in terms of the applicable procedures as set out in the Policy on HR Management;
 - i) Procurement: 1 Post of Procurement Assistant
 - ii) Household Services: 3 Posts namely 1 service officer and 2 cleaners
 - iii) IT Unit: 1 Post of Webmaster
 - iv) Directorate: HR: 1 Post of Industrial Relations Officer

9.3 Terminations

There were 13 service terminations during the period under review. These service terminations are illustrated as follows;

Type	African		Coloured		Indian		White		Total
	M	F	M	F	M	F	M	F	
Contract Terminations	4	1	-	-	-	-	-	-	5
Death	-	-	-	-	-	-	-	-	0
Dismissal	1	-	-	-	-	-	-	-	1
Resignation	5	-	-	-	-	-	-	2	7
Retirement	-	-	-	-	-	-	-	-	0
Ill –health	-	-	-	-	-	-	-	-	0
Total									13

9.4 Study-aid (MPLs and staff)

9.4.1 Study-aid Review: Members

- a) Two Members successfully completed qualifications in respect of which study-aid was granted as follows;

- i) Ms. M.A. Buthelezi: Diploma in Advanced Management, MANCOSA
- ii) Ms. M.A. Tsopo: B.ML-degree, University of the Free State

- b) Three new study-aid applications were approved for elected representatives during the 2005/06 financial year.

9.4.2 Study-aid Review: Staff

- a) A review of all study-aid granted to employees were conducted during February 2006. The results of the review were as follows;

- i) Continued study-aid was confirmed in 13 cases.
- ii) Study-aid was partially suspended in 8 cases, pending the successful completion of courses to be repeated at the student's own cost.

- iii) Study-aid was terminated in two cases and the process of recovery of monies in respect of study-aid was initiated.
- b) 22 new study-aid applications were approved for employees during the 2005/2006 financial year in order to pursue studies with various educational institutions for a variety of qualifications, including high school, college, technikon and university education.

9.5 Housing Guarantees

The review of the Legislature's obligations in respect of housing guarantees was concluded during the 2005/2006 financial year.

9.6 Training and Development

Details of training and development initiatives undertaken during the year appear in Annexure Six.

9.7 Collective agreements

Management and organized labour concluded an agreement for a 5.3 % salary adjustment with effect from 1 April 2005. The agreement was in line with the agreement concluded at Parliament.

9.8 Labour Relations

9.8.1 CCMA

Two arbitration matters were concluded in favor of the Legislature during the period under review. Notice was served in both cases that the CCMA-finding will be taken on review to the Labour Court.

9.8.2 Disciplinary cases

Formal disciplinary inquiries convened during the period under review as follows;

- i) Four employees were charged with unauthorized absence from the workplace for various periods. Two employees were found not guilty, one employee was issued with a written warning and another employee was dismissed.
- ii) One employee was charged with failure to exercise due and reasonable diligence when performing tasks. The employee was found guilty and issued with a written warning.

- iii) Three employees were charged with failure to follow Legislature's procedures arising from various matters relating to the utilization of official vehicles. Two employees were found not guilty and a final written warning was issued to the third employee.
- ii) One employee was charged with failure to obey lawful and reasonable instructions. A written warning was issued to the employee and a formal agreement for the recovery of costs incurred was concluded.

9.9 Social responsibility

9.9.1 Health Awareness programme

The Health Awareness programme for Members and employees was sustained during the 2005/06 financial year. Specific focus areas included information regarding alcohol abuse, diabetes, HIV/AIDS and generalized anxiety phobia.

9.9.2 Legislature's Annual Golf Day

The Free State Legislature hosted its annual Golf Day on 24 November 2005. The purpose of the golf day was to raise funds for two charity organizations, namely (i) HIV/Aids Consortium in Botshabelo and (ii) Re a Kgona HIV/AIDS organization in Thaba 'Nchu. A donation of R20 000 was made to each of the organisations.

9.9.3 HIV/AIDS Workshop

A workshop on HIV/AIDS was facilitated for staff during December 2005. The workshop complemented the ongoing information and awareness campaign that is facilitated by the Social Responsibility Coordinator on a continuous basis.

SECTION TEN

10. Inter-Legislature Cooperation

10.1 Pan-African Parliament

The first sitting of the Pan-African Parliament convened from 16 September to 7 October 2004 at Gallagher Estate, Gauteng Province. The Free State Legislature was requested to second staff to assist in the production of the Hansard of the Pan-African Parliament. Three staff members were subsequently seconded to the PAP.

10.2 Forums for elected representatives

a) Speakers' Forum

The Speaker and Deputy Speaker represent the Legislature in the Speakers' Forum. This is a forum of Presiding Officers (Speakers and Deputy Speakers) of all Provincial Legislatures as well as Presiding Officers of Parliament and the National Council of Provinces.

b) Association of Public Accounts Committees [APAC]

The Public Accounts Committee of the Free State Legislature is a member of the Association of Public Accounts Committees (APAC). Prior to the April-2004 general elections, the Legislature was represented in APAC's Council of Delegates by Mr. A. Oosthuizen (Chairperson of the Public Accounts Committee) and Mr. A. Marais (ANC). Mr. A. Marais also served in the Executive Committee of APAC at the time of his resignation as Member of the Legislature.

The following delegates of the Public Accounts Committee attended the annual APAC Conference held in the North West Province;

- | | | |
|----|--------------------|-------------|
| a) | Mr. A. Oosthuizen: | Chairperson |
| b) | Mr. A. Marais | ANC |
| c) | Mr. C. Mokitlane | ANC |
| c) | Mr. P. Maloka | ANC |
| d) | Mr. P. Frewen | DA |
| e) | Mr. C. Nordier | ACDP |

10.3 Forums for Staff

a) SALSA [Secretaries Association of Legislatures of South Africa]

All Secretaries to Provincial Legislatures are members of the Secretaries' Association of Legislatures of South Africa (SALSA). SALSA reports to the Speakers' Forum on its activities. Meetings of the association convenes quarterly. The Association has also been extended to include Deputy Secretaries of legislative institutions.

b) Legal Advisors Forum

The Legal Advisors to Legislatures and Parliament participate in the cluster. It should be noted that the Office of the Legal Advisor of the Legislature also participates in meetings of the Provincial Constitutional Technical Committee (PCTC). Representation of the Legislature rotates between the Legal Advisor and Assistant Legal Advisor, depending on the programme of sittings of the Legislature and Committee-meetings. Some of the meetings of the forum that convened during the period under review, includes the following;

c) Other

Various other forums, aimed at promoting cooperation, coordination and information-sharing in the legislative sector, exist under the auspices of SALSA. These include the following;

i) Finance Forum

The Chief Financial Officers of Parliament and Legislatures participate in the Forum. The Forum is responsible for dealing with matters of mutual interest with regard to financial management and administration of the legislative sector.

ii) HR Managers Forum

The HR Managers' Forum is constituted by the relevant heads of human resource matters in the legislative sector.

iii) Research and Information Cluster

The Senior Researcher and Librarian of the Legislature participate in the forum.

iv) Language Services Cluster

The Heads of Language Services and/or Hansard Directorates at Legislatures and Parliament participate in the cluster. The Director: Hansard represents the Legislature in this cluster.

v) Public Education Cluster

The Heads of divisions/directorates/units that deal with public participation programmes in Legislatures and Parliament participate in the cluster. The Director: Public Participation and Education and the Manager: Public Participation represent the Legislature.

vi) Committee Staff Forum

The forum represents all Committee Coordinators of Legislatures. The Manager: Committee Services and the Director: Legislation and Oversight participate in the forum.

vii) Information Technology Forum

IS Managers of Parliament and Legislatures constitute the Information Technology Forum. The forum is responsible for information-sharing and consultation on various information technology and technical matters that affects the legislative sector.

ANNEXURE ONE
Public Representatives

1 Members of the Provincial Legislature as at 31 March 2006
[Excl. Premier and MECs]

1.1 African National Congress

Buthlezi, M.A.:	Chairperson: Committee on Tourism, Environmental & Economic Affairs
Dukwana, M.A.:	Speaker
Kotsoane, I.W.:	Whip
Lobe, M.C.:	Deputy Speaker
Magashule, E.S.:	Chief Whip
Malakoane, B.:	Chairperson: Health and Social Development Committee
Maloka, P.N.:	Chairperson of Committees of the Whole House
Matosa, P.Z.:	Chairperson: Safety & Security and Agriculture Committee
Mofokeng, T.H.:	Whip
Mokoenanyana, T.:	Chairperson: Local Government & Housing Committee
Nketu, M.P:	Chairperson: Public Works, Roads and Transport Committee
Qabathe, M.G.:	Chairperson: Local Government & Housing Committee
Sesele, B.K.:	Chairperson: Education & Sport, Arts, Culture Committee
Thoabala, M:	Member

1.2 Democratic Alliance

Botha, A.J.:	Leader of the Official Opposition
Frewen, P.J.:	DA Whip
Alexander, B.B.S.:	MPL

1.3 Freedom Front Plus

Oosthuizen, A.P:	Chairperson: Public Accounts Committee
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1.4 African Christian Democratic Party

Nordier, C.:	Leader: ACDP
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ANNEXURE ONE
Public Representatives

1.5 Permanent Delegates to the National Council of Provinces as at 31 March 2006

1. Mr. T.S. Ralane [African National Congress]
2. Mr. T.S. Setona [African National Congress]
3. Ms. E.S. Mabe [African National Congress]
4. Mr. C.J. van Rooyen [African National Congress and Provincial Whip]
5. Mr. D.A. Worth [Democratic Alliance]
6. Dr. F.J. van Heerden [Freedom Front Plus]

2.6 Members of the Executive Council as at 31 March 2006

1. Ms. F.B. Marshoff: Premier
2. Mr. S.T. Belot: MEC: Health
3. Ms. P.Z. Dlungwana: MEC: Social Development
4. Mr. P.H.I. Makgoe: MEC: Finance & Expenditure
5. Mr. M.J. Mafereka: MEC: Local Government and Housing
6. Ms S. Mnumzana: MEC: Sport, Arts, Culture, Science & Technology
7. Mr. M.C. Mokitlane: MEC: Agriculture
8. Mr. F.K. Morule:: MEC: Public Safety, Security and Liaison
9. Mr. N.H. Masithela: MEC: Tourism, Environmental & Economic Affairs
10. Mr. S.J. Mohai: MEC: Public Works, Roads and Transport
11. Ms. M.A. Tsopo: MEC: Education

ANNEXURE TWO
Sittings of the House

Date	Business of the House
2005	
6 April '05	<p>Report of the Committee on Local Government & Housing with regard to the Annual Report of the Department of Local Government & Housing for the 2003/04 financial year.</p> <p>Tabling and referral of the Strategic Plan of the Office of the Premier</p> <p>Tabling and referral of the Strategic Plan of the Department of Tourism, Environmental & Economic Affairs</p> <p>Tabling and referral of the Strategic Plan of the Department of Education</p> <p>Tabling and referral of the Strategic Plan of the Provincial Treasury</p> <p>Tabling and referral of the Strategic Plan of the Department of Health</p> <p>Tabling and referral of the Strategic Plan of the Department of Local Government and Housing</p> <p>Tabling and referral of the Strategic Plan of the Department of Public Works, Roads and Transport</p> <p>Tabling and referral of the Strategic Plan of the Department of Agriculture</p> <p>Tabling and referral of the Strategic Plan of the Department of Public Safety, Security and Liaison</p> <p>Tabling and referral of the Strategic Plan of the Department of Sport, Arts, Culture, Science & Technology</p>
12 April '05	<p>Report of the Committee on Finance, Office of the Premier and Legislature on the Appropriation Bill (Consideration and adoption)</p> <p>Tabling and referral of strategic plan of the Free State Legislature</p> <p>General Debate: Appropriation Bill</p> <p>Debate on Vote: Education</p>
13 April '05	Debate on Vote: Local Government and Housing
14 April '05	Debate on Vote: Public Works, Roads and Transport
18 April '05	Debate on Vote: Agriculture

Date	Business of the House
19 April '05	<p>Debate on Vote: Free State Provincial Legislature</p> <p>Debate on Vote: Sport, Arts, Culture, Science & Technology</p>
20 April '05	Debate on Vote: Social Services
21 April '05	Debate on Vote: Health
26 April '05	<p>Election of Ms. C. Lobe as Chairperson of Committees</p> <p>Debate on Vote: Tourism, Environmental & Economic Affairs</p> <p>Debate on Vote: Public Safety, Security and Liaison</p>
28 April '05	Debate on Vote: Free State Provincial Treasury
29 April '05	<p>Tabling and referral of Reports of the Auditor-General on the Forensic audit investigation into alleged irregularities at the Phumelela Local Municipality [PR06/2005]</p> <p>Tabling and referral of Reports of the Auditor-General on the Forensic audit investigation into alleged irregularities at the Department of Local Government and Housing, Free State Province – former Bothaville TLC and Rodenbeck [PR02/2005]</p> <p>Debate on Vote: Office of the Premier</p>
8 August '05	<p>Report of Safety and Security and Agriculture Committee on the annual reports of the Departments of Agriculture and Public Safety, Security and Liaison</p> <p>Report of Safety and Security and Agriculture Committee on the budgets of the Departments of Agriculture and Public Safety, Security and Liaison</p> <p>Report of the Tourism, Environmental & Economic Affairs Committee on the Annual Report of the Department of Tourism, Environmental & Economic Affairs</p> <p>Report of the Public Accounts Committee with regard to the Report of the Auditor-General on;</p> <ul style="list-style-type: none"> • The forensic audit investigation into alleged irregularities at certain municipalities and performance audit conducted on security systems installed at government sites • The financial statements of Provincial Departments for the financial year ended 31 March 2004.

Date	Business of the House
8 August '05 (continued)	<p>Tabling and referral of the Report of the Auditor-General on Provincial Audit Outcomes for the financial year ended 31 March 2004 (PR42/2005]</p> <p>Tabling and referral of the Free State Development and Growth Strategy</p> <p>Tabling of the Public Service Commission Report on Financial Misconduct for the 2002/2003 and 2003/2004 financial years</p> <p>Debate on Women's Day</p>
12 August '05	<p>Report of the Tourism, Environmental and Economic Affairs Committee on the Free State Tourism Authority Bill</p> <p>Report of the Education and Sport, Arts, Culture, Science & Technology Committee on public hearings conducted on the budgets of the Departments of Education and Sport, Arts, Culture, Science & Technology</p> <p>Report of the Education and Sport, Arts, Culture, Science & Technology Committee on pre-exam site visits conducted during 2004</p> <p>Report of the Committee on Finance, Office of the Premier and Legislature on the Finance Bill</p> <p>Tabling and referral of the Mmabana Cultural Foundation Act Repeal Bill</p> <p>Second Reading Debate: Free State Tourism Authority Bill</p> <p>Second Reading Debate: Finance Bill</p>
25 August '05	<p>Report of the Committee on Public Works, Roads and Transport on the Free State Public Transport Bill</p> <p>Tabling and referral of the strategic plan of the Department of Local Government and Housing: 2005 to 2010</p> <p>Tabling and referral of the strategic plan of the Department of Sport, Arts, Culture, Science & Technology: 2005/06 – 2009/10</p> <p>Tabling and referral of the strategic plan of the Provincial Treasury: 2005/06</p> <p>Tabling and referral of the annual Performance Plan of the Department of Social Development</p> <p>Tabling and referral of the business plan of the Free State Development Corporate: 2005/06</p>

Date	Business of the House
25 August '05 (continued)	<p>Tabling of referral of the strategic plan of the Phakisa Major Sport Events and Development Corporation: 2005/06</p> <p>Tabling and referral of the strategic plan of the Free State Gambling and Racing Board: 2005/06 to 2006/07</p> <p>Tabling and referral of the annual submission for the Division of Revenue 2006/07 of the Financial and Fiscal Commission</p> <p>Second Reading Debate: Free State Public Transport Bill</p>
16 September '05	<p>Report of the Health and Social Development Committee on public hearings conducted on the budgets of the Departments of Health and Social Development</p> <p>Report of the Education and Sport, Arts, Culture, Science & Technology Committee on the Mmabana Cultural Foundation Act Repeal Bill</p> <p>Report of the Public Accounts Committee on the report of the Auditor-General on the financial statements and results of performance measurement of Free State Provincial Municipalities for the year ended 30 June 2004.</p> <p>Second Reading Debate: Mmabana Cultural Foundation Act Repeal Bill</p> <p>Consideration and approval of motion to determine the annual salary and allowances of the Premier in terms of section 6(3)(b) of the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998)</p>
14 October '05	<p>Tabling and referral of reports of the Report of the Auditor-General to the FS Provincial Legislature and the Phumelela Local Council on the forensic audit investigation into alleged irregularities regarding tenders at Phumelela Local Municipality [PR08/2005]</p> <p>Tabling and referral of the Report of the Auditor-General to the Council of Matjhabeng Local Municipality on the forensic audit investigation into alleged irregularities at Matjhabeng Municipality [PR07/2005]</p> <p>Tabling and referral of the Report of the Auditor-General on a preliminary investigation into alleged irregularities at the Department of Education [PR50/2005]</p> <p>Tabling and referral of Report of the Auditor-General on the Provincial Revenue Fund for the year ended 31 March 2004 [PR63/2005]</p>

Date	Business of the House
14 October '05 (continued)	Tabling and referral of the Report of the Auditor-General on the performance audit of the management of sick leave benefits at the Free State Department of Health [PR62/2005]
	Tabling and referral of the Report of the Auditor-General on a performance audit conducted on security systems installed at the government sites under the control of the Department of Public Works, Roads and Transport [PR21/2005]
	Tabling and referral of the Report of the Auditor-General on the audit outcomes of local government for the financial year ended 30 June 2004 [PR73/2005]
	Tabling and referral of the Annual Report and the audited financial statements of the Free State Provincial Treasury: 2004/2005
	Tabling and referral of the Annual Report and the audited financial statements of the Department of Public Safety, Security and Liaison: 2004/2005
	Tabling and referral of the Annual Report and the audited financial statements of the Department of Agriculture: 2004/2005
18 October '05	Tabling and referral of the Annual Report and the audited financial statements of the Department Public Works, Roads and Transport: 2004/2005
	Tabling and referral of the Annual Report and the audited financial statements of the Department of Social Services: 2004/2005
	Tabling and referral of the Annual Report and the audited financial statements of the Department of Health: 2004/2005
	Tabling and referral of the Annual Report and the audited financial statements of the Department of Sports, Arts, Culture, Science & Technology: 2004/2005
	Tabling and referral of the Annual Report and the audited financial statements of the Department Local Government and Housing: 2004/05
	Tabling and referral of the Annual Report and the audited financial statements of the Department Tourism, Environmental and Economic Affairs: 2004/05

Date**Business of the House**

Tabling and referral of the Annual Report and the audited financial statements of the Free State Provincial Legislature: 2004/2005

Tabling and referral of the Annual Report and the audited financial statements of the Free State Gambling and Racing Board: 2004/2005

Tabling and referral of the Annual Report and the audited financial statements of the Phakisa Major Sport Events and Development Corporation: 2004/2005

Tabling and referral of the Annual Report and the audited financial statements of the Free State Development Corporation: 2004/2005

Tabling and referral of the Annual Report and the audited financial statements of the Public Service Commission: 2004/2005

Tabling of Written Explanation by Office of the Premier on the failure to table the annual report and audited financial statements of the Office of the Premier as required. (Approved)

Tabling of Written Explanation by the Department of Education on the failure to table the annual report and audited financial statements of the Department of Education as required. (Approved)

Tabling of Written Explanation on behalf of Free State Provincial Youth Commission on the failure to table the annual report and audited financial statements of the Youth Commission as required. (Rejected)

Tabling and referral of the Annual Report of the Financial and Fiscal Commission: 2004/2005

Tabling and referral of Replies to Resolutions of the Free State Legislature: Department of the Premier

Tabling and referral of Replies to Resolutions of the Free State Legislature: Department of Local Government and Housing

Tabling and referral of Replies to Resolutions of the Free State Legislature: Department of Public Safety, Security and Liaison

22 November '05

Report of the Committee on Finance, Office of the Premier and Legislature on the General Laws Repeal Bill

Report of the Committee on Finance, Office of the Premier and Legislature on the Centre for Citizenship Education and Conflict Resolution Act Repeal Bill

Date	Business of the House
22 November '05 (continued)	<p>Report of the Committee on Local Government and Housing on the Free State Traditional Leadership and Governance Bill</p> <p>Report of the Committee on Education and Sport, Arts, Culture, Science and Technology on site visits to schools for children in conflict with the law</p> <p>Tabling and referral of the Adjustment Appropriation Bill</p> <p>Second Reading Debate: General Laws Repeal Bill</p> <p>Second Reading Debate: Free State Centre for Citizenship Education and Conflict Resolution Act Repeal Bill</p> <p>Second Reading Debate: Free State Traditional Leadership and Governance Bill</p> <p>Motion:</p> <p>Leave of absence to Ms. M.A. Buthelezi for period longer than 30 days</p>
2 December '05	<p>Report of the Public Accounts Committee</p> <p>Report of the Committee on Education and Sport, Arts, Culture, Science & Technology with regard to the readiness of schools and Further Education & Training Colleges for 2006</p> <p>Report of the Committee on Education and Sport, Arts, Culture, Science & Technology with regard to site visits conducted to FET Colleges in the Motheo District</p> <p>Report of the Committee on Education and Sport, Arts, Culture, Science & Technology with regard to the Strategic Plan of the Department of Sport, Arts, Culture, Science & Technology</p> <p>Report of the Committee on Health and Social Services with regard to a site visit conducted in the Motheo district.</p> <p>Report of the Committee on Finance, Office of the Premier and Legislature on the Adjustment Appropriation Bill</p> <p>Second Reading Debate: Adjustment Appropriation Bill</p> <p>Conferral of Voting Authority: Constitution 12th Amendment bill [B33B-2005]</p> <p>Conferral of Voting Authority: Diamonds 2nd Amendment Bill [B39B-2005]</p> <p>Tabling and Referral of Annual Report and audited financial statements of the Free State Youth Commission: 2004/2005</p>

Date	Business of the House
2 December '05 (continued)	Closing Statements: Premier and Leaders of Political Parties
2006	
10 February '06	State of the Province Address: Premier
13 February '06	Tabling and referral of the report of the Auditor-General on the annual financial statements of the Basotho Cultural Village for the year ended 31 March 2005 [PR223/2005] Tabling and referral of the report of the Auditor-General on the annual financial statements of the Mmabana Cultural Foundation (trading as Mmabana Cultural Centre Thaba Nchu) for the year ended 31 March 2005 [PR209/2005] Debate on Premier's Opening Address
14 February '06	Tabling and referral of Report of the Auditor-General on the submission of financial statements by municipalities for the year ended 30 June 2005 [PR221/2005] Tabling and referral of Report of the Auditor-General on the financial statements of the Road Building Equipment Trading Entity for the year ended 31 March 2005 [PR226/2005] Tabling and referral of Consolidated Financial Information for the year ended 31 March 2005 Tabling and referral of response by Executive Council to resolutions of the House (as recommended by the Committee on Tourism, Environmental & Economic Affairs) regarding the Department of Tourism, Environmental and Economic Affairs Premier's Reply to the Debate on the State of the Province Address
17 February '06	Tabling of the Appropriation Bill [Provincial Budget Speech]
6 March '06	Tabling and Referral of Strategic Plan of the Office of the Premier Tabling and referral of Strategic Plan of the Department of Sport, Arts, Culture, Science & Technology Tabling and referral of Strategic Plan of the Department of Education Tabling and referral of Strategic Plan of the Department of Social Development

Date	Business of the House
6 March '06 (continued)	<p>Tabling and referral of Strategic Plan of the Department of Tourism, Environmental and Economic Affairs</p> <p>Tabling and referral of Strategic Plan of the Provincial Treasury</p> <p>Tabling and referral of Strategic Plan of the Department of Health</p> <p>Tabling and referral of Strategic Plan of the Department of Local Government and Housing</p> <p>Tabling and referral of Strategic Plan of the Department of Public Works, Roads and Transport</p> <p>Tabling and referral of Strategic Plan of the Department of Public Safety, Security and Liaison</p> <p>Tabling and referral of Strategic Plan of the Department of Agriculture</p> <p>Tabling and referral of Strategic Plan of the Free State Legislature</p> <p>Tabling and referral of Strategic Plan of the Free State Racing and Gambling Board</p> <p>Tabling and referral of Strategic Plan of the Free State Development Corporation</p> <p>Tabling and referral of the Report of the Auditor-General on the special audit investigation into alleged irregularities of the Free State Department of Health</p> <p>Tabling and referral of the Report of the Auditor-General: Quarterly report on the submission of financial statements by municipalities and the status of audit reports as at 31 December 2005 for the financial year ended 30 June 2005</p> <p>Tabling and referral of the Report of the Auditor-General on the performance audit of the management of sick leave benefits at the Free State Department of Education</p>
14 March '06	<p>Report of the Committee of Finance, Office of the Premier and Legislature on the Appropriation Bill</p> <p>General Debate: Appropriation Bill</p>
15 March '06	<p>Debate on Vote: Free State Provincial Legislature</p> <p>Debate on Vote: Health</p>
16 March '06	Debate on Vote: Public Safety, Security and Liaison
17 March '06	Debate on Vote: Office of the Premier

Date	Business of the House
20 March '06	Debate on Vote: Provincial Treasury
22 March '06	Report of the Committee on Tourism, Environmental and Economic Affairs on the Annual Report of the FS Development Corporation Report of the Committee on Tourism, Environmental and Economic Affairs on the Strategic Plan of the Department of Tourism, Environmental and Economic Affairs Debate on Vote: Education
23 March '06	Election of Mr. P.N. Maloka as Chairperson of Committees Debate on Vote: Social Development
24 March '06	Debate on Vote: Local Government and Housing
27 March '06	Debate on Vote: Public Works, Roads and Transport
28 March '06	Tabling and referral of Petition: E.M. Ntebele Tabling and referral of Petition: M.P. Mogwerane Tabling and referral of Petition: M.E. Tau Debate on Vote: Agriculture
29 March '06	Debate on Vote: Tourism, Environmental and Economic Affairs
30 March '06	Debate on Vote: Sport, Arts, Culture, Science & Technology 3 rd Reading: Appropriation Bill

ANNEXURE THREE
Participation of the Legislature in NCOP-matters

Date	Description
2005	
15 April '05	NCOP Policy Debate on Budget Vote 18: Social Development. Mr. T. Mofokeng participated in the debate.
17 May '05	Tabling of the Education Budget Vote in the National Assembly. Attended by Ms. O. Tsopo (MEC: Education) and Mr. P. Maloka (Chairperson of the Committee on Education and Sport, Arts, Culture, Science & Technology) NCOP Policy Debate on Budget Vote 6: Public Works. Mr. S. Mohai (MEC: Public Works, Roads & Transport) participated in the debate. Debate also attended by Ms. T. Mokoanyana (Chairperson of Committee on Public Works, Roads and Transport)
18 May '05	NCOP Policy Debate on Budget Vote 15: Education. Ms. O. Tsopo (MEC: Education) participated in the debate. Debate also attended by Mr. P. Maloka (Chairperson of the Committee on Education and Sport, Arts, Culture, Science & Technology)
19 May '05	NCOP Policy Debate on Budget Vote 28: Housing. Mr. M.J. Mafereka (MEC: Local Government & Housing) participated in the debate.
23 – 27 May '05	Mr. E.S. Magashule (ANC Chief Whip) attended various meetings at Parliament.
24 May '05	NCOP Policy Debate on Budget Votes 20, 21, 23 and 24: Justice Cluster. Mr. H. Nketu (Chairperson of the Safety & Security and Agriculture Committee) participated in the debate.
29 May '05	Workshop of Presiding Officers attended by Mr. M.A. Dukoana (Speaker)
30 – 31 May '05	CPA workshop attended by Mr. M.A. Dukoana (Speaker)

Date	Description
31 May '05	NCOP Policy Debate on Budget Vote 33: Transport. Mr. S. Mohai (MEC: Public Works, Roads and Transport) participated in the debate. Debate also attended by Ms. T. Mokoenyana (Chairperson of Committee on Public Works, Roads and Transport)
1 June '05	NCOP Policy Debate on Budget Vote 16: Health. Mr. T.S. Belot (MEC: Health) participated in the debate.
8 June '05	NCOP Workshop on Institutional Memory Reports attended by Ms. M. Thaobala (Whip)
9 June '05	NCOP Debate on the report on "Taking Parliament to the People: Putting our People First" – Executive Summary: Mpumalanga *14 – 18 March 2005). Mr. A. Marais (Chairperson of the Committee on Finance, Office of the Premier and Legislature) participated in the debate. Debate also attended by Ms. M. Thoabala.
10 June '05	Joint Sitting – Farewell to retired Chief Justice A. Chaskelson attended by Mr. A. Marais (Chairperson of the Committee on Finance, Office of the Premier and Legislature) and Ms. M. Thoabala (Whip).
14 June '05	Joint Sitting – Address by Presiding attended by Premier
21 June '05	Plenary of the NCOP: Election of Rotating Deputy Chairperson of the NCOP attended by Premier, Mr. I.W. Kotsoane (Whip) and Mr. P. Maloka (Chairperson of the Committee on Education and Sport, Arts, Culture, Science & Technology)
23 August '05	Meeting of the Select Committee on Education during which the Memorandum of Understanding on School Sport was considered. Attended by Mr. P. Maloka ((Chairperson of the Committee on Education and Sport, Arts, Culture, Science & Technology)

Date	Description
9 – 10 September	Workshop on Inter-governmental fiscal review attended by Mr. G. Ramathebane (Chairperson of the Committee on Local Government & Housing), Mr. A. Marais (Chairperson of the Committee on Finance, Office of the Premier and Legislature), Mr. H. Nketu ((Chairperson of the Safety & Security and Agriculture Committee), Dr. B. Malakoane (Chairperson of the Committee of Health and Social Development) and Mr. I.W. Kotsoane (Whip)
11 October '05	Public Hearings on Children's Bill attended by Dr. B. Malakoane (Chairperson of the Committee of Health and Social Development)
12 October '05	Public Hearings on conditional grants and capital expenditure attended by Mr. T.S. Belot (MEC: health)
18 October '05	Public Hearings on IGFR attended by Mr. T.S. Belot (MEC: Health)
19 October '05	Public Hearings on IGFR attended by Ms. O. Tsopo (MEC: Education)
21 October '05	Public Hearings on IGFR attended by Mr. S. Mohai (MEC: Public Works, Roads and Transport) and Mr. J. Mafereka (MEC: Local Government and Housing)
25 October '05	Tabling of the MTBPS attended by Mr. PHI Makgoe (MEC: Finance)
26 October '05	Joint sitting – address by the Presiding of Botswana attended by Mr. T.S. Belot (MEC: Health) and Mr. P.Z. Matosa (MPL)
28 October '05	Workshop on the African Peer Review Mechanism (APRM) attended by Dr. B. Malakoane (Chairperson of the Committee on Health and Social Development)
31 October to 4 November '05	NCOP visit to Limpopo attended by Ms. M. Thoabala (Whip), Mr. T. Mofokeng (Whip) and Mr. B. Kotsoane (Whip)

Date	Description
4 November '05	President's Address to the NCOP attended by Mr. M.J. Mafereka (MEC: Local Government & Housing), Mr. M.A. Dukoana (Speaker), Mr. N.H. Masithela (MEC: Tourism, Environmental & Economic Affairs) and Mr. E.S. Magashule (Chief Whip)
9 November '05	Meeting of Chief Whips' Forum attended by Ms. M. Thoabala (Whip)
2006	
3 February '06	State of the Nation Address attended by Premier, Speaker, Ms. P. Dlungwana (MEC: Social Development) and Ms. C. Lobe (Chairperson of Committees)
14 February '06	Joint Sitting: Debate on Report of Joint Coordinating Committee on APRM attended by Deputy Speaker and Mr. P. Maloka (Chairperson of the Committee on Education and Sport, Arts, Culture, Science & Technology)
8 March '06	Joint Sitting: Debate on International Women's Day (South African Women: Yesterday, Today and Tomorrow) attended by MS. S. Mnumzana (MEC: Sport, Arts, Culture, Science & Technology) and Ms. M. Thoabala (Whip)
14 March '06	Joint Sitting: Address by Secretary-General of the United Nations, Mr. K. Annan attended by Mr. S. Mohai (MEC: Public Works, Roads and Transport) and Mr. T. Mofokeng (MPL)
27 – 31 March '06	NCOP visit to Northern Cape Province attended by Ms. M. Thoabala (Whip) and Ms. T. Mokoanyana (Chairperson of the Committee on Public Works, Roads and Transport)
31 March '06	Deputy President's Address to the NCOP attended by Ms. O. Tsopo (MEC: Education), Mr. T. Mofokeng, Mr. M. Thoabala and Ms. T. Mokoanyana

ANNEXURE FOUR
Question Papers

Portfolio	Questions for Oral Reply	Questions for Written Reply	Total
Premier	1	2	3
MEC: Agriculture	0	3	3
MEC: Education	0	4	4
MEC: Environmental Affairs & Tourism	0	2	2
MEC: Finance, Expenditure & Economic Affairs	0	1	1
MEC: Health	0	4	4
MEC: Local Government & Housing	2	4	4
MEC: Public Works, Roads & Transport	0	4	4
MEC: Safety & Security	0	4	4
MEC: Sport, Arts, Culture, Science & Technology	2	1	1
MEC: Social Development	0	4	4
Total	1	33	34

ANNEXURE FIVE
Staff Establishment

Staff Establishment

Total number of permanent employees as at 31 March 2006
(breakdown according to age, population and gender)

Age Group	African		Coloured		White		Disabled		TOTAL	
	M	F	M	F	M	F	M	F	M	F
20-24	1	1	-	1	-	-	-	-	1	2
25-29	2	4	-	-	1	1	-	-	3	5
30-34	7	13	1	-	1	1	-	-	9	14
35-39	26	5	1	1	2	3	1	-	30	9
40-44	7	12	-	2	-	-	-	-	7	14
45-49	6	3			-	1	-	-	6	4
50-54	-	2	-	1	-	1	-	-	0	4
55-59	-	-	-	-	-	1	-	-	0	1
60-64	-	-	-	-	-	-	-	-	0	0
TOTAL	49	40	2	5	4	8	1	-	56	53

(There are no employees of the Asian population group in the employment of the Legislature)

ANNEXURE SIX
Training & Development
[Employees]

Type of Training	No of Staff Trained	Designated	Non-Designated	Male	Female
Finance					
Budget management & reporting in public sector	2	2	0	1	1
Payroll manager refresher seminar (tax)	2	2	0	0	2
Training on unauthorized, irregular, fruitless & wasteful expenditure	3	3	0	1	2
Recovery of debt	1	1	0	0	1
Gender					
Men & Masculinities	23	21	2	23	0
Gender analysis of budgets	10	1	9	5	5
Gender & Equality workshop	1	1	0	0	1
Human Resources					
Twists and Turns of leave and absenteeism	14	14	0	5	9
Internal leave and overtime systems and procedures	93	89	4	46	47
Assertiveness training	20	20	0	5	15
CCMA Rules	3	3	0	2	1
Information Technology					
ICT Workshop	2	1	1	2	0
End-user computing	1	1	0	1	0

Type of Training	No of Staff Trained	Designated	Non-Designated	Male	Female
Internal Audit					
Pro-audit advisor software	1	1	0	1	0
Risk Management Training	1	1	0	1	0
Internal Audit workshop	1	1	0	1	0
Practical approach to internal auditing & managing internal audit	1	1	0	1	0
Risk Management Training	1	1	0	1	0
Law	11	9	2	5	6
SA Labour Law Reports Seminar	3	3	0	3	0
2 nd Annual Legislative update for Local Government Conference	3	3	0	2	1
Procedural					
Effective Writing Skills	14	14	0	9	5
NCOP Technical Drafting workshop	2	2	0	1	1
Public Participation					
Public Participation Practitioners training workshop	10	10	0	5	5
Public Participation Decision making processes in the Gauteng Provincial Legislature	1	1	0	1	0
Parliamentary Millennium Project workshop	1	1	0	1	0
Procurement					
Stock-taking and loss control	21	21	0	9	12

Type of Training	No of Staff Trained	Designated	Non-Designated	Male	Female
Security					
Facilities Disaster & Emergency Preparedness conference	2	2	0	1	1
Social Responsibility					
HIV/AIDS workshop	75	73	2	37	38
Exchange Programmes					
Internal Audit with Limpopo Provincial Legislature	1	1	0	1	0
Committee staff & support staff of Presiding officers with Parliament	6	6	0	6	0
Public Participation Unit with Gauteng Legislature	4	3	0	2	2
Public Relations Unit with Parliament	3	3	0	1	2
HR Directorate with Western Cape Legislature	4	4	0	1	3

FREE STATE LEGISLATURE

VOTE 2

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2006

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**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

1. Management Report

Report by the Accounting Officer to the Speaker and the Free State Legislature

1.1 General review on the state of financial affairs

This report addresses the performance of the Free State Legislature and includes statutory information in terms of the Public Finance Management Act (Act 1 of 1999) in the context of the applicability of the Act.

Budget for 2005/06

The budget allocated to the Free State Provincial Legislature increased by 6.83% to R66.196 million as compared to the previous financial year. In addition to the annual appropriation, the Legislature received an amount of R461 000 as statutory appropriation in respect of the remuneration of political office bearers. The amounts allocated to the programme were motivated and supported by strategic and political objectives approved by the Speaker as treasury of the Legislature and the Secretary to the Legislature as the accounting officer.

The final appropriation of R66.196 million included an amount of R5.000 million allocated to the Legislature through the budget adjustment process in respect of the following:

i)	Compensation of employees	R2.193 million
ii)	Goods and services	R1.487
iii)	Transfer payments	R1.320
	Total adjustment	R5.000 million

Appropriated funds were spent in accordance to the Vote. Revenue generated and applied in terms of Section 22 of the Public Finance Management Act, (No. 1 of 1999) accommodated a percentage of the spending and has been reported accordingly. The Legislature received a budget allocation of R66.196 million for the year, whilst revenue generated by the Legislature totaled R561 000. Expenditure totaling R66.677 million can be attributed to the payment of salaries & allowances for Members of the Legislature, staff and the delivery of procedural and administrative support services such as office provision, travel, communication, constituent allowances and administration. Remuneration packages of political office-bearers and staff represent the bulk of expended funds (56.09%), whilst goods and services, transfer payments to political parties and capital assets represent the remaining spending items.

Current expenditure represents 81.73% of voted funds, followed by transfers to represented political parties (17.16%) and capital assets at 1.11% .

The state of financial affairs can be reported as sound.

1.2 Constitutional Mandate

The Free State Legislature is an institution of democracy created by and established in terms of the Constitution. The vision of the Legislature encapsulates the core principles of the Legislature as follows; "A People Centred Legislature that Champions Democracy". The core business of the Legislature is captured and reflected in its mission statement, namely; "To promote good governance and a culture of human rights through oversight, law-making and public participation that is vigilant, dynamic and responsive".

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

The constitutional mandate and functions of the Legislature are achieved through the performance of four key functions, namely;

- a) to conduct a quality legislative process;
- b) to conduct a quality process of oversight and accountability overseeing the Executive Council's actions;
- c) to further build a people-centred Legislature that is responsive to the needs of all the people of the Free State and
- d) to further build an effective and efficient institution.

2. Services rendered by the Free State Legislature

The main services rendered by the Legislature are aligned with its strategic objectives as follows;

- (a) The legislative process must conform with (i) the provisions of the Constitution of the Republic of South Africa (Act 108 of 1996), (ii) the Standing Rules and Orders of the Legislature, (iii) enable the Committees of the Free State Legislature to thoroughly engage with all aspects of draft legislation and (iv) facilitate public involvement and input in the consideration and/or initiation of legislation through the relevant processes of the Legislature's Committee system.
- (b) The oversight and accountability functions must ensure a quality process of scrutiny and overseeing the executive branch of government's actions that is driven by the ideal of realizing a better quality of life for all.
- (c) To further build a people-centred Legislature that is responsive to the needs of all the people of the Free State, deepening democracy, a culture of human rights and public participation, - education and - involvement.
- (d) To further build an effective and efficient institution through improvement of institutional governance and policies, to implement modern systems and technologies, to improve human resource capacity and communication, provision of space, facilities and equipment.

2.1 A list of services rendered

The following services are rendered by the Free State Legislature;

(a) Office of the Secretary to the Legislature

Four units are located in the Office of the Secretary to the Legislature, namely;

- i) Internal Audit Unit
- ii) Public Participation and Education Unit
- iii) Administration Unit
- iv) Security Unit

(b) Procedural Services Division

The Procedural Services Division of the Free State Legislature renders the following key procedural and administrative support services to Members, Portfolio Committees and sittings of the Legislature;

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

- i) The Table Services Section is responsible for the production of procedural documentation relating to the proceedings of the Legislature, e.g. Order Papers, Question Papers and Minutes of Proceedings.
 - ii) The Directorate: Hansard is responsible for the production of verbatim reports of sittings and/or Committee meetings as well as the rendering of translation and interpretation services.
 - iii) The Directorate: Legislation and Oversight is responsible for the rendering of procedural and administrative support services to Portfolio Committees, including research services. The Directorate is also responsible for the provision of NCOP and Library support services.
- (c) Corporate Services Division**
The Procurement Unit is located in the Office of the Deputy Secretary: Corporate Services and deals with all matters pertaining to the procurement requirements of the Free State Legislature. The Corporate Services Division further renders key administrative support services to the institution as follows;
- i) The Directorate: Human Resource Management is responsible for the rendering of all human resource related functions, including personnel administration, labour relations, skills development and social responsibility.
 - ii) The Directorate: Institutional Support is responsible for the rendering of information technology services, household services and general support, including the rendering of telecommunication services.
- (d) Finance Division**
The Finance Division is responsible for the rendering of all financial services, including payroll-administration and management, accounting, drafting, monitoring and control of budget expenditure and all matters relating to the administration and management of assets and the official vehicles of the Legislature.
- (e) Office of the Legal Advisor**
The Office of the Legal Advisor is responsible for the rendering of all legal services to the Speakers' Office, Committees, Members and the office of the Secretary to the Legislature.
- 2.1 Tariff policy**
Not applicable to the Legislature
- 2.2 Free Services**
Not applicable to the Legislature
- 2.3 Inventories**
The list of inventories on hand at year-end has been grouped into the following major categories:
- | | |
|----------------------|-------------|
| Consumables | R 1 979.30 |
| Food & Food Supplies | R 211.12 |
| Stationery | R 40 361.15 |

The costing method used on the above-listed categories was based on average cost.

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

3. Capacity Constraints

3.1 Budget allocation

The budget allocation to the Free State Legislature for the 2005/2006 financial year amounted to R66.196 million. It should be noted that the initial MTEF-allocation to the Legislature for the 2005/2006 financial year was R61.196 million and an additional appropriation of R5.000 million was received through the adjusted estimates.

4. Utilisation of donor funds

The Legislature Support Programme (LSP), a donor aid programme of the European Union, introduced a new programme during the 2004/2005 financial year. The programme continued for the duration of 2005/2006. No direct funding was transferred to the Free State Legislature during the financial year. The LSP, however, authorized the following funding in respect of the following activities during the 2005/2006 financial year;

Result Area 1:	Law making systems	
	Systems for law-making	R70 000
	Capacity building for Office-bearers	R70 000
	Research Support	R65 000
	Printing & Translation (Hansard)	R72 476
	Total Result Area 1	R277 476
Result Area 2:	Public Participation	
	Taking Parliament to the People	R137 484
	Sectoral Parliaments	R125 373
	Total Result Area 2	R262 857
Result Area 3:	Gender & Disability	
	Training & capacity building	R 32 953
	Women's caucuses	R 40 000
	Awareness, education	R 43 789
	Total Result Area 3	R116 742
Result Area 4:	Skills in Legislature	
	Training – Members (MPs, MPLs)	R208 416
	Generic Staff office train	R222 416
	Inter-legislature exchange	R 87 604
	Total Result Area 4	R518 436
Total for Workplan 1		R1 175 511

Actual expenditure represents 67% of the funding awarded to the Free State Legislature.

5. Trading entities and public entities

Not applicable to the Legislature

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

6. Organisations to who transfer payments have been made

The following political parties, who were represented in the Legislature during the 2005/2006 financial year, received transfer payments:

- a) African National Congress
- b) Democratic Alliance
- c) Freedom Front
- d) African Christian Democratic Party

Transfer payments to the above-mentioned entities were made in accordance with the Policy on Funding of Political Parties represented in the Free State Legislature. The policy essentially provides for transfer payments to enable political parties to establish and maintain its infra-structure in the Legislature, inclusive of a research allowance and to fund its constituency offices.

No other organisation received transfer payments from the Legislature.

7. Public private partnerships (PPP)

Not applicable to the Legislature.

8. Corporate governance arrangements

8.1 Audit Committee

The newly-appointed Audit Committee commenced with its functions during the financial year under review. The Audit Committee approved of the following policy documents that will guide and direct the operations of the Internal Audit Unit;

- (a) Internal Audit Charter
- (b) Internal Audit Coverage Plan
- (c) Fraud Prevention Plan, subject to a further consultative process that will unfold to ensure the facilitation of a process that will both obtain further input and comments on the Plan as well as to familiarize employees at all levels through the organization with the content of the Plan.
- (d) Internal Audit Methodology

8.2 Internal Audit

- a) The applicability of the PFMA to Provincial Legislatures is set out in section 3 of the Act. The following provisions have reference;

- “(1) This Act, to the extent indicated in the Act, applies to-
(d) Parliament and the Provincial Legislatures, subject to subsection (2).
- (2) To the extent that a provision of this Act applies to-
(b) a provincial legislature, any controlling and supervisory functions of the National Treasury and a provincial treasury in terms of that provision are performed by the Speaker of the provincial legislature”.

- b) Section 38 of the Act provides as follows;

- (38)(1) The accounting officer for a department, trading entity or constitutional institution-
 - (a) must ensure that that department, trading entity or constitution institution has and maintains-
 - (i) effective, efficient and transparent systems of financial and risk management and internal control;

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

- (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77"
- c) The relevant provisions of the PFMA as set out above does not apply to the Free State Legislature as the Legislature is neither a department, trading entity or constitutional institution (as listed in Schedule 1 to the Act).
- d) Notwithstanding the above, it is expected that similar provisions of the PFMA will be taken up in the Financial Administration of Parliament and Provincial Legislatures bill. (Refer to Chapter 6, sections 46 and 47). As a result, the Free State Legislature has commenced with the necessary initiatives to address these matters.
- e) The Internal Audit Unit produced the following audit reports during the financial year under review;
 - (i) Report on Housing Guarantees
 - (ii) Report on the investigation on possible contravention of the Leave Policy on Examination by some staff members for the period 1 April 2004 to 31 March 2005
 - (ii) The Level of Indebtness of the Free State Legislature staff to garnishing orders
 - (iv) Overtime claims of the Human Resource Directorate for the period 1 April 2005 to 31 January 2006

The Audit Committee approved all the above-mentioned reports.

8.3 Policy Review

The following policies were reviewed and amended during the financial year under review;

- a) Policy on Salary Advances: Employees (Amendments approved August 2005)
- b) Policy on Provision of Uniforms (Amendments approved September 2005)
- c) Policy on Facilities, Benefits and Payments to Members of the Legislature (January 2006)
- d) Code for the Financial Administration of the Legislature (January 2006)
- e) Fraud Prevention Plan (March 2006)

9. Discontinued activities / activities to be discontinued

Not applicable

10. New/proposed activities

10.1 Public Participation and Education Programme

Sittings of the Legislature that convened to consider the Appropriation Bill were convened in various districts of the Province as this constituted the commencement of the "Taking Parliament to the People" campaign. Sittings of the Legislature convened in the Thabo Mafutsenyana, Northern Free State and the Lejweleputswa districts of the Province. Meetings of Portfolio Committees also convened in the respective districts preceding the sitting that considered a specific budget vote and public hearings were conducted. The

**FREE STATE LEGISLATURE
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

project achieved its overall objective to broaden awareness and knowledge of the Legislature, its functions and processes to communities in the Free State Province.

The project would not have been possible without the co-operation and support received from the various local and district municipalities of the locations in which sittings and Portfolio Committee meetings convened.

10.2 Gender

Specific awareness and education initiatives focussing on gender issues in the Free State Legislature were undertaken during the year. A “Men and Masculinity” workshop was facilitated for male employees and elected representatives of the Legislature. A workshop on “Gender Analysis of Budgets” was also facilitated. The gender training programme will further be rolled-out during the 2006/07 financial year.

11. Events after the reporting date

Not applicable

12. Performance information

The core constitutional functions performed by the Provincial Legislature essentially relate to, *inter alia*, the performance of monitoring and oversight functions, ensuring accountability by the Executive Council as well as facilitating and enhancing public participation in the legislative processes. The major projects undertaken by the Legislature therefore relate mostly to these core constitutional functions as well as strengthening and enhancing the procedural and administrative support services which facilitates the performance and execution of constitutional functions and obligations.

Some of the major projects undertaken by the Legislature in the afore-mentioned context, include the following;

a) Legislation and Oversight

Provincial legislation was considered and adopted. Negotiating and voting mandates were conferred in respect of NCOP section 76 legislation. Portfolio Committees engaged in various site visits, public hearings and the consideration of matters referred to it under the Standing Rules and Orders.

b) Public Participation initiatives

Various projects unfolded as part of the public participation and education campaign. The most significant of these included Africa Day celebrations, the “Taking Parliament to the People”-campaign and the People’s Assembly.

c) Review of Strategic Plan

A comprehensive review of the strategic plan of the Legislature was initiated during the financial year under review. The broad framework of the plan was completed and the process to develop strategic plans and objectives for Portfolio Committees that will feed into the overall framework will continue during the 2006/07 financial year.

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

13. PROPAC resolutions (SCOPA resolutions)

Reference to previous Audit Report & PROPAC resolutions	Subject	Findings on progress
Resolution no. 63/2005	Creditors	<u>Creditors control reconciliation</u> The accounting officer introduced measures in response to the recommendation made by PROPAC to ensure that creditor reconciliations are performed on a monthly basis. The Procurement Section will provide supporting documentation to substantiate the amount disclosed as accruals to the auditors
	Salary advances	<u>Salary advances</u> A policy for the approval of salary advances was adopted and has been incorporated as section 7.3 of the Policy on Facilities, benefits and payments to Members of the Legislature.
Resolution 81/2005	Supporting documentation	Measures to ensure the availability of supporting documentation to auditors have been introduced and all divisions should be able to timeously provide supporting documentation.
Resolution no. 84/2005	Fraudulent Activities	<p>The Legislature's fraud prevention plan was approved by the Audit Committee on 28 March 2006. Further consultation sessions with staff at all levels through the organization has been developed and is scheduled for completion by the end May 2006. The provisions of the Prevention and Combating of Corrupt Activities Act are broadly enshrined in the plan.</p> <p>The Legislature's disciplinary code provides guidelines on actions to be taken against persons who commit criminal acts. It should be placed on record that a fraud trial was concluded in a case between the Legislature and two former employees with a favourable outcome for the Legislature. The judgment and sentence were lodged with both the Office of the Auditor-General and Provincial Treasury. The provisions of section 86 of the Public Finance Management Act will be</p>

**FREE STATE LEGISLATURE
VOTE 2**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

		followed when dealing with criminal cases.
Resolution 85/2005	Capacity building	The Legislature will continue to embark on actions and activities to enhance the skills of its workforce. Qualifications of both the Accounting Officer and the Chief Financial Officer have been submitted.
Resolution no. 86/2005	Unauthorized, irregular, fruitless and wasteful expenditure	<p>A schedule of the mentioned expenditure, if such had occurred, will be reported to the Provincial Treasury and Auditor-General and disclosed in the financial statements of the Legislature.</p> <p>Section 6 of the Legislature's Financial Code deals extensively with the above-mentioned definition and provisions within the legislative sector.</p>
Resolution 88/2005	Thefts & losses	<p>PROPAC proposed that the accounting officer must implement proper measures for the safeguarding of all government assets.</p> <p>Section 7.1.1 of the Financial Code deals extensively with preventative measures to eliminate theft and losses of assets. Officials responsible for asset management must also comply with the provisions of the code to ensure proper safeguard of assets.</p>
Resolution no. 89/2005	Late payments of Creditors	Section 5.1.4 of the Legislature's Financial Code requires all payments due, must be settled within 30 days from receipt of invoice. The Accounting Officer has issued, in addition, a written directive to ensure that payments are effected within the stipulated period of 30 days.

Approval

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

E.C. Rockman
Accounting Officer

31 May 2006



AUDITOR - GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 2 – FREE STATE LEGISLATURE FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages to, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette* no. 28723 of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette* no. 28954 of 23 June 2006. 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
- evaluating the overall financial statement presentation.

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

3. BASIS OF ACCOUNTING

The legislature's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Free State Legislature at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, supplemented by *Provincial Notice 148 of 2006*, issued in *Provincial Gazette* no. 52 of 7 July 2006.

5. EMPHASIS OF MATTER

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

5.1 Audit committee and internal audit

As reported in the Report of the audit committee for the financial year ended 31 March 2006, the committee was not able to execute all of its duties and responsibilities as set out in its approved terms of reference because it only commenced with its functions late during the year under review.

During the year under review the internal audit unit was comprised of one official. The annual internal audit plan was not approved by the audit committee and only ad hoc special investigations were performed by the internal audit unit. Consequently, limited reliance could be placed on the work performed by the internal audit unit to reduce the scope of the external audit procedures.

5.2 Financial management

During the audit, shortcomings in the documented system of internal monitoring and control were identified. The most significant deficiencies were in respect of leave administration, salary advances, bonuses, overtime and expenditure management. Several of the control weaknesses identified resulted from the fact that the relevant policies were not always adhered to or did not specifically address the performance of independent reviews by a senior official.

5.3 Limitation of scope

5.3.1 Reported information relating to the performance against predetermined objectives

As at 30 June 2006 the annual report of the Free State Legislature had not been submitted for the purpose of auditing the performance information.

This places a limitation on the scope of the audit as it was not possible to assess the accuracy, completeness and validity of the performance information as required by section 20(2)(c) of the Public Audit Act, 2004.

5.4 Matters in the public interest

5.4.1 Declaration of financial interests

The Code of Conduct and Ethics for Members of the Free State Provincial Legislature (Schedule One to the Standing Rules and Orders) requires that members of the Free State Legislature declare all financial interests to the legislature. It was noted that four members and two former members failed to disclose all their financial interests. However, the Free State Legislature did not enter into any transactions with the relevant entities during the year under review.

6. APPRECIATION

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

Auditor-General

Pretoria

17 July 2006



AUDITOR - GENERAL

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2006**

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the 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) applicable to the Free State Legislature

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Annual Financial Statements have been prepared on the 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 recognized when cash is received or paid or when the final authorization for payment is effected on the system (by no later than 31 March of each year)

1.1.1 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Legislature.

1.1.2 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.1.3 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognized in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process and recognized in the financial records on the date the adjustments become effective.

Voted funds are the amounts appropriated to the Legislature in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended appropriated funds are, in terms of Section 22 of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999), applied and accounted for.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are not surrendered to the National/ provincial Revenue Fund, in terms of section 22 of the Public Finance Management Act(Act 1 of 1999 as amended by Act 29 of 1999) These unexpended funds form part of retained funds in the annual financial statements.

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2006**

2.2 Departmental Revenue

Departmental revenue is not paid in to the National/ Provincial Revenue Fund when received. Departmental revenue is first utilized to fund overspending on appropriated funds, with the approval of the Speaker. Surplus departmental revenue is transferred to retained funds.

2.2.1 Sale of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognized in the statement of financial performance when received.

2.2.2 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the Legislature. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.3 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when cash is received.

2.2.4 Sale of capital assets

The proceeds received on sale of capital assets are recognized in the statement of financial performance when the cash is received..

2.2.5 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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

2.2.6 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the Legislature's account and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

The Legislature Support Programme (LSP), a donor aid programme of the European Union, continued its support for the 2005/2006 financial year. All in-kind foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2006**

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognized as an expense in the statement of financial performance when the final authorization for payment is effected on the system (by no later than 31 March of each year).

All other payments are classified as current expenses.

Social contributions include the entities contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognized as an expense in the statement of financial performance when the final authorization for payment is effected on the system.

3.1.1 Short-term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave) , thirteen cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorization for the payment is effected on the system by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits and other post employment benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognized as an expense in the statement of financial performance as a transfer when the final authorization for payment is effected on the system (by no later than 31 March of each year)

3.1.2.2 Post employment retirement benefits

The Legislature provides retirement benefits for its permanent employees and members through defined benefit and defined contribution plans. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorization for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the Annual Financial Statements of the Legislature.

The Legislature provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorization for payment to the fund is effected on the system (by no later than 31 March of each year)

3.2 Goods and services

Payments made for goods and/or services are recognized as an expense in the Statement of Financial Performance when the final authorization for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written –off are limited to the

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2006**

amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognized when authorization has been granted for the recognition thereof.

3.4 Unauthorised expenditure

When discovered unauthorized expenditure is recognized as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognized in the statement of financial performance when the unauthorized expenditure is approved and the related funds are received. When the amount is approved without funding it is recognized as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.5 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.6 Irregular expenditure

Irregular expenditure is recognized as expenditure in the statement of financial performance. If the expenditure is condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.7 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system by no later than 31 March of each year).

3.8 Expenditure for capital assets

Payments made for capital assets are recognized as an expense in the statement of financial performance when the final authorization for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held other short –term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognized in the statement of financial position when the payments are made.

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2006**

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.5 Loans

Loans are recognized in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.6 Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

4.7 Asset Register

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the Annual Financial Statements under the modified cash basis of accounting. The opening balance reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognized at historical cost in the statements of financial position.

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2006**

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognized in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorization for payment has not been effected on the system.

Accruals are not recognized in the statement of financial performance but are included in the disclosure notes.

5.4 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 legislature; 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 included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognized in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalization reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognized in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/ Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

**FREE STATE LEGISLATURE
VOTE 2**

**ACCOUNTING POLICIES
for the year ended 31 March 2006**

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

6.3 Retained Funds

In terms of section 22 of the Public Finance Management Act (No.1 of 1999), unexpended funds form part of retained funds in the Annual Financial Statements.

7. Related party transactions

Related parties are other entities that either control or are controlled by or significantly influence or are significantly influenced by the Legislature in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Legislature.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

**FREE STATE LEGISLATURE
VOTE 2**

**APPROPRIATION STATEMENT
for the year ended 31 March 2006**

Appropriation per programme									
		2005/06						2004/05	
	Adjusted Appropriation R'000	Shifting of Funds R'000	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. Programme 1									
Current payment	41,355	1,999	-	43,354	43,837	-483	101.1%	50,804	50,890
Transfers and subsidies	11,913	-487	-	11,426	11,439	-13	100.1%	8,088	8,330
Payment for capital assets	1,822	-1063	-	759	744	15	98.0%	3,072	3,003
.....									
Subtotal	55,090	449	-	55,539	56,020	-481	100.9%	61,964	62,223
Statutory Appropriation									
Current payment	11,106	-449	-	10,657	10,657	-	100.0%	-	-
TOTAL	66,196	-	-	66,196	66,677	-	-	61,964	62,223
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding									
Departmental receipts				561				548	
Local and foreign aid assistance received									
Actual amounts per Statements of Financial Performance (Total revenue)				66,757				62,512	
Add:									
Local and foreign aid assistance									
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure authorised									
Actual amounts per Statements of Financial Performance (Total expenditure)					66,677				62,223

**FREE STATE LEGISLATURE
VOTE 2**

**APPROPRIATION STATEMENT
for the year ended 31 March 2006**

Appropriation per economic classification									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure 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 payment									
Compensation of employees	24,013	2,210	-	26,223	26,739	-516	102.0%	37,010	34,995
Goods and services	17,342	-211	-	17,131	17,098	33	99.8%	13,794	15,895
Transfers and subsidies to:									
Universities and technikons	-	17	-	17	17	-	100.0%	-	-
Public corporations and private enterprises	-	32	-	32	32	-	100.0%	-	42
Non-profit institutions	11913	-659	-	11,254	11,266	-12	100.1%	8,088	8267
Households	-	123	-	123	124	-1	100.8%	-	21
Payment for capital assets									
Machinery and equipment	1,314	-555	-	759	744	15	98%	3,072	2,938
Biological or cultivated assets									
Software and other intangible assets	508	-508	-	-	-	-	-	-	65
Land and subsoil assets									
Total	55,090	449		55,539	56,020	(481)	100.9%	61,964	62,223

Statutory Appropriation									
	2005/06							2004/05	
Details of direct charges against the National/Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
List all direct charges against the Revenue Fund									
Members of executive committee/parliamentary officers	11,106	(449)		10,657	10,657		100%		
Total	11,106	(449)		10,657	10,657		100%		

**FREE STATE LEGISLATURE
VOTE 2**

**DETAIL PER PROGRAMME
for the year ended 31 March 2006**

	2005/06							2004/05	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure 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 Subprogramme 1									
Current payment	41,355	1,999	-	43,354	43,837	-483	101.1%	50,804	50,890
Transfers and subsidies	11,913	-487	-	11,426	11,439	-13	100.1%	8,088	8,330
Payment for capital assets	1,822	-1063	-	759	744	15	98.0%	3,072	3,003
TOTAL	55,090	449	-	55,539	56,050	-481	100.9%	61,964	62,223

	2005/06							2004/05	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure 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 payment									
Compensation of employees	24,013	2,210	-	26,223	26,739	-516	102.0%	37,010	34,995
Goods and services	17,342	-211	-	17,131	17,098	33	99.8%	13,794	15,895
Transfers and Subsidies									
Universities & Technikons	-	17	-	17	17	-	100%	-	
Public corporations & private Enterprises	-	-	-	32	32				42
Non-profit institutions	11,913	-659	-	11,254	11,266	-12	100.1%	8,088	8,267
Households	-	123	-	123	124	-1	100.8%		21
Payment for capital assets									
Machinery and equipment	1,314	-555	-	759	744	15	98.0%	3,072	2,938
Software and other intangible assets	508	-508	-						65
Total	55,090	449	-	55,539	56,020	-481	100.9%	61,964	62,223

**FREE STATE LEGISLATURE
VOTE 2**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2006**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (H,I,K,L) 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. Explanations of material variances from Amounts Voted (after Virement):

3.1 Per Programme	Voted Funds after virement	Actual Expenditure	R'000	%
Administration	66,196	66,677	(481)	0.72%

3.2 Per Economic classification	2005/06 R'000	2004/05 R'000
Current payment:		
Compensation of employees	37,396	34,995
Goods and services	17,098	15,895

The increase in compensation in both management and staff categories resulted in a 2% overspending. The under spending of 0.2% under Goods & Services can be attributed to accruals.

Transfers and subsidies:

Universities and Technikons	17	-
Public corporations and private enterprises	32	42
Non-profit institutions	11,266	8,267
Households	124	21

The shifting of funds has been necessitated by an increase in the number of social donations awarded by the Legislature as well as an adjustment in transfers towards non-profit institutions.

Payments for capital assets:

Machinery and equipment	744	2,938
Biological or cultivated assets		
Software and other intangible assets	-	65

The under spending can be attributed to capital acquisitions which could not be concluded during the reported period.

**FREE STATE LEGISLATURE
VOTE 2**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	55,539	61,964
Statutory appropriation	2	10,657	-
Departmental revenue	3	561	548
TOTAL REVENUE		66,757	62,512
EXPENDITURE			
Current expenditure			
Compensation of employees	4	37,396	34,995
Goods and services	5	17,098	15,895
Total current expenditure		54,494	50,890
Transfers and subsidies	6	11,439	8,330
Expenditure for capital assets			
Machinery and Equipment	7	744	2,938
Software and other intangible assets	7		65
Total expenditure for capital assets		744	3,003
TOTAL EXPENDITURE		66,677	62,223
SURPLUS/(DEFICIT)		80	289
Add back unauthorised expenditure		-	-
Add back fruitless and wasteful expenditure		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		80	289
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	12.2	(481)	(259)
Departmental Revenue	13	561	548
SURPLUS/(DEFICIT) FOR THE YEAR		80	289

**FREE STATE LEGISLATURE
VOTE 2**

**STATEMENT OF FINANCIAL POSITION
at 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		714	647
Cash and cash equivalents	8	465	270
Other financial assets	9	-	63
Prepayments and advances	10	80	81
Receivables	11	169	233
		<hr/>	<hr/>
TOTAL ASSETS		<hr/> 714 <hr/>	<hr/> 647 <hr/>
LIABILITIES			
Current liabilities		10	61
Voted funds to be surrendered to the Revenue Fund	12.1	-	-
Payables	14	10	61
		<hr/>	<hr/>
TOTAL LIABILITIES		<hr/> 10 <hr/>	<hr/> 61 <hr/>
NET ASSETS		<hr/> 704 <hr/>	<hr/> 586 <hr/>
Represented by:			
Recoverable Revenue		38	-
Retained Funds		666	586
		<hr/>	<hr/>
TOTAL		<hr/> 704 <hr/>	<hr/> 586 <hr/>

**FREE STATE LEGISLATURE
VOTE 2**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Recoverable revenue		-	-
Opening balance			
Transfers			
Debts raised		37	-
Closing balance		<u>37</u>	<u>-</u>
Retained funds			
Opening balance		586	297
Transfer from Statement of Financial Performance		561	548
Utilised during the year		(481)	(259)
Closing balance		<u>666</u>	<u>586</u>
 TOTAL		 <u>703</u>	 <u>586</u>

The prior year balances and amount have been restated so as to accurately reflect the accounting treatment and disclosure in accordance with the accounting policies of the Free State Legislature for retained funds, surplus appropriated funds and departmental revenue.

**FREE STATE LEGISLATURE
VOTE 2**

**CASH FLOW STATEMENT
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Annual appropriated funds received	1.1	55,539	61,964
Statutory appropriated funds received		10,657	-
Departmental revenue received		303	548
		<u>66,499</u>	<u>62,512</u>
Net (increase)/decrease in working capital		77	(90)
Surrendered to Revenue Fund		-	(378)
Current payments		(54,494)	(50,890)
Transfers and subsidies paid		(11,439)	(8,330)
Net cash flow available from operating activities	15	<u>643</u>	<u>2,824</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(744)	(3,003)
Proceeds from sale of capital assets	3.3	258	-
Net cash flows from investing activities		<u>(486)</u>	<u>(3003)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		37	-
Net cash flows from financing activities		<u>37</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		195	(179)
Cash and cash equivalents at the beginning of the period		270	449
Cash and cash equivalents at end of the period	8	<u>465</u>	<u>270</u>

FREE STATE LEGISLATURE
VOTE 2
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

1. Annual Appropriation

- 1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share).**

	Final Appropriation	Actual Funds Received	Variance over/(under)	Total Appropriation 2004/05
	R'000	R'000	R'000	R'000
Administration	55,539	55,539	-	61,964
Total	55,539	55,539	-	61,964

2. Statutory Appropriation

	2005/06	2004/05
Member of executive committee/parliamentary officers	10,657	-
	10,657	-

3. Departmental revenue

	<i>Notes</i>	2005/06	2004/05
Tax revenue			
Sales of goods and services other than capital assets	3.1	47	142
Fines, penalties and forfeits		8	-
Interest, dividends and rent on land	3.2	233	261
Sales of capital assets	3.3	258	-
Financial transactions in assets and liabilities	3.4	2	135
Transfer received	3.5	13	10
Total revenue collected		561	548
Less: Departmental Revenue Budgeted			
Departmental revenue collected		561	548

3.1 Sales of goods and services other than capital assets

	2005/06	2004/05
Other sales	45	
Sales of scrap, waste and other used goods	2	142
Total	47	142

3.2 Interest, dividends and rent on land

	2005/06	2004/05
Interest	233	261
Total	233	261

FREE STATE LEGISLATURE
VOTE 2
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

3.3 Proceeds from sale of capital assets

	2005/06	2004/05
Other capital assets	258	-
Total	<u>258</u>	<u>-</u>

3.4 Financial transactions in assets and liabilities
Nature of loss recovered

	2005/06	2004/05
Receivables	-	20
Other Receipts including Recoverable	2	115
Total	<u>2</u>	<u>135</u>

3.5 Transfers received

	2005/06	2004/05
Universities and technikons	10	10
Public corporations and private enterprises	3	-
Total	<u>13</u>	<u>10</u>

4. Compensation of employees

4.1 Salaries and Wages

	2005/06	2004/05
	R'000	R'000
Basic salary	24,528	22,866
Service Based	51	495
Compensative/circumstantial	1,152	852
Other non-pensionable allowances	5,987	5,546
	<u>31,718</u>	<u>29,759</u>

4.2 Social contributions

	2005/06	2004/05
	R'000	R'000
Pension	4,074	3,802
Medical	1,604	1,434

Total compensation of employees	<u>37,396</u>	<u>34,995</u>
Average number of employees	172	187

FREE STATE LEGISLATURE
VOTE 2
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

5. Goods and services

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Advertising		237	217
Bank charges and card fees		28	47
Bursaries (employees)		98	166
Communication		1,321	1,595
Computer Services		50	-
Consultants, contractors and special services		570	1,365
Courier and delivery services		46	46
Entertainment		1,194	2,029
External audit fees	5.1	958	632
Equipment less than R5000		386	2
Inventory	5.2	770	543
Legal fees		50	28
Maintenance, repairs and running cost		110	7
Operating leases		-	543
Photographic Services		76	-
Plant flowers and other decorations		94	19
Printing and publications		339	367
Professional bodies and membership fees		330	137
Resettlement cost		13	160
Subscriptions		436	332
Owned leasehold property expenditure		5,857	4,248
Translations and transcriptions		14	50
Transport provided as part of the departmental activities		96	173
Travel and subsistence	5.3	3,531	2,776
Venues and facilities		151	21
Protective, special clothing & uniforms		57	53
Training & staff development		286	339
		<hr/> 17,098	<hr/> 15,895

	2005/06 R'000	2004/05 R'000
5.1 External audit fees		
Regularity audits	958	632
Total external audit fees	<hr/> 958	<hr/> 632

	2005/06 R'000	2004/05 R'000
5.2 Inventory (purchased during the year)		
Other inventory	5	-
Domestic consumables	52	39
Learning and teaching support material	-	73
Food and Food supplies	72	63
Fuel, oil and gas	198	197
Stationery and printing	442	167
Medical supplies	1	4
	<hr/> 770	<hr/> 543

FREE STATE LEGISLATURE
VOTE 2
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	2005/06 R'000	2004/05 R'000
5.3 Travel and subsistence		
Local	2,774	1,965
Foreign	757	811
Total travel and subsistence	<u>3,531</u>	<u>2,776</u>

		2005/06 R'000	2004/05 R'000
6. Transfers and subsidies			
	Notes		
Universities & Technikons	<i>Annexure 1H</i>	17	-
Public corporations and private enterprises	<i>Annexure 1I</i>	32	42
Households	<i>Annexure 1L</i>	124	21
Non-profit institutions	<i>Annexure 1K</i>	11266	8,267
		<u>11439</u>	<u>8,330</u>

		2005/06 R'000	2004/05 R'000
7. Expenditure for capital assets			
Machinery and equipment	<i>Annex 4</i>	744	2,938
Software and other intangible assets	<i>Annex 5</i>		65
Total		<u>744</u>	<u>3,003</u>

	2005/06 R'000	2004/05 R'000
8. Cash and cash equivalents		
Cash on hand	5	4
Cash with commercial banks	460	266
Cash in transit	-	-
Total	<u>465</u>	<u>270</u>

	2005/06 R'000	2004/05 R'000
9 Other financial assets		
Current		
Stock on Hand	-	63
Total	-	63

FREE STATE LEGISLATURE
VOTE 2
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

				2005/06 R'000	2004/05 R'000
10	Prepayments and advances				
	Staff advances			14	81
	Travel and subsistence			66	-
	Total			80	81
11.	Receivables			2005/06 R'000	2004/05 R'000
		Less than one year	One to three years	Older than three years	
				Total	Total
	Households and non profit institutions	11.1	65	65	-
	Private Enterprises	11.2	7	29	36
	Staff debtors	11.3	17	17	114
	Other debtors	11.4	49	2	51
	Total		56	113	169
				233	
11.1	Households and non- profit institutions			2005/06 R'000	2004/05 R'000
	ANC Political Party			65	-
	Total			65	-
11.2	Private Enterprises				
	Supplier Disallowance			36	-
	Total			36	-
11.3	Staff Debtors				
	Salary Disallowance Account			17	114
	Total			17	114
11.4	Other Debtors				
	Clearing Accounts			13	42
	Other Debtors			38	77
	Total			51	119

	2005/06	2004/05
	R'000	R'000
12. Voted funds		

Opening balance	-	378
Transfer from Statement of Financial Performance	-	-
Paid during the year		(378)
Closing balance	-	-

	-	-
Opening balance		
Transfer from Statement of Financial Performance	(481)	(259)
Transfer from Departmental Revenue to defray excess expenditure	481	259
Closing Balance	-	-

	2005/06	2004/05
Departmental revenue to be surrendered to Retained Funds	R'000	R'000
Opening balance	586	297
Transfer from Statement of Financial Performance	561	548
Transfer to Voted Funds to defray excess expenditure	(481)	(259)
Closing balance	666	586

				2005/06	2004/05
	Notes	30 Days	30+ Days	Total	Total
Amounts owing to other departments	Annex 7	-	-	-	1
Clearing accounts	14.1	-	10	10	58
Other payables	14.2	-	-	-	2
			10	10	61

Salary Deduction account	9	22
Receipt Suspense	1	36
	10	58
Other payables		
Staff	-	2
	<u>-</u>	<u>2</u>

05/06	2004/05
'000	R'000
9	22
1	36
10	58
-	2
<u>-</u>	<u>2</u>

FREE STATE LEGISLATURE
VOTE 2
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

15. Net cashflow available from activities	2005/06 R'000	2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance	80	289
(Increase)/decrease in receivables-current	65	(15)
(Increase)/decrease in prepayments and advances	1	88
(Increase)/decrease in other current assets	63	(63)
Increase/(decrease) in payables-current	(51)	(100)
Proceeds from sale of capital assets	(258)	-
Surrenders to revenue fund	-	(378)
Expenditure on capital assets	744	3003
Net cash flow generated by operating activities	644	2,824

FREE STATE LEGISLATURE
VOTE 2
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

		<i>Note</i>	2005/06 R'000	2004/05 R'000
16. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 3A</i>	545	546
			<u>545</u>	<u>546</u>

Restatement of previous year's closing balance. Corrected for the current financial year.

17. Accruals			2005/06 R'000	2004/05 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	727	679	1406	368
Machinery and equipment	-	-		28
	<u>727</u>	<u>679</u>	<u>1,406</u>	<u>396</u>
Listed by programme level				
Administration			<u>1,406</u>	<u>396</u>
Confirmed balances with other departments		<i>Annex 7</i>	-	1
			<u>-</u>	<u>1</u>
			2005/06 R'000	2004/05 R'000

18. Employee benefits				
Leave entitlement			1,072	554
Thirteenth cheque			800	1,229
Capped leave commitments			-	356
			<u>1,872</u>	<u>2,139</u>

FREE STATE LEGISLATURE
VOTE 2
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

			2005/06	2004/05
19.	Lease Commitments		R'000	R'000
19.1	Operating leases	Buildings and other fixed structures Machinery and equipment	Total	Total
	Not later than 1 year	633 707	1,340	1,670
	Later than 1 year and not later than 5 years	- 230	230	3,752
	Later than five years	- -	-	-
		633 937	1,570	5,422

		2005/06 R'000	2004/05 R'000
20.	Irregular expenditure		
20.1	Reconciliation of irregular expenditure		
	Opening balance	-	-
	Irregular expenditure – current year	-	-
	Irregular expenditure awaiting condonement	<u>37</u>	<u>-</u>
		<u>37</u>	<u>-</u>

Identified in the current financial year 2005/06 , relates to expenditure in the 2004/05 financial year

		2005/06 R'000	2004/05 R'000
	Analysis		
	Current	-	-
	Prior years	<u>37</u>	<u>-</u>
		<u>37</u>	<u>-</u>

20.2 Irregular expenditure

Incident	Disiplinary steps taken/ criminal proceedings	
Non-Disclosure of interest	Disciplinary action led to dismissal	<u>37</u>
Total		<u>37</u>

21. Related party transactions

There are no related parties or related party transactions for the current year and prior year.

FREE STATE LEGISLATURE
VOTE 2
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

22. Key management personnel

	2005/06	2004/05
Speaker to the Legislature		
Short term benefits	717	688
Post employment benefit	90	88
Secretary to the Legislature		
Short term benefits	752	783
Post employment benefit	83	80
Deputy Secretary (2)		
Short term benefits	1303	1214
Post employment benefit	144	127
Chief Finance Officer		
Short term benefits	606	648
Post employment benefit	68	65
Legal Advisor		
Short term benefits	537	447
Post employment benefit	60	47
	4,360	4,187

**FREE STATE LEGISLATURE
VOTE 2**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

**ANNEXURE 1H
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferr ed	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University Free State	17			17	17		100%	
	17			17	17		100%	

**FREE STATE LEGISLATURE
VOTE 2**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

ANNEXURE 11

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Sportvendo	31				31	100%		31	29
Matjabeng Mun Golf Event									8
SAFA Soccer Bid									5
Spoornet Soccer Day	1				1	100%		1	
TOTAL	32				32			32	42

**FREE STATE LEGISLATURE
VOTE 2**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

**ANNEXURE 1K
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS**

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Availabl e	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Political Parties	11,207			11,207	11,196	99.9%	8,182
10 year Democracy: school Project							46
Sahisizwe Golf day							15
Winburg Aids Support Group							15
QwaQwa old age & orphanage home							9
Letsemeng PP Project	30			30	30	100%	
Progressive HIV Consortium	20			20	20	100%	
Rheka Khona House.	20			20	20	100%	
TOTAL	11,277			11,277	11,266		8,267

**ANNEXURE 1L
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

**FREE STATE LEGISLATURE
VOTE 2**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Ndolo Funeral contribution:							
Deceased estate							5
Basotho Culteral Village							3
Diphake Cultural Group							3
Molete OJ. Golf Donation							5
Late Soekoe Funeral:staff member							5
OD Football	20			20	20	100%	
PJ Jiya : Botshabelo	1			1	1	100%	
Lucas Radebe Breakfast	17			17	17	100%	
Gifts: Members	62			62	62	100%	
Gifts: African Day	4			4	4	100%	
Gifts" Guest Macufe	6			6	6	100%	
Women Farmer of year event	10			10	10	100%	
Liberated Women Event	4			4	4	100%	
Total	124			124	124		21

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VOTE 2**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Received in cash			
KPMG	10 year Democracy; celebrations		1
RMB Properties	Golf day donation		2
ABSA	Golf day donation		7
UFS Rag	Golf day donation	10	
RMB Properties	Golf day donation	3	
Total		13	10

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VOTE 2**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

ANNEXURE 1N

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in kind: Legislature Support Programme	LSP aims to strengthen and deepen democracy and good governance with the Legislative sector in SA for the benefit of all citizens		788	788	-
Total		-	788	788	-

The approved LSP budget allocated was R1,333. Expenditure was 788.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

ANNEXURE 10

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE
FOR THE YEAR ENDED 31 MARCH 2006**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2005/06	2004/05
	R'000	R'000
Paid in cash		
10year Democracy School Project		46
Sakhisizwe Golf day Donation		15
Winburg Aids Support Group		15
Ndlondlo funeral: Late Lehalrhale		5
Basotho Cultural Village		3
Diphakwe Cultural Group		3
Sportvendo: Sponsorship Medihelp Business Run	31	29
Molete OJ: Golf Donation		5
Mathjabeng Municipality: Golf Event		8
SAFA: Soccer Bid gala Event		5
Late Soekoe: Funeral Donation		5
Qwa Qwa old age & Orphan Home		9
OD Football Districy Association	20	
PJ iya Botshabelo	1	
Letsemeng Donation: PP Project	30	
Soccer Donation Spoorinet	1	
Lucas Radebe Breakfast Table	17	
UFS : Rag Donation	17	
Progressive HIV Consortium	20	
Rheka Khona House	20	
	157	148

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

ANNEXURE 10 (cont.)

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE
FOR THE YEAR ENDED 31 MARCH 2006**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2005/06	2004/05
	R'000	R'000
Made in Kind		
Gifts: African Day Celebration	4	
Gifts: Members closing function	20	
Gifts: Members official opening	4	
Women Farmer of the year event	10	
Liberated woman event	4	
Gifts: year end function members	36	
Gifts: Speaker/ Deputy Speaker	2	
Gifts: guest of speaker, Macufe	6	
	<u>86</u>	<u>-</u>
TOTAL	<u>243</u>	<u>148</u>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

**ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/ cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing							
ABSA			173		32		141	
FDC			131	32			163	
FNB			67				67	
NBS			16				16	
Nedbank			27		27		-	
PERM			38				38	
Saambou			14				14	
Standard Bank			46	26			72	
Trustgro			34				34	
Total			546	58	59		545	

Restatement of previous year closing balance. Corrected for current financial year.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

ANNEXURE 4

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,783	744	589	2,938
Transport assets	1,577	232	589	1,220
Computer equipment	739	345	-	1,084
Furniture and office equipment	373	167	-	540
Other machinery and equipment	94	-	-	94
TOTAL CAPITAL ASSETS	2,783	744	589	2,938

ANNEXURE 4.1

**ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31
MARCH 2006**

	Cash	In-Kind	Total
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	744	-	744
Transport assets	232	-	232
Computer equipment	345	-	345
Furniture and office equipment	167	-	167
TOTAL CAPITAL ASSETS	744	-	744

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VOTE 2**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

**ANNEXURE 4.2
DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH
2006**

	Carrying Amount	Cash	Profit/(loss) on Disposal
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	589	258	(331)
Transport assets	589	250	(339)
Computer equipment		8	8
Furniture and office equipment	-	-	-
Other machinery and equipment	-	-	-
TOTAL CAPITAL ASSETS	589	258	(331)

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

ANNEXURE 5.3

CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions	Disposals	Total Movement
	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES			
Patents, Copyrights, Brand Names & Trademarks			-
Computer Software	65		65
Masterheads & Publishing Titles			-
Recipes, Formulas, Prototypes, Designs & Models			-
TOTAL	65		65

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2006**

**ANNEXURE 7
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Social		1				1
Development						
Total	-	1	-	-	-	1